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Invincible Investment Corporation

Asset Management Report

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

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Greetings from Naoki Fukuda, Executive Director of Invincible Investment Corporation and President & CEO of Consonant Investment Management Co., Ltd.

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 of the results of INV's financial results and operational condition for the 21st period (covering the period from July 1, 2013 to December 31, 2013).

First, with respect to the operation of our properties, as a result of our continued strengthening of leasing activities and thorough management of property related and other expenditures, the average occupancy rate for our portfolio as a whole increased from 95.9% for the prior fiscal period to 96.3%, and despite a relative decline in revenues from rental properties due to seasonal factors, we were able to record NOI (Note 1) of JPY 2,006 million, which is almost the same level as the prior fiscal period (representing only a 0.1% decrease).

With respect to financial management, on December 20, 2013 we successfully refinanced the existing syndicate loans and Shinsei Trust Loans A and B (total outstanding balance of JPY 22,760 million with an average interest rate of 4.98%) through a new syndicate loan (borrowing amount of JPY 20,350 million with an interest rate of 1.68%) arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. on December 21, 2013, and a capital increase via third-party allotment (total newly issued investment units: 224,887; total issue value: JPY 2,000 million). As a result, we significantly enhanced our earnings potential through lower interest expenses, improved our loan-to-value (LTV) ratio and enhanced our ability for future external growth.

Notwithstanding the increase in units outstanding resulting from the third-party allotment and the recognition of certain one-time expenses in connection with the refinancing, we are pleased to report distributions per unit of JPY 237, which exceeds the previous forecasted level of JPY 200.

Furthermore, we expect that the distribution per unit for the fiscal period ending June 30, 2014, for which the decrease in interest expenses resulting from the refinancing will be evident for the full fiscal period, will be JPY 464.

Under the sponsorship from July 2011 by Calliope Godo Kaisha, an affiliate company of Fortress Investment Group LLC (together with other related companies, the "Fortress Group") (Note 2), we have been able to achieve a financial restructuring, increases in occupancy rates, cost reductions and an increase in earnings potential through property acquisitions. With the implementation of the refinancing discussed above, we have been able to establish earnings potential and a financial foundation to make a leap into a new stage in our development.

Going forward, we will seek further growth for INV and further enhancement of unitholders' value through proactive asset management that takes advantage of the improving leasing market (such as through increases in occupancy rates and rent levels), as well as through internal growth resulting from additional reductions in borrowing costs and external growth by fully utilizing the Fortress Group's expertise in the real estate business and pipeline.

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) NOI = rental revenues – property-related expenses + depreciation expense

(Note 2) In July 2011, Calliope Godo Kaisha acquired 97.35% (note 3) of the outstanding shares of Consonant Investment Management Co, Ltd., and the Investment Corporation conducted a capital increase via third-party allotment with Callope Godo Kaisha as the principal investor.

(Note 3) In October 2013 the investment ratio became 100%

Fixed Distributions	The 21 st fiscal period (the fiscal period ended December 2013)	Per investment unit JPY 237
Forecast Distributions	The 22 fiscal period (the fiscal period ended June 2014)	Per investment unit JPY 464

(Note) We are forecasting operating revenues of JPY 2,760 million and net income of JPY 231 million for the 22nd fiscal period.

The forward-looking statements, forecasts and goals mentioned above are based on available information, assumptions and estimates as of February 26, 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

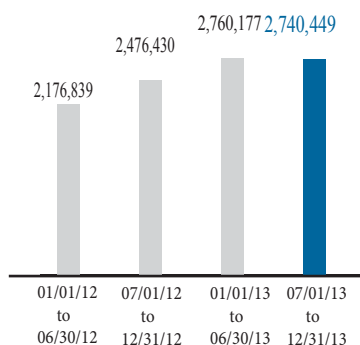
	Period from January 1, 2012 to June 30, 2012	Period from July 1, 2012 to December 31, 2012	Period from January 1, 2013 to June 30, 2013	Period from July 1, 2013 to December 31, 2013
Operating Revenue (Thousands of yen)	2,176,839	2,476,430	2,760,177	2,740,449
Ordinary Income (Thousands of yen)	125,981	114,784	335,683	353,360
Net Income (Thousands of yen)	128,175	114,179	335,078	352,755
Net Assets (Thousands of yen)	32,826,175	32,670,697	32,848,025	35,844,824
Total Assets (Thousands of yen)	67,698,887	80,200,022	80,249,063	79,176,632
Net Assets per Unit (Thousands of yen)	24,346	24,231	24,363	22,785
Net Assets/Total Assets (Thousands of yen)	48.5	40.7	40.9	45.3
Distribution per Unit (Thousands of yen)	200	117	264	237
Number of Units Issued (Units)	1,348,292	1,348,292	1,348,292	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.

Operating Revenue

2,740,449 thousand yen

Down **19,727 thousand yen**
from previous period
(0.7% decrease)

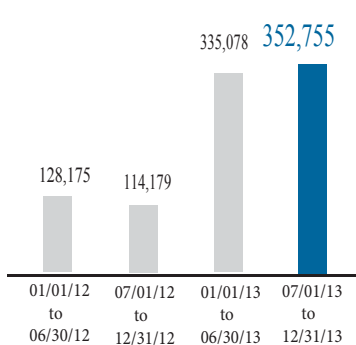


Unit: Thousand yen

Operating Income

352,755 thousand yen

Up **17,677 thousand yen** from
previous period (5.3% increase)

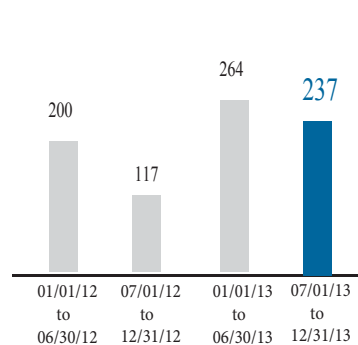


Unit: Thousand yen

Distribution per Unit

237 yen

Down **27 yen** from previous
period (10.2% decrease)



Unit: yen

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

Efforts towards Further Growth

Paving the way for future growth with new borrowing from Mega Banks

- A new syndicate loan of JPY 20,350 million led by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo - Mitsubishi UFJ, Ltd. refinanced the Shinsei Trust Loans A&B (JPY 9,548 million) (Note 1) and the existing syndicate loan (JPY 13,212 million) (Note 1)
- New equity raise of approximately JPY 3 billion (Note 2) via Third - Party Allotment to affiliates of Fortress Investment Group LLC. (FIG), and Secured Capital Investment Management Co., Ltd.
- The interest rate on the entire portfolio declined from 3.66% to 1.95%, and net income for the 22nd Fiscal Period (1H/2014) is expected to increase by 2.2x to JPY 465(Note 3)
- **The Refinancing and Third-Party Allotment enhances Invincible's ability to achieve external growth**

(Note 1) Balance of Shinsei Trust Loans A & B and existing Syndicate Bank Loan as of December 20, 2013.

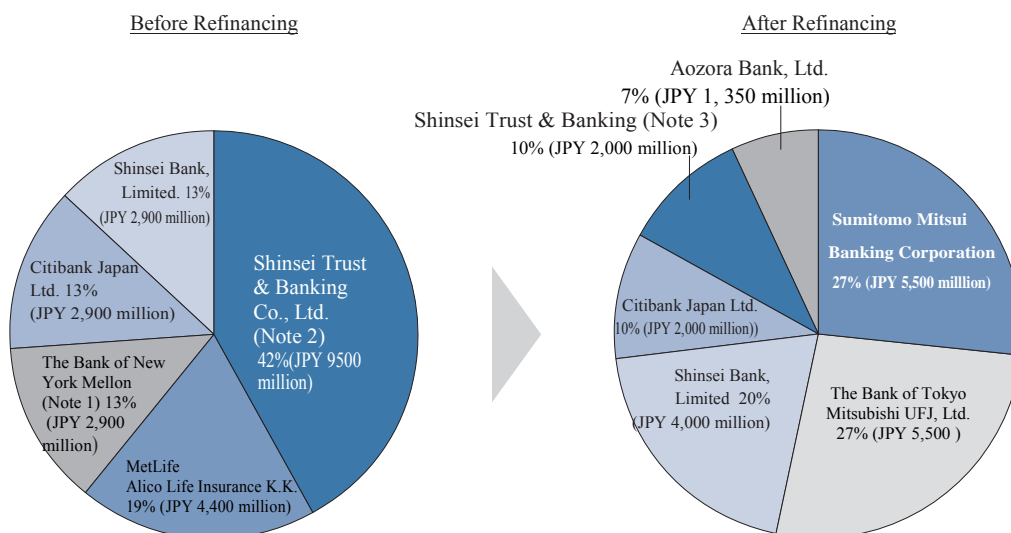
(Note 2) Total issue price: JPY2,999,992,580 = Issue price: JPY 13,340 per unit x Number of new investment units: 224,887 units.

(Note 3) The forward-looking statements above are based on estimates and assumptions based on information available on February 26, 2014.

Estimates and assumptions are affected by a variety of factors and risks that are beyond the control of Invincible. Therefore, no guarantees can be made as to the realization of the future goals or estimates, and results may be materially different from estimates.

Strengthening of Bank Formation

<Bank formation excluding entrusted borrowing>



(Note 1) The Bank of New York Mellon Trust (Japan), Ltd. is the trustee in the form of a specified money trust, and Platinum CRE Loan Investment Limited Partnership holds beneficiary interests for such trust.

(Note 2) There were two loans whose debtor bank was Shinsei Trust & Banking Co., Ltd. The details for the borrowings as of July 29, 2011 are:

- Shinsei Trust Loan A (7.1billion): The borrowing was conducted in the form of a specified money trust, with Shinsei Trust as the trustee and Shinsei Bank holds beneficiary interests for such trust. Shinsei

Bank re-entrusted the subordinated beneficiary interests in the said trust to Shinsei Trust as self - benefit trust. Shinsei Trust entered into a total return swap transaction agreement with Calliope Godo Kaisha

(Calliope) in connection to the said re-entrusted trust. The total return swap gave Calliope an indirect and partial economic interest in the subordinated beneficiary interests in the trust concerning the lending by Shinsei Trust.

- Shinsei Trust Loan B (2.4billion): The borrowing was conducted in the form of a specified money trust, with Shinsei Trust as the trustee and Citibank holds beneficiary interests for such trust. Citibank reentrusted the part of the beneficiary interests in the said trust to Shinsei Trust as self - benefit trust benefit. Shinsei Trust entered into a total return swap agreement with Calliope in connection to the said reentrusted trust. The total return swap gave Calliope an indirect and partial economic interest in certain beneficiary interests in the trust concerning the lending by Shinsei Trust.

(Note 3) Shinsei Trust & Banking Co., Ltd. is the trustee in the form of a specified money trust, and Platinum CRE Loan II Investment Limited Partnership holds beneficiary interests for such trust.

(Note 4) Figures are rounded down, while ratios are rounded to the nearest whole number.

Summary of Refinancing

(Before transaction: as of December 19, 2013)

Loan	Debtor Bank	Borrowing Date	Borrowing Balance (JPY mn)	Interest Rate (Annual)	Maturity Date
Syndicate Loan B	Metlife Alico Life Insurance K.K. The Bank of New York Mellon Trust (Japan), Ltd. ^(Note 1) Citibank Japan Ltd. Shinsei Bank, Ltd.	Sep. 28, 2012	13,212	2.24214%, Variable interest rate	Jul. 31, 2014
Shinsei Trust Loan A	Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	7,100	8.5% Fixed interest rate	Jan. 30, 2015
Shinsei Trust Loan B	Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	2,448	9.5% Fixed interest rate	Jan. 30, 2015
Subtotal of long-term debt			22,760	4.98%	
Prudential LPS Loan	Prudential Mortgage Asset Holdings I Japan Investment Limited Partnership	Jul. 29, 2011	11,000	2.5% Fixed interest rate	Jan. 25, 2017 – Jan. 25, 2019
Prudential LPS Loan B	Prudential Mortgage Asset Holdings I Japan Investment Limited Partnership	Sep. 28, 2011	9,960	1.9% Fixed interest rate	Mar. 31, 2018 – Mar. 31, 2020
Subtotal of long-term debt in trust			20,960	2.21%	
Total			43,720	3.66%	Average duration 2.6 years



Loan	Debtor Bank	Borrowing Date	Borrowing Balance (JPY mn)	Interest Rate (Annual)	Maturity Date
New Syndicate Loan (A)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank, Limited Citibank Japan Ltd. Shinsei Trust & Banking Co., Ltd. ^(Note 2) Aozora Bank, Ltd.	Dec. 20, 2013	20,350	1.68% ^(Note 3)	Dec. 20, 2016
Subtotal of long-term debt			20,350	1.68%	
Prudential LPS Loan	Prudential Mortgage Asset Holdings I Japan Investment Limited Partnership	Jul. 29, 2011	11,000	2.5% Fixed interest rate	Jan. 25, 2017 – Jan. 25, 2019
Prudential LPS Loan B	Prudential Mortgage Asset Holdings I Japan Investment Limited Partnership	Sep. 28, 2011	9,960	1.9% Fixed interest rate	Mar. 31, 2018 – Mar. 31, 2020
Subtotal of long-term debt in trust			20,960	2.21%	
Total			41,310	1.95%	Average duration 3.8 years

(Note 1): The Bank of New York Mellon Trust (Japan), Ltd. Is the trustee in the form of a specified money trust, and Platinum CRE Loan Investment Limited Partnership holds beneficiary interests for such trust.

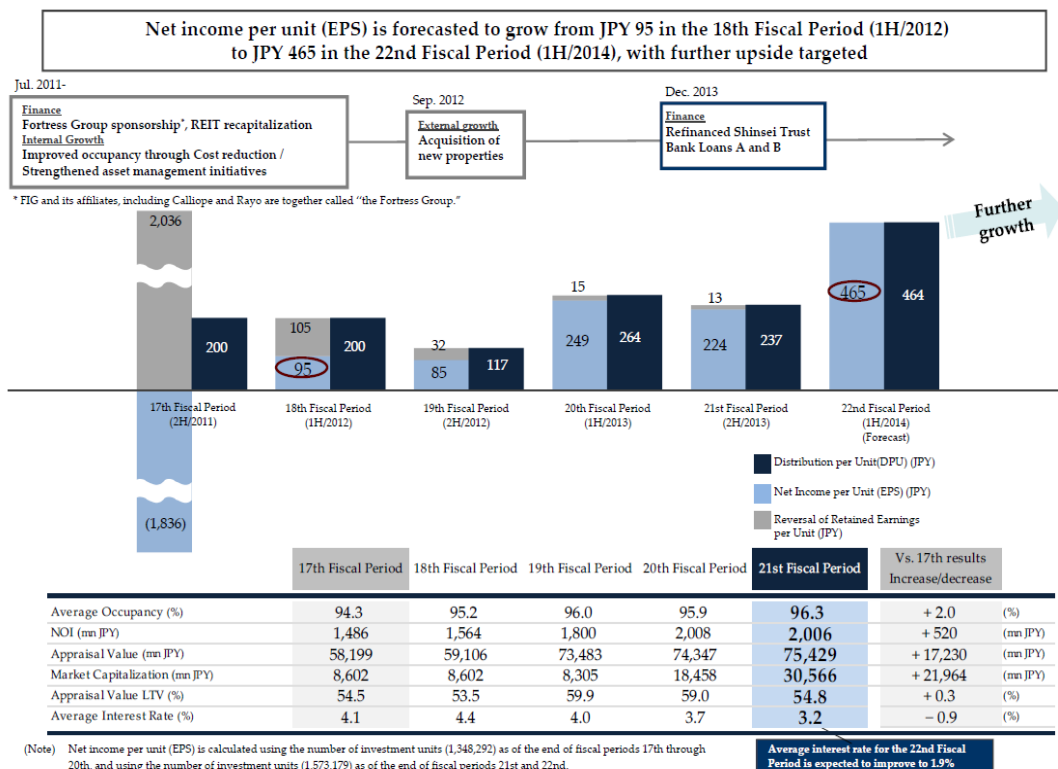
(Note 2): Shinsei Trust & Banking Co., Ltd. Is the trustee in the form of a specified money trust, and Platinum CRE Loan II Investment Limited Partnership holds beneficiary interests for such trust.

(Note 3): One-month JPY TIBOR + spread (1.5%). The interest rate calculation for the period from December 20, 2013 to January 30, 2014 using Two-monthly JPY TIBOR + spread (1.5%).

(Note 4): The borrowing balance is rounded down to the indicated unit.

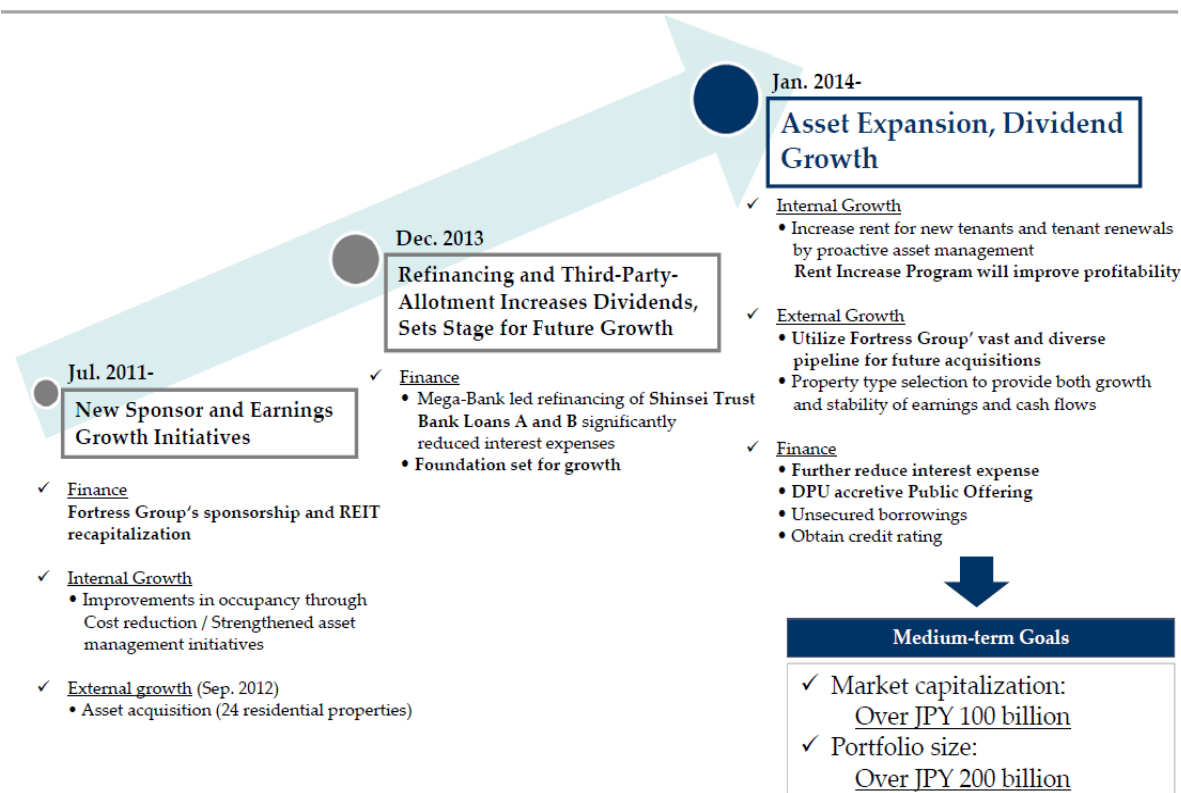
Profitability, Dividend Trends, and Roadmap for Growth

Fortress Group's Sponsorship and Efforts to Increase EPS and DPU



Invincible Investment
Corporation

Invincible's Roadmap for Future Growth



Operating Results for Period ended December 2013

Financial Highlights: 21st Fiscal Period (2H/2013)

Financial

Implementation of Refinancing and Capital Increase via Third-Party Allotment as of Dec. 20, 2013

- A new bank syndicate led by Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. provided a long-term loan of JPY 20,350 million at 1.68% interest
- Invincible Investment Corporation's average interest rate declined from 3.66% to 1.95%*
- Third-Party Allotment of approximately JPY 3 billion lowered the LTV from 59.0% to 55.6% (Appraisal base)**

* The interest rate/average interest rate and procured funds above are the interest rate and amount at the time of the allotment (Dec. 20, 2013).

** Appraisal value - based LTV = Interest-bearing Debt / Appraisal value as the end of 20th Fiscal Period ended June 30, 2013.

Improvements in Invincible's profitability and financial situation significantly enhance its future external growth potential

Dividend

Distribution per unit exceeded initial forecasts by JPY 37, reaching JPY 237

* Forecast for the 2st Fiscal Period (2H/2013) announced in the financial summary dated August 28, 2013

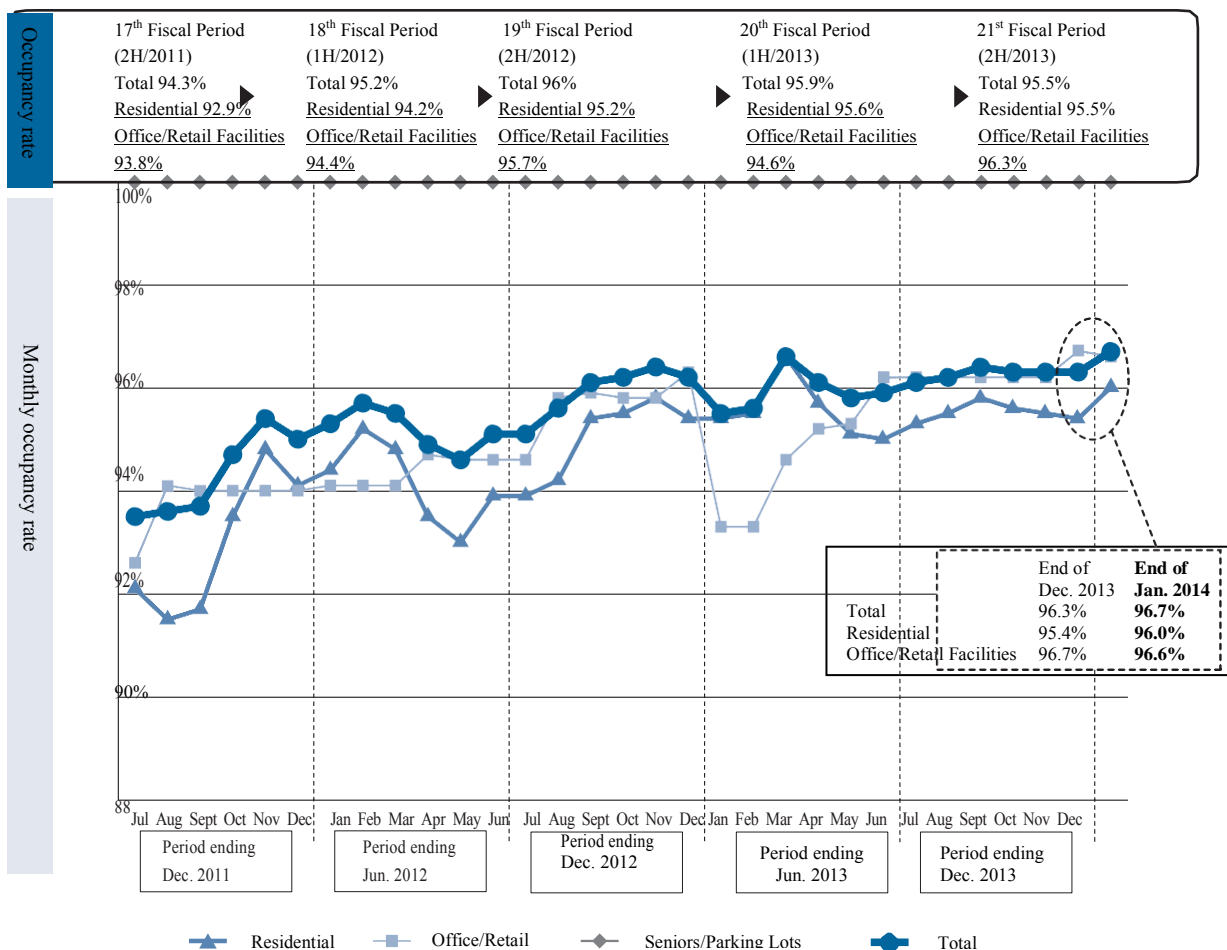
- Net income for the 21th Fiscal Period after deducting various one - off expenses associated with the Refinancing and Third-Party Allotment outperformed initial forecasts by JPY 82 million (31%), growing to JPY 352 million, net income per unit (EPS)* after investment unit dilution (16.68%) increased by JPY 24 (12%), to JPY 224
* Net income per unit (EPS) for the 21st Fiscal Period is calculated using the number of investment units at the end of the 21st Fiscal Period (1,573,179).
- Total dividends paid increased by JPY 103 million compared to the initial forecast, to JPY 372 million. A portion of the dividend came from the reversal of Surplus (JPY 20 million)
Distribution per unit reached JPY 237, exceeded initial forecasts by JPY 37 (19%)

The effect of lowering the interest burden is expected to raise dividends to JPY 464* per unit for the 22nd Fiscal Period (1H/2014)

* The forward-looking statements above are based on estimates and assumptions based on information available on February 26, 2014. Estimates and assumptions are affected by a variety of factors and risks that are beyond the control of Invincible. Therefore, no guarantees can be made as to the realization of the future goals or estimates, and results may be materially different from estimates.

The average portfolio occupancy improved from 95.9% in the 20th Fiscal Period (1H/2013) to 96.3% in the 21st Fiscal Period (2H/2013)

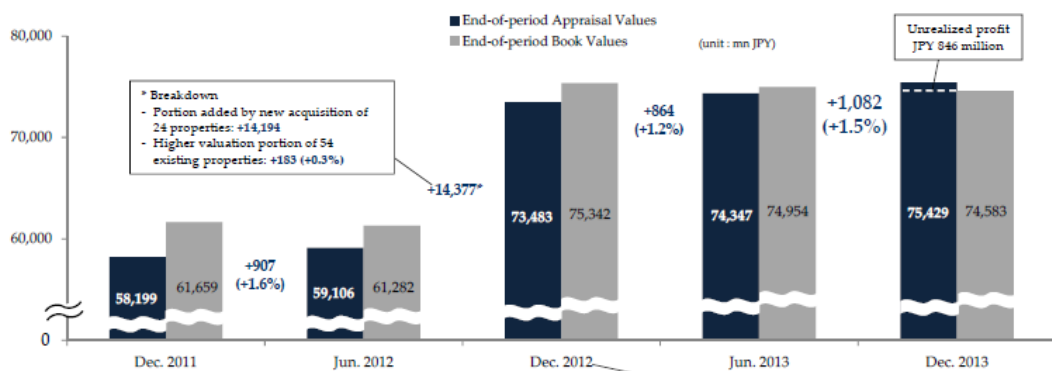
The occupancy rate for residential properties remains stable, office and retail occupancy increased to 96.3% from 94.6% in the previous period



(Note) Data for the 17th Fiscal Period (2H/2011) excludes the effect of the sale of the New Edobashi Building which was sold on October 21, 2011.

Growth of Portfolio Asset Values

The appraisal value increased by JPY1,082 million for the 21st Fiscal Period ended Dec. 2013, a gain of 1.5% over the previous period, and the 4th consecutive increase in asset values. The unrealized gain on the portfolio has turned positive to JPY846 million.



<Change in appraisal value: Analysis by type location, and other factors>

	Category	Number of Properties	Previous Appraisal Value	Current Appraisal Value	Increase / Decrease	
Type	Total Portfolio	78	74,347	75,429	+1,082	+1.5%
	Residential	63	56,993	57,921	+928	+1.6%
	existing	39	42,590	43,246	+656	+1.5%
	new	24	14,403	14,675	+272	+1.9%
	Offices/ Retail Facilities	7	12,511	12,595	+84	+0.7%
Location	Seniors / Others	8	4,843	4,913	+70	+1.5%
	Greater Tokyo Area	51	54,453	55,152	+699	+1.3%
	Chubu	8	4,844	4,924	+80	+1.7%
	Kansai	13	7,197	7,331	+134	+1.9%
	Hokkaido/ Tohoku	6	7,853	8,022	+169	+2.2%

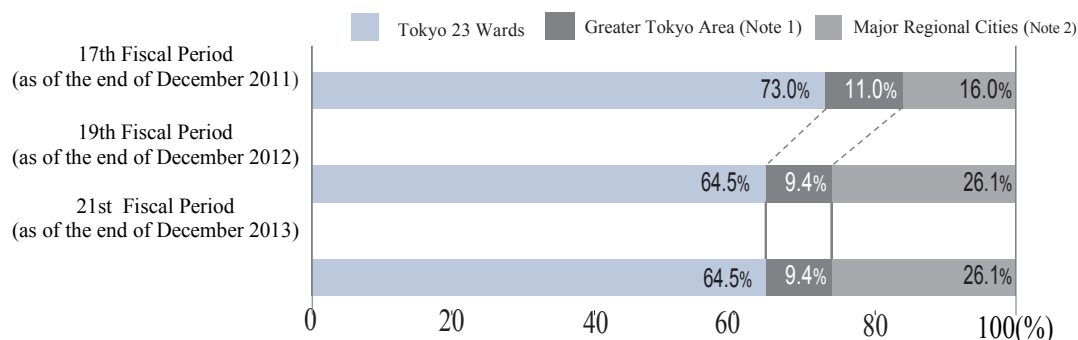
Sep. 2012
New acquisition of 24 properties

Portfolio Characteristics

At the end of the reporting period, the number of properties held by the Investment Corporation totaled 78, including 63 residential properties, 7 retail and office buildings, and 7 senior facilities as well as one parking lot with a total acquisition value of ¥77,161 million and a total leasable area of 171,283.92 m².

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

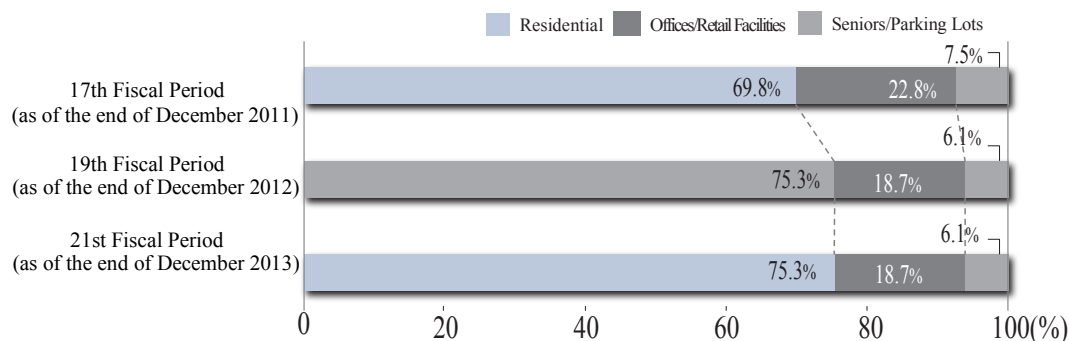
Investment Ratios by Region



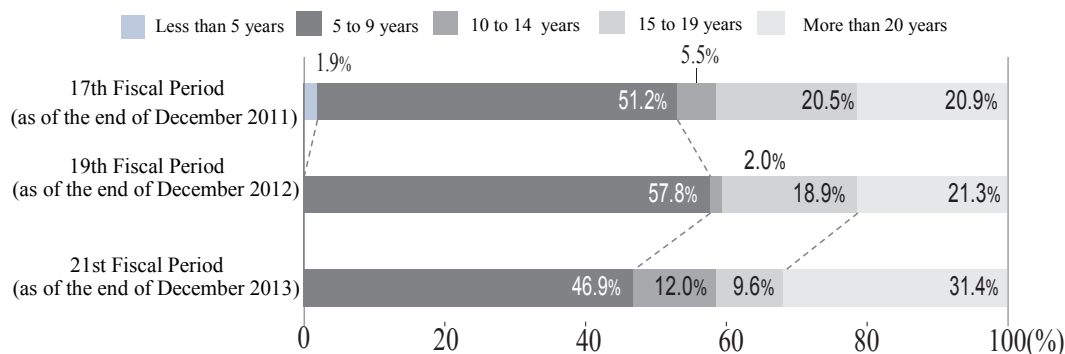
(Note 1) Greater Tokyo Area indicates Tokyo excluding 23 Wards, Kanagawa, Chiba, and Saitama

(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 (m2)	Rentable Units	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Book Value (JPY mn)	Investment Ratio	Occupancy Rate	
Residential	A26	Nissin Palacestage Daitabashi	Suginami Ward, Tokyo	1,771.13	98	1,251	1,130	1,145	1.6	95.0
	A27	Nissin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	2,681.94	60	1,229	1,240	1,123	1.6	97.4
	A28	Growth Maison Gotanda	Shinagawa Ward, Tokyo	1,051.50	48	888	922	851	1.2	100.0
	A29	Growth Maison Kameido	Koto Ward, Tokyo	1,367.96	66	1,070	1,040	1,018	1.4	89.3
	A30	Emerald House	Itabashi Ward, Tokyo	2,152.31	96	1,505	1,180	1,427	2.0	98.9
	A31	Harmonie Ochanomizu	Bunkyo Ward, Tokyo	1,748.24	65	1,428	1,230	1,385	1.9	97.5
	A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	3,029.16	29	1,088	998	1,045	1.4	95.3
	A33	Growth Maison Shin-Yokohama	Yokohama City, Kanagawa Prefecture	1,858.44	68	1,059	1,060	1,000	1.4	94.1
	A34	Belle Face Ueno-Okachimachi	Taito Ward, Tokyo	1,351.11	64	1,023	928	988	1.3	100.0
	A35	Grand Rire Kameido	Koto Ward, Tokyo	1,562.26	72	906	909	860	1.2	100.0
	A36	Growth Maison Ikebukuro	Toshima Ward, Tokyo	952.89	42	825	827	782	1.1	97.6
	A37	Growth Maison Yoga	Setagaya Ward, Tokyo	1,015.34	39	795	674	768	1.0	100.0
	A38	Route Tachikawa	Tachikawa City, Tokyo	1,368.57	24	676	591	657	0.9	83.5
	A39	Shibuya-Honmachi Mansion	Shibuya Ward, Tokyo	1,167.50	25	651	588	656	0.8	96.4
	A40	City Heights Kinuta	Setagaya Ward, Tokyo	1,235.93	19	646	454	647	0.8	94.6
	A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi City, Saitama Prefecture	1,210.74	57	620	676	576	0.8	96.5
	A42	Capital Heights Kagurazaka	Shinjuku Ward, Tokyo	1,126.65	26	604	534	618	0.8	91.0
	A43	College Square Machida	Machida City, Tokyo	1,047.75	62	589	525	573	0.8	100.0
	A44	Belair Meguro	Meguro Ward, Tokyo	557.05	25	589	545	574	0.8	92.1
	A45	Wacore Tsunashima I	Yokohama City, Kanagawa Prefecture	907.46	50	572	496	550	0.7	82.1
	A46	Foros Nakamurabashi	Nerima Ward, Tokyo	815.77	37	566	532	534	0.7	94.5
	A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	2,040.27	34	557	455	525	0.7	100.0
	A48	College Square Machiya	Arakawa Ward, Tokyo	871.35	43	510	494	481	0.7	100.0
	A51	City House Tokyo Shinbashi	Minato Ward, Tokyo	3,364.00	86	2,520	2,650	2,418	3.3	100.0
	A52	Winbell Kagurazaka	Shinjuku Ward, Tokyo	4,032.70	118	3,260	3,420	3,141	4.2	96.5
	A53	Nishiwaseda Crescent Mansion	Shinjuku Ward, Tokyo	4,310.77	69	1,880	2,140	1,849	2.4	94.8
	A54	Lexington Square Akebonobashi	Shinjuku Ward, Tokyo	1,987.88	88	1,450	1,570	1,385	1.9	89.7
	A56	Casa Eremitaggio	Meguro Ward, Tokyo	1,197.19	17	1,070	980	1,005	1.4	90.0
	A59	Towa City Coop Shinotsuka II	Toshima Ward, Tokyo	1,627.13	58	866	930	835	1.1	89.9
	A61	Bichsel Musashiseki	Nerima Ward, Tokyo	1,220.24	70	577	631	561	0.7	92.9
	A62	Lexel Mansion Ueno Matsugaya	Taito Ward, Tokyo	1,969.45	29	970	1,050	907	1.3	100.0
	A63	Towa City Coop Sengencho	Yokohama City, Kanagawa Prefecture	3,426.36	154	1,110	1,230	1,052	1.4	90.5
	A64	Royal Park Omachi	Sendai City, Miyagi Prefecture	1,929.59	51	415	484	395	0.5	95.0
	A65	Lexington Square Haginomachi	Sendai City, Miyagi Prefecture	1,528.58	39	330	405	310	0.4	97.4
	A66	Visconti Kakuoan	Nagoya City, Aichi Prefecture	705.75	8	255	232	241	0.3	100.0
	A71	Lexington Square Daitabashi	Suginami Ward, Tokyo	1,430.64	43	977	1,020	914	1.3	93.7
	A72	Lexington Square Honjo Azumabashi	Sumida Ward, Tokyo	784.74	33	511	536	473	0.7	100.0
	A73	AMS TOWER Minami 6-Jo	Sapporo City, Hokkaido	4,460.56	120	120	1,080	1,18-	1,080	97.1
	A75	Spacia Ebisu	Shibuya Ward, Tokyo	7,794.91	109	1,180	6,860	1,071	1.5	89.2
	A76	Neo Prominence	Kita Ward, Tokyo	3,574.70	52	7,010	1,710	6,729	9.1	96.6
	A77	Invoice Shin-Kobe Residence	Kobe City, Hyogo Prefecture	2,773.71	81	1,660	1,300	1,665	2.2	95.4
	A78	Cosmo Court Motomachi	Kobe City, Hyogo Prefecture	2,310.49	82	1,260	1,020	1,262	1.6	98.7
	A79	Revest Honjin	Nagoya City, Aichi Prefecture	1,933.80	80	674	705	676	0.9	93.7

(as of December 31, 2013)

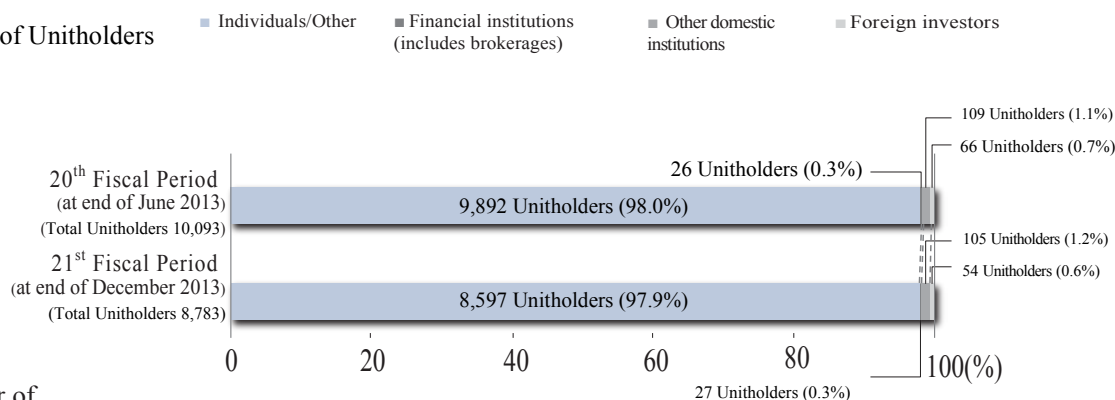
Property Number		Name of Property	Location	Leasable Area (m2)	Rentable Units	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Book Value (JPY mn)	Investment Ratio	Occupancy Rate
Residential	A80	Revest Matsubara	Nagoya City, Aichi Prefecture	1,955.40	70	657	705	659	0.9	98.8
	A81	Sun Terrace Minami Ikebukuro	Toshima Ward, Tokyo	898.70	38	625	644	625	0.8	97.4
	A82	Alba Noritake Shinmachi	Nagoya City, Aichi Prefecture	1,731.68	64	608	637	611	0.8	96.5
	A83	Revest Meieki Minami	Nagoya City, Aichi Prefecture	1,634.60	61	597	626	600	0.8	98.5
	A84	Revest Heian	Nagoya City, Aichi Prefecture	1,554.03	40	595	610	598	0.8	98.4
	A85	Vendir Hamaotsu Ekimae	Otsu City, Shiga Prefecture	2,670.66	81	581	650	583	0.8	100.0
	A86	Salvo Sala	Osaka City, Osaka Prefecture	1,428.12	54	544	567	548	0.7	96.7
	A87	Excellente Kagurazaka	Shinjuku Ward, Tokyo	701.92	33	543	558	546	0.7	91.2
	A88	Luna Court Edobori	Osaka City, Osaka Prefecture	1,185.50	50	525	547	527	0.7	98.0
	A89	Winntage Kobe Motomachi	Kobe City, Hyogo Prefecture	1,433.35	57	512	545	514	0.7	86.0
	A90	Queen's Court Fukuzumi	Koto Ward, Tokyo	765.18	25	456	477	457	0.6	100.0
	A91	Corp Higashinotoin	Kyoto City, Kyoto Prefecture	1,029.05	42	446	468	448	0.6	95.1
	A92	Belair Oimachi	Shinagawa Ward, Tokyo	530.60	26	412	428	414	0.5	96.4
	A93	Siete Minami-Tsukaguchi	Amagasaki City, Hyogo Prefecture	1,020.86	40	374	394	376	0.5	97.5
	A94	Prime Life Sannomiya Isogami Koen	Kobe City, Hyogo Prefecture	789.12	32	373	383	374	0.5	93.8
	A95	HERMITAGE NANBA WEST	Osaka City, Osaka Prefecture	992.76	21	355	382	358	0.5	96.0
	A96	Century Park Shinkawa 1-bankan	Nagoya City, Aichi Prefecture	1,477.62	44	335	349	336	0.4	97.7
	A97	West Avenue	Kunitachi City, Tokyo	794.80	40	331	334	330	0.4	90.0
	A98	Little River Honmachibashi	Osaka City, Osaka Prefecture	974.81	31	310	329	313	0.4	96.9
	A99	Prime Life Mikage	Kobe City, Hyogo Prefecture	761.18	28	297	307	298	0.4	96.6
Subtotal				109,584.45	3,413	58,083	57,921	56,192	75.3	95.4
Office Buildings/Rentl Facilities	B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	1,451.54	13	1,301	1,020	1,226	1.7	100.0
	B9	Shinjuku Island	Shinjuku Ward, Tokyo	526.43	1	715	542	714	0.9	100.0
	B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	6,033.58	11	4,880	4,050	4,811	6.3	90.1
	B15	Cross Square NAKANO	Nakano Ward, Tokyo	2,145.00	45	1,060	930	1,073	1.4	67.6
	B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	2,178.41	13	8167	633	759	1.1	100.0
	B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	8,419.15	18	3,280	3,270	3,198	4.3	100.0
	B18	AEON TOWN Sukagawa	Sukagawa City, Fukushima Prefecture	18,440.58	1	2,320	2,150	2,120	3.0	100.0
Subtotal				39,194.69	1021	14,372	12,595	13,904	18.6	96.7
Parking Lots/Seniors	C1	Stop Parking Kanda-Sudacho	Kanda sudacho, Chiyoda-ku, Tokyo	81.04	1	97	92	100	0.1	100.0
	C21	Bon Sejour Chitose Funabashi	Setagaya Ward, Tokyo	2,342.17	42	685	762	659	0.9	100.0
	C22	Bon Sejour Yotsugi	Katsushika Ward, Tokyo	1,962.87	62	652	703	624	0.8	100.0
	C23	Bon Sejour Hino	Hino City, Tokyo	1,984.17	56	574	662	553	0.7	100.0
	C24	Bon Sejour Musashi Shinjo	Kawasaki City, Kanagawa Prefecture	1,710.43	46	486	561	469	0.6	100.0
	C25	Bon Sejour Komaki	Komaki City, Aichi Prefecture	8,858.49	123	1,050	1,060	989	1.4	100.0
	C26	Bon Sejour Hadano Shibusawa	Hadano City, Kanagawa Prefecture	3,435.79	100	681	634	636	0.9	100.0
	C27	Bon Sejour Itami	Itami City, Hyogo Prefecture	2,129.87	62	480	439	452	0.6	100.0
Subtotal				22,504.83	492	492	4,913	4,486	6.1	100.0
Total				171,293.97	4,007	77,161	75,429	74,583	1000.6.0	96.3

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

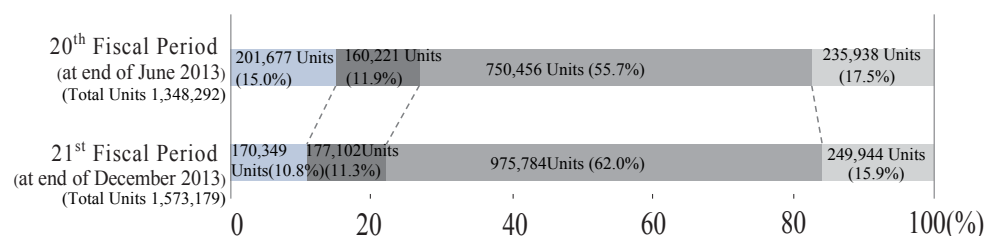
Overview of Unitholders/Investment Units

Overview of Unitholders

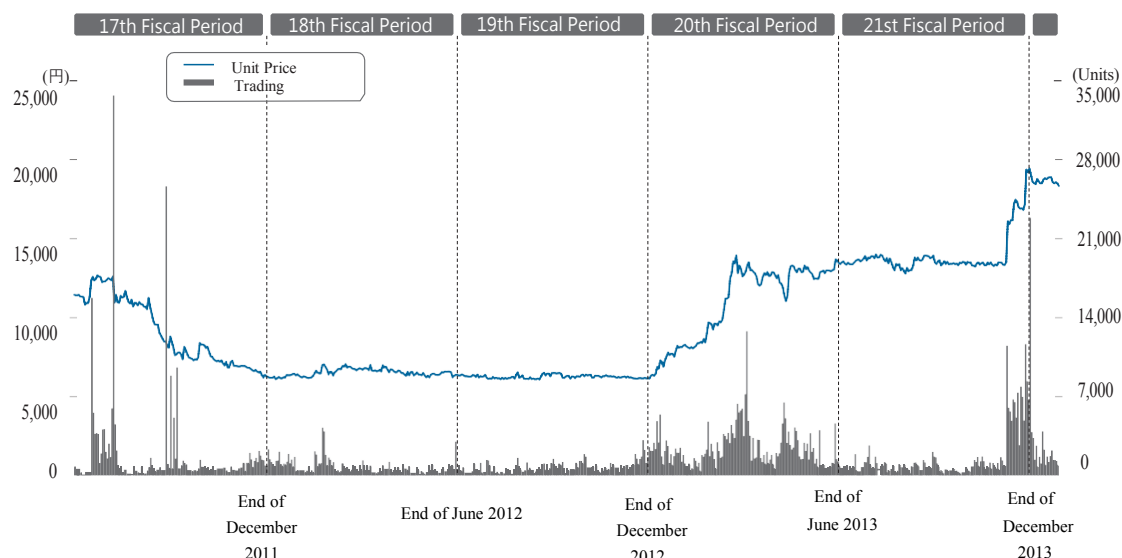
■ Number of Unitholders by Owner



■ Number of Investment Units by Owner



Investment Unit Price Trends



(Note) The investment unit price indicated is the Tokyo Stock Exchange closing 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

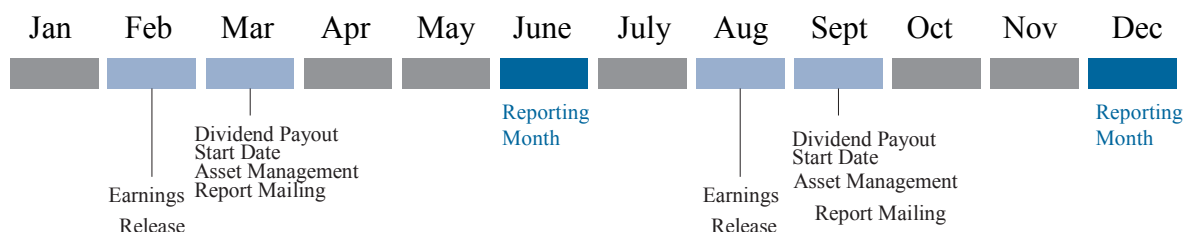
(Advice of Payment)

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” that stated 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 Invincible Investment Corporation: Consonant Investment Management Co., Ltd.
TEL: 03-5411-2731 (Main)
Weekdays 9:30-17:30

I . Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period			17th	18th	19th	20th	21st
Calculated period			Fiscal Period Jul. 1, 2011 to Dec. 31, 2011	Fiscal Period Jan. 1, 2012 to Jun. 30, 2012	Fiscal Period Jul. 1, 2012 to Dec. 31, 2012	Fiscal Period Jan. 1, 2013 to Jun. 30, 2013	Fiscal Period Jul. 1, 2013 to Dec. 31, 2013
Operating Results	Operating revenues	Note 1 (Thousands of yen)	2,202,448	2,176,839	2,476,430	2,760,177	2,740,449
	(Rental revenues)	(Thousands of yen)	2,202,448	2,176,839	2,476,430	2,760,177	2,740,449
	Operating expenses	(Thousands of yen)	2,612,417	1,282,766	1,392,258	1,528,940	1,474,679
	(Property-related expenses)	(Thousands of yen)	1,137,994	1,024,277	1,156,672	1,295,403	1,261,221
	Operating income	(Thousands of yen)	(409,968)	894,072	1,084,171	1,231,237	1,265,770
	Ordinary income	(Thousands of yen)	(3,466,417)	125,981	114,784	335,683	353,360
	Net income	(Thousands of yen)	(2,476,155)	128,175	114,179	335,078	352,755
Asset Condition	Total assets (change from last period)	(a) (Thousands of yen) (%)	68,083,586 (6.9)	67,698,887 (0.6)	80,200,022 18.5	80,249,063 0.1	79,176,632 (1.3)
	Interest-bearing debt	(Thousands of yen)	31,734,500	31,603,500	43,982,500	43,851,500	41,310,000
	Net assets (change from last period)	(b) (Thousands of yen) (%)	32,967,658 15.4	32,826,175 (0.4)	32,670,697 (0.5)	32,848,025 0.5	35,844,824 9.1
	Total contribution	(Thousands of yen)	26,134,396	26,134,396	26,134,396	26,134,396	29,134,389
Divide	Total distribution	(c) (Thousands of yen)	269,658	269,658	157,750	355,949	372,843
	Dividend payout ratio	(Note 2) (Thousands of yen)	—	210.5	137.6	106.0	105.7
Information per	Number of investment units Issued and outstanding	(d) (Units)	1,348,292	1,348,292	1,348,292	1,348,292	1,573,179
	Net assets per unit	(b) / (d) (yen) (Note 3)	24,451	24,346	24,231	24,363	22,785
	Distribution per unit (Profit distribution per unit)	(c) / (d) (yen) (yen)	200 200	200 200	117 117	264 264	237 237
	(Excess profit distribution per unit)	(yen)	—	—	—	—	—
Financial	Return on assets (change over year)	(Note 4) (%)	(4.9) (9.7)	0.2 0.4	0.2 0.3	0.4 0.8	0.4 0.9
	Return on equity (change over year)	(Note 4) (%)	(8.0) (16.0)	0.4 0.8	0.3 0.7	1.0 2.1	1.0 2.0
	Capital ratio (change from last period)	(b) / (a) (%) (Note 4) (%)	48.4 9.4	48.5 0.1	40.7 (7.8)	40.9 0.2	45.3 4.3
	NOI (Net Operating Income)	(Note 4) (Thousands of yen)	1,486,538	1,564,247	1,800,380	2,008,413	2,006,648

(Note1) 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 21st Fiscal Period, it is calculated by dividing the total profit distribution amount by net income. Dividend payout ratio for the 17th Fiscal Period is not indicated because distribution by unit that period was a negative figure.

(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

a. Main trends in the Investment Corporation

The investment corporation (the “Investment Corporation” or “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, the Investment Corporation 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).

Following the realization of a merger (“the Merger”) with LCP Investment Corporation (“LCP”) on February 1, 2010, the Investment Corporation issued new investment units through third-party allotment to Calliope Godo Kaisha (“Calliope”), an affiliate of Fortress Investment Group LLC (“FIG” and together with Calliope and its other affiliates, the “Fortress Group”), acting as the principal investor, and conducted a refinancing.

Ever since the sponsorship from Fortress Group, the Investment Corporation has been dedicating itself to the improvement of occupancy rates and the reduction of its and its properties’ expenditures by strengthening its asset management capabilities. Furthermore, in September 2012, it newly acquired 24 properties (residences) without issuing any equity, thus improving portfolio earning potential and establishing an earnings base for stable distributions comparable to earlier performance (approximately JPY 200 per unit).

As the next step, during the fiscal period ended December 31, 2013 (the “reporting period”), the Investment Corporation implemented, effective December 20, 2013, the refinancing of existing borrowings (“the Refinancing”) with new borrowings secured by a syndicated loan arranged by Sumitomo Mitsui Banking Corporation (SMBC) and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) and with funds raised via third-party allotment. The Investment Corporation believes that the Refinancing enabled, among other things, the reduction of the Investment Corporation’s interest-bearing debt ratio, 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 that the financial stability of the Investment Corporation has been improved along with a substantial improvement in future external growth potential.

b. Operational Environment and Performance

In the reporting period, this country’s economy underwent a strengthening recovery trend in corporate performance centered on a weakening yen due to large-scale monetary easing and increasing public spending, the continued trend towards a higher-priced stock market, and the improvement of consumer spending due to the wealth effect of effective asset utilization and improvement of the export industry. Against this trend of general economic recovery, among businesses and financial institutions there was an increase in the number of those expecting an upward revision of standard wage increases in the next fiscal year, and there continued to be signs towards improvement in the consumption environment necessary for overcoming deflation and achieving a full-scale economic recovery.

Regarding the real estate investment market, asset acquisitions accompanying public offerings and the new listings of J-REITs in 2013 increased to over JPY 2.2 trillion, achieving record highs for the first time in seven years. In addition, against the backdrop of Japan’s economic recovery, the weaker yen and the decision to hold the 2020 Summer Olympics in Tokyo, real estate transactions by foreign companies are increasing as enhanced market activity and a lowering of yields on trading are becoming more clearly apparent.

Regarding the property rental market, in the Tokyo area and parts of other major cities, the office vacancy rate has bottomed, and in central Tokyo, rents are turning around with the appearance of new construction projects, premium properties, etc. In regional areas as well, there is increasing evidence of a decrease in the rate of rent decline. In addition, although stable compared with the office and other sectors, the residential sector, which had seen a continuous trend in declining rent revenue after the Lehman shock, saw signs of recovery in the rent market. For example, in Tokyo the year-on-year rate rent decline was nearly flat at -0.1% (year-on-year rate of decline for September 2013 according to the research division of the Japan Real Estate Institute, which publishes Nationwide Rent Statistics; in September 2009; the year-on-year rate of decline was - 3.9%).

In such an environment, in the reporting period the Investment Corporation did not engage in any acquisitions or sales of properties, focusing attention instead on improved profitability through internal growth. The Investment Corporation’s entire portfolio in the reporting period saw its average occupancy rate rise to 96.3%, up 0.4% from the previous period, attaining the highest post-Merger level. The improvement of the occupancy rate was achieved by, among other things, the following measures: with respect to certain of the office buildings, the outsourcing of leasing management for functional enhancement and strategic renovations, etc.; and with respect to residential properties, the continued strengthening of the property management companies (“PM companies”) and direct sales to brokers, an

overhaul of the handling of original state restoration periods, the shortening of construction periods, and a change in PM companies (for 13 residential units in November 2013).

At the end of the reporting period, the number of properties held by the Investment Corporation totaled 78, including 63 residential properties, 7 retail and office buildings, and 7 senior facilities as well as one parking lot with a total acquisition value of ¥77,161 million and a total leasable area of 171,283.92 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, etc., at the end of the reporting period the appraised value of the properties in the portfolio increased by JPY 1,083 million (or 1.5%) over the preceding period, from JPY 74,347 million to JPY 75,429 million, representing the fourth consecutive fiscal period for which there was an increase.

c. Overview of Fund Raising

On December 20, 2013, the Investment Corporation implemented a refinancing of a portion of existing borrowings (total balance of borrowings: JPY 22,760 million; average interest rate at time of repayment: 4.98%) with funds raised from a syndicated loan arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (amount borrowed: JPY 20,350 million; interest on borrowings upon the execution of the Refinancing: 1.68%) and from a capital increase through third party allotment with Rayo Godo Kaisha, which belongs to the Fortress Group, acting as the principal investor (number of new investment units issued: 224,887; sum total of amounts issued: JPY 2,999 million). The Refinancing has enabled the Investment Corporation to reduce its interest-bearing debt ratio and substantially decrease interest expenses, thus significantly improving earnings capabilities.

Moreover, the Investment Corporation believes that the implementation of the Refinancing involving two megabanks provides evidence of the enhancement of the credit standing of the Investment Corporation, and that the strengthening of its lender formation has substantially improved its fund raising capacity.

As a result of implementing the above, as of the end of the reporting period, the outstanding balance of the interest-bearing debt of the Investment Corporation was JPY 41,310 million, with the interest-bearing debt ratio at 52.2% (Note).

(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 from the date of establishment to the end of the reported fiscal 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 26, 2003	Private placement	2,700	3,100	1,012,500,000	1,212,500,000	(Note 2)
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 the Investment Corporation as the surviving entity. As a result of the merger by absorption, 4 investment units of the Investment Corporation (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 the Investment Corporation are listed are as follow.

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: yen)

Period	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period	20 th Fiscal Period	21 st Fiscal Period
Closing Month	December 2011	June 2012	December 2012	June 2013	December 2013
Highest	12,830	7,160	6,540	14,480	20,000
Lowest	6,200	6,060	6,080	6,230	12,610

4 Distribution Performance

With respect to distributions, it was determined to distribute a total of JPY 372 million based on the following: a distribution of net income of JPY 352 million to meet the required level to satisfy distribution requirements (note 2); and a reversal of a portion of the surplus (JPY 20 million) resulting from the negative goodwill (the "Surplus") from the Merger.

Note 1: One of the conduit requirements is distribution of 90% or more of distributable profit (Note 2).

Note 2: The amount of distributable profit (JPY 412 million (*)) x 90% = JPY 371 million

The total amount of distributions for the period ended December 2013 was JPY 372 million, which exceeded the above calculation of JPY 371 million.

(*) The amount of distributable profit (JPY 412 million) = fiscal period net profit before taxes (JPY 353 million) + the sum of negative goodwill amortization (JPY 59 million) ** for each period.

(**) The negative goodwill amortization for each period (JPY 59 million) = extraordinary gain resulting from negative goodwill from the Merger (JPY 11,843) x (net number of months divided by 1200 months (***)).

(***) 1,200 months = a period of 100 years x 12 months (a one-year period)

Period	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period	20 th Fiscal Period	21 st Fiscal Period
Calculated Period	July 1, 2011 to Dec. 31, 2011	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
Total unappropriated retained earnings for period (thousands of yen)	568,830	427,346	271,868	449,196	446,003
Reserved profit (thousands of yen)	299,171	157,688	114,118	93,247	73,159
Cash distribution (thousands of yen)	269,658	269,658	157,750	355,949	372,843
(Distribution per unit) (yen)	(200)	(200)	(117)	(264)	(237)
Distribution amount (thousands of yen)	269,658	269,658	157,750	355,949	372,843
(Distribution per unit) (yen)	(200)	(200)	(117)	(264)	(237)
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

The Investment Corporation believes that with, among other things, the reduction of its interest-bearing debt ratio through implementation of the Refinancing, its significant improvement in earnings-generating ability and its strengthened lender formation, both debt and equity fund raising capacity has been enhanced, thus greatly improving the external growth potential of this Corporation.

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. By utilizing the Fortress Group's pipeline support, along with the property sale information resulting from the independent network of the asset management company, Consonant Investment Management Co., Ltd (the "Asset Manager"), to whom the Fortress Group and the Investment Corporation entrust the managing of assets, the Investment Corporation will consider and execute property acquisitions that contribute to stable growth in profits and cash flow and increase per unit distributions.

Property Sales

While the Investment Corporation 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 and replacements.

(ii) Strategy for internal growth

The Investment Corporation will continue in the fiscal period ending June 30, 2014 to strengthen its collaborative ties with PM companies and brokers to further boost occupancy rates and earning capabilities of its properties. Furthermore, in consideration of the large-scale monetary easing and improving business activity and personal income environment attributed to the Bank of Japan's inflation target policy and other measures, it will look to implement a proactive and flexible asset management with, in the residential sector, a focus on lease renewals and increasing rent. At the same time, while taking into account any changes in the status of competing properties in the market area, the Investment Corporation intends to closely monitor the management of free rent, advertising-related expenses and other leasing-related costs so as to maximize the actual rent.

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, thorough attention will be placed on the drafting of strategic plans and on their flexible implementation.

(iii) Financial strategy

In addition to the substantial interest cost reduction made possible by the Refinancing implemented in the reporting period, the Investment Corporation will continue to consider and implement measures for improving property earnings, as described above, as well as measures for further lowering the overall fund-raising costs for the Investment Corporation.

In connection with the above, the Investment Corporation will aim to execute equity finance that will result in improved distributions per unit and to maximize unitholders' value from a financial perspective.

(iv) Compliance risk management

While the executive officer of the Investment Corporation 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 the Investment Corporation. 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 the Investment Corporation's compliance with laws and regulations.

The Investment Corporation intends to continually take steps to strengthen its compliance structure.

6 Significant subsequent events

Nothing applicable.

Overview of the Investment Corporation

1 Overview of Investment

By Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period
Results Dates	July 1, 2011 to Dec. 31, 2011	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
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	1,348,292	1,573,179
Unitholders' capital	26,134	26,134	26,134	26,134	29,134
Number of total unitholders	10,793	10,703	10,325	10,093	8,783

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
New Mission Funding Co., Ltd.	129,400	8.22
SCG16 Godo Kaisha (Note 1)	74,962	4.76
JP MORGAN CHASE BANK 380180	67,283	4.27
GOLDMAN SACHS INTERNATINAL	65,701	4.17
Japan Trustee Services Bank, Ltd. (trust account)	58,799	3.73
INFINITE VALUE INVESTMENT LTD. (Note 1)	57,757	3.67
The Nomura Trust and Banking Co., Ltd. (investment trust account)	40,369	2.56
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	34,445	2.18
Total	1,288,583	81.90

(Note 1): INFINITE VALUE INVESTMENT LTD and SCG16 are both managed under the same umbrella fund by the Secured Capital-related company SC Investment Advisors Pte. Ltd. (SCIA).

(Note 2): 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, Chief Planning and Financial Officer, Consonant Investment Management Co. Ltd. (Note 1)	--
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) The investment company had a change in organizational structure and personnel as of January 1, 2014, and Naoki Fukuda became President and CEO as of the same date, relinquishing his other positions.

(Note 2) 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 3) 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 the Investment Corporation 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 operations, etc.)	EP Consulting Services Corporation
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) ① Tasks related to the running of general unitholders' meetings for the Investment Corporation (excluding tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms), ② Tasks related to the running of the meetings of the Board of Directors of the Investment Corporation, and ③ the aforementioned in ① or tasks incidental or related to ② 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 Investment Corporation 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)	Fiscal Period ended June 30, 2013 (as of June 30, 2013)		Fiscal Period ended December 31, 2013 (as of December 31, 2013)	
			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	715	0.9	714	0.9
		Major regional cities	—	—	—	—
		Subtotal	715	0.9	714	0.9
	Seniors, hourly parking, etc.	Greater Tokyo area	3,061	3.8	3,044	3.8
		Major regional cities	1,452	1.8	1,441	1.8
		Subtotal	4,513	5.6	4,486	5.7
Total real estate			5,229	6.5	5,200	6.6
Real estate in trust	Residential	Greater Tokyo area	44,312	55.2	44,108	55.7
		Major regional cities	12,208	15.2	12,084	15.3
		Subtotal	56,520	70.4	56,192	71.0
	Office/Retail	Greater Tokyo area	7,092	8.8	7,111	9.0
		Major regional cities	6,111	7.6	6,078	7.7
		Subtotal	13,204	16.5	13,190	16.7
	Seniors, hourly parking, etc.	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
Total real estate in trust			69,724	86.9	69,383	87.6
Deposits and other assets			5,294	6.6	4,593	5.8
Total assets (Note 3)			80,249 (74,954)	100.0 (93.4)	79,176 (74,583)	100.0 (94.2)

(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 decreasing accumulated depreciation from the acquisition price (including acquisition related costs).

(Note 3) The figure indicated in“()” in “total assets” shows the amount related to actual owned real estate.

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	6,72	7,794.9	6,954.62	89.2	6.6	Residential
B14	Lexington Plaza Nishigotanda	4,81	6,033.5	5,437.21	90.1	5.1	Office
B17	Lexington Plaza Hachiman	3,19	8,419.1	8,419.15	100.0	5.9	Retail Facilities
A52	Winbell Kagurazaka	3,14	4,032.7	3,893.54	96.5	3.7	Residential
A51	City House Tokyo Shinbashi	2,41	3,364.0	3,364.00	100.0	3.3	Residential
B18	AEON Town Sukagawa	2,12	18,440.5	18,440.58	100.0	5.2	Retail Facilities
A53	Nishiwaseda Crescent Mansion	1,84	4,310.7	4,086.33	94.8	2.6	Residential
A76	Neo Prominence	1,66	3,574.7	3,452.00	96.6	2.3	Residential
A30	Emerald House	1,42	2,152.3	2,129.26	98.9	1.5	Residential
A31	Harmonie Ochanomizu	1,38	1,748.2	1,703.84	97.5	1.4	Residential
	Total	28,74	59,870.9	57,880.53	96.7	37.8	—

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

Name of property		Location (Note 1)	Type of ownership	Leasable Area (m ²)	Appraisal value as of December 31, 2013 (million of yen) (Note 2)	Book Value (millions of yen)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami Ward, Tokyo	Trust beneficiary interests	1,771.13	1,771.13	1,130
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima Ward, Tokyo	Trust beneficiary interests	2,681.94	2,681.94	1,240
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	1,051.50	1,051.50	922
A29	Growth Maison Kameido	6-58-16 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,367.96	1,367.96	1,040
A30	Emerald House	3-27-18 Itabashi, Itabashi Ward, Tokyo	Trust beneficiary interests	2,152.31	2,152.31	1,180
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo Ward, Tokyo	Trust beneficiary interests	1,748.24	1,748.24	1,230
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima Ward, Tokyo	Trust beneficiary interests	3,029.16	3,029.16	998
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City,	Trust beneficiary interests	1,858.44	1,858.44	1,060
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito Ward, Tokyo	Trust beneficiary interests	1,351.11	1,351.11	928
A35	Grand Rire Kameido	3-39-12 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,562.26	1,562.26	909
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	952.89	952.89	827
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya Ward, Tokyo	Trust beneficiary interests	1,015.34	1,015.34	674
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa City, Tokyo	Trust beneficiary interests	1,368.57	1,368.57	591
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya Ward, Tokyo	Trust beneficiary interests	1,167.50	1,167.50	588
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya Ward, Tokyo	Trust beneficiary interests	1,235.93	1,235.93	454
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture	Trust beneficiary interests	1,210.74	1,210.74	676
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku Ward, Tokyo	Trust beneficiary interests	1,126.65	1,126.65	534
A43	College Square Machida	3-4-4 Nakamachi, Machida City, Tokyo	Trust beneficiary interests	1,047.75	1,047.75	525
A44	Belair Meguro	1-2-15 Meguro, Meguro Ward, Tokyo	Trust beneficiary interests	557.05	557.05	545
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa	Trust beneficiary interests	907.46	907.46	496
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima Ward, Tokyo	Trust beneficiary interests	815.77	815.77	532
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	Trust beneficiary interests	2,040.27	2,040.27	455
A48	College Square Machiya	7-3-1 Arakawa, Arakawa Ward, Tokyo	Trust beneficiary interests	871.35	871.35	494
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato Ward, Tokyo	Trust beneficiary interests	3,364.00	3,364.00	2,650
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,032.70	4,032.70	3,420
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda,Shinjuku Ward, Tokyo	Trust beneficiary interests	4,310.77	4,310.77	2,140
A54	Lexington Square Akebonobashi	3-8 Yochomachi,Shinjuku Ward, Tokyo	Trust beneficiary interests	1,987.88	1,987.88	1,570
A56	Casa Eremitaggio	1-14-15 Nakane,Meguro Ward, Tokyo	Trust beneficiary interests	1,197.19	1,197.19	980
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	1,627.13	1,627.13	930
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita,Nerima Ward, Tokyo	Trust beneficiary interests	1,220.24	1,220.24	631
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya,Taito Ward, Tokyo	Trust beneficiary interests	1,969.45	1,969.45	1,050
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku,Yokohama City, Kanagawa	Trust beneficiary interests	3,426.36	3,426.36	1,230
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	1,929.59	1,929.59	484
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai City,	Trust beneficiary interests	1,528.58	1,528.58	405
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku,Nagoya City, Aichi	Trust beneficiary interests	705.75	705.75	232
A71	Lexington Square Daitabashi	1-33-8 Izumi,Suginami Ward, Tokyo	Trust beneficiary interests	1,430.64	1,430.64	1,020
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata,Sumida	Trust beneficiary interests	784.74	784.74	536
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City,	Trust beneficiary interests	4,460.56	4,460.56	1,080
A75	Spacia Ebisu	3-6-22 Higashi,Shibuya Ward, Tokyo	Trust beneficiary interests	7,794.91	7,794.91	6,860
A76	Neo Prominence	3-21-5 Shimo, Kita Ward, Tokyo	Trust beneficiary interests	3,574.70	3,574.70	1,710
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo Ward,Kobe City, Hvogo	Trust beneficiary interests	2,773.71	1,300	1,262

Name of property		Location (Note 1)	Type of ownership	Leasable Area (m ²)	Appraisal value as of December 31, 2013 (million of yen) (Note 2)	Book Value (millions of yen)
A78	Cosmo Court Motomachi	3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	2,310.49	1,020	976
A79	Revest Honjin	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi	Trust beneficiary interests	1,933.80	705	676
A80	Revest Matsubara	3-13-12 Matsubara Naka Ward Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,955.40	705	659
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	898.70	644	625
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City,	Trust beneficiary interests	1,731.68	637	611
A83	Revest Meieki Minami	2-13-33 Meiekinminami, Nakamura Ward, Nagoya City,	Trust beneficiary interests	1,634.60	626	600
A84	Revest Heian	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,554.03	610	598
A85	Vendir Hamaotsu Ekimae	1-2-15 Hama Otsu, Otsu City, Shiga Prefecture	Trust beneficiary interests	2,670.66	650	583
A86	Salvo Sala	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka	Trust beneficiary interests	1,428.12	567	548
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku Ward, Tokyo	Trust beneficiary interests	701.92	558	546
A88	Luna Court Edobori	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	Trust beneficiary interests	1,185.50	547	527
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	1,433.35	545	514
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto Ward, Tokyo	Trust beneficiary interests	765.18	477	457
A91	Corp Higashinotoin	380-1 Kawanomachi, Higashinotoin Dori Nijo	Trust beneficiary interests	1,029.05	468	448
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo	Trust beneficiary interests	530.60	428	414
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki	Trust beneficiary interests	1,020.86	394	376
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo Ward, Kobe City Hyogo	Trust beneficiary interests	789.12	383	374
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka	Trust beneficiary interests	992.76	382	358
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi	Trust beneficiary interests	1,477.62	349	336
A97	West Avenue	1-5-17 Nishi, Kunitachi City, Tokyo	Trust beneficiary interests	794.80	334	330
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo Ward, Osaka City, Osaka	Trust beneficiary interests	974.81	329	313
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	761.18	307	298
Subtotal (63 properties)				109,584.45	57,921	56,192
B8	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku Ward,	Trust beneficiary interests	1,451.54	1,020	1,226
B9	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	Real estate	526.43	542	714
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	6033.58	4,050	4,811
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano Ward, Tokyo	Trust beneficiary interests	2145.00	930	1,073
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi	Trust beneficiary interests	2,178.41	633	759
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi	Trust beneficiary interests	8,419.15	3,270	3,198
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa City, Fukushima Prefecture	Trust beneficiary interests	18,440.58	2,150	2,120
Subtotal (7 properties)				39,194.69	12,595	13,904
C1	Stop Parking Kanda-Sudacho	1-22-7 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo	Real estate	81.04	92	100
C21	Bon Sejour Chitose Funabashi	1-37-3 Funabashi, Setagaya Ward, Tokyo	Real estate	2,342.17	762	659
C22	Bon Sejour Yotsugi	3-1-11 Higashi-Yotsugi, Katsushika Ward, Tokyo	Real estate	1,962.87	703	624
C23	Bon Sejour Hino	438-1 Ochigawa, Hino City, Tokyo	Real estate	1,984.17	662	553
C24	Bon Sejour Musashi Shinjo	773-2 Chitose, Takatsu-ku, Kawasaki City, Kanagawa	Real estate	1,710.43	561	469
C25	Bon Sejour Komaki	3-1 Shiroyama, Komaki City, Aichi Prefecture	Real estate	8,858.49	1,060	989
C26	Bon Sejour Hadano Shibusawa	1-6-60 Shibusawa-Kami, Hadano City, Kanagawa	Real estate	3,435.79	634	636
C27	Bon Sejour Itami	1-2-25 Chuo, Itami City, Hyogo Prefecture	Real estate	2,129.87	439	452
Subtotal (8 properties)				22,504.83	4,705	4,486
Total (78 properties)				171,283.97	77,161	74,583

(Note 1) "Location" is in principle based on the indicated address (*gyukohyoji*), except that if the *gyukohyoji* 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 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.

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		20 th Fiscal Period (Jaunary 1, 2013 to June 30, 2013)				21 th Fiscal Period (July 1, 2013 to December 31, 2013)			
		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	98.0	40,694	1.5	1	95.0	40,764	1.5
A27	Nisshin Palacestage Higashi-Nagasaki	1	98.4	46,495	1.7	1	97.4	44,828	1.6
A28	Growth Maison Gotanda	1	100.0	27,481	1.0	1	100.0	27,386	1.0
A29	Growth Maison Kameido	1	94.0	33,015	1.2	1	89.3	31,655	1.2
A30	Emerald House	1	100.0	50,083	1.8	1	98.9	41,974	1.5
A31	Harmonie Ochanomizu	1	88.2	41,051	1.5	1	97.5	39,196	1.4
A32	Suncrest Shakujii-Koen	1	95.6	37,025	1.3	1	95.3	34,660	1.3
A33	Growth Maison Shin-Yokohama	1	97.1	35,753	1.3	1	94.1	36,146	1.3
A34	Belle Face Ueno-Okachimachi	1	100.0	32,762	1.2	1	100.0	30,564	1.1
A35	Grand Rire Kameido	1	100.0	26,619	1.0	1	100.0	26,619	1.0
A36	Growth Maison Ikebukuro	1	88.2	23,607	0.9	1	97.6	24,244	0.9
A37	Growth Maison Yoga	1	97.3	21,693	0.8	1	100.0	21,660	0.8
A38	Route Tachikawa	1	76.7	20,364	0.7	1	83.5	17,305	0.6
A39	Shibuya-Honmachi Mansion	1	80.8	19,238	0.7	1	96.4	18,641	0.7
A40	City Heights Kinuta	1	94.6	17,112	0.6	1	94.6	16,885	0.6
A41	Acseeds Tower Kawaguchi- Namiki	1	93.0	26,096	0.9	1	96.5	24,285	0.9
A42	Capital Heights Kagurazaka	1	97.2	18,127	0.7	1	91.0	18,084	0.7
A43	College Square Machida	1	100.0	18,268	0.7	1	100.0	18,268	0.7
A44	Belair Meguro	1	96.0	16,304	0.6	1	92.1	16,116	0.6
A45	Wacore Tsunashima I	1	90.0	18,235	0.7	1	82.1	16,987	0.6
A46	Foros Nakamurabashi	1	92.0	17,550	0.6	1	94.5	17,295	0.6
A47	Growth Maison Kaijin	1	94.4	22,249	0.8	1	100.0	23,364	0.9
A48	College Square Machiya	1	100.0	14,706	0.5	1	100.0	14,706	0.5
A51	City House Tokyo Shinbashi	1	100.0	87,840	3.2	1	100.0	91,288	3.3
A52	Winbell Kagurazaka	1	96.9	102,111	3.7	1	96.5	101,996	3.7
A53	Nishiwaseda Crescent Mansion	1	98.5	73,895	2.7	1	94.8	70,856	2.6
A54	Lexington Square Akebonobashi	1	94.4	47,818	1.7	1	89.7	46,136	1.7
A56	Casa Eremitaggio	1	90.0	27,934	1.0	1	90.0	30,392	1.1
A59	Towa City Coop Shinotsuka II	1	94.9	34,269	1.2	1	89.9	32,744	1.2
A61	Bichsel Musashiseki	1	95.7	25,714	0.9	1	92.9	22,455	0.8
A62	Lexel Mansion Ueno Matsugaya	1	86.8	32,021	1.2	1	100.0	32,797	1.2
A63	Towa City Coop Sengencho	1	94.9	61,782	2.2	1	90.5	60,085	2.2
A64	Royal Park Omachi	1	100.0	25,936	0.9	1	95.0	25,583	0.9
A65	Lexington Square Haginomachi	1	100.0	18,166	0.7	1	97.4	18,207	0.7
A66	Visconti Kakuozan	1	100.0	10,515	0.4	1	100.0	11,683	0.4
A71	Lexington Square Daitabashi	1	95.1	32,140	1.2	1	93.7	30,928	1.1
A72	Lexington Square Honjo Azumabashi	1	93.9	18,498	0.7	1	100.0	17,511	0.6
A73	AMS TOWER Minami 6-Jo	1	88.2	48,065	1.7	1	97.1	47,709	1.7
A75	Spacia Ebisu	1	90.2	187,658	6.8	1	89.2	180,121	6.6
A76	Neo Prominence	1	96.6	62,498	2.3	1	96.6	63,701	2.3
A77	Invoice Shin-Kobe Residence	1	98.6	48,133	1.7	1	95.4	48,899	1.8
A78	Cosmo Court Motomachi	1	92.7	37,187	1.3	1	98.7	37,159	1.4

Name		20 th Fiscal Period (January 1, 2013 to June 30, 2013)				21 st Fiscal Period (July 1, 2013 to December 31, 2013)			
		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)	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)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1)
A79	Revest Honjin	1	98.8	31,100	1.1	1	93.7	30,568	1.1
A80	Revest Matsubara	1	95.7	28,957	1.0	1	98.8	29,325	1.1
A81	Sun Terrace Minami Ikebukuro	1	97.4	22,001	0.8	1	97.4	21,707	0.8
A82	Alba Noritake Shinmachi	1	93.8	25,407	0.9	1	96.5	24,841	0.9
A83	Revest Meieki Minami	1	100.0	25,512	0.9	1	98.5	25,053	0.9
A84	Revest Heian	1	100.0	23,227	0.8	1	98.4	23,423	0.9
A85	Vendir Hamaotsu Ekimae	1	95.4	31,352	1.1	1	100.0	32,235	1.2
A86	Salvo Sala	1	98.0	24,272	0.9	1	96.7	24,562	0.9
A87	Excellente Kagurazaka	1	97.1	18,157	0.7	1	91.2	17,831	0.7
A88	Luna Court Edobori	1	98.0	21,571	0.8	1	98.0	21,738	0.8
A89	Winntage Kobe Motomachi	1	94.9	24,092	0.9	1	86.0	22,696	0.8
A90	Queen's Court Fukuzumi	1	100.0	16,712	0.6	1	100.0	16,668	0.6
A91	Corp Higashinotoin	1	97.7	17,929	0.6	1	95.1	17,678	0.6
A92	Belair Oimachi	1	100.0	14,640	0.5	1	96.4	15,193	0.6
A93	Siete Minami-Tsukaguchi	1	100.0	17,140	0.6	1	97.5	16,916	0.6
A94	Prime Life Sannomiya Isogami Koen	1	100.0	14,804	0.5	1	93.8	14,484	0.5
A95	HERMITAGE NANBA WEST	1	86.9	14,732	0.5	1	96.0	15,418	0.6
A96	Century Park Shinkawa 1-bankan	1	90.9	16,940	0.6	1	97.7	16,960	0.6
A97	West Avenue	1	82.5	12,652	0.5	1	90.0	12,084	0.4
A98	Little River Honmachibashi	1	93.8	12,986	0.5	1	96.9	13,438	0.5
A99	Prime Life Mikage	1	100.0	12,315	0.4	1	96.6	12,366	0.5
Subtotal		63	95.0	2,033,237	73.7	63	95.4	1,997,099	72.9
B8	Kindai Kagakusha Building	1	100.0	37,890	1.4	1	100.0	39,112	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	134,136	4.9	8	90.1	139,821	5.1
B15	Cross Square NAKANO	1	57.6	28,611	1.0	1	67.6	28,653	1.0
B16	Ohki Aoba Building	1	100.0	40,249	1.5	1	100.0	40,415	1.5
B17	Lexington Plaza Hachiman	1	100.0	155,659	5.6	1	100.0	162,868	5.9
B18	AEON TOWN Sukagawa	1	100.0	140,817	5.1	1	100.0	142,719	5.2
Subtotal		14	96.2	556,123	20.1	14	96.7	570,788	20.8
C1	Stop Parking Kanda-Sudacho	1	100.0	2,443	0.1	1	100.0	2,443	0.1
C21	Bon Sejour Chitose Funabashi	1	100.0	23,544	0.9	1	100.0	23,798	0.9
C22	Bon Sejour Yotsugi	1	100.0	22,208	0.8	1	100.0	22,415	0.8
C23	Bon Sejour Hino	1	100.0	21,197	0.8	1	100.0	21,354	0.8
C24	Bon Sejour Musashi Shinjo	1	100.0	17,606	0.6	1	100.0	17,697	0.6
C25	Bon Sejour Komaki	1	100.0	44,479	1.6	1	100.0	45,224	1.7
C26	Bon Sejour Hadano Shibusawa	1	100.0	23,371	0.8	1	100.0	23,659	0.9
C27	Bon Sejour Itami	1	100.0	15,963	0.6	1	100.0	15,968	0.6
Subtotal		8	100.0	170,816	6.2	8	100.0	172,561	6.3
Total		85	95.9	2,760,177	100.0	85	96.3	2,740,449	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.

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 the Investment Corporation 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

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 real estate assets is as follows.

Property		Location	Purpose	Scheduled time of implementation	Estimated cost (thousands of yen)		
					Total	Payment for the fiscal period	Advance payments
A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	Large-scale maintenance construction	From April 2014 to June 2014	33,800	—	—
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	16,583	—	—
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Renewal construction of air conditioning system on the 1st and 2nd floors	From April 2014 to May 2014	15,965	—	—
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal construction of air conditioning system on 1st floor	From March 2014 to April 2014	14,260	—	—
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Renovation construction	From March 2014 to June 2014	13,500	—	—
A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	Maintenance construction work on mechanical parking facility	From January 2014 to March 2014	11,800	—	—
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	Replacement construction of intercom	From February 2014 to March 2014	7,454	—	—
B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	Iron repair work on parking structure and evacuation staircase	From June 2014 to June 2014	6,140	—	—
A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	Renewal construction of prepaid hot water unit	From March 2014 to March 2014	5,806	—	—

2 Capital expenditures for the fiscal period ended December 31, 2013

The principal construction constituting capital expenditures for the real estate assets for the fiscal period ended December 31, 2013 is as follows. Capital expenditures for the fiscal period was 156,682 thousand yen, and together with 28,041 of repair cost include in this fiscal period's expenses, construction work totaling 184,723 thousand yen was implemented.

Property		Location	Purpose	Time of implementation	Payment (thousands of yen)
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	Large-scale maintenance construction	From October 2013 to December 2013	34,551
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Renewal construction of air conditioning system on the 6th and 7th floors	From November 2013 to December 2013	14,147
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Renovation constructin of Room 805 and 4 other rooms	From November 2013 to December 2013	13,994
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal of central monitoring device	From August 2013 to October 2013	9,008
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Renovation construction of Room 1004, Room 1005 and Room 1006	From October 2013 to November 2013	8,396
Other construction					76,584
Total					156,682

3 Reserved funds for long-term maintenance plan

The Investment Corporation 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	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period	20 th Fiscal Period	21 st Fiscal Period
	From July 1, 2011 to December 31, 2011	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
Reserved funds at beginning of period	551,103 thousand yen	356,408 thousand yen	487,561 thousand yen	541,609 thousand yen	571,543 thousand yen
Amount reserved (Note)	238,107 thousand yen	163,931 thousand yen	151,076 thousand yen	165,233 thousand yen	165,271 thousand yen
Amount reversed (Note)	432,803 thousand yen	32,777 thousand yen	97,028 thousand yen	135,298 thousand yen	212,084 thousand yen
Amount carried over for next fiscal period	356,408 thousand yen	487,561 thousand yen	541,609 thousand yen	571,543 thousand yen	524,730 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	20 th Fiscal Period Jan. 1, 2013 to June 30, 2013	21st Fiscal Period July 1, 2013 to Dec. 31, 2013
(a) Asset management fees	125,000	125,000
(b) Asset custodian fees	3,911	3,986
(c) Administrative services fees	21,531	19,089
(d) Directors' remuneration	4,800	4,800
(e) Other operating expenses	78,293	60,582
	233,536	213,457

2 Borrowing Conditions

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

Type		Borrowing Date	Balance at Start of Reporting Period (Thousands of yen)	Balance at End of Reporting Period (Thousands of yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Payment Method	Purpose	Notes
	Lender								
Secured Conventional	MetLife Alico	Sep. 28, 2012	4,462,220	—	2.252	—		(Note 4)	
	The Bank of New York Mellon Trust		2,974,813	—	2.252	—			
	Citibank Japan Ltd.		2,925,233	—	2.252	—			
	Shinsei Bank, Limited.		2,925,233	—	2.252	—	(Note 3)		
	Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	7,100,000	—	8.500	—	(Note 3)	(Note 5)	
	Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	2,504,000	—	9.500	—	(Note 3)	(Note 5)	
	Sumitomo Mitsui	Dec. 20, 2013	—	5,500,000	1.680	Dec. 20, 2016	(Note 6)	(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,500,000					
	Shinsei Bank, Limited		—	4,000,000					
	Citibank Japan Ltd.		—	2,000,000					
	Shinsei Trust & Banking Co., Ltd.		—	2,000,000					
	Aozora Bank, Ltd.		—	1,350,000					
Subtotal			22,891,500	20,350,000					
Long-term Debts in Trust (Note 2)	Mizuho Trust & Banking Co., Ltd.	Jul. 29, 2011	3,750,000	3,750,000	2.500	Jan. 25, 2017	(Note 8)	(Note 5)	Secured Conventional
			3,620,000	3,620,000	2.500	Jan. 25, 2018			
			3,630,000	3,630,000	2.500	Jan. 25, 2019			
	Mitsubishi UFJ Trust and Banking Corporation	Sep. 28, 2012	2,700,000	2,700,000	1.900	Mar. 31, 2018	Lump Sum	(Note 10)	
			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			
	Subtotal		20,960,000	20,960,000					
		43,851,500	41,310,000						

(Note 1) Average interest rate is the daily weighted average number of the period according to the number of days, and is rounded to one 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) Repaid total balance before maturity on Dec. 20, 2013.

(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) repaid on same day as coupon payment date (monthly), and lump-sum payment of balance to be made on principal maturity date.

(Note 7) 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 8) 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.

(Note 9) 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 10) 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 11) 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.

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.

The following is a summary English language translation of original Japanese audited financial statements. However, no assurance or warranties are given with respect to the accuracy or completeness of this summary English language translation, and it should be noted that this translation has not been audited or reviewed by our auditor. The Japanese original shall prevail in the case of any discrepancies between this summary English language translation and the Japanese original.

II. Balance Sheet

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2013 (As of June 30, 2013)	Fiscal Period ended December 31, 2013 (As of December 31, 2013)
Assets		
Current Assets		
Cash and deposits	1,427,483	※1 1,457,257
Cash and deposits in trust	※1 2,690,331	※1 2,729,902
Accounts receivables	17,407	10,948
Advances paid	139	0
Deposits paid	※2 748,197	※2 -
Prepaid expenses	211,587	122,321
Consumption tax receivable	-	7,419
Others	-	10
Allowance for doubtful accounts	(1,528)	(2,573)
Total Current Assets	5,093,620	4,325,286
Non-current Assets		
Property, plant and equipment		
Buildings	※1 2,680,174	※1 2,680,174
Accumulated depreciation	(190,772)	(218,377)
Buildings, net	2,489,402	2,461,796
Equipment	※1 50,691	※1 50,691
Accumulated depreciation	(26,789)	(27,985)
Equipment, net	23,902	22,706
Building improvements	※1 3,848	※1 3,848
Accumulated depreciation	(1,397)	(1,518)
Building improvements, net	2,451	2,330
Land	※1 2,713,620	※1 2,713,620
Buildings in trust	※1 29,677,895	※1 29,762,419
Accumulated depreciation	(2,060,616)	(2,339,358)
Buildings in trust, net	27,617,278	27,423,061
Equipment in trust	※1 6,713,907	※1 6,763,740
Accumulated depreciation	(1,493,122)	(1,690,614)
Equipment in trust, net	5,220,784	5,073,126
Building improvements in trust	※1 312,020	※1 320,904
Accumulated depreciation	(85,630)	(97,258)
Building improvements in trust, net	226,389	223,646
Tools, furniture and fixtures in trust	※1 142,175	※1 155,616
Accumulated depreciation	(64,333)	(74,970)
Tools, furniture and fixtures in trust, net	77,842	80,646
Land in trust	※1 36,582,527	※1 36,582,527
Total property, plant and equipment	74,954,199	74,583,461
Intangible assets		
Others	167	137
Total intangible assets	167	137
Total investment and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	158,394	224,371
Others	32,680	33,375
Total investments and other assets	201,075	267,746
Total non-current Assets	75,155,443	74,851,345
Total Assets	80,249,063	79,176,632

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2013 (As of June 30, 2013)	Fiscal Period ended December 31, 2013 (As of December 31, 2013)
Liabilities		
Current Liabilities		
Accounts Payable	151,861	174,201
Current portion of long-term debts	※1 262,000	※1 203,520
Current portion of long-term debts in trust	-	※1 105,833
Accrued liabilities	4,375	5,000
Accrued expenses	354,066	229,843
Accrued income taxes	527	525
Accrued consumption taxes	24,902	-
Advances received	377,475	385,886
Deposits received	8,601	5,048
Total Current Liabilities	1,183,809	1,109,859
Non-current Liabilities		
Long-term debts	※1 22,629,500	※1 20,146,480
Long-term debts in trust	※1 20,960,000	※1 20,854,166
Tenant leasehold and security deposits in trust	1,048,635	1,037,721
Tenant leasehold and security deposits	183,579	183,579
Long-term accrued expenses	1,395,513	-
Total Non-current Liabilities	46,217,228	42,221,948
Total Liabilities	47,401,038	43,331,808
Net Assets		
Unitholders' Equity		
Unitholders' Capital	26,134,396	29,134,389
Surplus		
Capital Surplus	6,264,432	6,264,432
Unappropriated retained earnings/loss	449,196	446,003
Total Surplus	6,713,628	6,710,435
Total Unitholders' Equity	32,848,025	35,844,824
Total Net Assets	※3 32,848,025	※3 35,844,824
Total Liabilities and Net Assets	80,249,063	79,176,632

III. Statement of Income

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)
Operating Revenues		
Rental revenues	※1 2,760,177	※1 2,740,449
Total Operating Revenues	2,760,177	2,740,449
Operating Expenses		
Property related expenses	※1 1,295,403	※1 1,261,221
Asset management fees	125,000	125,000
Directors' remuneration	4,800	4,800
Asset custodian fees	3,911	3,986
Administrative service fees	21,531	19,089
Provision of allowance for doubtful accounts	730	1,045
Other operating expense	-	2,561
Other operating expenses	77,562	56,975
Total Operating Expenses	1,528,940	1,474,679
Operating Income	1,231,237	1,265,770
Non-operating Revenues		
Interest revenues	383	400
Profit from finance related cost adjustment	-	※2 354,737
Miscellaneous income	3,088	406
Total Non-operating Revenues	3,472	355,544
Non-operating Expenses		
Interest expenses	800,615	672,128
Finance related costs	96,816	579,038
Investment unit issuance expenses	-	15,487
Miscellaneous losses	1,593	1,300
Total Non-operating Expenses	899,026	1,267,953
Ordinary Income	335,683	353,360
Income Before Income Taxes	335,683	353,360
Corporate Tax, etc.	605	605
Total Corporate Tax, etc.	605	605
Net Income	335,078	352,755
Retained Earnings at the Beginning of the Period	114,118	93,247
Unappropriated Retained Earnings/Loss at the End of the Period	449,196	446,003

IV. Statement of Unitholders' Equity

Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)

(Units : thousands of yen)

(Units: 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	271,868	6,536,300	32,670,697	32,670,697
Change during the period						
Distributions from surplus			(157,750)	(157,750)	(157,750)	(157,750)
Net income			335,078	335,078	335,078	335,078
Total change during the period	—	—	177,328	177,328	177,328	177,328
Balance at the end of the period	26,134,396	6,264,432	449,196	6,713,628	32,848,025	32,848,025

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

(Units : thousands of yen)

	Unitholders' equity					Total Net Assets
	Unitholders' Capital	Surplus			Total Unitholders' Equity	
		Capital Surplus	Unappropriated Retained	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

V. Notes

[Notes Concerning Significant Accounting Policies]

Item	By Period	For the Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	For the Fiscal Period ended December 31, 2013 (from July 1, 2013 to Dec. 31, 2013)
1. Method of depreciation of non-current assets		1. Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.	1. Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.
		Buildings 40 - 77 years	Buildings 40 - 77 years
		Equipment 3 - 24 years	Equipment 3 - 24 years
		Building improvements 3 - 18 years	Building improvements 3 - 18 years
		Buildings in trust 6 - 66 years	Buildings in trust 6 - 66 years
		Equipment in trust 3 - 32 years	Equipment in trust 3 - 32 years
		Building improvements in trust 3 - 55 years	Building improvements in trust 3 - 55 years
		Tools, furniture & fixtures in trust 2 - 15 years	Tools, furniture & fixtures in trust 2 - 15 years
		2. Intangible assets The straight-line method is used.	2. Intangible assets The straight-line method is used.
		3. Long-term prepaid expenses The straight-line method is used.	3. Long-term prepaid expenses The straight-line method is used.
2. Method of calculating allowances		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.	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.
3. Revenue and expense recognition		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.	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.

Item \ By Period	For the Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	For the Fiscal Period ended December 31, 2013 (from July 1, 2013 to Dec. 31, 2013)
4. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of 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. Cash and deposits in trust Buildings in trust Equipment in trust Building improvements in trust Tools, furniture and fixtures in trust Land in trust Tenant leasehold and security deposits in trust Long-term debts in trust</p> <p>—</p> <p>(2) 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 of real estate As to trust beneficiary interests of 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. Cash and deposits in trust Buildings in trust Equipment in trust Building improvements in trust Tools, furniture and fixtures in trust Land in trust Tenant leasehold and security deposits in trust 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>

(Notes Concerning Changes in Methods of Presentation)

Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
—	<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)

※1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral are as follows.

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (as of June 30, 2013)	Fiscal Period ended December 31, 2013 (as of December 31, 2013)
Cash and deposits	-	167,136
Cash and deposits in trust	2,690,331	2,729,902
Buildings	2,489,402	2,461,796
Equipment	23,902	22,706
Building improvements	2,451	2,330
Land	2,713,620	2,713,620
Buildings in trust	27,617,278	27,423,061
Equipment in trust	5,220,784	5,073,126
Building improvements in trust	226,389	223,646
Tools, furniture and fixtures in trust	77,842	80,646
Land in trust	36,582,527	36,582,527
Total	77,644,531	77,480,500

Liabilities with collateral are as follows.

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (as of June 30, 2013)	Fiscal Period ended December 31, 2013 (as of December 31, 2013)
Current portion of long-term debts	262,000	203,520
Long-term debts	22,629,500	20,146,480
Current portion of long-term debts in trust	-	105,833
Long-term debts in trust	20,960,000	20,854,166
Total	43,851,500	41,310,000

※2. Represents amounts entrusted to financial institutions for the purpose of repayment of borrowings in trust from such financial institutions. There was no such amount as of December 31, 2013.

※3. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations.

(Unit : thousands of yen)

Fiscal Period ended June 30, 2013 (as of June 30, 2013)	Fiscal Period ended December 31, 2013 (as of December 31, 2013)
50,000	50,000

(Notes to Statement of Income)

※1. Rental revenues and property related expenses are as follows:

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (January 1, 2013 to June 30, 2013)	Fiscal Period ended December 31, 2013 (July 1, 2013 to December 31, 2013)
A. Rental revenues		
Rent/common area charges	2,537,676	2,542,588
Other revenues	222,500	197,861
Total	2,760,177	2,740,449
B. Property-related expenses		
Maintenance costs	441,633	435,966
Taxes and public dues	162,456	175,993
Insurance expenses	5,160	5,085
Other expenses	142,512	116,754
Depreciation expenses	543,640	527,420
Total	1,295,403	1,261,221
C. Operating income from rental revenues A-B)	1,464,773	1,479,227

※2. Profit from finance related cost adjustment

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.

(Notes to Statement of Unitholders' Equity)

Number of investment units authorized and number of investment units issued and outstanding

	Fiscal Period ended June 30, 2013 (January 1, 2013 to June 30, 2013)	Fiscal Period ended December 31, 2013 (July 1, 2013 to December 31, 2013)
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	1,348,292 units	1,573,179 units

1. Significant components of deferred tax assets and liabilities

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Deferred tax assets - current assets		
Enterprise tax payable	590	590
Rental receivables(merger)	211	211
Allowance for doubtful accounts	559	941
Accrued expenses	6,454	—
Subtotal	7,815	1,743
Valuation allowance	7,815	1,743
Total	—	—
Net deferred tax assets – current	—	—
Deferred tax assets – non-current assets		
Buildings and other(merger)	1,194,346	1,177,288
Land(merger)	2,547,099	2,547,099
Long-term accrued expenses	510,618	—
Net loss carried forward	7,023,707	7,401,300
Subtotal	11,275,771	11,125,688
Valuation allowance	11,275,771	11,125,688
Total	—	—
Net deferred tax assets – non-current	—	—

2. Significant difference between statutory income tax rate and the effective tax rate

(Unit: %)

	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Statutory tax rate	36.59	36.59
Deductible cash distributions	-31.40	—
Provision of reserve for reduction entry	-5.19	-36.59
Others	0.18	0.17
Effective tax rate	0.18	0.17

(Notes Related to Lease Contracts)

Operating lease transactions(as lessee)Remaining lease payments

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (as of June 30, 2013)	Fiscal Period ended December 31, 2013 (as of December 31, 2013)
Due within one year	112,249	112,249
Due after one year	2,392,537	2,336,413
Total	2,504,787	2,448,662

Operating lease transactions (as lessor) Remaining lease payments

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (as of June 30, 2013)	Fiscal Period ended December 31, 2013 (as of December 31, 2013)
Due within one year	674,516	669,922
Due after one year	7,258,593	6,914,939
Total	7,933,109	7,584,862

(Notes Related to Financial Instruments)

1. Status of Financial Instruments

(1) Policy for Financial Instruments

The Investment Corporation 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.

The policy for raising funds is principally through issuing new investment units or entering into debt.

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.

Surplus funds are managed carefully after carefully taking into account safety, liquidity, the interest rate environment and financing.

(2) Nature and extent of risks arising from financial instruments and risk management

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.

(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.

2. Estimated Fair Value of Financial Instruments

Book value, fair value and the difference between values as of June 30, 2013 are as follows.

(Unit : thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	1,427,483	1,427,483	—
(2) Cash and deposits in trust	2,690,331	2,690,331	—
Total assets	4,117,815	4,117,815	—
(3) Current portion of long-term debts	262,000	263,952	1,952
(4) Long-term debts	22,629,500	22,932,788	303,288
(5) Long-term debts in trust	20,960,000	21,117,642	157,642
Total liabilities	43,851,500	44,314,382	462,882

Book value, fair value and the difference between values as of December 31, 2013 are as follow.

(Unit : thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	1,457,257	1,457,257	—
(2) Cash and deposits in trust	2,729,902	2,729,902	—
Total assets	4,187,160	4,187,160	—
(3) Current portion of long-term debts	203,520	203,520	—
(4) Long-term debts	20,146,480	20,146,480	—
(5) Current portion of long-term debts in trust	105,833	106,409	576
(6) Long-term debts in trust	20,854,166	21,127,212	273,045
Total liabilities	41,310,000	41,583,622	273,622

(Note 1) Methods to calculate fair values of financial instruments

(1) Cash and deposits (2) Cash and deposits in trust

Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.

(3) Current portion of long-term debts (4) Long-term debts (5) Current portion of long-term debts in trust (6) Long-term debts in trust

The fair values of long-term debt with fixed interest rates are determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new debt with the same amount. Long-term debt with floating interest rates reflecting changes in market rates within a short term period are stated at their book value as their book value approximate their fair values.

(Note 2) Financial instruments for which fair value is extremely difficult to value

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Tenant leasehold and security deposits	183,579	183,579
Tenant leasehold and security deposits in trust	1,048,635	1,037,721

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust have no observable market price, and it is impracticable to reasonably estimate their future cash flows because it because the repayment dates of those deposits and the timing of the lessee's exit from the property are not certain. Thus, their fair value is not disclosed.

(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period

As of June 30, 2013

(Unit : thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	1,427,483	—	—	—	—	—
Cash and deposits in trust	2,690,331	—	—	—	—	—
Total	4,117,815	—	—	—	—	—

As of December 31, 2013

(Unit : thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	1,457,257	—	—	—	—	—
Cash and deposits in trust	2,729,902	—	—	—	—	—
Total	4,187,160	—	—	—	—	—

(Note 4) Redemption schedule of long-term debts and other interest-bearing indebtedness after the closing date of the fiscal period

As of June 30, 2013

(Unit : thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Current portion of long-term debts	262,000	—	—	—	—	—
Long-term debts	—	22,629,500	—	—	—	—
Long-term debts in trust	—	320,981	491,866	3,861,986	6,238,387	10,046,777
Total	262,000	22,950,481	491,866	3,861,986	6,238,387	10,046,777

As of December 31, 2013

(Unit : thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Current portion of long-term debts	203,520	—	—	—	—	—
Long-term debts	—	203,520	19,942,960	—	—	—
Current portion of long-term debts in trust	105,833	—	—	—	—	—
Long-term debts in trust	—	450,442	516,273	3,819,427	6,196,028	9,871,993
Total	309,353	653,962	20,459,233	3,819,427	6,196,028	9,871,993

(Notes Related to Rental Properties)

The Investment Corporation owns residential and other properties principally in the Tokyo area and major regional cities for the purpose of earning stable rental revenues. The book value, amount changed during the period and balance at the end of the period are as follows.

(Unit : thousands of yen)

			Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Residential	Book value	Balance at the beginning of the period	56,845,746	56,520,161
		Change during the period	(325,585)	(327,357)
		Balance at the end of the period	56,520,161	56,192,804
	Fair value at the end of the period		56,993,000	57,921,000
Office	Book value	Balance at the beginning of the period	8,557,382	8,567,749
		Change during the period	10,367	17,889
		Balance at the end of the period	8,567,749	8,585,639
	Fair value at the end of the period		7,151,000	7,175,000
Retail	Book value	Balance at the beginning of the period	5,397,628	5,352,806
		Change during the period	(44,821)	(34,149)
		Balance at the end of the period	5,352,806	5,318,657
	Fair value at the end of the period		5,360,000	5,420,000
Parking	Book value	Balance at the beginning of the period	100,865	100,851
		Change during the period	(13)	(13)
		Balance at the end of the period	100,851	100,838
	Fair value at the end of the period		92,300	92,800
Seniors	Book value	Balance at the beginning of the period	4,441,219	4,412,629
		Change during the period	(28,590)	(27,106)
		Balance at the end of the period	4,412,629	4,385,522
	Fair value at the end of the period		4,751,000	4,821,000
Total	Book Value	Balance at the beginning of the period	75,342,842	74,954,199
		Change during the period	(388,642)	(370,738)
		Balance at the end of the period	74,954,199	74,583,461
	Fair value at the end of the period		74,347,300	75,429,800

(Note 1) Book value is the figure calculated by decreasing the amount of depreciation from acquisition price (including acquisition-related costs).

(Note 2) The major factor of the increase for the fiscal period ended June 30, 2013 was capital expenditures related to construction work, and the major factor of the decrease was depreciation. The major factor of the increase for the fiscal period ended December 31, 2013 was capital expenditures related to construction work, and the major factor of the decrease was depreciation.

(Note 3) The fair value as of the end of the reporting period is determined based on the appraisal value provided by Asset Research and Development Inc., Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc. and Tanizawa Sogo Appraisal Co., Ltd.

For information related to profits and losses from rental properties, please refer to "Notes to Statement of Income"

(Notes Related to Related Party Transactions)

1. Transactions with Parent Company and Major Unitholders

Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)

Classification	Name	Address	Stated capital (millions of yen)	Type of business	% of voting rights owned	Relationship		Type of transaction	Transaction amount (thousands of yen) (Note 1)	Account	Ending balance (thousands of yen) (Note 1)
						Common board member	Business relationship				
Interested Party of the Asset Manager	Shinsei Trust and Banking Co., Ltd.	Chuo-ku, Tokyo	5,000	Financial Business	—	—	Lender	Repayment of long-term debts	56,000	Repayment of long-term debts	9,604,000
								Finance related fees	44,764	Long-term prepaid expenses	52,925
										Prepaid expenses	90,270
										Long-term accrued expenses	1,395,513
										Accrued expenses	17,640
								Interest expenses	418,332	Accrued expenses	140,614

(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 borrowing 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) Calliope holds 609,942 units (holding ratio: 45.23%) of the issued investment units of the Company.

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

Classification	Name	Location	Stated capital (millions of yen)	Type of business	% of voting rights	Relationship		Type of transaction	Transaction amount (thousands of yen) (Note 1)	Account	Ending balance (thousands of yen) (Note 1)
						Common board member	Business relationship				
Interested business of the Asset Manager	Shinsei Trust and Banking Co., Ltd.	Chuo-ku, Tokyo	5,000	Financial business	—	—	Lender	Repayment of long-term debts	9,604,000	Repayment of long-term debts	—
								Finance related fees (Note 6)	143,196	Long-term prepaid expenses	—
										Prepaid expenses	—
										Long-term accrued expenses	—
										Accrued expenses	—
								Interest expenses	282,863	Accrued expenses	—
	Rayo Godo Kaisha	Minato-ku, Tokyo	0.1	Investment management business	9.53	—	Affiliate of the parent company of	Subscription 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 borrowing 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: 45.23%) of the issued investment units of the Company.

(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.

(Notes Related to Per Unit Information)

	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Net assets per unit	24,363 yen	22,785 yen
Net income per unit	249 yen	259 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 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 is not stated as there are no diluted units.

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

	Fiscal Period ended June 30, 2013 (January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (July 1 to December 31, 2013)
Net income for the fiscal period (thousands of yen)	335,078	352,755
Net income not attributable to common unit holders (thousands of yen)	—	—
Net income attributable to common unit holders (thousands of yen)	335,078	352,755
Average number of investment units during the period (unit)	1,348,292	1,362,959

Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
—	—

VI. Statement of Cash Distribution

	Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1, 2013 to December 31, 2013)
I Unappropriated retained earnings	449,196,371 yen	446,003,163 yen
II Distribution Amount	355,949,088 yen	372,843,423 yen
(Distribution per Unit)	(264 yen)	(237 yen)
III Retained earnings carried forward	93,247,283 yen	73,159,740 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 355,949,088 yen, which is the sum of net income of 335,078,277 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.	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, 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.

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 December 31, 2013 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)

	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Cash Flows from Operating Activities		
Net income before taxes	335,683	353,360
Depreciation expenses	543,717	527,451
Investment unit issuance expenses	-	15,487
Finance related costs	96,816	579,038
Amortization of tenant leasehold and security deposits	(433)	(683)
Interest received	(383)	(400)
Profit from finance related cost adjustment	-	(354,737)
Interest r aid	800,615	672,128
Increase (decrease) in allowance for doubtful accounts	730	1,045
Decrease (increase) in accounts receivable	962	6,458
Decrease (increase) in deposit payments	(57,701)	748,197
Decrease (increase) in consumption tax receivable	115,447	(7,419)
Increase (decrease) in accrued consumption tax payable	24,902	(24,902)
Increase (decrease) in accounts payable	17,493	24,617
Increase (decrease) in accrued liabilities	(13,571)	-
Increase (decrease) in accrued expenses	9,112	(127,432)
Increase (decrease) in advances received	(1,294)	8,411
Increase (decrease) in deposits received	3,333	(3,553)
Others	(2,456)	5,481
Subtotal	1,872,971	2,422,548
Proceeds of interest	383	390
Payment of interest	(818,164)	(650,982)
Payment of corporate taxes, etc.	(581)	(606)
Cash Flows from Operating Activities	1,054,609	1,771,350
Cash Flows from Investing Activities		
Payment for acquisition of tangible assets in trust	(154,421)	(158,960)
Payment of tenant leasehold and security deposits in trust	(93,409)	(49,761)
Proceeds of tenant leasehold and security deposits in trust	83,162	39,531
Others	(3,298)	(694)
Cash Flows from Investing Activities	(167,967)	(169,885)
Cash Flows from Financing Activities		
Proceeds from long-term debt	-	20,350,000
Repayment of long-term debt	(131,000)	(22,891,500)
Finance related costs	(10,636)	(1,618,501)
Payment of distributions	(157,800)	(355,323)
Proceeds from issuance of investment units	-	2,999,992
Others	(1,300)	(16,787)
Cash Flows from Financing Activities	(300,737)	(1,532,119)
Increase (decrease) in cash and cash equivalents	585,905	69,344
Beginning balance of cash and cash equivalents	3,531,910	4,117,815
Closing balance of cash and cash equivalents	※1 4,117,815	※1 4,187,160

Notes Concerning Significant Accounting Policies

Item \ By Period	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
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

Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
-	<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 Statement of Cash Flow

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

(unit : thousands of yen)

Item \ By Period	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)	Fiscal Period ended December 31, 2013 (from July 1 to December 31, 2013)
Cash and deposits	1,427,483	1,457,257
Cash and deposits in trust	2,690,331	2,729,902
Cash and cash equivalents	4,117,815	4,187,160

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For Unitholders

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Correspondence (Telephone Assistance)	Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063 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