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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended June 30, 2014 (January 1, 2014 to June 30, 2014)

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Portfolio Overview

Newly Acquired 20 Hotels

- Greetings from Naoki Fukuda, Executive Director of Invincible Investment Corporation and President & CEO of Consonant Investment Management Co., Ltd.
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It gives me much pleasure to take this opportunity to express my sincere gratitude to all investors of Invincible Investment Corporation (“INV”) for your ongoing support.

We hereby provide you with a report on INV’s financial results and operational condition for the 22nd period (covering the period from January 1, 2014 to June 30, 2014).

First, with respect to the operation of our properties, we completed the change of properties in our portfolio through sale of seven senior housing properties on May 22, 2014 and acquisition of two limited service/extended stay hotels on May 23, 2014. Resulting therefrom, a gain on sales of real estate amounting JPY 1,003 million was recorded, and concurrently, the internal growth capability of the portfolio of properties was enhanced through acquiring the hotel assets with a potential for rent upside in the future.

Additionally, with respect to the operation of the existing properties held, the rent revenue for the period was JPY 2,772 million, increased by JPY 31 million over the previous period due to the rent increase program of residential properties, intensive approach to lower net leasing cost, and promoting the leasing of office and retail properties, and the operating income for the period is, by combining with the above-mentioned JPY 1,003 million of the gain on sales of real properties, JPY 3,775 million, which is an approximately 38% increase over the previous period.

With respect to financial management, on May 23, 2014, we successfully refinanced the existing Prudential LPS Loan (total outstanding balance of JPY 11,000 million with an average interest rate of 2.50% as of the repayment), whose interest rate level was higher in comparison with the other existing loans, through a new syndicate loan (borrowing amount of JPY 13,500 million with an interest rate of 0.98% as of the exercise of the refinancing (Note)) and further reduced the borrowing costs.

Furthermore, on June 23, 2014, we resolved to conduct (i) a public offering by way of global offering, (ii) new refinancing (borrowing amount of JPY 57,300 million with an interest rate of 0.98% as of the exercise of the refinancing (Note)) and (iii) acquisition of 18 limited service hotels using the proceeds from financing (acquisition cost of JPY 39.9 billion) and formulated specific measures for the periods going forward to increase profitability by increasing assets and further reducing borrowing costs.

Consequently, despite the one-time cost related to the borrowing and equity financing, the net income for the period was JPY 901 million, approximately 1.6 times to the previous period, and the DPU (distribution per unit) was JPY 573, approximately 1.4 times to the previous period.

Furthermore, we expect that the net income for the fiscal period ending December 31, 2014, for which the effect resulting from the property acquisition and refinancing exercised in May and July 2014 will contribute for the full fiscal period, is estimated to be JPY 1,601 million, an increase by JPY 699 million (77.6%) over the current period, and despite the increase in one-time cost related to the equity financing and an increase in number of outstanding units, distribution per unit is estimated to be JPY 600.

We are in another stage of growth through the achievement of the aforementioned global offering, refinancing and acquisition of 20 hotel properties.

Going forward, we will seek further growth of INV and further enhancement of unitholders' value through internal growth by pursuit of rent upside focusing on hotel and residential properties and further increases in occupancy rate, and additional reduction in borrowing costs, as well as through external growth by acquisition of properties focusing on residential and hotel properties deemed as being core assets.

We look forward to receiving the continued support of all of our unitholders.

Naoki Fukuda

Executive Officer, Invincible Investment Corporation

President and Representative Director, Consonant Investment Management Co. Ltd

(Note) 1 month TIBOR + 0.80%. As for the first interest calculation period, 2 months TIBOR + 0.80%.

Fixed Distributions	The 22 nd fiscal period (the fiscal period ended June 2014)	Per investment unit JPY 573
Forecast Distributions	The 23 rd fiscal period (the fiscal period ending December 2014)	Per investment unit JPY 600

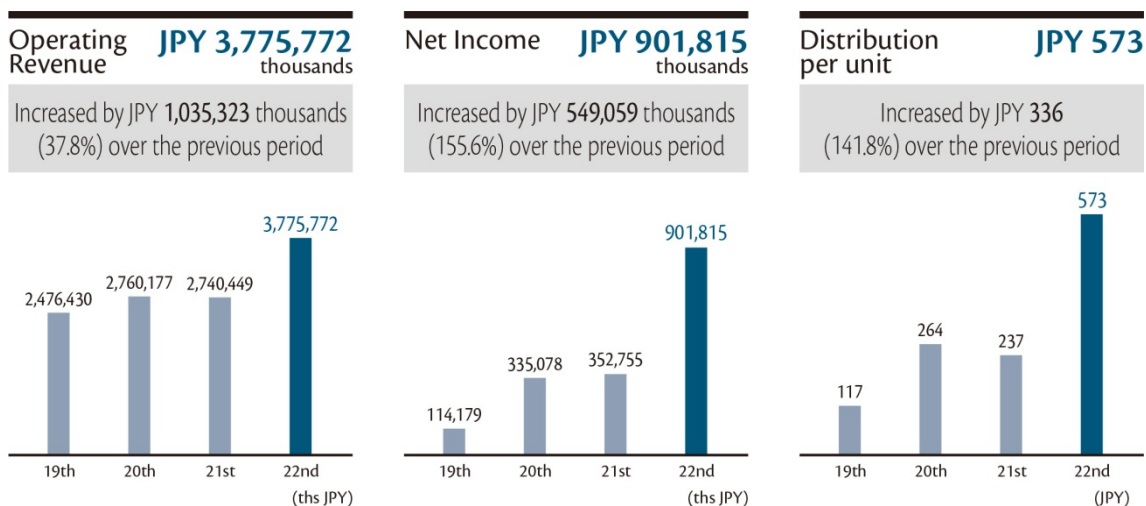
(Note) We are forecasting operating revenues of JPY 4,323 million and net income of JPY 1,601 million for the 23rd fiscal period (the fiscal period ending December 2014).

The forward-looking statements, forecasts and goals mentioned above are based on available information, assumptions and estimates as of August 27, 2014. These assumptions and estimates are unavoidably uncertain, and could be affected by various risks and factors beyond INV's control. Thus, no guarantee can be made regarding the realization of such future forecasts and targets, and actual results may vary significantly.

■ Summary of Financial Results

	Period from July 1, 2012 to December 31, 2012	Period from January 1, 2013 to June 30, 2013	Period from July 1, 2013 to December 31, 2013	Period from January 1, 2014 to June 30, 2014
Operating Revenue (Thousands of yen)	2,476,430	2,760,177	2,740,449	3,775,772
Ordinary Income (Thousands of yen)	114,784	335,683	353,360	902,420
Net Income (Thousands of yen)	114,179	335,078	352,755	901,815
Net Assets (Thousands of yen)	32,670,697	32,848,02	35,844,824	36,373,796
Total Assets (Thousands of yen)	80,200,022	80,249,063	79,176,632	79,261,754
Net Assets per Unit (Yen)	24,231	24,363	22,785	23,121
Net Assets/Total Assets (%)	40.7	40.9	45.3	45.9
Distribution per Unit (Yen)	117	264	237	573
Number of Units Issued (Unit)	1,348,292	1,348,292	1,573,179	1,573,179

(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place. However, “Net Assets per Unit” are rounded to the nearest yen.

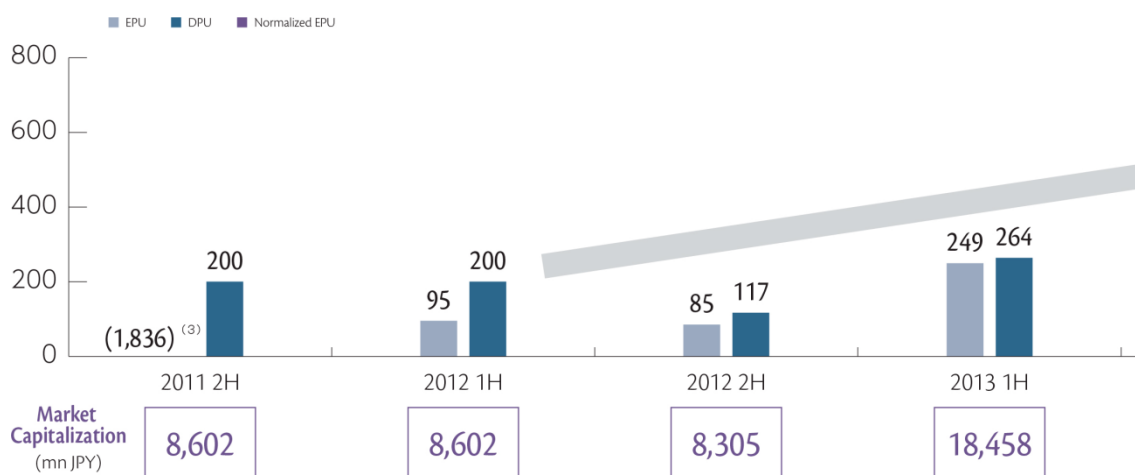


(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

■ Track Record of Value Creation

	Recapitalization	Debt Restructuring
	STEP 1	STEP 2
	July 2011~	December 2013
External Growth	(September 2012) ■ Acquisition of 24 residential properties	
Internal Growth	■ Cost reduction and occupancy increase	■ Commenced rent increase program for residential assets
Finance	(July 2011) ■ Capital infusion from Fortress Group (Third-party allotments and refinance)	<ul style="list-style-type: none"> ■ Early repayment of Shinsei Trust Loan through debt from mega banks, etc. ■ Reduced average interest rate from 3.66% to 1.95% and strengthened the bank formation ■ Third-party allotment of new units mainly to Fortress Group

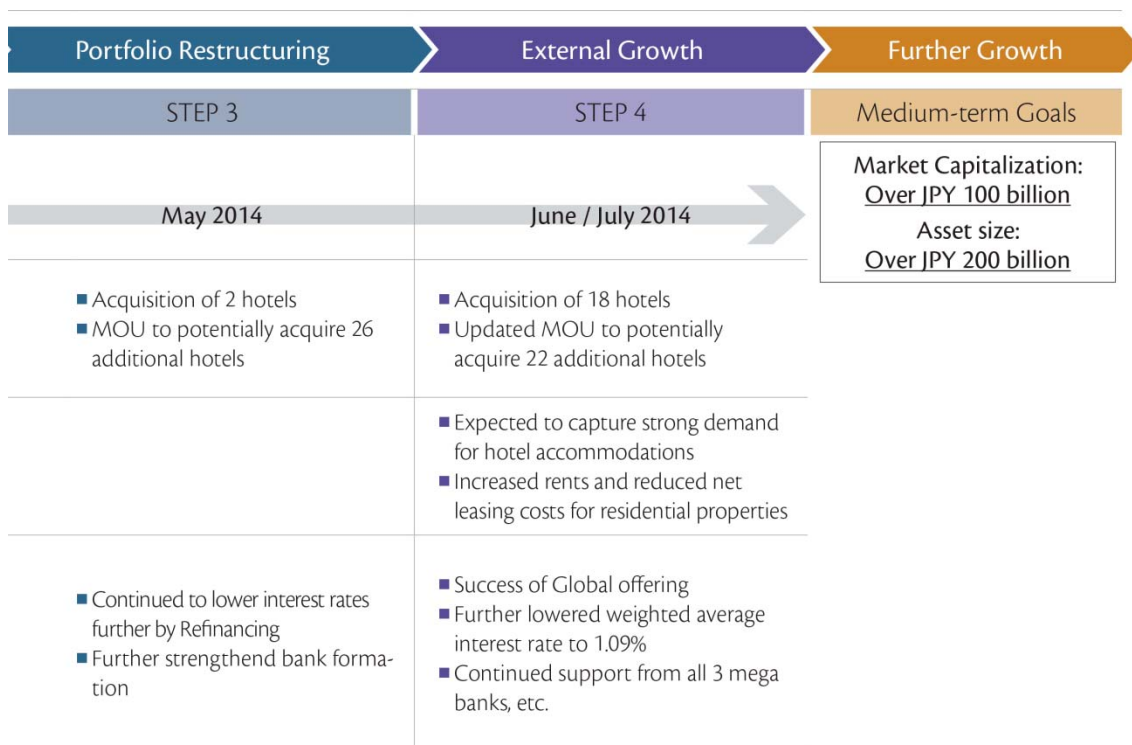
■ Earnings per Unit (EPU) and Distribution per Unit (DPU)



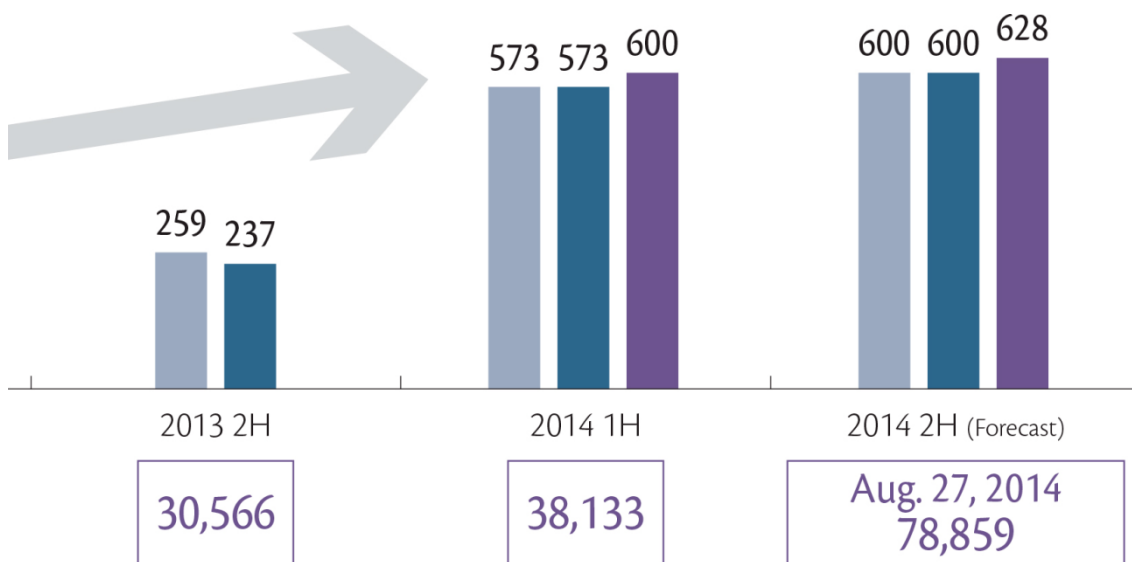
(Note 1) Earnings per unit (EPU) figures calculated using the number of units outstanding at the end of each period.

(Note 2) Stabilized earnings per unit refer to earnings per unit calculated by first assuming the financial results for the fiscal period ending December 2014 and then eliminating the effects of such factors as one-time expenses related to public offering acquisition of properties associated with it and refinancing, and treating all assets acquired during the 22nd fiscal period as if the acquisitions had occurred prior to the start of the fiscal period ending June 2014 (assumed that property taxes and

city planning taxes are expensed from the beginning of the fiscal period ending June 2014).
 (Note 3) As the earnings per unit (EPU) for the fiscal period ending become a loss, only figures are indicated herein.



Market Capitalization:
Over JPY 100 billion
 Asset size:
Over JPY 200 billion



■ **Global Offering of Investment Units (Implemented on July 17, 2014)**

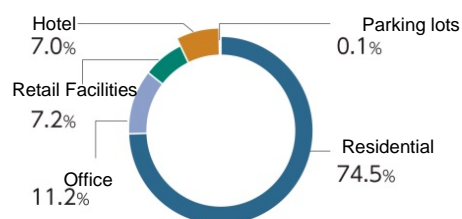
■ **Reduction of Borrowing Cost by Repositioning of Portfolio**

Before Follow-On Offering		
Number of properties	73	+
Acquisition price	JPY 77.9bn	+
Appraisal value ⁽¹⁾	JPY 77.2bn	+
NOI Yield ⁽²⁾	5.16% ⁽²⁾	+
NOI Yield after depreciation	3.74%	+

(Note 1) For existing properties, appraisal value as of June 30, 2014; and for 18 hotel properties, newly acquired, appraisal value as of April 30, 2014.

(Note 2) NOI Yield is calculated by dividing the sum of the historical figures of 22nd fiscal period and forecasted figures of 23rd fiscal period by the aggregate acquisition price. Although INV actually recognizes GOP without deduction of hotel expenses for one month after the acquisition of hotels, NOI Yield is calculated assuming the hotel expenses are incurred.

■ **Ratio of hotel properties in portfolio increased (Based on acquisition price)**



■ **Debt Refinancing**

(As of June 30, 2014)		
	Balance (million JPY)	Interest Rate
New Syndicate Loan (B)	13,488	0.95% ⁽³⁾
New Syndicate Loan (A)	17,552	1.65% ⁽⁴⁾
Prudential LPS Loan B	9,960	1.90%
Total/Average Interest Rate	41,000	1.48%

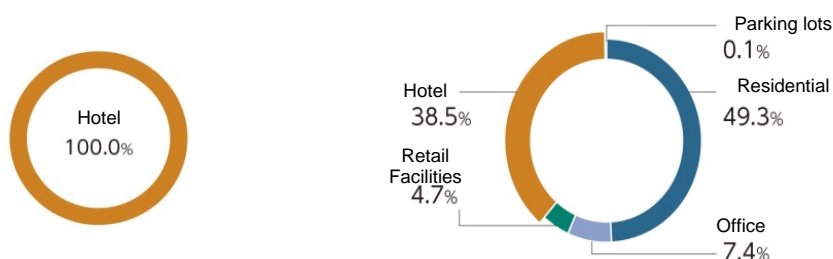
▼

(As of July 31, 2014)		
Loans	Balance (million JPY)	Interest Rate
New Syndicate Loan (C)	57,300	0.98% ⁽³⁾
Prudential LPS Loan B	9,960	1.90%
Total/Average Interest Rate	67,260	1.09%

(Note 3) 1 month TIBOR + 0.80%. As for the first interest calculation period, 2 months TIBOR + 0.80%

(Note 4) 1 month TIBOR + 1.50%. As for the first interest calculation period, 2 months TIBOR + 1.50%

Properties to be Acquired		After Follow-On Offering	
18	=	91	
JPY 39.9bn	=	JPY 117.9bn	
JPY 40.3bn	=	JPY 117.6bn	
6.45% ⁽²⁾	=	5.59% ⁽²⁾	
4.54%	=	4.02%	



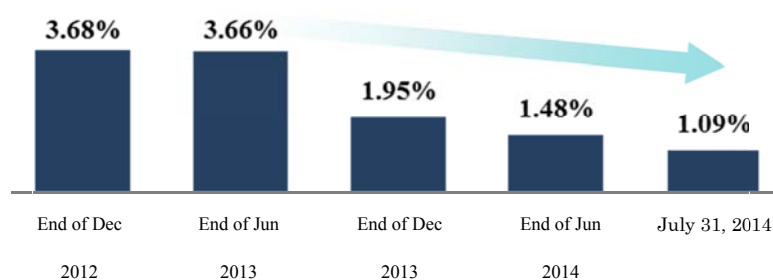
■ Offering Overview

Offering Size (including Overallotment)	<ul style="list-style-type: none"> Approximately JPY 26.4 billion ⁽⁵⁾
Newly Issued and Total Number of Units (including Overallotment)	<ul style="list-style-type: none"> Total: 1,165,658 units ▶ Newly issued units: 1,095,507 units of which, Domestic: 582,829 units Overseas: 512,678 units ▶ Secondary units: 70,151 units
Offering Format	<ul style="list-style-type: none"> Domestic: Public Offering Overseas Offering: 144A/Regulation S
Domestic/International Split	<ul style="list-style-type: none"> 50%:50%
Lock-up Agreements	<ul style="list-style-type: none"> 90 days for the INV 180 days for the sponsors (Calliope Godo Kaisha and Rayo Godo Kaisha)
Joint Global Coordinators	<ul style="list-style-type: none"> SMBC Nikko Securities Inc., and Citigroup Global Markets Japan Inc.

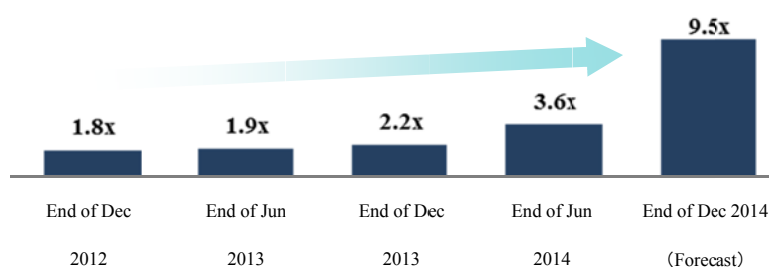
(Note 5) The amount is calculated by multiplying 1,165,658 units, the number of investment units newly issued and the investment units offered (including overallotment secondary offering) by the issue price of JPY 22,688 and differs from the actual amount of proceeds.

Continued effort to reduce financing costs with support from leading Japanese and global banks
and enhancement of INV's ability to achieve further external growth

■ **Average Interest Rate ⁽¹⁾**



■ **DSCR ⁽²⁾**



(Note 1) Average Interest Rate is calculated by the sum of each amount that is obtained by multiplying (i) the outstanding balance of debt as of the end of the fiscal period for each individual borrowing by (ii) the applicable interest rate as of the end of the fiscal period, and thereafter dividing the aggregate amount thereof by (iii) the total outstanding balance of debt.

(Note 2) DSCR is calculated as (Operating Profits + Depreciation) divided by (Scheduled Amortization + Interest Expense).

■ **Sources and Uses of Cash**

(unit: billion JPY)

Use of Proceeds		Financing	
New property acquisition price and costs related to acquisition	41.4	Borrowing	57.3
Repayment of existing borrowings	31.0	Public offering	23.9
Costs related to debt and public offering, etc.	1.3		
Cash on hand and Reservation, etc.	7.3		
Total	81.2	Total	81.2

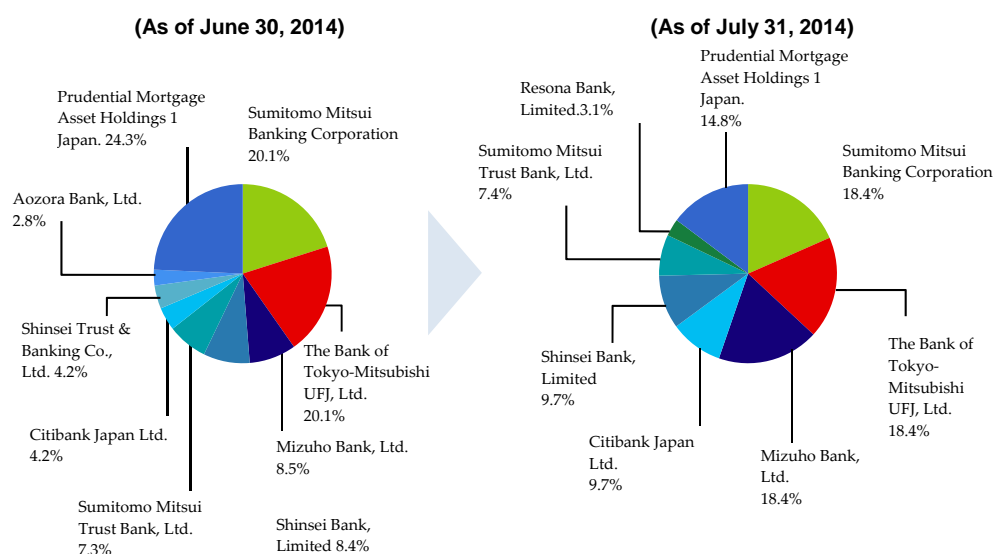
■ **Loan to Value (LTV)**

(unit: billion JPY)

	End of December 2013	End of June 2014	After Implementation of Public Offering and Borrowing
Outstanding Interest Bearing Debt Balance	41.3	41.0	67.2
Total Assets	79.1	79.2	128.1 ⁽³⁾
LTV based on Total Assets	52.2%	51.7%	52.5%

(Note 3) Total assets after the implementation of public offering and borrowing are calculated by adding (i) the acquisition price of 18 properties that were newly acquired as of July 17, 2014, (ii) acquisition costs, and (iii) cash on hand and reservation pertaining to the financing conducted as of July 17, 2014, to (iv) the total assets as of the end of June 2014, on the assumption that there will be no material change [thereafter].

■ Bank Information



■ List of 18 Hotels Newly Acquired

(Acquired as of July 17, 2014)

Usage	Property Number	Property Name	Location (Address)	Leasable Area (㎡)	Number of Guest Rooms	Acquisition Price (millions of yen)	Appraisal Value as of Acquisition (millions of yen)	NOI Yield (Note)	
Hotel	D3	Hotel MyStays Kyoto-Shijo	Kyoyo-shi, Kyoto	7,241.51	224	6,024	6,110	6.16%	
	D4	MyStays Shin-Urayasu Conference Center	Urayasu-shi, Chiba	6,232.30	175	4,930	4,980	6.45%	
	D5	Hotel MyStays Maihama	Urayasu-shi, Chiba	2,456.36	90	4,870	4,920	6.13%	
	D6	Hotel Vista Premio Dojima	Osaka-shi, Osaka	9,445.32	141	3,845	3,900	6.58%	
	D7	Hotel MyStays Nagoya-Sake	Nagoya-shi, Aichi	9,064.71	270	2,958	3,000	6.37%	
	D8	Hotel MyStays Sakaisuji-Honmachi	Osaka-shi, Osaka	4,188.83	190	2,514	2,530	6.69%	
	D9	Hotel MyStays Yokohama	Yokohama-shi, Kanagawa	7,379.43	190	2,199	2,150	7.95%	
	D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	1,719.29	93	1,898	1,910	5.83%	
	D11	Hotel MyStays Fukuoka-Tenjin Minami	Fukuoka-shi, Fukuoka	3,412.71	177	1,570	1,580	7.28%	
	D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	2,953.38	59	1,381	1,390	5.66%	
	D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	1,150.76	72	1,331	1,340	5.57%	
	D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	1,134.52	55	1,242	1,250	5.90%	
	D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	2,539.75	129	1,242	1,250	7.34%	
	D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	2,089.86	104	1,192	1,200	6.75%	
	D17	Hotel MyStays Otemae	Osaka-shi, Osaka	4,956.66	110	1,192	1,200	7.90%	
	D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	2,673.64	55	749	754	6.33%	
	D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	770.56	39	589	593	5.92%	
	D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	391.49	22	283	285	6.06%	
	Total				69,801.08	2,195	39,938	40,342	6.47%

(Note) The “NOI Yield” was obtained by dividing the sum of the actual NOI during the period from July 1, 2013 to June 30, 2014 by the aggregate acquisition price.

■ Information for Unitholders

■ Notification Process for Address Changes

Please notify your brokerage (financial instruments business operator) regarding changes to addresses, names, registered seals, and the like. Unitholders who have special accounts instead of brokerage accounts should contact the transfer account management institution (financial instruments business operator) below.

Unitholders of the pre-merger Investment Corporation (former Tokyo Growth REIT Fund)
Mitsubishi UFJ Trust and Banking Corporation Limited Toll-free Number: 0120-255-100

Unitholders of the former LCP Investment Corporation
Sumitomo Mitsui Trust Bank, Limited Toll-free Number: 0120-782-031

■ Dividends

Unitholders may collect “dividends” by submitting the “Dividends Receipt” at your local Japan Post Bank or at the deposit teller of a post office. In the case that the collection period is past, please specify the collection method on the back of the “Dividends Receipt,” and either mail the receipt to the Transfer Agent Department of the Sumitomo Mitsui Trust Bank, Limited or collect from a branch teller.

(Bank Transfers)

Should you desire to specify bank transfers for future dividends, please notify your brokerage (financial instruments business operator).

(Note) Please collect dividends within 3 years of distribution. Please note that payments cannot be made after 3 years due to the rules and regulations of the Articles of Incorporation of the Investment Corporation.

■ Notification

(Notice of Dividend Payment)

The 2008 amendment of the Special Taxation Measures Law (Act No. 23 of April 30, 2008) mandated the sending to unitholders a “Notice of Dividend Payment” stating the dividend amount, amount of taxes withheld, and the like. If you collect dividends via a “Dividends Receipt,” please

view the “Notice of Dividend Payment” sent alongside it. If you have specified a wire transfer, the “Dividend Statement” delivered with the dividend payment is the “Notice of Dividend Payment.” Both documents may be used as supporting documents when filing income tax returns.

(Characters for Addresses and Names of Unitholders)

With the digitization of investment securities, if there are Chinese characters in your address or names that the Japan Securities Depository Center (JASDEC) has not included in the transfer system, please list in the Investors’ Registry by converting part or all of the characters to those that JASDEC has included in the transfer system or to katakana. Please be aware that correspondence may be addressed using characters that JASDEC has included in the transfer system. Please inquire with your brokerage regarding characters registered for your address and name.

■ **Annual Schedule**



■ **Inquiries**

For inquiries regarding INV: Consonant Investment Management Co., Ltd.

TEL: 03-5411-2731 (Main)

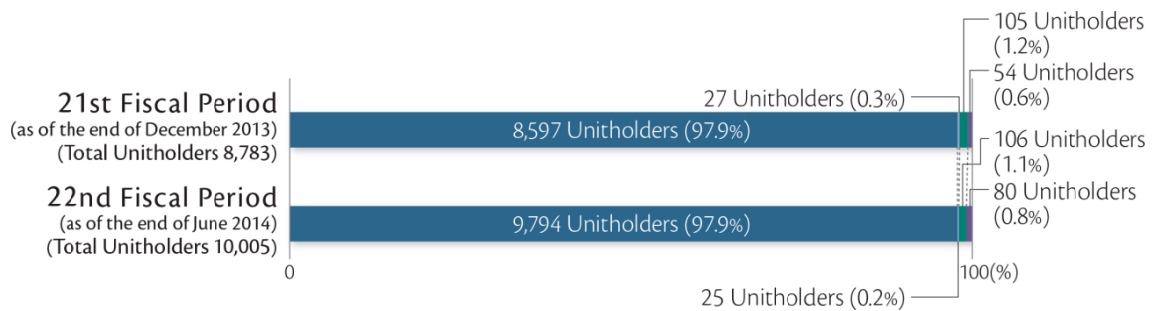
Weekdays 9:30-17:30

■ **Overview of Unitholders/Investment Units**

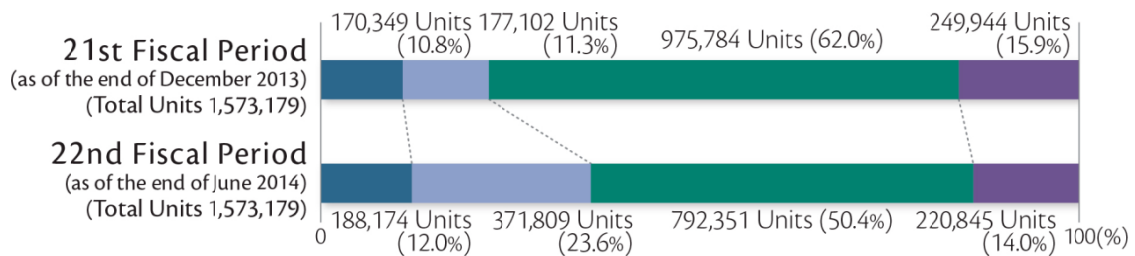
Overview of Unitholders

- Individuals/Other
- Financial institutions (includes brokerages)
- Other domestic institutions
- Foreign investors

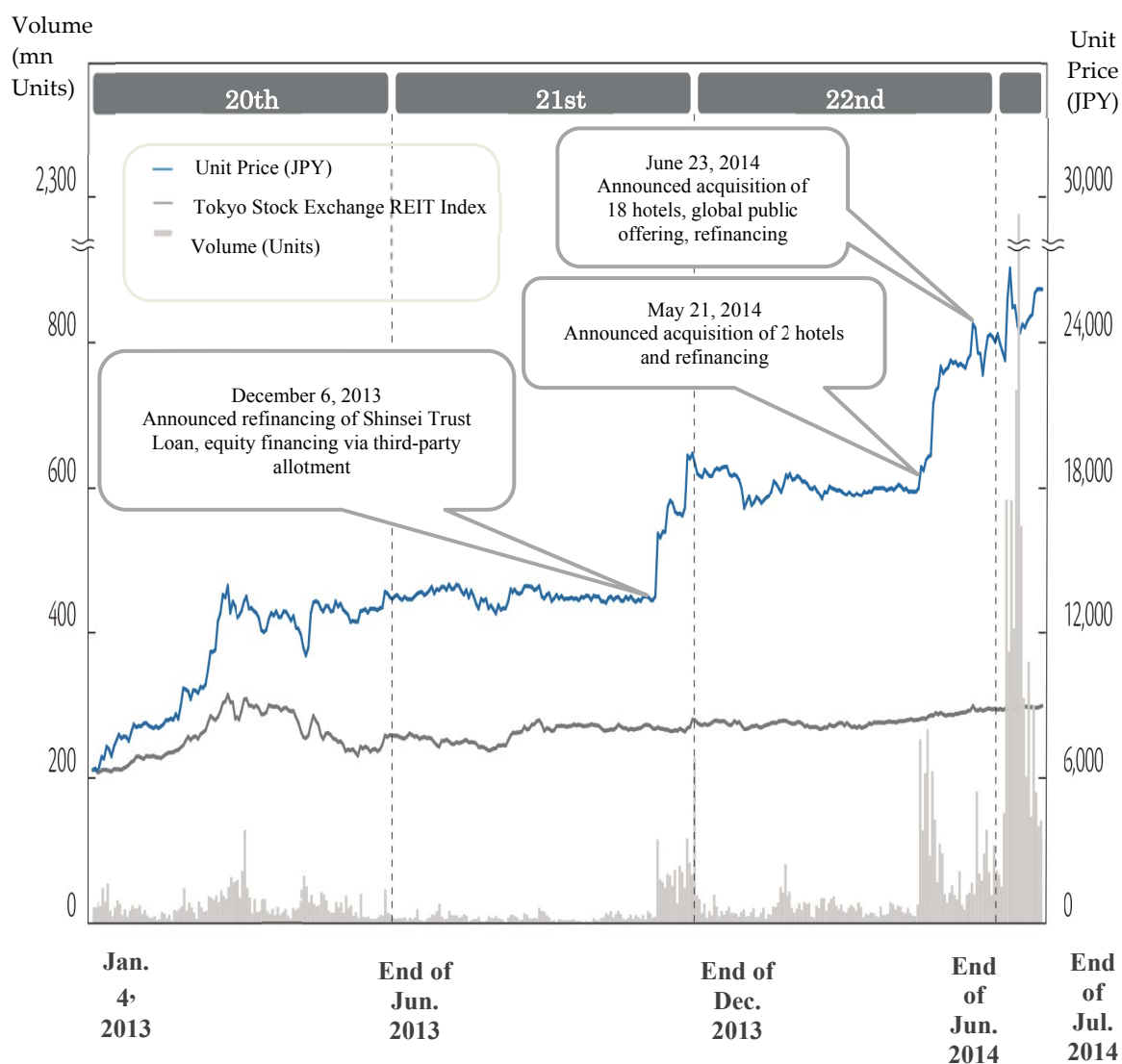
■ **Number of Unitholders by Owner**



■ **Number of Investment Units by Owner**



Historical Unit Price



(Note) Unit prices indicate the closing price on the TSE market. Development of Tokyo Stock Exchange REIT Index indicates on or after January 4, 2013 on the assumption that the closing price of INV's unit price is deemed as identical to the closing price of Tokyo Stock Exchange REIT index as of January 4, 2014.

I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		18th	19th	20th	21st	22nd	
		Fiscal Period	Fiscal Period	Fiscal Period	Fiscal Period	Fiscal Period	
Calculated period		Jan. 1, 2012 to Jun. 30, 2012	Jul. 1, 2012 to Dec. 31, 2012	Jan. 1, 2013 to Jun. 30, 2013	Jul. 1, 2013 to Dec. 31, 2013	Jan. 1, 2014 to Jun. 30, 2014	
Operating Results	Operating revenues	(Note 1) (Thousands of yen)	2,176,839	2,476,430	2,760,177	2,740,449	3,775,772
	(Rental revenues)	(Thousands of yen)	2,176,839	2,476,430	2,760,177	2,740,449	2,772,419
	Operating expenses	(Thousands of yen)	1,282,766	1,392,258	1,528,940	1,474,679	1,541,127
	(Property-related expenses)	(Thousands of yen)	1,024,277	1,156,672	1,295,403	1,261,221	1,281,791
	Operating income	(Thousands of yen)	894,072	1,084,171	1,231,237	1,265,770	2,243,644
	Ordinary income	(Thousands of yen)	125,981	114,784	335,683	353,360	902,420
	Net income	(Thousands of yen)	128,175	114,179	335,078	352,755	901,815
Asset Condition	Total assets	(a) (Thousands of yen)	67,698,887 (0.6)	80,200,022 18.5	80,249,063 0.1	79,176,632 (1.3)	79,261,754 0.1
	(change from last period)	(%)					
	Interest-bearing debt	(Thousands of yen)	31,603,500	43,982,500	43,851,500	41,310,000	41,000,850
	Net assets	(b) (Thousands of yen)	32,826,175 (0.4)	32,670,697 (0.5)	32,848,025 0.5	35,844,824 9.1	36,373,796 1.5
(change from last period)	(%)						
Total contribution	(Thousands of yen)	26,134,396	26,134,396	26,134,396	29,134,389	29,134,389	
Dividend Status	Total distribution	(c) (Thousands of yen)	269,658	157,750	355,949	372,843	901,431
	Dividend payout ratio	(Note 2) (%)	210.5	137.6	106.0	105.7	100.0
Information per Unit	Number of investment units	(d) (Units)	1,348,292	1,348,292	1,348,292	1,573,179	1,573,179
	Issued and outstanding						
	Net assets per unit	(b) / (d) (yen)	24,346	24,231	24,363	22,785	23,121
		(Note 3)					
	Distribution per unit	(c) / (d) (yen)	200	117	264	237	573
(Profit distribution per unit)	(yen)	200	117	264	237	573	
(Excess profit distribution per unit)	(yen)	—	—	—	—	—	
Financial Measures	Return on assets	(Note 4) (%)	0.2	0.2	0.4	0.4	1.1
	(change over year)		0.4	0.3	0.8	0.9	2.3
	Return on equity	(Note 4) (%)	0.4	0.3	1.0	1.0	2.5
(change over year)		0.8	0.7	2.1	2.0	5.0	

Capital ratio	(b) / (a) (%)	48.5	40.7	40.9	45.3	45.9
(change from last period)	(Note 4)(%)	0.1	(7.8)	0.2	4.3	0.6
NOI (Net Operating Income)	(Note 4) (Thousands of yen)	1,564,247	1,800,380	2,008,413	2,006,648	2,018,542

(Note 1) Consumption taxes etc. are not included in operating income.

(Note 2) Dividend payout ratio is calculated by dividing profit distribution by unit by net income that period. However, for the period after the 21st Fiscal Period, it is calculated by dividing the total profit distribution amount by net income.

(Note 3) Distribution by unit is rounded to the nearest unit.

(Note 4) Published benchmarks are calculated as below, and ratios are rounded to one decimal place.

Return on Assets = Ordinary Income / (Total Assets at Start of Reporting Period + Total Assets at End of Reporting Period) / 2 x 100

Return on Equity = Net Income this period / (Net Assets at Start of Reporting Period + Net Assets at End of Reporting Period) / 2 x 100

Capital Ratio = Net Assets at End of Reporting Period / Total Assets at End of Reporting Period x 100

Rental NOI = Rental Revenues – Leasing Costs + Fiscal Period Depreciation Expenses

2 Operating Conditions

(1) Main trends in the Investment Corporation

INV was established in January 2002 based on the Investment Trust and Investment Corporation Act (Law No. 198 of 1951, as amended; hereinafter referred to as the “Investment Trust Act”). In May 2004, INV was listed on the Osaka Securities Exchange (application for delisting was made in August 2007), and in August 2006 it was listed on the Real Estate Investment and Trust Securities Section of the Tokyo Securities Exchange (Ticker Code: 8963).

In addition, a merger (“the Merger”) with LCP Investment Corporation (“LCP”) was implemented on February 1, 2010.

Ever since the commencement of sponsorship from Calliope Godo Kaisha (“Calliope”), an affiliate of Fortress Investment Group LLC (“FIG” and together with Calliope and its other affiliates, the “Fortress Group”) on July 2011, INV has been dedicating itself to the improvement of its properties’ occupancy rates and the reduction of various expenditures by strengthening its asset management capabilities. Furthermore, in September 2012, it newly acquired 24 residential properties without issuing any equity and strived to improve earnings and distributions per unit through the external growth.

Moreover, in December 2013, INV implemented the refinancing of existing borrowings with new

borrowings arranged by Sumitomo Mitsui Banking Corporation (SMBC) and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) and with funds raised via third-party allotment to the Fortress Group, etc. INV realized the improvement of its earnings-generating power as a result of the significant reduction of interest expenses and the strengthening of its lender formation and established the base for the external growth as well as improvement of the financial stability.

During the fiscal period ended June 30, 2014 (the “reporting period”), under the situation of establishing the base for such internal and external growth, INV implemented the exchange of the properties for the purpose of the establishment of the portfolio which might realize both stability and growth of the rent income under the current economic environment, through sale of 7 senior housing properties and acquisition of 2 limited service/extended stay hotels in May 2014. In order to make the funds for the acquisition of such 2 hotels and a prepayment of the existing borrowings in the trust, INV obtained a new loan arranged by three megabanks Sumitomo Mitsui Banking Corporation, The Bank of Tokyo - Mitsubishi UFJ, Ltd. and Mizuho Bank, Ltd. and realized further decreasing of loan costs and strengthening of its lender formation.

Moreover, INV resolved at its Board of Directors held on June 23, 2014 to issue new investment units through the global public offering and the third-party allotment in connection with the overallotment for the global offering (the “Capital Increase”). INV made a decision to acquire additional 18 limited service hotels (Trust Beneficiary Interests in Domestic Real Estates) in July 2014 (the “18 Hotels”) by the funds procured through the global offering and new loan along with the refinancing of the existing syndicated loan (the “Refinancing” and together with the acquisition of the 18 Hotels, the “Transactions”). In addition, in order to endeavor to establish a portfolio which places a strong emphasis on both improved stability and future growth, the Asset Manager made a revision to the Investment Guidelines to the effect of positioning hotels as its Core Assets along with residential properties as of June 23, 2014.

Through the Transactions, INV has realized the expansion of the asset scale and the aggregate market value, the establishment of high-quality portfolio with stability of revenues and upside of the rent and further decreasing the loan costs, and aims to further increase unitholder value through the improvement of the net income and the distribution per unit that have been steadily implemented after the commencement of the sponsorship of Fortress Group.

Please refer to “6 Significant subsequent events” below for the details of the Transactions.

(2) Operational Environment and Performance

During the first quarter of 2014, on the back of the rush demand due to the rise in the consumption tax and strong corporate performance among other things, the actual GDP growth rate achieved positive growth for 6 consecutive quarter period and the economic expansion continued. In and after April 2014, although the reaction of such rush demand produced the decrease, the income environment gradually improved such as that the jobs-to-applicants ratio improved to be 1.1 and the overall unemployment rate improved to be 3.7% in June 2014 and the movement of increase in salary including base salary expanded mainly in large-scale companies, it is expected that moderate upswing would continue for the second half of 2014 due to solid corporate performance and recovery of consumption.

Regarding the real estate investment market, on the back of economic recovery and expectation to get out of deflation, etc., the transaction price rose in large city area, mainly Tokyo. According to the *Japanese Real Estate Investor Survey* (April 2014) by Japan Real Estate Institute, the capitalization rate of investors decreased in respect of each use of offices, residences, retail facilities and hotels, etc., and the investment demand of investors maintained a high standard such as the fact that 92% of the investors responded to positively make a new investment over the next year.

Regarding the property rental market, in the Tokyo metropolitan area and parts of other major cities, the vacancy rate of the office building has bottomed, the floor intensive transfer per corporate group unit has been activated as well as the expansion in leasing space in the same buildings, and in central Tokyo, rents increased for new construction projects and premium properties.

In addition, with respect to the residential sector, which had seen a continuous trend in declining rent after the Lehman shock, the market trend of the rent apparently improved with focusing the inner-city small type properties. The Asset Manager grasped the movement of such recovery of market, and as a result of the advance implementation of measures to increase rent, INV realized the rent increase in respect of 53.3% of the new lease agreements for residential properties (+1.8% increase compared to previous agreement) and the rent increase in respect of 24.9% of the renewed lease agreements for residential properties (+0.8% increase compared to agreements before renewal). In addition, with respect to the net leasing cost (the number of months subject to advertising expenses + the number of months subject to free rent – the number of months for key money), INV reduced an average of 0.87 month per new lease agreement, the year-on-year 0.03 month decrease and -0.41 month decrease compared to budget.

With respect to the hotels newly positioned as the Core Assets, in and after March 2014, the

number of foreign passengers visiting Japan exceeded a million for 4 months in a row and the number of foreign guest of domestic accommodations for the first quarter of 2014 increased by 37.3%, on year-on-year basis. On the other hand, according to the *Japan Construction Starts Report* of the Ministry of Land, Infrastructure, Transport and Tourism, the new provisions of accommodations which started the construction remained at a low level around under 1,000 buildings per year over the past 5 years compared with approximately 1,500 buildings per year before 2008, the average operating rate of business hotels in Tokyo which was 82.7% in the preceding year increased to 84.0% from January to March in 2014 (the Japan Tourism Agency Surveys) and high operating rate has been maintained and favorable condition continued.

In such an environment, INV sold 7 senior housing properties and acquired 2 limited service hotels in the reporting period, and acquired additional 18 Hotels properties in July 2014 as described above.

INV's entire portfolio in the reporting period saw its occupancy rate recorded 97.1% in March 2014, the highest after the Merger, and the average occupancy rate for the period was 96.2%, remained stable from the year ended December 31, 2013 (the "preceding period").

At the end of the reporting period, the number of properties held by INV totaled 73, including 63 residential properties, 2 hotels, 7 retail and office building as well as one parking lot with a total acquisition value of JPY 77,988 million, the total appraisal value of JPY 77,268 million and a total leasable area of 154,773.28 m².

As a result of the above trends in real estate investments and the rental market, as well as the above implementation of internal growth strategies, the appraisal value of 71 properties excluding 7 senior housing properties sold on May 22, 2014 and 2 hotels acquired on May 23, 2014 increased by JPY 1,169 million (or 1.7%) over the preceding period, from JPY 70,608 million as of the end of the preceding period to JPY 71,778 million as of the end of the reporting period, representing the fifth consecutive fiscal period for which there was an increase.

(3) Overview of Fund Raising

In order to fund the acquisition of new 2 Hotels and a portion of various expenses related thereto and the prepayment of a portion of existing borrowings in the trust (total balance of borrowings: JPY 11,000 million; average interest rate at the time of repayment: 2.50%), INV raised funds from a loan

(amount borrowed: JPY 13,500 million; interest on borrowings upon the execution of the refinancing: 0.98%) syndicated by Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as lenders as of May 23, 2014. The refinancing has enabled INV to reduce its interest-bearing debt ratio, decrease interest expenses, and further strengthen its lender formation including three megabanks.

As a result of implementing the above measures, as of the end of the reporting period, the outstanding balance of the interest-bearing debt of INV was JPY 41,000 million, with the interest-bearing debt ratio at 51.7% (Note).

Further, as described in “6 Significant subsequent events” below, in order to procure the funds for the acquisition of the 18 Hotels acquired as of July 17, 2014 and refinancing of the existing borrowings, INV decided to obtain a loan (amount borrowed: JPY 57,300 million; interest on borrowings upon the execution of the Refinancing: 0.98%) through syndicated lenders arranged by Sumitomo Mitsui Banking Corporation, The Bank of Tokyo - Mitsubishi UFJ, Ltd. and Mizuho Bank, Ltd. on June 23, 2014, executed the loan agreement on the same date, and implemented the borrowings on July 17, 2014, and realized the further decrease in average borrowing costs.

(Note) The calculation for the interest-bearing debt ratio uses the calculation formula below:

Interest-bearing debt ratio = amount of interest-bearing debt ÷ total amount of assets at end of period x 100.

3 Changes in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity by the end of the reporting period are as follow.

Date	Type of issue	Number of investment units issued and outstanding (units)		Unitholders' equity (yen)		Reference
		Increase	Total	Increase	Total	
January 18, 2002	Private placement for incorporation	400	400	200,000,000	200,000,000	(Note 1)
December	Private	2,700	3,100	1,012,500,000	1,212,500,000	(Note 2)

26, 2003	placement					
January 9, 2004	Private Placement	1,350	4,450	506,250,000	1,718,750,000	(Note 2)
January 21, 2004	Private placement	1,333	5,783	499,875,000	2,218,625,000	(Note 2)
January 27, 2004	Private placement	267	6,050	100,125,000	2,318,750,000	(Note 2)
January 28, 2004	Private placement	800	6,850	300,000,000	2,618,750,000	(Note 2)
January 31, 2004	Private placement	266	7,116	99,750,000	2,718,500,000	(Note 2)
February 5, 2004	Private placement	800	7,916	300,000,000	3,018,500,000	(Note 2)
February 7, 2004	Private placement	1,333	9,249	499,875,000	3,518,375,000	(Note 2)
May 17, 2004	Public offering	9,000	18,249	3,377,250,000	6,895,625,000	(Note 3)
February 7, 2005	Public offering	10,650	28,899	3,937,667,100	10,833,292,100	(Note 4)
July 31, 2006	Public offering	25,000	53,899	8,301,125,000	19,134,417,100	(Note 5)
February 1, 2010	Unit split	215,596	269,495	—	19,134,417,100	(Note 6)
February 1, 2010	Merger	367,200	636,695	—	19,134,417,100	(Note 7)
July 29, 2011	Third-party allotment	711,597	1,348,292	6,999,979,689	26,134,396,789	(Note 8)
December 20, 2013	Third-party allotment	224,887	1,573,179	2,999,992,580	29,134,389,369	(Note 9)

(Note 1) The Investment Corporation was incorporated through a private placement at a price of 500,000 yen per unit.

(Note 2) New investment units were issued in a private placement at a price of 375,000 yen per unit to raise funds for the acquisition of new properties.

(Note 3) New investment units were issued in a public offering at a price of 395,000 per unit (375,250 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 4) New investment units were issued in a public offering at a price of 385,140 yen per unit (369,734 yen after deducting the underwriters' discount) to raise funds for the acquisition of new

properties.

(Note 5) New investment units were issued in a public offering at a price of 348,740 yen per unit (332,045 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 6) An investment unit split of 5 units per 1 unit was conducted.

(Note 7) A merger by absorption pursuant to Article 147 of the Act on Investment Trusts and Investment Corporations was conducted with LCP, with INV as the surviving entity. As a result of the merger by absorption, 4 investment units of INV (after the investment unit split) were allotted for each LCP investment unit. The number of LCP investment units issued as of the time of the merger by absorption was 91,800 units.

(Note 8) New investment units were issued in a third party allotment at a price of 9,387 yen per unit to make repayment of existing debt, etc.

(Note 9) New investment units were issued in a third party allotment at a price of 13,340 yen per unit to make repayment of existing debt, etc.

Trends in Trading Prices of Investment Securities

The highest and lowest prices (trading prices) in the Real Estate Investment and Trust Securities Section of the Tokyo Securities Exchange on which the investment securities of INV are listed are as follow.

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: yen)

Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22th Fiscal Period
Closing Month	June 2012	December 2012	June 2013	December 2013	June 2014
Highest	7,160	6,540	14,480	20,000	24,760
Lowest	6,060	6,080	6,230	12,610	16,740

4 Distribution Performance

With respect to distributions, it was determined to distribute all net income excluding fractions of distribution per investment unit that are less than one yen. As a result, the distribution per unit for the reporting period was determined to be JPY 573.

Period	18th Fiscal	19th Fiscal	20th Fiscal	21st Fiscal	22nd Fiscal
Calculated	Jan. 1,	July 1,	Jan. 1,	July 1,	Jan. 1,

Period	2012 to June 30, 2012	2012 to Dec. 31, 2012	2013 to June 30, 2013	2013 to Dec. 31, 2013	2014 to June 30, 2014
Total unappropriated retained earnings for period (thousands of yen)	427,346	271,868	449,196	446,003	974,975
Reserved profit (thousands of yen)	157,688	114,118	93,247	73,159	73,543
Cash distribution (thousands of yen)	269,658	157,750	355,949	372,843	901,431
(Distribution per unit) (yen)	(200)	(117)	(264)	(237)	(573)
Distribution amount (thousands of yen)	269,658	157,750	355,949	372,843	901,431
(Distribution per unit) (yen)	(200)	(117)	(264)	(237)	(573)
Contribution return (thousands of yen)	—	—	—	—	—
(Contribution return per unit) (yen)	(—)	(—)	(—)	(—)	(—)

5 Future Operational Policy and Issues to be Addressed

Forecast for Next Period and Issues to be Addressed

(i) External growth strategy

New Property Acquisitions

INV believes that with significant increase of total market value through implementation of the Capital Increase as described above, significant reduction of borrowing costs through implementation of further refinancing and its further strengthened lender formation, both debt and equity fund raising capacity has been enhanced, thus greatly improving the external growth potential of INV.

The Fortress Group is an investment manager committed to long-term, large-scale real estate investments in the Japanese real estate market, and holds excellent pipeline assets that are well balanced in terms of sectors. Upon acquisition of new properties from these pipeline assets through implementation of the Capital Increase, INV also entered into a memorandum, as of June 23, 2014, concerning preferential negotiating rights in respect of the acquisition of 22 limited service hotels out of the pipeline assets of the Fortress Group, in order to ensure further future growth.

By utilizing such pipeline support by the sponsor and the property sale information resulting from the independent network of the Asset Manager, to whom INV entrust the management of assets, INV will consider and execute property acquisitions that contribute to stable growth in profits and cash flow and increase the distribution per unit.

Property Sales

While INV places priority on increasing unitholders' value through external growth, taking into account the ongoing high level of activity in the real estate trading market, it also plans to review as appropriate points such as its portfolio composition and geographic distribution in considering property sales.

(ii) Strategy for internal growth

INV will continue to strengthen its collaborative ties with Property Management (PM) companies and brokers to further boost occupancy rates and earning capabilities of its properties.

With respect to residential properties, in consideration of the fact that the fiscal period ending December 31, 2014 (the "next reporting period"), falls within the off-season of the housing rental

market, INV will prepare policies concerning management of the new lease agreement, increasing rent at lease renewals and administration of net leasing costs for each property held by INV. INV will continue to aim to maximize the actual rent following the reporting period.

With respect to the newly acquired hotel properties, INV intends to closely monitor the management, for the purpose of increasing rent revenue, by adding 2 persons in charge of asset management (AM), establishing a system for checking the status of hotel operations in the meeting with hotel operators, and proper understanding of the operational situations of each hotel held by INV, (ii) situation of the surrounding hotels, and the market trends.

Furthermore, because the implementation of appropriate maintenance and repair plans is of the utmost importance in maintaining and enhancing the competitiveness and market value of properties as well as improving tenant satisfaction, and, stable operation of hotels, thorough attention will be placed on the preparation of strategic plans and on their flexible implementation.

(iii) Financial strategy

As a result of strengthening the financial base by the refinancing implemented during the reporting period and the Transactions implemented in July 2014, INV will promote a financial strategy which envisages to make borrowings without securities in the future and to obtain credit ratings. Also, INV seeks to strengthen its earnings base by way of lengthening of the borrowing terms, further reduction of borrowing costs, strengthening of its lender formation, improving fund raising capacity and flexibility, and, furthermore, by way of acquiring new properties and improving the earnings of the existing properties held by INV. From a financial perspective, INV will aim to maximize unitholders' value, which will result in improving distributions per unit.

(iv) Compliance risk management

While the executive officer of INV concurrently serves as the representative director at the Asset Manager, two supervisory directors (an attorney and a certified public account) oversee the execution of the executive officer's duties via the Board of Directors of INV. In addition, the compliance officer of the Asset Manager attends each meeting of the Board of Directors in the capacity of an observer.

The Asset Manager has a compliance officer who is responsible for compliance with laws, regulations and other relevant matters as well as overall management of transactions with sponsor

related parties. Moreover, it has in place a compliance committee which, chaired by such compliance officer, is in charge of deliberating on compliance with laws, regulations and other relevant matters as well as transactions with sponsor related parties. Compliance committee meetings are attended by an outside expert (an attorney) who, sitting in as a compliance committee member, conducts rigorous deliberations on the existence of conflicts of interest in transactions with sponsor related parties as well as strict examinations with respect to INV's compliance with laws and regulations.

INV intends to continually take steps to strengthen its compliance structure.

6 Significant subsequent events

INV issued the new investment units through the global public offering and the third-party allotment conducted in connection with the overallotment secondary offering for the global public offering in the fiscal period ending December 31, 2014 (23rd fiscal period). INV acquired the 18 Hotels by the funds procured through the Capital Increase along with the refinancing of the existing borrowings.

The Capital Increase, accompanying acquisition of the 18 Hotels, and the refinancing were implemented in line with the portfolio repositioning and refinancing completed in May 2014, to further enhance INV's unitholder value under the support of the sponsor, Fortress Group.

(a) Issuance of New Investment Units

INV resolved at its meeting of the Board of Directors held on June 23, 2014 and July 9, 2014 respectively to conduct the issuance of new investment units and secondary distribution of investment units. Payment for the new investment units issued through the public offering was completed on July 16, 2014, in accordance with the following terms and conditions. In addition, with respect to the issuance of new investment units through the third-party allotment in connection with the overallotment secondary offering, the payment was completed on August 13, 2014. As a result, the unitholders' equity of INV is JPY 53,096 million and the number of investment units issued and outstanding of INV increased to 2,668,686.

(i) Issuance of new investment units through public offering

Number of New Investment Units Issued	: 1,040,000 units Domestic public offering: 527,322 units Overseas offering: 512,678 units
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Issue Price (Offer Price)	: JPY 22,688 per unit
Amount Paid In (Issue Value)	: JPY 21,873 per unit
Total Amount Paid In (Total Issue Value)	: JPY 22,747,920,000
Payment Date	: July 16, 2014

(ii) Secondary offering of investment units outside Japan

Number of Investment Units Offered in the Secondary Offering	: 70,151 units
Offer Price	: JPY 22,688 per unit
Total Offer Value	: JPY 1,591,585,888
Seller	: Infinite Value Investment Ltd.

(iii) Secondary offering of investment units (overallotment secondary offering)

Number of Investment Units Offered in the Secondary Offering	: 55,507 units
Offer Price	: JPY 22,688 per unit
Total Offer Value	: JPY 1,259,342,816
Delivery Date	: July 17, 2014

(iv) Issuance of new investment units through third-party allotment

Number of New Investment Units Issued	: 55,507 units
Amount Paid In (Issue Value)	: JPY 21,873 per unit
Total Amount Paid In (Total Issue Value)	: JPY 1,214,104,611
Payment Date	: August 13, 2014
Allotee	: SMBC Nikko Securities Inc.

(b) Refinancing

INV implemented a new syndicate loan (New Syndicate Loan (C)) with a variable interest rate of 0.8% + one-month JPY TIBOR to fund a portion of the acquisition of the 18 Hotels and to refinance the New Syndicate Loan (A) (existing borrowings) carrying a variable interest rate of 1.50% + one-month JPY TIBOR at a more lower interest rate, in addition to the New Syndicate Loan (B) (existing borrowings).

As a result, INV's outstanding balance of the interest-bearing debt of is JPY 67,260 million and INV's average interest rate is 1.09% after the implementation of refinancing as of July 17, 2014.

(i) Overview of Borrowing of Funds

New Syndicate Loan (C)

Lender	Borrowing Date	Borrowing Amount	Interest Rate (annual)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Citibank Japan Ltd. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	July 17, 2014	JPY 57,300 million	0.98000% Variable interest rate (Note 1)	July 14, 2017	Secured (Note 2) / with no guarantee

(Note 1) Interest rate applicable for the period from July 17, 2014 to August 28, 2014.

One-month JPY TIBOR (Base Rate) + spread (0.8%); however, two-month JPY TIBOR + spread (0.8%) for the first interest calculation period only.

(Note 2) The following assets are pledged as collateral for the borrowings.

First priority pledges over the real estate trust beneficiary interests for 65 properties: Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Harmonie Ochanomizu, Suncrest Shakujii Koen, Growth Maison Shin-Yokohama, Belle Face Ueno Okachimachi, Grand Rire Kameido, Growth Maison Ikebukuro, Growth Maison Yoga, Route Tachikawa, Shibuya Honmachi Mansion, City Heights Kinuta, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, College Square Machida, Belair Meguro, Wacore Tsunashima I, Foros Nakamurabashi, Growth Maison Kaijin, College Square Machiya, City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Crescent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Loxel Mansion Ueno Matsugaya, Towa City Coop Sengencho, Royal Park Omachi, Lexington Square Haginomachi, Visconti Kakuozan, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, AMS TOWER Minami 6-Jo, Spacia Ebisu, Kindai Kagakusha Building, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman, AEON TOWN Sukagawa, Hotel MyStays Kanda, Hotel MyStays Asakusa, Hotel MyStays Kyoto-Shijo, MyStays Shin Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstay Inn Iidabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1 and Flexstay Inn Nakanobu P2. First priority mortgages over two real estate properties: Shinjuku Island and Times Kanda-Sudacho 4th. Floating lien over the real estate trust beneficiary interests for nine properties: Hotel MyStays Kanda, Hotel MyStays Kyoto-Shijo, MyStays Shin Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel

MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama and Hotel MyStays Fukuoka-Tenjin-Minami.

(ii) Overview of Prepayment of Existing Borrowings

New Syndicate Loan (A)

Lender	Borrowing Date	Repayment Amount	Interest Rate (annual)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank, Limited	December 20, 2013	JPY 17,552 million (Note 1)	1.64636% Variable interest rate (Note 2)	December 20, 2016	Secured / with no guarantee

(Note 1) The repayment amount is the balance of borrowings after the repayment agreed as of June 30, 2014 (JPY 16.96 million).

(Note 2) Interest rate applicable for the period from June 30, 2014 to July 30, 2014.
One-month JPY TIBOR (Base Rate) + spread (1.5%)

New Syndicate Loan (B)

Lender	Borrowing Date	Repayment Amount	Interest Rate (annual)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 23, 2014	JPY 13,488 million (Note 1)	0.94636% Variable interest rate (Note 2)	May 22, 2015	Secured / with no guarantee

(Note 1) The repayment amount is the balance of borrowings after the repayment agreed as of June 30, 2014 (JPY 11.25 million).

(Note 2) Interest rate applicable for the period from June 30, 2014 to July 30, 2014.
One-month JPY TIBOR (Base Rate) + spread (0.8%)

(c) Acquisition of Assets

In addition to the high level of revenue stability provided up to now by the portfolio focused on the greater Tokyo area and residential properties, INV, on July 17, 2014, acquired the 18 Hotels that provide both stability and potential for further growth, in order to bring in stable revenue and high growth potential of hotels and thereby construct a portfolio which places a strong emphasis on both

improved stability and future growth.

As a result, the total number of properties held by INV after the acquisition increased to 91 properties (63 residential properties, 20 hotels, 7 retail and office buildings as well as one parking lot) with a total acquisition price of JPY 117,927 million and total leasable area of 224,574.36 m².

The overview of 18 Hotels is as follows,

Use	Property Number	Name of Property	Location	Acquisition Price (JPY million) (Note 1)	Appraisal Value at Acquisition (JPY million) (Note 2)	Seller	Category of Specified Assets
Hotel	D3	Hotel MyStays Kyoto-Shijo	Kyoto-shi, Kyoto	6,024	6,110	Shijodori Holding Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D4	MyStays Shin-Urayasu Conference Center	Urayasu-shi, Chiba	4,930	4,980	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D5	Hotel MyStays Maihama	Urayasu-shi, Chiba	4,870	4,920	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D6	Hotel Vista Premio ojima	Osaka-shi, Osaka	3,845	3,900	Danube Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D7	Hotel MyStays Nagoya-Sakae	Nayoga-shi, Aichi	2,958	3,000	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D8	Hotel MyStays Sakaisuji-Honmachi	Osaka-shi, Osaka	2,514	2,530	Nagahoribashi Holding Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D9	Hotel MyStays Yokohama	Yokohama-shi, Kanagawa	2,119	2,150	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest

Use	Property Number	Name of Property	Location	Acquisition Price (JPY million) (Note 1)	Appraisal Value at Acquisition (JPY million) (Note 2)	Seller	Category of Specified Assets
	D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	1,898	1,910	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka-shi, Fukuoka	1,570	1,580	Shijodori Holding Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	1,381	1,390	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	1,331	1,340	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	1,242	1,250	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	1,242	1,250	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	1,192	1,200	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D17	Hotel MyStays Otemae	Osaka-shi, Osaka	1,192	1,200	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	749	754	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	589	593	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest

Use	Property Number	Name of Property	Location	Acquisition Price (JPY million) (Note 1)	Appraisal Value at Acquisition (JPY million) (Note 2)	Seller	Category of Specified Assets
	D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	283	285	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
Total				39,938	40,342		

(Note 1) Acquisition prices do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes. Amounts are rounded down to the nearest million yen.

(Note 2) Appraisal value at Acquisition is the appraisal value as of April 30, 2014 based on the appraisal report from Japan Real Estate Institute.

Overview of the Investment Corporation

1 Overview of Investment

By Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
Results Dates	Jan. 1, 2012 to June 30, 2012	July 1, 2012 to Dec. 31, 2012	Jan. 1, 2013 to June 30, 2013	July 1, 2013 to Dec. 31, 2013	Jan. 1, 2014 to June 30, 2014
Number of investment units authorized	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Number of investment units issued and	1,348,292	1,348,292	1,348,292	1,573,179	1,573,179
Unitholders' capital	26,134	26,134	26,134	29,134	29,134
Number of total	10,703	10,325	10,093	8,783	10,005

unitholders					
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2 Notes regarding Unitholders

Major unitholders at the end of the reporting period are as below.

Name	Number of units held	% of total number of investment units issued and outstanding
Calliope Godo Kaisha	609,942	38.77
Rayo Godo Kaisha	149,925	9.53
The Master Trust Bank of Japan, Ltd. (trust account)	113,573	7.21
Japan Trustee Services Bank, Ltd. (trust account)	110,979	7.05
Trust & Custody Services Bank, Ltd. (securities investment trust account)	82,132	5.22
JP MORGAN CHASE BANK 380180	72,004	4.57
INFINITE VALUE INVESTMENT LTD	70,151	4.45
The Nomura Trust and Banking Co., Ltd. (investment trust account)	41,310	2.62
New Mission Funding Co., Ltd.	20,340	1.29
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	16,037	1.01
Total	1,286,393	81.77

(Note 1) Percentages are rounded down to two decimal places.

3 Notes regarding Directors

Directors at the end of the reporting period are as below.

Position	Name	Primary Responsibilities	Directors' remuneration for operating period (thousands of yen)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co. Ltd.	--
Supervisory Director	Takashi Takahashi	Attorney, Ocean General Law Office	2,400
	Hiroyuki Fujimoto	Tax accountant, CPA Fujimoto Office	2,400
Auditor	Ernst & Young ShinNihon LLC	--	7,300

(Note 1) Executive and supervisory directors do not hold the Investment Corporation's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with the Investment Corporation.

(Note 2) The auditing agreement with the auditor is renewed every accounting period. Dismissals are made in accordance with the Investment Trust Act, and in addition, non-reappointments are considered by the board of directors of INV by comprehensively taking into account the auditing quality, auditor remuneration, and other various circumstances.

4 Asset Management Company, Asset Custody Companies, and General Administrative Agents

The asset management company, asset custody companies, and general administrative agents at the end of the 21st Fiscal Period are as below.

Delegation Category	Name
Asset management company	Consonant Investment Management Co., Ltd.
Asset custody company	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 1) administration of investors' registry, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 2))	Consonant Investment Management Co., Ltd.
General administrative agent (auditing)	EP Consulting Services Corporation

operations, etc.)	
Special account management company	Mitsubishi UFJ Trust and Banking Corporation Limited (Note 3) /Sumitomo Mitsui Trust Bank, Limited (Note 4)

(Note 1) Of the administrative tasks for the Investment Corporation's institutional operations, tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms are delegated

(Note 2) (i) Tasks related to the running of general unitholders' meetings for INV (excluding tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms), (ii) Tasks related to the running of the meetings of the Board of Directors of INV, and (iii) the aforementioned in (i) or tasks incidental or related to (ii) are delegated.

(Note 3) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the INV before the merger (former Tokyo Growth REIT Fund) as well as tasks related to other transfer savings account registers.

(Note 4) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the former LCP as well as tasks related to other transfer savings account registers.

Status of Investment Corporation's Assets under Management

1 Composition of Investment Corporation's Assets

Type of Asset	Purpose	Geographic Area (Note 1)	Preceding period (as of December 31, 2013)		Reporting period (as of June 30, 2014)	
			Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)
Real Estate	Residential	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
	Office/Retail	Greater Tokyo area	714	0.9	712	0.9
		Major regional cities	—	—	—	—
		Subtotal	714	0.9	712	0.9
	Seniors, hourly parking, etc.	Greater Tokyo area	3,044	3.8	100	0.1
		Major regional cities	1,441	1.8	—	—
		Subtotal	4,486	5.7	100	0.1
	Hotel	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—

Type of Asset	Purpose	Geographic Area (Note 1)	Preceding period (as of December 31, 2013)		Reporting period (as of June 30, 2014)	
			Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)
			Subtotal	—	—	—
Total real estate			5,200	6.6	813	1.0
Real estate in trust	Residential	Greater Tokyo area	44,108	55.7	43,909	55.4
		Major regional cities	12,084	15.3	11,965	15.1
		Subtotal	56,192	71.0	55,874	70.5
	Office/Retail	Greater Tokyo area	7,111	9.0	7,106	9.0
		Major regional cities	6,078	7.7	6,037	7.6
		Subtotal	13,190	16.7	13,143	16.6
	Hourly parking, etc.	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
	Hotel	Greater Tokyo area	—	—	5,532	7.0
		Major regional cities	—	—	—	—
		Subtotal	—	—	5,532	7.0
Total Real Estate in Trust			69,383	87.6	74,550	94.1
Deposits and Other Assets			4,593	5.8	3,898	4.9
Total Assets (Note 3)			79,176 (74,583)	100.0 (94.2)	79,261 (75,363)	100.0 (95.1)

(Note 1) Greater Tokyo area refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture.

(Note 2) “Amount held” is from the balance sheet as of the end of the reporting period and is calculated by deducting the accumulated depreciation from the acquisition price (including acquisition related costs).

(Note 3) The figure indicated in“()” in “total assets” shows the amount relevant to the real estate actually held among the covered assets.

2 Major Properties

The overview of the Investment Corporation's major properties (top 10 properties by book value) at the end of the reporting period is as below.

Name of Property	Book Value (millions of yen)	Leasable Area (m ²)	Leased Area (m ²)	Occupancy Rate (%) (Note)	Ratio of Rental Revenue (%)	Main Use
A75 Spacia Ebisu	6,693	7,794.91	7,015.54	90.0	6.7	Residential
B14 Lexington Plaza Nishigotanda	4,801	6,033.58	6,033.58	100.0	4.6	Office
B17 Lexington Plaza Hachiman	3,184	8,419.15	8,419.15	100.0	5.9	Retail Facilities
A52 Winbell Kagurazaka	3,128	4,032.70	3,975.60	98.6	3.8	Residential
D1 Hotel MyStays Kanda	2,907	2,585.72	2,585.72	100.0	1.0	Hotel
D2 Hotel MyStays Asakusa	2,625	3,327.38	3,327.38	100.0	1.1	Hotel
A51 City House Tokyo Shinbashi	2,405	3,364.00	3,178.86	94.5	3.2	Residential
B18 AEON Town Sukagawa	2,091	18,440.58	18,440.58	100.0	5.1	Retail Facilities
A53 Nishiwaseda Crescent Mansion	1,849	4,310.77	3,986.36	92.5	2.6	Residential
A76 Neo Prominence	1,656	3,574.70	3,177.27	88.9	2.3	Residential
Total	31,341	61,883.49	60,140.04	97.2	36.2	—

(Note) "Occupancy Rate" is computed by dividing the leased area by leasable area, and rounded to one decimal place.

3 Asset Portfolio Including Real Estate

The portfolio of the properties (real estate accounts of assets and liabilities within assets in trust) held by the Investment Corporation at the end of the reporting period is as below.

Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2013 (millions of yen) (Note 2)	Book Value (millions of yen)	
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami Ward, Tokyo	Real estate in trust	1,771.13	1,140	1,138
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima Ward, Tokyo	Real estate in trust	2,681.94	1,240	1,118
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo	Real estate in trust	1,051.50	931	846
A29	Growth Maison Kameido	6-58-16 Kameido, Koto Ward, Tokyo	Real estate in trust	1,367.96	1,060	1,012
A30	Emerald House	3-27-18 Itabashi, Itabashi Ward, Tokyo	Real estate in trust	2,152.31	1,190	1,419
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo Ward, Tokyo	Real estate in trust	1,748.24	1,250	1,380
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima Ward, Tokyo	Real estate in trust	3,029.16	1,010	1,069
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture	Real estate in trust	1,858.44	1,080	994
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito Ward, Tokyo	Real estate in trust	1,351.11	924	983
A35	Grand Rire Kameido	3-39-12 Kameido, Koto Ward, Tokyo	Real estate in trust	1,562.26	918	855
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	Real estate in trust	952.89	838	777
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya Ward, Tokyo	Real estate in trust	1,015.34	682	764
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa City, Tokyo	Real estate in trust	1,368.57	595	653
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya Ward, Tokyo	Real estate in trust	1,167.50	591	655
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya Ward, Tokyo	Real estate in trust	1,235.93	457	646
A41	Acseeds Tower Kawaguchi-Namiki	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture	Real estate in trust	1,210.74	684	571
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku Ward, Tokyo	Real estate in trust	1,126.65	540	616
A43	College Square Machida	3-4-4 Nakamachi, Machida City, Tokyo	Real estate in trust	1,047.75	529	570

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2013 (millions of yen) (Note 2)	Book Value (millions of yen)
A44	Belair Meguro	1-2-15 Meguro, Meguro Ward, Tokyo	Real estate in trust	557.05	551	572
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa Prefecture	Real estate in trust	907.46	499	547
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima Ward, Tokyo	Real estate in trust	815.77	550	530
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	Real estate in trust	2,040.27	454	531
A48	College Square Machiya	7-3-1 Arakawa, Arakawa Ward, Tokyo	Real estate in trust	871.35	500	477
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato Ward, Tokyo	Real estate in trust	3,364.00	2,720	2,405
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	Real estate in trust	4,032.70	3,490	3,128
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku Ward, Tokyo	Real estate in trust	4,310.77	2,180	1,849
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku Ward, Tokyo	Real estate in trust	1,987.88	1,600	1,377
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro Ward, Tokyo	Real estate in trust	1,197.19	996	996
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	Real estate in trust	1,627.13	949	831
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima Ward, Tokyo	Real estate in trust	1,220.24	634	558
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito Ward, Tokyo	Real estate in trust	1,969.45	1,070	899
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama City, Kanagawa Prefecture	Real estate in trust	3,426.36	1,250	1,046
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture	Real estate in trust	1,929.59	508	393
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai City, Miyagi Prefecture	Real estate in trust	1,528.58	422	307
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya City, Aichi Prefecture	Real estate in trust	705.75	244	240
A71	Lexington Square Daitabashi	1-33-8 Izumi, Suginami Ward, Tokyo	Real estate in trust	1,430.64	1,040	906
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida Ward, Tokyo	Real estate in trust	784.74	549	468
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City, Hokkaido	Real estate in trust	4,460.56	1,120	1,057
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya Ward, Tokyo	Real estate in trust	7,794.91	6,930	6,693
A76	Neo Prominence	3-21-5 Shimo, Kita Ward, Tokyo	Real estate in trust	3,574.70	1,720	1,656

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2013 (millions of yen) (Note 2)	Book Value (millions of yen)
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo Ward, Kobe City, Hyogo Prefecture	Real estate in trust	2,773.71	1,300	1,250
A78	Cosmo Court Motomachi	3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo Prefecture	Real estate in trust	2,310.49	1,040	966
A79	Revest Honjin	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi Prefecture	Real estate in trust	1,933.80	718	669
A80	Revest Matsubara	3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture	Real estate in trust	1,955.40	720	653
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	Real estate in trust	898.70	667	620
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City, Aichi Prefecture	Real estate in trust	1,731.68	644	604
A83	Revest Meieki Minami	2-13-33 Meiekinami, Nakamura Ward, Nagoya City, Aichi Prefecture	Real estate in trust	1,634.60	649	594
A84	Revest Heian	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture	Real estate in trust	1,554.03	619	591
A85	Vendir Hamaotsu Ekimae	1-2-15 Hama Otsu, Otsu City, Shiga Prefecture	Real estate in trust	2,670.66	669	576
A86	Salvo Sala	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka Prefecture	Real estate in trust	1,428.12	577	542
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku Ward, Tokyo	Real estate in trust	701.92	569	542
A88	Luna Court Edobori	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	Real estate in trust	1,185.50	549	522
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo Prefecture	Real estate in trust	1,433.35	553	508
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto Ward, Tokyo	Real estate in trust	765.18	497	454
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudara, Chukyo Ward, Kyoto City, Kyoto Prefecture	Real estate in trust	1,029.05	474	444
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo	Real estate in trust	530.60	455	411
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki City, Hyogo Prefecture	Real estate in trust	1,020.86	402	373
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo Ward, Kobe City, Hyogo Prefecture	Real estate in trust	789.12	389	371
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka Prefecture	Real estate in trust	992.76	382	355
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi Prefecture	Real estate in trust	1,477.62	372	334
A97	West Avenue	1-5-17 Nishi, Kunitachi City, Tokyo	Real estate in trust	794.80	338	328
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo Ward, Osaka City, Osaka Prefecture	Real estate in trust	974.81	335	310
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	Real estate in trust	761.18	312	295
Subtotal				109,584.45	58,865	55,874

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2013 (millions of yen) (Note 2)	Book Value (millions of yen)
B8	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku Ward, Tokyo	Real estate in trust	1,451.54	1,010	1,234
B9	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	Real estate	526.43	556	712
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa Ward, Tokyo	Real estate in trust	6,033.58	4,140	4,801
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano Ward, Tokyo	Real estate in trust	2,145.00	938	1,070
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi Prefecture	Real estate in trust	2,178.41	644	761
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi Prefecture	Real estate in trust	8,419.15	3,330	3,184
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa City, Fukushima Prefecture	Real estate in trust	18,440.58	2,190	2,091
Subtotal				39,194.69	12,808	13,855
C1	Stop Parking Kanda-Sudacho (Note 3)	1-22-7, 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo	Real estate	81.04	105	100
Subtotal				81.04	105	100
D1	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Real estate in trust	2,585.72	2,880	2,907
D2	Hotel MyStays Asakusa	1-21-11 Honjyo, Sumida-ku, Tokyo	Real estate in trust	3,327.38	2,610	2,625
Subtotal				5,913.10	5,490	5,532
Total				154,773.28	77,268	75,363

(Note 1) “Location” is, in principle, based on the indicated address (*kyuhyoji*), except that if the *kyuhyoji* system has not been implemented for such property, the location is based on the land number (*banchi*).

(Note 2) “Appraisal Value” is the value appraised or researched as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of the Investment Trust Association, Japan by Asset Research and Development Inc., the Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc., or Tanizawa Sogo Appraisal Co., Ltd.

(Note 3) The name of property was changed to “Times Kanda-Sudacho 4th” as of July 1, 2014.

Occupancy trends for the leasing operations of the real estate and accounts of assets and liabilities within assets in trust that the Investment Corporation holds are as below.

	Name of Property	21 st Fiscal Period (July 1, 2013 to December 31, 2013)				22 nd Fiscal Period (January 1, 2014 to June 30, 2014)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A26	Nisshin Palacestage Daitabashi	1	95.0	40,764	1.5	1	94.1	39,801	1.4
A27	Nisshin Palacestage Higashi-Nagasaki	1	97.4	44,828	1.6	1	97.7	46,420	1.7
A28	Growth Maison Gotanda	1	100.0	27,386	1.0	1	100.0	27,344	1.0
A29	Growth Maison Kameido	1	89.3	31,655	1.2	1	89.3	32,376	1.2
A30	Emerald House	1	98.9	41,974	1.5	1	100.0	49,348	1.8
A31	Harmonie Ochanomizu	1	97.5	39,196	1.4	1	91.2	39,809	1.4
A32	Suncrest Shakujii-Koen	1	95.3	34,660	1.3	1	97.0	35,961	1.3
A33	Growth Maison Shin-Yokohama	1	94.1	36,146	1.3	1	86.9	33,246	1.2
A34	Belle Face Ueno-Okachimachi	1	100.0	30,564	1.1	1	98.3	33,576	1.2
A35	Grand Rire Kameido	1	100.0	26,619	1.0	1	100.0	26,619	1.0
A36	Growth Maison Ikebukuro	1	97.6	24,244	0.9	1	90.4	26,208	0.9
A37	Growth Maison Yoga	1	100.0	21,660	0.8	1	97.3	22,653	0.8
A38	Route Tachikawa	1	83.5	17,305	0.6	1	96.6	20,293	0.7
A39	Shibuya-Honmachi Mansion	1	96.4	18,641	0.7	1	100.0	20,105	0.7
A40	City Heights Kinuta	1	94.6	16,885	0.6	1	100.0	17,629	0.6
A41	Acseeds Tower Kawaguchi-Namiki	1	96.5	24,285	0.9	1	93.0	25,146	0.9
A42	Capital Heights Kagurazaka	1	91.0	18,084	0.7	1	90.5	18,000	0.6
A43	College Square Machida	1	100.0	18,268	0.7	1	100.0	18,268	0.7
A44	Belair Meguro	1	92.1	16,116	0.6	1	100.0	15,901	0.6
A45	Wacore Tsunashima I	1	82.1	16,987	0.6	1	94.1	17,314	0.6
A46	Foros Nakamurabashi	1	94.5	17,295	0.6	1	100.0	17,958	0.6
A47	Growth Maison Kaijin	1	100.0	23,364	0.9	1	90.0	21,922	0.8
A48	College Square Machiya	1	100.0	14,706	0.5	1	100.0	14,706	0.5

Name of Property		21 st Fiscal Period (July 1, 2013 to December 31, 2013)				22 nd Fiscal Period (January 1, 2014 to June 30, 2014)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A51	City House Tokyo Shinbashi	1	100.0	91,288	3.3	1	94.5	89,437	3.2
A52	Winbell Kagurazaka	1	96.5	101,996	3.7	1	98.6	105,410	3.8
A53	Nishiwaseda Crescent Mansion	1	94.8	70,856	2.6	1	92.5	70,931	2.6
A54	Lexington Square Akebonobashi	1	89.7	46,136	1.7	1	93.3	47,715	1.7
A56	Casa Eremitaggio	1	90.0	30,392	1.1	1	97.0	28,492	1.0
A59	Towa City Coop Shinotsuka II	1	89.9	32,744	1.2	1	92.8	33,315	1.2
A61	Bichsel Musashiseki	1	92.9	22,455	0.8	1	94.3	24,028	0.9
A62	Lexel Mansion Ueno Matsugaya	1	100.0	32,797	1.2	1	96.3	33,839	1.2
A63	Towa City Coop Sengencho	1	90.5	60,085	2.2	1	89.1	59,396	2.1
A64	Royal Park Omachi	1	95.0	25,583	0.9	1	90.6	24,956	0.9
A65	Lexington Square Haginomachi	1	97.4	18,207	0.7	1	97.4	18,023	0.7
A66	Visconti Kakuozan	1	100.0	11,683	0.4	1	100.0	11,774	0.4
A71	Lexington Square Daitabashi	1	93.7	30,928	1.1	1	90.9	31,377	1.1
A72	Lexington Square Honjo Azumabashi	1	100.0	17,511	0.6	1	96.9	17,881	0.6
A73	AMS TOWER Minami 6-Jo	1	97.1	47,709	1.7	1	91.8	50,486	1.8
A75	Spacia Ebisu	1	89.2	180,121	6.6	1	90.0	186,312	6.7
A76	Neo Prominence	1	96.6	63,701	2.3	1	88.9	63,037	2.3
A77	Invoice Shin-Kobe Residence	1	95.4	48,899	1.8	1	94.4	45,927	1.7
A78	Cosmo Court Motomachi	1	98.7	37,159	1.4	1	90.4	36,802	1.3
A79	Revest Honjin	1	93.7	30,568	1.1	1	95.0	31,304	1.1
A80	Revest Matsubara	1	98.8	29,325	1.1	1	91.2	28,954	1.0
A81	Sun Terrace Minami Ikebukuro	1	97.4	21,707	0.8	1	89.5	21,891	0.8
A82	Alba Noritake Shinmachi	1	96.5	24,841	0.9	1	91.7	25,422	0.9
A83	Revest Meieki Minami	1	98.5	25,053	0.9	1	93.6	24,919	0.9
A84	Revest Heian	1	98.4	23,423	0.9	1	98.4	23,570	0.9
A85	Vendir Hamaotsu Ekimae	1	100.0	32,235	1.2	1	94.2	32,426	1.2

Name of Property		21 st Fiscal Period (July 1, 2013 to December 31, 2013)				22 nd Fiscal Period (January 1, 2014 to June 30, 2014)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A86	Salvo Sala	1	96.7	24,562	0.9	1	91.5	23,992	0.9
A87	Excellente Kagurazaka	1	91.2	17,831	0.7	1	97.1	17,842	0.6
A88	Luna Court Edobori	1	98.0	21,738	0.8	1	88.1	20,912	0.8
A89	Winntage Kobe Motomachi	1	86.0	22,696	0.8	1	91.1	22,148	0.8
A90	Queen's Court Fukuzumi	1	100.0	16,668	0.6	1	100.0	16,521	0.6
A91	Corp Higashinotoin	1	95.1	17,678	0.6	1	90.3	16,980	0.6
A92	Belair Oimachi	1	96.4	15,193	0.6	1	96.1	15,415	0.6
A93	Siete Minami-Tsukaguchi	1	97.5	16,916	0.6	1	92.5	16,437	0.6
A94	Prime Life Sannomiya Isogami Koen	1	93.8	14,484	0.5	1	100.0	14,640	0.5
A95	HERMITAGE NANBA WEST	1	96.0	15,418	0.6	1	92.0	14,842	0.5
A96	Century Park Shinkawa 1-bankan	1	97.7	16,960	0.6	1	100.0	17,190	0.6
A97	West Avenue	1	90.0	12,084	0.4	1	85.0	12,666	0.5
A98	Little River Honmachibashi	1	96.9	13,438	0.5	1	93.9	12,971	0.5
A99	Prime Life Mikage	1	96.6	12,366	0.5	1	93.4	11,809	0.4
Subtotal		63	95.4	1,997,099	72.9	63	93.8	2,022,623	73.0
B8	Kindai Kagakusha Building	1	100.0	39,112	1.4	1	95.0	38,735	1.4
B9	Shinjuku Island	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
B14	Lexington Plaza Nishigotanda	8	90.1	139,821	5.1	8	100.0	126,690	4.6
B15	Cross Square NAKANO	1	67.6	28,653	1.0	1	64.3	28,685	1.0
B16	Ohki Aoba Building	1	100.0	40,415	1.5	1	100.0	40,559	1.5
B17	Lexington Plaza Hachiman	1	100.0	162,868	5.9	1	100.0	163,313	5.9
B18	AEON TOWN Sukagawa	1	100.0	142,719	5.2	1	100.0	142,116	5.1
Subtotal		14	96.7	570,788	20.8	14	97.9	557,297	20.1
C1	Stop Parking Kanda-Sudacho	1	100.0	2,443	0.1	1	100.0	2,443	0.1
C21	Bon Sejour Chitose Funabashi (Note 4)	1	100.0	23,798	0.9	—	—	18,592	0.7
C22	Bon Sejour Yotsugi (Note 4)	1	100.0	22,415	0.8	—	—	17,485	0.6

Name of Property		21 st Fiscal Period (July 1, 2013 to December 31, 2013)				22 nd Fiscal Period (January 1, 2014 to June 30, 2014)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
C23	Bon Sejour Hino (Note 4)	1	100.0	21,354	0.8	—	—	16,639	0.6
C24	Bon Sejour Musashi Shinjo (Note 4)	1	100.0	17,697	0.6	—	—	13,809	0.5
C25	Bon Sejour Komaki (Note 4)	1	100.0	45,224	1.7	—	—	35,226	1.3
C26	Bon Sejour Hadano Shibusawa (Note 4)	1	100.0	23,659	0.9	—	—	18,441	0.7
C27	Bon Sejour Itami (Note 4)	1	100.0	15,968	0.6	—	—	12,442	0.4
Subtotal		8	100.0	172,561	6.3	1	100.0	135,081	4.9
D1	Hotel MyStays Kanda (Note 5)	—	—	—	—	1	100.0	27,512	1.0
D2	Hotel MyStays Asakusa (Note 5)	—	—	—	—	1	100.0	29,903	1.1
Subtotal		—	—	—	—	2	100.0	57,416	2.1
Total		85	96.3	2,740,449	100.0	80	95.1	2,772,419	100.0

(Note 1) “Occupancy Rate” is computed by dividing the leased area by leasable area, and is rounded to one decimal place.

(Note 2) “Rental Revenue (during period)” indicates each property’s leasing operation revenues during the fiscal period, and has been rounded down to the nearest thousand yen.

(Note 3) Undisclosed due to inability to gain approval from the property tenant for document disclosure.

(Note 4) The property that was sold during the 22nd fiscal period. The date of sale was May 22, 2014.

(Note 5) Since the property was acquired during the 22nd fiscal period (as of May 23, 2014), the calculation period of the rental revenue of the relevant property was set for the period commencing on May 23, 2014 and ending on June 30, 2014.

4 Status of Size and Market Value of Trading Assets

No relevant items

5 Status of Other Assets

Trust beneficiary interests in real estate and real estate held in trust are listed together in the “3 Asset Portfolio Including Real Estate” above. As of the end of this reporting period, there are no investments in specified assets that are significant investment targets for INV outside of the above 3.

6 Asset Holdings Outside of Japan or the Region

There are no relevant items outside of Japan or the region.

Capital expenditures for properties held by INV

1 Schedule for capital expenditures

The schedule for the principal capital expenditures for property maintenance construction, etc. as of the end of the fiscal period for the properties held by INV is as follows.

Name of Property		Location	Purpose	Scheduled Time of Implementation	Estimated Cost (Thousands of yen)		
					Total	Payment for the Fiscal Period	Advance Payments
B16	Ohki Building Aoba	Sendai City, Miyagi Prefecture	Maintenance construction of exterior walls	From November 2014 to December 2014	40,800	—	—
A53	Nishiwaseda Crescent Mansion	Shinjuku Ward, Tokyo	Maintenance construction of miscellaneous drainage pipe	From August 2014 to December 2014	26,000	—	—
B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	Renewal construction of air conditioning system	From October 2014 to October 2014	15,573	—	—
B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	Renewal construction of asphalt for rooftop parking area	From November 2014 to December 2014	13,000	—	—
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Renovation construction	From September 2014 to December 2014	8,100	—	—
A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	Renewal construction of prepaid hot water unit	From December 2014 to December 2014	5,806	—	—

2 Capital expenditures for the fiscal period ended June 30, 2014

The principal construction constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2014 is as follows. Capital expenditures for the fiscal period was 135,796 thousand yen, and together with 40,506 of repair cost included in this fiscal period's expenses, construction work totaling 176,303 thousand yen was implemented.

Name of Property		Location	Purpose	Time of Implementation	Payment (Thousands of yen)
A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	Large-scale renovation construction	From April 2014 to June 2014	30,365
B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	Renewal construction of air conditioning system on the first basement floor and three other floors	From April 2014 to May 2014	17,423
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Renewal construction of air conditioning system on the 1st, 2nd and 4th floors	From April 2014 to June 2014	16,075
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal construction of air conditioning system on 1st floor	From April 2014 to April 2014	14,240
A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	Maintenance construction work on mechanical parking facility	From March 2014 to March 2014	12,481
Other construction					45,210
Total					135,796

3 Reserved funds for long-term maintenance plan (repair reserves)

INV has reserved funds, as below, from the cash flow of the relevant fiscal period towards large-scale maintenance repairs in the medium to long term future in accordance with the long-term maintenance plan for each property.

Fiscal period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21th Fiscal Period	22th Fiscal Period
	From January 1, 2012 to June 30, 2012	From July 1, 2012 to December 31, 2012	From January 1, 2013 to June 30, 2013	From July 1, 2013 to December 31, 2013	From January 1, 2014 to June 30, 2014
Reserved funds at beginning of period	356,408 thousand yen	487,561 thousand yen	541,609 thousand yen	571,543 thousand yen	524,730 thousand yen
Amount reserved (Note)	163,931 thousand yen	151,076 thousand yen	165,233 thousand yen	165,271 thousand yen	199,177 thousand yen
Amount reversed (Note)	32,777 thousand yen	97,028 thousand yen	135,298 thousand yen	212,084 thousand yen	144,225 thousand yen
Amount carried over for next fiscal period	487,561 thousand yen	541,609 thousand yen	571,543 thousand yen	524,730 thousand yen	579,682 thousand yen

(Note) The amount reserved for the relevant fiscal period includes the reserves for acquired properties, and the amount reversed includes the reserves for disposed properties.

Overview of Liabilities and Expenses

1 Statement of Operating Expenses

(Thousands of yen)

Item	21st Fiscal Period	22nd Fiscal Period
	July 1, 2013 to Dec. 31, 2013	Jan. 1, 2014 to June 30, 2014
(a) Asset management fees	125,000	125,000
(b) Asset custodian fees	3,986	3,906
(c) Administrative services fees	19,089	18,224
(d) Directors' remuneration	4,800	4,800
(e) Other operating expenses	60,582	107,404
Total	213,457	259,336

2 Borrowing Conditions

Borrowing conditions by financial institution at the end of this reporting period are as below.

	Type	Borrowing Date	Balance at Start	Balance at End	Average	Repayment Date	Payment Method	Purpose	Notes
	Lender		of Reporting Period (Thousands of yen)	of Reporting Period (Thousands of yen)	Interest Rate (%) (Note 1)				
Short-term Debt	Sumitomo Mitsui Banking Corporation	May. 23, 2014	—	3,497,083	0.979	May. 22, 2015	(Note 3)	(Note 4) (Note 5)	Secured Conventi- onal
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	3,497,083					
	Mizuho Bank, Ltd.		—	3,497,083					
	Sumitomo Mitsui Trust Bank, Limited		—	2,997,500					
Subtotal			—	13,488,750					
Long-term Debt (Note 2)	Sumitomo Mitsui Banking Corporation	Dec. 20, 2013	5,500,000	4,743,811	1.652	Dec. 20, 2016	(Note 6) (Note 7)	(Note 5)	Secured Conventi- onal
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,500,000	4,743,811					
	Shinsei Bank, Limited.		4,000,000	3,450,044					
	Citibank Japan Ltd.		2,000,000	1,725,022					
	Shinsei Trust & Banking Co., Ltd.		2,000,000	1,725,022					
	Aozora Bank, Ltd.		1,350,000	1,164,389					
Subtotal			20,350,000	17,552,100					
Long-term Debts in Trust	Mizuho Trust & Banking Co., Ltd. (Note 8)	Jul. 29, 2011	3,750,000	—	2.500	Jan. 25, 2017	(Note 9)	(Note 5)	Secured Conventi- onal
			3,620,000	—	2.500	Jan. 25, 2018			
			3,630,000	—	2.500	Jan. 25, 2019			
	Mitsubishi UFJ Trust and Banking Corporation (Note 10)	Sep. 28, 2012	2,700,000	2,700,000	1.900	Mar. 31, 2018	Lump Sum (Note 11)	(Note 4)	
			2,860,000	2,860,000	1.900	Mar. 31, 2019			

			1,830,000	1,830,000	1.900	Mar. 31, 2020		
			2,570,000	2,570,000	1.900	Mar. 31, 2019	(Note 12)	
Subtotal			20,960,000	9,960,000				
Total			41,310,000	41,000,850				

(Note 1) Average interest rate is the daily weighted average number of the period according to the number of days, and is rounded to three decimal place.

(Note 2) Includes long-term debt scheduled to be repaid within 1 year and long-term debt in trust scheduled to be repaid within 1 year.

(Note 3) Portion of the principal (JPY 11 million) was paid on (each of the interest payment dates). The balance as of the end of the fiscal period was fully prepaid on July 17, 2014.

(Note 4) The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust.

(Note 5) Used for purposes including repayment of existing debt.

(Note 6) Portion of principal (16 million yen) was repaid on same day as interest payment date (monthly), and The balance as of the end of the fiscal period was fully prepaid on July 17, 2014.

(Note 7) A portion of the principal (JPY 2,696 million) was prepaid in connection with the sale of real estate completed on May 22, 2014.

(Note 8) Mizuho Trust & Banking Co., Ltd. is the trustee of the REIT of which the Investment Corporation is the beneficiary, and has borrowed funds on Jul. 29, 2011 from Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership of Prudential Financial Inc. Group. The Investment Corporation received said loan (after deduction of reserves) as grant of trust principal of said REIT from Mizuho Trust & Banking Co. Ltd. on the same date.

(Note 9) On May 23, 2014, full amount of the balance was prepaid.

(Note 10) Mitsubishi UFJ Trust and Banking Corporation is the trustee of the REIT of which the Investment Corporation is the beneficiary, and has borrowed funds on Sep. 28, 2012 from Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership of Prudential Financial Inc. Group. The Investment Corporation received said loan (after deduction of reserves) as grant of trust principal of said REIT from Mitsubishi UFJ Trust and Banking Corporation on the same date.

(Note 11) On each principal and interest payment date (every 3 months) that occurs after 5 years from the borrowing date, amounts paid will be those calculated under the assumption that the repayment of the balance of the principal will be by the equal payment method for a term of 27 years (total 108 payments). The balance remaining after the payments above will be repaid in one lump sum on the principal maturity date.

(Note 12) On each principal and interest payment date (every 3 months) that occurs after 3 years from the borrowing date, amounts paid will be those calculated under the assumption that the repayment of the balance of the principal will be by the equal payment method for a term of 20 years (total 80 payments). The balance remaining after the payments above will be repaid in one lump sum on the principal maturity date.

3 Investment Corporation Bonds

Nothing applicable.

4 Short-Term Investment Corporation Bonds

Nothing applicable.

Buying and Selling for the Fiscal Period Ended June 30, 2014

1 Buying and Selling, etc. of Real Estate and Asset-Backed Securities, etc.

Name of Property		Acquisition		Disposal			
		Acquisition Date	Acquisition Price (Thousands of yen)	Disposal Date	Disposal Price (Thousands of yen)	Book Value (Thousands of yen)	Gain (Loss) on Disposal (Note 2) (Thousands of yen)
C21	Bon Sejour Chitose Funabashi	—	—	May. 22, 2014	830,000	657,193	168,337
C22	Bon Sejour Yotsugi	—	—	May. 22, 2014	776,000	622,386	149,419
C23	Bon Sejour Hino	—	—	May. 22, 2014	729,000	551,565	173,480
C24	Bon Sejour Musashi Shinjo	—	—	May. 22, 2014	586,000	468,167	114,607
C25	Bon Sejour Komaki	—	—	May. 22, 2014	1,275,000	984,869	283,391
C26	Bon Sejour Hadano Shibusawa	—	—	May. 22, 2014	733,000	633,486	95,539
C27	Bon Sejour Itami	—	—	May. 22, 2014	471,000	449,783	18,577
D1	Hotel MyStays Kanda	May. 23, 2014	2,851,000	—	—	—	—
D2	Hotel MyStays Asakusa	May. 23, 2014	2,584,000	—	—	—	—
Total			5,435,000		5,400,000	4,367,451	1,003,352

(Note 1) Acquisition or disposal price do not include various costs (brokerage commissions, taxes and other public charges) required for acquisition or transfer of the property, and indicate the purchase and sale price of the property as described in the the trust beneficiary purchase agreement.

(Note 2) Gain (loss) on disposal is calculated by decreasing book value and various costs for transfer from disposal price.

2 Buying and Selling, etc. of Other Assets

Assets other than those described above were mostly bank deposits or bank deposits within assets in trust.

3 Survey of Prices, etc. of Specified Assets

Real Estate Transactions

Acquisition / Disposal	Name of Property		Specified Assets Type	Transaction Date	Acquisition / or Disposal Price (Thousands of yen)	Real Estate Appraisal Value (Thousands of yen)	Name of Appraiser	Date of Appraisal
Disposal	C21	Bon Sejour Chitose Funabashi	Real Estate	May. 22, 2014	830,000	762,000	Japan Real Estate Institute	Dec. 31, 2013
	C22	Bon Sejour Yotsugi			776,000	703,000		
	C23	Bon Sejour Hino			729,000	662,000		
	C24	Bon Sejour Musashi Shinjo			586,000	561,000		
	C25	Bon Sejour Komaki			1,275,000	1,060,000		
	C26	Bon Sejour Hadano Shibusawa			733,000	634,000		
	C27	Bon Sejour Itami			471,000	439,000		
Acquisition	D1	Hotel MyStays Kanda	Real Estate, Trust Beneficiary Interests	May. 23, 2014	2,851,000	2,880,000	Japan Real Estate Institute	Mar. 31, 2014
	D2	Hotel MyStays Asakusa			2,584,000	2,610,000		

(Note 1) Acquisition or disposal price do not include various costs (brokerage commissions, taxes and other public charges) required for acquisition or transfer of the property, and indicate the purchase and sale price of the property as described in the the trust beneficiary purchase agreement.

(Note 2) The real estate appraisal described above is conducted by applying “Real Estate Appraisal Standard Section 3: appraisals concerning prices of real estate subject to securitization.”

4 Transactions with Interested Parties

(1) Transactions

Nothing applicable.

(2) Commissions Paid

Nothing applicable.

5 Transactions between the Asset Manager in Other Businesses of the Asset Manager

As the Asset Manager (Consonant Investment Management Co., Ltd.) does not engage in any other business, such as the first financial instruments business and the second financial instruments business, the building lots and buildings transaction business, or the designated real estate joint business, there are no applicable transactions.

Financial Condition

1 Assets, Liabilities, Principal, and Profit and Loss

Please refer to “II. Balance Sheet,” “III. Statement of Income,” “IV. Statement of Unitholders’ Equity,” “V. Notes” and “VI. Statement of Cash Distribution”.

2 Changes in the Calculation Method of Depreciation Expenses

Nothing applicable.

3 Changes in the Evaluation Method of Real Estate, etc.

Nothing applicable.

4 Beneficiary Certificates of Investment Trusts, etc. Set Up by the Company

Nothing applicable.

Other

1 Notice

Board of Directors of Investment Corporation

Of the execution and amendment of the principal agreement approved by the Board of Directors of the Investment Corporation in the fiscal period ending June 30, 2014, principal summary is as follows.

Approval Date	Item	Summary
June 23, 2014	Execution of Underwriting Agreement concerning issuance of new investment units.	With respect to issuance of new investment units and offering of investment units approved by the Board of Directors held on the same date, the Board of Directors of the

		Investment Corporation approved to entrust services concerning offering of new investment units to underwriters (Note).
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(Note) Underwriters in Japan are SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd. and Citigroup Global Markets Japan Inc. Moreover, overseas underwriters are SMBC Nikko Capital Markets Limited, Citigroup Global Markets Limited, Morgan Stanley & Co. International, plc and Mizuho International plc.

2 Other

Unless there are specific statements to the contrary, monetary figures are rounded down to the nearest yen and percentages are rounded off for unspecified values.

II. Balance Sheet

		(Unit: thousands of yen)
	Fiscal Period ended December 31, 2013 (as of December 31, 2013)	Fiscal Period ended June 30, 2014 (as of June 30, 2014)
Assets		
Current assets		
Cash and deposits	※1 1,457,257	759,058
Cash and deposits in trust	※1 2,729,902	2,765,504
Accrued revenue	-	2,574
Accounts receivables	10,948	71,193
Prepaid expenses	122,321	120,941
Consumption tax receivable	7,419	-
Advance payment	-	17,138
Others	10	0
Allowance for doubtful accounts	(2,573)	(1,391)
Total current assets	4,325,286	3,735,018
Non-current assets		
Property, plant and equipment		
Buildings	※1 2,680,174	85,914
Accumulated depreciation	(218,377)	(7,783)
Buildings, net	2,461,796	78,131
Equipment	※1 50,691	38,862
Accumulated depreciation	(27,985)	(17,352)
Equipment, net	22,706	21,510
Building improvements	※1 3,848	2,779
Accumulated depreciation	(1,518)	(1,138)
Building improvements, net	2,330	1,640
Land	※1 2,713,620	711,834
Buildings in trust	※1 29,762,419	31,162,188
Accumulated depreciation	(2,339,358)	(2,623,404)
Buildings in trust, net	27,423,061	28,538,783
Equipment in trust	※1 6,763,740	7,151,824
Accumulated depreciation	(1,690,614)	(1,891,879)
Equipment in trust, net	5,073,126	5,259,944
Building improvements in trust	※1 320,904	321,317
Accumulated depreciation	(97,258)	(109,047)
Building improvements in trust, net	223,646	212,270
Tools, furniture and fixtures in trust	※1 155,616	177,438
Accumulated depreciation	(74,970)	(85,898)
Tools, furniture and fixtures in trust, net	80,646	91,540
Land in trust	※1 36,582,527	40,447,565
Total property, plant and equipment	74,583,461	75,363,220
Intangible assets		
Others	137	106
Total intangible assets	137	106

(Unit: thousands of yen)

	Fiscal Period ended December 31, 2013 (as of December 31, 2013)	Fiscal Period ended June 30, 2014 (as of June 30, 2014)
Total investment and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	224,371	119,338
Others	33,375	34,070
Total investments and other assets	267,746	163,409
Total non-current assets	74,851,345	75,526,736
Total assets	79,176,632	79,261,754

(Unit: thousands of yen)

		Fiscal Period ended December 31, 2013 (as of December 31, 2013)	Fiscal Period ended June 30, 2014 (as of June 30, 2014)
Liabilities			
Current liabilities			
Accounts payable		174,201	143,439
Short-term debts	※1	-	13,488,750
Current portion of long-term debts	※1	203,520	17,552,100
Current portion of long-term debts in trust	※1	105,833	-
Accrued liabilities		5,000	32,733
Accrued expenses		229,843	121,934
Accrued income taxes		525	520
Accrued consumption taxes		-	143,637
Advances received		385,886	357,522
Deposits received		5,048	32,927
Total current liabilities		1,109,859	31,873,567
Non-current liabilities			
Long-term debts	※1	20,146,480	-
Long-term debts in trust	※1	20,854,166	9,960,000
Tenant leasehold and security deposits in trust		1,037,721	1,025,726
Tenant leasehold and security deposits		183,579	28,663
Total non-current liabilities		42,221,948	11,014,390
Total liabilities		43,331,808	42,887,957
Net assets			
Unitholders' equity			
Unitholders' capital		29,134,389	29,134,389
Surplus			
Capital surplus		6,264,432	6,264,432
Unappropriated retained earnings/loss		446,003	974,975
Total surplus		6,710,435	7,239,407
Total unitholders' equity		35,844,824	36,373,796
Total net assets	※2	35,844,824	36,373,796
Total liabilities and net assets		79,176,632	79,261,754

III. Statement of Income

		Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
(Unit: thousands of yen)			
Operating revenues			
Rental revenues	※1	2,740,449	2,772,419
Gain on sales of properties	※2	-	1,003,352
Total operating revenues		2,740,449	3,775,772
Operating expenses			
Property related expenses	※1	1,261,221	1,281,791
Asset management fees		125,000	125,000
Directors' remuneration		4,800	4,800
Asset custodian fees		3,986	3,906
Administrative service fees		19,089	18,224
Provision of allowance for doubtful accounts		1,045	-
Bad debt loss		2,561	-
Other operating expenses		56,975	107,404
Total operating expenses		1,474,679	1,541,127
Operating income		1,265,770	2,234,644
Non-operating revenues			
Interest revenues		400	404
Profit from finance related cost adjustment	※3	354,737	-
Reversal of allowance for doubtful accounts		-	475
Miscellaneous income		406	898
Total non-operating revenues		355,544	1,777
Non-operating expenses			
Interest expenses		672,128	376,514
Finance related costs		579,038	842,043
Investment unit issuance expenses		15,487	115,438
Miscellaneous losses		1,300	5
Total non-operating expenses		1,267,953	1,334,001
Ordinary income		353,360	902,420
Net income before taxes		353,360	902,420
Corporate tax, etc.		605	605
Total corporate tax, etc.		605	605
Net income		352,755	901,815
Retained earnings at the beginning of the period		93,247	73,159
Unappropriated retained earnings/Loss at the end of the period		446,003	974,975

IV. Statement of Unitholders' Equity

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)

(Unit: thousands of yen)

	Unitholders' Equity					Total Net Assets
	Unitholders' Capital	Surplus			Total Unitholders' Equity	
		Capital Surplus	Unappropriated Retained Earnings/Loss	Total Surplus		
Balance at the beginning of the period	26,134,396	6,264,432	449,196	6,713,628	32,848,025	32,848,025
Change during the period						
Issuance of new investment units	2,999,992				2,999,992	2,999,992
Distributions from surplus			(355,949)	(355,949)	(355,949)	(355,949)
Net income			352,755	352,755	352,755	352,755
Total change during the period	2,999,992	-	(3,193)	(3,193)	2,996,799	2,996,799
Balance at the end of the period	29,134,389	6,264,432	446,003	6,710,435	35,844,824	35,844,824

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

(Unit: thousands of yen)

	Unitholders' Equity					Total Net Assets
	Unitholders' Capital	Surplus			Total Unitholders' Equity	
		Capital Surplus	Unappropriated Retained Earnings/Loss	Total Surplus		
Balance at the beginning of the period	29,134,389	6,264,432	446,003	6,710,435	35,844,824	35,844,824
Change during the period						
Issuance of new investment units						
Distributions from surplus			(372,843)	(372,843)	(372,843)	(372,843)
Net income			901,815	901,815	901,815	901,815
Total change during the period	-	-	528,972	528,972	528,972	528,972
Balance at the end of the period	29,134,389	6,264,432	974,975	7,239,407	36,373,796	36,373,796

V. Notes

[Notes Concerning Significant Accounting Policies]

By Period Item	Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)																												
1. Method of depreciation of non-current assets	<p>(a)Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">40-77 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">3-24 years</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">3-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">6-66 years</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">3-32 years</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">3-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-15 years</td> </tr> </table> <p>(b)Intangible assets The straight-line method is used.</p> <p>(c)Long-term prepaid expenses The straight-line method is used.</p>	Buildings	40-77 years	Equipment	3-24 years	Building improvements	3-18 years	Buildings in trust	6-66 years	Equipment in trust	3-32 years	Building improvements in trust	3-55 years	Tools, furniture and fixtures in trust	2-15 years	<p>(a)Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">40-77 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">8-24 years</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">7-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">6-66 years</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">2-32 years</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">4-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-15 years</td> </tr> </table> <p>(b)Intangible assets The straight-line method is used.</p> <p>(c)Long-term prepaid expenses The straight-line method is used.</p>	Buildings	40-77 years	Equipment	8-24 years	Building improvements	7-18 years	Buildings in trust	6-66 years	Equipment in trust	2-32 years	Building improvements in trust	4-55 years	Tools, furniture and fixtures in trust	2-15 years
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Tools, furniture and fixtures in trust	2-15 years																													
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Equipment	8-24 years																													
Building improvements	7-18 years																													
Buildings in trust	6-66 years																													
Equipment in trust	2-32 years																													
Building improvements in trust	4-55 years																													
Tools, furniture and fixtures in trust	2-15 years																													
2. Method of calculating allowances	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>																												
3. Revenue and expense recognition	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. There was no such amount equivalent to property taxes that was included as part of the acquisition of real estate during this fiscal period.</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate or trust beneficiary interests in real estate instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition of real estate during this fiscal period is JPY 10,574 thousand.</p>																												

By Period Item	Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
4. Other significant matters which constitute the basis for preparation of financial statements	<p>(1)Accounting treatment of trust beneficiary interests in real estate As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.</p> <p>(a)Cash and deposits in trust (b)Buildings in trust Equipment in trust Building improvements in trust Tools, furniture and fixtures in trust Land in trust (c)Tenant leasehold and security deposits in trust (d)Long-term debts in trust Current portion of long-term debts in trust</p> <p>(2)Accounting treatment of deferred charges (a)Investment unit issuance expenses The full amount is recorded as expense at the time of expenditure.</p> <p>(3)Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>	<p>(1)Accounting treatment of trust beneficiary interests in real estate As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.</p> <p>(a)Cash and deposits in trust (b)Buildings in trust Equipment in trust Building improvements in trust Tools, furniture and fixtures in trust Land in trust (c)Tenant leasehold and security deposits in trust (d)Long-term debts in trust</p> <p>(2)Accounting treatment of deferred charges (a)Investment unit issuance expenses The full amount is recorded as expense at the time of expenditure.</p> <p>(3)Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>

[Notes Concerning Changes in Methods of Presentation]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
<p>“Public listing related costs”, which was included as an independent item under “non-operating expenses” for the fiscal period ended June 30, 2013, has been included in “miscellaneous losses” under “non-operating expenses” for the fiscal period ended December 31, 2013 due to the insignificant amount. The financial statements for the first period ended June 30, 2013 have been restated to reflect this change in method of presentation.</p> <p>As a result, the amount of 1,300 yen which was presented as “public listing related costs” under “non-operating expenses” has been restated to be included in “miscellaneous” in the statement of income.</p>	-

[Notes to the Balance Sheets]

Fiscal Period ended December 31, 2013 (as of December 31, 2013)	Fiscal Period ended June 30, 2014 (as of June 30, 2014)
※1. Assets pledged as collateral and liabilities with collateral Assets pledged as collateral are as follows.	※1. Assets pledged as collateral and liabilities with collateral Assets pledged as collateral are as follows.
Cash and deposits 167,136 thousand yen	Cash and deposits 153,187 thousand yen
Cash and deposits in trust 2,729,902 thousand yen	Cash and deposits in trust 2,765,504 thousand yen
Buildings 2,461,796 thousand yen	Buildings 78,131 thousand yen
Equipment 22,706 thousand yen	Equipment 21,510 thousand yen
Building improvements 2,330 thousand yen	Building improvements 1,640 thousand yen
Land 2,713,620 thousand yen	Land 711,834 thousand yen
Buildings in trust 27,423,061 thousand yen	Buildings in trust 28,538,783 thousand yen
Equipment in trust 5,073,126 thousand yen	Equipment in trust 5,259,944 thousand yen
Building improvements in trust 223,646 thousand yen	Building improvements in trust 212,270 thousand yen
Tools, furniture and fixtures in trust 80,646 thousand yen	Tools, furniture and fixtures in trust 91,540 thousand yen
Land in trust 36,582,527 thousand yen	Land in trust 40,447,565 thousand yen
Total 77,480,500 thousand yen	Total 78,281,912 thousand yen
Liabilities with collateral are as follows.	Liabilities with collateral are as follows.
Current portion of long-term debts 203,520 thousand yen	Short-term debts 13,488,750 thousand yen
Long-term debts 20,146,480 thousand yen	Current portion of long-term debts 17,552,100 thousand yen
Current portion of long-term debts in trust 105,833 thousand yen	Long-term debts in trust 9,960,000 thousand yen
Long-term debts in trust 20,854,166 thousand yen	Total 41,000,850 thousand yen
Total 41,310,000 thousand yen	
※2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen	※2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen

[Notes to Statement of Income]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
<p>※1. Rental revenues and property related expenses (Unit: thousands of yen)</p> <p>A. Real property rental revenues</p> <p>Rental revenues</p> <p>(Rent/common area charges) 2,542,588</p> <p>(Other revenues) 197,861</p> <hr/> <p>Total rental revenues 2,740,449</p> <p>B. Real property related expenses</p> <p>Property related expenses</p> <p>(Maintenance costs) 435,966</p> <p>(Taxes and public dues) 175,993</p> <p>(Insurance expenses) 5,085</p> <p>(Other expenses) 116,754</p> <p>(Depreciation expenses) 527,420</p> <hr/> <p>Total real property related expenses 1,261,221</p> <p>C. Operating income from rental revenues (A-B) 1,479,227</p>	<p>※1. Rental revenues and property related expenses (Unit: thousands of yen)</p> <p>A. Real property rental revenues</p> <p>Rental revenues</p> <p>(Rent/common area charges) 2,555,746</p> <p>(Other revenues) 216,673</p> <hr/> <p>Total rental revenues 2,772,419</p> <p>B. Real property related expenses</p> <p>Property related expenses</p> <p>(Maintenance costs) 446,688</p> <p>(Taxes and public dues) 174,451</p> <p>(Insurance expenses) 4,952</p> <p>(Other expenses) 127,784</p> <p>(Depreciation expenses) 527,914</p> <hr/> <p>Total real property related expenses 1,281,791</p> <p>C. Operating income from rental revenues (A-B) 1,490,627</p>
-	<p>※2. Gain on sales of properties (Unit: thousands of yen)</p> <hr/> <p style="text-align: right;">Bon Sejour Chitose Funabashi</p> <p>Proceeds from sales of properties 832,153</p> <p>Cost of sales of properties 657,193</p> <p>Other expenses on sales of properties 6,623</p> <hr/> <p>Gain on sales of properties 168,337</p> <hr/> <p style="text-align: right;">Bon Sejour Yotsugi</p> <p>Proceeds from sales of properties 777,256</p> <p>Cost of sales of properties 622,386</p> <p>Other expenses on sales of properties 5,450</p> <hr/> <p>Gain on sales of properties 149,419</p> <hr/> <p style="text-align: right;">Bon Sejour Hino</p> <p>Proceeds from sales of properties 730,459</p> <p>Cost of sales of properties 551,565</p> <p>Other expenses on sales of properties 5,414</p> <hr/> <p>Gain on sales of properties 173,480</p>

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
	Bon Sejour Musashi Shinjo
	Proceeds from sales of properties 587,138
	Cost of sales of properties 468,167
	Other expenses on sales of properties 4,363
	Gain on sales of properties 114,607
	Bon Sejour Komaki
	Proceeds from sales of properties 1,280,824
	Cost of sales of properties 984,869
	Other expenses on sales of properties 12,563
	Gain on sales of properties 283,391
	Bon Sejour Hadano Shibusawa
	Proceeds from sales of properties 735,268
	Cost of sales of properties 633,486
	Other expenses on sales of properties 6,243
	Gain on sales of properties 95,539
	Bon Sejour Itami
	Proceeds from sales of properties 472,718
	Cost of sales of properties 449,783
	Other expenses on sales of properties 4,357
	Gain on sales of properties 18,577
<p>※3. Profit from finance related cost adjustment</p> <p>With respect to the exit fees which were to be paid pursuant to the Shinsei Trust Loan A and the Shinsei Trust Loan B, 1,337,460 thousand yen was recognized as an accrued expense in a prior period on the basis that it would be paid on the maturity date of the borrowings. However, as a result of the prepayment of such borrowings during the fiscal period ended December 31, 2013, such exit fees were refunded, which was recognized as profit from finance related cost adjustment.</p>	-

[Notes to Statement of Unitholders' Equity]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
Number of investment units authorized and number of investment units issued and outstanding	Number of investment units authorized and number of investment units issued and outstanding
Number of investment units authorized 10,000,000 units	Number of investment units authorized 10,000,000 units
Number of investment units issued and outstanding 1,573,179 units	Number of investment units issued and outstanding 1,573,179 units

[Notes Related to Tax Accounting]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
1. Significant components of deferred tax assets and liabilities (Deferred tax assets - current assets)	1. Significant components of deferred tax assets and liabilities (Deferred tax assets - current assets)
Enterprise tax payable 590 thousand yen	Enterprise tax payable 517 thousand yen
Accounts receivable (merger) 211 thousand yen	Accounts receivable (merger) 197 thousand yen
Allowance for doubtful accounts 941 thousand yen	Allowance for doubtful accounts 475 thousand yen
Subtotal 1,743 thousand yen	Subtotal 1,190 thousand yen
Valuation allowance 1,743 thousand yen	Valuation allowance 1,190 thousand yen
Total - thousand yen	Total - thousand yen
(Net deferred tax assets - current) - thousand yen	(Net deferred tax assets - current) - thousand yen
(Deferred tax assets - non-current assets)	(Deferred tax assets - non-current assets)
Buildings and other (merger) 1,177,288 thousand yen	Buildings and other (merger) 812,820 thousand yen
Land (merger) 2,547,099 thousand yen	Land (merger) 2,251,597 thousand yen
Long-term accrued expenses 7,401,300 thousand yen	Long-term accrued expenses 7,746,144 thousand yen
Subtotal 11,125,688 thousand yen	Subtotal 10,810,561 thousand yen
Valuation allowance 11,125,688 thousand yen	Valuation allowance 10,810,561 thousand yen
Total - thousand yen	Total - thousand yen
(Net deferred tax assets - non-current) - thousand yen	(Net deferred tax assets - non-current) - thousand yen
2. Significant difference between statutory tax rate and the effective tax rate	2. Significant difference between statutory tax rate and the effective tax rate
Statutory tax rate 36.59%	Statutory tax rate 36.59%
Deductible cash distributions -%	Deductible cash distributions -%
Provision of reserve for reduction entry (36.59)%	Provision of reserve for reduction entry (34.98)%
Others 0.17%	Others (1.54)%
Effective tax rate 0.17%	Effective tax rate 0.07%
	3. Revision of the amounts of deferred tax assets and liabilities due to changes in rate of any Corporation Tax, etc. As a result of the promulgation of the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 10 of 2014) on March 31, 2014, the statutory tax rate used to calculate deferred tax assets and liabilities is changed from 36.59% to

	34.16% for temporary differences expected to be eliminated in the fiscal period ending December 31, 2014 (23rd fiscal period) and the fiscal period ending June 30, 2015 (24th fiscal period). This change in tax rate has no effect on the amounts of deferred tax assets and liabilities, and deferred income taxes.
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[Notes Related to Lease Contracts]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)			Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)		
Operating lease transactions (as lessee) (Unit: thousands of yen)			Operating lease transactions (as lessee) (Unit: thousands of yen)		
	Due within one year	112,249		Due within one year	112,249
Remaining lease payments	Due after one year	2,336,413	Remaining lease payments	Due after one year	2,280,288
	Total	2,448,662		Total	2,392,537
(as lessor) (Unit: thousands of yen)			(as lessor) (Unit: thousands of yen)		
	Due within one year	669,922		Due within one year	507,089
Remaining lease payments	Due after one year	6,914,939	Remaining lease payments	Due after one year	4,342,958
	Total	7,584,862		Total	4,850,048

[Notes Related to Financial Instruments]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)
<p>1. Status of financial instruments</p> <p>(1)Policy for financial instruments</p> <p>INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term.</p> <p>The policy for raising funds is principally through issuing new investment units or entering into debt.</p> <p>Derivative transactions are to be entered into for the purpose of hedging against the rate of future interest rate increases, etc. and not for speculation. There are currently no derivative transactions that have been entered into.</p> <p>Surplus funds are managed carefully after carefully taking into account safety, liquidity, the interest rate environment and financing.</p> <p>(2)Nature and extent of risks arising from financial instruments and risk management</p> <p>The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</p>	<p>1. Status of financial instruments</p> <p>(1)Policy for financial instruments</p> <p>INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term.</p> <p>The policy for raising funds is principally through issuing new investment units or entering into debt.</p> <p>Derivative transactions are to be entered into for the purpose of hedging against the rate of future interest rate increases, etc. and not for speculation. There are currently no derivative transactions that have been entered into.</p> <p>Surplus funds are managed carefully after carefully taking into account safety, liquidity, the interest rate environment and financing.</p> <p>(2)Nature and extent of risks arising from financial instruments and risk management</p> <p>The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</p>

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)																																																																												
<p>(3)Supplemental information regarding market value, etc. for financial instruments The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.</p>	<p>(3)Supplemental information regarding market value, etc. for financial instruments The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.</p>																																																																												
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(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period				(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period			
(Unit: thousands of yen)				(Unit: thousands of yen)			
	Due within One Year	Due after One to Two Years	Due after Two to Three Years		Due within One Year	Due after One to Two Years	Due after Two to Three Years
Cash and deposits	1,457,257	-	-	Cash and deposits	759,058	-	-
Cash and deposits in trust	2,729,902	-	-	Cash and deposits in trust	2,765,504	-	-
Total	4,187,160	-	-	Total	3,524,562	-	-
	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years		Due after Three to Four Years	Due after Four to Five Years	Due after Five Years
Cash and deposits	-	-	-	Cash and deposits	-	-	-
Cash and deposits in trust	-	-	-	Cash and deposits in trust	-	-	-
Total	-	-	-	Total	-	-	-
(Note 4) Redemption schedule of long-term debts and other interest-bearing indebtedness after the closing date of the fiscal period				(Note 4) Redemption schedule of long-term debts and other interest-bearing indebtedness after the closing date of the fiscal period			
(Unit: thousands of yen)				(Unit: thousands of yen)			
	Due within One Year	Due after One to Two Years	Due after Two to Three Years		Due within One Year	Due after One to Two Years	Due after Two to Three Years
Current portion of long-term debts	203,520	-	-	Current portion of long-term debts	17,552,100	-	-
Long-term debts	-	203,520	19,942,960	Long-term debts	-	-	-
Current portion of long-term debts in trust	105,833	-	-	Current portion of long-term debts in trust	-	-	-
Long-term debts in trust	-	450,442	516,273	Long-term debts in trust	-	54,894	74,639
Total	309,353	653,962	20,459,233	Total	17,552,100	54,894	74,639
	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years		Due after Three to Four Years	Due after Four to Five Years	Due after Five Years
Current portion of long-term debts	-	-	-	Current portion of long-term debts	-	-	-
Long-term debts	-	-	-	Long-term debts	-	-	-
Current portion of long-term debts in trust	-	-	-	Current portion of long-term debts in trust	-	-	-
Long-term debts in trust	3,819,427	6,196,028	9,871,993	Long-term debts in trust	2,863,679	5,217,347	1,749,439
Total	3,819,427	6,196,028	9,871,993	Total	2,863,679	5,217,347	1,749,439

[Notes Related to Rental Properties]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)					Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)																																																																																					
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[Notes Related to Transactions with Related Parties]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)

1 Interested parties of the Asset Manager

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen) (Note 1)	Account	Balance at the End of the Period (Thousands of yen) (Note 1)
Interested party of the Asset Manager	Shinsei Trust and Banking Co., Ltd.	Financial business	-	Repayment of long-term debts (Note 2) (Note 3)	9,604,000	Repayment of long-term debts	-
				Finance related fees (Note 4)	143,196	Long-term prepaid expenses	-
						Prepaid expenses	-
						Long-term accrued expenses	-
						Accrued expenses	-
	Interest expenses	282,863	Accrued expenses	-			
Rayo Godo Kaisha (Note 6)	Investment management business	9.53	Subscription of capital increase	1,999,999	-	-	

(Note 1) Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.

(Note 2) For the terms and conditions, see "I. Asset Management Report - Overview of Liabilities and Expenses - 2 Borrowing Conditions".

(Note 3) The financing includes transactions for which Calliope, which became the parent company of the Asset Manager on July 29, 2011, had a portion of the economic benefit.

(Note 4) Accrued expenses and long-term accrued expenses decreased due to redemption before maturity date and this transaction is not included above.

(Note 5) Calliope holds 609,942 units (holding ratio: 38.77%) of the issued investment units of INV.

(Note 6) Rayo Godo Kaisha and the Asset Manager have no capital relationship to be disclosed. Rayo Godo Kaisha has received an anonymous partnership investment through funds that are managed by FIG, an affiliate of Calliope.

2 Asset Custody Companies

None for the fiscal period ended December 31, 2013

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

1 Interested parties of the Asset Manager

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen) (Note 1)	Account	Balance at the End of the Period (Thousands of yen) (Note 1)
Interested party of the Asset Manager	Zephyrus Tokutei Mokuteki Kaisha (Note 3).	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,851,000	-	-
	Nishi Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,584,000	-	-

(Note 1) Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.

(Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.

(Note 3) Zephyrus Tokutei Mokuteki Kaisha and Nishi Tokutei Mokuteki Kaisha have no capital relationship with the Asset Manager to be disclosed. The funds have received an anonymous partnership investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha and Nishi Tokutei Mokuteki Kaisha as the equivalent of interested party.

(Note 4) Calliope holds 609,942 units (holding ratio: 38.77%) of the issued investment units of INV.

(Note 5) The purchase of trust beneficiary interests pertains to following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses on acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Purchase Price (Thousands of yen)
D1	Hotel MyStays Kanda	2,851,000
D2	Hotel MyStays Asakusa	2,584,000
Total		5,435,000

2 Asset Custody Companies

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen)	Account	Balance at the End of the Period (Thousands of yen)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Repayment of short-term debt	2,500	Short-term debt	2,997,500
				Loan for short-term debt	3,000,000		
				Finance related fees	923	Prepaid expenses	5,630
				Interest expenses	3,138	Accrued expenses	77

(Note 1) Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.

(Note 2) The terms and conditions have been determined based on market conditions.

[Notes Related to Per Unit Information]

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)		Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)	
Net assets per unit	22,785 yen	Net assets per unit	23,121 yen
Net income per unit	259 yen	Net income per unit	573 yen
Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.		Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.	

Note. The basis for calculating net income per unit is as follows.

Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)		Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)	
Net income for the fiscal period (thousands of yen)	352,755	Net income for the fiscal period (thousands of yen)	901,815
Amounts not attributable to common unit holders (thousands of yen)	-	Amounts not attributable to common unit holders (thousands of yen)	-
Net income attributable to common unit holders (thousands of yen)	352,755	Net income attributable to common unit holders (thousands of yen)	901,815
Average number of investment units during the period (units)	1,362,959	Average number of investment units during the period (units)	1,573,179

(Significant Subsequent Events)

Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)																																
—	<p>1. Issuance of New Investment Units</p> <p>INV resolved at its meeting of the Board of Directors held on June 23, 2014 and July 9, 2014 respectively to conduct the issuance of new investment units and secondary distribution of investment units. The payment for the new investment units issued through the public offering was completed on July 16, 2014, and the new investment units were issued in accordance with the following terms and conditions. In addition, with respect to the issuance of new investment units through the third-party allotment in connection with the overallotment secondary offering, the payment was completed on August 13, 2014. As a result, the unitholders' equity of INV is JPY 53,096 million and the number of investment units issued and outstanding of INV increased to 2,668,686.</p> <p>(i) Issuance of new investment units through public offering</p> <table border="1" data-bbox="836 1037 1369 1406"> <tr> <td>Number of New Investment Units Issued</td> <td>: 1,040,000 units</td> </tr> <tr> <td>Domestic public offering</td> <td>: 527,322 units</td> </tr> <tr> <td>Overseas offering</td> <td>: 512,678 units</td> </tr> <tr> <td>Issue Price (Offer Price)</td> <td>: JPY 22,688 per unit</td> </tr> <tr> <td>Total Issue Price (Total Offer Price)</td> <td>: JPY 23,595,520,000</td> </tr> <tr> <td>Amount Paid In (Issue Value)</td> <td>: JPY 21,873 per unit</td> </tr> <tr> <td>Total Amount Paid In (Total Issue Value)</td> <td>: JPY 22,747,920,000</td> </tr> <tr> <td>Payment Date</td> <td>: Wednesday, July 16, 2014</td> </tr> </table> <p>(ii) Secondary offering of investment units outside Japan</p> <table border="1" data-bbox="836 1458 1369 1659"> <tr> <td>Number of Investment Units Offered in the Secondary Offering</td> <td>: 70,151 units</td> </tr> <tr> <td>Offer Price</td> <td>: JPY 22,688 per unit</td> </tr> <tr> <td>Total Offer Value</td> <td>: JPY 1,591,585,888</td> </tr> <tr> <td>Seller</td> <td>: Infinite Value Investment Ltd.</td> </tr> </table> <p>(iii) Secondary offering of investment units (overallotment secondary offering)</p> <table border="1" data-bbox="836 1742 1369 1944"> <tr> <td>Number of Investment Units Offered in the Secondary Offering</td> <td>: 55,507 units</td> </tr> <tr> <td>Offer Price</td> <td>: JPY 22,688 per unit</td> </tr> <tr> <td>Total Offer Value</td> <td>: JPY 1,259,342,816</td> </tr> <tr> <td>Delivery Date</td> <td>: Thursday, July 17, 2014</td> </tr> </table> <p>(iv) Issuance of new investment units through third-party</p>	Number of New Investment Units Issued	: 1,040,000 units	Domestic public offering	: 527,322 units	Overseas offering	: 512,678 units	Issue Price (Offer Price)	: JPY 22,688 per unit	Total Issue Price (Total Offer Price)	: JPY 23,595,520,000	Amount Paid In (Issue Value)	: JPY 21,873 per unit	Total Amount Paid In (Total Issue Value)	: JPY 22,747,920,000	Payment Date	: Wednesday, July 16, 2014	Number of Investment Units Offered in the Secondary Offering	: 70,151 units	Offer Price	: JPY 22,688 per unit	Total Offer Value	: JPY 1,591,585,888	Seller	: Infinite Value Investment Ltd.	Number of Investment Units Offered in the Secondary Offering	: 55,507 units	Offer Price	: JPY 22,688 per unit	Total Offer Value	: JPY 1,259,342,816	Delivery Date	: Thursday, July 17, 2014
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Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)																										
	<p>allotment</p> <table border="1" data-bbox="836 398 1369 685"> <tr> <td>Number of New Investment Units Issued</td> <td>: 55,507 units</td> </tr> <tr> <td>Amount Paid In (Issue Value)</td> <td>: JPY 21,873 per unit</td> </tr> <tr> <td>Total Amount Paid In (Total Issue Value)</td> <td>: JPY 1,214,104,611</td> </tr> <tr> <td>Payment Date</td> <td>: Wednesday, August 13, 2014</td> </tr> <tr> <td>Allotee</td> <td>: SMBC Nikko Securities Inc.</td> </tr> </table> <p>2. Borrowing of Funds</p> <p>In order to fund a portion of the acquisition of the trust beneficiary interests for the 18 hotel properties, which INV acquired on July 17, 2014 (see “4. Acquisition of Assets” below), and to refinance the existing syndicate loan (New Syndicate Loan (A)) at a more lower interest rate, INV completed the following new borrowing as of July 17, 2014, in addition to the existing borrowing (New Syndicate Loan (B)).</p> <p>New Syndicate Loan (C)</p> <table border="1" data-bbox="836 1039 1369 1742"> <tr> <td>Lender</td> <td>: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited</td> </tr> <tr> <td>Borrowing amount</td> <td>: JPY57,300 million</td> </tr> <tr> <td>Interest rate, etc.</td> <td>: Base Rate (one-month JPY TIBOR) + 0.80%</td> </tr> <tr> <td>Interest payment date</td> <td>: On (1) the last Japanese business day of each month before the principal maturity date, beginning with August 29, 2014, and (2) the principal maturity date</td> </tr> <tr> <td>Principal repayment method</td> <td>: Lump-sum repayment</td> </tr> <tr> <td>Borrowing method</td> <td>: Secured (Note1) / with no guarantee</td> </tr> <tr> <td>Borrowing date</td> <td>: July 17, 2014</td> </tr> <tr> <td>Maturity Date</td> <td>: July 14, 2017</td> </tr> </table> <p>(Note 1) The following assets are pledged as collateral for the borrowings. First priority pledges over the real estate trust beneficiary interests for 65 properties: Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Harmonie Ochanomizu, Suncrest Shakujii Koen, Growth Maison Shin-Yokohama, Belle Face Ueno Okachimachi, Grand Rire Kameido, Growth</p>	Number of New Investment Units Issued	: 55,507 units	Amount Paid In (Issue Value)	: JPY 21,873 per unit	Total Amount Paid In (Total Issue Value)	: JPY 1,214,104,611	Payment Date	: Wednesday, August 13, 2014	Allotee	: SMBC Nikko Securities Inc.	Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited	Borrowing amount	: JPY57,300 million	Interest rate, etc.	: Base Rate (one-month JPY TIBOR) + 0.80%	Interest payment date	: On (1) the last Japanese business day of each month before the principal maturity date, beginning with August 29, 2014, and (2) the principal maturity date	Principal repayment method	: Lump-sum repayment	Borrowing method	: Secured (Note1) / with no guarantee	Borrowing date	: July 17, 2014	Maturity Date	: July 14, 2017
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Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)						
	<p>Maison Ikebukuro, Growth Maison Yoga, Route Tachikawa, Shibuya Honmachi Mansion, City Heights Kinuta, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, College Square Machida, Belair Meguro, Wacore Tsunashima I, Foros Nakamurabashi, Growth Maison Kaijin, College Square Machiya, City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Crescent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Loxel Mansion Ueno Matsugaya, Towa City Coop Sengencho, Royal Park Omachi, Lexington Square Haginomachi, Visconti Kakuoan, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, AMS TOWER Minami 6-Jo, Spacia Ebisu, Kindai Kagakusha Building, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman, AEON TOWN Sukagawa, Hotel MyStays Kanda, Hotel MyStays Asakusa, Hotel MyStays Kyoto-Shijo, MyStays Shin Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstay Inn Idabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1 and Flexstay Inn Nakanobu P2. First priority mortgages over two real estate properties: Shinjuku Island and Times Kanda-Sudacho 4th. Floating lien over nine properties: Hotel MyStays Kanda, Hotel MyStays Kyoto-Shijo, MyStays Shin Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama and Hotel MyStays Fukuoka-Tenjin-Minami.</p> <p>3. Prepayment of Borrowings</p> <p>In order to complete the acquisition of the 18 hotel properties on July 17, 2014, reduce borrowing costs further and strengthen lender formation, IVN completed the refinancing and the prepayment of the following borrowings.</p> <p>New Syndicate Loan (A)</p> <table border="1" data-bbox="836 1693 1366 1993"> <tbody> <tr> <td data-bbox="836 1693 991 1888">Lender</td> <td data-bbox="991 1693 1366 1888">: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Shinsei Trust & Banking Co., Ltd. and Aozora Bank, Ltd.</td> </tr> <tr> <td data-bbox="836 1888 991 1944">Balance of Borrowings</td> <td data-bbox="991 1888 1366 1944">: JPY17,552 million</td> </tr> <tr> <td data-bbox="836 1944 991 1993">Initial Loan Amount</td> <td data-bbox="991 1944 1366 1993">: JPY20,350 million</td> </tr> </tbody> </table>	Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Shinsei Trust & Banking Co., Ltd. and Aozora Bank, Ltd.	Balance of Borrowings	: JPY17,552 million	Initial Loan Amount	: JPY20,350 million
Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Shinsei Trust & Banking Co., Ltd. and Aozora Bank, Ltd.						
Balance of Borrowings	: JPY17,552 million						
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Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)																																		
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	<p>Kyoto-Shijo</p> <table border="1"> <tr><td>Acquisition Date</td><td>July 17, 2014</td></tr> <tr><td>Acquisition Price (Note 1)</td><td>JPY6,024 million</td></tr> <tr><td>Location</td><td>52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi</td></tr> <tr><td>Construction Date</td><td>January 2008</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficial Interest</td></tr> <tr><td>Seller</td><td>Shijodori Holding Tokutei Mokuteki Kaisha</td></tr> <tr><td>Total Floor Area</td><td>7,241.51m²</td></tr> <tr><td>Total Leasable Area</td><td>7,241.51m²</td></tr> </table> <p>Property number: D4 Name of property: MyStays Shin-Urayasu Conference Center</p> <table border="1"> <tr><td>Acquisition Date</td><td>July 17, 2014</td></tr> <tr><td>Acquisition Price (Note 1)</td><td>JPY4,930 million</td></tr> <tr><td>Location</td><td>2-1-4, Akemi, Urayasu-shi, Chiba</td></tr> <tr><td>Construction Date</td><td>March 2009</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficial Interest</td></tr> <tr><td>Seller</td><td>Zephyrus Tokutei Mokuteki Kaisha</td></tr> <tr><td>Total Floor Area</td><td>6,232.30m²</td></tr> <tr><td>Total Leasable Area</td><td>6,232.30m²</td></tr> </table> <p>Property number: D5 Name of property: Hotel MyStays Maihama</p> <table border="1"> <tr><td>Acquisition Date</td><td>July 17, 2014</td></tr> <tr><td>Acquisition Price (Note 1)</td><td>JPY4,870 million</td></tr> <tr><td>Location</td><td>3-5-1, Tekko-dori, Urayasu-shi, Chiba</td></tr> <tr><td>Construction Date</td><td>June 2005</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficial Interest</td></tr> <tr><td>Seller</td><td>Zephyrus Tokutei Mokuteki Kaisha</td></tr> <tr><td>Total Floor Area</td><td>2,456.36m²</td></tr> <tr><td>Total Leasable Area</td><td>2,456.36m²</td></tr> </table> <p>Property number: D6 Name of property: Hotel Vista Premio Dojima</p> <table border="1"> <tr><td>Acquisition Date</td><td>July 17, 2014</td></tr> <tr><td>Acquisition Price (Note 1)</td><td>JPY3,845 million</td></tr> <tr><td>Location</td><td>2-4-1, Sonezakishinchi, Kita-ku, Osaka</td></tr> </table>	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY6,024 million	Location	52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi	Construction Date	January 2008	Category of Assets	Trust Beneficial Interest	Seller	Shijodori Holding Tokutei Mokuteki Kaisha	Total Floor Area	7,241.51m ²	Total Leasable Area	7,241.51m ²	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY4,930 million	Location	2-1-4, Akemi, Urayasu-shi, Chiba	Construction Date	March 2009	Category of Assets	Trust Beneficial Interest	Seller	Zephyrus Tokutei Mokuteki Kaisha	Total Floor Area	6,232.30m ²	Total Leasable Area	6,232.30m ²	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY4,870 million	Location	3-5-1, Tekko-dori, Urayasu-shi, Chiba	Construction Date	June 2005	Category of Assets	Trust Beneficial Interest	Seller	Zephyrus Tokutei Mokuteki Kaisha	Total Floor Area	2,456.36m ²	Total Leasable Area	2,456.36m ²	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY3,845 million	Location	2-4-1, Sonezakishinchi, Kita-ku, Osaka
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Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)	
	Construction Date	August 1990
	Category of Assets	Trust Beneficial Interest
	Seller	Danube Tokutei Mokuteki Kaisha
	Total Floor Area	9,445.32m ²
	Total Leasable Area	9,445.32m ²
	Property number: D7 Name of property: Hotel MyStays Nagoya-Sakae	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY2,958 million
	Location	2-23-22, Higashisakura, Naka-ku, Nagoya, Aichi
	Construction Date	November 1979
	Category of Assets	Trust Beneficial Interest
	Seller	Zephyrus Tokutei Mokuteki Kaisha
	Total Floor Area	9,064.71m ²
	Total Leasable Area	9,064.71m ²
	Property number: D8 Name of property: Hotel MyStays Sakaisuji-Honmachi	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY2,514 million
	Location	1-4-8, Awaji-machi, Chuo-ku, Osaka-shi, Osaka
	Construction Date	July 2008
	Category of Assets	Trust Beneficial Interest
	Seller	Nagahoribashi Holding Tokutei Mokuteki Kaisha
	Total Floor Area	4,188.83m ²
	Total Leasable Area	4,188.83m ²
	Property number: D9 Name of property: Hotel MyStays Yokohama	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY2,119 million

Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)	
	1)	
	Location	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa
	Construction Date	October 1974
	Category of Assets	Trust Beneficial Interest
	Seller	Zephyrus Tokutei Mokuteki Kaisha
	Total Floor Area	7,379.43m ²
	Total Leasable Area	7,379.43m ²
	Property number: D10 Name of property: Hotel MyStays Nippori	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,898 million
	Location	5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo
	Construction Date	April 1987
	Category of Assets	Trust Beneficial Interest
	Seller	Nishi Tokutei Mokuteki Kaisha
	Total Floor Area	1,719.29m ²
	Total Leasable Area	1,719.29m ²
	Property number: D11 Name of property: Hotel MyStays Fukuoka-Tenjin-Minami	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,570 million
	Location	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka
	Construction Date	February 2008
	Category of Assets	Trust Beneficial Interest
	Seller	Shijodori Holding Tokutei Mokuteki Kaisha
	Total Floor Area	3,412.71m ²
	Total Leasable Area	3,412.71m ²
	Property number: D12 Name of property: Flexstay Inn Iidabashi	
	Acquisition Date	July 17, 2014

Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)	
	Date	
	Acquisition Price (Note 1)	JPY1,381 million
	Location	3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo
	Construction Date	December 1990
	Category of Assets	Trust Beneficial Interest
	Seller	Aki Tokutei Mokuteki Kaisha
	Total Floor Area	2,953.38m ²
	Total Leasable Area	2,953.38m ²
	Property number: D13 Name of property: Hotel MyStays Ueno Inaricho	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,331 million
	Location	1-5-7, Matsugaya, Taito-ku, Tokyo
	Construction Date	December 1986
	Category of Assets	Trust Beneficial Interest
	Seller	Nishi Tokutei Mokuteki Kaisha
	Total Floor Area	1,150.76m ²
	Total Leasable Area	1,150.76m ²
	Property number: D14 Name of property: Flexstay Inn Shinagawa	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,242 million
	Location	1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo
	Construction Date	October 1986
	Category of Assets	Trust Beneficial Interest
	Seller	Nishi Tokutei Mokuteki Kaisha
	Total Floor Area	1,134.52m ²
	Total Leasable Area	1,134.52m ²
	Property number: D15 Name of property: Flexstay Inn Tokiwadai	

Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,242 million
	Location	1-52-5, Tokiwadai, Itabashi-ku, Tokyo
	Construction Date	December 1989
	Category of Assets	Trust Beneficial Interest
	Seller	Aki Tokutei Mokuteki Kaisha
	Total Floor Area	2,539.75m ²
	Total Leasable Area	2,539.75m ²
	Property number: D16 Name of property: Flexstay Inn Sugamo	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,192 million
	Location	3-6-16, Sugamo, Toshima-ku, Tokyo
	Construction Date	January 1992
	Category of Assets	Trust Beneficial Interest
	Seller	Aki Tokutei Mokuteki Kaisha
	Total Floor Area	2,089.86m ²
	Total Leasable Area	2,089.86m ²
	Property number: D17 Name of property: Hotel MyStays Otemae	
	Acquisition Date	July 17, 2014
	Acquisition Price (Note 1)	JPY1,192 million
	Location	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi, Osaka
	Construction Date	December 1986
	Category of Assets	Trust Beneficial Interest
	Seller	Aki Tokutei Mokuteki Kaisha
	Total Floor Area	4,956.66m ²
	Total Leasable Area	4,956.66m ²

Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)																																																
	<p>Property number: D18 Name of property: Flexstay Inn Kiyosumi Shirakawa</p> <table border="1" data-bbox="836 427 1369 880"> <tr> <td>Acquisition Date</td> <td>July 17, 2014</td> </tr> <tr> <td>Acquisition Price (Note 1)</td> <td>JPY749 million</td> </tr> <tr> <td>Location</td> <td>1-12-16, Tokiwa, Koto-ku, Tokyo</td> </tr> <tr> <td>Construction Date</td> <td>May 1992</td> </tr> <tr> <td>Category of Assets</td> <td>Trust Beneficial Interest</td> </tr> <tr> <td>Seller</td> <td>Aki Tokutei Mokuteki Kaisha</td> </tr> <tr> <td>Total Floor Area</td> <td>2,673.64m²</td> </tr> <tr> <td>Total Leasable Area</td> <td>2,673.64m²</td> </tr> </table> <p>Property number: D19 Name of property: Flexstay Inn Nakanobu P1</p> <table border="1" data-bbox="836 965 1369 1440"> <tr> <td>Acquisition Date</td> <td>July 17, 2014</td> </tr> <tr> <td>Acquisition Price (Note 1)</td> <td>JPY589 million</td> </tr> <tr> <td>Location</td> <td>4-27-12, Futaba, Shinagawa-ku, Tokyo</td> </tr> <tr> <td>Construction Date</td> <td>September 1986</td> </tr> <tr> <td>Category of Assets</td> <td>Trust Beneficial Interest</td> </tr> <tr> <td>Seller</td> <td>Aki Tokutei Mokuteki Kaisha</td> </tr> <tr> <td>Total Floor Area</td> <td>770.56m²</td> </tr> <tr> <td>Total Leasable Area</td> <td>770.56m²</td> </tr> </table> <p>Property number: D20 Name of property: Flexstay Inn Nakanobu P2</p> <table border="1" data-bbox="836 1525 1369 1998"> <tr> <td>Acquisition Date</td> <td>July 17, 2014</td> </tr> <tr> <td>Acquisition Price (Note 1)</td> <td>JPY283 million</td> </tr> <tr> <td>Location</td> <td>4-27-8, Futaba, Shinagawa-ku, Tokyo</td> </tr> <tr> <td>Construction Date</td> <td>March 1989</td> </tr> <tr> <td>Category of Assets</td> <td>Trust Beneficial Interest</td> </tr> <tr> <td>Seller</td> <td>Aki Tokutei Mokuteki Kaisha</td> </tr> <tr> <td>Total Floor Area</td> <td>319.49m²</td> </tr> <tr> <td>Total Leasable Area</td> <td>319.49m²</td> </tr> </table>	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY749 million	Location	1-12-16, Tokiwa, Koto-ku, Tokyo	Construction Date	May 1992	Category of Assets	Trust Beneficial Interest	Seller	Aki Tokutei Mokuteki Kaisha	Total Floor Area	2,673.64m ²	Total Leasable Area	2,673.64m ²	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY589 million	Location	4-27-12, Futaba, Shinagawa-ku, Tokyo	Construction Date	September 1986	Category of Assets	Trust Beneficial Interest	Seller	Aki Tokutei Mokuteki Kaisha	Total Floor Area	770.56m ²	Total Leasable Area	770.56m ²	Acquisition Date	July 17, 2014	Acquisition Price (Note 1)	JPY283 million	Location	4-27-8, Futaba, Shinagawa-ku, Tokyo	Construction Date	March 1989	Category of Assets	Trust Beneficial Interest	Seller	Aki Tokutei Mokuteki Kaisha	Total Floor Area	319.49m ²	Total Leasable Area	319.49m ²
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Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)
	(Note 1) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition costs, property taxes, city planning taxes and consumption taxes, etc.

VI. Statement of Cash Distribution

	Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended December 31, 2014 (from January 1, 2014 to June 30, 2014)
I. Unappropriated retained earnings	446,003,163 yen	974,975,488 yen
II. Distribution Amount	372,843,423 yen	901,431,567 yen
(Distribution per Unit)	(237 yen)	(573 yen)
III. Retained earnings carried forward	73,159,740 yen	73,543,921 yen
Calculation method of distribution amount	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of Investment Corporation, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by Investment Corporation. Pursuant to this policy, Investment Corporation determined the distribution amount to be 372,843,423 yen,	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of Investment Corporation, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by Investment Corporation. Pursuant to this policy, Investment Corporation determined the distribution amount to be 901,431,567 yen,

	<p>which is the sum of net income of 352,755,880 yen and reversal of surplus of 20,870,811 yen. Investment Corporation did not distribute any amounts in excess of profit, as set forth in Article 17, Paragraph 4 of the Articles of Incorporation.</p>	<p>out of net income of 901,815,748 yen. Investment Corporation did not distribute any amounts in excess of profit, as set forth in Article 17, Paragraph 4 of the Articles of Incorporation.</p>
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Note

Accompanying English financial information, comprising Balance Sheet, Statement of Income, Statement of Unitholders' Equity, Notes to financial statements and statement of Cash Distribution, have been translated from the Japanese financial statements of the Investment Corporation prepared in accordance with the Act on Investment Trusts and Investment Corporations of Japan.

Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended June 30, 2014 have been audited by Ernst & Young ShinNihon LLC, in accordance with auditing standards generally accepted in Japan. However, English translation of the Japanese language report of independent auditors is not attached herein since the accompanying English translation of Balance Sheet, Statement of Income, Statements of Unitholders' Equity, Notes to financial statements and Statement of Cash Distribution are unaudited.

Regarding the English audited financial statements, please refer to the "Audited Financial Statements" on the website of Invincible Investment Corporation: <http://www.invincible-inv.co.jp/eng/cms/doc.html>

VII. Statement of Cash Flow (Reference Information)

(Unit : thousands of yen)

	Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)
Cash flows from operating activities		
Net income before taxes	353,360	902,420
Depreciation expenses	527,451	527,945
Investment unit issuance expenses	15,487	115,438
Finance related costs	579,038	842,043
Amortization of tenant leasehold and security deposits in trust	(683)	(435)
Interest received	(400)	(404)
Profit from finance related cost adjustment	(354,737)	-
Interest Said	672,128	376,514
Increase (decrease) in allowance for doubtful accounts	1,045	(1,181)
Decrease (increase) in accounts receivable	6,458	(60,244)
Decrease (increase) in deposit payments	748,197	-
Decrease (increase) in consumption tax receivable	(7,419)	7,419
Increase (decrease) in accrued consumption tax payable	(24,902)	143,637
Increase (decrease) in accounts payable	24,617	(87,869)
Increase (decrease) in accrued liabilities	-	(1,613)
Increase (decrease) in accrued expenses	(127,432)	18,110
Increase (decrease) in advances	8,411	(28,364)

received		
Increase (decrease) in deposits received	(3,553)	10,909
Decrease in property and equipment due to sale	-	4,367,451
Others	5,481	(6,762)
Subtotal	2,422,548	7,125,015
Proceeds of interest	390	404
Payment of interest	(650,982)	(502,533)
Payment of corporate taxes, etc.	(606)	(609)
Cash flows from operating activities	1,771,350	6,622,276
Cash flows from investing Activities		
Payment for acquisition of tangible assets in trust	(158,960)	(5,618,018)
Repayment of tenant leasehold and security deposits	-	(154,916)
Repayment of tenant leasehold and security deposits in trust	(49,761)	(93,087)
Proceeds of tenant leasehold and security deposits in trust	39,531	81,527
Others	(694)	(17,833)
Cash flows from investing activities	(169,885)	(5,802,328)
Cash flows from financing activities		
Proceeds from short-term debt	-	13,500,000
Repayment of short-term debt	-	(11,250)
Proceeds from long-term debt	20,350,000	-
Repayment of long-term debt	(22,891,500)	(2,797,899)
Repayment of long-term debt in trust	-	(11,000,000)
Finance related costs	(1,618,501)	(732,126)
Payment of distributions	(355,323)	(342,802)
Proceeds from issuance of investment units	2,999,992	-
Payment of investment unit issuance expenses	-	(98,468)
Others	(16,787)	-

Cash flows from financing activities	(1,532,119)	(1,482,546)
Increase (decrease) in cash and cash equivalents	69,344	(662,597)
Beginning balance of cash and cash equivalents	4,117,815	4,187,160
Closing balance of cash and cash equivalents ※1	4,187,160	3,524,562

Notes Concerning Significant Accounting Policies (Reference Information)

Item	By Period	Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)
Cash and cash equivalents as stated in Statement of Cash Flows		Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.	Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.

Notes Concerning Changes in Methods of Presentation (Reference Information)

Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)
“Public listing related costs”, which was included as an independent item under “non-operating expenses” for the fiscal period ended June 30, 2013, has been included in “miscellaneous losses “under “non-operating expenses” for the fiscal period ended December 31, 2013 due to the insignificant amount. The financial statements for the	-

<p>first period ended June 30, 2013 have been restated to reflect this change in method of presentation.</p> <p>As a result, the amount of 1,300 yen which was presented as “public listing related costs” under “non-operating expenses” has been restated to be included in “miscellaneous” in the statement of income.</p>	
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Notes to Statement of Cash Flow (Reference Information)

※1. Relationship between cash and cash equivalents in statement of cash flows and amounts in accompanying balance sheet

(unit : thousands of yen)

By Period	Preceding Period (Reference) Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)	Fiscal Period ended June 30, 2014 (from January 1 to June 30, 2014)
Item		
Cash and deposits	1,457,257	759,058
Cash and deposits in trust	2,729,902	2,765,504
Cash and cash equivalents	4,187,160	3,524,562

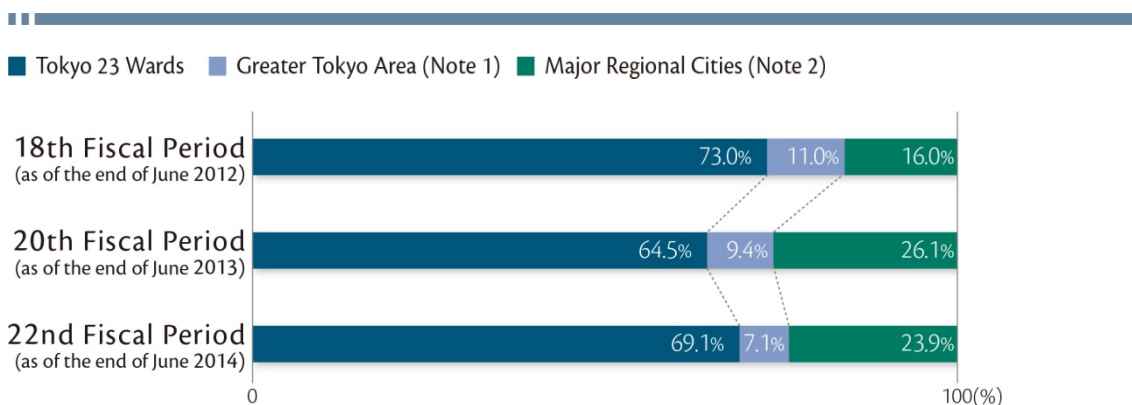
■ **Portofolio Data**

■ **Portofolio Characteristics**

At the end of the reporting period, the number of properties held by the Investment Corporation totaled 73, including 63 residential properties, 7 retail and office buildings, and 2 hotels as well as one parking lot with a total acquisition value of ¥77,988 million and a total leasable area of 154,773.28 m².

(Note) The ratios below are indicated are based on the acquisition price and are rounded to one decimal place.

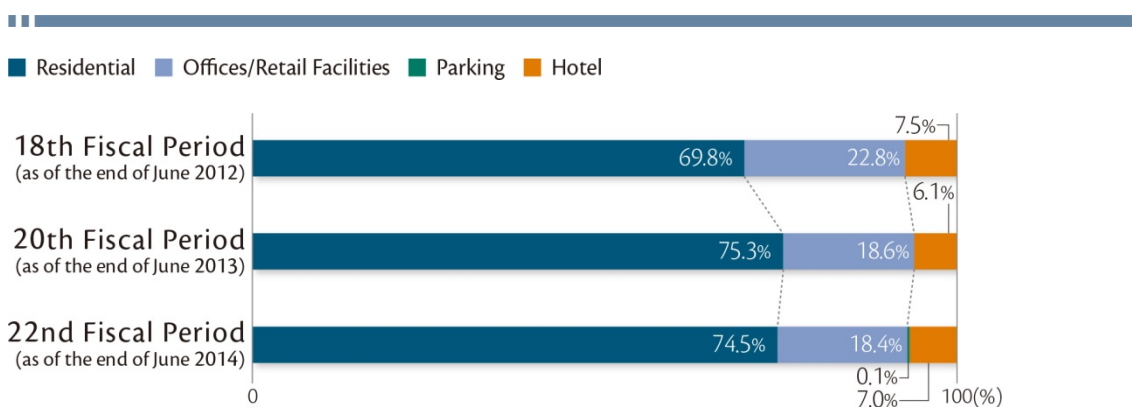
Investment Ratio by Region



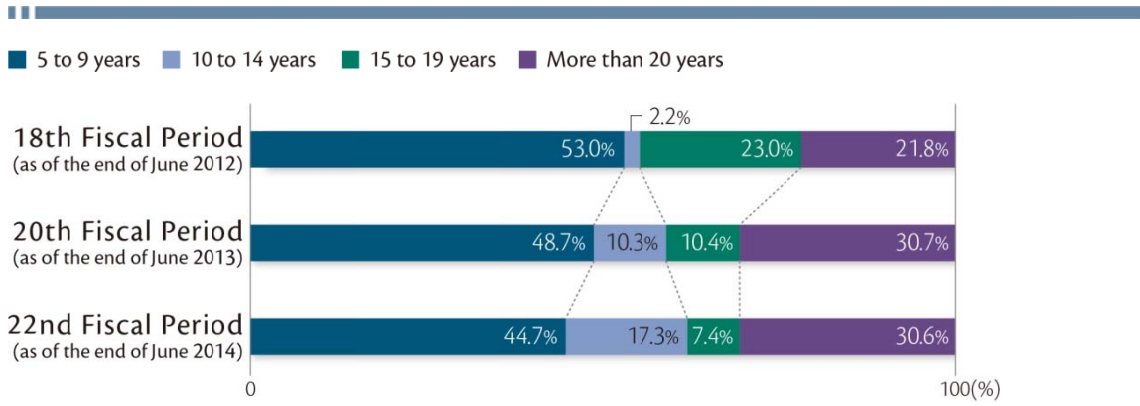
(Note 1) Greater Tokyo Area indicates Tokyo excluding 23 Wards, Kanagawa, Chiba, and Saitama.

(Note 2) Major Regional Cities indicates “areas surrounding Tokyo” and “major cities including ordinance designated cities and surrounding areas.”

By Property Type



By Property Age



(Note) Open parking lots are not counted in the property age distribution since they lack building structures.

Portfolio Overview

(as of December 31, 2013)

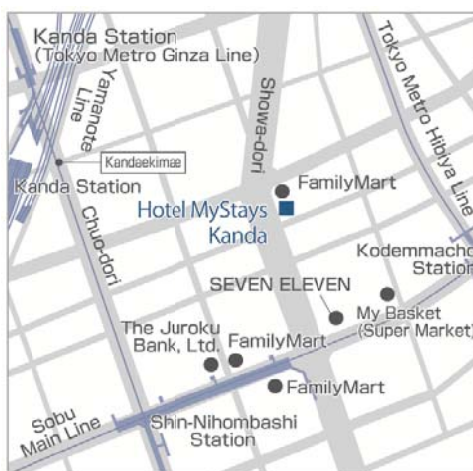
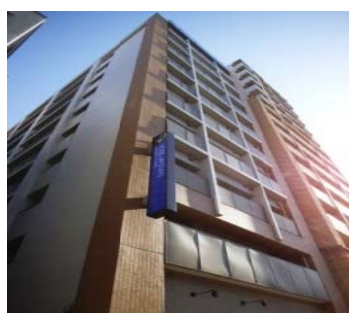
Property Number	Name of Property	Location	Leasable Area	Rentable	Acquisition Appraisal		Book Value	Investment	Occupancy	
			(m2)	Units	Price	Value	(JPY mn)	Ratio	Rate	
Residential	A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	1,771.13	98	1,251	1,140	1,138	1.6	94.1
	A27	Nisshin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	2,681.94	60	1,229	1,240	1,118	1.6	97.7
	A28	Growth Maison Gotanda	Shinagawa Ward, Tokyo	1,051.50	48	888	931	846	1.1	100.0
	A29	Growth Maison Kameido	Koto Ward, Tokyo	1,367.96	66	1,070	1,060	1,012	1.4	89.3
	A30	Emerald House	Itabashi Ward, Tokyo	2,152.31	96	1,505	1,190	1,419	1.9	100.0
	A31	Harmonie Ochanomizu	Bunkyo Ward, Tokyo	1,748.24	65	1,428	1,250	1,380	1.8	91.2
	A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	3,029.16	29	1,088	1,010	1,069	1.4	97.0
	A33	Growth Maison Shin-Yokohama	Yokohama City, Kanagawa Prefecture	1,858.44	68	1,059	1,080	994	1.4	86.9
	A34	Belle Face Ueno-Okachimachi	Taito Ward, Tokyo	1,351.11	64	1,023	924	983	1.3	98.3
	A35	Grand Rire Kameido	Koto Ward, Tokyo	1,562.26	72	906	918	855	1.2	100.0
	A36	Growth Maison Ikebukuro	Toshima Ward, Tokyo	952.89	42	825	838	777	1.1	90.4
	A37	Growth Maison Yoga	Setagaya Ward, Tokyo	1,015.34	39	795	682	764	1.0	97.3
	A38	Route Tachikawa	Tachikawa City, Tokyo	1,368.57	24	676	595	653	0.9	96.6
	A39	Shibuya-Honmachi Mansion	Shibuya Ward, Tokyo	1,167.50	25	651	591	655	0.8	100.0
	A40	City Heights Kinuta	Setagaya Ward, Tokyo	1,235.93	19	646	457	646	0.8	100.0
	A41	Aceeds Tower Kawaguchi-Namiki	Kawaguchi City, Saitama Prefecture	1,210.74	57	620	684	571	0.8	93.0
	A42	Capital Heights Kagurazaka	Shinjuku Ward, Tokyo	1,126.65	26	604	540	616	0.8	90.5
	A43	College Square Machida	Machida City, Tokyo	1,047.75	62	589	529	570	0.8	100.0
	A44	Belair Meguro	Meguro Ward, Tokyo	557.05	25	589	551	572	0.8	100.0
	A45	Wacore Tsunashima I	Yokohama City, Kanagawa Prefecture	907.46	50	572	499	547	0.7	94.1
	A46	Foros Nakamurabashi	Nerima Ward, Tokyo	815.77	37	566	550	530	0.7	100.0
	A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	2,040.27	34	557	454	531	0.7	90.0
	A48	College Square Machiya	Arakawa Ward, Tokyo	871.35	43	510	500	477	0.7	100.0
	A51	City House Tokyo Shinbashi	Minato Ward, Tokyo	3,364.00	86	2,520	2,720	2,405	3.2	94.5
	A52	Winbell Kagurazaka	Shinjuku Ward, Tokyo	4,032.70	118	3,260	3,490	3,128	4.2	98.6
	A53	Nishiwaseda Crescent Mansion	Shinjuku Ward, Tokyo	4,310.77	69	1,880	2,180	1,849	2.4	92.5
	A54	Lexington Square Akebonobashi	Shinjuku Ward, Tokyo	1,987.88	88	1,450	1,600	1,377	1.9	93.3
	A56	Casa Eremitaggio	Meguro Ward, Tokyo	1,197.19	17	1,070	996	996	1.4	97.0
	A59	Towa City Coop Shinotsuka II	Toshima Ward, Tokyo	1,627.13	58	866	949	831	1.1	92.8
A61	Bichsel Musashiseki	Nerima Ward, Tokyo	1,220.24	70	577	634	558	0.7	94.3	
A62	Lexel Mansion Ueno Matsugaya	Taito Ward, Tokyo	1,969.45	29	970	1,070	899	1.2	96.3	
A63	Towa City Coop Sengencho	Yokohama City, Kanagawa Prefecture	3,426.36	154	1,110	1,250	1,046	1.4	89.1	
A64	Royal Park Omachi	Sendai City, Miyagi Prefecture	1,929.59	51	415	508	393	0.5	90.6	
A65	Lexington Square Haginomachi	Sendai City, Miyagi Prefecture	1,528.58	39	330	422	307	0.4	97.4	
A66	Visconti Kakuozan	Nagoya City, Aichi Prefecture	705.75	8	255	244	240	0.3	100.0	
A71	Lexington Square Daitabashi	Suginami Ward, Tokyo	1,430.64	43	977	1,040	906	1.3	90.9	
A72	Lexington Square Honjo Azumabashi	Sumida Ward, Tokyo	784.74	33	511	549	468	0.7	96.9	
A73	AMS TOWER Minami 6-Jo	Sapporo City, Hokkaido	4,460.56	120	1,180	1,120	-1,057	1.5	91.8	
A75	Spacia Ebisu	Shibuya Ward, Tokyo	7,794.91	109	7,010	6,930	6,693	9.0	90.0	
A76	Neo Prominence	Kita Ward, Tokyo	3,574.70	52	1,660	1,720	1,656	2.1	88.9	
A77	Invoice Shin-Kobe Residence	Kobe City, Hyogo Prefecture	2,773.71	81	1,260	1,300	1,250	1.6	94.4	
A78	Cosmo Court Motomachi	Kobe City, Hyogo Prefecture	2,310.49	82	973	1,040	966	1.2	90.4	
A79	Revest Honjin	Nagoya City, Aichi Prefecture	1,933.80	80	674	718	669	0.9	95.0	

Residential	A80	Revest Matsubara	Nagoya City, Aichi Prefecture	1,955.40	70	657	720	653	0.8	91.2
	A81	Sun Terrace Minami Ikebukuro	Toshima Ward, Tokyo	898.70	38	625	667	620	0.8	89.5
	A82	Alba Noritake Shinmachi	Nagoya City, Aichi Prefecture	1,731.68	64	608	644	604	0.8	91.7
	A83	Revest Meieki Minami	Nagoya City, Aichi Prefecture	1,634.60	61	597	649	594	0.8	93.6
	A84	Revest Heian	Nagoya City, Aichi Prefecture	1,554.03	40	595	619	591	0.8	98.4
	A85	Vendir Hamaotsu Ekimae	Otsu City, Shiga Prefecture	2,670.66	81	581	669	576	0.7	94.2
	A86	Salvo Sala	Osaka City, Osaka Prefecture	1,428.12	54	544	577	542	0.7	91.5
	A87	Excellente Kagurazaka	Shinjuku Ward, Tokyo	701.92	33	543	569	542	0.7	97.1
	A88	Luna Court Edobori	Osaka City, Osaka Prefecture	1,185.50	50	525	549	522	0.7	88.1
	A89	Winntage Kobe Motomachi	Kobe City, Hyogo Prefecture	1,433.35	57	512	553	508	0.7	91.1
	A90	Queen's Court Fukuzumi	Koto Ward, Tokyo	765.18	25	456	497	454	0.6	100.0
	A91	Corp Higashinotoin	Kyoto City, Kyoto Prefecture	1,029.05	42	446	474	444	0.6	90.3
	A92	Belair Oimachi	Shinagawa Ward, Tokyo	530.60	26	412	455	411	0.5	96.1
	A93	Siete Minami-Tsukaguchi	Amagasaki City, Hyogo Prefecture	1,020.86	40	374	402	373	0.5	92.5
	A94	Prime Life Sannomiya Isogami Koen	Kobe City, Hyogo Prefecture	789.12	32	373	389	371	0.5	100.0
	A95	HERMITAGE NANBA WEST	Osaka City, Osaka Prefecture	992.76	21	355	382	355	0.5	92.0
	A96	Century Park Shinkawa 1-bankan	Nagoya City, Aichi Prefecture	1,477.62	44	335	372	334	0.4	100.0
	A97	West Avenue	Kunitachi City, Tokyo	794.80	40	331	338	328	0.4	85.0
	A98	Little River Honmachibashi	Osaka City, Osaka Prefecture	974.81	31	310	335	310	0.4	93.9
A99	Prime Life Mikage	Kobe City, Hyogo Prefecture	761.18	28	297	312	295	0.4	93.4	
Subtotal				109,584.45	3,413	58,083	58,865	55,874	74.5	93.8
Office Buildings/Retail Facilities	B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	1,451.54	13	1,301	1,010	1,234	1.7	95.0
	B9	Shinjuku Island	Shinjuku Ward, Tokyo	526.43	1	715	556	712	0.9	100.0
	B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	6,033.58	11	4,880	4,140	4,801	6.3	100.0
	B15	Cross Square NAKANO	Nakano Ward, Tokyo	2,145.00	45	1,060	938	1,070	1.4	64.3
	B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	2,178.41	13	816	644	761	1.0	100.0
	B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	8,419.15	18	3,280	3,330	3,184	4.2	100.0
	B18	AEON TOWN Sukagawa	Sukagawa City, Fukushima Prefecture	18,440.58	1	2,320	2,190	2,091	3.0	100.0
Subtotal				39,194.69	102	14,372	12,808	13,855	18.4	97.9
Parking Lots	C1	Stop Parking Kanda-Sudacho	Chiyoda Ward Tokyo	81.04	1	97	105	100	0.1	100.0
Subtotal				81.04	1	97	105	100	0.1	100.0
Hotels	D1	Hotel MyStays Kanda	Chiyoda Ward, Tokyo	2,585.72	126	2,851	2,880	2,907	3.7	100.0
	D2	Hotel MyStays Asakusa	Sumida Ward, Tokyo	3,327.38	160	2,584	2,610	2,625	3.3	100.0
Subtotal				5,913.10	286	5,435	5,490	5,532	7.0	100.0
Total				154,773.28	3,802	77,988	77,268	75,363	100.0	95.1

(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

■ Newly Acquired 20 Hotels (1/10)

(D1) Hotel MyStays Kanda



Location	1-21-11 Honjo, Sumida-ku
Prefecture	Tokyo
Access	4 minute walk from Kuramae Station
Date of Construction	January 1990
Date of Renovation	November to December 2012
Number of Guest Rooms	160
Total Floor Area	3,327.38 sqm
Land Area	827.53 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	54.8% / 13.4% / 31.8%
ADR (2013) ⁽²⁾	JPY 4,848
Occupancy (2013) ⁽³⁾	88.5%
RevPAR (2013) ⁽⁴⁾	JPY 4,290
Gross Revenue (2013)	JPY 270 mn
GOP / GOP% (2013)	JPY 157 mn / 58.3%
NOI (2013)	JPY 148 mn

(D2) Hotel MyStays Asakusa



Location	1-21-11 Honjo, Sumida-ku
Prefecture	Tokyo
Access	4 minute walk from Kuramae Station
Date of Construction	January 1990
Date of Renovation	November to December 2012
Number of Guest Rooms	160
Total Floor Area	3,327.38 sqm
Land Area	827.53 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	54.8% / 13.4% / 31.8%
ADR (2013) ⁽²⁾	JPY 4,848
Occupancy (2013) ⁽³⁾	88.5%
RevPAR (2013) ⁽⁴⁾	JPY 4,290
Gross Revenue (2013)	JPY 270 mn
GOP / GOP% (2013)	JPY 157 mn / 58.3%
NOI (2013)	JPY 148 mn

(D3) Hotel MyStays Kyoto-Shijo



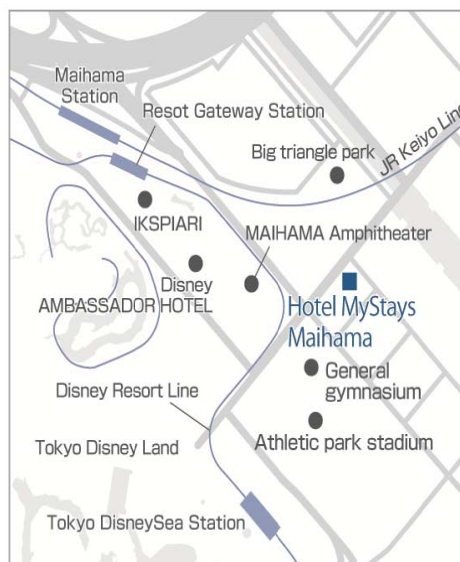
Location	52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijo-dori, Shimogyo-ku, Kyoto-shi
Prefecture	Kyoto
Access	6 mins walk from Shijo Station
Date of Construction	January 2008
Date of Renovation	-
Number of Guest Rooms	224
Total Floor Area	7,241.51 sqm
Land Area	1,021.70 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	98.0% / 1.7% / 0.4%
ADR (2013) ⁽²⁾	JPY 9,040
Occupancy (2013) ⁽³⁾	85.6%
RevPAR (2013) ⁽⁴⁾	JPY 7,739
Gross Revenue (2013)	JPY 658 mn
GOP / GOP% (2013)	JPY 352 mn / 53.5%
NOI (2013)	JPY 328 mn

(D4) MyStays Shin-Urayasu Conference Center



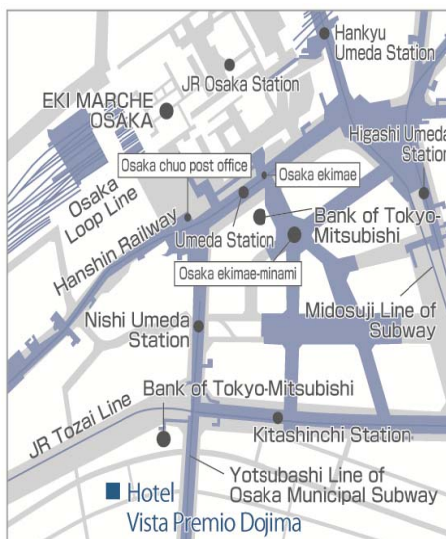
Location	2-1-4, Akemi, Urayasu-shi
Prefecture	Chiba
Access	15 mins walk from Shin-Urayasu Station
Date of Construction	March 2009
Date of Renovation	-
Number of Guest Rooms	175
Total Floor Area	6,232.30 sqm
Land Area	3,281.50 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	97.4% / 2.6% / .-%
ADR (2013) ⁽²⁾	JPY 9,663
Occupancy (2013) ⁽³⁾	82.7%
RevPAR(2013) ⁽⁴⁾	JPY 7,993
Gross Revenue (2013)	JPY 599 mn
GOP / GOP% (2013)	JPY 322 mn / 53.9%
NOI (2013)	JPY 304 mn

(D5) Hotel MyStays Maihama



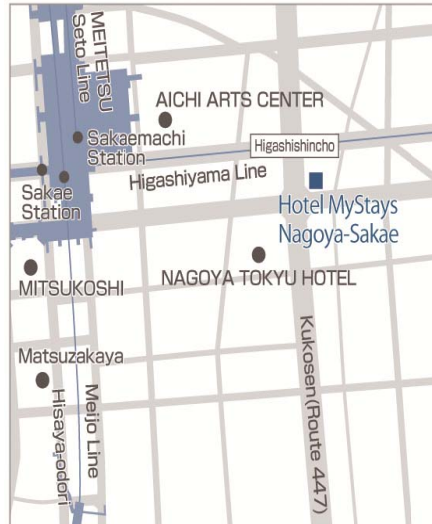
Location	3-5-1, Tekko-dori, Urayasu-shi
Prefecture	Chiba
Access	12 mins walk from Maihama Station
Date of Construction	June 2005
Date of Renovation	-
Number of Guest Rooms	90
Total Floor Area	2,456.36 scm
Land Area	1,322.00 scm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	99.9% / 0.1% / -%
ADR (2013) ⁽²⁾	JPY 15,634
Occupancy (2013) ⁽³⁾	91.0%
RevPAR (2013) ⁽⁴⁾	JPY 14,222
Gross Revenue (2013)	JPY 485 mn
GOP / GOP% (2013)	JPY 285 mn / 58.8%
NOI (2013)	JPY 277 mn

(D6) Hotel Vista Premio Dojima



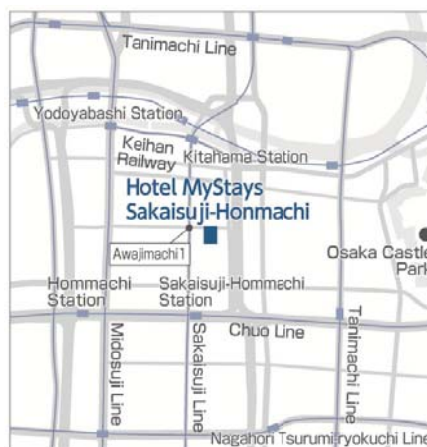
Location	2-4-1, Sonezakishinchi, Kita-ku, Osaka-shi
Prefecture	Osaka
Access	5 mins from Kitashinchi Station
Date of Construction	August 1990
Date of Renovation	-
Number of Guest Rooms	141
Total Floor Area	9,445.32 sqm
Land Area	1,767.16 sqm
ADR (2013) ⁽²⁾	JPY 9,120
Occupancy (2013) ⁽³⁾	87.6%
RevPAR (2013) ⁽⁴⁾	JPY 7,987
Gross Revenue (2013)	JPY 553 mn
GOP / GOP% (2013)	JPY 286 mn / 51.7%
NOI (2013)	JPY 241 mn

(D7) Hotel MyStays Nagoya-Sakae



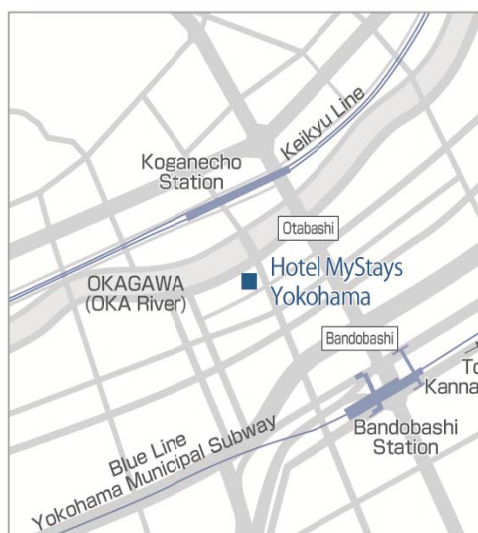
Location	2-23-22, Higashisakura, Naka-ku, Nagoya
Prefecture	Aichi
Access	7 mins walk from Sakae Station
Date of Construction	November 1979
Date of Renovation	April to June 2013
Number of Guest Rooms	270
Total Floor Area	9,064.71 sqm
Land Area	1,142.41 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	96.1% / 3.2% / 0.7%
ADR (2013) ⁽²⁾	JPY 5,553
Occupancy (2013) ⁽³⁾	79.9%
RevPAR (2013) ⁽⁴⁾	JPY 4,437
Gross Revenue (2013)	JPY 498 mn
GOP / GOP% (2013)	JPY 210 mn / 42.3%
NOI (2013)	JPY 163 mn

(D8) Hotel MyStays Sakaisuji-Honmachi



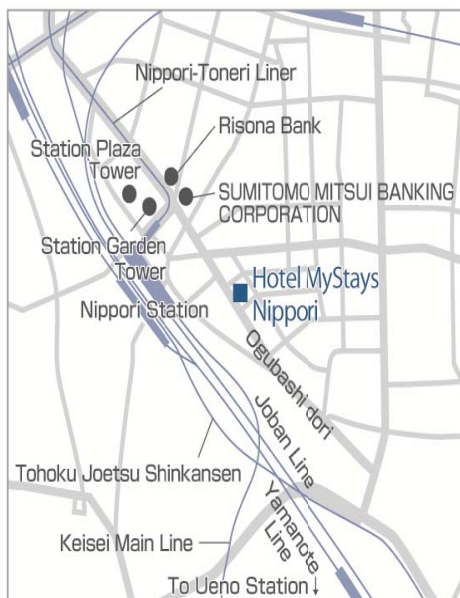
Location	1-4-8, Awaji-machi, Chuo-ku, Osaka-shi
Prefecture	Osaka
Access	7 mins walk from Sakaisuji-Honmachi Station
Date of Construction	July 2008
Date of Renovation	-
Number of Guest Rooms	190
Total Floor Area	4,188.83 sqm
Land Area	736.23 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	83.8% / 11.0% / 5.2%
ADR (2013) ⁽²⁾	JPY 5,848
Occupancy (2013) ⁽³⁾	80.6%
RevPAR (2013) ⁽⁴⁾	JPY 4,714
Gross Revenue (2013)	JPY 337 mn
GOP / GOP% (2013)	JPY 170 mn / 50.5%
NOI (2013)	JPY 156 mn

(D9) Hotel MyStays Yokohama



Location	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi
Prefecture	Kanagawa
Access	1 min walk from Koganecho Station
Date of Construction	December 1974
Date of Renovation	June to September, 2006
Number of Guest Rooms	190
Total Floor Area	7,379.43 sqm
Land Area	845.77 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	84.4% / 10.2% / 5.4%
ADR (2013) ⁽²⁾	JPY 5,956
Occupancy (2013) ⁽³⁾	85.2%
RevPAR (2013) ⁽⁴⁾	JPY 5,077
Gross Revenue (2013)	JPY 377 mn
GOP / GOP% (2013)	JPY 164 mn / 43.6%
NOI (2013)	JPY 150 mn

(D10) Hotel MyStays Nippori



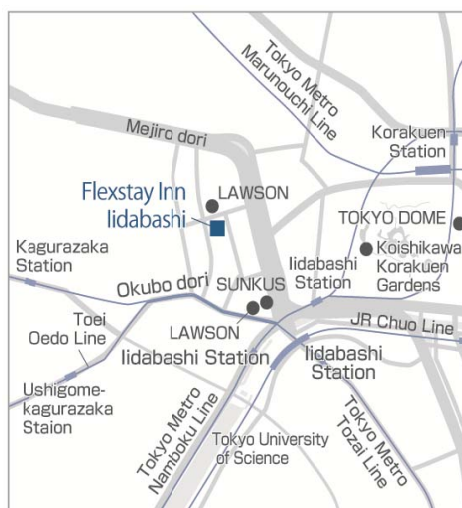
Location	5-43-7, Higashi-Nippori, Arakawa-ku
Prefecture	Tokyo
Access	5 mins walk from Nippori Station
Date of Construction	April 1987
Date of Renovation	February to March 2011
Number of Guest Rooms	93
Total Floor Area	1,719.29 sqm
Land Area	254.09 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	67.5% / 15.4% / 17.0%
ADR (2013) ⁽²⁾	JPY 5,912
Occupancy (2013) ⁽³⁾	90.7%
RevPAR (2013) ⁽⁴⁾	JPY 5,363
Gross Revenue (2013)	JPY 188 mn
GOP / GOP% (2013)	JPY 103 mn / 55.0%
NOI (2013)	JPY 98 mn

(D11) Hotel MyStays Fukuoka-Tenjin-Minami



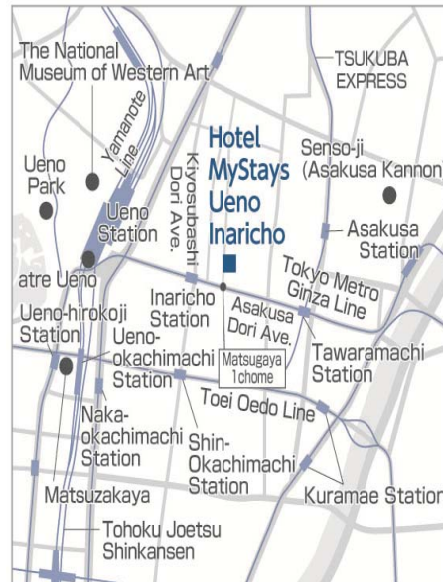
Location	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi
Prefecture	Fukuoka
Access	5 mins walk from Tenjin-Minami Station
Date of Construction	February 2008
Date of Renovation	-
Number of Guest Rooms	177
Total Floor Area	3,412.71 sqm
Land Area	899.15 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	77.9% / 15.4% / 6.7%
ADR (2013) ⁽²⁾	JPY 5,065
Occupancy (2013) ⁽³⁾	79.1%
RevPAR (2013) ⁽⁴⁾	JPY 4,004
Gross Revenue (2013)	JPY 264 mn
GOP / GOP% (2013)	JPY 119 mn / 45.4%
NOI (2013)	JPY 108 mn

(D12) Flexstay Inn Iidabashi



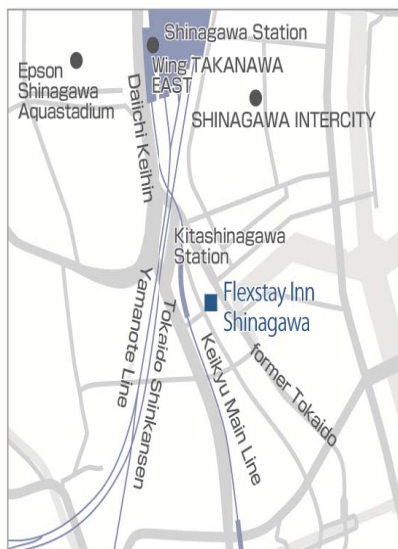
Location	3-26, Shin-Ogawa-Machi, Shinjuku-ku
Prefecture	Tokyo
Access	8 mins walk from Iidabashi Station
Date of Construction	December 1990
Date of Renovation	-
Number of Guest Rooms	59
Total Floor Area	2,953.38 sqm
Land Area	898.62 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	66.9% / 16.0% / 17.1%
ADR (2013) ⁽²⁾	JPY 7,280
Occupancy (2013) ⁽³⁾	87.8%
RevPAR (2013) ⁽⁴⁾	JPY 6,389
Gross Revenue (2013)	JPY 155 mn
GOP / GOP% (2013)	JPY 85 mn / 55.3%
NOI (2013)	JPY 75 mn

(D13) Hotel MyStays Ueno Inaricho



Location	1-5-7, Matsugaya, Taito-ku
Prefecture	Tokyo
Access	4 mins walk from Inaricho Station
Date of Construction	December 1986
Date of Renovation	November to December 2012
Number of Guest Rooms	72
Total Floor Area	1,150.76 sqm
Land Area	294.35 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	74.8% / 12.1% / 13.1%
ADR (2013) ⁽²⁾	JPY 5,797
Occupancy (2013) ⁽³⁾	90.2%
RevPAR (2013) ⁽⁴⁾	JPY 5,227
Gross Revenue (2013)	JPY 141 mn
GOP / GOP% (2013)	JPY 69 mn / 49.4%
NOI (2013)	JPY 65 mn

(D14) Flexstay Inn Shinagawa



Location	1-22-19, Kitashinagawa, Shinagawa-ku
Prefecture	Tokyo
Access	1 min walk from Kitashinagawa Station
Date of Construction	October 1986
Date of Renovation	November to December 2011
Number of Guest Rooms	55
Total Floor Area	1,134.52 sqm
Land Area	441.71 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	64.7% / 9.3% / 26.0%
ADR (2013) ⁽²⁾	JPY 6,648
Occupancy (2013) ⁽³⁾	93.1%
RevPAR (2013) ⁽⁴⁾	JPY 6,192
Gross Revenue (2013)	JPY 127 mn
GOP / GOP% (2013)	JPY 70 mn / 55.3%
NOI (2013)	JPY 65 mn

(D15) Flexstay Inn Tokiwadai



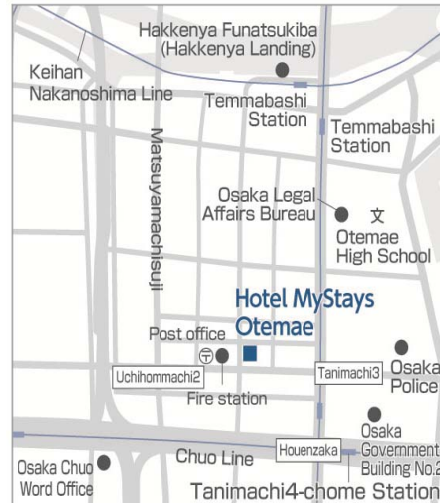
Location	1-52-5, Tokiwadai, Itabashi-ku
Prefecture	Tokyo
Access	5 mins walk from Tokiwadai Station
Date of Construction	December 1989
Date of Renovation	March 2013
Number of Guest Rooms	129
Total Floor Area	2,539.75 sqm
Land Area	1,200.61 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	32.5% / 35.7% / 31.8%
ADR (2013) ⁽²⁾	JPY 3,890
Occupancy (2013) ⁽³⁾	84.0%
RevPAR (2013) ⁽⁴⁾	JPY 3,269
Gross Revenue (2013)	JPY 167 mn
GOP / GOP% (2013)	JPY 83 mn / 49.8%
NOI (2013)	JPY 75 mn

(D16) Flexstay Inn Sugamo



Location	3-6-16, Sugamo, Toshima-ku
Prefecture	Tokyo
Access	5 mins walk from Sugamo Station
Date of Construction	January 1992
Date of Renovation	March 2013
Number of Guest Rooms	104
Total Floor Area	2,089.86 sqm
Land Area	683.47 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	37.8% / 22.3% / 39.9%
ADR (2013) ⁽²⁾	JPY 3,950
Occupancy (2013) ⁽³⁾	88.3%
RevPAR (2013) ⁽⁴⁾	JPY 3,490
Gross Revenue (2013)	JPY 145 mn
GOP / GOP% (2013)	JPY 74 mn / 51.6%
NOI (2013)	JPY 67 mn

(D17) Hotel MyStays Otemae



Location	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi
Prefecture	Osaka
Access	4 mins walk from Tanimachi 4-chome Station
Date of Construction	December 1986
Date of Renovation	December 2012 to January 2013
Number of Guest Rooms	110
Total Floor Area	4,956.66 sqm
Land Area	667.83 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	60.9% / 16.1% / 23.0%
ADR (2013) ⁽²⁾	JPY 5,401
Occupancy (2013) ⁽³⁾	80.8%
RevPAR (2013) ⁽⁴⁾	JPY 4,364
Gross Revenue (2013)	JPY 188 mn
GOP / GOP% (2013)	JPY 84 mn / 44.7%
NOI (2013)	JPY 75 mn

(D18) Flexstay Inn Kiyosumi Shirakawa



Location	1-12-16, Tokiwa, Koto-ku
Prefecture	Tokyo
Access	5 mins walk from Kiyosumi-Shirakawa Station
Date of Construction	May 1992
Date of Renovation	-
Number of Guest Rooms	55
Total Floor Area	2,673.64 sqm
Land Area	870.77 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	44.2% / 14.0% / 41.8%
ADR (2013) ⁽²⁾	JPY 5,253
Occupancy (2013) ⁽³⁾	87.7%
RevPAR (2013) ⁽⁴⁾	JPY 4,606
Gross Revenue (2013)	JPY 108 mn
GOP / GOP% (2013)	JPY 56 mn / 51.7%
NOI (2013)	JPY 47 mn

(D19) Flexstay Inn Nakanobu P1



Location	4-27-12, Futaba, Shinagawa-ku
Prefecture	Tokyo
Access	5 mins walk from Nakanobu Station
Date of Construction	September 1986
Date of Renovation	-
Number of Guest Rooms	39
Total Floor Area	770.56 sqm
Land Area	395.33 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	19.1% / 14.2% / 66.6%
ADR (2013) ⁽²⁾	JPY 4,695
Occupancy (2013) ⁽³⁾	90.5%
RevPAR (2013) ⁽⁴⁾	JPY 4,251
Gross Revenue (2013)	JPY 64 mn
GOP / GOP% (2013)	JPY 37 mn / 57.8%
NOI (2013)	JPY 34 mn

(D20) Flexstay Inn Nakanobu P2



Location	4-27-8, Futaba, Shinagawa-ku
Prefecture	Tokyo
Access	5 mins walk from Nakanobu Station
Date of Construction	March 1989
Date of Renovation	-
Number of Guest Rooms	22
Total Floor Area	391.49 sqm
Land Area	213.00 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	30.5% / 25.2% / 44.2%
ADR (2013) ⁽²⁾	JPY 4,114
Occupancy (2013) ⁽³⁾	94.8%
RevPAR (2013) ⁽⁴⁾	JPY 3,900
Gross Revenue (2013)	JPY 34 mn
GOP / GOP% (2013)	JPY 18 mn / 54.2%
NOI (2013)	JPY 16 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.

(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.

(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.

(Note 4) Calculated based on the total number of guest rooms.

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For Unitholders

Investors' Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Special Account Management Institution	<Unitholders of the former Tokyo Growth REIT Fund> Mitsubishi UFJ Trust and Banking Corporation Limited 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo <Unitholders of the forme LCP Investment Corporation> Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome Chiyoda-ku, Tokyo
Correspondence	Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063
(Telephone Assistance)	Toll-free Telephone Number 0120-782-031 Administrative services are available at the main and branch offices throughout Japan of Sumitomo Mitsui Trust Bank, Limited