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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended June 30, 2013 (January 1, 2013 to June 30, 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.

My name is Naoki Fukuda, and I have recently been appointed to serve as Executive Officer of INV. I look forward to this opportunity to fully utilize the work experience I have gained in both the real estate and financial industries in Japan and overseas, and to dedicating myself to INV's optimal management.

Since the merger in February 2010 and 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), we have been able to achieve a financial restructuring and an improvement and strengthening of our earnings potential. We are now at a crucial point in making a leap to a new stage in our development.

INV has a highly stable portfolio with a careful balance among asset types and geographic areas. I believe we are greatly advantaged in being able to fully utilize not only the the property management, planning and financial management ability of Consonant Investment Management Co., Ltd., the Asset Manager, but also the expertize of the Fortress Group, one of the world's leading alternative investment companies, in the real estate and financial business. Under the new management structure, we will seek operations that maximize these advantages and contribute to further growth for INV and further enhancement of unitholders' value.

We hereby provide you with a report of the results of INV's financial results and operational condition for the 20st period (covering the period from January 1, 2013 to June 30, 2013).

During the 20th period, due in part to the full fiscal period contribution of the 24 residential properties acquired during the previous fiscal period, operating revenues were JPY 2,760 million, up JPY 283 million from the previous period, operating income was JPY 1,231 million, up JPY 147 million, and ordinary income and net income both increased significantly by JPY 220 million to reach JPY 335 million. In addition, making use of a portion (JPY 20 million) of the surplus of the negative goodwill attributable to the February 2010 merger, we were able to set the distribution per unit for the 20th at JPY 264, the highest post-merger level.

Going forward, we will continue to focus on internal growth, including maintaining and increasing occupancy rates and rent levels and maximizing net operating income (NOI) from our properties. In addition, in order to prepare for future refinancings of our borrowings, we will seek to increase the value of our assets, while strengthening our existing relationships with lenders and forging new relationships with other lenders.

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) 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.

Fixed Distributions	The 20th fiscal period (the fiscal period ended June 2013)	Per investment unit JPY 264
Forecast Distributions	The 21st fiscal period (the fiscal period ending December 2013)	Per investment unit JPY 200

(Note) We are forecasting operating revenues of JPY 2,740 million and net income of JPY 270 million for the 21st fiscal period.

Summary of Financial Results

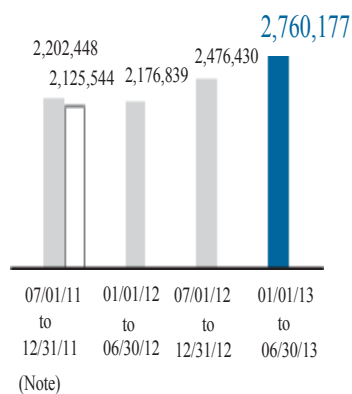
	Period from July 1, 2011 to December 31, 2011	Period from January 1, 2012 to June 30, 2012	Period from July 1, 2012 to December 31, 2012	Period from January 1, 2013 to June 30, 2013
Operating Revenue (Thousands of yen)	2,202,448	2,176,839	2,476,430	2,760,117
Ordinary Income (Thousands of yen)	(3,466,417)	125,981	114,784	335,683
Net Income (Thousands of yen)	(2,476,155)	128,175	114,179	335,078
Net Assets (Thousands of yen)	32,967,658	32,826,175	32,670,697	32,848,025
Total Assets (Thousands of yen)	68,083,586	67,698,887	80,200,022	80,249,063
Net Assets per Unit (Thousands of yen)	24,451	24,346	24,231	24,363
Net Assets/Total Assets (Thousands of yen)	48.4	48.5	40.7	40.9
Distribution per Unit (Thousands of yen)	200	200	117	264
Number of Units Issued (Units)	1,348,292	1,348,292	1,348,292	1,348,292

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

2,760,177 thousand yen

Up **283,747 thousand yen** from
previous period (11.55% increase)
(Note)

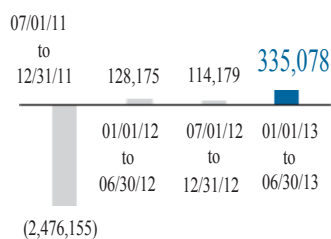


Unit: Thousand yen

Operating Income

335,078 thousand yen

Up **220,898 thousand yen** from
previous period (193.5% increase)

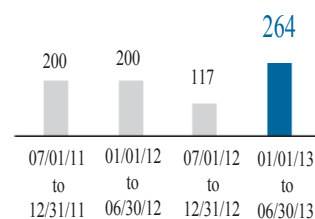


Unit: Thousand yen

Distribution per Unit

264 yen

Up **147 yen** from previous period
(125.6% increase)



Unit: yen

Note: The figure in vertical axis □ of the "Operating Revenue" bar chart (07/01/11 to 12/31/11) excludes the effect of New Edobashi Building which was sold as of October 21, 2011. Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

20th Fiscal Period Results - comparison with 19th Fiscal Period

- ✓ Operating revenues grew JPY 283 million (+11.5%) due to the full period contribution from the 24 new properties acquired last period
- ✓ Occupancy for the 63 residential properties improved from 95.2% last period to 95.6%
- ✓ Net income increased approximately 2.9x from the absence of the one-off finance costs (JPY 120 million) last period (1.4x increase excluding the one-off finance costs in 19th Fiscal Period)

(unit: mn JPY) (Note)	19th Fiscal Period Results (Dec. 2012)	20th Fiscal Period Results (Jun. 2013)	Changes		Reasons for changes (unit: mn JPY)
Operating revenues	2,476	2,760	+283	+11.5%	- Rent, common area fees, etc. +243 (residential +248, office -22, commercial facilities +10, parking lots, etc +6) - Key money income +12 - Restoration cost revenue +6 - Renewal fee revenue +24
Operating expenses	1,392	1,528	+136	+9.8%	- Maintenance costs +38 (PM fee +5, building and management expenses +11, repair costs -7, restoration costs +26, cost of utilities +4) - Taxes and public dues (property tax, etc.) +21 - Other expenditure +15 (advertising expenses, other fees +12)
Repair costs	29	22	-7	-25.1%	- Depreciation and amortization +63 - Asset management fees -5 - Appraisal fees +9
Operating Income	1,084	1,231	+147	+13.6%	
Other operating expenses	972	899	-73	-7.6%	
Interest Expenses	763	800	+37	+4.9%	✓ Increase due to new debt financing and refinancing with the increased loan amount in September 2012
Finance related costs	208	96	-111	-53.5%	✓ Elimination of the one-off finance costs (120), etc. in 19th Fiscal Period
Net Income	114	335	+220	+193.5%	
Net Income per Unit	84.7	248.5	+163.8	+193.5%	
Reversal of Surplus per Unit	32.3	15.5	-16.8	-52.1%	✓ Additional dividend payout to satisfy the dividend payment requirement (conduit requirements)
Distribution per Unit	117	264	+147	+125.6%	
NOI yield	5.2%	5.2%	+0.0%	-	

(Note) Amounts listed are rounded down to the million JPY, however, the figures for "Net Income per Unit", "Reversal of Surplus per Unit" and "Distribution per Unit" are in a unit of one yen. Furthermore, percentages are rounded to one decimal place.

Achievements through 19th Fiscal Period (Dec. 2012)

Step 1 In July 2011, Calliope Godo Kaisha (Calliope), an affiliate of Fortress Investment Group LLC, became the new sponsor and recapitalized Invincible Investment Corporation (INV) through:

- Financing **approximately JPY 7 billion** of equity by way of third party allotment, with Calliope as the main allottee
- Refinancing majority of debt with new loans to realize **extension of loan periods with diversified maturity dates**
- Acquiring approximately **97%** of shares of the asset manager (Consonant Investment Management Co., Ltd.) (Asset Manager)

Step 2 **Internal growth: Cost reductions, enhanced leasing efforts improved profitability**

- Annual savings of approximately JPY 209 million via cost reductions
 - Increased portfolio occupancy from 92.9% (Note 1)(Note 2) in June 2011 to 96.4% (Note 2) in December 2012
 - The above cost cutting measures along with occupancy improvements resulted in additional net income of approximately JPY 295 million
- (Note 1) Occupancy at end of June 2011 is calculated excluding the impact from the sale of New Edobashi Building (sold on October 21, 2011)
 (Note 2) Occupancy based on the properties held as of the end of June 2011 (existing 54 properties) in order to show internal growth effect.

Step 3 **External growth: Acquired new properties in September 2012 without a capital increase, increasing asset size and earnings**

- Acquisition price JPY 14,043 million (24 residential properties)
 - NOI yield 6.1% based on acquisition price (Note 3)
 - Average age of new properties 7.7 years (Note 4)
 - Occupancy of new properties 96.0% (Note 4)
 - New debt procurement (duration of 5.5 years, 6.5 years, and 7.5 years with fixed interest of 1.9%) and refinanced existing loans at a higher amount allowed for acquisition of new properties
- (Note 3) NOI yield assumed at the time of acquisition (September 28, 2012) of new 24 properties (Note 5)
 (Note 4) Average property age and occupancy as of the time of acquisition of new 24 properties (dated September 28, 2012)
 (Note 5) New 24 properties refer to the residential properties acquired on September 28, 2012.

STABLE DPU OF JPY 200 NOW ACHIEVABLE WITHOUT UTILIZING SURPLUS

Financial Highlights - 20th Fiscal Period (Jun. 2013)

Dividend

Highest dividend achieved since the merger

- ✓ **Distribution per Unit JPY 264**
(JPY 147 increase period-on-period, JPY 64 higher than forecast)
- ✓ **New 24 properties provided full period contribution to revenue and profit growth**
 - NOI JPY 2,008 million (period-on-period JPY 208 million increase)
 - EPS JPY 249 (period-on-period JPY 164 increase)

Internal growth

Residential occupancy reaches post-merger high

- ✓ **Residential average occupancy 95.6%** (previous period : 95.2%, +0.4%)
 - New 24 properties (residential) 96.2% (previous period 95.7%, +0.5%)
 - Existing 39 properties (residential) 95.3% (previous period 95.0%, +0.3%) (Note)
- (Note) Existing 39 properties refers to residential portion of original 54 property portfolio.

Continuous improvement in asset values

- ✓ **Appraisal value JPY 74,347 million, an increase of JPY 864 million (+1.2%)**
- ✓ **Appraisal value increased for 3rd consecutive period**

Management

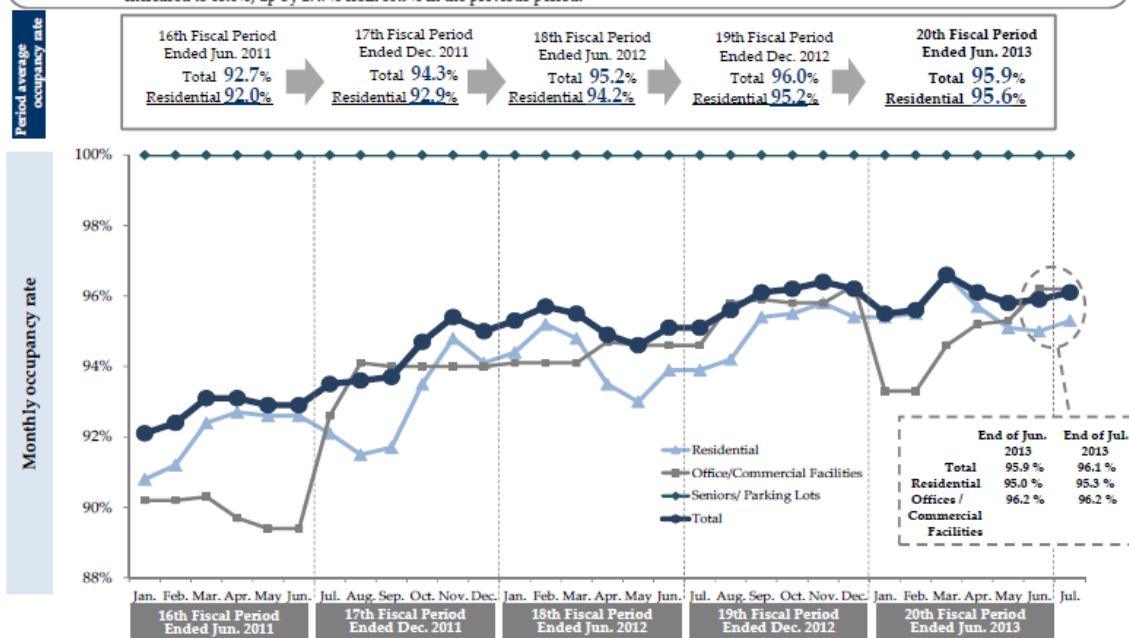
Management changes at INV and Asset Manager

- ✓ **Senior management changes at INV and Asset Manager**

Improvement of Portfolio Occupancy

- ✓ Portfolio occupancy improved by 3.2% from June 2011 Period to 95.9% (Period average)
- ✓ Notably, residential average occupancy improved by 3.6% from the Fiscal Period ended June 2011, and by 0.4% from 19th Fiscal Period to 95.6%

(Reference) The ratio of new lease contracts (residential) for which the rent level was maintained or increased from previous contracts to all new contracts increased to 63.6%, up by 27.7% from 35.9% in the previous period.

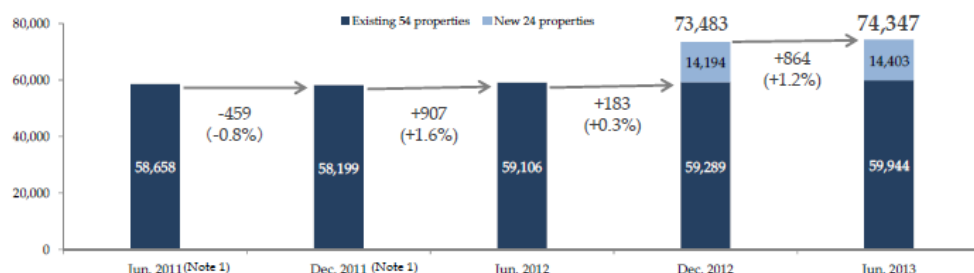


(Note) June 2011 and December 2011 period occupancy exclude the New Edobashi Building (sold October 21, 2011).

Asset Value Growth

- ✓ Appraisal value increased for the 3rd consecutive period
- ✓ Residential properties and properties located in Greater Tokyo and Hokkaido/Tohoku drove valuations JPY 864 million higher (+1.2%)

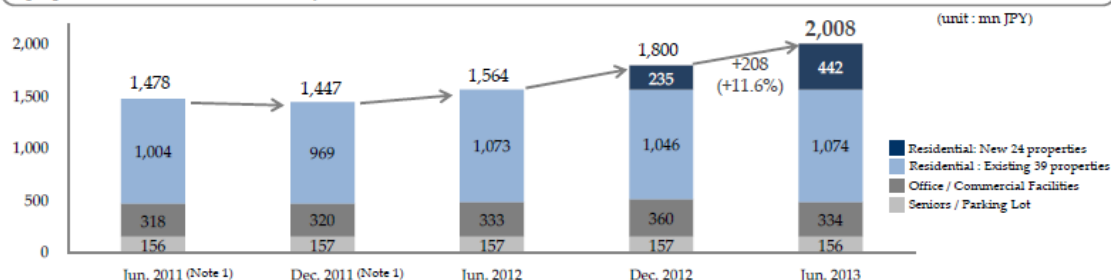
(unit : mn JPY)



(Note 1) The Jun. 2011 and Dec. 2011 Periods are calculated excluding the effect of New Edobashi Building which was sold as of October 21, 2011.
(Note 2) Figures are rounded down to the indicated unit, percentages are rounded to one decimal place.

Improvement of Net Operating Income

- ✓ NOI (20th Fiscal Period ended Jun. 2013) increased by JPY 208 million (+11.6%) to JPY 2,008 million.
- ✓ Residential: full period contribution from new 24 properties added JPY 207 million (+87.9%), occupancy improvements at the existing 39 properties contributed an additional JPY 27 million (+2.6%) of NOI



(Note 1) The Jun. 2011 and Dec. 2011 Periods are calculated excluding the effect of New Edobashi Building which was sold as of October 21, 2011.
(Note 2) Figures are rounded down to the indicated unit, percentages are rounded to one decimal place.

Interest-Bearing Debt Overview (Jun. 2013)

Invincible Investment Corporation

✓ Outstanding loan balance	:	JPY 43,851 mn (previous period: JPY 43,982 mn)
✓ LTV	:	57.5% (Unitholders Capital base) / 59.0% (Appraisal Value base) (Note 1)
✓ Average interest rate (Note 2)	:	3.666% (previous period: 3.964%) → Excluding Shinsei Trust Loan A / B: 2.236%
✓ Interest coverage ratio (Note 3)	:	29.0% (previous period: 30.8%)
✓ Long-term debt ratio (Note 4)	:	100.0% (previous period: 100.0%)
✓ Fixed interest rate	:	69.7%

(Note 1) The LTV based on Unitholders' Capital is calculated based on the following formula:
LTV based on Unitholders' Capital = Interest-bearing debt / (Interest-bearing debt + unitholders' capital + unitholders' capital surplus) × 100

The LTV based on Appraisal Value is calculated based on the following formula:
LTV based on Appraisal Value = Interest-bearing debt / Appraisal Value × 100

(Note 2) The average interest rate is calculated by using weighted average by days and is rounded to three decimal places.

(Note 3) Interest coverage ratio is calculated based on the following formula:
Interest coverage ratio = Interest Expenses / Operating Revenues

(Note 4) "Current portion of long term debts on "Syndicate Loan A" and "Shinsei Trust Loan B" are included in "Long term Debt".

(Note 5) JPY 150 million a year (JPY 37.5 million every three months) with respect to Syndicate Loan A and JPY 112 million a year (JPY 28 million every three months) with respect to Shinsei Trust Loan B, are repaid by the scheduled repayments. Also, regarding each Prudential LPS Loans (i.e. the first lending through the third lending), on each principal and interest payment date (every three months) after three years have passed since the borrowing date (Jul. 25, 2011).

INV will pay the amount calculated on the assumption that the remaining principal as of the date is repaid in equal installments of the principal and the interest over 20 years (30 times in total). With respect to the second lending and the third ending of Prudential LPS Loan B, on each principal and interest payment date (every three months) after five years have passed since the borrowing date (Sep. 28, 2012).

INV will pay the amount calculated on the assumption that the remaining principal as of the date is repaid in equal installments of the principal and the interest over 30 years (120 times in total).

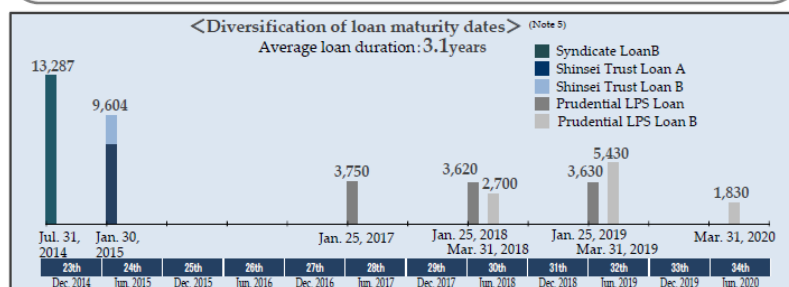
On the maturity date, INV will make a lump sum repayment of the remaining amount after such payments are made.

As for the fourth lending, on each principal and interest payment date (every three months) after three years have passed since the borrowing date (Sep. 28, 2012), INV will pay the amount calculated on the assumption that the remaining principal as of the date is repaid in equal installments of the principal and the interest over 27 years (108 times in total).

On the maturity date, INV will make a lump sum repayment of the remaining amount after such payments are made.

(Note 6) Figures are rounded down to the indicated unit.

Percentages are rounded down to one decimal place. However, average interest rates are rounded to three decimal places.

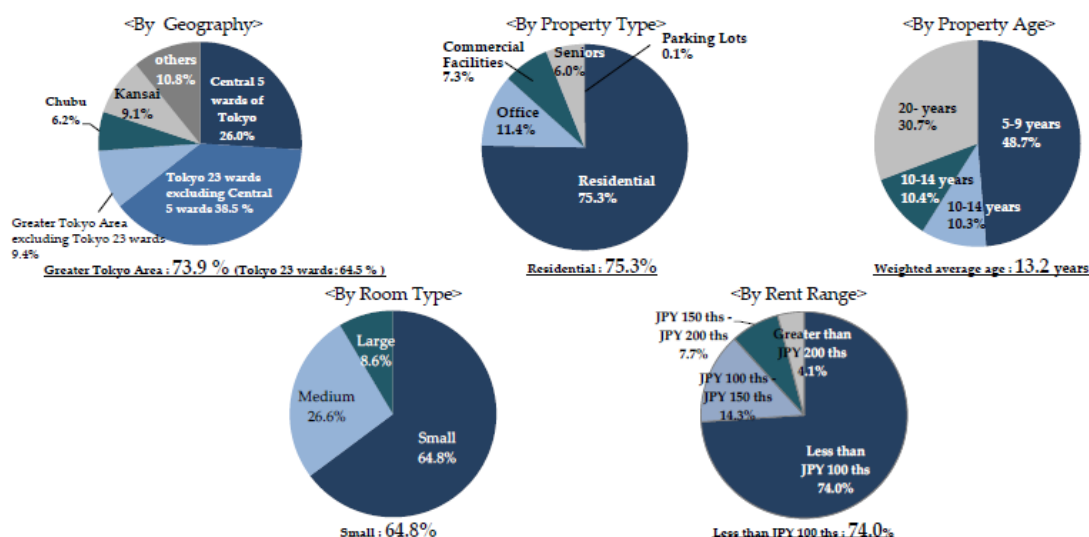


Portfolio Characteristics

Invincible Investment Corporation

(as of the end of Jun. 2013)

✓ No. of Properties : 78 (Residential : 63)	✓ Asset Size : JPY 77.1 billion (Residential : JPY 58 billion)	✓ Total Rentable Units : 4,007 unit (Residential : 3,413 units)	✓ Total Leasable Area : 171,285.50 m ² (Residential : 109,585.98 m ²)
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(Note 1) Central 5 wards, Greater Tokyo Area excluding Tokyo 23 wards, Kansai Area, Chubu Area and other are defined as follows:

Central 5 wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku and Shinjuku-ku

Greater Tokyo Area excluding Tokyo 23 wards: Tokyo excluding Tokyo 23 wards, Kanagawa, Chiba and Saitama

Kansai Area: Osaka, Hyogo, Kyoto, Nara, Shiga and Wakayama

Chubu Area: Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui

Other: Miyagi, Fukushima and Hokkaido

(Note 2) INV defines as "Small" a rentable unit with an area of less than 30m², "Medium" as a rentable unit with an area of 30m² to 60m² and "Large" as a rentable unit with an area of 60m² or more.

(Note 3) <By Age>, <By Geography>, <By property Type> are calculated based on the acquisition price.

(Note 4) Percentages are rounded to one decimal place.

Portfolio Overview

(as of June 30, 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	1,120	1,153	1.6	98.0
	A27	Nissin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	2,681.94	60	1,229	1,220	1,100	1.6	98.4
	A28	Growth Maison Gotanda	Shinagawa Ward, Tokyo	1,051.50	48	888	916	855	1.2	100.0
	A29	Growth Maison Kameido	Koto Ward, Tokyo	1,367.96	66	1,070	1,040	1,024	1.4	94.0
	A30	Emerald House	Itabashi Ward, Tokyo	2,152.31	96	1,505	1,170	1,436	2.0	100.0
	A31	Harmonie Ochanomizu	Bunkyo Ward, Tokyo	1,748.24	65	1,428	1,210	1,391	1.9	88.2
	A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	3,029.16	29	1,088	997	1,051	1.4	95.6
	A33	Growth Maison Shin-Yokohama	Yokohama City, Kanagawa Prefecture	1,858.44	68	1,059	1,040	1,006	1.4	97.1
	A34	Belle Face Ueno-Okachimachi	Taito Ward, Tokyo	1,351.11	64	1,023	918	993	1.3	100.0
	A35	Grand Rire Kameido	Koto Ward, Tokyo	1,562.26	72	906	895	866	1.2	100.0
	A36	Growth Maison Ikebukuro	Toshima Ward, Tokyo	952.89	42	825	798	787	1.1	88.2
	A37	Growth Maison Yoga	Setagaya Ward, Tokyo	1,015.34	39	795	669	771	1.0	97.3
	A38	Route Tachikawa	Tachikawa City, Tokyo	1,368.57	24	676	584	655	0.9	76.7
	A39	Shibuya-Honmachi Mansion	Shibuya Ward, Tokyo	1,167.50	25	651	579	657	0.8	80.8
	A40	City Heights Kinuta	Setagaya Ward, Tokyo	1,235.93	19	646	448	648	0.8	94.6
	A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi City, Saitama Prefecture	1,210.74	57	620	666	581	0.8	93.0
	A42	Capital Heights Kagurazaka	Shinjuku Ward, Tokyo	1,126.65	26	604	528	619	0.8	97.2
	A43	College Square Machida	Machida City, Tokyo	1,047.75	62	589	519	575	0.8	100.0
	A44	Belair Meguro	Meguro Ward, Tokyo	557.05	25	589	529	576	0.8	96.0
	A45	Wacore Tsunashima I	Yokohama City, Kanagawa Prefecture	908.99	50	572	491	554	0.7	90.0
	A46	Foros Nakamurabashi	Nerima Ward, Tokyo	815.77	37	566	526	538	0.7	92.0
	A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	2,040.27	34	557	451	527	0.7	94.4
	A48	College Square Machiya	Arakawa Ward, Tokyo	871.35	43	510	487	484	0.7	100.0
	A51	City House Tokyo Shinbashi	Minato Ward, Tokyo	3,364.00	86	2,520	2,610	2,431	3.3	100.0
	A52	Winbell Kagurazaka	Shinjuku Ward, Tokyo	4,032.70	118	3,260	3,400	3,156	4.2	96.9
	A53	Nishiwaseda Crescent Mansion	Shinjuku Ward, Tokyo	4,310.77	69	1,880	2,010	1,852	2.4	98.5
	A54	Lexington Square Akebonobashi	Shinjuku Ward, Tokyo	1,987.88	88	1,450	1,550	1,393	1.9	94.4
	A56	Casa Eremitaggio	Meguro Ward, Tokyo	1,197.19	17	1,070	996	1,014	1.4	90.0
	A59	Towa City Coop Shinotsuka II	Toshima Ward, Tokyo	1,627.13	58	866	930	837	1.1	94.9
	A61	Bichsel Musashiseki	Nerima Ward, Tokyo	1,220.24	70	577	595	563	0.7	95.7
	A62	Lexel Mansion Ueno Matsugaya	Taito Ward, Tokyo	1,969.45	29	970	1,050	915	1.3	86.8
	A63	Towa City Coop Sengencho	Yokohama City, Kanagawa Prefecture	3,426.36	154	1,110	1,210	1,058	1.4	94.9
	A64	Royal Park Omachi	Sendai City, Miyagi Prefecture	1,929.59	51	415	450	398	0.5	100.0
	A65	Lexington Square Haginomachi	Sendai City, Miyagi Prefecture	1,528.58	39	330	391	313	0.4	100.0
	A66	Visconti Kakuozan	Nagoya City, Aichi Prefecture	705.75	8	255	226	243	0.3	100.0
	A71	Lexington Square Daitabashi	Suginami Ward, Tokyo	1,430.64	43	977	995	922	1.3	95.1
	A72	Lexington Square Honjo Azumabashi	Sumida Ward, Tokyo	784.74	33	511	516	477	0.7	93.9
	A73	AMS TOWER Minami 6-Jo	Sapporo City, Hokkaido	4,460.56	120	1,180	1,050	1,084	1.5	88.2
	A75	Spacia Ebisu	Shibuya Ward, Tokyo	7,794.91	109	7,010	6,810	6,765	9.1	90.2
	A76	Neo Prominence	Kita Ward, Tokyo	3,574.70	52	1,660	1,680	1,668	2.2	96.6
	A77	Invoice Shin-Kobe Residence	Kobe City, Hyogo Prefecture	2,773.71	81	1,260	1,280	1,273	1.6	98.6
	A78	Cosmo Court Motomachi	Kobe City, Hyogo Prefecture	2,310.49	82	973	1,000	986	1.3	92.7
	A79	Revest Honjin	Nagoya City, Aichi Prefecture	1,933.80	80	674	697	684	0.9	98.8

(as of June 30, 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	684	666	0.9	95.7
	A81	Sun Terrace Minami Ikebukuro	Toshima Ward, Tokyo	898.70	38	625	631	629	0.8	97.4
	A82	Alba Noritake Shinmachi	Nagoya City, Aichi Prefecture	1,731.68	64	608	626	618	0.8	93.8
	A83	Revest Meieki Minami	Nagoya City, Aichi Prefecture	1,634.60	61	597	609	607	0.8	100.0
	A84	Revest Heian	Nagoya City, Aichi Prefecture	1,554.03	40	595	605	604	0.8	100.0
	A85	Vendir Hamaotsu Ekimae	Otsu City, Shiga Prefecture	2,670.66	81	581	645	590	0.8	95.4
	A86	Salvo Sala	Osaka City, Osaka Prefecture	1,428.12	54	544	557	553	0.7	98.0
	A87	Excellente Kagurazaka	Shinjuku Ward, Tokyo	701.92	33	543	552	550	0.7	97.1
	A88	Luna Court Edobori	Osaka City, Osaka Prefecture	1,185.50	50	525	538	532	0.7	98.0
	A89	Winntage Kobe Motomachi	Kobe City, Hyogo Prefecture	1,433.35	57	512	537	520	0.7	94.9
	A90	Queen's Court Fukuzumi	Koto Ward, Tokyo	765.18	25	456	468	460	0.6	100.0
	A91	Corp Higashinotoin	Kyoto City, Kyoto Prefecture	1,029.05	42	446	457	451	0.6	97.7
	A92	Belair Oimachi	Shinagawa Ward, Tokyo	530.60	26	412	420	416	0.5	100.0
	A93	Siete Minami-Tsukaguchi	Amagasaki City, Hyogo Prefecture	1,020.86	40	374	388	380	0.5	100.0
	A94	Prime Life Sannomiya Isogami Koen	Kobe City, Hyogo Prefecture	789.12	32	373	375	378	0.5	100.0
	A95	HERMITAGE NANBA WEST	Osaka City, Osaka Prefecture	992.76	21	355	366	361	0.5	86.9
	A96	Century Park Shinkawa 1-bankan	Nagoya City, Aichi Prefecture	1,477.62	44	335	337	340	0.4	90.9
	A97	West Avenue	Kunitachi City, Tokyo	794.80	40	331	330	333	0.4	82.5
	A98	Little River Honmachibashi	Osaka City, Osaka Prefecture	974.81	31	310	321	315	0.4	93.8
	A99	Prime Life Mikage	Kobe City, Hyogo Prefecture	761.18	28	297	300	301	0.4	100.0
Subtotal			109,585.98	3,413	58,083	56,993	56,520	75.3	95.0	
Office Buildings/Retail Facilities	B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	1,451.54	13	1,301	1,010	1,226	1.7	100.0
	B9	Shinjuku Island	Shinjuku Ward, Tokyo	526.43	1	715	531	715	0.9	100.0
	B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	6,033.58	11	4,880	4,070	4,820	6.3	90.1
	B15	Cross Square NAKANO	Nakano Ward, Tokyo	2,145.00	45	1,060	938	1,046	1.4	57.6
	B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	2,178.41	13	816	602	758	1.1	100.0
	B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	8,419.15	18	3,280	3,210	3,202	4.3	100.0
	B18	AEON TOWN Sukagawa	Sukagawa City, Fukushima Prefecture	18,440.58	1	2,320	2,150	2,150	3.0	100.0
Subtotal			39,194.69	102	14,372	12,511	13,920	18.6	96.2	
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	747	662	0.9	100.0
	C22	Bon Sejour Yotsugi	Katsushika Ward, Tokyo	1,962.87	62	652	692	628	0.8	100.0
	C23	Bon Sejour Hino	Hino City, Tokyo	1,984.17	56	574	651	555	0.7	100.0
	C24	Bon Sejour Musashi Shinjo	Kawasaki City, Kanagawa Prefecture	1,710.43	46	486	552	471	0.6	100.0
	C25	Bon Sejour Komaki	Komaki City, Aichi Prefecture	8,858.49	123	1,050	1,060	996	1.4	100.0
	C26	Bon Sejour Hadano Shibusawa	Hadano City, Kanagawa Prefecture	3,435.79	100	681	616	641	0.9	100.0
	C27	Bon Sejour Itami	Itami City, Hyogo Prefecture	2,129.87	62	480	433	455	0.6	100.0
Subtotal			22,504.83	492	4,705	4,843	4,513	6.1	100.0	
Total			171,285.50	4,007	77,161	74,347	74,954	100.0	95.9	

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

Introduction of New Executive Members

During Fiscal Period June 2013, there was a change of directors of Consonant Investment Management Co., Ltd. On May 31, 2013, the previous President and CEO Naoki Shibatsuji resigned and Naoki Fukuda was appointed as President and CEO.

Furthermore, as of June 28, 2013 Naoki Fukuda was appointed Executive Director of Invincible Investment Corporation.

Position	Name	Brief personal history	
Executive Director of Invincible Investment Corporation. President and CEO of Consonant Investment Management Co., Ltd.	Naoki Fukuda	Apr. 1985 Apr. 2004 Apr. 2006 Apr. 2008 Apr. 2011 Apr. 2012 Apr. 2013 May 2013 May 2013 Jun. 2013	Joined Dai-ichi Mutual Life Insurance Company (current: The Dai-ichi Life Insurance Company, Limited) Deputy General Manager, Real Estate Department, Real Estate Planning and Accounting Group of the same Seconded to Dai-ichi Life International (U.S.A.), Inc. as President Seconded to Japan Excellent Asset Management Co., Ltd. as a Director, Division Manager of Real Estate Investment Division Seconded to SOHGO HOUSING CO., Ltd. as Executive Officer Joined Prologis, Inc. as Senior Vice President, Finance Director, Asia Joined Fortress Real Estate (Asia) GK as a Managing Director Seconded to Calliope Godo Kaisha Seconded to Consonant Investment Management Co., Ltd. as President and CEO, Chief Planning and Financial Officer (current position) Executive Director of Invincible Investment Corporation (current position)
Director and Compliance Officer of Consonant Investment Management Co., Ltd.	Noburu Yokoyama	Apr. 1975 Sep. 1997 Apr. 1998 Oct. 1999 Jun. 2005 Apr. 2007 Apr. 2009 Jun. 2013	Joined the Industrial Bank of Japan, Limited (current: Mizuho Bank, Ltd.) Deputy General Manager of Foreign Bond Department of the same Seconded to Wako Securities co., Ltd. (current: Mizuho Securities Co., Ltd.) as Head of Foreign Exchange Department Joined the Dai-ichi Mutual Life Insurance Company (current: The Dai-ichi Life Insurance Company, Limited) as a Deputy Director General of the Security Department Head of the Bond Department of the same Head of the Foreign Bond Department of the same Seconded to SOHGO HOUSING CO., Ltd. as a Standing Statutory Auditor Director and Compliance Officer of Consonant Investment Management Co., Ltd. (current position)
Director (part-time) of Consonant Investment Management Co., Ltd.	Christopher Reed	Jan. 2001 Mar. 2011 Oct. 2005 Apr. 2006 Sep. 2012 Oct. 2012 May 2013	Joined Prospect Asset Management, Inc. Seconded to PROSPECT Corporation Ltd. as a Director Research Director of the same Joined the same as a Director Joined Fortress Real Estate (Asia) GK as a Director (current position) Advisor of Consonant Investment Management Co., Ltd. Director (part-time) of the same (current position)

The executive team of Invincible Investment Corporation is provided in the following table.

I . Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period			16th	17th	18th	19th	20th
Calculated period			Fiscal Period	Fiscal Period	Fiscal Period	Fiscal Period	Fiscal Period
			Jan. 1, 2011 to Jun. 30, 2011	Jul. 1, 2011 to Dec. 31, 2011	Jan. 1, 2012 to Jun. 30, 2012	Jul. 1, 2012 to Dec. 31, 2012	Jan. 1, 2013 to Jun. 30, 2013
Operating Results	Operating revenues	Note 1 (Thousands of yen)	2,277,374	2,202,448	2,176,839	2,476,430	2,760,177
	(Rental revenues)	(Thousands of yen)	2,277,374	2,202,448	2,176,839	2,476,430	2,760,177
	Operating expenses	(Thousands of yen)	1,477,031	2,612,417	1,282,766	1,392,258	1,528,940
	(Property-related expenses)	(Thousands of yen)	1,151,606	1,137,994	1,024,277	1,156,672	1,295,403
	Operating income	(Thousands of yen)	800,343	(409,968)	894,072	1,084,171	1,231,237
	Ordinary income	(Thousands of yen)	(52,342)	(3,466,417)	125,981	114,784	335,683
	Net income	(Thousands of yen)	(1,308,522)	(2,476,155)	128,175	114,179	335,078
Asset Condition	Total assets	(a) (Thousands of yen)	73,165,258	68,083,586	67,698,887	80,200,022	80,249,063
	(change from last period)	(%)	(3.6)	(6.9)	(0.6)	18.5	0.1
	Interest-bearing debt	(Thousands of yen)	42,596,425	31,734,500	31,603,500	43,982,500	43,851,500
	Net assets	(b) (Thousands of yen)	28,571,173	32,967,658	32,826,175	32,670,697	32,848,025
Divide	(change from last period)	(%)	(5.3)	15.4	(0.4)	(0.5)	0.5
	Total contribution	(Thousands of yen)	19,134,417	26,134,396	26,134,396	26,134,396	26,134,396
	Total distribution	(c) (Thousands of yen)	127,339	269,658	269,658	157,750	355,949
	Dividend payout ratio	(Note 2) (Thousands of yen)	—	—	210.5	137.6	106.0
Information per	Number of investment units Issued and outstanding	(d) (Units)	636,695	1,348,292	1,348,292	1,348,292	1,348,292
	Net assets per unit	(b) / (d) (yen) (Note 3)	44,874	24,451	24,346	24,231	24,363
	Distribution per unit	(c) / (d) (yen)	200	200	200	117	264
	(Profit distribution per unit)	(yen)	200	200	200	117	264
Financial	(Excess profit distribution per unit)	(yen)	—	—	—	—	—
	Return on assets	(Note 4) (%)	(0.1)	(4.9)	0.2	0.2	0.4
	(change over year)		(0.1)	(9.7)	0.4	0.3	0.8
	Return on equity	(Note 4) (%)	(4.5)	(8.0)	0.4	0.3	1.0
	(change over year)		(9.0)	(16.0)	0.8	0.7	2.1
	Capital ratio	(b) / (a) (%)	39.1	48.4	48.5	40.7	40.9
	(change from last period)	(Note 4) (%)	(0.7)	9.4	0.1	(7.8)	0.2
	NOI (Net Operating Income)	(Note 4) (Thousands of yen)	1,554,015	1,486,538	1,564,247	1,800,380	2,008,413

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

(Note 2) Dividend payout ratio is calculated by dividing profit distribution by unit by net income that period. However, for the 20th Fiscal Period, it is calculated by dividing the total profit distribution amount by net income. Dividend payout ratio for the 16th and 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).

In order to address refinancing concerns and other financial problems, after conducting 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”), acting as the principal investor, and conducted a refinancing.

Ever since the sponsorship from Fortress, 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, planning and financial management capabilities. Furthermore, in September 2012, it newly acquired 24 properties (trust beneficiary interest in Japanese real estate) without issuing any equity, thus achieving external growth.

As a result of these efforts, the Investment Corporation’s financial condition and its portfolio earnings capacity has substantially improved, and combined with the expansion in assets under management and revenues resulting from the new property acquisitions described above and the expansion of revenue from the operation of properties, the Investment Corporation believes that a stable revenue base has been established.

b. Operational Environment and Performance

For the reporting period ended June, 2013 (the “reporting period”), Japan’s economy saw a continued weakening yen and higher stock values amid the background of expectations for various policy measures aimed at overcoming deflation through the so-called “Abenomics,” and the realization of sustained economic growth. Notwithstanding a temporary rise in long-term interest rates and adjustments in stock-prices, real GDP growth rate for the January through March period continued upwards to 4.1%. Moreover, the trend of economic recovery trend is reflected in the Bank of Japan’s “Tankan” (survey of June, 2013) in which, among other things, the business conditions diffusion index (DI) registered for June 2013, as compared to March 2013, showed an improvement in the manufacturing sector of 4%, and in the non-manufacturing sector 12%.

Regarding the real estate investment market, total asset acquisitions by J-REITs from January to June were approximately JPY 1.4 trillion, significantly exceeding the transaction total for last year (about JPY 804.8 billion). With Japan’s recovering economy and the weakening yen in the background, there is a recover in transactions by foreign companies, and the market condition is becoming more active.

On the other hand, regarding the real estate rental market, although demand continues to be strong and occupancy rates are stable in the residential sectors of large metropolitan regions, including Tokyo, in regional areas where the employment situation remains difficult or in the case of older buildings which are becoming outdated in terms of specifications, vacancy periods are lengthening, rent levels continue to drop and the rental market still continues to be weak. Regarding the upscale residential leasing sector, which worsened after the Lehman Shock, we see a trend emerging towards improvement in occupancy rates and rent levels concentrated in prime properties in central Tokyo. Regarding the office sector, we see an improvement in the vacancy rate of high-end properties in central Tokyo, and a tendency towards improvement of rent levels in newly constructed large buildings, and as the overall economic situation has turned favorable, there are signs that certain businesses with strong operations results are increasing floor use and expanding.

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 average occupancy rate for the overall portfolio of the Investment Corporation held steady at a stable 95.9% through the reporting period, with 96.0% for the fiscal period ended December 31, 2012, and 95.2% for the previous fiscal period ended in June 30, 2012.

With respect to residential properties in particular, efforts to strengthen direct sales to property management (PM) companies and brokers as well as the emphasis on implementing occupancy-rate improvement measures, including original-state-restoration period management, have made it possible to raise the average occupancy rate up to 95.6% (as compared to 95.2% for the fiscal period ended December 31, 2012, and 94.2% for the fiscal period ended June 30, 2012).

As of the end of the reporting period, the Investment Corporation's properties are comprised of 63 residential units, 7 office buildings and retail facilities, 7 senior facilities and one parking lot – a total of 78 properties, with a total acquisition value of JPY 77,161 million and with total rentable floor space of 171.285.50 square meters.

c. Overview of Fund Raising

During the reporting period, no new fund-raising was undertaken.

The Investment Corporation made scheduled repayments of borrowings of JPY 131 million during the reporting period (Note 1), and as a result, at the end of the reporting period, the interest-bearing debt of the Investment Corporation was JPY 43,851 million and the interest-bearing debt ratio was 54.6% (Note 2).

(Note 1) Scheduled repayments include partial repayment of the Syndicate Loan B of JPY 150 million per year (JPY 17 million per quarter) and the Shinsei Trust Loan B of JPY 112 million per year (JPY 28 million per quarter).

(Note 2) The calculation for the interest-bearing debt ratio uses the calculation formula below:

Interest-bearing 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)

(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.

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	16 th Fiscal Period	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period	20 th Fiscal Period
Closing Month	June 2011	December 2011	June 2012	December 2012	June 2013
Highest	13,280	12,830	7,160	6,540	14,480
Lowest	9,380	6,200	6,060	6,080	6,230

4 Distribution Performance

As a result of the above operational management, for the reporting period, operating revenue was JPY 2,760 million, operating income was JPY 1,231 million, ordinary income was JPY 335 million, and net income was JPY 335 million, showing significant improvement from the prior fiscal period.

With respect to distributions, by utilizing a portion (JPY 20 million) of the surplus resulting from the negative goodwill (the “Surplus”) from the Merger on top of net income, it has been decided to set total distributions at JPY 355 million, or distribution per unit of JPY 264.

For the reporting period, comprehensively taking into account factors such as the Investment Corporation’s financial condition, the liquidity of cash in hand and the amount of the Surplus, it was decided to establish a distribution level that would satisfy the requirements for distribution payment. Accordingly, with respect to distributions for the reporting period, pursuant to the Investment Corporation’s distribution policy set forth in its articles of incorporation, the distribution was set at above the 90% of distributable profit as set forth in Article 67-15 of the Special Taxation Measures Act, with distribution per unit of JPY 117.

(Note) The amount of distributable profit (JPY 394 million (*)) x 90% = JPY 355.4 million

The total amount of distributions for the period ended June 2013 was JPY 355.9 million, which exceeded the above calculation of JPY 355.4 million.

(*) The amount of distributable profit (JPY 394 million) = fiscal period net profit before taxes (JPY 335 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	16 th Fiscal Period	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period	20 th Fiscal Period
Calculated Period	Jan. 1, 2011 to Jun. 30, 2011	Jul. 1, 2011 to Dec. 31, 2011	Jan. 1, 2012 to Jun. 30, 2012	Jul. 1, 2012 to Dec. 31, 2012	Jan. 1, 2013 to Jun. 30, 2013
Total unappropriated retained earnings for period (thousands of yen)	3,172,324	568,830	427,346	271,868	449,196
Reserved profit (thousands of yen)	3,044,985	299,171	157,688	114,118	93,247
Cash distribution (thousands of yen)	127,339	269,658	269,658	157,750	355,949
(Distribution per unit) (yen)	(200)	(200)	(200)	(117)	(264)
Distribution amount (thousands of yen)	127,339	269,658	269,658	157,750	355,949
(Distribution per unit) (yen)	(200)	(200)	(200)	(117)	(264)
Contribution return (thousands of yen)	–	–	–	–	–
(Contribution return per unit) (yen)	(–)	(–)	(–)	(–)	(–)

Forecast for Next Period and Issues to be Addressed

(i) External growth strategy

New Property Acquisitions

Going forward, the Investment Corporation will seek external growth with an emphasis on stable earnings in the medium to long term. Acquisitions of properties with a wide variety of uses, including residential properties, office buildings, retail facilities, hotels, senior facilities, parking facilities, etc. will be considered in light of market conditions, expected earnings, stable cash flows, the portfolio composition ratio, the effect on portfolio composition by geographic area, and so on.

In addition, in order to further enhance the capacity to collect information about property transactions, the Investment Corporation will explore a wide variety of acquisition opportunities in the market will work diligently to expand the independent information network of Consonant Investment Management (“the Asset Manager”), to whom the Investment Corporation entrusts its operations. Furthermore, the Investment Corporation will create opportunities to regularly trade information with Fortress, and collect information in multifaceted ways.

Property Sales

The Investment Corporation will make appropriate reviews for selecting potential candidates for sales in consideration of factors such as the portfolio composition, geographic diversification, medium to long term earnings potential, changes in the market competitiveness, and additional investments for maintaining competitiveness and profitability. In addition, with respect to property sales as well, the Investment Corporation will collect information through a wide variety of disposition opportunities, and at the same time work diligently to expand the Asset Manager’s independent network, while creating opportunities to regularly trade information with Fortress, and will consider appropriate property dispositions.

(ii) Strategy for internal growth

The Investment Corporation continues to make efforts to maintain and improve occupancy rates and rent levels in view of securing stable cash flows. Through leasing strategy meetings that are held every week and otherwise as appropriate, the Investment Corporation considers concrete measures for strengthening sales by utilizing the information network of the PM and Asset Manager, taking preventative measures to eliminate vacancies exceeding 30 days, completion of original state repair construction to within a 20-day period after the exit of a tenant in order to quickly lease a unit to a new tenant, and to manage the timely implementation of such measures. For the next fiscal period and beyond, the Investment Corporation will continue to prepare leasing strategies that take into consideration the market and competing properties, and take thorough and flexible measures.

Regarding management of PM companies, the Investment Corporation will continue endeavors to maintain and improve management quality and achieve further profitability through daily supervision and directions, regular reviews of management capacity, the selection of PM companies that appropriately match each property’s unique characteristics, and so on.

Because the preparation and execution of maintenance and repair plans is an important factor in improving portfolio earnings potential, maintaining and increasing property value and gaining still greater tenant satisfaction and trust, the Investment Corporation will continue to prepare plans that seek to maximize of property value through product quality, market competitiveness, improvement of occupancy rates and enhanced profitability. In addition, regarding specifications and room layout, in order to make it possible to flexibly accommodate diversifying tenant needs, and to provide differentiation with respect to design and functionality, the Investment Corporation will prepare and implement plans that include tie-ups with specialized companies.

Through adequate implementation of these objectives, the Investment Corporation will seek as its long-term objective the maximization of cash flow and the improvement of asset value.

As a result of executing the internal growth strategies discussed above, the appraisal value of the Investment Corporation's properties at the end of the reporting period rose to JPY 74,347 million from JPY 73,483 million, showing an increase of JPY 864 million, thus realizing growth in asset value for three consecutive periods.

(iii) Financial strategy

In principle, the Investment Corporation will seek to target the total of its borrowings and investment corporation bonds to be no higher than 60% of its total assets (note).

Going forward, when the Investment Corporation engages in fund-raising through borrowings from financial institutions and raising equity for the purpose of repaying existing borrowings and acquiring new properties, the Investment Corporation will carefully consider the trends in the capital and financial markets and decide upon the appropriate way of raising funds accordingly.

In addition to continuing to maintain relationships that have been developed with existing lenders, the Investment Corporation will consider opportunities for improving unitholders' value by diligently considering fund-raising not only from existing lenders but from other lenders, including not only domestic but overseas lenders, as well as different fund-raising techniques. In addition, by utilizing the relationship with Fortress, efforts will be made to gather information from a variety of sources.

Based on such measures, the Investment Corporation will seek to further enhance unitholders' value through achieving an even more stable financial structure.

(Note) However, interest-bearing liabilities may temporarily exceed 60% in connection with the acquisition of properties.

(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 accountant) oversee the execution of the executive officer's duties via the Board of Directors of the Investment Corporation.

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 fundamental items related to compliance with laws, regulations and other relevant matters 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, contributes to the Asset Manager's compliance by ensuring the compliance of related party transactions from the standpoint of such expert's expertise and experience and promoting restraint in decision-making as a third party.

The Investment Corporation will take steps to further strengthen its compliance structure to contribute to the transparency and health of its operations.

6 Significant subsequent events

Nothing applicable.

Overview of the Investment Corporation

1 Overview of Investment

By Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period
Results Dates	Jan. 1, 2011 to Jun. 30, 2011	Jul. 1, 2011 to Dec. 31, 2011	Jan 1, 2012 to Jun. 30, 2012	Jul. 1, 2012 to Dec. 31, 2012	Jan. 1, 2013 to Jun. 30, 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	636,695	1,348,292	1,348,292	1,348,292	1,348,292
Unitholders' capital	19,134	26,134	26,134	26,134	26,134
Number of total unitholders	11,151	10,793	10,703	10,325	10,093

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	45.23
New Mission Funding Co., Ltd	129,400	9.59
JP MORGAN CHASE BANK 380180	98,125	7.27
GOLDMAN SACHS INTERNETIONAL	67,126	4.97
Japan Trustee Services Bank, Ltd. (trust account)	55,964	4.15
INFINITE VALUE INVESTMENT LTD.	52,448	3.88
The Nomura Trust and Banking Co., Ltd. (investment trust account)	41,267	3.06
Trust & Custody Services Bank, Ltd. (securities investment account)	23,760	1.76
The Master Trust Bank of Japan, Ltd. (trust account)	21,977	1.62
kabu.com Securities Co., Ltd.	8,036	0.59
Total	1,108,045	82.18

(Note): 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) As of June 28, 2013, Naoki Shibatsuji resigned as executive director, and Naoki Fukuda was elected as executive director. Naoki Shibatsuji's director remuneration amount during the attributable period in which he was in office is JPY 0. Furthermore, as of May 31, 2013, Naoki Shibatsuji resigned as President and CEO, Chief Planning and Financial Officer of Consonant Investment Management Co. Ltd. and Naoki Fukuda was elected for this position on the same day.

(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 20th 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 December 31, 2012 (as of December 31, 2012)		Fiscal Period ended June 30, 2013 (as of June 30, 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	717	0.9	715	0.9
		Major regional cities	—	—	—	—
		Subtotal	717	0.9	715	0.9
	Seniors, hourly parking, etc.	Greater Tokyo area	3,078	3.8	3,061	3.8
		Major regional cities	1,463	1.8	1,452	1.8
		Subtotal	4,542	5.7	4,513	5.6
Total real estate		5,259	6.6	5,229	6.5	
Real estate in trust	Residential	Greater Tokyo area	44,512	55.5	44,312	55.2
		Major regional cities	12,333	15.4	12,208	15.2
		Subtotal	56,845	70.9	56,520	70.4
	Office/Retail	Greater Tokyo area	7,089	8.8	7,092	8.8
		Major regional cities	6,147	7.7	6,111	7.6
		Subtotal	13,237	16.5	13,204	16.5
	Seniors, hourly parking, etc.	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
Total real estate in trust		70,083	87.4	69,724	86.9	
Deposits and other assets		4,857	6.1	5,294	6.6	
Total assets (Note 3)		80,200 (75,342)	100.0 (93.9)	80,249 (74,954)	100.0 (93.4)	

(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 are 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	6,765	7,794.91	7,030.36	90.2	6.8	Residential
B14	Lexington Plaza Nishigotanda	4,820	6,033.58	5,437.21	90.1	4.9	Office
B17	Lexington Plaza Hachiman	3,202	8,419.15	8,419.15	100.0	5.6	Retail Facilities
A52	Winbell Kagurazaka	3,156	4,032.70	3,908.60	96.9	3.7	Residential
A51	City House Tokyo Shinbashi	2,431	3,364.00	3,364.00	100.0	3.2	Residential
B18	AEON Town Sukagawa	2,150	18,440.58	18,440.58	100.0	5.1	Retail Facilities
A53	Nishiwaseda Crescent Mansion	1,852	4,310.77	4,245.84	98.5	2.7	Residential
A76	Neo Prominence	1,668	3,574.70	3,451.60	96.6	2.3	Residential
A30	Emerald House	1,436	2,152.31	2,152.31	100.0	1.8	Residential
A31	Lexington Square Akebonobashi	1,393	1,987.88	1,875.75	94.4	1.7	Residential
Total		28,877	60,110.58	58,325.40	97.0	37.8	—

(Note) "Occupancy Rate" is computed by dividing the leased area by leasable area, and rounded to the second digit.

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 June 30, 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	1,120	1,153
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima Ward, Tokyo	Trust beneficiary interests	2,681.94	1,220	1,100
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	1,051.50	916	855
A29	Growth Maison Kameido	6-58-16 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,367.96	1,040	1,024
A30	Emerald House	3-27-18 Itabashi, Itabashi Ward, Tokyo	Trust beneficiary interests	2,152.31	1,170	1,436
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo Ward, Tokyo	Trust beneficiary interests	1,748.24	1,210	1,391
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima Ward, Tokyo	Trust beneficiary interests	3,029.16	997	1,051
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City,	Trust beneficiary interests	1,858.44	1,040	1,006
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito Ward, Tokyo	Trust beneficiary interests	1,351.11	918	993
A35	Grand Rire Kameido	3-39-12 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,562.26	895	866
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	952.89	798	787
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya Ward, Tokyo	Trust beneficiary interests	1,015.34	669	771
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa City, Tokyo	Trust beneficiary interests	1,368.57	584	655
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya Ward, Tokyo	Trust beneficiary interests	1,167.50	579	657
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya Ward, Tokyo	Trust beneficiary interests	1,235.93	448	648
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture	Trust beneficiary interests	1,210.74	666	581
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku Ward, Tokyo	Trust beneficiary interests	1,126.65	528	619
A43	College Square Machida	3-4-4 Nakamachi, Machida City, Tokyo	Trust beneficiary interests	1,047.75	519	575
A44	Belair Meguro	1-2-15 Meguro, Meguro Ward, Tokyo	Trust beneficiary interests	557.05	529	576
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa	Trust beneficiary interests	908.99	491	554
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima Ward, Tokyo	Trust beneficiary interests	815.77	526	538
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	Trust beneficiary interests	2,040.27	451	527
A48	College Square Machiya	7-3-1 Arakawa, Arakawa Ward, Tokyo	Trust beneficiary interests	871.35	487	484
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato Ward, Tokyo	Trust beneficiary interests	3,364.00	2,610	2,431
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,032.70	3,400	3,156
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,310.77	2,010	1,852
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku Ward, Tokyo	Trust beneficiary interests	1,987.88	1,550	1,393
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro Ward, Tokyo	Trust beneficiary interests	1,197.19	996	1,014
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	1,627.13	930	837
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima Ward, Tokyo	Trust beneficiary interests	1,220.24	595	563
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito Ward, Tokyo	Trust beneficiary interests	1,969.45	1,050	915
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama City, Kanagawa	Trust beneficiary interests	3,426.36	1,210	1,058
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	1,929.59	450	398
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai City,	Trust beneficiary interests	1,528.58	391	313
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya City, Aichi	Trust beneficiary interests	705.75	226	243
A71	Lexington Square Daitabashi	1-33-8 Izumi, Suginami Ward, Tokyo	Trust beneficiary interests	1,430.64	995	922
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida	Trust beneficiary interests	784.74	516	477
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City,	Trust beneficiary interests	4,460.56	1,050	1,084
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya Ward, Tokyo	Trust beneficiary interests	7,794.91	6,810	6,765

A76	Neo Prominence	3-21-5 Shimo, Kita Ward, Tokyo	Trust beneficiary interests	3,574.70	1,680	1,668
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	2,773.71	1,280	1,273
A78	Cosmo Court Motomachi	3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	2,310.49	1,000	986
A79	Revest Honjin	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi	Trust beneficiary interests	1,933.80	697	684
A80	Revest Matsubara	3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,955.40	684	666
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	898.70	631	629
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City,	Trust beneficiary interests	1,731.68	626	618
A83	Revest Meieki Minami	2-13-33 Meiekininami, Nakamura Ward, Nagoya City,	Trust beneficiary interests	1,634.60	609	607
A84	Revest Heian	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,554.03	605	604
A85	Vendir Hamaotsu Ekimae	1-2-15 Hama Otsu, Otsu City, Shiga Prefecture	Trust beneficiary interests	2,670.66	645	590
A86	Salvo Sala	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka	Trust beneficiary interests	1,428.12	557	553
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku Ward, Tokyo	Trust beneficiary interests	701.92	552	550
A88	Luna Court Edobori	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	Trust beneficiary interests	1,185.50	538	532
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	1,433.35	537	520
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto Ward, Tokyo	Trust beneficiary interests	765.18	468	460
A91	Corp Higashinotoin	380-1 Kawanomachi, Higashinotoin Dori Nijo	Trust beneficiary interests	1,029.05	457	451
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo	Trust beneficiary interests	530.60	420	416
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki	Trust beneficiary interests	1,020.86	388	380
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo Ward, Kobe City Hyogo	Trust beneficiary interests	789.12	375	378
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka	Trust beneficiary interests	992.76	366	361
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi	Trust beneficiary interests	1,477.62	337	340
A97	West Avenue	1-5-17 Nishi, Kunitachi City, Tokyo	Trust beneficiary interests	794.80	330	333
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo Ward, Osaka City, Osaka	Trust beneficiary interests	974.81	321	315
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	761.18	300	301
Subtotal				109,585.98	56,993	56,520
B8	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku Ward,	Trust beneficiary interests	1,451.54	1,010	1,226
B9	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	Real estate	526.43	531	715
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	6033.58	4,070	4,820
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano Ward, Tokyo	Trust beneficiary interests	2145.00	938	1,046
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi	Trust beneficiary interests	2,178.41	602	758
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi	Trust beneficiary interests	8,419.15	3,210	3,202
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa City, Fukushima Prefecture	Trust beneficiary interests	18,440.58	2,150	2,150
Subtotal				39,194.69	12,511	13,920
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	747	662
C22	Bon Sejour Yotsugi	3-1-11 Higashi-Yotsugi, Katsushika Ward, Tokyo	Real estate	1,962.87	692	628
C23	Bon Sejour Hino	438-1 Ochigawa, Hino City, Tokyo	Real estate	1,984.17	651	555
C24	Bon Sejour Musashi Shinjo	773-2 Chitose, Takatsu-ku, Kawasaki City, Kanagawa	Real estate	1,710.43	552	471
C25	Bon Sejour Komaki	3-1 Shiroyama, Komaki City, Aichi Prefecture	Real estate	8,858.49	1,060	996
C26	Bon Sejour Hadano Shibusawa	1-6-60 Shibusawa-Kami, Hadano City, Kanagawa	Real estate	3,435.79	616	641
C27	Bon Sejour Itami	1-2-25 Chuo, Itami City, Hyogo Prefecture	Real estate	2,129.87	433	455
Subtotal				22,504.83	4,843	4,513
Total				171,285.50	74,347	74,954

(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		19 th Fiscal Period (July 1, 2012 to December 31, 2012)				20 th Fiscal Period (January 1, 2013 to June 30, 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	96.9	41,031	1.7	1	98.0	40,694	1.5
A27	Nisshin Palacestage Higashi-Nagasaki	1	90.3	46,864	1.9	1	98.4	46,495	1.7
A28	Growth Maison Gotanda	1	100.0	27,399	1.1	1	100.0	27,481	1.0
A29	Growth Maison Kameido	1	94.0	33,066	1.3	1	94.0	33,015	1.2
A30	Emerald House	1	99.0	42,027	1.7	1	100.0	50,083	1.8
A31	Harmonie Ochanomizu	1	100.0	40,401	1.6	1	88.2	41,051	1.5
A32	Suncrest Shakujii-Koen	1	94.7	35,273	1.4	1	95.6	37,025	1.3
A33	Growth Maison Shin-Yokohama	1	98.5	35,184	1.4	1	97.1	35,753	1.3
A34	Belle Face Ueno-Okachimachi	1	98.4	30,593	1.2	1	100.0	32,762	1.2
A35	Grand Rire Kameido	1	100.0	26,619	1.1	1	100.0	26,619	1.0
A36	Growth Maison Ikebukuro	1	90.6	25,016	1.0	1	88.2	23,607	0.9
A37	Growth Maison Yoga	1	92.2	22,964	0.9	1	97.3	21,693	0.8
A38	Route Tachikawa	1	100.0	20,021	0.8	1	76.7	20,364	0.7
A39	Shibuya-Honmachi Mansion	1	100.0	19,691	0.8	1	80.8	19,238	0.7
A40	City Heights Kinuta	1	89.2	16,876	0.7	1	94.6	17,112	0.6
A41	Acseeds Tower Kawaguchi- Namiki	1	100.0	25,138	1.0	1	93.0	26,096	0.9
A42	Capital Heights Kagurazaka	1	92.5	18,276	0.7	1	97.2	18,127	0.7
A43	College Square Machida	1	100.0	18,268	0.7	1	100.0	18,268	0.7
A44	Belair Meguro	1	92.1	15,463	0.6	1	96.0	16,304	0.6
A45	Wacore Tsunashima I	1	96.1	16,969	0.7	1	90.0	18,235	0.7
A46	Foros Nakamurabashi	1	100.0	17,094	0.7	1	92.0	17,550	0.6
A47	Growth Maison Kaijin	1	97.1	23,017	0.9	1	94.4	22,249	0.8
A48	College Square Machiya	1	100.0	14,706	0.6	1	100.0	14,706	0.5
A51	City House Tokyo Shinbashi	1	90.8	84,981	3.4	1	100.0	87,840	3.2
A52	Winbell Kagurazaka	1	96.4	98,837	4.0	1	96.9	102,111	3.7
A53	Nishiwaseda Crescent Mansion	1	100.0	68,772	2.8	1	98.5	73,895	2.7
A54	Lexington Square Akebonobashi	1	93.1	47,536	1.9	1	94.4	47,818	1.7
A56	Casa Eremitaggio	1	92.9	29,761	1.2	1	90.0	27,934	1.0
A59	Towa City Coop Shinotsuka II	1	97.3	33,612	1.4	1	94.9	34,269	1.2
A61	Bichsel Musashiseki	1	97.1	24,418	1.0	1	95.7	25,714	0.9
A62	Lexel Mansion Ueno Matsugaya	1	93.2	33,276	1.3	1	86.8	32,021	1.2
A63	Towa City Coop Sengencho	1	94.3	60,001	2.4	1	94.9	61,782	2.2
A64	Royal Park Omachi	1	96.4	24,448	1.0	1	100.0	25,936	0.9
A65	Lexington Square Haginomachi	1	100.0	17,468	0.7	1	100.0	18,166	0.7
A66	Visconti Kakuozan	1	88.6	11,680	0.5	1	100.0	10,515	0.4
A71	Lexington Square Daitabashi	1	95.1	29,171	1.2	1	95.1	32,140	1.2
A72	Lexington Square Honjo Azumabashi	1	100.0	17,529	0.7	1	93.9	18,498	0.7
A73	AMS TOWER Minami 6-Jo	1	90.0	47,194	1.9	1	88.2	48,065	1.7
A75	Spacia Ebisu	1	92.2	186,857	7.5	1	90.2	187,658	6.8
A76	Neo Prominence ※	1	94.8	31,424	1.3	1	96.6	62,498	2.3
A77	Invoice Shin-Kobe Residence ※	1	99.1	25,296	1.0	1	98.6	48,133	1.7
A78	Cosmo Court Motomachi ※	1	97.5	19,528	0.8	1	92.7	37,187	1.3

Name		19 th Fiscal Period (July 1, 2012 to December 31, 2012)				20 th Fiscal Period (January 1, 2013 to June 30, 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	93.8	15,724	0.6	1	98.8	31,100	1.1
A80	Revest Matsubara ※	1	91.9	15,031	0.6	1	95.7	28,957	1.0
A81	Sun Terrace Minami Ikebukuro ※	1	100.0	10,867	0.4	1	97.4	22,001	0.8
A82	Alba Noritake Shinmachi ※	1	98.6	13,104	0.5	1	93.8	25,407	0.9
A83	Revest Meieki Minami ※	1	97.0	12,852	0.5	1	100.0	25,512	0.9
A84	Revest Heian ※	1	95.2	11,283	0.5	1	100.0	23,227	0.8
A85	Vendir Hamaotsu Ekimae ※	1	93.3	16,600	0.7	1	95.4	31,352	1.1
A86	Salvo Sala ※	1	89.9	10,958	0.4	1	98.0	24,272	0.9
A87	Excellente Kagurazaka ※	1	100.0	8,945	0.4	1	97.1	18,157	0.7
A88	Luna Court Edobori ※	1	96.0	10,787	0.4	1	98.0	21,571	0.8
A89	Winntage Kobe Motomachi ※	1	98.2	11,636	0.5	1	94.9	24,092	0.9
A90	Queen's Court Fukuzumi ※	1	100.0	8,191	0.3	1	100.0	16,712	0.6
A91	Corp Higashinotoin ※	1	100.0	9,189	0.4	1	97.7	17,929	0.6
A92	Belair Oimachi ※	1	92.6	7,351	0.3	1	100.0	14,640	0.5
A93	Siete Minami-Tsukaguchi ※	1	94.9	8,935	0.4	1	100.0	17,140	0.6
A94	Prime Life Sannomiya Isogami Koen ※	1	100.0	7,741	0.3	1	100.0	14,804	0.5
A95	HERMITAGE NANBA WEST ※	1	91.2	7,889	0.3	1	86.9	14,732	0.5
A96	Century Park Shinkawa 1-bankan ※	1	100.0	9,010	0.4	1	90.9	16,940	0.6
A97	West Avenue ※	1	90.0	6,787	0.3	1	82.5	12,652	0.5
A98	Little River Honmachibashi ※	1	96.9	6,685	0.3	1	93.8	12,986	0.5
A99	Prime Life Mikage ※	1	85.5	6,292	0.3	1	100.0	12,315	0.4
Subtotal		63	95.4	1,719,628	69.4	63	95.0	2,033,237	73.7
B8	Kindai Kagakusha Building	1	100.0	37,386	1.5	1	100.0	37,890	1.4
B9	Shinjuku Island	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
B14	Lexington Plaza Nishigotanda	8	100.0	157,111	6.3	8	90.1	134,136	4.9
B15	Cross Square NAKANO	1	54.2	29,234	1.2	1	57.6	28,611	1.0
B16	Ohki Aoba Building	1	100.0	39,761	1.6	1	100.0	40,249	1.5
B17	Lexington Plaza Hachiman	1	94.6	158,959	6.4	1	100.0	155,659	5.6
B18	AEON TOWN Sukagawa	1	100.0	143,761	5.8	1	100.0	140,817	5.1
Subtotal		14	96.3	583,412	23.6	14	96.2	556,123	20.1
C1	Stop Parking Kanda-Sudacho	1	100.0	2,443	0.1	1	100.0	2,443	0.1
C21	Bon Sejour Chitose Funabashi	1	100.0	23,906	1.0	1	100.0	23,544	0.9
C22	Bon Sejour Yotsugi	1	100.0	22,528	0.9	1	100.0	22,208	0.8
C23	Bon Sejour Hino	1	100.0	21,405	0.9	1	100.0	21,197	0.8
C24	Bon Sejour Musashi Shinjo	1	100.0	17,747	0.7	1	100.0	17,606	0.6
C25	Bon Sejour Komaki	1	100.0	45,582	1.8	1	100.0	44,479	1.6
C26	Bon Sejour Hadano Shibusawa	1	100.0	23,802	1.0	1	100.0	23,371	0.8
C27	Bon Sejour Itami	1	100.0	15,971	0.6	1	100.0	15,963	0.6
Subtotal		8	100.0	173,388	7.0	8	100.0	170,816	6.2
Total		85	96.2	2,476,430	100.0	85	95.9	2,760,177	100.0

(Note 1) "Occupancy rate" is computed by dividing the leased area by leasable area, and is rounded to the second digit.

(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) The properties indicated with a "※" were acquired on September 28, 2012, and thus the condition of income, etc. covers the period from September 28, 2012 to December 31, 2012.

(Note 4) 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 ended June 30, 2013	Advance payments
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	Large-scale maintenance construction	From December 2013 to December 2013	42,500	—	—
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Renewal construction of air conditioning system on the 6 th and 7 th floors	From October 2013 to October 2013	15,450	—	—
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal of central monitoring device	From November 2013 to November 2013	8,690	—	—
B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	Pavement construction on slopes, etc.	From September 2013 to September 2013	8,486	—	—
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Renovation construction	From August 2013 to November 2013	8,100	—	—
B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	Renewal construction of air conditioning system	From November 2013 to November 2013	7,874	—	—
A76	Neo Prominence	Kita Ward, Tokyo	Maintenance construction of mechanical parking lot	From September 2013 to September 2013	6,000	—	—

2 Capital expenditures for the fiscal period ended June 30, 2013

The principal construction constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2013 is as follows. Capital expenditures for the fiscal period was 154,997 thousand yen, and together with 22,416 of repair cost include in this fiscal period's expenses, construction work totaling 177,414 thousand yen was implemented.

Property		Location	Purpose	Time of implementation	Payment (thousands of yen)
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal costs of automatic fire alarm	From June 2013 to June 2013	16,880
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Renewal construction of air conditioning system on the 3 rd and 5 th floors	From May 2013 to May 2013	14,952
B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	Renewal construction of air conditioning system on the 7 th , 8 th and 9 th floors	From May 2013 to May 2013	11,120
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	Replacement construction of water heater	From March 2013 to March 2013	9,464
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Renovation construction of Room 704, Room 705 and Room 706	From May 2013 to June 2013	8,398
Other construction					94,180
Total					154,997

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	16 th Period	17 th Period	18 th Period	19 th Period	20 th Period
	From January 1, 2011 to June 30, 2011	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
Reserved funds at beginning of period	489,033 thousand yen	551,103 thousand yen	356,408 thousand yen	487,561 thousand yen	541,609 thousand yen
Amount reserved (Note)	85,250 thousand yen	238,107 thousand yen	163,931 thousand yen	151,076 thousand yen	165,233 thousand yen
Amount reversed (Note)	23,180 thousand yen	432,803 thousand yen	32,777 thousand yen	97,028 thousand yen	135,298 thousand yen
Amount carried over for next fiscal period	551,103 thousand yen	356,408 thousand yen	487,561 thousand yen	541,609 thousand yen	571,543 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	19 th Fiscal Period Jul. 1, 2012 to Dec. 31, 2012	20 th Fiscal Period Jan. 1, 2013 to Jun. 30, 2013
(a) Asset management fees	130,067	125,000
(b) Asset custodian fees	3,351	3,911
(c) Administrative services fees	24,781	21,531
(d) Directors' remuneration	4,800	4,800
(e) Other operating expenses	72,584	78,293
	235,585	233,536

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								
Long-term Debts (Note 11)	MetLife Alico	Sep. 28, 2012	4,487,406	4,462,220	2.269	Jul. 31, 2014	(Note 4)	(Note 2) (Note 3)	Secured Conventional
	The Bank of New York Mellon Trust (Japan), Ltd.		2,991,604	2,974,813	2.269	Jul. 31, 2014			
	Citibank Japan Ltd.		2,941,744	2,925,233	2.269	Jul. 31, 2014			
	Shinsei Bank, Limited.		2,941,744	2,925,233	2.269	Jul. 31, 2014			
	Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	7,100,000	7,100,000	8.500	Jan. 30, 2015	Lump Sum	(Note 3)	
	Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	2,560,000	2,504,000	9.500	Jan. 30, 2015	(Note 5)	(Note 3)	
Subtotal			23,022,500	22,891,500					
Long-term Debts in Trust (Note 2)	Mizuho Trust & Banking Co., Ltd. (Note 9)	Jul. 29, 2011	3,750,000	3,750,000	2.500	Jan. 25, 2017	(Note 6)	(Note 3)	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 (Note 10)	Sep. 28, 2012	2,700,000	2,700,000	1.900	Mar. 31, 2018	Lump Sum	(Note 2)	
			2,860,000	2,860,000	1.900	Mar. 31, 2019	(Note 7)		
			1,830,000	1,830,000	1.900	Mar. 31, 2020	(Note 7)		
2,570,000	2,570,000	1.900	Mar. 31, 2019	(Note 8)					
Subtotal			20,960,000	20,960,000					
			43,982,500	43,851,500					

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

(Note 3) Used for purposes including repayment of existing debt.

(Note 4) Portion of principal (37 million yen) repaid on same day as coupon payment date (every 3 months), and lump-sum payment of balance to be made on principal maturity date.

(Note 5) Portion of principal (28 million yen) repaid on same day as coupon payment date (every 3 months), and lump-sum payment of balance to be made on principal maturity date.

(Note 6) 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 7) 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 30 years (total 120 payments). The balance remaining after the payments above will be repaid in one lump sum on the principal maturity 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 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 9) 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 10) Mitsubishi UFJ Trust and Banking Corporation is the trustee of the REIT of which the Investment Corporation is the beneficiary, and has borrowed funds on Sep. 28, 2012 from Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership of Prudential Financial Inc. Group. The Investment Corporation received said loan (after deduction of reserves) as grant of trust principal of said REIT from Mitsubishi UFJ Trust and Banking Corporation on the same date.

(Note 11) Includes long-term debt scheduled to be repaid within 1 year.

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 December 31, 2012 (As of December 31, 2012)	Fiscal Period ended June 30, 2013 (As of June 30, 2013)
Assets			
Current Assets			
Cash and deposits		745,429	1,427,483
Cash and deposits in trust	※1	2,786,480	2,690,331
Accounts receivables		18,370	17,407
Advances paid		664	139
Deposits paid	※2	690,495	748,197
Prepaid expenses		208,056	211,587
Consumption tax receivable		115,447	-
Allowance for doubtful accounts		(797)	(1,528)
Total Current Assets		4,564,147	5,093,620
Non-current Assets			
Property, plant and equipment			
Buildings	※1	2,680,174	2,680,174
Accumulated depreciation		(163,166)	(190,772)
Buildings, net		2,517,007	2,489,402
Equipment	※1	50,691	50,691
Accumulated depreciation		(24,125)	(26,789)
Equipment, net		26,566	23,902
Building improvements	※1	3,848	3,848
Accumulated depreciation		(1,261)	(1,397)
Building improvements, net		2,587	2,451
Land	※1	2,713,620	2,713,620
Buildings in trust	※1	29,664,262	29,677,895
Accumulated depreciation		(1,782,176)	(2,060,616)
Buildings in trust, net		27,882,085	27,617,278
Equipment in trust	※1	6,608,496	6,713,907
Accumulated depreciation		(1,280,186)	(1,493,122)
Equipment in trust, net		5,328,309	5,220,784
Building improvements in trust	※1	294,542	312,020
Accumulated depreciation		(73,848)	(85,630)
Building improvements in trust, net		220,693	226,389
Tools, furniture and fixtures in trust	※1	123,699	142,175
Accumulated depreciation		(54,255)	(64,333)
Tools, furniture and fixtures in trust, net		69,443	77,842
Land in trust	※1	36,582,527	36,582,527
Total property, plant and equipment		75,342,842	74,954,199
Intangible assets			
Others		244	167
Total intangible assets		244	167
Total investment and other assets			
Guarantee deposits		10,000	10,000
Long-term prepaid expenses		253,406	158,394
Others		29,381	32,680
Total investments and other assets		292,787	201,075
Total non-current Assets		75,635,874	75,155,443
Total Assets		80,200,022	80,249,063

(Unit: thousands of yen)

		Fiscal Period ended December 31, 2012 (As of December 31, 2012)	Fiscal Period ended June 30, 2013 (As of June 30, 2013)
Liabilities			
Current Liabilities			
Accounts Payable		133,791	151,861
Current portion of long-term debts	※1	262,000	262,000
Accrued liabilities		18,748	4,375
Accrued expenses		362,514	354,066
Accrued income taxes		503	527
Accrued consumption taxes		-	24,902
Advances received		378,770	377,475
Deposits received		5,268	8,601
Total Current Liabilities		1,161,597	1,183,809
Non-current Liabilities			
Long-term debts	※1	22,760,500	22,629,500
Long-term debts in trust	※1	20,960,000	20,960,000
Tenant leasehold and security deposits in trust		1,059,315	1,048,635
Tenant leasehold and security deposits		183,579	183,579
Long-term accrued expenses		1,404,333	1,395,513
Total Non-current Liabilities		46,367,728	46,217,228
Total Liabilities		47,529,325	47,401,038
Net Assets			
Unitholders' Equity			
Unitholders' Capital		26,134,396	26,134,396
Surplus			
Capital Surplus		6,264,432	6,264,432
Unappropriated retained earnings/loss		271,868	449,196
Total Surplus		6,536,300	6,713,628
Total Unitholders' Equity		32,670,697	32,848,025
Total Net Assets	※3	32,670,697	32,848,025
Total Liabilities and Net Assets		80,200,022	80,249,063

III. Statement of Income

(Unit: thousands of yen)

	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)
Operating Revenues		
Rental revenues ※1	2,476,430	2,760,177
Total Operating Revenues	2,476,430	2,760,177
Operating Expenses		
Property related expenses ※1	1,156,672	1,295,403
Directors' remuneration	4,800	4,800
Asset management fees	130,067	125,000
Asset custodian fees	3,351	3,911
Administrative service fees	24,781	21,531
Provision of allowance for doubtful accounts	797	730
Other operating expenses	71,786	77,562
Total Operating Expenses	1,392,258	1,528,940
Operating Income	1,084,171	1,231,237
Non-operating Revenues		
Interest revenues	487	383
Miscellaneous income	2,904	3,088
Total Non-operating Revenues	3,391	3,472
Non-operating Expenses		
Interest expenses	763,201	800,615
Finance related costs	208,347	96,816
Investment unit issuance expenses	1,230	1,300
Miscellaneous losses	-	293
Total Non-operating Expenses	972,778	899,026
Ordinary Income	114,784	335,683
Income Before Income Taxes	114,784	335,683
Corporate Tax, etc.	604	605
Total Corporate Tax, etc.	604	605
Net Income	114,179	335,078
Retained Earnings at the Beginning of the Period	157,688	114,118
Unappropriated Retained Earnings/Loss at the End of the Period	271,868	449,196

IV. Statement of Unitholders' Equity

(Unit: thousands of yen)

	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)
Unitholders' Equity		
Unitholders' Capital		
Balance at the beginning of the period	26,134,396	26,134,396
Change during the period		
Total change during the period	-	-
Balance at the end of the period	26,134,396	26,134,396
Surplus		
Capital Surplus		
Balance at the beginning of the period	6,264,432	6,264,432
Change during the period		
Total change during the period	-	-
Balance at the end of the period	6,264,432	6,264,432
Unappropriated Retained Earnings/Loss		
Balance at the beginning of the period	427,346	271,868
Change during the period		
Distributions from surplus	(269,658)	(157,750)
Net income	114,179	335,078
Total change during the period	(155,478)	177,328
Balance at the end of the period	271,868	449,196
Total Surplus		
Balance at the beginning of the period	6,691,778	6,536,300
Change during the period		
Distributions from surplus	(269,658)	(157,750)
Net income	114,179	335,078
Total change during the period	(155,478)	177,328
Balance at the end of the period	6,536,300	6,713,628
Total Unitholders' Equity		
Balance at the beginning of the period	32,826,175	32,670,697
Change during the period		
Distributions from surplus	(269,658)	(157,750)
Net income	114,179	335,078
Total change during the period	(155,478)	177,328
Balance at the end of the period	32,670,697	32,848,025
Total Net Assets		
Balance at the beginning of the period	32,826,175	32,670,697
Change during the period		
Distributions from surplus	(269,658)	(157,750)
Net income	114,179	335,078
Total change during the period	(155,478)	177,328
Balance at the end of the period	32,670,697	32,848,025

V. Notes

[Notes Concerning Significant Accounting Policies]

By Period Item	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)	For the Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)																												
1. Method of depreciation of non-current assets	<p>1. Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table><tr><td>Buildings</td><td>40 - 77 years</td></tr><tr><td>Equipment</td><td>3 - 24 years</td></tr><tr><td>Building improvements</td><td>3 - 18 years</td></tr><tr><td>Buildings in trust</td><td>6 - 66 years</td></tr><tr><td>Equipment in trust</td><td>3 - 32 years</td></tr><tr><td>Building improvements in trust</td><td>3 - 55 years</td></tr><tr><td>Tools, furniture & fixtures in trust</td><td>2 - 15 years</td></tr></table> <p>2. Intangible assets The straight-line method is used. 3. Long-term prepaid expenses The straight-line method is used.</p>	Buildings	40 - 77 years	Equipment	3 - 24 years	Building improvements	3 - 18 years	Buildings in trust	6 - 66 years	Equipment in trust	3 - 32 years	Building improvements in trust	3 - 55 years	Tools, furniture & fixtures in trust	2 - 15 years	<p>1. Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table><tr><td>Buildings</td><td>40 - 77 years</td></tr><tr><td>Equipment</td><td>3 - 24 years</td></tr><tr><td>Building improvements</td><td>3 - 18 years</td></tr><tr><td>Buildings in trust</td><td>6 - 66 years</td></tr><tr><td>Equipment in trust</td><td>3 - 32 years</td></tr><tr><td>Building improvements in trust</td><td>3 - 55 years</td></tr><tr><td>Tools, furniture & fixtures in trust</td><td>2 - 15 years</td></tr></table> <p>2. Intangible assets The straight-line method is used. 3. Long-term prepaid expenses The straight-line method is used.</p>	Buildings	40 - 77 years	Equipment	3 - 24 years	Building improvements	3 - 18 years	Buildings in trust	6 - 66 years	Equipment in trust	3 - 32 years	Building improvements in trust	3 - 55 years	Tools, furniture & fixtures in trust	2 - 15 years
Buildings	40 - 77 years																													
Equipment	3 - 24 years																													
Building improvements	3 - 18 years																													
Buildings in trust	6 - 66 years																													
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Buildings in trust	6 - 66 years																													
Equipment in trust	3 - 32 years																													
Building improvements in trust	3 - 55 years																													
Tools, furniture & fixtures in trust	2 - 15 years																													
2. Method of calculating allowances	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>																												
3. Revenue and expense recognition	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition of real estate during this fiscal period is 16,270 thousand yen.</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. There was no such amount equivalent to property taxes that was included as part of the acquisition of real estate during this fiscal period.</p>																												

<div>By Period</div> <div>Item</div>	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)	For the Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
<p>4. Other significant matters which constitute the basis for preparation of financial statements</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.</p> <p>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>(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.</p> <p>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>(2) Accounting treatment of consumption taxes (a) Investment unit issuance expenses Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>

※1. Assets pledged as collateral and liabilities with collateral
Assets pledged as collateral are as follows.
(Unit : thousands of yen)

	Fiscal Period ended Dec. 31, 2012 (as of Dec. 31, 2012)	Fiscal Period ended Jun. 30, 2013 (as of Jun. 30, 2013)
Cash and deposits in trust	2,786,480	2,690,331
Buildings	2,517,007	2,489,402
Equipment	26,566	23,902
Building improvements	2,587	2,451
Land	2,713,620	2,713,620
Buildings in trust	27,882,085	27,617,278
Equipment in trust	5,328,309	5,220,784
Building improvements in trust	220,693	226,389
Tools, furniture and fixtures in trust	69,443	77,842
Land in trust	36,582,527	36,582,527
Total	78,129,323	77,644,531

Liabilities with collateral are as follows.
(Unit : thousands of yen)

	Fiscal Period ended Dec. 31, 2012 (as of Dec. 31, 2012)	Fiscal Period ended Jun. 30, 2013 (as of Jun. 30, 2013)
Current portion of long-term debts	262,000	262,000
Long-term debts	22,760,500	22,629,500
Long-term debts in trust	20,960,000	20,960,000
Total	43,982,500	43,851,500

※2. Represents amounts entrusted to financial institutions for the purpose of repayment of borrowings in trust from such financial institutions.

※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 Dec. 31, 2012 (as of Dec. 31, 2012)	Fiscal Period ended Jun. 30, 2013 (as of Jun. 30, 2013)
50,000	50,000

(Notes to Statement of Income)

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

(Unit : thousands of yen)

	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)	For the Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
A. Rental revenues		
Rent/common area charges	2,300,764	2,537,676
Other revenues	175,665	222,500
Total	2,476,430	2,760,177
B. Property related expenses		
Maintenance costs	403,390	441,633
Taxes and public dues	141,455	162,456
Insurance expenses	4,677	5,160
Other expenses	126,526	142,512
Depreciation expenses	480,622	543,640
Total	1,156,672	1,295,403
C. Operating income from rental revenues A-B)	1,319,757	1,464,773

(Notes to Statement of Unitholders' Equity)
Number of investment units authorized and number of investment units issued and outstanding

	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)	For the Fiscal Period ended June 30, 2013 (from January 1 to June 30, 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

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit : thousands of yen)

	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Deferred tax assets - current assets		
Enterprise tax payable	564	590
Rental receivables(merger)	211	211
Allowance for doubtful accounts	291	559
Accrued expenses	6,454	6,454
Subtotal	7,522	7,815
Valuation allowance	7,522	7,815
Total	—	—
Net deferred tax assets – current	—	—
Deferred tax assets – non-current assets		
Buildings and other(merger)	1,208,736	1,194,346
Land(merger)	2,547,099	2,547,099
Long-term accrued expenses	513,845	510,618
Net loss carried forward	7,023,707	7,023,707
Subtotal	11,293,388	11,275,771
Valuation allowance	11,293,388	11,275,771
Total	—	—
Net deferred tax assets – non-current	—	—

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

(Unit: %)

	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Statutory tax rate	36.59	36.59
Deductible cash distributions	(17.47)	(31.40)
Provision of reserve for reduction entry	(19.22)	(5.19)
Others	0.63	0.18
Effective tax rate	0.53	0.18

(Notes Related to Lease Contracts)

Operating lease transactions(as lessee)Remaining lease payments

(Unit : thousands of yen)

	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Due within one year	112,249	112,249
Due after one year	2,448,662	2,392,537
Total	2,560,911	2,504,787

Operating lease transactions(as lessor)Remaining lease payments

(Unit : thousands of yen)

	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Due within one year	674,516	674,516
Due after one year	7,595,851	7,258,593
Total	8,270,367	7,933,109

(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 December 31, 2012 are as follows.

(Unit : thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	745,429	745,429	—
(2) Cash and deposits in trust	2,786,480	2,786,480	—
Total assets	3,531,910	3,531,910	—
(3) Current portion of long-term debts	262,000	262,039	39
(4) Long-term debts	22,760,500	22,788,497	27,997
(5) Long-term debts in trust	20,960,000	21,195,979	235,979
Total liabilities	43,982,500	44,246,517	264,017

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

(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

(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

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 values approximate their fair values.

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

(Unit : thousands of yen)

	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Tenant leasehold and security deposits	183,579	183,579
<u>Teneant leasehold and security deposits in trust</u>	<u>1,059,315</u>	<u>1,048,635</u>

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 December 31, 2012

(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	745,429	—	—	—	—	—
Cash and deposits in trust	2,786,480	—	—	—	—	—
Total	3,531,910	—	—	—	—	—

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	—	—	—	—	—

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

As of December 31, 2012

(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	—	13,324,500	9,436,000	—	—	—
Long-term debts in trust	—	105,833	450,442	516,273	3,819,427	16,068,022
Total	262,000	13,430,333	9,886,442	516,273	3,819,427	16,068,022

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

(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 December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Residential	Book value	Balance at the beginning of the period	42,701,472	56,845,746
		Change during the period	14,144,274	(325,585)
		Balance at the end of the period	56,845,746	56,520,161
	Fair value at the end of the period		56,237,000	56,993,000
Office	Book value	Balance at the beginning of the period	8,567,280	8,557,382
		Change during the period	(9,898)	10,367
		Balance at the end of the period	8,557,382	8,567,749
	Fair value at the end of the period		7,237,000	7,151,000
Retail	Book value	Balance at the beginning of the period	5,442,452	5,397,628
		Change during the period	(44,824)	(44,821)
		Balance at the end of the period	5,397,628	5,352,806
	Fair value at the end of the period		5,210,000	5,360,000
Parking	Book value	Balance at the beginning of the period	100,878	100,865
		Change during the period	(13)	(13)
		Balance at the end of the period	100,865	100,851
	Fair value at the end of the period		91,300	92,300
Seniors	Book value	Balance at the beginning of the period	4,470,123	4,441,219
		Change during the period	(28,903)	(28,590)
		Balance at the end of the period	4,441,219	4,412,629
	Fair value at the end of the period		4,708,000	4,751,000
Total	Book Value	Balance at the beginning of the period	61,282,207	75,342,842
		Change during the period	14,060,634	(388,642)
		Balance at the end of the period	75,342,842	74,954,199
	Fair value at the end of the period		73,483,300	74,347,300

(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 December 31, 2012 was acquisition of new properties and the major factor of the decrease was depreciation. 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.

(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 December 31, 2012 (from July 1, 2012 to December 31, 2012)

Classification	Name	Type of business	% of voting rights owned	Type of transaction	Transaction amount (thousands of yen)	Account	Ending balance (thousands of yen)
Interested Party of the Asset Manager	Shinsei Trust and Banking Co., Ltd.	Financial Business	—	Repayment of long-term debts (Note 2) (Note 3)	56,000	Repayment of long-term debts	9,660,000
				Finance related fees	45,506	Long-term prepaid expenses	97,690
						Prepaid expenses	90,270
						Long-term accrued expenses	1,404,333
						Accrued expenses	17,640
				Interest expenses	428,601	Accrued expenses	141,503
Interested Party of the Asset Manager (Note 5)	Rhodia Godo Kaisha (Note 5)	Financial Business	—	Acquisition of trust beneficiary interests of properties in trust (Note 6) (Note 7)	14,043,000	—	—

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

(Note 2) 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.

(Note 5) The seller, Rhodia Godo Kaisha, receives an anonymous partnership investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, the Investment Corporation treats Rhodia Godo Kaisha as a related party.

(Note 6) The acquisition of the trust beneficiary interests relates to the properties below. Transaction amount is the purchase amount set forth in the trust beneficiary purchase agreement, and does not include other acquisition-related expenses, such as real property and city planning tax, as well as consumption taxes.

(Note 7) The terms and conditions have been determined based on the Asset Manager’s internal rules and manual regarding transactions with the sponsor company.

Property number	Name of property	Purchase and Sale Price (thousands of yen)
A76	Neo Prominence	1,660,000
A77	Invoice Shin-Kobe Residence	1,260,000
A78	Cosmo Court Motomachi	973,000
A79	Revest Honjin	674,000
A80	Revest Matsubara	657,000
A81	Sun Terrace Minami Ikebukuro	625,000
A82	Alba Noritake Shinmachi	608,000
A83	Revest Meieki Minami	597,000
A84	Revest Heian	595,000
A85	Vendir Hamaotsu Ekimae	581,000
A86	Salvo Sala	544,000
A87	Excellente Kagurazaka	543,000
A88	Luna Court Edobori	525,000
A89	Winntage Kobe Motomachi	512,000
A90	Queen's Court Fukuzumi	456,000
A91	Corp Higashinotoin	446,000
A92	Belair Oimachi	412,000
A93	Siete Minami-Tsukaguchi	374,000
A94	Prime Life Sannomiya Isogami Koen	373,000
A95	HERMITAGE NANBA WEST	355,000
A96	Century Park Shinkawa 1-bankan	335,000
A97	West Avenue	331,000
A98	Little River Honmachibashi	310,000
A99	Prime Life Mikage	297,000
Total		14,043,000

2. Asset Custodian

Classification	Name	Type of business	% of voting rights	Type of transaction	Transaction amount (thousands of yen)	Account	Ending balance (thousands of yen)
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	Banking and Trust business	—	General Custodian Fees	19,599	Accrued expenses	731
				Trust Fees	3,351	Accrued expenses	866
				Repayment of current portion of long-term debts	27,272	Current portion of long-term debts	—
				Repayment of long-term debts	1,951,665	Repayment of long-term debts	—
				Finance related fees	14,482	Prepaid expenses	—
						Long-term prepaid expenses	—
				Interest expenses	12,260	Accrued expenses	—

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

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

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

1. Transactions with Parent Company and Major Unitholders

Classification	Name	Type of business	% of voting rights	Type of transaction	Transaction amount (thousands of yen)	Account	Ending balance (thousands of yen)
Interested business of the Asset Manager	Shinsei Trust and Banking Co., Ltd.	Financial business	—	Repayment of long-term debts (Note 2) (Note 3)	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.

(Notes Related to Per Unit Information)

	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Net assets per unit	24,231 yen	24,363 yen
Net income per unit	85 yen	249 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 December 31, 2012 (July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (January 1 to June 30, 2013)
Net income for the fiscal period (thousands of yen)	114,179	335,078
Net income not attributable to common unit holders (thousands of yen)	—	—
Net income attributable to common unit holders (thousands of yen)	114,179	335,078
Average number of investment units during the period (unit)	1,348,292	1,348,292

Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
—	—

VI. Statement of Cash Distribution

	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)
I Unappropriated retained earnings	271,868,258 yen	449,196,371 yen
II Distribution Amount	157,750,164 yen	355,949,088 yen
(Distribution per Unit)	(117 yen)	(264 yen)
III Retained earnings carried forward	114,118,094 yen	93,247,283 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 INV, 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 issues 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 INV. Pursuant to this policy, INV determined the distribution amount to be 157,750,164 yen, which is the sum of net income of 114,179,864 yen and reversal of surplus of 43,570,300 yen. INV 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 INV, 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 INV. Pursuant to this policy, INV 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. INV 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 June 30, 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 December 31, 2012 (from July 1, 2012 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1, 2013 to June 30, 2013)
Cash Flows from Operating Activities		
Net income before taxes	114,784	335,683
Depreciation expenses	481,000	543,717
Investment unit issuance expenses	1,230	1,300
Finance related costs	208,347	96,816
Amortization of tenant leasehold and security deposits	(1,354)	(433)
Interest received	(487)	(383)
Interest paid	763,201	800,615
Increase (decrease) in allowance for doubtful accounts	(33)	730
Decrease (increase) in accounts receivable	733	962
Decrease (increase) in deposit payments	6,308	(57,701)
Decrease (increase) in consumption tax receivable	(92,135)	115,447
Increase (decrease) in accrued consumption tax payable	-	24,902
Increase (decrease) in accounts payable	62,798	17,493
Increase (decrease) in accrued liabilities	13,696	(13,571)
Increase (decrease) in accrued expenses	(31,930)	9,112
Increase (decrease) in advances received	90,607	(1,294)
Increase (decrease) in deposits received	1,960	3,333
Others	714	(3,756)
Subtotal	1,619,439	1,872,971
Proceeds of interest	487	383
Payment of interest	(740,409)	(818,164)
Payment of corporate taxes, etc.	(608)	(581)
Cash Flows from Operating Activities	878,909	1,054,609
Cash Flows from Investing Activities		
Payment for acquisition of tangible assets in trust	(14,547,093)	(154,421)
Payment of tenant leasehold and security deposits in trust	(39,366)	(93,409)
Proceeds of tenant leasehold and security deposits in trust	174,339	83,162
Others	(694)	(3,298)
Cash Flows from Investing Activities	(14,412,815)	(167,967)
Cash Flows from Financing Activities		
Proceeds from long-term debt	13,400,000	-
Repayment of long-term debt	(10,981,000)	(131,000)
Proceeds from long-term debt in trust	9,960,000	-
Costs from issuance of investment units	(1,230)	(1,300)
Finance related costs	(251,904)	(10,636)
Payment of distributions	(270,196)	(157,800)
Cash Flows from Financing Activities	11,855,670	(300,737)
Increase (decrease) in cash and cash equivalents	(1,678,236)	585,905
Beginning balance of cash and cash equivalents	5,210,146	3,531,910
Closing balance of cash and cash equivalents ※1	3,531,910	4,117,815

Notes Concerning Significant Accounting Policies

Item \ By Period	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 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.

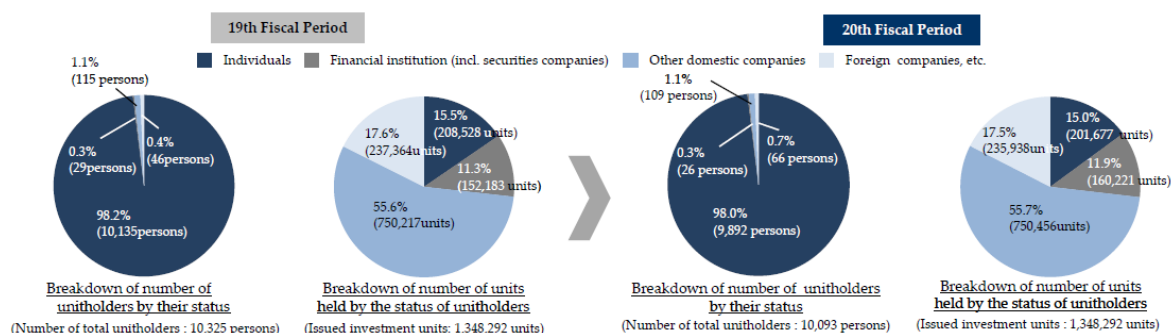
Notes to Statement of Cash Flow

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

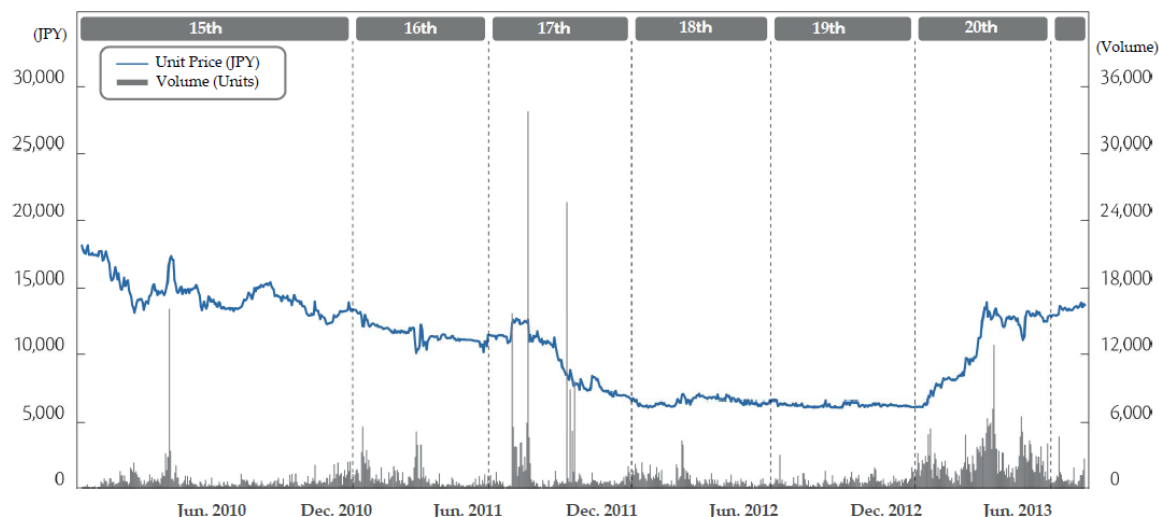
(unit : thousands of yen)

Item \ Period	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)	Fiscal Period ended June 30, 2013 (from January 1 to June 30, 2013)
Cash and depoists	745,429	1,427,483
Cash and deposits in trust	2,786,480	2,690,331
Cash and cash equivalents	3,531,910	4,117,815

Overview of Unitholders



Historical Unit Price



(Note 1) The unit price indicates the closing price on the TSE market.

(Note 2) Former TGR (INV) merged with former LCP effective on Feb. 1, 2010 and split its investment units with one investment unit into five units.

(Note 3) For the purpose of providing continuity to the unit prices, the unit prices on or before Jan. 31, 2010 as indicated in the above chart are the figures adjusted by dividing the actual unit prices by five.

TSE Code: 8963

<http://www.invincible-inv.co.jp/>

For Unitholders

Investors' Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Special Account Management Institution	<Unitholders of the former Tokyo Growth REIT Fund> Mitsubishi UFJ Trust and Banking Corporation Limited 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo <Unitholders of the forme LCP Investment Corporation> Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome Chiyoda-ku, Tokyo
Correspondence (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