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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended December 31, 2012 (July 1, 2012 to December 31, 2012)

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

It gives me much pleasure to take this opportunity to express my sincere gratitude to all investors of Invincible Investment Corporation (INV) for your ongoing support.

We hereby provide you with a report of the results of INV's financial results and operational condition for the 19th period (covering the period from July 1, 2012 to December 31, 2012).

With the objective of providing unitholders with stable cash flows over the medium to long term, we have taken various measures for securing a stable financial foundation and achieving our growth strategy, such as the merger, the invitation of a new sponsor, a capital increase via third-party allotment, debt refinancing, and implementation of measures for internal growth.

During the 19th period we not only achieved internal growth but also, for the first time in four years since September 2008, external growth. Using the proceeds of JPY 12,510 million raised from new borrowings and the refinancing of existing loans, together with JPY 1,533 million in funds on hand, we acquired 24 new residential properties (for an acquisition price of JPY 14,043 million).

Additionally, a general meeting of unitholders was held in November 2012, at which our articles of incorporation were revised, reducing asset management fees and making it possible to set reasonable distribution even in the case the conduit requirements (Note) are not met.

As a result of these activities, for the 19th period operating revenues totaled JPY 2476 million, a JPY 299 million increase over the last fiscal period, operating income totaled JPY 1,084, or a JPY 190 million increase, ordinary income was JPY 114 million, or a JPY 11 million decrease, and net income was at JPY 114 million, a decrease of JPY 13 million, while distribution per unit was JPY 117, a decrease of JPY 83 per unit from the last fiscal period.

With respect to the amount of distribution per unit, due to the recognition of one-time expenses associated with the acquisition of new properties, including loan-related costs JPY 120 million, the amount of JPY 117 per unit was below the previous level of approximately JPY 200 per unit. However, in terms of contribution, distribution per unit from net income was JPY 85 (as opposed to JPY 95 for the previous fiscal period), and the distribution per unit from reversal of surplus resulting from the negative goodwill attributable to the merger was JPY 32 (as opposed to JPY 105 for the previous fiscal period). Thus, on a net income basis the decrease compared to the previous fiscal period was only JPY 10 per unit.

INV believes that through its new acquisitions of 24 residential properties, it has substantially expanded the size of its assets and established a strong revenue base. Commencing with the next fiscal period (ending June 30, 2013), we expect it will be possible to realize the same level of distribution as in prior periods over the medium to long term without utilizing the surplus. From this perspective, we believe the activities undertaken during the 20th period are of great significance for INV.

In terms of measures going forward, we expect to continue to focus on internal growth, with leasing strategies for not only occupancy rates but also rent increases. In addition, we will continue to consider additional reductions in costs, which are already at a low level. In addition, to prepare for future refinancings of borrowings, we will seek to increase the asset value of properties for collateral, strengthen our existing relations with financial institutions and forge new relations with other financial institutions.

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

(Note): Unlike normal operating companies, investment corporations are granted a deduction for corporation tax for profit that is distributed to unitholders, so long as certain conduit requirements are satisfied. Thus, taxes are applicable only for the unitholders that receive such distributions, eliminating double taxation. One of the conduit requirements is called the “payment distribution requirement,” which requires distribution of 90% or more of the distributable profit. INV has losses carried forward for tax purposes of JPY 20,561 million (as of December 31, 2012) and thus expects that even if the conduit requirement is not met, for a certain period, no corporate tax will be payable.

Naoki Shibatsuji

Invincible Investment Corporation
Executive Director

Consonant Investment Management Co., Ltd
President and CEO

Fixed Distributions	The 19th fiscal period (the fiscal period ended December 2012)	Per investment unit JPY 117
Forecast Distributions	The 20th fiscal period (the fiscal period ending June 2013)	Per investment unit JPY 200

Summary of Financial Results

	Period from January 1, 2011 to June 30, 2011	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
Operating Revenue (Thousands of yen)	2,277,374	2,202,448	2,176,839	2,476,430
Ordinary Income (Thousands of yen)	(52,342)	(3,466,417)	128,981	114,784
Net Income (Thousands of yen)	(1,308,522)	(2,476,155)	128,175	114,179
Net Assets (Thousands of yen)	28,571,173	32,967,658	32,826,175	32,670,697
Total Assets (Thousands of yen)	73,165,258	68,083,586	67,698,887	80,200,022
Net Assets per Unit (Thousands of yen)	44,874	24,451	24,346	24,231
Net Assets/Total Assets (Thousands of yen)	39.1	48.4	48.5	40.7
Distribution per Unit (Thousands of yen)	200	200	200	117
Number of Units Issued (Units)	636,695	1,348,292	1,348,292	1,348,292

Note: Figures are rounded down to the indicated unit. "Net Assets per Unit" are rounded to the nearest yen.

Operating Revenue 2,476,430 thousand yen

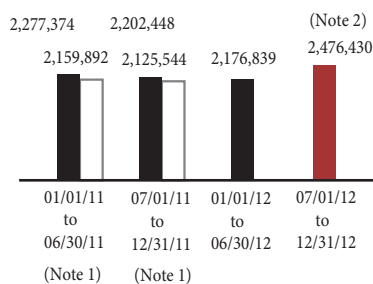
Up **299,590 thousand yen** from
previous period (13.8% increase)
(Note 1)

Operating Income 114,179 thousand yen

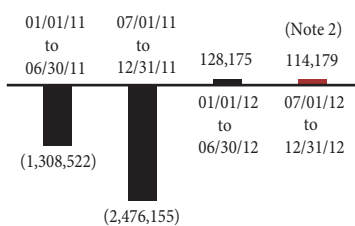
Up **13,995 thousand yen** from
previous period (10.9% decrease)

Distribution per Unit 117 yen

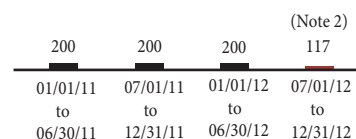
Up **83 yen** from previous period
(41.5% decrease)



Unit: Thousand yen



Unit: Thousand yen



Unit: yen

Note 1: The figure in vertical axis □ of the "Operating Revenue" bar chart (Fiscal year end 06/30/11 and 12/31/11) excludes the effect of New Edobashi Building which was sold as of October 21, 2011.

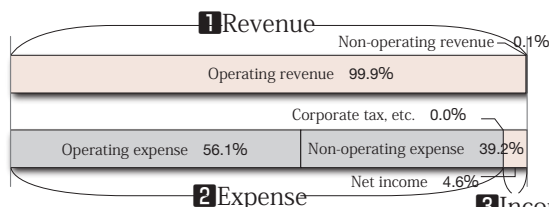
Note 2: The forecast for the fiscal period ending June 30, 2013 is operating revenues of JPY 2,761 million, ordinary income of JPY 280 million and distribution per unit at JPY 200.

Highlights of Performance

Statement of Income (from July 1, 2012 to December 31, 2012)

(units : millions of yen)

1 Revenue +	<ul style="list-style-type: none"> Rental Revenues (rent, common area services, parking lot services, etc.) Operating Revenues 2,476
2 Expense -	<ul style="list-style-type: none"> Property Related Expenses (Building maintenance, taxes, insurance, depreciation, etc.) 1,156 Directors' Remuneration 4 Asset Management Fees 130 Asset Custodian Fees 3 Administrative Service Fees 24 Other Operating Expenses 72 Operating Expenses 1,392
1 Revenue +	<ul style="list-style-type: none"> Interest Revenues, Miscellaneous Income Non-operating Revenues 3
2 Expense -	<ul style="list-style-type: none"> Interest Expenses 763 Finance Related Costs 208 Investment Unit Issuance Expenses, etc. 1 Non-operating Expenses 972
2 Expense -	<ul style="list-style-type: none"> Corporate Tax, Residential Tax and Business Tax Corporate Tax, etc. 0
3 Income =	<ul style="list-style-type: none"> Net Income Net Income 114



The Statement of Income shows the revenues and the corresponding expenses from the beginning to the end of the fiscal period and is sometimes referred to as a company's operation report.

(Note) The above ratio is calculated based on the total amount of revenue.

1 Revenue is mainly from monthly rental revenues

2,476 million yen or 99% out of the total revenue (2,479 million yen) for fiscal period ending December 2012 was derived from rental revenues such as rent and common area fees.

2 Various expenses are deducted from the total revenue amount

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3 The net income (distributable income) for this fiscal period is calculated by deducting the expenses in 2 above from 1 above.

With respect to distributions, by utilizing a portion (JPY 43 million) of the surplus from the previous fiscal period (June 2012), distributions totaled JPY 157 million, or distribution per unit of JPY 117.

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 income set forth in the Special Taxation Measures Act, the distribution amount per unit was decided at JPY 117.

(Note) The amount of distributable profit (JPY 174 million (*)) x 90% = JPY 156.6 million

The total amount of distributions for the period ended December 2012 was JPY 157.7 million, which exceeded the above calculation of JPY 156.6 million.



(*) The amount of distributable profit (JPY 174 million) = fiscal period net profit before taxes (JPY 114 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)

Balance Sheet (December 31, 2012)

(Unit: millions of yen)

Operation		Fund Raising Results	
<p>Current Assets (Cash and deposits) </p> <p>4,564</p>	<p>Assets 100.0%</p>	<p>2 Liabilities 59.3%</p>	<p>Current Liabilities (Accrued liabilities, advances and current portion of long-term debt, etc.) 1,161</p>
<p>1 Non-Current Assets</p> <ul style="list-style-type: none"> • Tangible Assets (Real estate/real estate in trust, etc.)  • Intangible Assets (Software/trade marks) • Investments and other assets (Long-term prepaid expenses/guarantee expenses, etc.) <p>75,635</p>			<p>Non-Current Liabilities (Long-term debts/long-term debts in trust/long-term accrued expenses) 46,367</p>
		<p>Net Assets 40.7%</p>	<p>Unitholders' Capital (Financing from unitholders/capital surplus/unappropriated retained earnings) 32,670</p>

The right column of the balance sheet shows the “Current Liabilities” and “Net Assets” which sets forth how the fund is raised and the left column shows the “Current Assets” which sets forth how the funds mentioned in the right column were invested. The total amount in the right column and left column always match and are therefore called the balance sheet.

- 1** Most of the current assets are non-current assets and a large portion of it is composed of tangible assets such as real estate and real estate in trust.

The total amount of assets increased to JPY 12,501 million this fiscal period mainly due to the acquisition of 24 properties.

- 2** The funds set forth in “Current Liabilities” include loans from financial institutions.

During the reporting period, in order to partially finance the acquisition of the 24 new properties, we engaged in a refinancing for a larger amount by repaying a portion of existing debt and concurrently taking out new long-term borrowings in the amount JPY 12,510 million. In addition, we made two scheduled repayments of debt (Note 1) totaling JPY 131 million. As a result, the interest-bearing debt as of the end of the reporting period was JPY 43,982 million, and the interest-bearing debt ratio was 57.6% (Note 2).

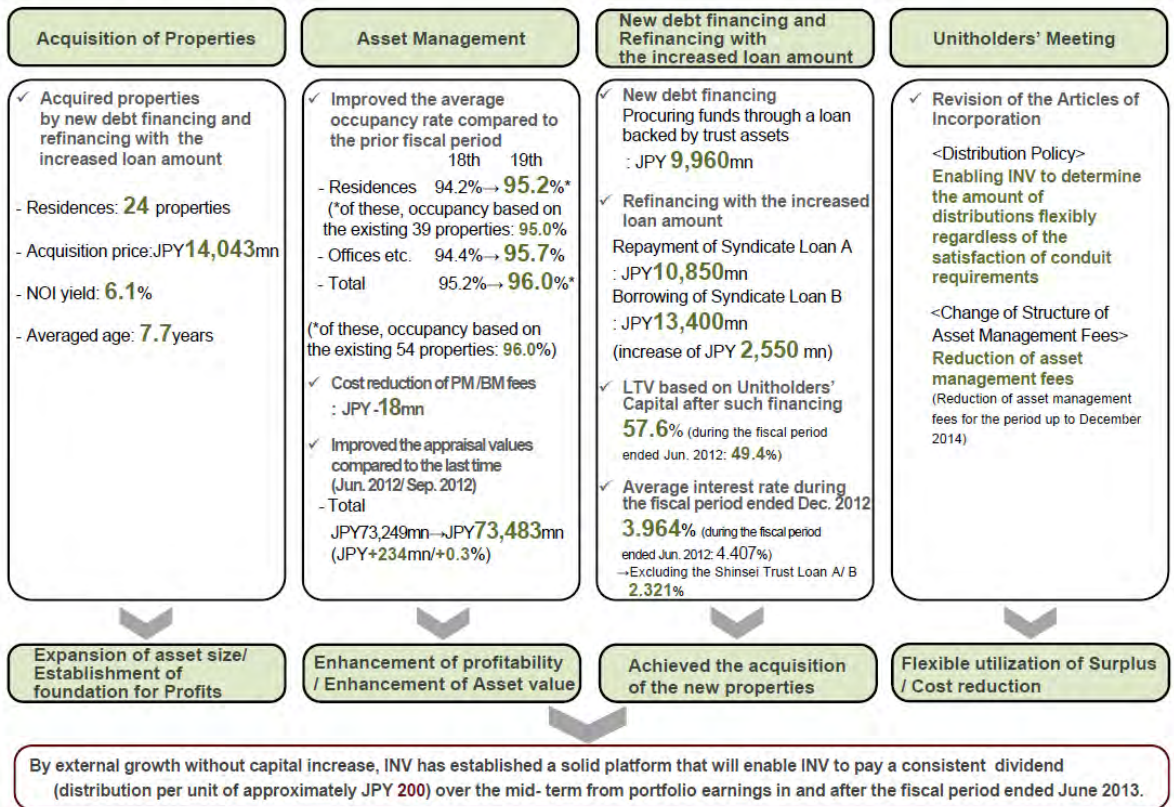
(Note 1) Rescheduled payments include partial repayment of the Syndicate Loan B of JPY 150 million per year (JPY 37.5 million per quarter) and the Shinsei Trust Loan B of JPY 112 million (JPY 28 million per quarter).

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

$$\text{Interest-bearing debt ratio} = \text{amount of interest-bearing debt} \div \text{total amount of assets at end of period} \times 100$$

Activities during the 19th fiscal period ended Dec. 2012

Invincible Investment Corporation



Acquisition Details and Results

Invincible Investment Corporation

Acquisition Details		Existing 54 properties as of the 18th FP (Jun. 2012)	New 24 properties (Sep. 28, 2012)	78 properties as of the 19th FP (Dec. 2012)	
Property Type	Residences	Acquisition Price	JPY 63,118 mn	JPY 14,043 mn	JPY 77,161 mn
No. of Properties	24	Appraisal Value	JPY 59,106 mn	JPY 14,143 mn	JPY 73,483 mn
Acquisition Price	JPY 14,043 mn	No. of Properties	54	24	78
Seller	Rhodia Godo Kaisha	Debt Financing	JPY 31,603 mn	JPY 12,510 mn	JPY 43,982 mn
Acquisition Date	Sep. 28, 2012	LTV based on Unitholders' Capital	49.4 %		57.6 %
Acquisition Fund	Debt financing (JPY 12,510 mn) / Cash on hand (JPY 1,533 mn)	LTV based on Appraisal Value	53.5 %	70.4 %	59.9 %
Payment of Acquisition Fees to Asset Manager	JPY 1,400 ths (Note 1)	NOI yield (Note 2)	5.0 %	6.1 %	5.2 %

(Note 1) The acquisition fees of the new 24 properties to the Asset Manager are held down as follows.

"Acquisition Price (JPY 14,043 mn) x 0.01% = JPY 1.4 mn".

(Note 2) NOI yield is calculated based on the following formula:

NOI yield (based on Acquisition Price) (%)

= ((Rental Revenues - Property Related Expenses + Depreciation Expenses) / days during the period x 365) / Acquisition Price

Furthermore, the above NOI yield of 6.1% of the new 24 properties is an estimate as of September 26, 2012, calculated based on the number (362 days) calculated

by doubling the number of days under INV's management from January 1, 2013 to June 30, 2013 (181 days).

Introduction of 24 Newly Acquired Properties

A76 Neo Prominence



Location	3-21-5 Shimo, Kita Ward, Tokyo		
Transport Access	About 1 minute walk from Shimo Station on Tokyo Metro Namboku Line		
Structure & Floors	Steel-reinforced concrete, roof deck, 12 stories	Completion Date	Apr. 4, 1994
Total Leasable Area	3,574.70 m ²	Total Leasable Units	52
Appraisal Value	JPY 1,670 mn	Acquisition Price	JPY 1,660 mn
NOI (Note)	JPY 27 mn	Price Per Unit Area	JPY 8,767
Occupancy Rate	94.8 %		

(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

- The property is about 1 minute's walk from Shimo Station on the Tokyo Metro Namboku Line.
- JR Akabane Station is also an option for residents and so access to places such as Ikebukuro and Shinjuku is also good.
- The residential units are suitable for families, centering on 3LDK of around 60m² (43units).
- The property is a rental apartment with shops (family restaurant and beauty parlor) on the lower floor.
- Nearby are facilities such as large supermarkets, convenience stores and a post office, making the property excellent also in terms of living convenience.
- Demand from families is expected that seek rents that are more reasonable than downtown areas in addition to the preciousness since there are few competitive properties nearby.
- Pets allowed.
- 2 lifts.
- By Seller's expense, implemented large-scale repairs, including outer wall repair, replacement of shared corridor sheet, iron parts paint and waterproof construction.

A77 Invoice Shin-Kobe Residence



Location	3-3-8 Ikutacho, Chuo Ward, Kobe City, Hyogo Prefecture		
Transport Access	About 6 minute walk from Shin-Kobe Station on Kobe Municipal Subway Seishin-Yamate Line		
Structure & Floors	Reinforced concrete, roof deck, 10 stories	Completion Date	Jan. 24, 2007
Total Leasable Area	2,773.71 m ²	Total Leasable Units	81
Appraisal Value	JPY 1,260 mn	Acquisition Price	JPY 1,260 mn
NOI (Note)	JPY 21 mn	Price Per Unit Area	JPY 9,450
Occupancy Rate	99.1 %		

(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

- It takes 2 minutes by the train from Shin-Kobe Subway Station, which is the nearest to the property, to Sannomiya Subway Station, and Shin-Kobe Subway Station is connected to Shin-Kobe Station on the Sanyo Shinkansen Line where the Nozomi train service is available. Therefore, there is excellent access to locations across the country.
- The south side of Shin-Kobe Station is directly connected to Shin-Kobe Oriental City which is a hotel, shopping and theater complex. On the north side sits Mount Rokko.
- As Sannomiya Station on JR Tokaido Main Line, the central area of administration and economy in Hyogo Prefecture, is only about a 12 minute walk away from the property, demand from the tenants is expected.
- The property is a relatively large rental apartment for single persons and DINKS consisting of 1K (27units) and ILDK (54units), which is popular.
- All units face south-southeast.

A78 Cosmo Court Motomachi



A81 Sun Terrace Minami Ikebukuro



Location	3-12-20 Motomachi Dori, Chuo Ward, Kobe City, Hyogo Prefecture		
Transport Access	About 1 minute walk from Motomachi Station on JR Kobe Line		
Structure & Floors	Reinforced concrete, roof deck, 13 stories with basement	Completion Date	Mar. 8, 2007
Total Leasable Area	2,310.49 m ²	Total Leasable Units	82
Appraisal Value	JPY 981 mn	Acquisition Price	JPY 973 mn
NOI (Note)	JPY 17 mn	Price Per Unit Area	JPY 8,993
Occupancy Rate	97.5 %		

- The property is located approximately 1 minute's walk from Motomachi Station on the JR Tokaido Main Line and has good access to the nearest train station.
- It takes approximately 1 minute to Sannomiya Station, which is the central area of the prefecture's administration and economy, from Motomachi Station. In addition to JR, access to the Hankyu Kobe Line and Hanshin Main Line is also excellent.
- The JR Motomachi Station area is a busy area where commercial facilities such as department stores and large electronics retail stores are located, and the area is also near to Motomachi Chinatown.
- Rental apartment targeting single persons and consisting of 82 1K units.
- Many tenants reside for medium- to long-term and the occupancy rate is stable.

(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012

Location	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo		
Transport Access	About 5 minute walk from Ikebukuro Station on JR Yamanote Line, Tokyo Metro Marunouchi Line and other lines.		
Structure & Floors	Steel-reinforced concrete, roof deck, 11 stories	Completion Date	Feb. 28, 1998
Total Leasable Area	898.70 m ²	Total Leasable Units	38
Appraisal Value	JPY 625 mn	Acquisition Price	JPY 625 mn
NOI (Note)	JPY 7 mn	Price Per Unit Area	JPY 12,536
Occupancy Rate	100.0 %		

- The property is located approximately 5 minutes' walk from Ikebukuro Station, which is one of Tokyo's terminal stations with trains coming from JR lines, Tokyo Metro lines, Tobu Line and Seibu Line. The access to all directions is excellent.
- The area surrounding the JR Ikebukuro Station is a busy area where, centering on large department stores, commercial facilities such as electronics retail stores and specialized stores, and restaurants are located.
- Rental apartment targeting single persons and consisting of 38 1K units.
- By Seller's expense, implemented large-scale repairs, including outer wall repair, replacement of shared corridor sheet, iron parts paint and waterproof construction.

A79 Revest Honjin



(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

Location	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi Prefecture		
Transport Access	About 2 minute walk from Honjin Station on Nagoya Municipal Subway Higashiyama Line		
Structure & Floors	Steel concrete, roof deck, 11 stories	Completion Date	Mar. 8, 2007
Total Leasable Area	1,933.80 m ²	Total Leasable Units	80
Appraisal Value	JPY 678 mn	Acquisition Price	JPY 674 mn
NOI(Note)	JPY 12 mn	Price Per Unit Area	JPY 8,560
Occupancy Rate	93.8 %		

A80 Revest Matsubara



Location	3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture		
Transport Access	About 12 minute walk from Higashi Betsuin Station on Nagoya Municipal Subway Meijo Line		
Structure & Floors	Steel concrete, roof deck, 11 stories	Completion Date	Mar. 8, 2007
Total Leasable Area	1,955.40 m ²	Total Leasable Units	70
Appraisal Value	JPY 664 mn	Acquisition Price	JPY 657 mn
NOI(Note)	JPY 13 mn	Price Per Unit Area	JPY 8,045
Occupancy Rate	81.9 %		

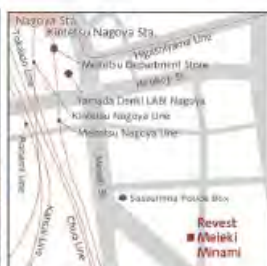
A82 Alba Noritake Shinmachi



(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012

Location	3-8-8 Noritake Shinmachi, Nishi Ward, Nagoya City, Aichi Prefecture		
Transport Access	About 7 minute walk from Kamejima Station on Nagoya Municipal Subway Higashiyama Line		
Structure & Floors	Steel concrete, roof deck, 9 stories	Completion Date	Nov. 6, 2006
Total Leasable Area	1,731.68 m ²	Total Leasable Units	64
Appraisal Value	JPY 617 mn	Acquisition Price	JPY 608 mn
NOI(Note)	JPY 10 mn	Price Per Unit Area	JPY 7,979
Occupancy Rate	98.6 %		

A83 Revest Meieki Minami



Location	2-13-33 Meiekiminami, Nakamura Ward, Nagoya City, Aichi Prefecture		
Transport Access	About 6 minute walk from Kintetsu-Nagoya Station on Kintetsu Nagoya Line		
Structure & Floors	Steel concrete, roof deck, 15 stories	Completion Date	Feb. 23, 2007
Total Leasable Area	1,634.60 m ²	Total Leasable Units	61
Appraisal Value	JPY 599 mn	Acquisition Price	JPY 597 mn
NOI(Note)	JPY 10 mn	Price Per Unit Area	8,266
Occupancy Rate	97.0 %		

A84 Revest Heian



Location	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture		
Transport Access	About 3 minute walk from Heian-dori Station on Nagoya Municipal Subway Meijo Line, etc.		
Structure & Floors	Steel concrete, roof deck, 9 stories	Completion Date	Nov. 22, 2006
Total Leasable Area	1,554.03 m ²	Total Leasable Units	40
Appraisal Value	JPY 599 mn	Acquisition Price	JPY 595 mn
NOI(Note)	JPY 9 mn	Price Per Unit Area	JPY 8,231
Occupancy Rate	95.2 %		

A85 Vendir Hamaotsu Ekimae



(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

Location	1-2-15 Hama Otsu, Otsu City, Shiga Prefecture		
Transport Access	About 1 minute walk from Hamaotsu Station on Keihan Ishiyama Sakamoto Line and Keishin Line		
Structure & Floors	Steel concrete, roof deck, 10 stories	Completion Date	Feb. 28, 2007
Total Leasable Area	2,670.66 m ²	Total Leasable Units	81
Appraisal Value	JPY 638 mn	Acquisition Price	JPY 581 mn
NOI(Note)	JPY 13 mn	Price Per Unit Area	JPY 6,403
Occupancy Rate	93.3 %		

A86 Salvo Sala



Location	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka Prefecture		
Transport Access	About 6 minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line and Nagahori Tsurumi-ryokuchi Line		
Structure & Floors	Steel concrete, roof deck, 10 stories	Completion Date	Jan. 5, 2007
Total Leasable Area	1,428.12 m ²	Total Leasable Units	54
Appraisal Value	JPY 548 mn	Acquisition Price	JPY 544 mn
NOI(Note)	JPY 5 mn	Price Per Unit Area	JPY 9,427
Occupancy Rate	89.9 %		

A87 Excellente Kagurazaka



Location	128-1 Yamabukicho Shinjuku Ward, Tokyo		
Transport Access	About 6 minutes walk from Edogawabashi Station on Tokyo Metro Yurakucho Line		
Structure & Floors	Steel concrete, roof deck, 12 stories	Completion Date	Jan. 11, 2007
Total Leasable Area	701.92 m ²	Total Leasable Units	33
Appraisal Value	JPY 544 mn	Acquisition Price	JPY 543 mn
NOI(Note)	JPY 6 mn	Price Per Unit Area	JPY 14,208
Occupancy Rate	100.0 %		

A88 Luna Court Edobori



(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

Location	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture		
Transport Access	About 4 minute walk from Awaza Station on Osaka Municipal Subway Chuo Line and Sennichimae Line		
Structure & Floors	Steel concrete, roof deck, 11 stories	Completion Date	Feb. 25, 2004
Total Leasable Area	1,185.50 m ²	Total Leasable Units	50
Appraisal Value	JPY 528 mn	Acquisition Price	JPY 525 mn
NOI(Note)	JPY 8 mn	Price Per Unit Area	JPY 9,793
Occupancy Rate	96.0 %		

A89 Winntage Kobe Motomachi



Location	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo Prefecture		
Transport Access	About 2 minute walk from Nishi-Motomachi Station on Kobe Kosoku Line		
Structure & Floors	Steel concrete, roof deck, 13 stories with basement	Completion Date	May.28, 2007
Total Leasable Area	1,433.35 m ²	Total Leasable Units	57
Appraisal Value	JPY 524 mn	Acquisition Price	JPY 512 mn
NOI(Note)	JPY 8 mn	Price Per Unit Area	JPY 9,156
Occupancy Rate	98.2 %		

A90 Queen's Court Fukuzumi



Location	1-3-10 Fukuzumi, Koto Ward, Tokyo		
Transport Access	About 7 minute walk from Monzen-Nakacho Station on Tokyo Metro Tozai Line, etc		
Structure & Floors	Steel , roof deck , 6 stories	Completion Date	Sep. 22, 2006
Total Leasable Area	765.18 m ²	Total Leasable Units	25
Appraisal Value	JPY 461 mn	Acquisition Price	JPY 456 mn
NOI(Note)	JPY 5 mn	Price Per Unit Area	JPY 11,301
Occupancy Rate	100.0 %		

A91 Corp Higashinotoin



A92 Belair Oimachi



A93 Siete Minami-Tsukaguchi



(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

Location	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudara, Chukyo Ward Kyoto City, Kyoto Prefecture		
Transport Access	About 5 minute walk from Karasuma Oike Station on Kyoto Municipal Subway Karasuma Line and Tozai Line		
Structure & Floors	Steel concrete, roof deck, 10 stories	Completion Date	Feb. 27, 2004
Total Leasable Area	1,029.05 m ²	Total Leasable Units	42
Appraisal Value	JPY 447 mn	Acquisition Price	JPY 446 mn
NOI(Note)	JPY 7 mn	Price Per Unit Area	JPY 9,230
Occupancy Rate	100.0 %		

Location	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo		
Transport Access	About 3 minute walk from Oimachi Station on JR Keihin-Tohoku Line, etc.		
Structure & Floors	Steel concrete, roof deck, 10 stories	Completion Date	Apr. 18, 2006
Total Leasable Area	530.60 m ²	Total Leasable Units	26
Appraisal Value	JPY 413 mn	Acquisition Price	JPY 412 mn
NOI(Note)	JPY 6 mn	Price Per Unit Area	JPY 15,210
Occupancy Rate	92.6 %		

Location	3-18 Minami Tsukaguchimachi, Amagasaki City, Hyogo Prefecture		
Transport Access	About 7 minute walk from Tsukaguchi Station on JR Fukuchiyama Line		
Structure & Floors	Steel concrete, roof deck, 5 stories	Completion Date	Jan. 30, 2007
Total Leasable Area	1,020.86 m ²	Total Leasable Units	40
Appraisal Value	JPY 380 mn	Acquisition Price	JPY 374 mn
NOI(Note)	JPY 7 mn	Price Per Unit Area	JPY 8,863
Occupancy Rate	94.9 %		

A94 Prime Life Sannomiya Isogami Koen

(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.



Location	4-3-23 Isogamidori ,Chuo Ward, Kobe City Hyogo Prefecture		
Transport Access	About 5 minute walk from Sannomiya-Hanadokeimae Station on Kobe Municipal Subway Line		
Structure & Floors	Steel concrete, roof deck, 9 stories	Completion Date	Nov. 21, 2006
Total Leasable Area	789.12 m ²	Total Leasable Units	32
Appraisal Value	JPY 372 mn	Acquisition Price	JPY 373 mn
NOI(Note)	JPY 8 mn	Price Per Unit Area	JPY 9,961
Occupancy Rate	100.0 %		

A95 HERMITAGE NANBA WEST



Location	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka Prefecture		
Transport Access	About 8 minute walk from Sakuragawa Station on Osaka Municipal Subway Sennichimae Line		
Structure & Floors	Steel concrete, roof deck, 7 stories	Completion Date	Dec. 10, 2006
Total Leasable Area	992.76 m ²	Total Leasable Units	21
Appraisal Value	JPY 358 mn	Acquisition Price	JPY 355 mn
NOI(Note)	JPY 3 mn	Price Per Unit Area	JPY 8,776
Occupancy Rate	91.2 %		

A96 Century Park Shinkawa 1-bankan



Location	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi Prefecture		
Transport Access	About 9 minute walk from Tokai-dori Station on Nagoya Municipal Subway Meiko Line		
Structure & Floors	Steel, roof deck, 11 stories	Completion Date	Sep. 7, 2001
Total Leasable Area	1,477.62 m ²	Total Leasable Units	44
Appraisal Value	JPY 340 mn	Acquisition Price	JPY 335 mn
NOI(Note)	JPY 7 mn	Price Per Unit Area	JPY 5,685
Occupancy Rate	100.0 %		

A97 West Avenue



(Note) The term of calculation of NOI is from Sep. 28, 2012 to Dec. 31, 2012.

Location	1-5-17 Nishi, Kunitachi City, Tokyo		
Transport Access	About 14 minute walk from Nishi-Kunitachi Station on JR Nambu Line		
Structure & Floors	Steel concrete, roof deck, 4 stories	Completion Date	Oct. 15, 1991
Total Leasable Area	794.80 m ²	Total Leasable Units	40
Appraisal Value	JPY 333 mn	Acquisition Price	JPY 331 mn
NOI(Note)	JPY 5 mn	Price Per Unit Area	JPY 9,660
Occupancy Rate	90.0 %		

A98 Little River Honmachibashi



Location	1-34 Honmachibashi Chuo Ward, Okasa City, Osaka Prefecture		
Transport Access	About 8 minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Sakaisuji Line and Chuo Line		
Structure & Floors	Steel-reinforced concrete, roofing cover, 11 stories	Completion Date	Jun. 15, 2007
Total Leasable Area	974.81 m ²	Total Leasable Units	31
Appraisal Value	JPY 318 mn	Acquisition Price	JPY 310 mn
NOI(Note)	JPY 4 mn	Price Per Unit Area	JPY 7,510
Occupancy Rate	96.9 %		

A99 Prime Life Mikage



Location	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture		
Transport Access	About 5 minute walk from Ishiyagawa Station on Hanshin Main Line		
Structure & Floors	Steel concrete, roof deck, 8 stories	Completion Date	Jan. 24, 2007
Total Leasable Area	761.18 m ²	Total Leasable Units	28
Appraisal Value	JPY 299 mn	Acquisition Price	JPY 297 mn
NOI(Note)	JPY 4 mn	Price Per Unit Area	JPY 9,006
Occupancy Rate	85.5 %		

Portfolio Overview

(as of December 31, 2012)

Property Number	Name of Property	Location	Leasable Area (m ²)	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	1,110	1,153	1.6	96.9
	A27	Nissin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	2,681.94	60	1,229	1,190	1,102	1.6	90.3
	A28	Growth Maison Gotanda	Shinagawa Ward, Tokyo	1,051.50	48	888	909	859	1.2	100.0
	A29	Growth Maison Kameido	Koto Ward, Tokyo	1,367.96	66	1,070	1,020	1,030	1.4	94.0
	A30	Emerald House	Itabashi Ward, Tokyo	2,152.31	96	1,505	1,160	1,444	2.0	99.0
	A31	Harmonie Ochanomizu	Bunkyo Ward, Tokyo	1,748.24	65	1,428	1,190	1,392	1.9	100.0
	A32	Suncrest Shakujji-Koen	Nerima Ward, Tokyo	3,029.16	29	1,088	990	1,052	1.4	94.7
	A33	Growth Maison Shin-Yokohama	Yokohama City, Kanagawa Prefecture	1,858.44	68	1,059	1,020	1,010	1.4	98.5
	A34	Belle Face Ueno-Okachimachi	Taito Ward, Tokyo	1,351.11	64	1,023	916	999	1.3	98.4
	A35	Grand Rire Kameido	Koto Ward, Tokyo	1,562.26	72	906	889	871	1.2	100.0
	A36	Growth Maison Ikebukuro	Toshima Ward, Tokyo	952.89	42	825	783	792	1.1	90.6
	A37	Growth Maison Yoga	Setagaya Ward, Tokyo	1,015.34	39	795	664	774	1.0	92.2
	A38	Route Tachikawa	Tachikawa City, Tokyo	1,368.57	24	676	583	655	0.9	100.0
	A39	Shibuya-Honmachi Mansion	Shibuya Ward, Tokyo	1,167.50	25	651	575	656	0.8	100.0
	A40	City Heights Kinuta	Setagaya Ward, Tokyo	1,235.93	19	646	446	646	0.8	89.2
	A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi City, Saitama Prefecture	1,210.74	57	620	648	586	0.8	100.0
	A42	Capital Heights Kagurazaka	Shinjuku Ward, Tokyo	1,126.65	26	604	528	619	0.8	92.5
	A43	College Square Machida	Machida City, Tokyo	1,047.75	62	589	515	578	0.8	100.0
	A44	Belair Meguro	Meguro Ward, Tokyo	557.05	25	589	526	577	0.8	92.1
	A45	Wacore Tsunashima I	Yokohama City, Kanagawa Prefecture	908.99	50	572	489	557	0.7	96.1
	A46	Foros Nakamurahashi	Nerima Ward, Tokyo	815.76	37	566	518	542	0.7	100.0
	A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	2,040.27	34	557	449	524	0.7	97.1
	A48	College Square Machiya	Arakawa Ward, Tokyo	871.35	43	510	483	488	0.7	100.0
	A51	City House Tokyo Shinbashi	Minato Ward, Tokyo	3,364.00	86	2,520	2,560	2,444	3.3	90.8
	A52	Winbell Kagurazaka	Shinjuku Ward, Tokyo	4,032.70	118	3,260	3,320	3,171	4.2	96.4
	A53	Nishiwaseda Crescent Mansion	Shinjuku Ward, Tokyo	4,310.77	69	1,880	1,990	1,854	2.4	100.0
	A54	Lexington Square Akebonobashi	Shinjuku Ward, Tokyo	1,987.88	88	1,450	1,520	1,402	1.9	93.1
	A56	Casa Eremitaggio	Meguro Ward, Tokyo	1,197.19	17	1,070	996	1,021	1.4	92.9
	A59	Towa City Coop Shinotsuka II	Toshima Ward, Tokyo	1,627.13	58	866	915	841	1.1	97.3
A61	Bichsel Musashiseki	Nerima Ward, Tokyo	1,220.24	70	577	580	566	0.7	97.1	
A62	Lexel Mansion Ueno Matsugaya	Taito Ward, Tokyo	1,969.45	29	970	1,030	924	1.3	93.2	
A63	Towa City Coop Sengencho	Yokohama City, Kanagawa Prefecture	3,426.36	154	1,110	1,210	1,066	1.4	94.3	
A64	Royal Park Omachi	Sendai City, Miyagi Prefecture	1,929.59	51	415	434	402	0.5	96.4	
A65	Lexington Square Haginomachi	Sendai City, Miyagi Prefecture	1,528.58	39	330	363	317	0.4	100.0	
A66	Visconti Kakuzan	Nagoya City, Aichi Prefecture	705.75	8	255	218	245	0.3	88.6	
A71	Lexington Square Daitabashi	Suginami Ward, Tokyo	1,430.64	43	977	989	930	1.3	95.1	
A72	Lexington Square Honjo Azumabashi	Sumida Ward, Tokyo	784.74	33	511	507	482	0.7	100.0	
A73	AMS TOWER Minami 6-Jo	Sapporo City, Hokkaido	4,460.56	120	1,180	1,010	1,097	1.5	90.0	
A75	Spacia Ebisu	Shibuya Ward, Tokyo	7,794.91	109	7,010	6,800	6,801	9.1	92.2	
A76	Neo Prominence	Kita Ward, Tokyo	3,574.70	52	1,660	1,670	1,678	2.2	94.8	
A77	Invoice Shin-Kobe Residence	Kobe City, Hyogo Prefecture	2,773.71	81	1,260	1,260	1,285	1.6	99.1	
A78	Cosmo Court Motomachi	Kobe City, Hyogo Prefecture	2,310.49	82	973	981	996	1.3	97.5	
A79	Revest Honjin	Nagoya City, Aichi Prefecture	1,933.80	80	674	678	691	0.9	93.8	

(as of December 31, 2012)

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	664	673	0.9	91.9
	A81	Sun Terrace Minami Ikebukuro	Toshima Ward, Tokyo	898.70	38	625	625	634	0.8	100.0
	A82	Alba Noritake Shinmachi	Nagoya City, Aichi Prefecture	1,731.68	64	608	617	625	0.8	98.6
	A83	Revest Meieki Minami	Nagoya City, Aichi Prefecture	1,634.60	61	597	599	614	0.8	97.0
	A84	Revest Heian	Nagoya City, Aichi Prefecture	1,554.03	40	595	599	610	0.8	95.2
	A85	Vendir Hamaotsu Ekimae	Otsu City, Shiga Prefecture	2,670.66	81	581	638	597	0.8	93.3
	A86	Salvo Sala	Osaka City, Osaka Prefecture	1,428.12	54	544	548	558	0.7	89.9
	A87	Excellente Kagurazaka	Shinjuku Ward, Tokyo	701.92	33	543	544	554	0.7	100.0
	A88	Luna Court Edobori	Osaka City, Osaka Prefecture	1,185.50	50	525	528	537	0.7	96.0
	A89	Winntage Kobe Motomachi	Kobe City, Hyogo Prefecture	1,433.35	57	512	524	526	0.7	98.2
	A90	Queen's Court Fukuzumi	Koto Ward, Tokyo	765.18	25	456	461	463	0.6	100.0
	A91	Corp Higashinotoin	Kyoto City, Kyoto Prefecture	1,029.05	42	446	447	455	0.6	100.0
	A92	Belair Oimachi	Shinagawa Ward, Tokyo	530.60	26	412	413	419	0.5	92.6
	A93	Siete Minami-Tsukaguchi	Amagasaki City, Hyogo Prefecture	1,020.86	40	374	380	383	0.5	94.9
	A94	Prime Life Sannomiya Isogami Koen	Kobe City, Hyogo Prefecture	789.12	32	373	372	381	0.5	100.0
	A95	HERMITAGE NANBA WEST	Osaka City, Osaka Prefecture	992.76	21	355	358	364	0.5	91.2
	A96	Century Park Shinkawa 1-bankan	Nagoya City, Aichi Prefecture	1,477.62	44	335	340	344	0.4	100.0
	A97	West Avenue	Kunitachi City, Tokyo	794.80	40	331	333	336	0.4	90.0
	A98	Little River Honmachibashi	Osaka City, Osaka Prefecture	974.81	31	310	316	318	0.4	96.9
A99	Prime Life Mikage	Kobe City, Hyogo Prefecture	761.18	28	297	299	304	0.4	85.5	
Subtotal			109,585.97	3,413	58,083	56,237	56,845	75.3	95.4	
Office Buildings/Retail Facilities	B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	1,451.54	13	1,301	989	1,221	1.7	100.0
	B9	Shinjuku Island	Shinjuku Ward, Tokyo	526.43	1	715	520	717	0.9	100.0
	B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	6,033.58	11	4,880	4,200	4,827	6.3	100.0
	B15	Cross Square NAKANO	Nakano Ward, Tokyo	2,145.00	45	1,060	935	1,041	1.4	54.2
	B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	2,178.41	13	816	593	749	1.1	100.0
	B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	8,419.15	18	3,280	3,140	3,218	4.3	94.6
	B18	AEON TOWN Sukagawa	Sukagawa City, Fukushima Prefecture	18,440.58	1	2,320	2,070	2,179	3.0	100.0
	Subtotal			39,194.69	102	14,372	12,477	12,955	18.6	96.3
Parking Lots/Seniors	C1	Stop Parking Kanda-Sudacho	Kanda sudacho, Chiyoda-ku, Tokyo	81.04	1	97	91	100	0.1	100.0
	C21	Bon Sejour Chitose Funabashi	Setagaya Ward, Tokyo	2,342.17	42	685	734	666	0.9	100.0
	C22	Bon Sejour Yotsugi	Katsushika Ward, Tokyo	1,962.87	62	652	681	631	0.8	100.0
	C23	Bon Sejour Hino	Hino City, Tokyo	1,984.17	56	574	641	558	0.7	100.0
	C24	Bon Sejour Musashi Shinjo	Kawasaki City, Kanagawa Prefecture	1,710.43	46	486	543	473	0.6	100.0
	C25	Bon Sejour Komaki	Komaki City, Aichi Prefecture	8,858.49	123	1,050	1,060	1,004	1.4	100.0
	C26	Bon Sejour Hadano Shibusawa	Hadano City, Kanagawa Prefecture	3,435.79	100	681	616	647	0.9	100.0
	C27	Bon Sejour Itami	Itami City, Hyogo Prefecture	2,129.87	62	480	433	459	0.6	100.0
Subtotal			22,504.83	492	4,705	4,799	4,542	6.1	100.0	
Total			171,285.49	4,007	77,161	73,483	75,342	100.0	96.2	

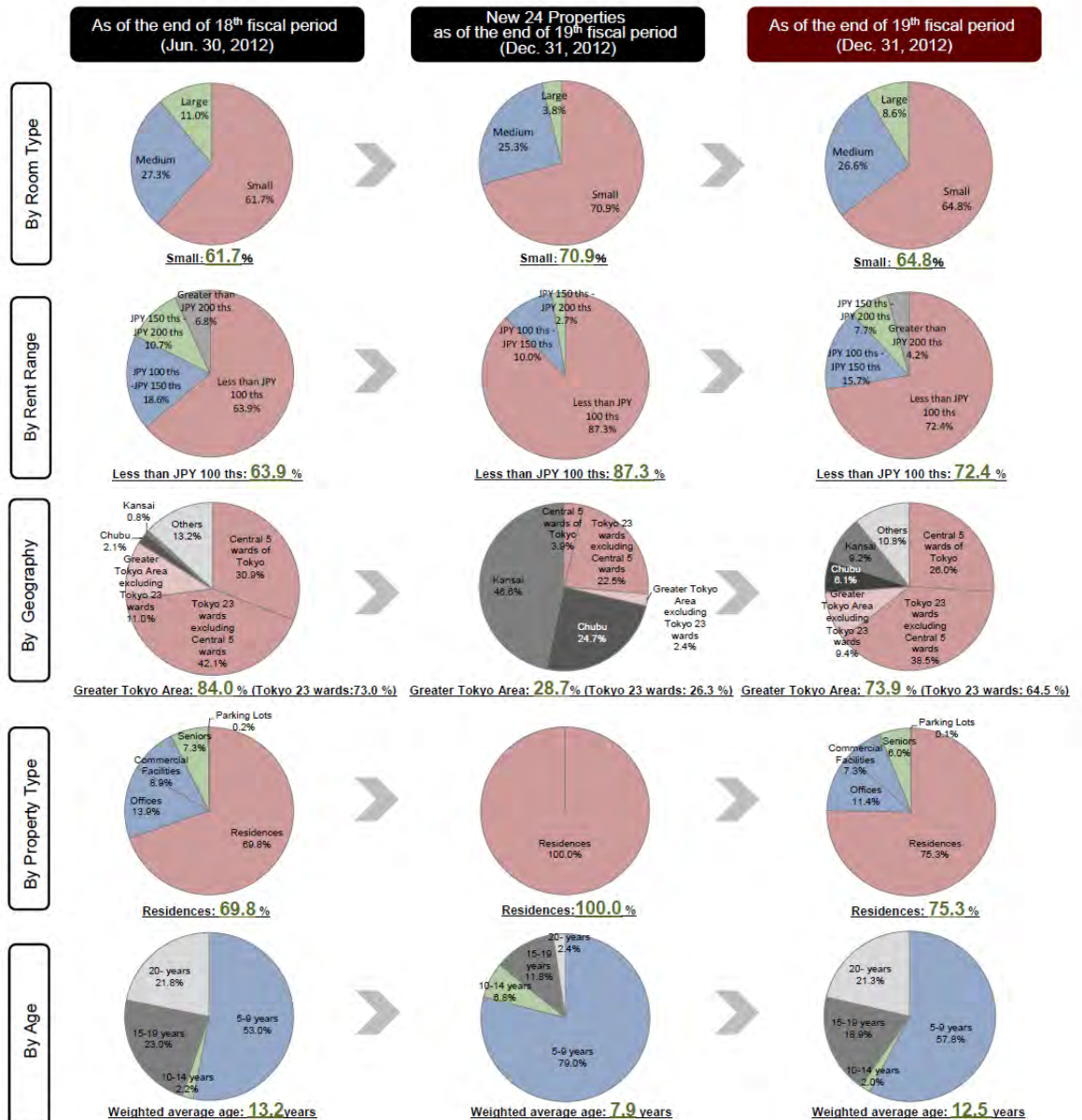
(Note): Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

■ Characteristics of Portfolio

We acquired 24 residential properties which are geographically decentralized to stabilize cash flow, lower the average age of the properties and reduce earthquake and economic risks.

The investment ratio is as follows.

Residences				(as of the end of Dec. 2012)
✓No. of Properties: 63 (Previous Period: 39)	(Based on Acquisition Price) ✓Asset Size: JPY 58 billion (Previous Period: JPY 44 billion)	✓Total Rentable Units: 3,413 units (Previous Period: 2,241 units)	✓Total Leasable Area: 109,585.97 m² (Previous Period: 74,663.33 m ²)	

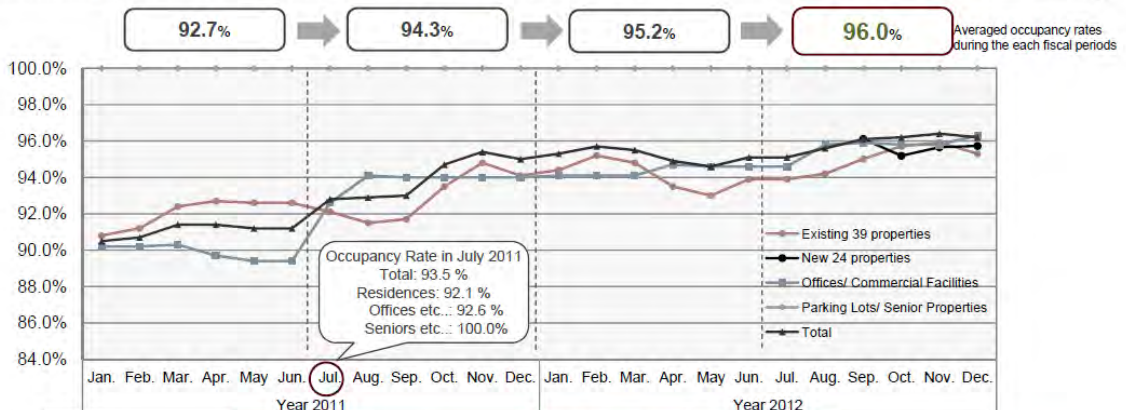


(Note 1) INV defines "Small" a rentable unit with an area of less than 30m², "Medium" as a rentable unit with an area of 30m² or more and less than 60m² and "Large" as a rentable unit with an area of 60m² or more.

(Note 2) Percentages are rounded to one decimal place.

Historical Occupancy Rates

In order for INV to maintain a stable and high occupancy rate, INV flexibly reviewed the leasing strategy for rooms for rent which had been vacant for more than 30 days, and implemented measures against this issue. The occupancy rate as of the end of November 2012 reached **96.4%**, which is the highest rate since the merger in February 2010.



	Residences		Offices/ Commercial Facilities	Parking Lots/ Senior Properties	Total
	Existing 39 properties	New 24 properties			
End of Dec. 2012	95.3%	95.7%	96.3%	100.0%	96.2%
End of Nov. 2012	95.9%	95.7%	95.8%	100.0%	96.4%
End of Oct. 2012	95.7%	95.2%	95.8%	100.0%	96.2%
End of Sep. 2012	95.0%	96.1%	95.9%	100.0%	96.1%
End of Aug. 2012	94.2%	-	95.8%	100.0%	95.6%
End of Jul. 2012	93.9%	-	94.6%	100.0%	95.1%

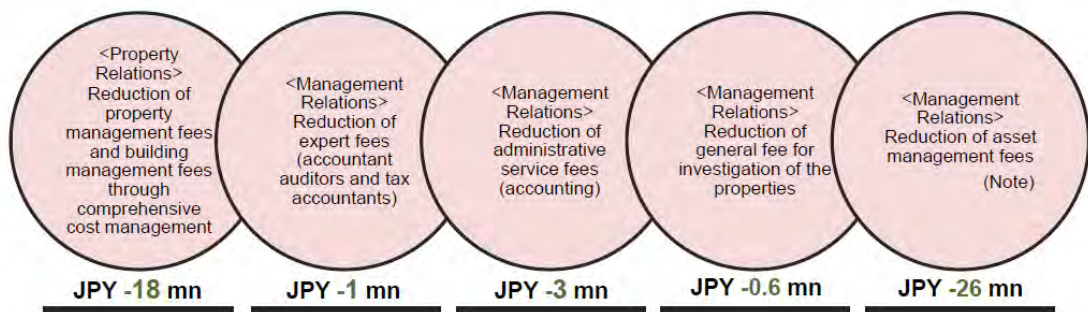
Beyond 96% of occupancy rates for 4 months in a row

(Note 1) Occupancy rate = total leased area / total leasable area x100
 (Note 2) The occupancy rates from January to September, 2011 are calculated excluding the effect of the sale of New Edobashi Building as of October 21, 2011.
 (Note 3) Percentages are rounded to one decimal place.

Initiatives for Cost Reductions

■ Effect of cost reduction for the fiscal period ended December 2012 (19th fiscal period): JPY-**51**mn
 (Forecast as of the end of fiscal period ended June 2012: JPY-21 mn)

In addition to further improvement of its operations and cost reduction, on which INV has been continuously working since the fiscal period ended June 2012, INV has revised its Articles of Incorporation at the unitholders' meeting held in November 2012 to reduce the asset management fees paid to the Asset Manager (Note)



■ Projected effect of cost reduction for the fiscal period ending June 2013 (20th fiscal period): JPY -**39**mn (Note)

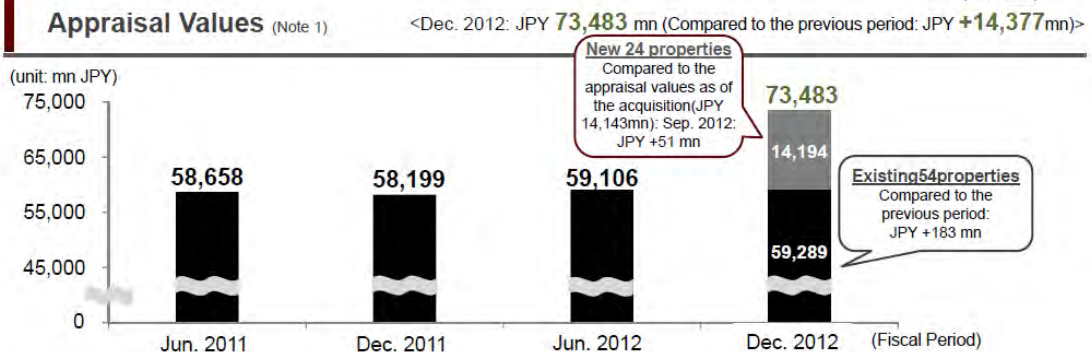
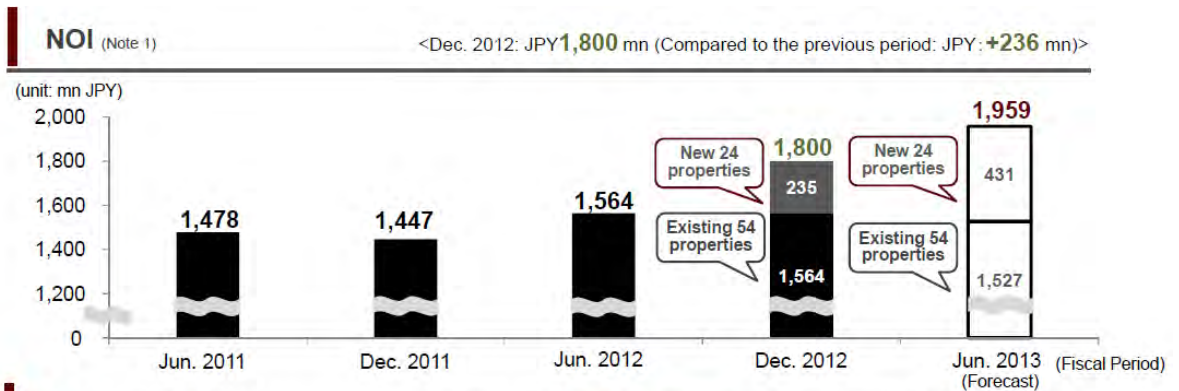
INV continues to work on further improvement of its operations and cost reductions during the fiscal period ending June 2013.
 <Property Relations>
 INV plans to improve management quality and conduct cost reductions by changing building management companies.
 <Management Relations>
 The effects of conducting cost reductions on "Asset management fees and Administrative service fees (accounting)" will continue.
 INV will work assiduously on further cost reductions other than the above.

(Note) INV plans to continue the reduction of asset management fees for the period up to December 2014. The decreased amounts is calculated by comparing against the amount calculated based on the fee structure before the revision of the article of incorporation.

■ Improvement of the Asset Value and the Profitability

The NOI was JPY 1800 million, an increase of JPY 236 million compared to the previous period due to improvements in occupancy rate, cost reduction, internal growth and acquisition of new 24 properties.

In addition, the appraisal value increased for two consecutive periods. The appraisal value of the existing properties increased by JPY 183 million compared to the previous period and the asset value of the new 24 properties increased by JPY 51 million compared to the appraisal value at the time of acquisition.



(Note 1) Figures 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.

I . Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	
Calculated period		Jan. 1, 2010 to Dec. 31, 2010	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	
Operating Results	Operating revenues	Note 1 (Thousands of yen)	5,348,724	2,277,374	2,202,448	2,176,839	2,476,430
	(Rental revenues)	(Thousands of yen)	5,348,724	2,277,374	2,202,448	2,176,839	2,476,430
	Operating expenses	(Thousands of yen)	10,590,560	1,477,031	2,612,417	1,282,766	1,392,258
	(Property-related expenses)	(Thousands of yen)	2,558,916	1,151,606	1,137,994	1,024,277	1,156,672
	Operating income	(Thousands of yen)	(5,241,835)	800,343	(409,968)	894,072	1,084,171
	Ordinary income	(Thousands of yen)	(7,078,530)	(52,342)	(3,466,417)	125,981	114,784
	Net income	(Thousands of yen)	4,757,778	(1,308,522)	(2,476,155)	128,175	114,179
Asset Condition	Total assets	(a) (Thousands of yen)	75,861,170	73,165,258	68,083,586	67,698,887	80,200,022
	(change from last period)	(%)	68.0	(3.6)	(6.9)	(0.6)	18.5
	Interest-bearing debt	(Thousands of yen)	42,965,485	42,596,425	31,734,500	31,603,500	43,982,500
	Net assets	(b) (Thousands of yen)	30,156,658	28,571,173	32,967,658	32,826,175	32,670,697
(change from last period)	(%)	55.4	(5.3)	15.4	(0.4)	(0.5)	
Total contribution	(Thousands of yen)	19,134,417	19,134,417	26,134,396	26,134,396	26,134,396	
Divide	Total distribution	(c) (Thousands of yen)	276,962	127,339	269,658	269,658	157,750
	Dividend payout ratio	(Note 2) (Thousands of yen)	5.8	—	—	210.5	137.6
Information per	Number of investment units Issued and outstanding	(d) (Units)	636,695	636,695	1,348,292	1,348,292	1,348,292
	Net assets per unit	(b) / (d) (yen) (Note 3)	47,364	44,874	24,451	24,346	24,231
	Distribution per unit	(c) / (d) (yen)	435	200	200	200	117
	(Profit distribution per unit) (Excess profit distribution per unit)	(yen) (yen)	435 —	200 —	200 —	200 —	117 —
Financial	Return on assets	(Note 4) (%)	(11.7)	(0.1)	(4.9)	0.2	0.2
	(change over year)		(11.7)	(0.1)	(9.7)	0.4	0.3
	Return on equity	(Note 4) (%)	19.2	(4.5)	(8.0)	0.4	0.3
	(change over year)		19.2	(9.0)	(16.0)	0.8	0.7
	Capital ratio	(b) / (a) (%) (Note 4) (%)	39.8 (3.2)	39.1 (0.7)	48.4 9.4	48.5 0.1	40.7 (7.8)
NOI (Net Operating Income)	(Note 4) (Thousands of yen)	3,754,420	1,554,015	1,486,538	1,564,247	1,800,380	

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

(Note 2) Dividend payout ratio for the 15th, 16th and 17th Fiscal Periods are rounded to one decimal place.

(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 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 Stock Exchange, 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 August 2007, in order to consolidate stock exchange trading and to reduce operational and management costs associated with multiple listing, the Investment Corporation applied to delist from the Osaka Stock Exchange, and since then it has only been listed on the Tokyo Stock Exchange.

Effective February 1, 2010, in order to help resolve concerns related to refinancing and other financial issues, the Investment Corporation engaged in a merger by absorption pursuant to which the Investment Corporation was the surviving entity and LCP Investment Corporation (“LCP”) was the absorbed entity (the “Merger”). Since the Merger, the Investment Corporation sought to improve its financial condition principally through repaying debt from the proceeds of sales of properties.

However, the fund-raising environment surrounding the Investment Corporation continued to be extremely difficult, and due to the absence of any concrete path to repaying its debts or extending its maturity payment dates, there resulted in there being a “Note regarding going concern basis” in its financial statements for the interim six months ended June 2010.

In order to avert such serious situation, and to secure stable earnings for the medium to long term, the Investment Corporation deemed that it was indispensable to conduct a refinancing based on a significantly improved financial condition. Thus, on July 29, 2011, the Investment Corporation issued new investment units with Calliope Godo Kaisha (“Calliope”), an affiliate of Fortress Investment Group LLC (“FIG”) and together with its other affiliates, the “Fortress Group”), acting as the principal investor, and conducted a refinancing.

As a result, with respect to the financial report for the six months ended June 2011 announced on August 26, 2011, the Investment Corporation was able to remove the “Note regarding the going concern basis”, and its financial condition has stabilized.

As the next step to secure stable earnings for the medium to long term, the Investment Corporation acquired 24 new properties (trust beneficiary interests in properties in Japan) (the “24 new properties”) on September 28, 2012, or during the six months ended December 31, 2012 (the “reporting period”). In connection with the acquisition of the 24 new properties, in order to fund the acquisitions and a portion of related costs, the Investment Corporation engaged in a refinancing, including through incurring new debt in trust and increasing the existing loan amount. The Investment Corporation believes that through the acquisition of the 24 new properties, and considering the net income based on the earnings of the properties during the Reporting Period, an earnings base has been established for stable distributions comparable to earlier performance.

As of the end of the reporting period, the Investment Corporation owned 78 properties and had interest-bearing liabilities of JPY 43,982 million, investment units issued of 1,348,292 units and unitholders’ capital of JPY 26,134 million.

b. Operational Environment and Performance

In the reporting period, although the Japanese economy continued to face difficulties, with factors such as reconstruction demand as the background, the economy showed a slight recovery (the July 2012 monthly economic report of the Cabinet Office). As a result of deceleration in the global economy, the Japanese economy has again shown signs of weakness (the December 2012 monthly economic report of the Cabinet Office).

With respect to the prospects for the future, it is believed that while conditions will remain weak for the time being, the Japanese economy will be supported by the continuing reconstruction demand and improvements in the overseas economies, thus providing hope of another recovery. At the same, uncertainties in overseas economies remain high and continue to be a downward risk for the Japanese economy, and there is need for concern regarding the prospect for the employment and consumption environment, as well as the impact of deflation (the December monthly economic report).

With respect to the real estate market, there were new listings of real estate investment trusts, and the market is becoming more active, with continuing acquisitions of properties by J-REITs. In addition, according to the “Trend Report of the Value of Intensively Used Land in Major Cities (the Land Value LOOK Report) (the 20th edition), third quarter of 2012”, published in November 2012 by the Ministry of Land, Infrastructure and Transport, the number of areas with falling land values is declining, and the number of areas with flat or increasing land values is increasing. In general, from a condition of “a balance between the number of areas increasing versus the number of areas decreasing” (19th LOOK Report, second quarter of 2012), there was an improvement to “the number of areas increasing being above the number of areas decreasing, with in particular areas in the Osaka and Nagoya regions showing more areas with increases than those with decreases.”

Regarding investment properties, although there were differences among regions and types of properties as a result of concerns regarding deflation, employment conditions, corporate performance and the impact of the Great East Japan Earthquake, in particular from the standpoint of earnings stability, there was a scarcity in relatively new residences above a certain size in popular areas in Tokyo, and competition for acquisitions continues to be very intense.

Regarding the residential rental market, demand in the Tokyo region continues to be strong and remains stable. In addition, with respect to the luxury rental properties, which continued to decline after the Lehman shock, although rent levels still remain weak, there are signs of recovery. In addition, in the Tohoku region, there is a scarcity of rental properties in certain areas due to residential demand resulting from the Great East Japan Earthquake. With respect to regions outside the major cities that suffer from difficult employment conditions as well as older properties, there continues to be weakness, including a lengthening of vacancy periods and continued decrease in rent levels.

Regarding the office building rental market, due to factors such as a reduction in the amount of business offices and consolidation of offices resulting from the weak economic conditions and the decline and adjustment in demand, as well the continued new supply of office buildings in Tokyo, there has been no significant improvement in vacancy rates. However, with respect to certain businesses with strong operating results there are some signs of increased floor use and expansion.

In addition, as a result of the impact of the Great East Japan Earthquake, there is continued strong demand for buildings with a strong ground foundation and superior earthquake resistance.

In such a market environment, the Investment Corporation acquired the 24 new properties with a view to increase the earnings of the portfolio, securing stable cash flow and diversifying risks (such as earthquake and economic risks). As a result, as shown below, the Investment Corporation’s portfolio has achieved an improvement in quality.

<NOI yield increase>

	Prior period end (June 2012)	Reporting period end (December 2012)
NOI yield	5.0%	5.2%

<Investment ratio by type of property to secure stable cash flows> (by acquisition price)

Ratio by type	Prior period end (June 2012)	Reporting period end (December 2012)
Residential	69.8%	75.3%

Residential properties tend to be smaller in size and have many different tenants, thus making it easier to diversify risk, and the Investment Corporation believes that variations in rental revenues tend to be smaller than office buildings and other properties due to the more stable occupancy rates. In order to secure stable cash flows in the medium to long term, the Investment Corporation seeks to expand investments in residential properties through the acquisition of the 24 new properties. As a result, the investment ratio of residential properties increased, and the cash flow stability of the portfolio has been enhanced.

<Investment ratio by geography to reduce earthquake and economic risks> (by acquisition price)

Geographic investment ratio	Prior period end (June 2012)	Reporting period end (December 2012)
Greater Tokyo Area (Note 1)	84.0%	73.9%
Kansai Area (Note 2)	0.8%	9.1%
Chubu Area (Note 3)	2.1%	6.2%

As a response to the earthquake and economic risks that increased with the Great East Japan Earthquake, there was an expansion into investments to major regional cities, with a focus on the Kansai and Chubu areas. As a result of the acquisition of the 24 new properties, the investment ratio of the Investment Corporation's portfolio in the Greater Tokyo Area decreased, and the investment ratio in the Kansai and Chubu areas increased, thus diversifying risk.

(Note 1) The Greater Tokyo Area refers to Tokyo and Kanagawa, Chiba and Saitama Prefectures.

(Note 2) The Kansai Area refers to Osaka, Hyogo, Kyoto, Nara, Shiga and Wakayama Prefectures.

(Note 3) The Chubu Area refers to Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui Prefectures.

<Improvement in investment ration by property age>

	Prior period end (June 2012)	As of new acquisitions (September 28, 2012)	Reporting period end (December 2012)
Average age	13.2 years (Note 4)	12.3 years (Note 4)	12.5 years (Note 4)

The average age of the 24 new properties is 7.7 years. As a result of the acquisition of the 24 new properties, the age of the portfolio as a whole has improved.

(Note 4) Calculated as the weighted average age (by acquisition price) as of the relevant date (the end of the fiscal period or the acquisition date).

Property Dispositions

The Investment Corporation did not engage in any property dispositions during the reporting period.

As of the end of the reporting period, the Investment Corporation had 63 residential properties, 7 office/retail buildings, one parking lot and 7 senior facilities for a total of 78 properties. The aggregate acquisition price was JPY 77,161 million, and total leasable area was 171,285.49 m²).

In addition, the occupancy rate for the Investment Corporation's portfolio as a whole was 96.2% as of the end of the reporting period (as opposed to 95.1% as of the end of the prior period).

c. Overview of Fund Raising

During the reporting period, in order to partially finance the acquisition of the 24 new properties, on the date of the acquisitions, the Investment Corporation procured a loan in trust of JPY 9,960 million and engaged in a refinancing for a larger amount by repaying a portion of existing debt (Syndicate Loan A: repayment of JPY 10,850 million) and concurrently taking out new borrowings in the amount of JPY 13,400 million as Syndicate Lona B with the same interest rate and no new collateral.

The interest rate for the new loan in trust (JPY 9,960 million) is 1.9%, with maturities from 5.5 years to 7.5 years, resulting in a decrease in the Investment Corporation's average interest rate (Average debt interest rate (Note 1): 4.407% as of the prior period end and 3.964% as of reporting period end) and diversified repayment dates.

In addition, the Investment Corporation made two scheduled repayments of debt (Note 2) totaling JPY 131 million (JPY 65 million each), and as a result, the interest-bearing debt as of the end of the reporting period was JPY 43,982 million, and the interest-bearing debt ratio was 54.8% (Note 3).

(Note 1) The average interest rate is the weighted average based on the number of days borrowed during the fiscal period, and has been rounded to the fourth decimal point.

(Note 2) Scheduled repayments include partial repayment of the Syndicate Loan B of JPY 150 million per year (JPY 37 million per quarter) and the Shinsei Trust Loan B of JPY 112 million per year (JPY 28 million per quarter).

(Note 3) The calculation for the interest-bearing debt ratio uses the calculation formula below:

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

3 Changes in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity from the date of establishment to the end of the reported fiscal period are as follow.

Date	Type of issue	Number of investment units issued and outstanding (units)		Unitholders' equity (yen)		Reference
		Increase	Total	Increase	Total	
January 18, 2002	Private placement for incorporation	400	400	200,000,000	200,000,000	(Note 1)
December 26, 2003	Private placement	2,700	3,100	1,012,500,000	1,212,500,000	(Note 2)
January 9, 2004	Private Placement	1,350	4,450	506,250,000	1,718,750,000	(Note 2)
January 21, 2004	Private placement	1,333	5,783	499,875,000	2,218,625,000	(Note 2)
January 27, 2004	Private placement	267	6,050	100,125,000	2,318,750,000	(Note 2)
January 28, 2004	Private placement	800	6,850	300,000,000	2,618,750,000	(Note 2)
January 31, 2004	Private placement	266	7,116	99,750,000	2,718,500,000	(Note 2)
February 5, 2004	Private placement	800	7,916	300,000,000	3,018,500,000	(Note 2)
February 7, 2004	Private placement	1,333	9,249	499,875,000	3,518,375,000	(Note 2)
May 17, 2004	Public offering	9,000	18,249	3,377,250,000	6,895,625,000	(Note 3)
February 7, 2005	Public offering	10,650	28,899	3,937,667,100	10,833,292,100	(Note 4)
July 31, 2006	Public offering	25,000	53,899	8,301,125,000	19,134,417,100	(Note 5)
February 1, 2010	Unit split	215,596	269,495	—	19,134,417,100	(Note 6)
February 1, 2010	Merger	367,200	636,695	—	19,134,417,100	(Note 7)
July 29, 2011	Third-party allotment	711,597	1,348,292	6,999,979,689	26,134,396,789	(Note 8)

(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	15 th Fiscal Period	16 th Fiscal Period	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period
Closing Month	December 2010	June 2011	December 2011	June 2012	December 2012
Highest	91,700	13,280	12,830	7,160	6,540
Lowerst	12,000	9,380	6,200	6,060	6,080

4 Distribution Performance

As a result of the above, for the reporting period, operating revenue was JPY 2,476 million, operating income was JPY 1,084 million, ordinary income was JPY 114 million and net income was JPY 114 million.

With respect to distributions, by utilizing a portion (JPY 43 million) of the surplus resulting from the negative goodwill (the “Surplus”) from the Merger on top of net income, it has been decided to have total distributions of JPY 157 million, or distribution per unit of JPY 117. As a result of the acquisition of the 24 new properties, the Investment Corporation believes that it has established an earnings base for stable distributions comparable to earlier performance. However, as a result of certain one-time expenses that were incurred in connection with the acquisition of the 24 properties, net income was not sufficient to make distributions that would be comparable to earlier periods (distributions of approximately JPY 200 per unit). 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 set forth in the Special Taxation Measures Act, and while emphasizing the securing of a stable distribution level in the medium to long term, the distribution amount per unit was decided at JPY 117.

(Note) The amount of distributable profit (JPY 174 million (*)) x 90% = JPY 156.6 million

The total amount of distributions for the period ended December 2012 was JPY 157.7 million, which exceeded the above calculation of JPY 156.6 million.

(*) The amount of distributable profit (JPY 174 million) = fiscal period net profit before taxes (JPY 114 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	15 th Fiscal Period	16 th Fiscal Period	17 th Fiscal Period	18 th Fiscal Period	19 th Fiscal Period
Calculated Period	Jan. 1, 2010 to Dec. 31, 2010	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
Total unappropriated retained earnings for period (thousands of yen)	4,757,809	3,172,324	568,830	427,346	271,868
Reserved profit (thousands of yen)	4,480,847	3,044,985	299,171	157,688	114,118
Cash distribution (thousands of yen)	276,962	127,339	269,658	269,658	157,750
(Distribution per unit) (yen)	(435)	(200)	(200)	(200)	(117)
Distribution amount (thousands of yen)	276,962	127,339	269,658	269,658	157,750
(Distribution per unit) (yen)	(435)	(200)	(200)	(200)	(117)
Contribution return (thousands of yen)	–	–	–	–	–
(Contribution return per unit) (yen)	(–)	(–)	(–)	(–)	(–)

5 Future Operational Policy and Issues to be Addressed

Forecast for Next Period and Issues to be Addressed

(i) External growth strategy

New Property Acquisitions

With a view to improving earnings potential and portfolio quality, the Investment Corporation acquired new properties (type: 24 residential properties, with a total acquisition price of JPY 14,043 million).

Going forward, the Investment Corporation will seek external growth while focusing on internal growth and emphasizing stable earnings in the medium to long term. For the purpose of medium-to-long term earnings stability, residential properties will continue to be the core asset and the focus of acquisitions. Office buildings, retail facilities, hotels, senior facilities, parking facilities, etc. will be sub-assets that complement the core assets, and acquisitions of properties with a wide variety of uses will be considered in light of market conditions, portfolio composition ratio and geographic area diversification. 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, and will work diligently to expand the Asset Manager's independent information network. In addition, the Investment Corporation will create opportunities to regularly trade information with Fortress, and collect information regarding the market in multifaceted ways.

Property Sales

As discussed above, there is a recovery trend in the real estate market. Under such circumstances, 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, additional investments for maintaining competitiveness and profitability. In addition, with respect to property sales as well, the Investment Corporation will gather information through a wide variety of disposition opportunities, and at the same time work diligently to expand the Asset Manager's independent information network. Moreover, the Investment Corporation will create opportunities to regularly trade information with Fortress, collect information regarding the market in multi-faceted ways, and consider the appropriate properties, potential acquirers and disposition timing.

(ii) Strategy for internal growth

With respect to existing properties

The Investment Corporation has made efforts to maintain and improve occupancy rates and rent levels in view of securing stable cash flows. As a result in part of the improved quality of the portfolio due to the acquisition of the 24 new properties, the occupancy rate for the portfolio for the reporting period beginning with September 2012 was maintained at the 96% level. In order to continue to maintain a high occupancy rate in stable manner, the Investment Corporation will flexibly review leasing strategies to eliminate vacancy periods of more than 30 days, and will seek to establish new responses. In addition, steps have been taken to complete 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. Furthermore, in order to accurately understand the residential and office rental markets, the Investment Corporation will work on research on a daily basis, and will not only engage in leasing activities that meet the unique characteristics of each property and geographic area, but will establish a leasing strategy and seek to enhance leasing approach through initiatives such as individual leasing improvement projects.

For the next fiscal period and beyond, the Investment Corporation will continue to establish strategies based on the condition of the market and competing properties. In addition, the Investment Corporation will seek to maintain and enhance the quality of property management through comprehensive supervision and direction of property management companies (“PM companies”) and conducting regular reviews of PM companies’ management ability. In addition, in order to further enhance profitability, the Investment Corporation will select PM companies that appropriately match the unique characteristics, etc. of each property. At the same time, comprehensive measures will be taken to control costs. Moreover, by utilizing the Asset Manager’s independent network of leasing companies, as well as support from Fortress for diverse market information regarding leasing activities, the Investment Corporation will seek further enhancement and stability in occupancy rates.

Because the preparation and execution of maintenance and repair plans is an important factor in building positive and trustworthy relationships with tenants and maintaining and improving portfolio earnings potential and property values, with respect to property maintenance and repairs, the Investment Corporation will work diligently to prepare plans that seek to increase asset values, maintain and enhance product quality and market competitiveness and increase property occupancy rates and profitability. In addition, with respect to the execution of maintenance and repairs of properties, the Investment Corporation will target prompt earnings improvement for the relevant properties, while at the same time establishing and executing plans for maintaining the Investment Corporations’ earnings and distribution stability, and seeking to diversify and standardize execution timing and costs.

Based on such measures, the Investment Corporation will have as its target the maximization of future cash flows and increased asset value.

As a result of executing the internal growth strategies discussed above, the appraisal value of the 54 existing properties increased by JPY 183 million from JPY 59,106 million as of the prior period end to JPY 59,289 million as of the reporting period end, representing two consecutive periods of asset value growth. With respect to the appraisal value of the 24 new properties, as well, the appraisal value as of the reporting period was JPY 14,194 million, or an increase of JPY 51 million from the acquisition date. The total portfolio appraisal value as of the end of the reporting period was JPY 73,483 million.

Regarding the operation of the Investment Corporation

The Investment Corporation will diligently consider ways to improve its operations to continue to make possible ever more efficient and strategic management. In addition, as part of its internal growth strategy, the Investment Corporation will seek to reduce administrative costs related to its operations. For such purpose, the Investment Corporation will diligently gather and analyze different kinds of information. Moreover, it will continue to regularly have opportunities for obtaining information from Fortress, and will conduct its investigation in a multi-faceted manner.

During the reporting period, with respect to the operations of the Investment Corporation, there were reductions in the amount of compensation paid to outside experts (accounting and tax), reduction in administrative agent costs resulting from a change in administrative agent for accounting, etc., as well as reductions in certain common agency investigation fees and asset management fees. There are additional reductions expected in third party expert compensation and asset management fees for the next fiscal period.

The Investment Corporation plans to further push forward an efficient operational process and diligently consider additional improvements in operational management and additional cost reductions.

(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. In addition, the compliance officer of the Asset Manager attends each meeting of the Board of Directors in the capacity of an observer.

The Asset Manager has a compliance officer who is responsible for compliance with laws, regulations and other relevant matters as well as overall management of transactions with sponsor related parties. Moreover, it has in place a compliance committee which, chaired by such compliance officer, is in charge of deliberating on 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	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period
Results Dates	As of Dec. 31, 2010	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
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	636,695	1,348,292	1,348,292	1,348,292
Unitholders' capital	19,134	19,134	26,134	26,134	26,134
Number of total unitholders	11,986	11,151	10,793	10,703	10,325

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
PROSPECT JAPAN FUND LIMITED	105,496	7.82
JP MORGAN CHASE BANK 380180	67,280	4.99
Japan Trustee Services Bank, Ltd. (trust account)	52,239	3.87
The Nomura Trust and Banking Co., Ltd. (investment trust account)	46,992	3.48
MELLON BANK TREATY CLIENTS OMNIBUS	26,361	1.95
Trust & Custody Services Bank, Ltd. (securities investment account)	19,896	1.47
CGML-IPB CUSTOMER COLLATERAL ACCOUNT	17,337	1.28
The Master Trust Bank of Japan, Ltd. (trust account)	16,318	1.21
Total	1,091,261	80.93

(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 Shibatsuji	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	--	6,980

(Note 1) As of June 26, 2007, Naoki Shibatsuji received approval from the Commissioner of the Financial Services Agency to hold multiple posts in accordance with the law regarding partial revision of the Securities and Exchange law, etc. (Act No. 65 of the 2006 Investment and Trust Act before the revision).

(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 19th 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. (Note 3))	EP Consulting Services Corporation
Special account management company	Mitsubishi UFJ Trust and Banking Corporation Limited (Note 4) / Sumitomo Mitsui Trust Bank, Limited (Note 5)

- (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) The Administrative Agent who provides administrative services pertaining to accounting matters etc. under the Act on Investment Trusts and Investment Corporations was changed from Sumitomo Mitsui Trust Bank, Limited to EP Consulting Services Corporation as of October 1, 2012.
- (Note 4) 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. In addition, on January 1, 2011, the aforementioned tasks were succeeded to from Daiko Clearing Services Corporation to Mitsubishi UFJ Trust & Banking Corporation through a corporate split.
- (Note 5) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the former LCP as well as tasks related to other transfer savings account registers.

Status of Investment Corporation's Assets under Management

1 Composition of Investment Corporation's Assets

Type of Asset	Purpose	Geographic area (Note 1)	Fiscal Period ended June 30, 2012 (as of June 30, 2012)		Fiscal Period ended December 31, 2012 (as of December 31, 2012)	
			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	719	1.1	717	0.9
		Major regional cities	—	—	—	—
		Subtotal	719	1.1	717	0.9
	Seniors, hourly parking, etc.	Greater Tokyo area	3,096	4.6	3,078	3.8
		Major regional cities	1,474	2.2	1,463	1.8
		Subtotal	4,571	6.8	4,542	5.7
Total real estate			5,290	7.8	5,259	6.6
Real estate in trust	Residential	Greater Tokyo area	40,618	60.0	44,512	55.5
		Major regional cities	2,082	3.1	12,333	15.4
		Subtotal	42,701	63.1	56,845	70.9
	Office/Retail	Greater Tokyo area	7,087	10.5	7,089	8.8
		Major regional cities	6,202	9.2	6,147	7.7
		Subtotal	13,290	19.6	13,237	16.5
	Seniors, hourly parking, etc.	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
Total real estate in trust			55,991	82.7	70,083	87.4
Deposits and other assets			6,416	9.5	4,857	6.1
Total assets (Note 3)			67,698 (61,282)	100.0 (90.5)	80,200 (75,342)	100.0 (93.9)

(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	6,801	7,794.91	7,186.21	92.2	7.5	Residential
B14	Lexington Plaza Nishigotanda	4,827	6,033.58	6,033.58	100.0	6.3	Office
B17	Lexington Plaza Hachiman	3,218	8,419.15	7,964.63	94.6	6.4	Retail Facilities
A52	Winbell Kagurazaka	3,171	4,032.70	3,887.82	96.4	4.0	Residential
A51	City House Tokyo Shinbashi	2,444	3,364.00	3,054.95	90.8	3.4	Residential
B18	AEON Town Sukagawa	2,179	18,440.58	18,440.58	100.0	5.8	Retail Facilities
A53	Nishiwaseda Crescent Mansion	1,854	4,310.77	4,310.77	100.0	2.8	Residential
A76	Neo Prominence	1,678	3,574.70	3,389.89	94.8	1.3	Residential
A30	Emerald House	1,444	2,152.31	2,130.01	99.0	1.7	Residential
A31	Lexington Square Akebonobashi	1,402	1,987.88	1,850.59	93.1	1.9	Residential
Total		29,022	60,110.58	58,249.03	96.9	41.2	—

(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 December 31, 2012 (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	1,110	1,153
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima Ward, Tokyo	Trust beneficiary interests	2,681.94	1,190	1,102
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shingawa Ward, Tokyo	Trust beneficiary interests	1,051.50	909	859
A29	Growth Maison Kameido	6-58-16 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,367.96	1,020	1,030
A30	Emerald House	3-27-18 Itabashi, Itabashi Ward, Tokyo	Trust beneficiary interests	2,152.31	1,160	1,444
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo Ward, Tokyo	Trust beneficiary interests	1,748.24	1,190	1,392
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima Ward, Tokyo	Trust beneficiary interests	3,029.16	990	1,052
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City,	Trust beneficiary interests	1,858.44	1,020	1,010
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito Ward, Tokyo	Trust beneficiary interests	1,351.11	916	999
A35	Grand Rire Kameido	3-39-12 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,562.26	889	871
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	952.89	783	792
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya Ward, Tokyo	Trust beneficiary interests	1,015.34	664	774
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa City, Tokyo	Trust beneficiary interests	1,368.57	583	655
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya Ward, Tokyo	Trust beneficiary interests	1,167.50	575	656
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya Ward, Tokyo	Trust beneficiary interests	1,235.93	446	646
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture	Trust beneficiary interests	1,210.74	648	586
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	515	578
A44	Belair Meguro	1-2-15 Meguro, Meguro Ward, Tokyo	Trust beneficiary interests	557.05	526	577
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa	Trust beneficiary interests	908.99	489	557
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima Ward, Tokyo	Trust beneficiary interests	815.77	518	542
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	Trust beneficiary interests	2,040.27	449	524
A48	College Square Machiya	7-3-1 Arakawa, Arakawa Ward, Tokyo	Trust beneficiary interests	871.35	483	488
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato Ward, Tokyo	Trust beneficiary interests	3,364.00	2,560	2,444
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,032.70	3,320	3,171
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,310.77	1,990	1,854
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku Ward, Tokyo	Trust beneficiary interests	1,987.88	1,520	1,402
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro Ward, Tokyo	Trust beneficiary interests	1,197.19	996	1,021
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	1,627.13	915	841
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima Ward, Tokyo	Trust beneficiary interests	1,220.24	580	566
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito Ward, Tokyo	Trust beneficiary interests	1,969.45	1,030	924
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama City, Kanagawa	Trust beneficiary interests	3,426.36	1,210	1,066
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	1,929.59	434	402
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai City,	Trust beneficiary interests	1,528.58	363	317
A66	Visconti Kakuozan	2-44 Otamacho, Chikusa-ku, Nagoya City, Aichi	Trust beneficiary interests	705.75	218	245
A71	Lexington Square Daitabashi	1-33-8 Izumi, Suginami Ward, Tokyo	Trust beneficiary interests	1,430.64	989	930
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida	Trust beneficiary interests	784.74	507	482
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City,	Trust beneficiary interests	4,460.56	1,010	1,097
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya Ward, Tokyo	Trust beneficiary interests	7,794.91	6,800	6,801

A76	Neo Prominence	3-21-5 Shimo, Kita Ward, Tokyo	Trust beneficiary interests	3,574.70	1,670	1,678
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	2,773.71	1,260	1,285
A78	Cosmo Court Motomachi	3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	2,310.49	981	996
A79	Revest Honjin	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi	Trust beneficiary interests	1,933.80	678	691
A80	Revest Matsubara	3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,955.40	664	673
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	898.70	625	634
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City,	Trust beneficiary interests	1,731.68	617	625
A83	Revest Meieki Minami	2-13-33 Meiekininami, Nakamura Ward, Nagoya City,	Trust beneficiary interests	1,634.60	599	614
A84	Revest Heian	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,554.03	599	610
A85	Vendir Hamaotsu Ekimae	1-2-15 Hama Otsu, Otsu City, Shiga Prefecture	Trust beneficiary interests	2,670.66	638	597
A86	Salvo Sala	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka	Trust beneficiary interests	1,428.12	548	558
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku Ward, Tokyo	Trust beneficiary interests	701.92	544	554
A88	Luna Court Edobori	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	Trust beneficiary interests	1,185.50	528	537
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo	Trust beneficiary interests	1,433.35	524	526
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto Ward, Tokyo	Trust beneficiary interests	765.18	461	463
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoin Dori Nijo	Trust beneficiary interests	1,029.05	447	455
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo	Trust beneficiary interests	530.60	413	419
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki	Trust beneficiary interests	1,020.86	380	383
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo Ward, Kobe City Hyogo	Trust beneficiary interests	789.12	372	381
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka	Trust beneficiary interests	992.76	358	364
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi	Trust beneficiary interests	1,477.62	340	344
A97	West Avenue	1-5-17 Nishi, Kunitachi City, Tokyo	Trust beneficiary interests	794.80	333	336
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo Ward, Osaka City, Osaka	Trust beneficiary interests	974.81	316	318
A99	Prime Life Mikage	2-25-1 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	761.18	299	304
Subtotal				109,585.97	56,237	56,845
B8	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku Ward,	Trust beneficiary interests	1,451.54	989	1,221
B9	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	Real estate	526.43	520	717
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	6033.58	4,200	4,827
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano Ward, Tokyo	Trust beneficiary interests	2145.00	935	1,041
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi	Trust beneficiary interests	2,178.41	593	749
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi	Trust beneficiary interests	8,419.15	3,140	3,218
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa City, Fukushima Prefecture	Trust beneficiary interests	18,440.58	2,070	2,179
Subtotal				39,194.69	12,447	13,955
C1	Stop Parking Kanda-Sudacho	1-22-7 1-22-15 Kanda Sudacho, Chiyoda-ku, Tokyo	Real estate	81.04	91	100
C21	Bon Sejour Chitose Funabashi	1-37-3 Funabashi, Setagaya Ward, Tokyo	Real estate	2,342.17	734	666
C22	Bon Sejour Yotsugi	3-1-11 Higashi-Yotsugi, Katsushika Ward, Tokyo	Real estate	1,962.87	681	631
C23	Bon Sejour Hino	438-1 Ochigawa, Hino City, Tokyo	Real estate	1,984.17	641	558
C24	Bon Sejour Musashi Shinjo	773-2 Chitose, Takatsu-ku, Kawasaki City, Kanagawa	Real estate	1,710.43	543	473
C25	Bon Sejour Komaki	3-1 Shiroyama, Komaki City, Aichi Prefecture	Real estate	8,858.49	1,060	1,004
C26	Bon Sejour Hadano Shibusawa	1-6-60 Shibusawa-Kami, Hadano City, Kanagawa	Real estate	3,435.79	616	647
C27	Bon Sejour Itami	1-2-25 Chuo, Itami City, Hyogo Prefecture	Real estate	2,129.87	433	459
Subtotal				22,504.83	4,799	4,542
Total				171,285.49	73,483	75,342

(Note 1) "Location" is in principle based on the indicated address (*jukohyoji*), except that if the yukohyoji 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	18 th Fiscal Period (January 1, 2012 to June 30, 2012)				19 th Fiscal Period (July 1, 2012 to December 31, 2012)				
	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1)	Rental revenue (during period) (Thousands of yen) (Note 2)	Ratio of rental revenue (%)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1)	Rental revenue (during period) (Thousands of yen) (Note 2)	Ratio of rental revenue (%)	
A26	Nisshin Palacestage Daitabashi	1	95.8	41,247	1.9	1	96.9	41,031	1.7
A27	Nisshin Palacestage Higashi-Nagasaki	1	97.8	46,638	2.1	1	90.3	46,864	1.9
A28	Growth Maison Gotanda	1	100.0	27,415	1.3	1	100.0	27,399	1.1
A29	Growth Maison Kameido	1	95.4	32,149	1.5	1	94.0	33,066	1.3
A30	Emerald House	1	100.0	50,854	2.3	1	99.0	42,027	1.7
A31	Harmonie Ochanomizu	1	96.1	39,856	1.8	1	100.0	40,401	1.6
A32	Suncrest Shakujii-Koen	1	97.1	35,896	1.6	1	94.7	35,273	1.4
A33	Growth Maison Shin-Yokohama	1	94.1	34,088	1.6	1	98.5	35,184	1.4
A34	Belle Face Ueno-Okachimachi	1	100.0	34,359	1.6	1	98.4	30,593	1.2
A35	Grand Rire Kameido	1	100.0	26,666	1.2	1	100.0	26,619	1.1
A36	Growth Maison Ikebukuro	1	90.5	22,647	1.0	1	90.6	25,016	1.0
A37	Growth Maison Yoga	1	92.4	21,052	1.0	1	92.2	22,964	0.9
A38	Route Tachikawa	1	67.9	16,133	0.7	1	100.0	20,021	0.8
A39	Shibuya-Honmachi Mansion	1	96.5	20,577	0.9	1	100.0	19,691	0.8
A40	City Heights Kinuta	1	94.6	17,009	0.8	1	89.2	16,876	0.7
A41	Acceeds Tower Kawaguchi- Namiki	1	94.8	25,175	1.2	1	100.0	25,138	1.0
A42	Capital Heights Kagurazaka	1	84.4	19,567	0.9	1	92.5	18,276	0.7
A43	College Square Machida	1	100.0	18,268	0.8	1	100.0	18,268	0.7
A44	Belair Meguro	1	87.9	16,620	0.8	1	92.1	15,463	0.6
A45	Wacore Tsunashima I	1	84.2	19,222	0.9	1	96.1	16,969	0.7
A46	Foros Nakamurabashi	1	92.6	16,759	0.8	1	100.0	17,094	0.7
A47	Growth Maison Kaijin	1	96.7	22,582	1.0	1	97.1	23,017	0.9
A48	College Square Machiya	1	100.0	14,706	0.7	1	100.0	14,706	0.6
A51	City House Tokyo Shinbashi	1	93.0	83,002	3.8	1	90.8	84,981	3.4
A52	Winbell Kagurazaka	1	93.3	104,927	4.8	1	96.4	98,837	4.0
A53	Nishiwaseda Crescent Mansion	1	88.8	67,169	3.1	1	100.0	68,772	2.8
A54	Lexington Square Akebonobashi	1	93.4	45,905	2.1	1	93.1	47,536	1.9
A56	Casa Eremitaggio	1	90.0	29,506	1.4	1	92.9	29,761	1.2
A59	Towa City Coop Shinotsuka II	1	92.6	32,653	1.5	1	97.3	33,612	1.4
A61	Bichsel Musashiseki	1	97.1	24,619	1.1	1	97.1	24,418	1.0
A62	Lexel Mansion Ueno Matsugaya	1	96.3	33,382	1.5	1	93.2	33,276	1.3
A63	Towa City Coop Sengencho	1	89.8	63,620	2.9	1	94.3	60,001	2.4
A64	Royal Park Omachi	1	93.2	23,551	1.1	1	96.4	24,448	1.0
A65	Lexington Square Haginomachi	1	100.0	17,630	0.8	1	100.0	17,468	0.7
A66	Visconti Kakuozan	1	100.0	11,718	0.5	1	88.6	11,680	0.5
A71	Lexington Square Daitabashi	1	97.9	32,926	1.5	1	95.1	29,171	1.2
A72	Lexington Square Honjo Azumabashi	1	90.9	17,495	0.8	1	100.0	17,529	0.7
A73	AMS TOWER Minami 6-Jo	1	88.6	49,535	2.3	1	90.0	47,194	1.9
A75	Spacia Ebisu	1	97.1	189,227	8.7	1	92.2	186,857	7.5
A76	Neo Prominence ※	—	—	—	—	1	94.8	31,424	1.3
A77	Invoice Shin-Kobe Residence ※	—	—	—	—	1	99.1	25,296	1.0
A78	Cosmo Court Motomachi ※	—	—	—	—	1	97.5	19,528	0.8

Name	18 th Fiscal Period (January 1, 2012 to June 30, 2012)				19 th Fiscal Period (July 1, 2012 to December 31, 2012)				
	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
A80	Revest Matsubara ※	—	—	—	—	1	91.9	15,031	0.6
A81	Sun Terrace Minami Ikebukuro ※	—	—	—	—	1	100.0	10,867	0.4
A82	Alba Noritake Shinmachi ※	—	—	—	—	1	98.6	13,104	0.5
A83	Revest Meieki Minami ※	—	—	—	—	1	97.0	12,852	0.5
A84	Revest Heian ※	—	—	—	—	1	95.2	11,283	0.5
A85	Vendir Hamaotsu Ekimae ※	—	—	—	—	1	93.3	16,600	0.7
A86	Salvo Sala ※	—	—	—	—	1	89.9	10,958	0.4
A87	Excellente Kagurazaka ※	—	—	—	—	1	100.0	8,945	0.4
A88	Luna Court Edobori ※	—	—	—	—	1	96.0	10,787	0.4
A89	Winntage Kobe Motomachi ※	—	—	—	—	1	98.2	11,636	0.5
A90	Queen's Court Fukuzumi ※	—	—	—	—	1	100.0	8,191	0.3
A91	Corp Higashinotoin ※	—	—	—	—	1	100.0	9,189	0.4
A92	Belair Oimachi ※	—	—	—	—	1	92.6	7,351	0.3
A93	Siete Minami-Tsukaguchi ※	—	—	—	—	1	94.9	8,935	0.4
A94	Prime Life Sannomiya Isogami Koen ※	—	—	—	—	1	100.0	7,741	0.3
A95	HERMITAGE NANBA WEST ※	—	—	—	—	1	91.2	7,889	0.3
A96	Century Park Shinkawa 1-bankan ※	—	—	—	—	1	100.0	9,010	0.4
A97	West Avenue ※	—	—	—	—	1	90.0	6,787	0.3
A98	Little River Honmachibashi ※	—	—	—	—	1	96.9	6,685	0.3
A99	Prime Life Mikage ※	—	—	—	—	1	85.5	6,292	0.3
Subtotal		39	93.9	1,446,369	66.4	63	95.4	1,719,628	69.4
B8	Kindai Kagakusha Building	1	85.5	36,732	1.7	1	100.0	37,386	1.5
B9	Shinjuku Island	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
B14	Lexington Plaza Nishigotanda	7	92.0	132,214	6.1	8	100.0	157,111	6.3
B15	Cross Square NAKANO	1	54.0	25,935	1.2	1	54.2	29,234	1.2
B16	Ohki Aoba Building	1	100.0	42,187	1.9	1	100.0	39,761	1.6
B17	Lexington Plaza Hachiman	1	94.6	158,494	7.3	1	94.6	158,959	6.4
B18	AEON TOWN Sukagawa	1	100.0	144,266	6.6	1	100.0	143,761	5.8
Subtotal		13	94.6	557,027	25.6	14	96.3	583,412	23.6
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	23,913	1.1	1	100.0	23,906	1.0
C22	Bon Sejour Yotsugi	1	100.0	22,534	1.0	1	100.0	22,528	0.9
C23	Bon Sejour Hino	1	100.0	21,411	1.0	1	100.0	21,405	0.9
C24	Bon Sejour Musashi Shinjo	1	100.0	17,752	0.8	1	100.0	17,747	0.7
C25	Bon Sejour Komaki	1	100.0	45,598	2.1	1	100.0	45,582	1.8
C26	Bon Sejour Hadano Shibusawa	1	100.0	23,808	1.1	1	100.0	23,802	1.0
C27	Bon Sejour Itami	1	100.0	15,978	0.7	1	100.0	15,971	0.6
Subtotal		8	100.0	173,441	8.0	8	100.0	173,388	7.0
Total		60	95.1	2,176,839	100.0	85	96.2	2,476,430	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 December 31, 2012	Advance payments	
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Renewal construction of air conditioning system on the 3rd and 5 th floors	From June 2013 to June 2013	21,000	21,000	—
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal construction of automatic fire alarm equipment	From May 2013 to June 2013	16,000	16,000	—
B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	Renewal construction of air conditioning system in the common-use spaces of the 1st, BF1 and BF2 floors	From May 2013 to May 2013	11,600	11,600	—
B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	Maintenance construction of mechanical parking lot	From May 2013 to May 2013	10,930	10,930	—
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima Ward, Tokyo	Replacement construction of water heater	From March 2013 to March 2013	9,300	9,300	—
A47	Growth Maison Kaijin	Funabashi City, Chiba Prefecture	Renewal construction of CO2 cylinder	From June 2013 to June 2013	9,078	9,078	—
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal construction of halon fire extinguishing equipment	From May 2013 to May 2013	8,300	8,300	—
A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	Replacement construction of water heater	From March 2013 to March 2013	8,000	8,000	—
A31	Harmonie Ochanomizu	Bunkyo Ward, Tokyo	Maintenance construction of mechanical parking lot	From May 2013 to May 2013	6,000	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 construction of air conditioning system on the 2 nd and 5 th floors	From June 2012 to July 2012	27,390
B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	Renewal construction of air conditioning system in the common-use spaces of the 1 st to 7 th floors	From October 2012 to November 2012	25,000 (Note)
A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	Construction to repair/replace exterior wall tiles	From October 2012 to December 2012	16,700
A64	Royal Park Omachi	Sendai City, Miyagi Prefecture	Maintenance construction of halon fire extinguishing equipment in the multi-story parking lot	From November 2012 to November 2012	3,998
A45	Wacore Tsunashima I	Yokohama City, Kanagawa Prefecture	Renewal construction of exterior wall tiles	From October 2012 to October 2012	2,300
Other construction					42,801
Total					118,189

(Note) The construction includes both the initially scheduled renewal construction of the air conditioning system in the common-use spaces of the 1st to 7th floors as well as the concurrent repair construction of the common-use space floor, walls and ceiling as well as the renewal construction of the air condition system on the 1st basement floor and on the 1st floor in the building manager office. Of the 25,000 thousand yen, the initially scheduled renewal construction of the air conditioning system in the common-use spaces of the 1st to 7th floor accounted for 15,044 thousand yen.

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	15 th Period	16 th Period	17 th Period	18 th Period	19 th Period
	From January 1, 2010 to December 31, 2010	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
Reserved funds at beginning of period	480,420 thousand yen	489,033 thousand yen	551,103 thousand yen	356,408 thousand yen	487,561 thousand yen
Amount reserved (Note)	402,973 thousand yen	85,250 thousand yen	238,107 thousand yen	163,931 thousand yen	151,076 thousand yen
Amount reversed (Note)	394,360 thousand yen	23,180 thousand yen	432,803 thousand yen	32,777 thousand yen	97,028 thousand yen
Amount carried over for next fiscal period	489,033 thousand yen	551,103 thousand yen	356,408 thousand yen	487,561 thousand yen	541,609 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

Item	18th Fiscal Period		19 th Fiscal Period	
	Jan. 1, 2012 to Jun. 30, 2012		Jul. 1, 2012 to Dec. 31, 2012	
(a) Asset management fees	150,000		130,067	(Thousands of yen)
(b) Asset custodian fees	3,328		3,351	
(c) Administrative services fees	25,273		24,781	
(d) Directors' remuneration	4,800		4,800	
(e) Other operating expenses	75,088		72,584	
	258,489		235,585	

2 Borrowing Conditions

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

Type	Lender	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
Long Term Debts (Note 11)	Shinsei Bank, Limited.	Jul. 29, 2011	3,463,141	—	—	—	—	—	—
	Citibank Japan Ltd.		2,966,179	—	—	—			
	Sumitomo Mitsui Trust Bank		1,978,937	—	—	—			
	The Bank of New York Mellon Trust (Japan), Ltd.	Oct. 31, 2011	1,489,772	—	—	—	—	—	—
	Resona Bank, Limited	Jul. 29, 2011	989,468	—	—	—	—	—	—
	MetLife Alico	Sep. 28, 2012	—	4,487,406	2.266	Jul. 31, 2014	(Note 4)	(Note 2) (Note 3)	Secured Conventional
	The Bank of New York Mellon Trust (Japan), Ltd.		—	2,991,604	2.266	Jul. 31, 2014			
	Citibank Japan Ltd.		—	2,941,744	2.266	Jul. 31, 2014			
	Shinsei Bank, Limited.		—	2,941,744	2.266	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)	Secured Conventional
Shinsei Trust & Banking Co., Ltd.	Jul. 29, 2011	2,616,000	2,560,000	9.500	Jan. 30, 2015	(Note 5)	(Note 3)		
Subtotal			20,603,500	23,022,500					
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, 2014	—	2,700,000	1.900	Mar. 31, 2018	Lump sum	(Note 2)	Secured Conventional
			—	2,860,000	1.900	Mar. 31, 2019	(Note 7)		
			—	1,830,000	1.900	Mar. 31, 2020	(Note 7)		
			—	2,570,000	1.900	Mar. 31, 2019	(Note 8)		
Subtotal			11,000,000	20,960,000					
Total			31,603,500	43,982,500					

- (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.

Purchase and Sale during fiscal period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)

The acquisition of the trust beneficiary interests relates to the properties below.

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	Winnatage 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 Sannonniya 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

(Note) 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.

Other Assets

Assets other than the aforementioned are cash and deposits and cash and deposits in trust.

3 Appraisal Values Real Estate Transactions

	Property Names		Type of Ownership	Acquisition Date	Acquisition Price (Ths yen)	Appraisal Value (Ths yen)	Real Estate Appraiser	Appraisal Date
Acquisitions	A76	Neo Prominence	Trust Beneficiary Interests	Sep. 28 2012	1,660,000	1,660,000	Japan Real Estate Institute	Aug. 1, 2012
	A77	Invoice Shin-Kobe Residence			1,260,000	1,260,000		
	A78	Cosmo Court Motomachi			973,000	980,000		
	A79	Revest Honjin			674,000	679,000		
	A80	Revest Matsubara			657,000	662,000		
	A81	Sun Terrace Minami Ikebukuro			625,000	625,000		
	A82	Alba Noritake Shinmachi			608,000	608,000		
	A83	Revest Meieki Minami			597,000	597,000		
	A84	Revest Heian			595,000	599,000		
	A85	Vendir Hamaotsu Ekimae			581,000	638,000		
	A86	Salvo Sala			544,000	548,000		
	A87	Excellente Kagurazaka			543,000	543,000		
	A88	Luna Court Edobori			525,000	525,000		
	A89	Winntage Kobe Motomachi			512,000	516,000		
	A90	Queen's Court Fukuzumi			456,000	456,000		
	A91	Corp Higashinotoin			446,000	446,000		
	A92	Belair Oimachi			412,000	412,000		
	A93	Siete Minami-Tsukaguchi			374,000	377,000		
	A94	Prime Life Sannomiya Isogami Koen			373,000	373,000		
A95	HERMITAGE NANBA WEST	355,000	358,000					
A96	Century Park Shinkawa 1-bankan	335,000	337,000					
A97	West Avenue	331,000	333,000					
A98	Little River Honmachibashi	310,000	312,000					
A99	Prime Life Mikage	297,000	299,000					

(Note 1) 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 2) The above appraisal is conducted based on the "Japanese real estate appraisal santadaard - Detailed in Chapter 3 - Appraisals of securitized real estate.

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

II. Balance Sheet

(Unit: thousands of yen)

		Fiscal Period ended June 30, 2012 (As of June 30, 2012)	Fiscal Period ended December 31, 2012 (As of December 31, 2012)
Assets			
Current Assets			
Cash and deposits		3,080,041	745,429
Cash and deposits in trust	※1	2,130,105	2,786,480
Accounts receivables		19,103	18,370
Advances paid		208	664
Deposits paid	※2	696,804	690,495
Prepaid expenses		164,645	208,056
Consumption tax receivable		23,311	115,447
Allowance for doubtful accounts		(831)	(797)
Total Current Assets		6,113,388	4,564,147
Non-current Assets			
Property, plant and equipment			
Buildings	※1	2,680,174	2,680,174
Accumulated depreciation		(135,561)	(163,166)
Buildings, net		2,544,613	2,517,007
Equipment	※1	50,691	50,691
Accumulated depreciation		(21,152)	(24,125)
Equipment, net		29,539	26,566
Building improvements	※1	3,848	3,848
Accumulated depreciation		(1,121)	(1,261)
Building improvements, net		2,726	2,587
Land	※1	2,713,620	2,713,620
Buildings in trust	※1	23,030,036	29,664,262
Accumulated depreciation		(1,541,195)	(1,782,176)
Buildings in trust, net		21,488,840	27,882,085
Equipment in trust	※1	4,301,492	6,608,496
Accumulated depreciation		(1,091,836)	(1,280,186)
Equipment in trust, net		3,209,656	5,328,309
Building improvements in trust	※1	237,741	294,542
Accumulated depreciation		(62,476)	(73,848)
Building improvements in trust, net		175,265	220,693
Tools, furniture and fixtures in trust	※1	106,361	123,699
Accumulated depreciation		(45,055)	(54,255)
Tools, furniture and fixtures in trust, net		61,305	69,443
Land in trust	※1	31,056,639	36,582,527
Total property, plant and equipment		61,282,207	75,342,842
Intangible assets			
Others		621	244
Total intangible assets		621	244
Total investment and other assets			
Guarantee deposits		10,000	10,000
Long-term prepaid expenses		263,982	253,406
Others		28,686	29,381
Total investments and other assets		302,669	292,787
Total non-current Assets		61,585,498	75,635,874
Total Assets		67,698,887	80,200,022

(Unit: thousands of yen)

		Fiscal Period ended June 30, 2012 (As of June 30, 2012)	Fiscal Period ended December 31, 2012 (As of December 31, 2012)
Liabilities			
Current Liabilities			
Accounts Payable		76,887	133,791
Current portion of long-term debts	※1	262,000	262,000
Accrued liabilities		6,062	18,748
Accrued expenses		371,854	362,514
Accrued income taxes		506	503
Advances received		288,162	378,770
Deposits received		3,307	5,268
Total Current Liabilities		1,008,782	1,161,597
Non-current Liabilities			
Long-term debts	※1	20,341,500	22,760,500
Long-term debts in trust	※1	11,000,000	20,960,000
Tenant leasehold and security deposits in trust		925,696	1,059,315
Tenant leasehold and security deposits		183,579	183,579
Long-term accrued expenses		1,413,153	1,404,333
Total Non-current Liabilities		33,863,929	46,367,728
Total Liabilities		34,872,711	47,529,325
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		427,346	271,868
Total Surplus		6,691,778	6,536,300
Total Unitholders' Equity		32,826,175	32,670,697
Total Net Assets	※3	32,826,175	32,670,697
Total Liabilities and Net Assets		67,698,887	80,200,022

III. Statement of Income

(Unit: thousands of yen)

		Fiscal Period ended June 30, 2012 (from January 1, 2012 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)
Operating Revenues			
Rental revenues	※1	2,176,839	2,476,430
Total Operating Revenues		2,176,839	2,476,430
Operating Expenses			
Property related expenses	※1	1,024,277	1,156,672
Directors' remuneration		4,800	4,800
Asset management fees		150,000	130,067
Asset custodian fees		3,328	3,351
Administrative service fees		25,273	24,781
Provision of allowance for doubtful accounts		646	797
Bad debt expenses		1,137	-
Other operating expenses		73,303	71,786
Total Operating Expenses		1,282,766	1,392,258
Operating Income/Loss		894,072	1,084,171
Non-operating Revenues			
Interest revenues		515	487
Miscellaneous income		1,875	2,904
Total Non-operating Revenues		2,390	3,391
Non-operating Expenses			
Interest expenses		695,689	763,201
Finance related costs		73,562	208,347
Investment unit issuance expenses		1,230	1,230
Miscellaneous losses		-	-
Total Non-operating Expenses		770,482	972,778
Ordinary Income/Loss		125,981	114,784
Income/Loss Before Income Taxes		125,981	114,784
Corporate Tax, etc.		605	604
Taxes due/Tax refund after adjustments		(2,799)	-
Total Corporate Tax, etc.		(2,194)	604
Net Income/Loss		128,175	114,179
Retained Earnings at the Beginning of the Period		299,171	157,688
Unappropriated Retained Earnings/Loss at the End of the Period		427,346	271,868

IV. Statement of Unitholders' Equity

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2012 (from January 1, 2012 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)
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	568,830	427,346
Change during the period		
Distributions from surplus	(269,658)	(269,658)
Net income/Loss	128,175	114,179
Total change during the period	(141,483)	(155,478)
Balance at the end of the period	427,346	271,868
Total Surplus		
Balance at the beginning of the period	6,833,262	6,691,778
Change during the period		
Distributions from surplus	(269,658)	(269,658)
Net income	128,175	114,179
Total change during the period	(141,483)	(155,478)
Balance at the end of the period	6,691,778	6,536,300
Total Unitholders' Equity		
Balance at the beginning of the period	32,967,658	32,826,175
Change during the period		
Distributions from surplus	(269,658)	(269,658)
Net income/Loss	128,175	114,179
Total change during the period	(141,483)	(155,478)
Balance at the end of the period	32,826,175	32,670,697
Total Net Assets		
Balance at the beginning of the period	32,967,658	32,826,175
Change during the period		
Distributions from surplus	(269,658)	(269,658)
Net income/Loss	128,175	114,179
Total change during the period	(141,483)	(155,478)
Balance at the end of the period	32,826,175	32,670,697

V. Notes

[Notes Concerning Significant Accounting Policies]

By Period Item	For the Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)																												
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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Buildings</td> <td style="text-align: right;">40 - 77 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">3 - 24 years</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">3 - 18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">6 - 65 years</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">3 - 32 years</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">3 - 30 years</td> </tr> <tr> <td>Tools, furniture & fixtures in trust</td> <td style="text-align: right;">2 - 15 years</td> </tr> </table> <p>2. Intangible assets The straight-line method is used.</p> <p>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 - 65 years	Equipment in trust	3 - 32 years	Building improvements in trust	3 - 30 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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Buildings</td> <td style="text-align: right;">40 - 77 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">3 - 24 years</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">3 - 18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">6 - 66 years</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">3 - 32 years</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">3 - 55 years</td> </tr> <tr> <td>Tools, furniture & fixtures in trust</td> <td style="text-align: right;">2 - 15 years</td> </tr> </table> <p>2. Intangible assets The straight-line method is used.</p> <p>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
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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. There was no such amount equivalent to property taxes that was included as part of the acquisition of real estate during this fiscal period.</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate 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>																												

Item	By Period For the Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)
<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. 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. 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>

(Notes to the Balance Sheets)

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

	Fiscal Period ended Jun. 30, 2012 (as of Jun. 30, 2012)	Fiscal Period ended Dec. 31, 2012 (as of Dec. 31, 2012)
Cash and deposits in trust	2,130,105	2,786,480
Buildings	2,544,613	2,517,007
Equipment	29,539	26,566
Building improvements	2,726	2,587
Land	2,713,620	2,713,620
Buildings in trust	21,488,840	27,882,085
Equipment in trust	3,209,656	5,328,309
Building improvements in trust	175,265	220,693
Tools, furniture and fixtures in trust	61,305	69,443
Land in trust	31,056,639	36,582,527
Total	63,412,312	78,129,323

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

	Fiscal Period ended Jun. 30, 2012 (as of Jun. 30, 2012)	Fiscal Period ended Dec. 31, 2012 (as of Dec. 31, 2012)
Current portion of long-term debts	262,000	262,000
Long-term debts	20,341,500	22,760,500
Long-term debts in trust	11,000,000	20,960,000
Total	31,603,500	43,982,500

※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 Jun. 30, 2012 (as of Jun. 30, 2012)	Fiscal Period ended Dec. 31, 2012 (as of Dec. 31, 2012)
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 June 30, 2012 (from January 1 to June 30, 2012)	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)
A. Rental revenues		
Rent/common area charges	1,996,336	2,300,764
Other revenues	180,502	175,665
Total	2,176,839	2,476,430
B. Property related expenses		
Maintenance costs	359,308	403,390
Taxes and public dues	146,563	141,455
Insurance expenses	4,118	4,677
Other expenses	102,601	126,526
Depreciation expenses	411,685	480,622
Total	1,024,277	1,156,672
C. Operating income from rental revenues A-B)	1,152,562	1,319,757

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

	For the Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	For the Fiscal Period ended July 1, 2012 (from July 1 to December 31, 2012)
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	1,348,292 units	1,348,292 units

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Deferred tax assets - current assets		
Enterprise tax payable	544	564
Rental receivables(merger)	211	211
Allowance for doubtful accounts	304	291
Accrued expenses	6,454	6,454
Subtotal	7,515	7,522
Valuation allowance	7,515	7,522
Total	—	—
Net deferred tax assets – current	—	—
Deferred tax assets – non-current assets		
Buildings and other(merger)	1,227,581	1,208,736
Land(merger)	2,547,099	2,547,099
Long-term accrued expenses	517,072	513,845
Net loss carried forward	7,023,707	7,023,707
Subtotal	11,315,460	11,293,388
Valuation allowance	11,315,460	11,293,388
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, 2012 (from January 1 to June 30, 2012)
Statutory tax rate	39.33	36.59
Deductible cash distributions	(20.06)	(17.47)
Provision of reserve for reduction entry	(19.27)	(19.22)
Others	0.48	0.63
Effective tax rate	0.48	0.53

(Notes Related to Lease Contracts)

Operating lease transactions(as lessee)Remaining lease payments

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Due within one year	112,249	112,249
Due after one year	2,504,787	2,448,662
Total	2,617,036	2,560,911

Operating lease transactions(as lessor)Remaining lease payments

(Unit : thousands of yen)

	Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Due within one year	674,516	674,516
Due after one year	7,933,109	7,595,851
Total	8,607,625	8,270,367

(Notes Related to Financial Instruments)

1. Status of Financial Instruments

(1) Policy for Financial Instruments

The Investment Corporation principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term.

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

Derivative transactions are to be entered into for the purpose of hedging against the rate of future interest rate increases, etc. and not for speculation. There are currently no derivative transactions that have been entered into.

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

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

The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.

(3) Supplemental information regarding market value, etc. for financial instruments

The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.

2. Estimated Fair Value of Financial Instruments

Book value, fair value and the difference between values as of June 30, 2012 are as follow.

(Unit : thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	3,080,041	3,080,041	—
(2) Cash and deposits in trust	2,130,105	2,130,105	—
Total assets	5,210,146	5,210,146	—
(3) Current portion of long-term debts	262,000	262,025	25
(4) Long-term debts	20,341,500	20,369,393	27,893
(5) Long-term debts in trust	11,000,000	11,097,830	97,830
Total liabilities	31,603,500	31,729,249	125,749

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

(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 June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Tenant leasehold and security deposits	183,579	183,579
Teneant leasehold and security deposits in trust	925,696	1,059,315

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

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

As of June 30, 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	3,080,041	—	—	—	—	—
Cash and deposits in trust	2,130,105	—	—	—	—	—
Total	5,210,146	—	—	—	—	—

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	—	—	—	—	—

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

As of June 30, 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	—	262,000	20,079,500	—	—	—
Long-term debts in trust	—	—	320,981	436,972	3,787,346	6,454,699
Total	262,000	262,000	20,400,481	436,972	3,787,346	6,454,699

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

(Notes Related to Rental Properties)

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

(Unit : thousands of yen)

			Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Residential	Book value	Balance at the beginning of the period	42,941,963	42,701,472
		Change during the period	(240,490)	14,144,274
		Balance at the end of the period	42,701,472	56,845,746
	Fair value at the end of the period	41,825,000	56,237,000	
Office	Book value	Balance at the beginning of the period	8,626,170	8,567,280
		Change during the period	(58,889)	(9,898)
		Balance at the end of the period	8,567,280	8,557,382
	Fair value at the end of the period	7,312,000	7,237,000	
Retail	Book value	Balance at the beginning of the period	5,491,912	5,442,452
		Change during the period	(49,460)	(44,824)
		Balance at the end of the period	5,442,452	5,397,628
	Fair value at the end of the period	5,170,000	5,210,000	
Parking	Book value	Balance at the beginning of the period	100,892	100,878
		Change during the period	(13)	(13)
		Balance at the end of the period	100,878	100,865
	Fair value at the end of the period	91,300	91,300	
Seniors	Book value	Balance at the beginning of the period	4,499,026	4,470,123
		Change during the period	(28,903)	(28,903)
		Balance at the end of the period	4,470,123	4,441,219
	Fair value at the end of the period	4,708,000	4,708,000	
Total	Book Value	Balance at the beginning of the period	61,659,964	61,282,207
		Change during the period	(377,757)	14,060,634
		Balance at the end of the period	61,282,207	75,342,842
	Fair value at the end of the period	59,106,300	73,483,300	

(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 June 30, 2012 was capital expenditures related to construction work, and the major factor of the decrease was depreciation. The major factor of the increase for the fiscal period ended December 31, 2012 was acquisition of newproperties and the major factor of the decrease was depreciation.

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

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

(Notes Related to Related Party Transactions)

1. Transactions with Parent Company and Major Unitholders

Fiscal Period ended June 30, 2012 (from January 1, 2012 to June 30, 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	9,716,000
				Finance related fees	43,927	Long-term prepaid expenses	143,196
						Prepaid expenses	90,270
						Long-term accrued expenses	1,413,153
						Accrued expenses	17,640
Interest expenses	425,928	Accrued expenses	149,395				

(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.

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	24,552	Accrued expenses	16,888
				Trust Fees	3,490	Accrued expenses	551
				Repayment of current portion of long-term debts	13,636	Current portion of long-term debts	27,272
				Repayment of long-term debts	—	Repayment of long-term debts	1,951,665
				Finance related fees	3,441	Prepaid expenses	6,901
						Long-term prepaid expenses	7,430
Interest expenses	24,108	Accrued expenses	8,453				

(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.

(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.

(Notes Related to Per Unit Information)

	Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Net assets per unit	24,346 yen	24,231 yen
Net income per unit	95 yen	85 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/loss per unit is as follows.

	Fiscal Period ended June 30, 2012 (January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (July 1 to December 31, 2012)
Net income for the fiscal period (thousands of yen)	128,175	114,179
Net income not attributable to common unit holders (thousands of yen)	—	—
Net income attributable to common unit holders (thousands of yen)	128,175	114,179
Average number of investment units during the period (unit)	1,348,292	1,348,292

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

VI. Statement of Cash Distribution

	Fiscal Period ended June 30, 2012 (from January 1, 2013 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)
I Unappropriated retained earnings	427,346,794 yen	271,868,258 yen
II Distribution Amount	269,658,400 yen	157,750,164 yen
(Distribution per Unit)	(200 yen)	(117 yen)
III Retained earnings carried forward	157,688,394 yen	114,118,094 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. Pursuant to this policy, INV determined the distribution amount to be 269,658,400 yen, which is the sum of net income of 128,175,038 yen and reversal of surplus of 141,483,362 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 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.

Note

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

Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended December 31, 2012 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>

VIII. Statement of Cash Flow (Reference Information)

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2012 (from January 1, 2012 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1, 2012 to December 31, 2012)
Cash Flows from Operating Activities		
Net income/loss before taxes	125,981	114,784
Depreciation expenses	412,110	481,000
Investment unit issuance expenses	1,230	1,230
Finance related costs	73,562	208,347
Amortization of tenant leasehold and security deposits	(927)	(1,354)
Interest received	(515)	(487)
Interest paid	695,689	763,201
Increase (decrease) in allowance for doubtful accounts	519	(33)
Decrease (increase) in accounts receivable	(902)	733
Decrease (increase) in deposit payments	(49,446)	6,308
Decrease (increase) in consumption tax receivable	(23,311)	(92,135)
Increase (decrease) in accrued consumption tax payable	(59,401)	-
Increase (decrease) in accounts payable	(38,383)	62,798
Increase (decrease) in accrued liabilities	(344)	13,696
Increase (decrease) in accrued expenses	(570)	(31,930)
Increase (decrease) in advances received	6,598	90,607
Increase (decrease) in deposits received	(2,315)	1,960
Others	15,097	714
Subtotal	1,154,670	1,619,439
Proceeds of interest	493	487
Payment of interest	(688,459)	(740,409)
Payment of loss due to disaster	(3,667)	-
Payment of corporate taxes, etc.	(595)	(608)
Cash Flows from Operating Activities	462,441	878,909
Cash Flows from Investing Activities		
Payment for acquisition of tangible assets in trust	(38,277)	(14,547,093)
Payment of tenant leasehold and security deposits in trust	(49,274)	(39,366)
Proceeds of tenant leasehold and security deposits in trust	45,436	174,339
Others	(694)	(694)
Cash Flows from Investing Activities	(42,810)	(14,412,815)
Cash Flows from Financing Activities		
Proceeds from long-term debt	-	13,400,000
Repayment of long-term debt	(131,000)	(10,981,000)
Proceeds from long-term debt in trust	-	9,960,000
Costs from issuance of investment units	(1,230)	(1,230)
Finance related costs	(10,452)	(251,904)
Payment of distributions	(270,167)	(270,196)
Cash Flows from Financing Activities	(412,849)	11,855,670
Increase (decrease) in cash and cash equivalents	6,780	(1,678,236)
Beginning balance of cash and cash equivalents	5,203,366	5,210,146
Closing balance of cash and cash equivalents	※1 5,210,146	3,531,910

Notes Concerning Significant Accounting Policies

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

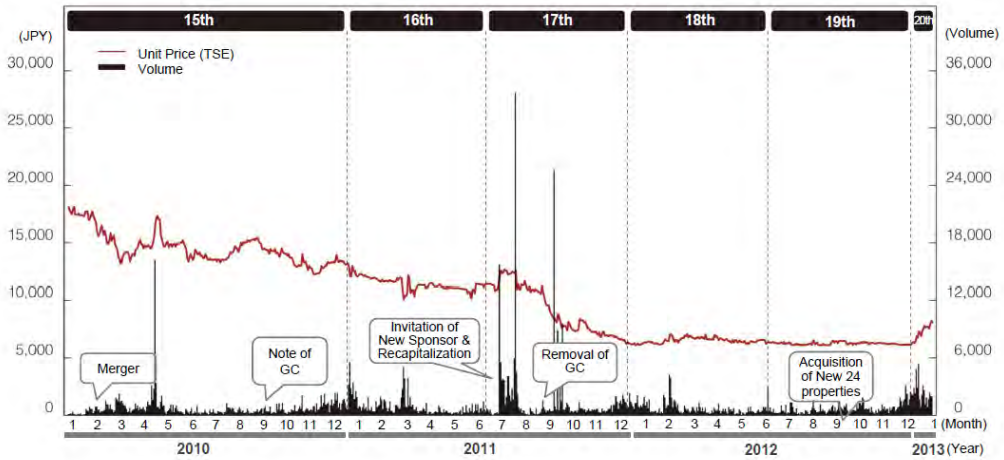
※ 1. Relationship between cash and cash equivalents in statement of cash flows and amounts in accompanying balance sheet

(unit : thousands of yen)

Period	Fiscal Period ended June 30, 2012 (from January 1 to June 30, 2012)	Fiscal Period ended December 31, 2012 (from July 1 to December 31, 2012)
Item		
Cash and deposits	3,080,041	745,429
Cash and deposits in trust	2,130,105	2,786,480
Cash and cash equivalents	5,210,146	3,531,910

Historical Unit Price

Invincible Investment Corporation



(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 unit.

(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	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