

June 2016 Fiscal Period Results

(January 1, 2016 to June 30, 2016)

August 23, 2016

Invincible Investment Corporation



Invincible Investment
Corporation

TSE Code: 8963

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

	Page
■ Results Summary	3
■ Hotel Performance	10
■ Residential Performance	22
■ Financial Status	29
■ Appendix	33

First Half 2016

- 1H 2016 DPU of JPY 1,186, exceeded forecast, an increase of 37.9% compared to 1H 2015
 - 1H hotel ADR and NOI up 8.5%¹ and 11.0%¹, respectively versus 1H 2015
 - 1H residential NOI increased by 5.1%² versus 1H 2015
- Acquired 13 assets in three transactions, for a total of JPY 92.8 billion³
- Appraisal value is up by JPY 14.3 billion, or 6.7% for the existing portfolio⁴
- Introduced several new lenders including the Development Bank of Japan and Japan Post Bank

Second Half 2016

- DPU expected to be JPY 1,597⁵ in 2H 2016, 34.5% higher than JPY 1,187 achieved in 2H 2015
 - For Hotels this assumes ADR and NOI growth of 5.5%¹ and 4.5%¹ respectively compared to 2H 2015
 - For Residential this assumes NOI of JPY 1,545million, 3.3%² higher than in 2H 2015
 - In July, Hotel ADR and NOI increased by 7.2%⁶ and 5.8%⁶ YoY respectively
 - In July, Residential NOI increased 6.0%² YoY
- Inbound visitor growth to Japan remains strong at +26.7% (Jan. – Jul.) versus same period in 2015⁷
- Lenders increased from 8 to 17 since year-end, average interest rate lowered to 0.49%
- Robust Sponsor pipeline and growing lender group provides strong external growth potential

(Note 1) Based on 35 hotels in Invincible's portfolio as of the end of June, 2016, which includes all hotels with variable rent structures except for Hotel MyStays Haneda as well as Hotel MyStays Kanazawa, which opened in 2014, and Hotel MyStays Shinsaibashi as well as Hotel MyStays Gotanda Station, which underwent renovation in 2015

(Note 2) Based on 63 properties held as of the end of December 2014. Excludes one-off insurance-related revenues and expenses

(Note 3) Based on acquisition price

(Note 4) Based on 111 properties held as of the end of December 2015

(Note 5) Forecast announced on August 23, 2016

(Note 6) Based on 34 hotels in Invincible's portfolio as of the end of June, 2016, which includes all hotels with variable rent structures except for Hotel MyStays Haneda as well as Hotel MyStays Kanazawa, which opened in 2014, Hotel MyStays Shinsaibashi as well as Hotel MyStays Gotanda Station, which underwent renovation in 2015 and Hotel MyStays Kanda which underwent renovation in 2016

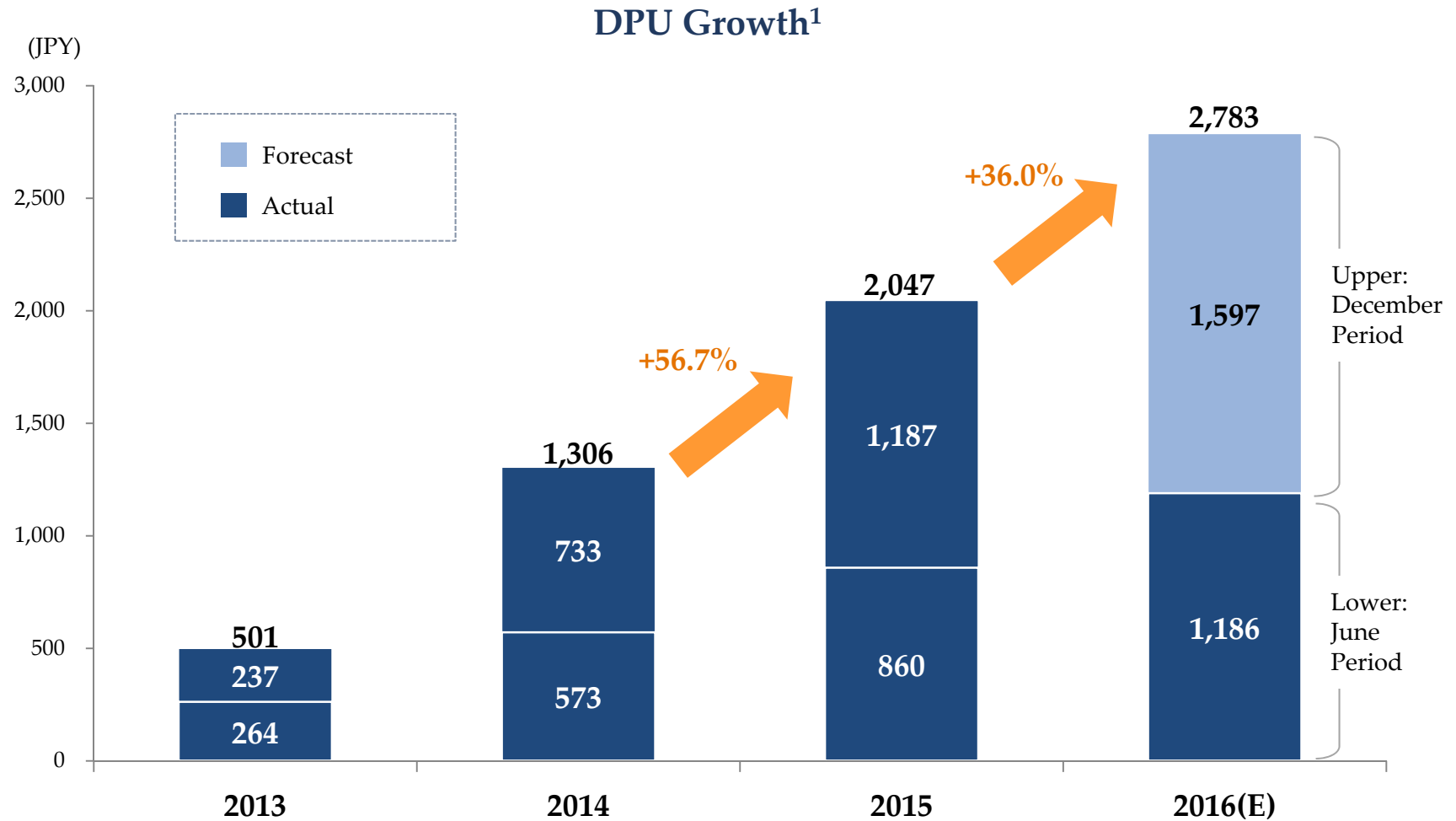
(Note 7) Source: JNTO



Results Summary

Continued Robust DPU Growth

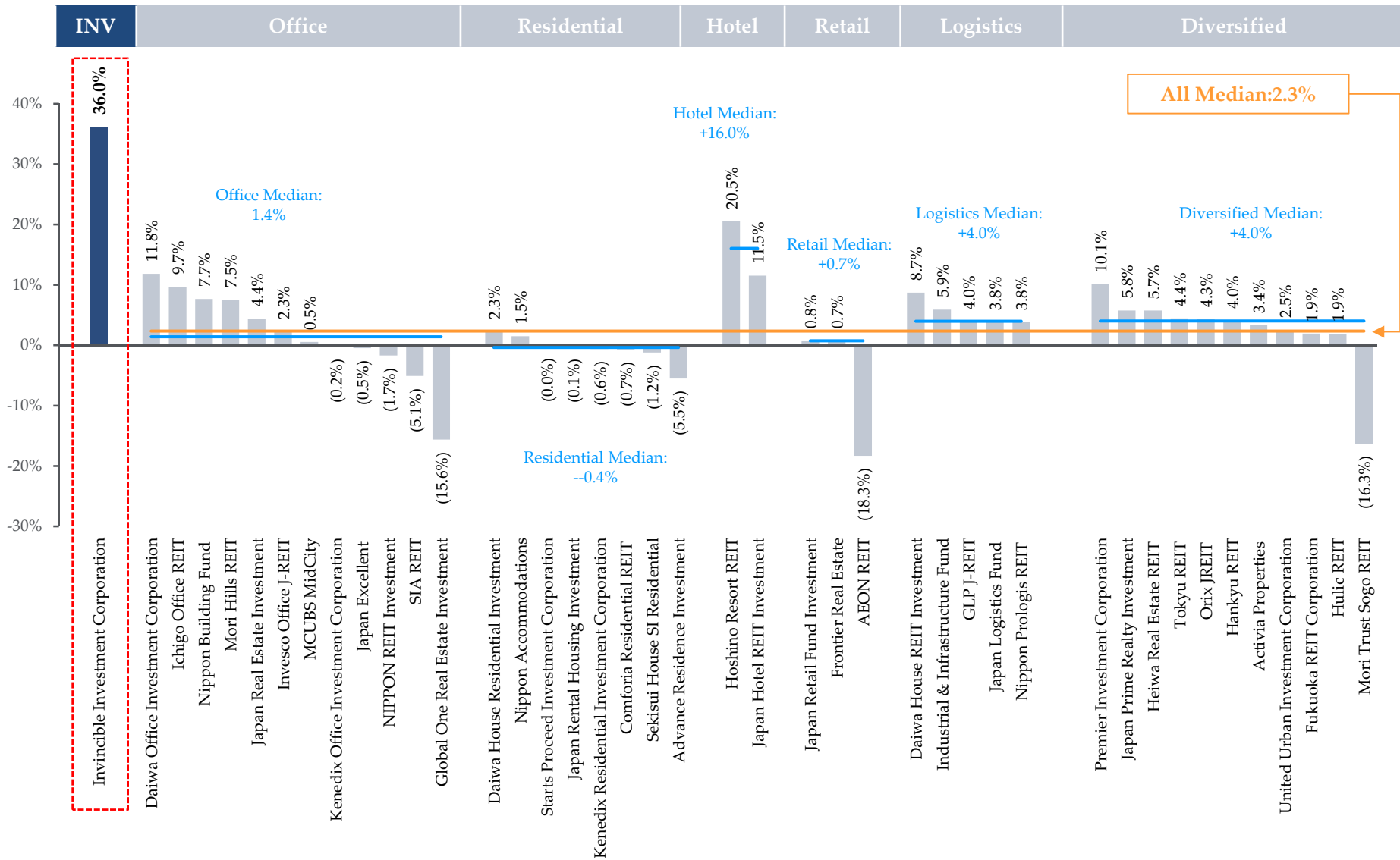
2016 DPU forecast of JPY2,783, 36.0% higher YoY, due to strong internal growth and acquisition of an additional 13 properties



(Note1) Based on the forecasts announced on August 23, 2016

Highest DPU Growth Among J-REITs

DPU Growth (2016E vs 2015)



Source: Japan REIT.com

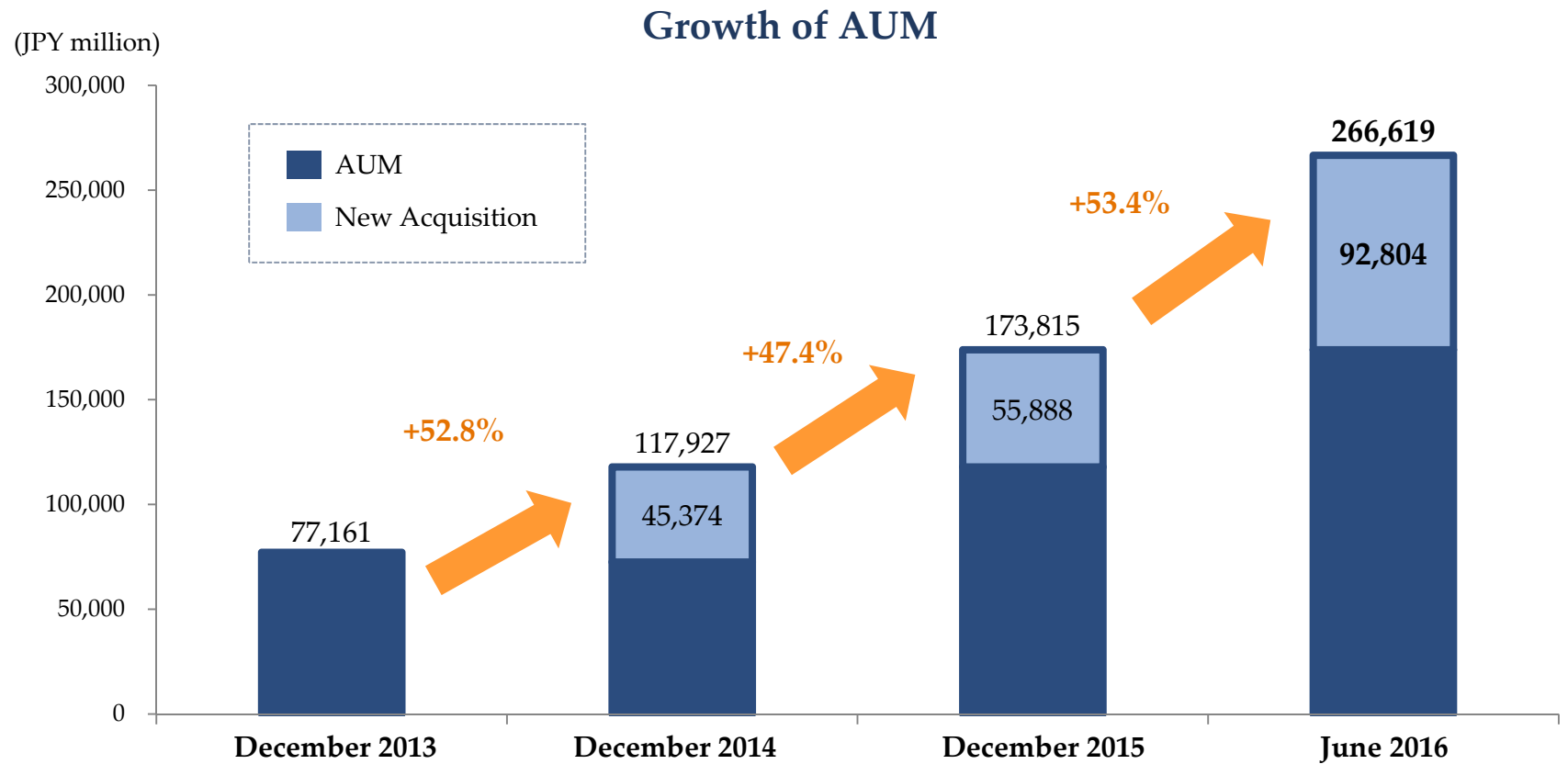
(Note) JREIT DPU growth compares the next 12 months DPU forecast (in the case of only 6 months guidance, use the annualized DPU) versus the last 12 month achieved DPU, based on the figures available as of August 11, 2016. J-REITs that have two fiscal results or less are excluded from the universe.

June 2016 Period Results

	June 2015 Period (Actual) (A)	June 2016 Period (Actual) (B)	Change (B-A)
Operational Status (JPY million)			
Operating Revenues	4,974	8,158	+3,183
Operating Income	2,810	5,073	+2,262
Ordinary Income	2,295	4,364	+2,068
Net Income	2,295	4,363	+2,068
DPU (JPY)			
DPU (Total)	860	1,186	+326
DPU without distribution in excess of earnings	860	1,125	+265
DPU in excess of earnings	-	61	+61
Others			
NOI (JPY million)	4,127	7,137	+3,009
Number of Units Outstanding	2,668,686	3,675,824	+1,007,138

Track Record of External Growth

- INV acquired 13 properties and expanded its asset size by over 50% in the June 2016 period
- Large pipeline as outlined later



# of properties	71	91	111	124
Hotels	0	20	37	48

Growth of Portfolio

- As of June 2016, increased hotel concentration to 67.9%, while maintaining strong presence in Greater Tokyo¹ at 62.2%
- No. of Properties : 124 (No. of Hotels : 48) / No. of Hotel Rooms : 7,027 / No. of Apartment Units : 4,108

As of December 2014

As of December 2015

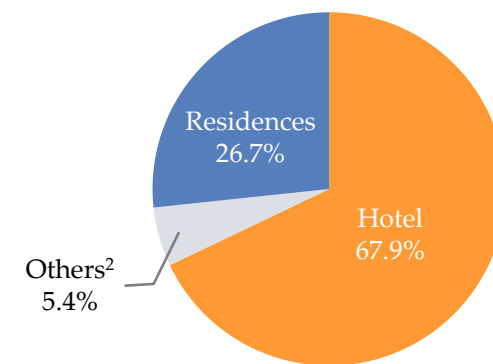
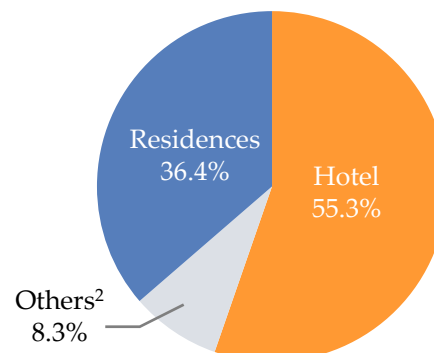
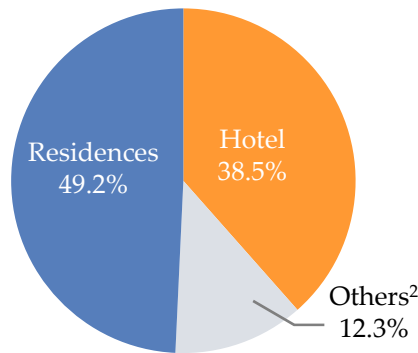
As of June 2016

91 properties

111 properties

124 properties

Portfolio Composition by Property Type³

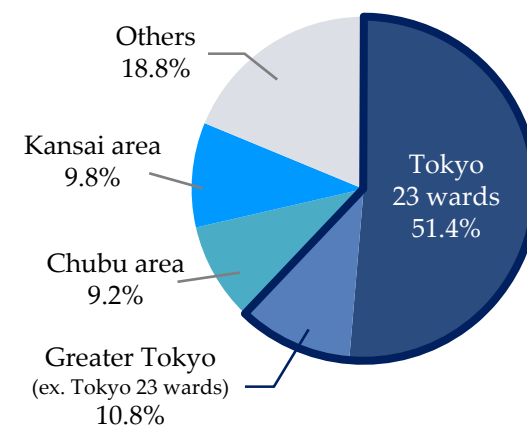
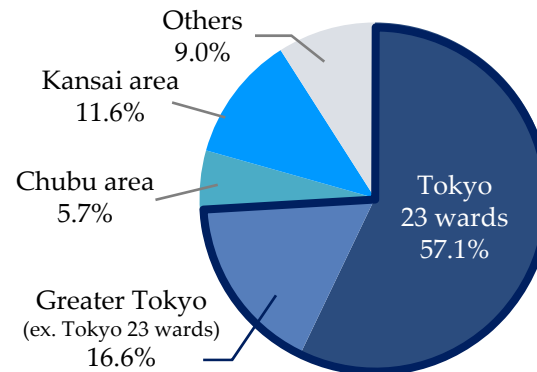
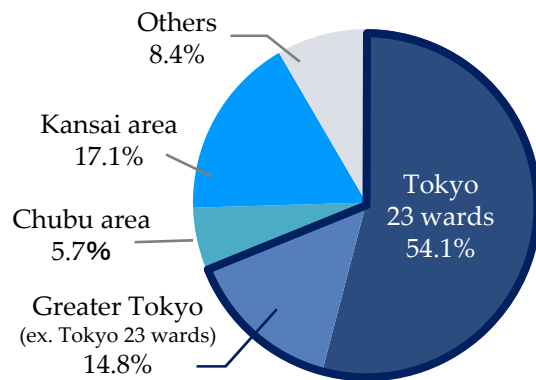


Portfolio Composition by Geography³

Greater Tokyo: 68.9%

Greater Tokyo: 73.7%

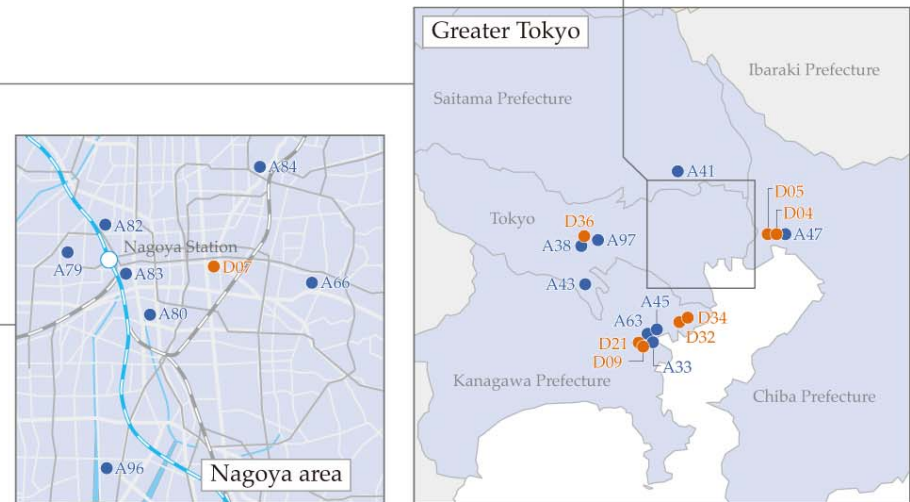
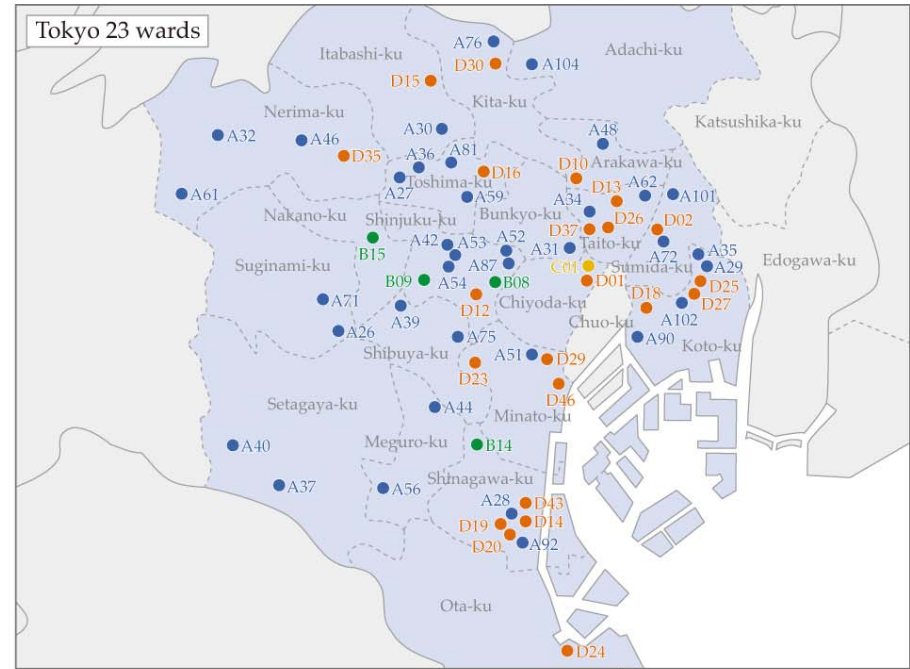
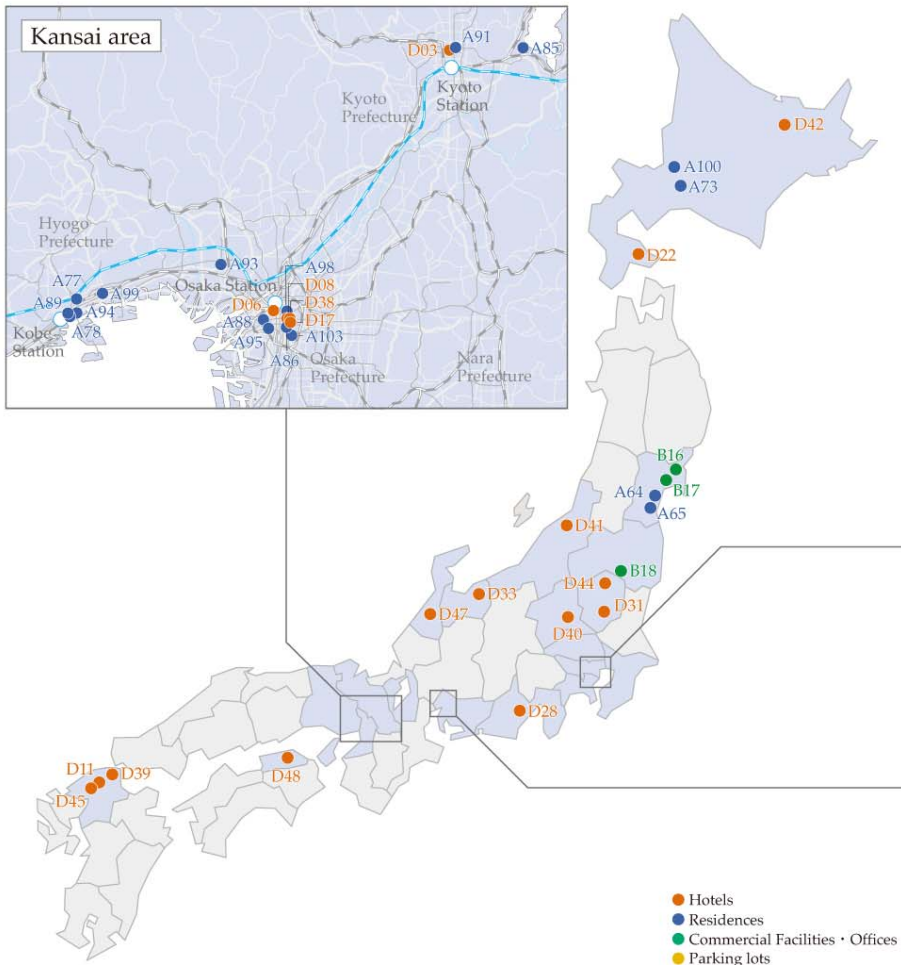
Greater Tokyo: 62.2%



(Note1) "Greater Tokyo" is Tokyo, Kanagawa, Chiba and Saitama
 (Note2) "Others" includes Offices, Commercial facilities and Parking lots
 (Note3) Based on acquisition price

Portfolio Map

No. of Properties	No. of Hotels	No. of Hotel Rooms	No. of Apartment Units
124	48	7,027	4,108



(Note) Please refer to Portfolio Properties on page 57 through 59 for the details of property for each property number

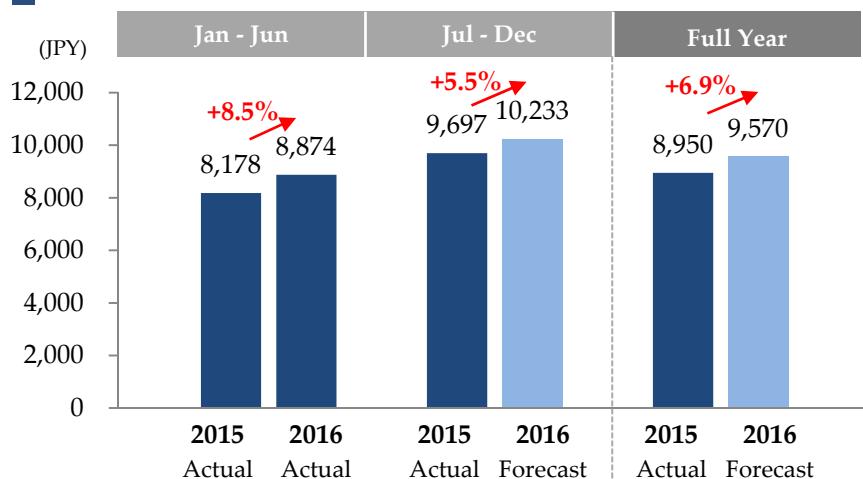


Hotel Performance

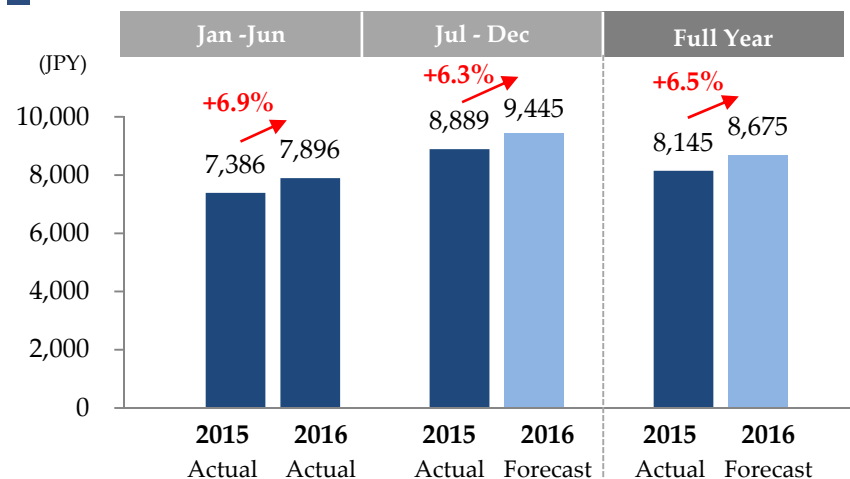
Performance Indicators of Hotel Properties

INV forecasts ADR growth of 6.9%, RevPAR growth of 6.5%, GOP growth of 6.9% compared with 2015 and a slight decline in occupancy for the 2016 full year

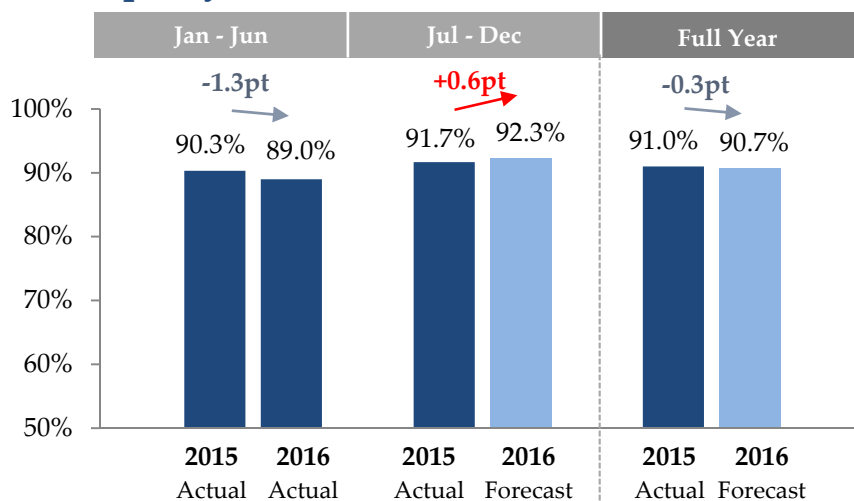
ADR¹



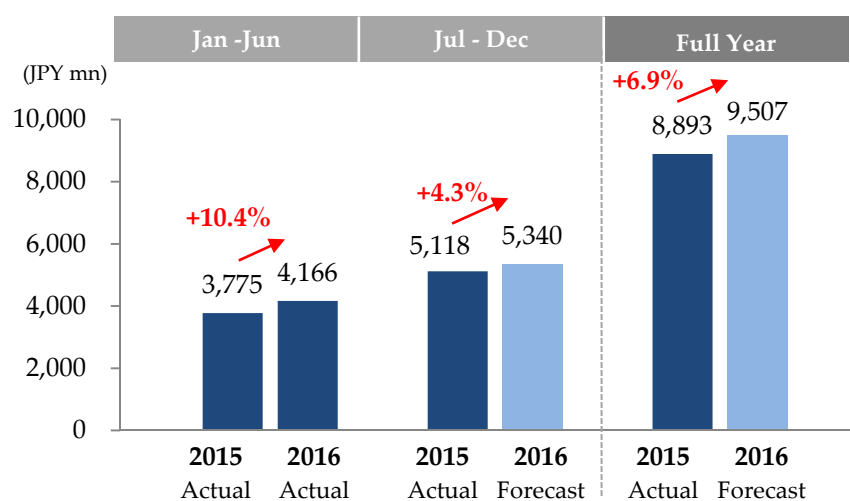
RevPAR¹



Occupancy¹



GOP^{1,2}

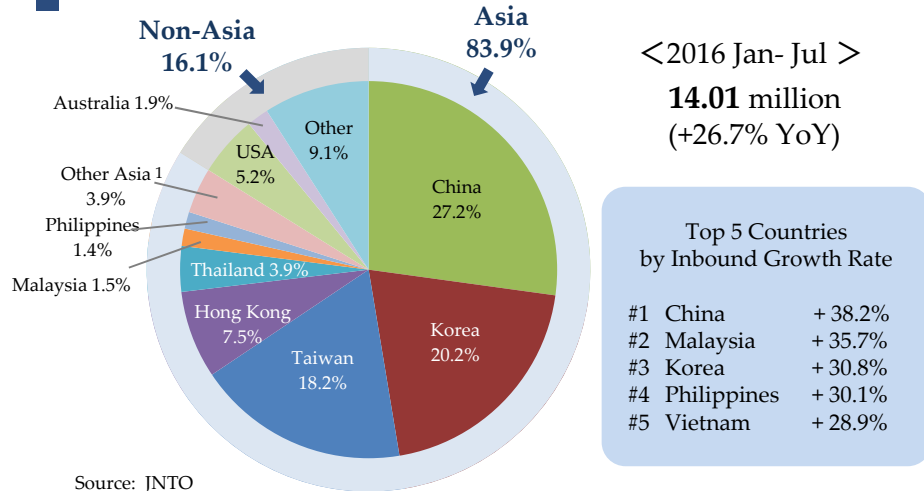


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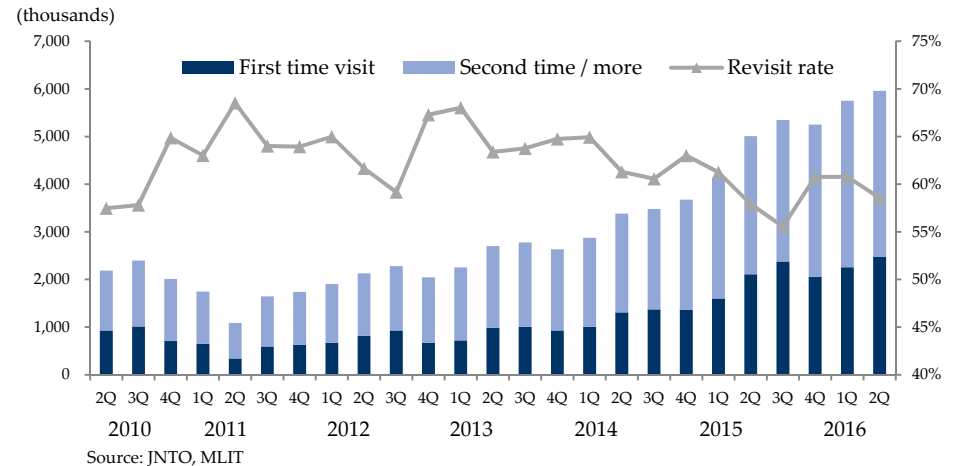
(Note 2) In calculating the GOP, the rent paid by APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel

- Japan's large array of attractive cities, tourist activities, restaurants and shopping encourages repeat Asian visitors
- Inbound visitors marked a record high of 2.2 million as a single month in July 2016 (+19.7% YoY) and grew 26.7% to reach 14.01 million year to date

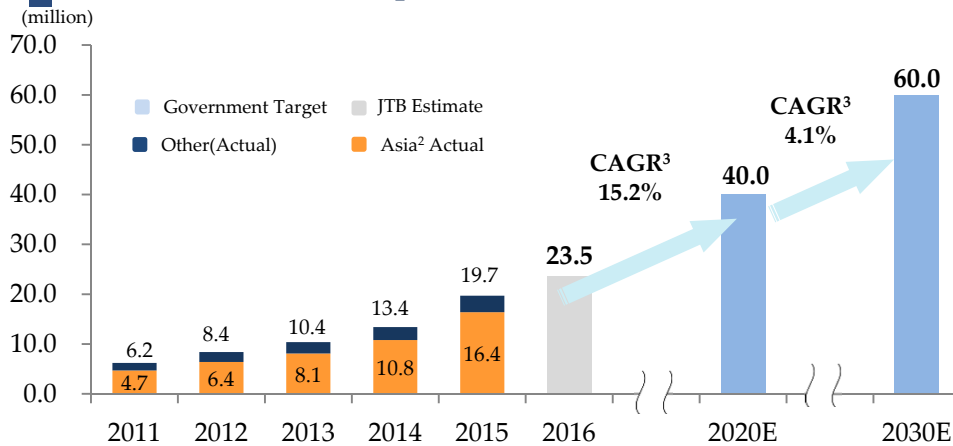
of Inbound Visitors



of Visitors to Japan and the Percent as Repeat Visitors

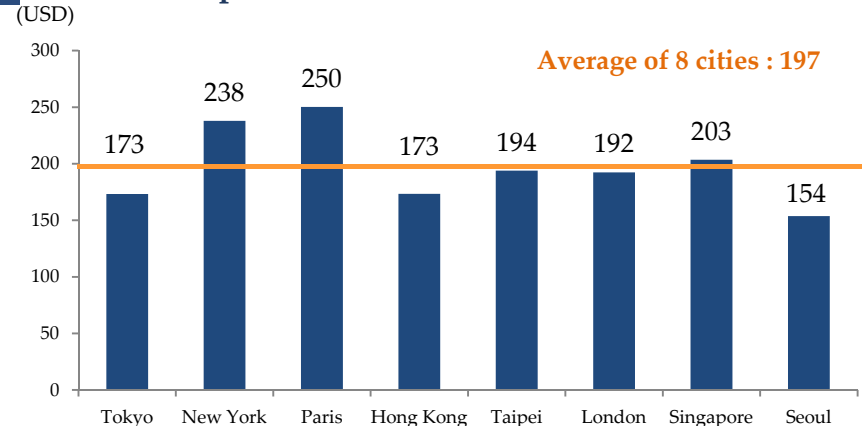


Inbound Visitors to Japan



(Note 1) Other Asia includes Singapore, Indonesia, Vietnam and India
 (Note 2) Asia includes China, South Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, Philippines, Vietnam, and India
 (Note 3) The CAGR is a hypothetical calculation assuming the Government Target is achieved
 (Note 4) Year to date average as of June 2016

Global Comparison of ADR⁴



Source: STR Global Limited (Asia Pacific Hotel Industry Performance for the Month of June 2016)

Growth of Inbound to Japan

- Japanese government initiatives focusing on increasing the number of inbound visitors has paid off, growth in inbound tourism has increased by 20% or more in each of the last four years
- While growth from Asia continues to be strong, inbound from Europe and Australia is steadily growing

Growth of Inbound

Annual Growth (2011 – 2015)

	2011	2012	2013	2014	2015
China	1,043,246	1,429,855	1,314,437	2,409,158	4,993,914
YoY	-26.2%	37.1%	-8.1%	83.3%	107.3%
Korea	1,658,073	2,044,249	2,456,165	2,755,313	4,002,143
YoY	-32.0%	23.3%	20.1%	12.2%	45.3%
Taiwan	993,974	1,466,688	2,210,821	2,829,821	3,676,801
YoY	-21.6%	47.6%	50.7%	28.0%	29.9%
Hong Kong	364,865	481,704	745,881	925,975	1,524,263
YoY	-28.3%	32.0%	54.8%	24.1%	64.6%
Thailand	144,969	260,640	453,642	657,570	796,728
YoY	-32.5%	79.8%	74.0%	45.0%	21.2%
USA	565,887	717,372	799,280	891,668	1,033,239
YoY	-22.2%	26.8%	11.4%	11.6%	15.9%
UK	140,099	174,159	191,798	220,060	260,694
YoY	-23.9%	24.3%	10.1%	14.7%	18.5%
France	95,438	130,520	154,892	178,570	208,426
YoY	-36.8%	36.8%	18.7%	15.3%	16.7%
Canada	101,299	135,481	152,766	182,865	231,427
YoY	-33.9%	33.7%	12.8%	19.7%	26.6%
Australia	162,578	206,537	244,569	302,656	376,120
YoY	-28.0%	27.0%	18.4%	23.8%	24.3%
Other	948,324	1,320,667	1,639,653	2,059,811	2,633,946
YoY	-28.4%	39.3%	24.2%	25.6%	27.9%
Total	6,218,752	8,367,872	10,363,904	13,413,467	19,737,701
YoY	-27.8%	34.6%	23.9%	29.4%	47.1%

Monthly Growth (Jan-Jul 2016)

	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016
China	475,000	498,900	498,100	514,900	507,200	582,500	731,400
YoY	110.0%	38.9%	47.3%	26.9%	31.0%	26.0%	26.8%
Korea	514,900	490,800	374,100	353,700	302,100	347,400	447,000
YoY	43.8%	52.6%	39.5%	16.1%	-4.2%	38.1%	30.0%
Taiwan	321,000	349,000	328,400	384,200	375,500	397,800	397,000
YoY	47.9%	25.7%	18.2%	14.6%	10.5%	15.2%	9.8%
Hong Kong	125,000	151,800	161,000	127,200	140,000	163,100	184,600
YoY	42.5%	38.8%	37.3%	6.4%	16.1%	19.1%	16.3%
Thailand	61,100	61,300	99,700	131,000	84,900	47,900	61,300
YoY	36.5%	39.2%	7.9%	11.1%	4.8%	10.4%	18.2%
USA	75,900	67,600	116,200	114,200	112,000	125,400	117,600
YoY	22.3%	14.3%	21.5%	19.1%	21.5%	22.8%	19.8%
UK	17,600	20,100	34,700	28,500	24,000	20,300	24,700
YoY	17.1%	13.1%	37.7%	5.4%	20.6%	20.8%	-6.2%
France	12,100	14,500	22,100	34,000	23,200	16,700	27,000
YoY	20.6%	21.3%	22.2%	25.2%	14.3%	23.7%	21.1%
Canada	17,700	17,500	26,600	23,100	24,100	18,900	22,900
YoY	24.2%	7.3%	22.9%	5.6%	16.4%	13.2%	15.8%
Australia	56,100	35,900	41,800	39,700	29,800	30,200	29,100
YoY	15.5%	18.5%	43.3%	16.6%	20.2%	33.0%	14.6%
Other	175,400	184,000	306,800	331,300	270,800	235,500	253,900
YoY	30.4%	31.6%	26.6%	20.2%	23.1%	23.3%	8.8%
Total	1,851,800	1,891,400	2,009,500	2,081,800	1,893,600	1,985,700	2,296,500
YoY	52.0%	36.4%	31.7%	18.0%	15.3%	23.9%	19.7%

Source: JNTO

Government initiatives drive further growth

■ Japan Revitalization Strategy 2016

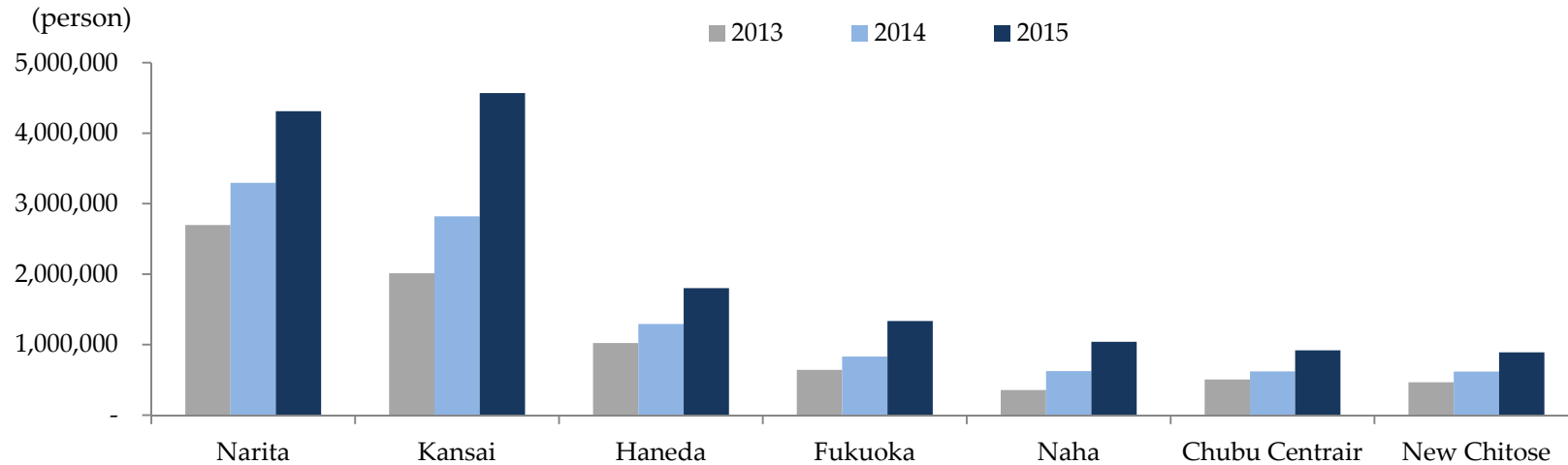
- As the third arrow of Abenomics, the Cabinet established the “Japan Revitalization Strategy” on June 2, 2016, positioning tourism as one of the key industries of Japan. The Government will deploy effective measures comprehensively and strategically
- Aim to increase foreign visitors from 19.7 million in 2015, to 40 million in 2020 and 60 million in 2030
- Aim to boost foreign visitor consumption from JPY 3.5 trillion in 2015 to JPY 8 trillion in 2020 and JPY 15 trillion in 2030
- Relax visa requirements, expand consumption tax refund system, strengthen air transport network including increasing landing slots for international flights to/from Haneda, enhance ports for cruise ships (aiming for 5 million passengers by 2020), and improve access between Haneda/Narita airports by trains and buses, etc.

■ Other Measures

- Japan plans to implement a preclearance program to streamline the immigration and customs process in Japan. Japan aims to implement the program by 2017 starting with South Korea and Taiwan

- Tourist Arrivals via Air Have Continued to Increase
- Eight of the Top 10 Airports Have Further Plans to Increase Capacity

Asian Visitors to Japan by Major Airport



Source: Ministry of Justice

Enhance Airport Capacity

Haneda Airport and Narita Airport

- Increase international flight capacity by building or extending runways as both airports will reach their annual capacity limit of 750,000 landing slots by early 2020
- Haneda will increase its annual landings slots for international flights from current 60,000 to 99,000 (1.7x) by 2020
- Narita opened an exclusive LCC terminal in April 2015, increasing flights bound for Asia including Taiwan and Hong Kong. Landing slots increased to 184,000 (+6,000 slots YoY) in FY2015, and Narita International Airport Corporation forecasts an increase to 192,000 (+8,000 slots YoY) in FY2016

Source: MLIT, Cabinet Office, Narita International Airport Corporation, Central Japan International Airport Co., Ltd., and Nikkei

■ Enhance Airport Capacity (Continued)

Kansai Airport

- Terminal 3 , the airport's second exclusive LCC terminal building, is expected to open in 2017 Spring and to double the annual passenger count from 4 million to 8 million
- Kansai Airport recorded a historic high 169,304 landing (+17% YoY) for FY2015, due to an increase and inauguration of LCC flights. LCC flights account for 30% of all international flights

Fukuoka Airport

- Fukuoka Airport plans to build an additional runway as it has already exceeded its capacity of 145,000 landing slots due to the introduction of LCC flights

Naha Airport

- New runway planned by March 2020 as reaching capacity limits due to an increase in LCC flights

Chubu Centrair Airport

- Building a new exclusive LCC terminal to attract LCC's to Chubu as their hub, and considering a plan for a second runway

New Chitose Airport

- Implement measures to expand aprons for international flights, build new taxiways, and improve customs, immigration and quarantine system

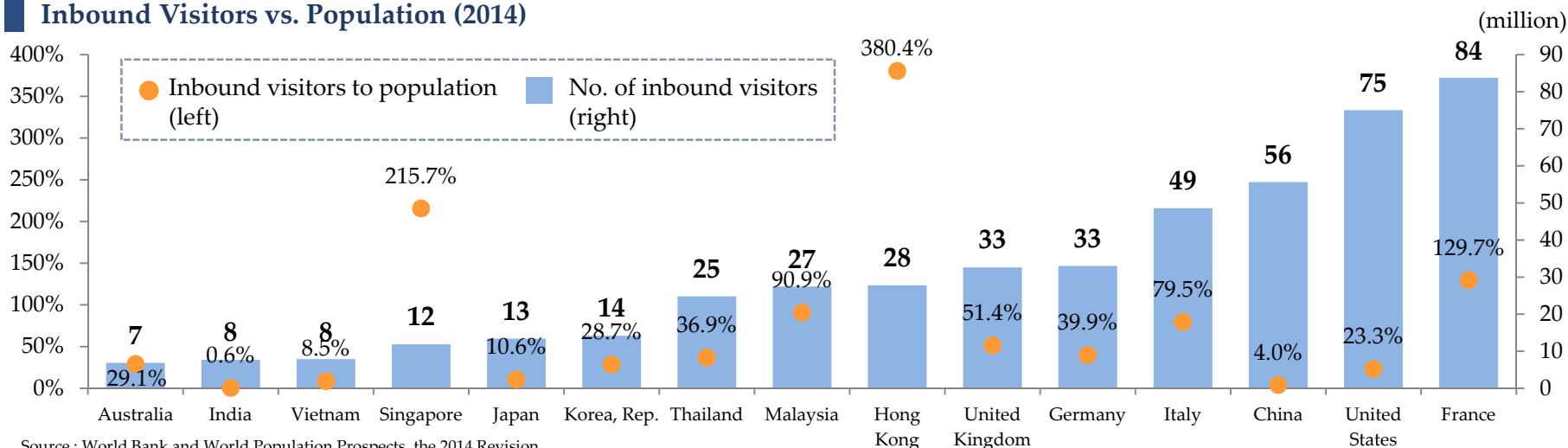
Sendai Airport

- Build an exclusive LCC terminal building, increase bus routes to/from airport and improve retail facilities

Outbound & Inbound Tourists Globally

- Japan still has a low number of foreign tourists compared to its population, indicating room for more growth
- Strong projected outbound tourism growth from nearby countries

Inbound Visitors vs. Population (2014)



Global Middle and High Income¹ Population Growth

Countries / Regions	Growth in Number 2010 – 2015	Growth Rate 2010 – 2015	Growth in Number 2015 – 2020(E)	Growth Rate 2015 – 2020(E)	Growth in Number 2020(E) – 2025(E)	Growth Rate 2020(E) – 2025(E)	Growth in Number 2025(E) – 2030(E)	Growth Rate 2025(E) – 2030(E)
China	+184 mn	+288.1%	+195 mn	+78.8%	+214 mn	+48.3%	+198 mn	+30.2%
ASEAN ²	+8 mn	+39.5%	+29 mn	+100.8%	+36 mn	+62.8%	+42 mn	+44.6%
Developing Asia (excl. China) ³	+16 mn	+53.7%	+62 mn	+132.2%	+78 mn	+72.0%	+94 mn	+49.9%
Developed Countries ⁴	+20 mn	+2.6%	+40 mn	+5.2%	+36 mn	+4.4%	+33 mn	+3.8%
Rest of the World ⁵	-14 mn	-6.8%	+82 mn	+43.6%	+94 mn	+34.9%	+100 mn	+27.6%

Source: Euromonitor International

(Note 1) Annual Disposable Income more than USD10,000

(Note 2) Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam

(Note 3) Bangladesh, Bhutan, Brunei, Cambodia, Fiji, India, Indonesia, Kiribati, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Tonga, Tuvalu, Vanuatu, and Vietnam

(Note 4) Andorra, Australia, Austria, Belgium, Bermuda, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom, USA

(Note 5) World - Developed Countries - Developing Asia (excl. China) - China

MyStays has emerged as one of the most sophisticated domestic hotel management companies in Japan

Hotel Market in Japan

- In the US, around 70% of the industry supply is branded, while privately-run businesses account for 30%¹
- In Japan, 48% are domestic chained brands and 5% are international chained brands²
- International hotel brands have a low penetration rate with only 100 hotels in Japan and 33,662 rooms³

Top 10 hotel brands in Tokyo
(in terms of the number of hotels under management)

Rank	Hotel Chain	No. of Hotels
1	APA Hotels & Resorts	44
2	MyStays Hotel Management ⁴	32
3	Toyoko-Inn	30
4	Super Hotel	19
5	Tokyu Stay Hotel	17
6	LiveMax	15
7	Sunroute Hotel Chain	13
7	Hotel Villa Fontaine&Village	13
9	Sotetsu Fresa Inn	10
9	Hankyu-Hanshin Daiichi Hotel	10
9	Tokyu Hotels	10
9	Hotel Mets	10

(Source) Management company webpages as of August 17, 2016

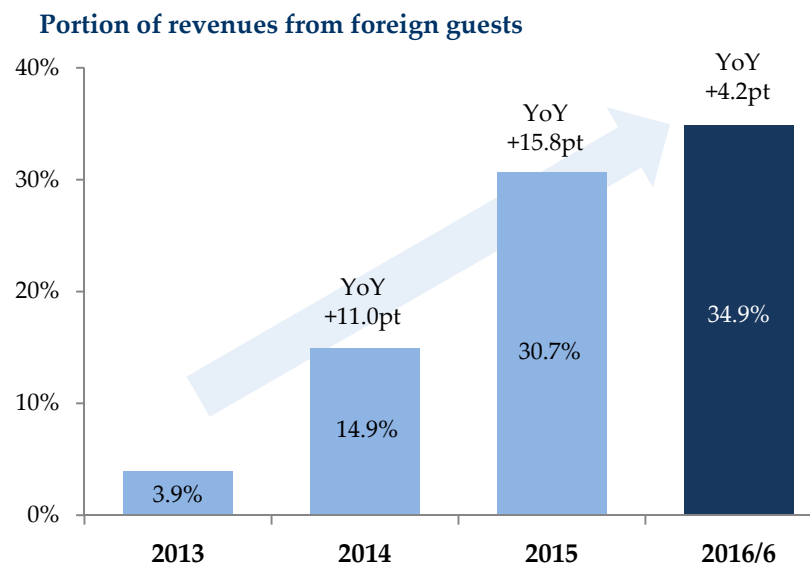
MHM Background

- MyStays manages 69 hotels⁴ in Japan
- MyStays was founded in 1999 and was acquired in 2012 by Fortress
- MyStays had 1,193 employees as of May 2016

Updated Website and Features

- Updated website with easier booking navigation and star ratings from TrustYou⁵
- In process of cleaning up site architecture to also improve navigation and search engine optimization
- Increased chat to four languages and 9am – 11pm, 7 days per week (previously 9am – 5pm, 5 days per week)
- Increased multi-lingual capabilities at the front desks
- Launching initiatives including a new customer loyalty program to encourage repeat direct visitors

Broader International Customer Base⁶



(Note 1) Hotel analyst "GLOBAL HOTEL PERSPECTIVES 2015"

(Note 2) Ministry of Education, Culture, Sports, Science and Technology

(Note 3) Company information as of October 31, 2015

(Note 4) Includes hotels managed by MyStays Hotel Management subsidiary Naqua Hotels and Resorts as of June 1, 2016

(Note 5) TrustYou analyzes hundreds of millions of travel reviews and considers themselves the world's largest guest feedback platform

(Note 6) Based on 30 hotels managed by MHM and excludes Hotel MyStays Gotanda Station, Hotel Epinard Nasu, Hotel MyStays Fukuoka Tenjin, and Hotel MyStays Hamamatsucho, which are acquired in March 2016 and Hotel MyStays Kanazawa which is acquired in June 2016.

Further strengthen MHM's branding

MyStays has many highly evaluated hotels

Signage at Narita Airport



Terminal 3, 1F

Enhanced Social Media Presence

- Dedicated team to monitor TripAdvisor¹ commentary
- 9 hotels which are managed by MHM received a 'Certificate of Excellence'² award from Trip Advisor

(Note 1) TripAdvisor is one of travel sites.

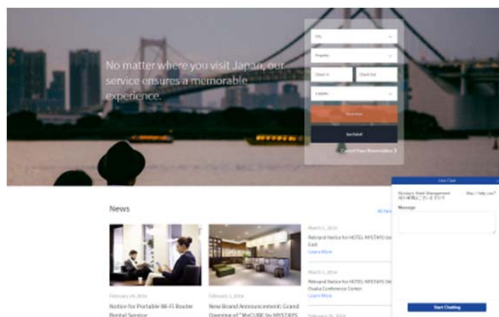
(Note 2) The Certificate of Excellence award honors hospitality businesses that consistently achieve outstanding traveler review on Trip Advisor. To qualify, a hospitality business must: maintain an overall Trip Advisor rating of at least four out of five, have a minimum number of reviews, have been listed on Trip Advisor for at least twelve months.

Advertising at JR station



JR Tokyo Station
(by Large-Scale LED Monitor)

MyStays Home Page & Q&A Chat Feature



<Chat>
four languages
9am – 11pm
7 days a week



JR Kyoto Station

INV renewed the MOU with the Sponsor in January and March 2016, adding 10 hotels to the pipeline, including the Sheraton Grande Tokyo Bay Hotel

Properties Covered by the MOU²

Hotels

No.	Property name	Location	Type ³	# of Rooms	Status	Renovation / Construction Completion
1	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Limited	327	In Operation (New)	Jul 2016
2	Hotel MyStays Yokohama-Kannai	Yokohama, Kanagawa	Limited	166	Under Construction	Oct 2016
3	Rihga Royal Kyoto	Kyoto, Kyoto	Full	489	Under Renovation	Sep 2016
4	Narita Excel Hotel Tokyo	Narita, Chiba	Full	706	In Operation	-
5	Art Hotels Sapporo	Sapporo, Hokkaido	Full	418	In Operation	Jul 2015
6	Best Western Hotel Fino Sapporo	Sapporo, Hokkaido	Limited	242	In Operation	-
7	Best Western Hotel Fino Oita	Oita, Oita	Limited	145	In Operation	-
8	Hotel Naqua City Hirosaki	Hirosaki, Aomori	Full	134	In Operation	-
9	Beppu Kamenoi Hotel	Beppu, Oita	Resort	322	In Operation	Oct 2015
10	Fusaki Resort Village	Ishigaki, Okinawa	Resort	195	In Operation	Jun 2015
11	Sheraton Grande Tokyo Bay Hotel	Urayasu, Chiba	Full	1,016	Annex Under Construction	Dec 2016
12	Hotel MyStays Shin-Osaka Conference Center	Osaka, Osaka	Limited	397	In Operation	Jun 2016
13	Art Hotels Asahikawa	Asahikawa, Hokkaido	Full	265	In Operation	-
14	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206	In Operation	Mar 2016
15	Hotel JAL City Matsuyama	Matsuyama, Ehime	Full	161	In Operation	-
16	Hotel MyStays Ueno East	Taito-ku, Tokyo	Limited	150	In Operation	Mar 2016
17	(tentative) Hotel MyStays Honmachi 3-chome	Osaka, Osaka	Limited	120	Under Construction	Dec 2017
18	Hotel Mystays Sapporo Nakajima Koen	Sapporo, Hokkaido	Limited	86	In Operation	May 2016
19	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70	Under Renovation	Sep 2016
20	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161	In Operation	Jun 2016
21	Art Hotels Hamamatsucho	Minato-ku, Tokyo	Limited	120	Under Renovation	Nov 2016
22	Art Hotels Omori	Shinagawa-ku, Tokyo	Limited	220	Under Renovation	Nov 2016

Residential properties

No.	Property name	Location	# of Apartment Units
23	Gran Charm Hiroo	Shibuya-ku, Tokyo	121
24	Plestay Win Kinshicho	Sumida-ku, Tokyo	92
25	Gran Charm Kichijoji	Musashino, Tokyo	28
26	Green Patio Noda	Noda, Chiba	240
27	Dainichi F-45	Urayasu, Chiba	54
28	Gran Charm Urayasu	Urayasu, Chiba	54
29	Gran Charm Urayasu 5	Urayasu, Chiba	54
30	Gran Charm Minami Gyotoku I	Ichikawa, Chiba	52
31	Gran Charm Minami Gyotoku II	Ichikawa, Chiba	48

No. of Hotel Rooms

6,116

No. of Apartment Units

743

(Note 1) MOU providing preferential negotiation rights.
 (Note 2) Properties covered by MOU. Invincible may elect to acquire only selected assets covered by the MOU or none at all and there is no assurance that Invincible will be able to acquire these assets
 (Note 3) "Limited" refers to "Limited Service Hotel", "Full" refers to "Full Service Hotel", and "Resort" refers to "Resort Hotel"

Major Sponsor Pipeline Properties

Hotel MyStays Premier Akasaka (327 rooms)



Sheraton Grande Tokyo Bay Hotel (1,016 rooms)



Art Hotels Sapporo (418 rooms)



Rihga Royal Kyoto (489 rooms)



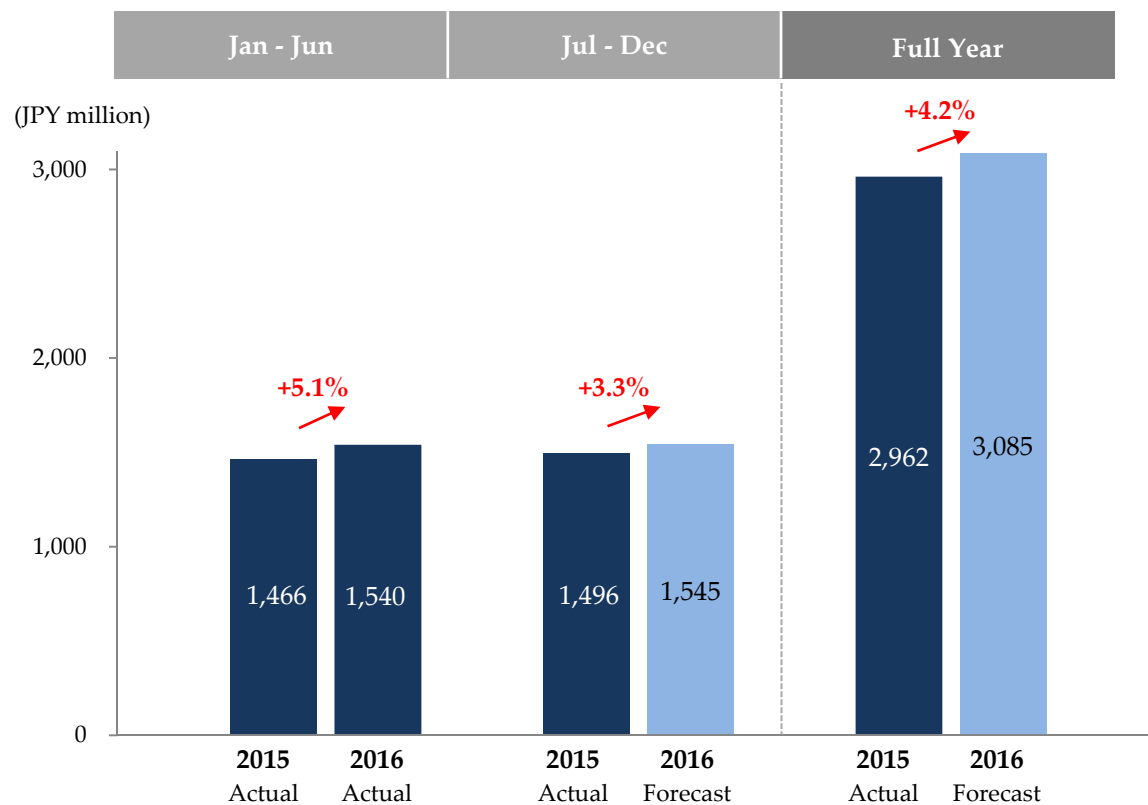


Residential Performance

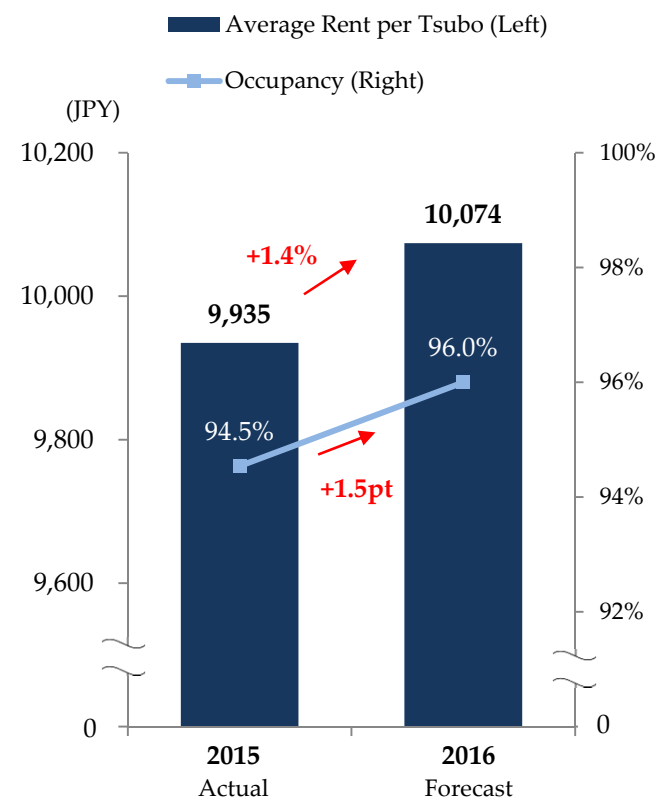
Internal Growth in Residential Portfolio (1)

- NOI: June 2016 period same-store NOI increased by 5.1% YoY and 2016 full-year forecast is revised upward by 4.2% YoY
- Occupancy: 2016 full-year forecast grows 1.5pt YoY
- Average rent per tsubo: 2016 full-year forecast, up by 1.4% YoY

NOI^{1,2}



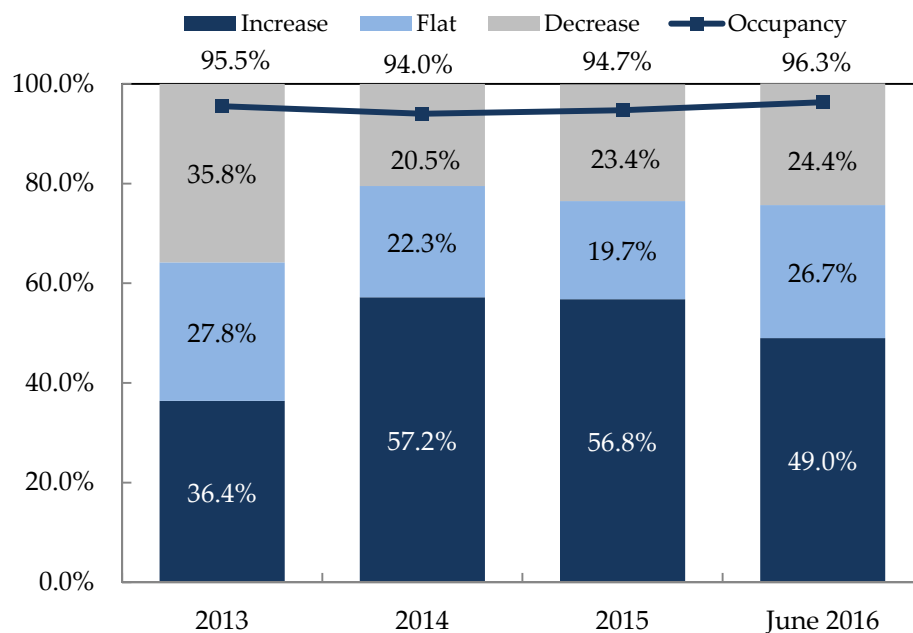
Occupancy and Average Rent per Tsubo¹



(Note 1) Based on the 63 properties owned as of the end of 2014
(Note 2) Excludes one-off insurance-related revenues and expenses

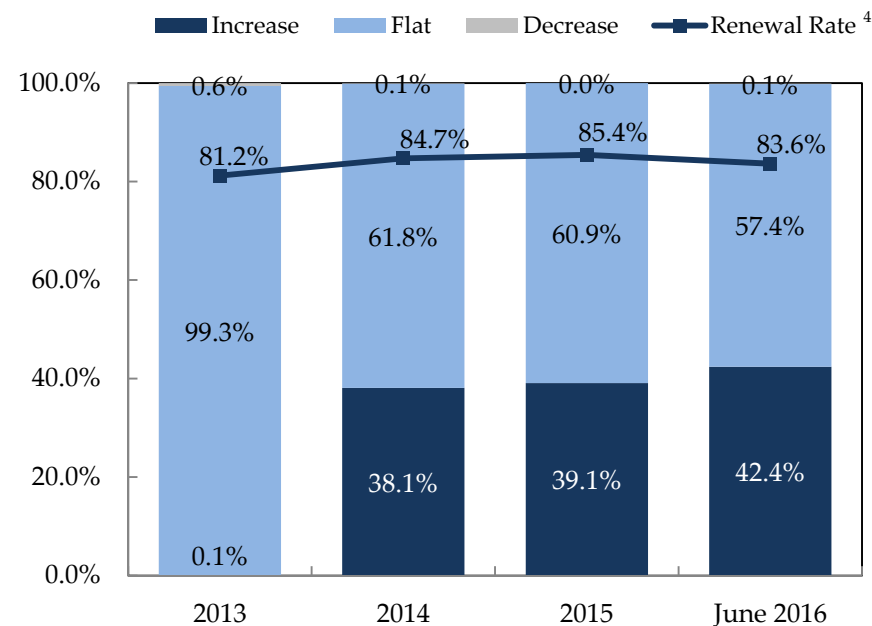
- Rents for both new and renewal contracts increased due to continued success of the rent increase program
- New rents for the June 2016 period grew by 1.1% compared with previous contracts, while keeping net leasing costs low
- Renewal rents for the June 2016 period increased by 1.4% compared with previous contracts, with a greater than 80% renewal rate
- Average occupancy rate for the June 2016 period is 96.3%

Change in Rent for New Contracts¹



Rent Change ²	-0.3%	+1.9%	+1.1%	+1.1%
No. of New Contracts	827	649	943	484
Net Leasing Cost (# of month) ³	1.15	1.01	1.23	1.01

Change in Rent for Renewal Contracts¹



Rent Change ²	-0.0%	+1.3%	+1.3%	+1.4%
No. of Renewals	818	872	1,209	700

(Note 1) Based on the properties owned at the end of period. 63 properties for 2014, 66 properties for 2015, and 68 properties for June 2016

(Note 2) Monthly rent increase (%) of new or renewed contracts compared with previous contracts of existing properties

(Note 3) Net Leasing Cost (Multiple of Monthly Rent) = Advertising Expenses (Multiple of Monthly Rent) + Free Rent (Multiple of Monthly Rent) - Key Money (Multiple of Monthly Rent)

(Note 4) Renewal rate is calculated by "Number of Renewals during the Period" ÷ "Number of Cases Targeted for Renewal during the Period"

Key Operational Data for Residential Properties

Overall NOI continues to grow due to both external and internal growth

	June 2015 Actual	December 2015 Actual	June 2016 Actual	December 2016 Forecast
# of Properties	63	66	68	68
(vs. Previous Period)	—	+3	+2	—
# of Units	3,413	3,713	4,108	4,108
(vs. Previous Period)	—	+300	+395	+0
Average Occupancy	93.7%	95.6%	96.3%	97.1%
(vs. Previous Period)	+1.1pt	+1.9pt	+0.7pt	+0.8pt
Average Rent per Tsubo (JPY)	9,913	9,860	9,641	9,536
(vs. Previous Period)	-42	-53	-219	-104
NOI (JPY million) ¹	1,466	1,626	1,859	1,955
(vs. Previous Period)	-7	+159	+232	+96

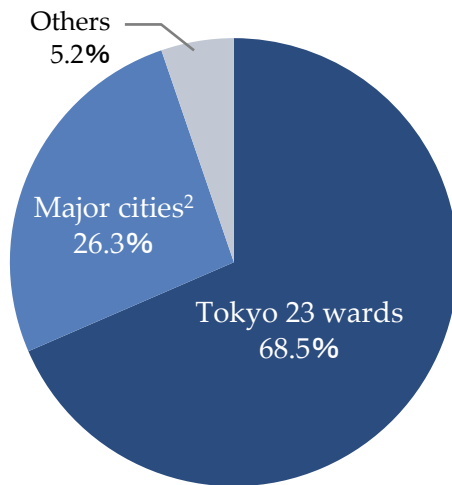
(Reference: Based on the 63 properties owned as of the end of 2014)

	June 2015 Actual	December 2015 Actual	June 2016 Actual	December 2016 Forecast
# of Properties	63	63	63	63
(vs. Previous Period)	—	—	—	—
# of Units	3,413	3,413	3,413	3,413
(vs. Previous Period)	—	—	—	—
Average Occupancy	93.7%	95.3%	95.5%	96.4%
(vs. Previous Period)	+1.1pt	+1.6pt	+0.2pt	+0.9pt
Average Rent per Tsubo (JPY)	9,913	9,957	10,040	10,108
(vs. Previous Period)	-42	+45	+82	+68
NOI (JPY million) ¹	1,466	1,496	1,540	1,545
(vs. Previous Period)	-7	+30	+43	+5

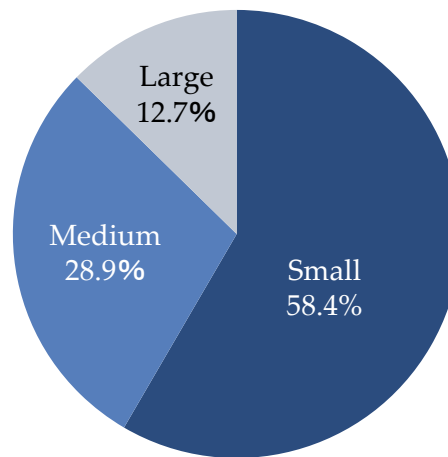
(Note 1) Excludes one-off insurance-related revenues and expenses

- Residential Portfolio consists of 68 properties and 4,108 units as of June 2016
- 94.8% of the residential portfolio is concentrated in Tokyo and other major cities
- 87.3% of the residential units are smaller than 60m², suitable for singles or small households
- 89.2% of the residential units are affordable with the rent of JPY150k or less per month.
Average rent per month is JPY 10,227

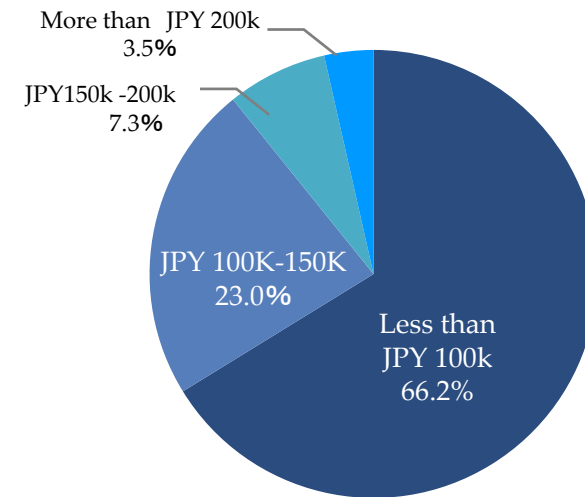
Location¹



Room Type^{3,4}



Rent Range (Monthly)⁴



(Note1) Based on acquisition price

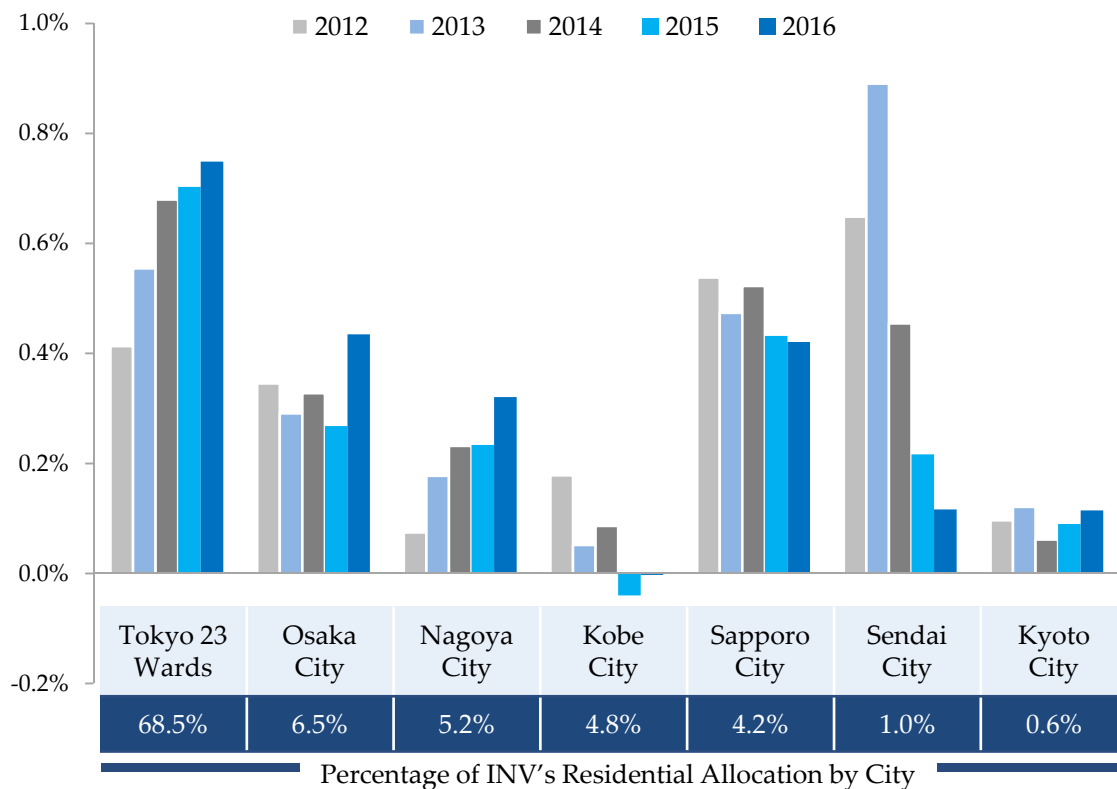
(Note2) Major cities refers to "Government ordinance cities" in Japan with a population of 500 thousand or more.

(Note3) Invincible defines as "Small" a rentable unit with an area of less than 30m², "Medium" as a rentable unit with an area of 30m² to 60m² and "Large" as a rentable unit with an area of 60m² or more

(Note4) Data for average rent as of June 30, 2016

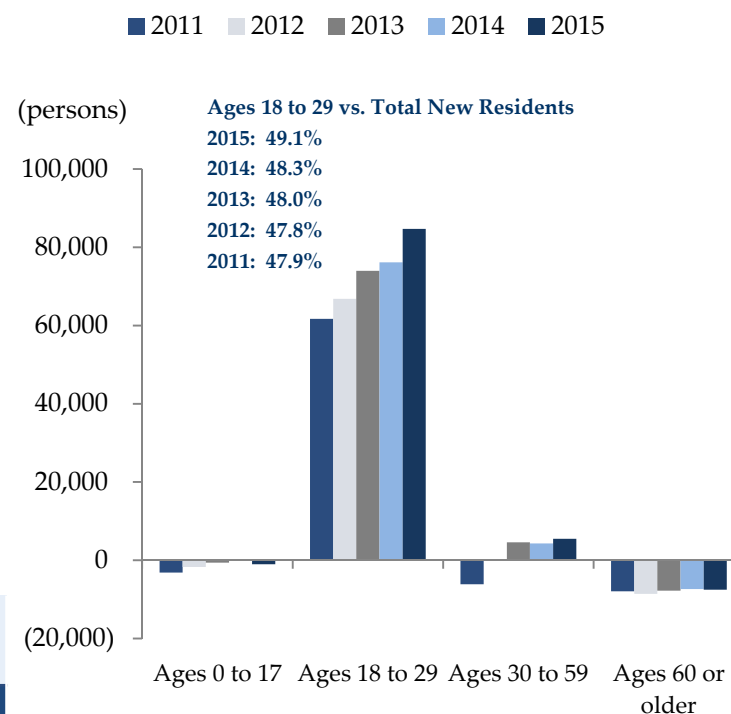
- The continued population increase in major cities supports INV's well positioned residential portfolio
- 49.1% of new Tokyo residents in 2015 were between the ages 18 and 29

Trend of Net Migration¹ in Major Cities²



Source: Ministry of Internal Affairs and Communications and respective cities

Tokyo Net Migration¹ by Age Group

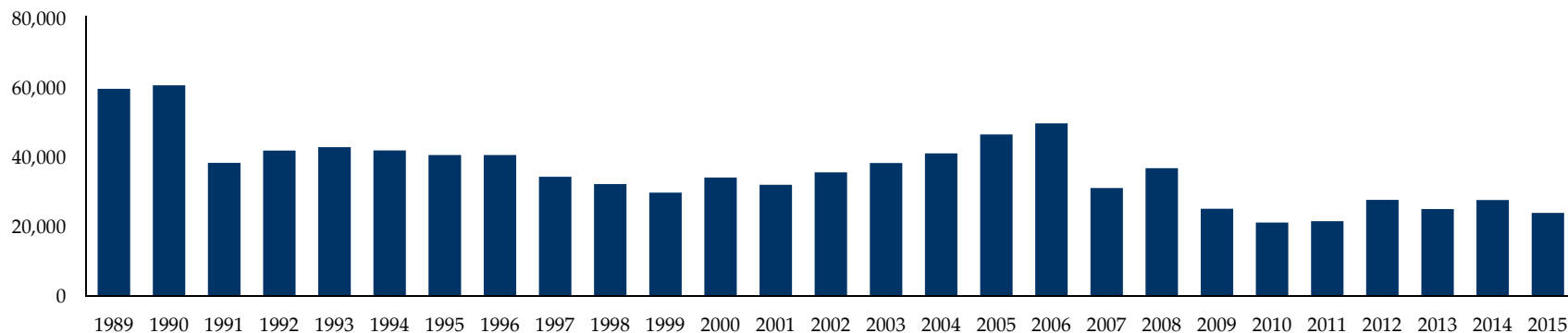


Source: Tokyo Prefecture

(Note 1) Net migration is the difference of immigrants and emigrants with regard to the subject city. A positive value represents more people entering the city than leaving it, while a negative value means more people leaving than entering it
 (Note 2) Changes in population is calculated by dividing migration of previous year by total population. Migration figures include foreigners for 2011, 2012, and 2013. Total population is as of the end of March for Osaka City, Kobe City, and Fukuoka City, and January 1 for the remaining cities.

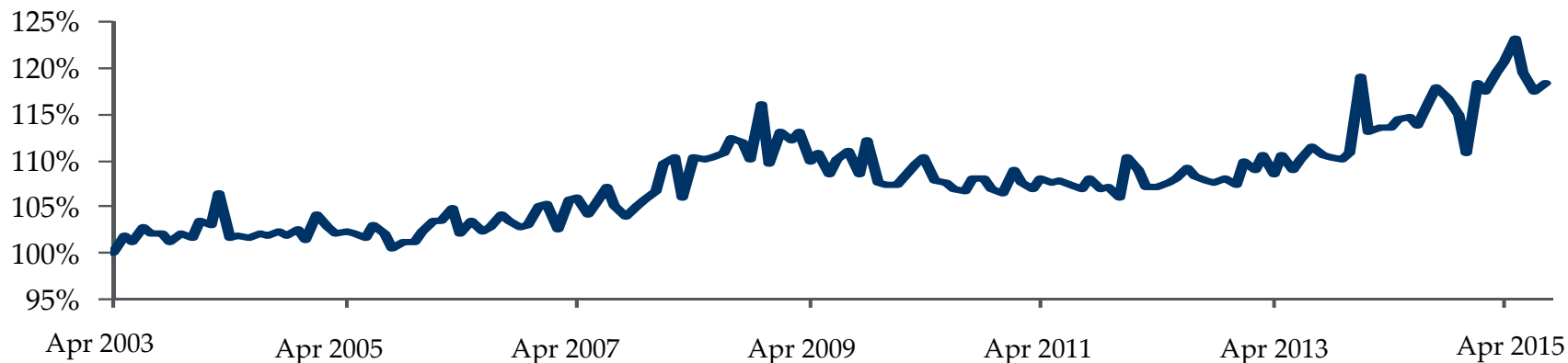
- Supply of rental apartments remain at low levels, supporting INV's large and diversified portfolio
- Rising construction costs expected to discourage new supply of residential properties

■ Trend of Rental Apartment Housing Starts in Tokyo



Source: MLIT

■ Construction Cost of Apartments¹



Source: MLIT

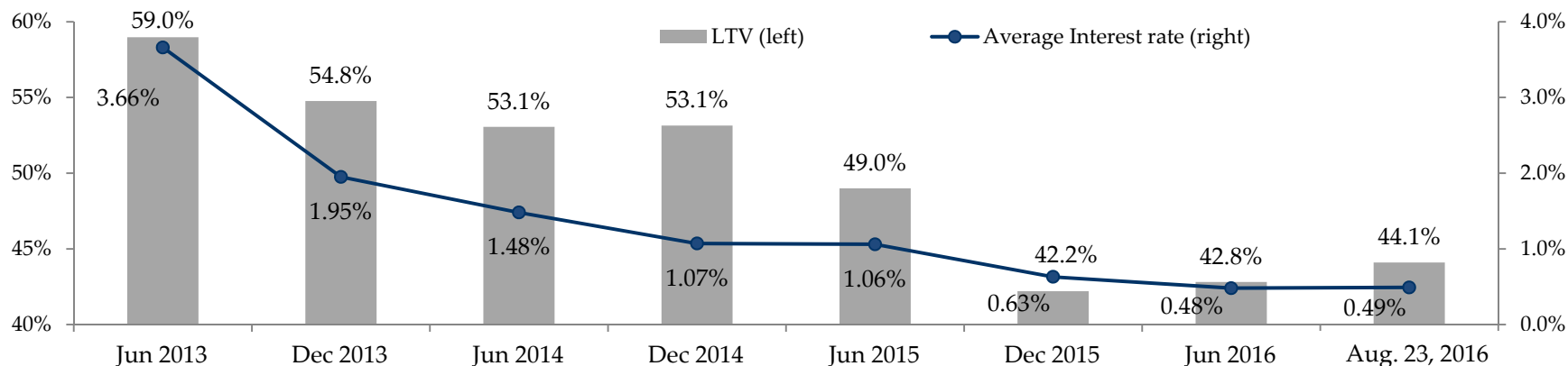
(Note 1) Projected construction cost per unit area is indexed as of April 2003. Projected construction cost per unit area = total monthly projected construction/ total monthly floor area for type of dwellings used exclusively for living and used also for commerce or other purposes



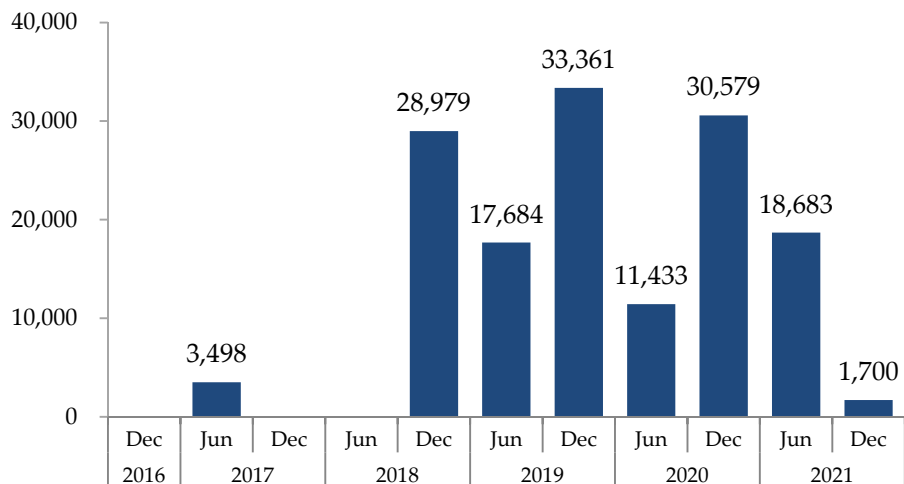
Financial Status

Current LTV is 44.1%, based on appraisal value

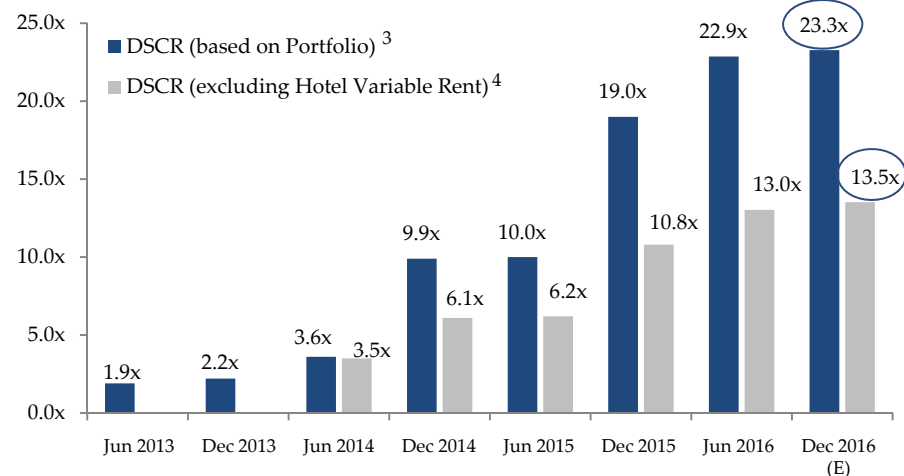
LTV¹ and Weighted Average Interest Rate²



Loan Maturity Dates as of August 23, 2016



DSCR



(Note 1) LTV is calculated using the following formula: Interest-bearing Debts (excluding c-tax loan) / Total Appraisal Value

(Note 2) The average interest rate is calculated using the following formula:

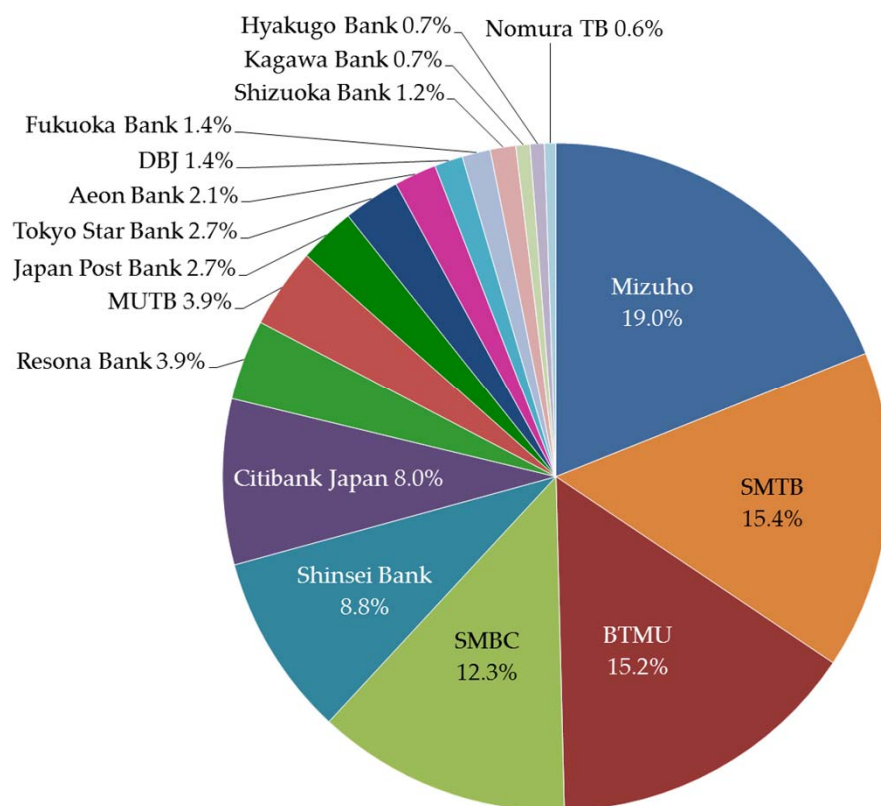
(Total of loan amount outstanding at the end of each fiscal period multiplied by applicable interest rate at the end of each fiscal period for each of loans) / The loan amount outstanding at the end of each fiscal period

(Note 3) DSCR is calculated by dividing operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property by scheduled prepayments of loans payable and interest expense for the relevant period

(Note 4) Excluding hotel variable rental income portion from operating income in calculating DSCR

Introduced nine new lenders in 2016, to double the number of lenders to 17

Bank Formation



(As of August 23, 2016)

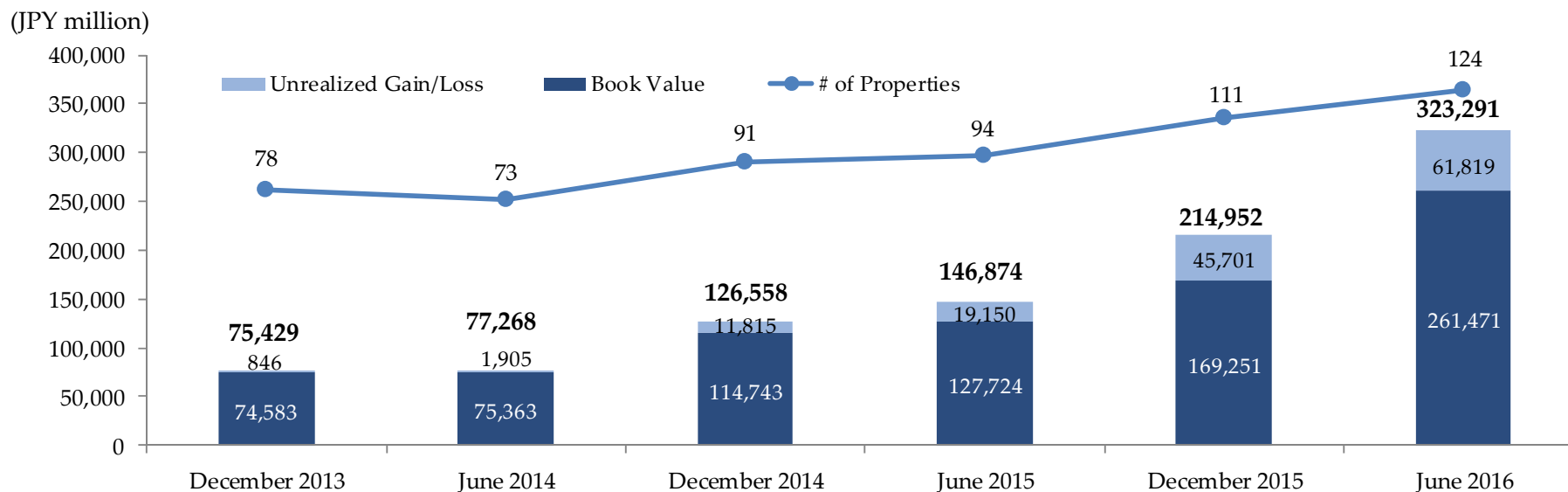
Borrowing Amount by Banks

(JPY million)

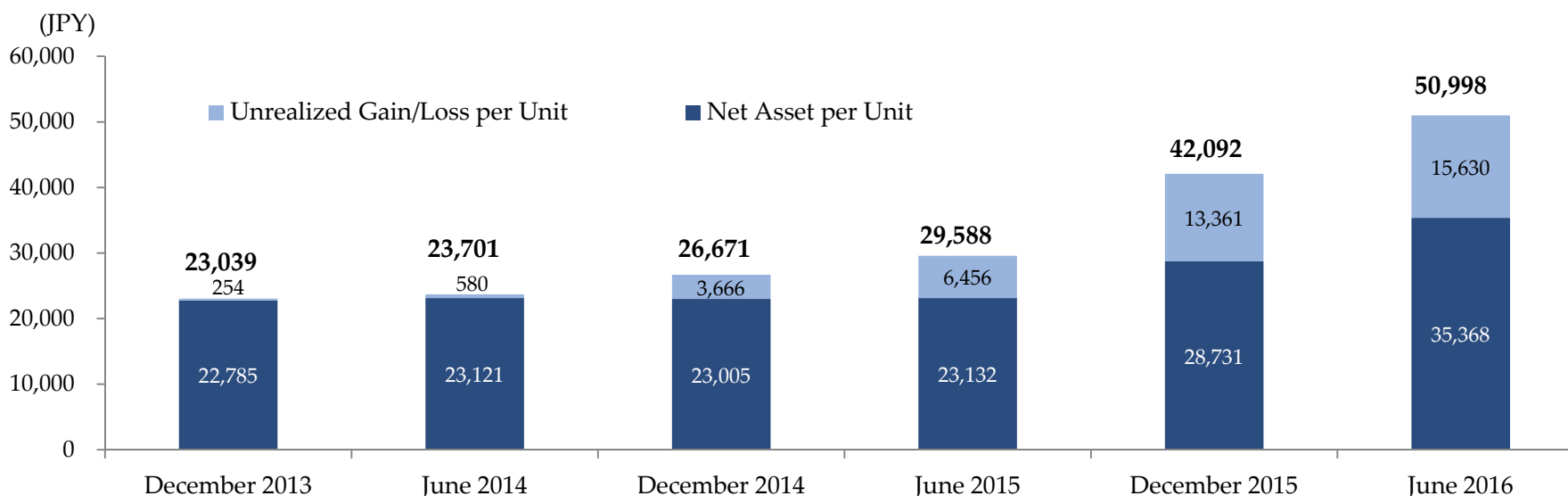
Debtor Bank	Borrowing Amount (including C-tax loan)					
	As of July 16, 2015		As of March 31, 2016		As of August 23, 2016	
Mizuho	18,443	20.9%	36,017	26.7%	27,657	19.0%
SMTB	8,010	9.1%	22,537	16.7%	22,537	15.4%
BTMU	18,443	20.9%	22,537	16.7%	22,177	15.2%
SMBC	18,443	20.9%	18,336	13.6%	17,976	12.3%
Citibank Japan	9,000	10.2%	9,000	6.7%	12,882	8.8%
Shinsei Bank	9,990	11.3%	11,700	8.7%	11,700	8.0%
Resona Bank	4,005	4.5%	5,715	4.2%	5,715	3.9%
MUTB	2,004	2.3%	5,654	4.2%	5,654	3.9%
Japan Post Bank	—	—	—	—	4,000	2.7%
Tokyo Star Bank	—	—	—	—	4,000	2.7%
Aeon Bank	—	—	—	—	3,000	2.1%
DBJ	—	—	1,000	0.7%	2,000	1.4%
Fukuoka Bank	—	—	999	0.7%	1,999	1.4%
Shizuoka Bank	—	—	810	0.6%	1,810	1.2%
Kagawa Bank	—	—	—	—	1,000	0.7%
Hyakugo Bank	—	—	—	—	1,000	0.7%
Nomura TB	—	—	810	0.6%	810	0.6%
Total	88,338	100.0%	135,115	100.0%	145,917	100.0%

Summary of Appraisal Value

Trend of Appraisal Value



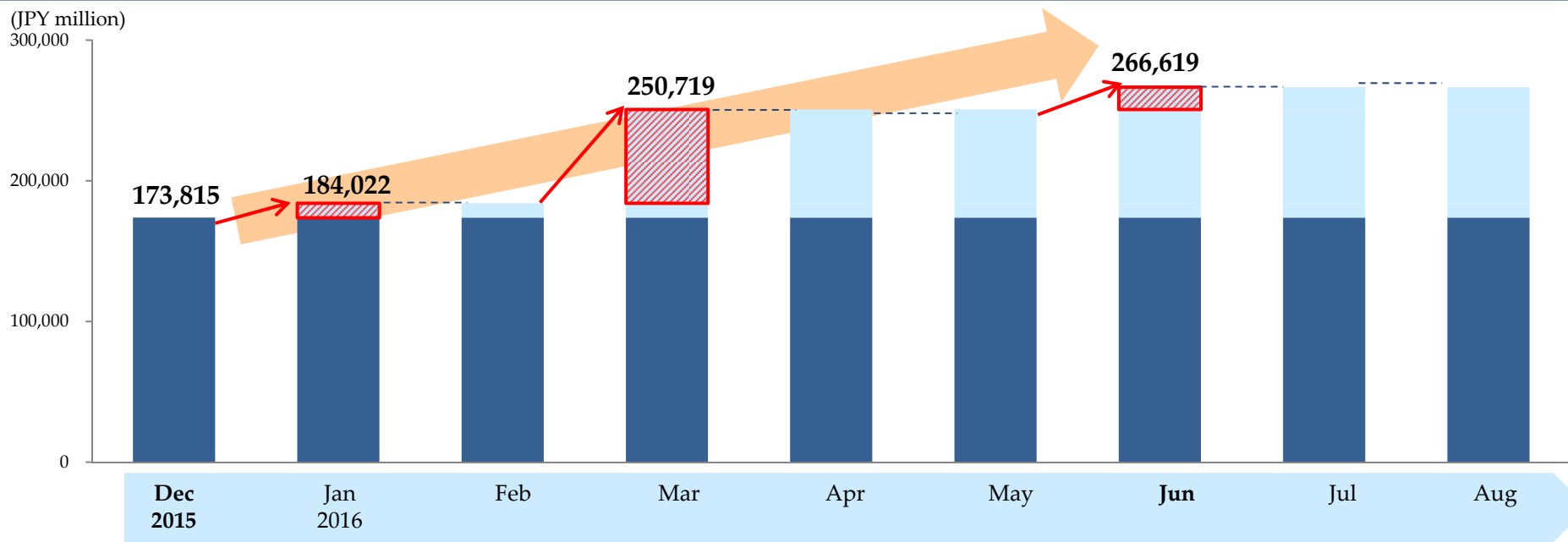
Trend of NAV per Unit





Appendix

Major Events in June 2016 Period



	Dec 2015	Jan 2016	Feb	Mar	Apr	May	Jun	Jul	Aug
# of properties	111	117	117	122	122	122	124	124	124
Hotels	37	42	42	46	46	46	48	48	48
Acquisition		Acquired 6 assets Hotel : 5 Residence : 1		Acquired 5 assets Hotel : 4 Residence : 1			Acquired 2 assets Hotel : 2		
Public Offering				Completed Global Offering (JPY 37.9B)					
Finance		New Loan		New Loan (New Lenders:4) Interest Rate Swap Agreements			New Loan (New Lender:1)	New Loan (New Lender:1)	Loan Transfer to Japan Post Bank and 4 Regional Banks
Others		MOU ¹ renewal	Selection for Loan Margin Trading Issue	MOU ¹ renewal	Awarded the "BEST ISSUER OF 2015" by Capital Eye Ltd.				

(Note 1) MOU providing preferential negotiation rights.

Properties Acquired in June 2016 Period (1)





Property Type	Hotel	Hotel	Hotel	Hotel
Property Name	Hotel MyStays Gotanda Station	Hotel Epinard Nasu	Hotel MyStays Kanazawa	Hotel MyStays Fukuoka Tenjin
Photo				
Acquisition Date	March 31, 2016	March 31, 2016	June 15, 2016	March 31, 2016
Location	Shinagawa-ku, Tokyo	Nasu-gun, Tochigi	Kanazawa, Ishikawa	Fukuoka, Fukuoka
Access	1-minute walk from Gotanda Station on JR Yamanote Line/Toei Asakusa Line	10-minute by car from Nasu Exit. on Tohoku Highway/ 30-minute by car from Nasushiobara Station on JR Tohoku Main Line and Tohoku Shinkansen	5-minute walk from Kanazawa station on JR Hokuriku Shinkansen	3-minute walk from Tenjin Station on Subway Airport Line/6-minute walk from Nishitetsu Fukuoka Station on Nishitetsu Omuta Line
Completion Date	Mar 1974 / Aug 1984	Feb 1992 / Jun 1995	October 2014	August 2008
Renovation Date	November 2015	April 2015	-	-
Land Area	1,630.40m ²	126,403.51m ²	2,191.67m ²	1,243.44m ²
Rentable Area	8,752.42m ²	37,702.33m ²	13,250.03m ²	5,083.06m ²
Acquisition Price	JPY 24,674 mn	JPY 20,981 mn	JPY 13,761 mn	JPY 8,059 mn
Appraisal Value	JPY 24,800 mn	JPY 21,300 mn	JPY 13,900 mn	JPY 8,270 mn
Rent Structure	Fixed + Variable	Fixed + Variable	Fixed + Variable	Fixed + Variable
Hotel Type	Limited Service	Resort	Limited Service	Limited Service
# of Rooms	333	310	244	217

Properties Acquired in June 2016 period (2)

Property Type	Hotel	Hotel	Hotel	Hotel	Hotel
Property Name	Hotel MyStays Hamamatsucho	Hotel MyStays Shinsaibashi	Takamatsu Tokyu REI Hotel	Comfort Hotel Kurosaki	Comfort Hotel Maebashi
Photo					
Acquisition Date	March 31, 2016	January 22, 2016	June 15, 2016	January 22, 2016	January 22, 2016
Location	Minato-ku, Tokyo	Osaka, Osaka	Takamatsu, Kagawa	Kitakyusyu, Fukuoka	Maebashi, Gunma
Access	6-minute walk from Hamamatsucho Station on JR Yamanote Line/ 2-minute walk from Daimon Station on Toei Asakusa Line and Toei Oedo Line	2-minute walk from Shinsaibashi Station on subway Midosuji Line	7-minute walk from Takamatsu Station on JR Line	3-minute walk from Kurosaki Station on JR Kagoshima Main Line	3-minute walk from Maebashi Station on JR Ryomou Line
Completion Date	October 2008	September 1984	April 1982	February 2009	March 2009
Renovation Date	-	March 2015	January 2016	-	-
Land Area	273.86m ²	413.96m ²	1,178.28m ²	826.45m ²	874.39m ²
Rentable Area	1,951.90m ²	1,942.01m ²	7,148.17m ²	3,207.60m ²	3,660.96m ²
Acquisition Price	JPY 7,959 mn	JPY 3,160 mn	JPY 2,139 mn	JPY 1,148 mn	JPY 1,128 mn
Appraisal Value	JPY 8,010 mn	JPY 3,290 mn	JPY 2,160 mn	JPY 1,180 mn	JPY 1,150mn
Rent Structure	Fixed + Variable	Fixed + Variable	Fixed ¹	Fixed	Fixed ¹
Hotel Type	Limited Service	Limited Service	Limited Service	Limited Service	Limited Service
# of Rooms	105	54	191	151	153

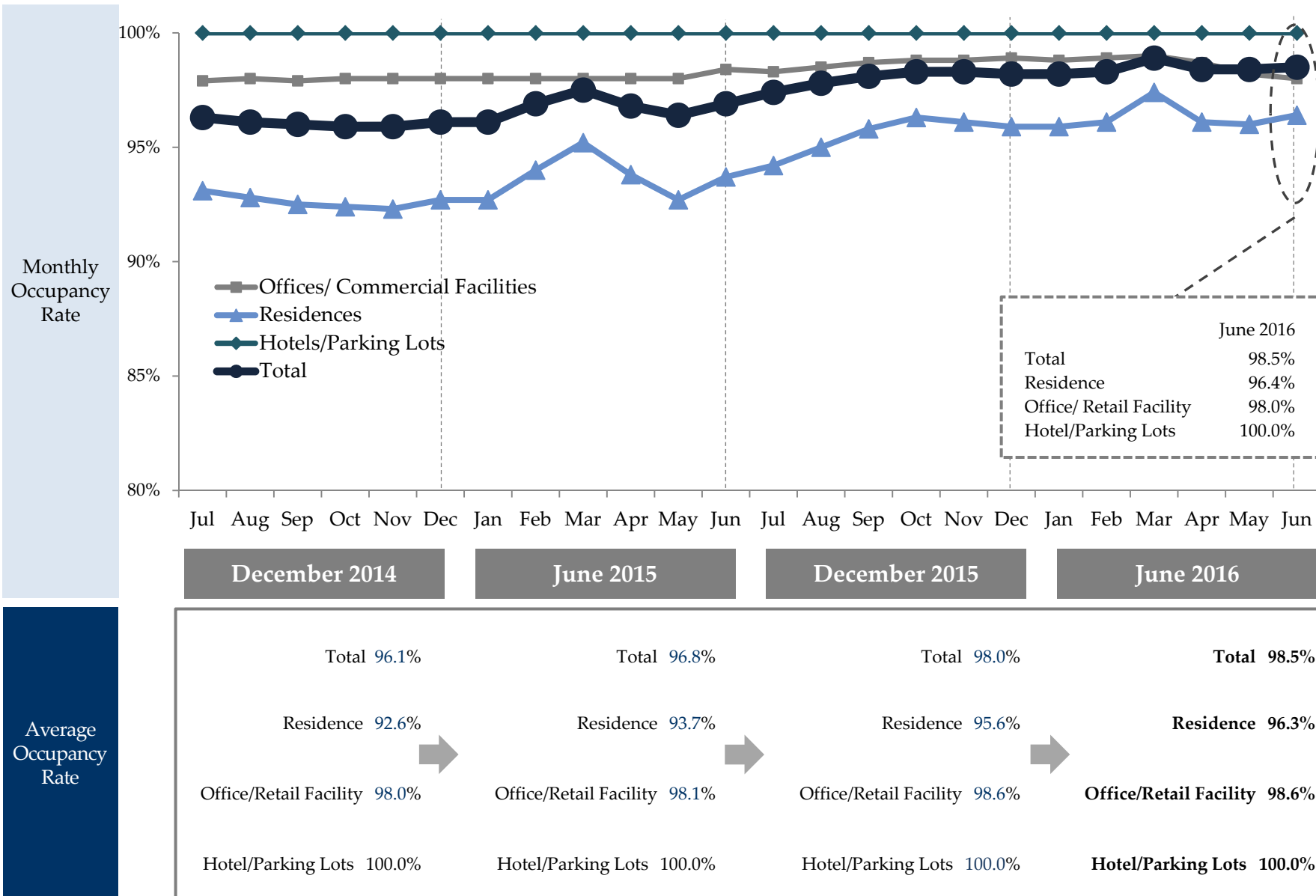
(Note) The store portion of the property is under a pass-through lease agreement.

Properties Acquired in June 2016 period (3)

Property Type	Hotel	Hotel	Residence	Residence
Property Name	Comfort Hotel Tsubamesanjo	Comfort Hotel Kitami	Royal Parks Shinden	Royal Parks Momozaka
Photo				
Acquisition Date	January 22, 2016	January 22, 2016	March 31, 2016	January 22, 2016
Location	Sanjyo, Niigata	Kitami, Hokkaido	Adachi-ku, Tokyo	Osaka, Osaka
Access	3-minute walk from Tsubamesanjo Station on JR Jyoetsu Shinkansen	3-minute walk from Kitami Station on JR Sekihoku Main Line	17-minute walk from Oji-kamiya Station on Tokyo Metro Nanboku Line	6-minute walk from Osaka-Uehonmachi Station on Kintetsu Nara/Osaka Line
Completion Date	June 2007	March 2008	June 2007	June 2007
Renovation Date	-	-	-	-
Land Area	1,936.96m ²	926.30m ²	9,905.57m ²	3,043.89m ²
Rentable Area	3,099.90m ²	3,009.50m ²	15,797.29m ²	8,776.26m ²
Acquisition Price	JPY 1,010 mn	JPY 851 mn	JPY 5,024 mn	JPY 2,910 mn
Appraisal Value	JPY 1,040 mn	JPY 875 mn	JPY 5,050 mn	JPY 2,970 mn
Rent Structure	Fixed ¹	Fixed	Fixed ¹	Fixed ¹
Hotel Type	Limited Service	Limited Service	-	-
# of Rooms	132	127	248	147

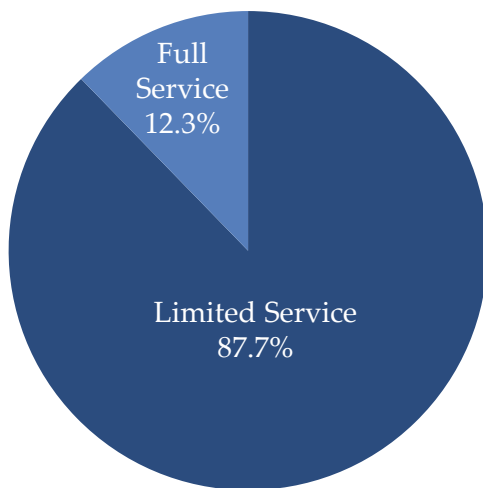
(Note) The store portion of the property is under a pass-through lease agreement.

Portfolio Occupancy

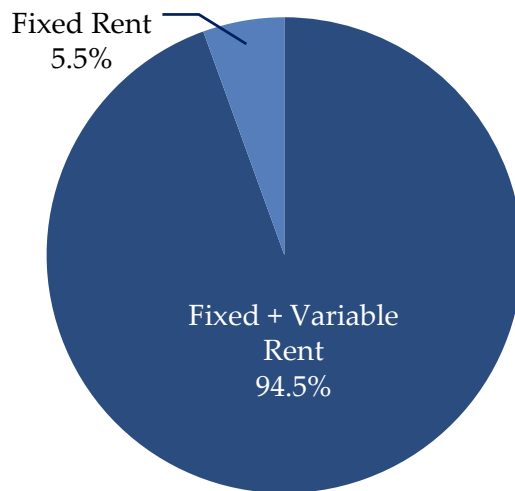


- Hotel portfolio comprises 48 properties, of which 87.7% are limited-service hotels, and 94.5% are variable-rent hotels¹
- 57.2% of the portfolio is located in the Greater Tokyo area (including the Tokyo 23 wards) and 9.2% in Kansai area¹
- Revenues from the hotels are split between 60% variable rents and 40% fixed rents (total hotel revenue basis)

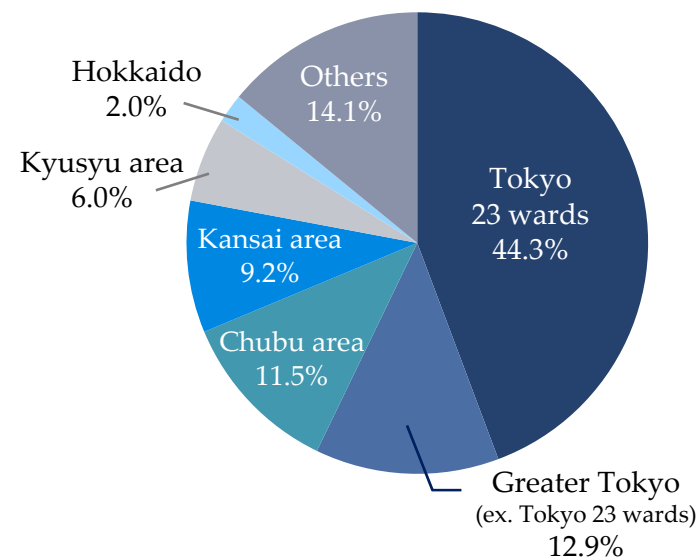
Hotel Type¹



Rent Structure¹

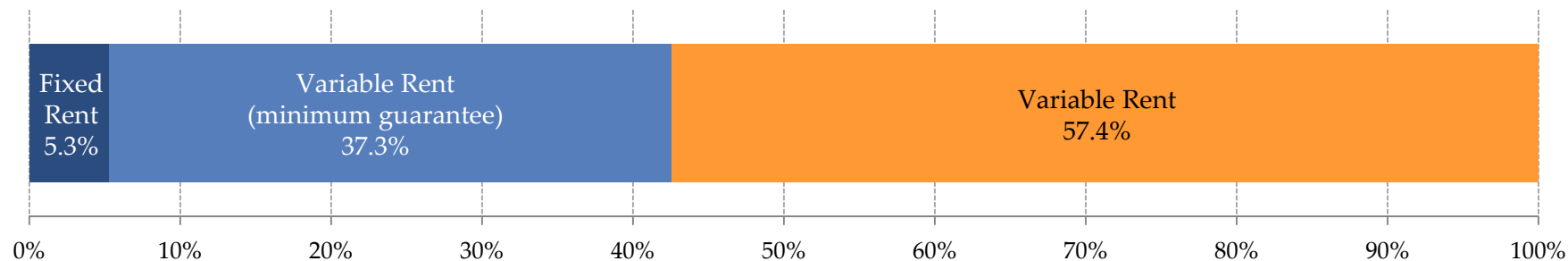





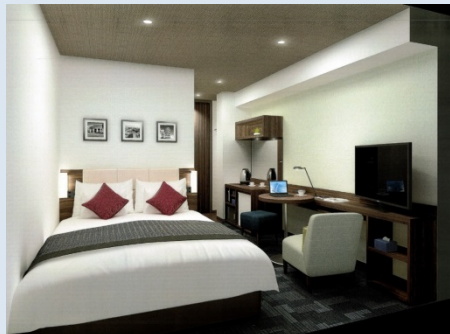


Location¹



(Note 1) Based on acquisition price

■ Composition by Rental Revenue (June 2016 Period)



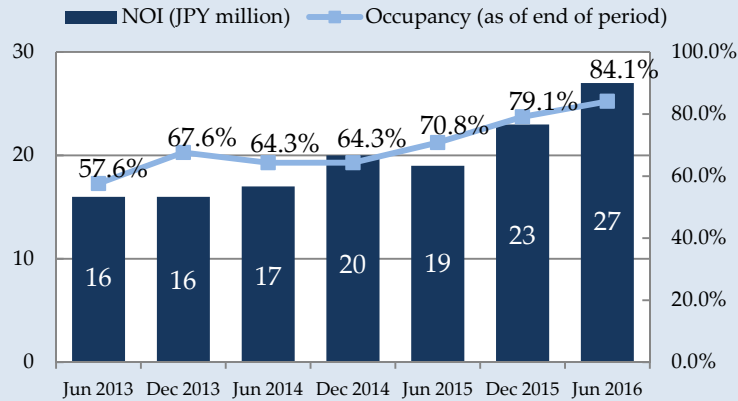
Overview	Before	After																
<p>■ Large-scale, full renovation</p> <ul style="list-style-type: none"> – First large-scale hotel renovation (May to August 2016) – Renovated guest rooms, exterior, and common area – Increased some room capacity from single to double occupancy to increase ADR <table border="1" data-bbox="232 576 987 691"> <tr> <td>Total Investment (A)</td> <td>JPY 247 million</td> </tr> <tr> <td>Expected NOI Increase ¹ (B)</td> <td>JPY 52 million</td> </tr> <tr> <td>(B) / (A)</td> <td>20.9%</td> </tr> </table> <p>(Note 1) January 2017 – December 2017 versus May 2015 – April 2016</p> <p>■ Asset Overview</p> <table border="1" data-bbox="232 810 987 1029"> <tr> <td>Address</td> <td>Chiyoda-ku, Tokyo</td> </tr> <tr> <td>Completion Date</td> <td>December 2005</td> </tr> <tr> <td>Net Rentable Area</td> <td>2,585.72m²</td> </tr> <tr> <td>Number of Guest Rooms</td> <td>126</td> </tr> <tr> <td>Appraisal Value as of end of June 2016 Period</td> <td>JPY 5,180 million</td> </tr> </table> <p>■ Future Renovation Projects:</p> <ul style="list-style-type: none"> – Hotel MyStays Kyoto-Shijo – Hotel MyStays Nippori 	Total Investment (A)	JPY 247 million	Expected NOI Increase ¹ (B)	JPY 52 million	(B) / (A)	20.9%	Address	Chiyoda-ku, Tokyo	Completion Date	December 2005	Net Rentable Area	2,585.72m ²	Number of Guest Rooms	126	Appraisal Value as of end of June 2016 Period	JPY 5,180 million	<p>■ Guest Rooms</p>  <p>■ Exterior</p>  <p>■ Lobby</p> 	<p>■ Guest Rooms</p>  <p>■ Exterior</p>  <p>■ Lobby</p> 
Total Investment (A)	JPY 247 million																	
Expected NOI Increase ¹ (B)	JPY 52 million																	
(B) / (A)	20.9%																	
Address	Chiyoda-ku, Tokyo																	
Completion Date	December 2005																	
Net Rentable Area	2,585.72m ²																	
Number of Guest Rooms	126																	
Appraisal Value as of end of June 2016 Period	JPY 5,180 million																	

Renovation Case Study – Cross Square NAKANO (Office)

Overview

- Potential demand for small office in Nakano area**
 - Head office of major beverage manufacturer as well as university campuses of Waseda, Meiji, and Teikyo Heisei were newly established in Nakano
 - Convenient access to CBD attracts demand
- Renovation work and leasing activities reflecting users' needs**
 - Expanded working space to improve amenity and efficiency
 - Changed lighting and floors to simple and modern designs
 - Deployed leasing search engine which is dedicated to small offices

Trend of NOI and Occupancy

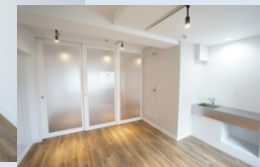


Address	Nakano-ku, Tokyo
Access	9-minute walk from Nakano Station on JR Line
Structure & Floors	Steel-reinforced concrete, 10 stories
Completion Date	January 1993
Net Rentable Area	2,145.00m ²
Net Rentable Units	45
Appraisal Value as of end of Fiscal Period	JPY 945 million

Before



After





Appendix - Financial and Operational Data

Key Operational Data for Hotel Properties

Property	Location	# of rooms	Acquisition Month	Occupancy		ADR (JPY)		RevPAR (JPY)		GOP (JPY million)		Daily Ratio		Overseas Sales Ratio		
				Jan-Jun 2016 Actual	YoY (pt)	Jan-Jun 2016 Actual	YoY	Jan-Jun 2016 Actual	YoY	Jan-Jun 2016 Actual	YoY	Jan-Jun 2016 Actual	YoY	Jan-Jun 2016 Actual	YoY	
MyStays Hotel Management (MHM)																
Hotel MyStays																
D1	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	126	May 2014	83.3%	-11.5	8,782	0.4%	7,313	-11.8%	88	-20.1%	100.0%	3.3	38.8%	-5.3
D2	Hotel MyStays Asakusa	Sumida-ku, Tokyo	160	May 2014	93.3%	-1.4	8,091	4.7%	7,546	3.1%	128	1.5%	100.0%	5.4	57.7%	-4.1
D3	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	224	Jul 2014	92.4%	-4.8	14,931	24.1%	13,799	17.9%	358	26.6%	100.0%	1.3	65.1%	7.1
D4	MyStays Shin-Urayasu Conf. Ctr.	Urayasu, Chiba	175	Jul 2014	95.0%	0.7	9,625	6.0%	9,146	6.8%	179	9.1%	100.0%	3.9	12.6%	4.2
D5	Hotel MyStays Maihama	Urayasu, Chiba	90	Jul 2014	95.2%	0.2	16,154	5.7%	15,383	5.9%	148	4.1%	100.0%	0.3	26.3%	5.5
D7	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	270	Jul 2014	97.3%	0.4	7,141	7.0%	6,950	7.5%	180	16.0%	99.2%	4.9	32.5%	4.9
D8	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	190	Jul 2014	91.8%	-3.5	10,194	20.9%	9,354	16.4%	194	19.1%	99.8%	4.4	49.9%	-4.3
D9	Hotel MyStays Yokohama	Yokohama, Kanagawa	190	Jul 2014	89.4%	2.4	7,468	-1.2%	6,677	1.6%	111	4.1%	100.0%	4.0	11.6%	1.5
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	93	Jul 2014	93.6%	1.0	8,133	-7.1%	7,614	-6.0%	72	-10.6%	100.0%	1.7	51.4%	-8.7
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	177	Jul 2014	93.3%	-0.4	7,426	17.7%	6,930	17.2%	110	15.1%	100.0%	4.9	25.1%	17.9
D13	Hotel MyStays Ueno-Inaricho	Taito-ku, Tokyo	72	Jul 2014	92.3%	1.0	8,510	-5.8%	7,855	-4.7%	53	-6.3%	98.1%	0.3	72.5%	-6.6
D17	Hotel MyStays Otemae	Osaka, Osaka	110	Jul 2014	94.8%	0.4	11,778	63.4%	11,167	64.1%	137	74.0%	99.5%	23.5	64.5%	22.1
D24	Hotel MyStays Haneda	Ota-ku, Tokyo	174	Jul 2015	94.4%	0.3	11,242	6.4%	10,616	6.7%	177	3.7%	100.0%	8.4	30.3%	11.9
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	265	Jul 2015	85.3%	-1.1	6,415	8.2%	5,471	6.8%	176	2.9%	58.7%	6.6	13.0%	7.2
D26	Hotel MyStays Ueno-Iriyaguchi	Taito-ku, Tokyo	97	Jul 2015	94.2%	1.2	10,789	-2.1%	10,161	-0.8%	106	0.6%	100.0%	2.5	49.3%	-12.7
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	175	Jul 2015	89.1%	-0.6	6,459	14.3%	5,754	13.5%	123	13.8%	70.0%	10.2	18.0%	9.1
D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	116	Jul 2015	92.9%	-1.0	6,745	2.4%	6,265	1.3%	80	15.0%	100.0%	10.2	8.6%	4.3
D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	54	Jan 2016	91.4%	-	15,154	-	13,854	-	82	-	100.0%	1.6	59.1%	7.1
D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	333	Mar 2016	95.5%	-	10,450	-	9,984	-	410	-	100.0%	-	16.5%	-
D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	217	Mar 2016	94.7%	-2.2	7,544	15.7%	7,144	13.1%	159	13.4%	100.0%	0.4	39.0%	12.3
D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	105	Mar 2016	94.8%	0.1	11,817	-5.2%	11,202	-5.1%	123	-10.1%	100.0%	2.0	51.2%	-7.5
D47	Hotel MyStays Kanazawa	Kanazawa, Ishikawa	244	Jun 2016	94.9%	22.8	9,935	0.9%	9,429	32.8%	261	39.6%	100.0%	0.3	24.4%	11.9
FlexStay Inn																
D12	FlexStay Inn Iidabashi	Shinjuku-ku, Tokyo	59	Jul 2014	91.1%	-5.3	9,756	8.1%	8,891	2.2%	52	-2.4%	99.7%	6.5	31.1%	8.1
D14	FlexStay Inn Shinagawa	Shinagawa-ku, Tokyo	55	Jul 2014	93.6%	-2.7	9,468	2.5%	8,866	-0.4%	48	-7.2%	99.8%	12.0	34.1%	6.4
D15	FlexStay Inn Tokiwadai	Itabashi-ku, Tokyo	129	Jul 2014	81.4%	-5.6	5,268	10.0%	4,286	2.9%	64	4.5%	34.6%	1.9	21.5%	9.7
D16	FlexStay Inn Sugamo	Toshima-ku, Tokyo	104	Jul 2014	76.0%	-10.6	6,279	18.8%	4,773	4.3%	55	-2.9%	51.1%	21.2	6.5%	2.4
D18	FlexStay Inn Kiyosumi-Shirakawa	Koto-ku, Tokyo	55	Jul 2014	88.1%	-4.6	7,641	15.6%	6,734	9.9%	40	10.8%	98.4%	35.0	35.8%	18.9
D19	FlexStay Inn Nakanobu P1	Shinagawa-ku, Tokyo	39	Jul 2014	86.2%	-2.3	6,575	8.3%	5,668	5.4%	22	-0.8%	78.3%	15.4	13.1%	4.2
D20	FlexStay Inn Nakanobu P2	Shinagawa-ku, Tokyo	22	Jul 2014	88.8%	-2.0	6,067	9.6%	5,388	7.1%	12	1.4%	88.5%	30.7	15.4%	9.6
D23	FlexStay Inn Shirogane	Minato-ku, Tokyo	84	Feb 2015	83.8%	-5.1	7,291	9.7%	6,110	3.4%	58	4.3%	60.7%	15.0	11.8%	7.2
D30	FlexStay Inn Higashi-Jujo	Kita-ku, Tokyo	88	Jul 2015	84.1%	-6.5	5,920	17.6%	4,978	9.2%	40	1.7%	100.0%	25.0	47.6%	15.5
D32	FlexStay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	64	Jul 2015	80.5%	-7.8	5,612	8.8%	4,519	-0.8%	31	3.2%	28.5%	4.3	2.2%	1.7
D34	FlexStay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	62	Jul 2015	82.1%	-10.1	5,093	12.7%	4,180	0.4%	29	-1.8%	24.6%	13.8	9.6%	6.8
D35	FlexStay Inn Ekoda	Nerima-ku, Tokyo	210	Aug 2015	85.9%	0.1	5,253	6.8%	4,512	6.9%	113	8.0%	45.6%	6.4	4.5%	1.8
Others																
D44	Hotel Epinard Nasu	Nasu, Tochigi	310	Mar 2016	79.9%	0.1	19,002	7.1%	15,173	7.2%	448	26.6%	-	-	-	-
Non-MHM Operators																
D6	Hotel Vista Premio Dojima	Osaka, Osaka	141	Jul 2014	88.7%	-2.6	12,405	9.9%	11,007	6.7%	206	10.1%	-	-	30.2%	1.6
D21	Apahotel Yokohama-Kannai	Yokohama, Kanagawa	451	Feb 2015	93.1%	-0.1	7,025	-7.5%	6,540	-7.6%	231	-1.0%	-	-	-	-
D22	Hotel Nets Hakodate	Hakodate, Hokkaido	202	Feb 2015	79.6%	7.2	7,171	14.6%	5,710	25.9%	110	44.2%	-	-	-	-
D28	Hotel Vista Shimizu	Shizuoka, Shizuoka	152	Jul 2015	78.2%	3.3	6,497	-1.5%	5,083	2.8%	67	3.2%	-	-	9.2%	2.3
Subtotal (by brand)																
MHM																
Mystays		-	2,852	-	92.2%	-1.2	9,034	10.0%	8,328	8.6%	2,533	10.1%	96.0%	4.3	39.1%	3.6
FlexStay Inn		-	971	-	84.3%	-4.9	6,379	10.3%	5,374	4.2%	569	2.1%	65.6%	13.5	19.2%	7.1
Others		-	310	-	79.9%	0.1	19,002	7.1%	15,173	7.2%	448	26.6%	-	-	-	-
Total		-	4,133	-	89.4%	-2.0	9,115	10.4%	8,149	7.9%	3,551	10.6%	90.6%	6.2	35.5%	4.4
Non-MHM Operators		-	946	-	87.2%	1.6	7,793	-0.1%	6,794	1.8%	615	9.3%	-	-	23.2%	2.0
Total (35 properties)		-	5,079	-	89.0%	-1.3	8,874	8.5%	7,896	6.9%	4,166	10.4%	90.6%	6.2	34.6%	4.2

(Note) Based on 39 hotels in Invincible's portfolio, which are owned as of the end of June 30, 2016 which includes all hotels with variable rent structures. In addition, "Subtotal (by brand)" and "Total" figure above are based on 35 hotels, which exclude Hotel MyStays Haneda as well as Hotel MyStays Kanazawa, which opened in 2014, and Hotel MyStays Shinsaibashi as well as Hotel MyStays Gotanda Station, which underwent renovation in 2015.

Items	June 2014	December 2014	June 2015	December 2015	June 2016
	Jan 1, 2014- Jun 30, 2014	Jul 1, 2014- Dec 31, 2014	Jan 1, 2015- Jun 30, 2015	Jul 1, 2015- Dec 31, 2015	Jan 1, 2016- Jun 30, 2016
Amount of Total Assets (JPY million)	79,261	130,477	136,299	185,918	284,106
Amount of Net Assets (JPY million)	36,373	61,392	61,731	91,758	130,005
Capital-to-Asset Ratio	45.9%	47.1%	45.3%	49.4%	45.8%
Total Amount of Investment (JPY million)	29,134	53,096	53,096	82,465	120,367
End-of-period total number of units issued	1,573,179	2,668,686	2,668,686	3,193,686	3,675,824
Amount of Net Assets per Unit (JPY)	23,121	23,005	23,132	28,731	35,368
Return on Asset (ROA) (annualized)	2.3%	3.0%	3.4%	3.2%	3.6%
Return on Equity (ROE) (annualized)	5.0%	6.4%	7.5%	6.4%	7.5%
Amount of interest-bearing debts (JPY million)	41,000	67,260	72,301	91,699	141,917
Weighted average interest rate	1.8%	1.1%	1.0%	0.6%	0.5%
Loan to Value (LTV 1)	53.7%	53.1%	54.9%	50.8%	53.0%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	51.7%	51.5%	53.0%	49.3%	50.0%
Net Operating Income (NOI) (JPY million)	2,018	3,861	4,127	5,961	7,136
NOI yield (annualized)	5.3%	6.8%	6.5%	7.0%	6.6%
Depreciation Expenses (JPY million)	527	837	986	1,275	1,676
Funds From Operations (FFO) (JPY million)	426	2,795	3,282	4,228	6,040
NAV (JPY million)	37,286	71,175	78,960	134,430	187,461
NAV per Unit (JPY)	23,701	26,671	29,588	42,093	50,998
NAV ratio	1.0	1.9	2.2	1.7	1.3

(Note 1) Financial indicators calculation method in the above table are as follows.

- ROA(annualized)= Ordinary Income / Weighted Average Total Assets during the period x 100/days during the period x 3
- ROE(annualized)= Net Income / Weighted Average Net Assets during the period x 100/days during the period x 365
- LTV(1)= End-of-period Interest-Bearing Debt / (End-of-period Interest-Bearing Debt + Unitholders' Capital + Unitholders' Capital Surplus)x100
- LTV(2)= End-of-period Interest-Bearing Debt / End-of-period Total Assets x 100
- NOI= Rental Revenues - Property-Related Expenses + Depreciation Expenses
- NOI yield (annualized)=((Rental Revenues - Property-Related Expenses + Depreciation Expenses)/ days during the period x 365)/ Acquisition Price
- FFO= Net Income + Depreciation Expenses + Other Amortization - Gain on Sales of Properties + Loss from Sales of Properties
- NAV= End-of-period Amount of Net Assets - Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)
- NAV ratio = period-end unit price/ Amount of Net Assets per Unit

(Note 2) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

In addition "Amount of Net Assets per Unit (JPY)" and "NAV per Unit (JPY)" are rounded to nearest yen.

June 2016 Results — Comparison with December 2015

(JPY million, otherwise stated)

	Dec 2015 Period Jul 1, 2015- Dec 31, 2015	Jun 2016 Period Jan 1, 2016- Jun 30, 2016	Change		Reasons for changes
Operating revenues	6,863	8,158	1,294	+18.9%	<ul style="list-style-type: none"> • Rent, common area fees, etc. +1,255 (Residence +257, Office/Retail +17, Hotel +979) • Renewal fee revenue +14 • Key money income +8 • Renewal income +6 • Restoration fee revenue +4 • Others -1
Rental revenues	6,863	8,158	1,294	+18.9%	
Operating expenses	2,494	3,084	589	+23.6%	<ul style="list-style-type: none"> • Depreciation expenses +401 • Maintenance costs +81 (Restoration costs +16, Utility expenses -5, Repair costs +9, miscellaneous expenses -1, PM Fee +3, Building management fees +3, Land lease fees +54) • Asset management fees +70 • Property tax ,etc +30 • General commissioned survey +10 • Professional fees -4 • Other taxes and dues -6 • Others +2
Repair costs	21	30	9	+44.6%	
Operating Income	4,369	5,073	704	+16.1%	
Non-operating revenues	2	2	0	+31.6%	
Non-operating expenses	1,418	712	(705)	(49.7%)	
Interest Expenses	296	295	(1)	(0.6%)	
Finance-related costs	982	280	(701)	(71.5%)	• One time costs related to upfront fee and penalty for pre payment on 25th Period.
Other non-operating expenses	138	137	(1)	(1.1%)	
Net Income	2,952	4,363	1,410	+47.8%	
Net Income per Unit (JPY)	924	1,125	201	+21.8%	
Reversal of Surplus per Unit (JPY)	24	—	(24)	—	
Excess dividend per Unit (JPY)	239	61	(178)	(74.5%)	
Distribution per Unit (JPY)	1,187	1,186	(1)	(0.1%)	
NOI	5,961	7,137	1,175	+19.7%	
NOI yield	7.0%	6.6%	(0.4%)	—	

Income Statement

Items	Dec 2015 Period Jul 1, 2015- Dec 31, 2015		Jun 2016 Period Jan 1, 2016- Jun 30, 2016		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Operating revenues	6,863,775	100.0	8,158,220	100.0	1,294,444	18.9
Rental revenues (1)	6,863,775		8,158,220		1,294,444	
Operating expenses	2,494,667	36.3	3,084,315	37.8	589,647	23.6
Property related expenses (2)	2,178,165		2,697,986		519,820	
Depreciation expenses (3)	1,275,714		1,676,736		401,022	
NOI (1)-(2)+(3)	5,961,324	86.9	7,136,971	87.5	1,175,646	19.7
Asset management fees	180,000		250,000		70,000	
Directors' compensation	4,800		4,800		-	
Asset custody fees	6,794		9,128		2,333	
Administrative service fees	25,170		24,010		(1,160)	
Provision of allowance for doubtful accounts	58		269		211	
Other	99,677		98,120		(1,557)	
Operating income	4,369,108	63.7	5,073,905	62.2	704,796	16.1
Non-operating income	2,205	0.0	2,902	0.0	697	31.6
Interest income	814		1,316		501	
Interest on tax refund	936		1,372		436	
Other	454		213		(241)	
Non-operating expenses	1,418,020	20.7	712,782	8.7	(705,238)	(49.7)
Interest expenses	296,892		295,185		(1,707)	
Loan-related costs	982,261		280,326		(701,934)	
Investment unit issuance expenses	138,866		137,270		(1,595)	
Ordinary income	2,953,293	43.0	4,364,025	53.5	1,410,732	47.8
Income before income taxes	2,953,293	43.0	4,364,025	53.5	1,410,732	47.8
Income taxes	605		605		-	
Net income	2,952,688	43.0	4,363,420	53.5	1,410,732	47.8
Retained earnings brought forward	75,634		-		(75,634)	
Unappropriated retained earnings / loss at the end of the period	3,028,323		4,363,420		1,335,097	

Balance Sheet - Assets

Items	Dec 2015 Period		Jun 2016 Period		Changes	
	(As of Dec 31, 2015)		(As of Jun 30, 2016)			
	JPY thousand	%	JPY thousand	%	JPY thousand	%
<i>Assets</i>						
Current assets						
Cash and bank deposits	7,885,398		11,322,762		3,437,363	
Cash and bank deposits in trust	5,933,582		5,441,316		(492,266)	
Accounts receivables	124		201		76	
Rental receivables	1,069,352		1,375,846		306,493	
Prepaid expenses	241,931		394,524		152,593	
Consumption tax receivable	928,025		2,672,787		1,744,762	
Others	35		35		-	
Allowance for doubtful accounts	(2,494)		(2,764)		(269)	
Total current assets	16,055,955	8.6	21,204,709	7.5	5,148,753	32.1
Non-current assets						
Property and equipment						
Buildings	76,507		75,965		(541)	
Buildings and accompanying facilities	18,268		17,487		(781)	
Structures	1,443		1,377		(65)	
Land	711,834		711,834		-	
Buildings in trust	61,371,553		96,298,370		34,926,816	
Buildings and accompanying facilities in trust	12,358,438		19,600,442		7,242,004	
Structures in trust	189,591		188,742		(849)	
Tools, furniture and fixtures in trust	251,331		320,869		69,537	
Land in trust	88,435,785		135,384,518		46,948,733	
Construction in progress in trust	-		46,368		46,368	
Total property and equipment	163,414,753	87.9	252,645,976	88.9	89,231,222	54.6
Intangible assets						
Leasehold rights in trust	5,836,789		8,871,542		3,034,753	
Others	15		-		(15)	
Total intangible assets	5,836,804	3.1	8,871,542	3.1	3,034,737	52.0
Investment and other assets						
Guarantee deposits	39,518		613,914		574,396	
Long-term prepaid expenses	533,409		729,351		195,941	
Others	38,429		40,640		2,211	
Total investment and other assets	611,357	0.3	1,383,905	0.5	772,548	126.4
Total non-current assets	169,862,915	91.4	262,901,424	92.5	93,038,508	54.8
Total assets	185,918,871	100.0	284,106,133	100.0	98,187,262	52.8

Balance Sheet – Liabilities/Net Assets

Items	Dec 2015 Period		Jun 2016 Period		Changes	
	(As of Dec 31, 2015)		(As of Jun 30, 2016)			
	JPY thousand	%	JPY thousand	%	JPY thousand	%
<i>Liabilities</i>						
<i>Current liabilities</i>						
Accounts payable	136,766		188,362		51,596	
Short-term loans payable	1,080,000		3,498,000		2,418,000	
Accounts payable-other	47,597		8,957,286		8,909,689	
Accrued expenses	134,010		186,571		52,561	
Income taxes payable	564		605		40	
Advances received	473,164		507,135		33,971	
Deposits received	23,043		21,072		(1,970)	
Total current liabilities	1,895,146	1.0	13,359,034	4.7	11,463,888	604.9
<i>Non-current liabilities</i>						
Long-term loans payable	90,619,000		138,419,000		47,800,000	
Tenant leasehold and security deposits in trust	1,617,867		2,035,843		417,975	
Tenant leasehold and security deposits	28,663		28,663		-	
Derivatives liabilities	-		227,532		227,532	
Asset retirement obligations	-		31,050		31,050	
Total non-current liabilities	92,265,530	49.6	140,742,089	49.5	48,476,558	52.5
Total liabilities	94,160,677	50.6	154,101,123	54.2	59,940,446	63.7
<i>Net assets</i>						
<i>Unitholders' equity</i>						
Unitholders' capital	82,465,438	44.4	120,367,271	42.4	37,901,832	46.0
Surplus						
Capital surplus	6,264,432		5,501,141		(763,290)	
Voluntary retained earnings	-		708		708	
Retained earnings	3,028,323		4,363,420		1,335,097	
Total surplus	9,292,755	5.0	9,865,270	3.5	572,515	6.2
Total unitholders' equity	91,758,194	49.4	130,232,542	45.8	38,474,348	41.9
Total net assets	91,758,194	49.4	130,005,009	45.8	38,246,815	41.7
Total liabilities and net assets	185,918,871	100.0	284,106,133	100.0	98,187,262	52.8

**Net assets per unit as of the end of June 2016:
JPY 35,368**

Total number of units issued and outstanding:
3,675,824 units

Cash Flow Statement and Dividend Distribution

Items	Dec 2015 Period	Jun 2016 Period
	Jul 1, 2015- Dec 31, 2015	Jan 1, 2016- Jun 30, 2016
	JPY thousand	JPY thousand
Cash flows from operating activities		
Income before income taxes	2,953,293	4,364,025
Depreciation and amortization	1,275,744	1,676,751
Investment unit issuance costs	138,866	137,270
Loan-related costs	982,261	280,326
Interest income	(814)	(1,316)
Interest expenses	296,892	295,185
Increase (decrease) in allowance for doubtful accounts	58	269
Decrease (increase) in rental receivables	(431,538)	(306,493)
Increase (decrease) in accrued consumption taxes	(611,612)	(1,744,762)
Increase (decrease) in accounts payable	(25,114)	7,056
Increase (decrease) in accounts payable-other	1,989	884,265
Increase (decrease) in accrued expenses	(9,097)	38,577
Increase (decrease) in advances received	52,504	33,971
Increase (decrease) in deposits received	12,935	(14,615)
Others	4,131	(34,907)
Subtotal	4,640,500	5,615,604
Interest income received	814	1,316
Interest expenses paid	(328,496)	(297,081)
Income taxes paid	(583)	(564)
Cash flows from operating activities	4,312,234	5,319,276
Cash flows from investment activities		
Purchases of property and equipment in trust	(37,422,498)	(82,786,898)
Purchases of leasehold rights in trust	(5,836,789)	(3,055,031)
Proceeds from tenant leasehold and security deposits in trust	239,098	474,368
Repayments of tenant leasehold and security deposits in trust	(40,738)	(56,280)
Payments for lease and guarantee deposits	-	(574,396)
Others	(31,694)	(2,211)
Cash flows from investment activities	(43,092,621)	(86,000,448)
Cash flows from financing activities		
Proceeds from short-term loans payable	1,401,000	3,498,000
Repayments of short-term loans payable	(321,000)	(1,080,000)
Proceeds from long-term loans payable	90,619,000	47,800,000
Repayments of long-term loans payable	(62,341,000)	-
Repayments of long-term loans payable in trust	(9,960,000)	-
Payments for loan-related costs	(1,250,432)	(594,356)
Payments of distributions of earnings	(2,292,901)	(3,014,523)
Payments of distributions in excess of retained earnings	-	(763,290)
Proceeds from issuance of investment units	29,230,158	37,780,441
Cash flows from financing activities	45,084,824	83,626,270
Net increase (decrease) in cash and cash equivalents	6,304,437	2,945,097
Cash and cash equivalents at beginning of period	7,514,543	13,818,981
Cash and cash equivalents at end of period	13,818,981	16,764,078

Items		Dec 2015 Period	Jun 2016 Period
		Jul 1, 2015- Dec 31, 2015	Jan 1, 2016- Jun 30, 2016
		JPY thousand	JPY thousand
Unappropriated retained earnings	(JPY thousand)	3,028,323	4,363,420
Reversal of Reserve for temporary Difference adjustment	(JPY thousand)	-	708
Distributions in excess of retained earnings	(JPY thousand)	763,290	224,225
Of which, allowance for temporary differences adjustment	(JPY thousand)	-	224,225
Of which, other distributions in excess of net earnings	(JPY thousand)	763,290	-
Distributions	(JPY thousand)	3,790,905	4,359,527
Of which, distributions of earnings	(JPY thousand)	3,027,614	4,135,302
Of which, allowance for adjustment of temporary differences	(JPY thousand)	-	224,225
Of which, other distributions in excess of net earnings	(JPY thousand)	763,290	-
Distribution per Unit	(JPY)	1,187	1,186
Voluntary reserve	(JPY thousand)	708	-
Reserve for temporary Difference adjustment	(JPY thousand)	708	-
Retained earnings carried forward	(JPY thousand)	-	228,827

Property Income (1/4)

(in JPY thousand)

Property Number	A26	A27	A28	A29	A30	A31	A32	A33	A34	A35	A36	A37	A38	A39	A40	A41	A42
Property Name	Nisshin Palacestage Daitabashi	Nisshin Palacestage Higashi-Nagasaki	Growth Maison Gotanda	Growth Maison Kameido	Emerald House	Hamonie Ochanomizu	Suncrest Shakuji Koen	Growth Maison Shin-Yokohama	Belle Face Ueno Okachimachi	Grand Rire Kameido	Growth Maison Ikebukuro	Growth Maison Yoga	Route Tachikawa	Shibuya Honmachi Mansion	City Heights Kinuta	Acseeds Tower Kawaguchi Namiki	Capital Heights Kagurazaka
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	39,605	45,952	27,349	34,404	50,753	40,389	34,709	34,823	33,342	26,619	26,408	21,839	20,700	20,473	17,446	24,262	18,752
Rent, common area fees / GOP ⁽¹⁾	36,270	40,961	26,772	32,587	39,567	38,271	30,521	31,904	29,973	26,619	24,833	20,768	18,896	19,897	16,720	22,518	18,119
Other revenue	3,334	4,991	577	1,816	11,185	2,118	4,187	2,918	3,368	-	1,575	1,071	1,804	576	726	1,743	633
② Property related expenses	19,403	24,742	8,991	12,867	24,269	15,674	19,621	17,211	14,053	8,311	11,349	10,742	9,697	5,743	5,190	11,428	7,487
Facility management fees	6,027	7,169	2,764	3,309	7,411	3,461	5,832	5,299	4,762	517	3,486	3,352	2,996	1,718	1,288	2,440	2,580
(of which, repair cost)	226	360	88	86	221	271	181	164	-	369	691	106	224	119	81	212	143
(of which, utility expenses)	1,753	2,353	243	509	887	671	1,099	568	460	-	566	360	412	212	73	399	316
Tax and other public charges	1,616	2,701	1,328	1,685	2,562	1,878	3,129	2,411	1,663	1,721	1,051	1,370	1,071	929	983	1,126	1,089
Insurance expenses	73	112	44	62	119	66	107	81	57	65	43	44	46	38	35	48	41
Depreciation expenses (⑦)	8,743	12,842	4,355	5,927	9,543	7,138	8,076	6,178	5,355	5,506	5,274	4,067	4,206	2,241	1,697	5,038	2,481
Other expenses	2,942	1,916	500	1,882	4,633	3,128	2,475	3,240	2,214	500	1,493	1,907	1,376	814	1,185	2,774	1,294
③ Rental income (①-②)	20,202	21,210	18,358	21,536	26,483	24,715	15,087	17,612	19,289	18,308	15,059	11,097	11,002	14,730	12,256	12,833	11,265
④ NOI (①-②+⑦)	28,945	34,052	22,713	27,463	36,026	31,854	23,163	23,790	24,644	23,814	20,333	15,165	15,209	16,971	13,954	17,872	13,746
⑤ Capital expenditure	4,088	6,299	2,505	713	814	2,055	11,764	975	-	-	410	1,886	2,927	400	-	-	4,670
⑥ NCF (④-⑤)	24,857	27,753	20,207	26,749	35,212	29,798	11,399	22,815	24,644	23,814	19,923	13,278	12,282	16,571	13,954	17,872	9,076

Property Number	A43	A44	A45	A46	A47	A48	A51	A52	A53	A54	A56	A59	A61	A62	A63	A64	A65
Property Name	College Square Machida	Belair Meguro	Wacore Tsunashima I	Foros Nakamurabashi	Growth Maison Kaijin	College Square Machiya	City House Tokyo Shinbashi	Winbell Kagurazaka	Nishiwaseda Crescent Mansion	Lexington Square Akebonobashi	Casa Erenitaggio	Towa City Coop Shin-otsuka II	Bichsel Musshiseki	Lexel Mansion Ueno Matsugaya	Towa City Coop Sengencho	Royal Park Omachi	Lexington Square Haginomachi
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	17,484	16,436	18,466	18,546	21,918	14,706	90,692	107,429	72,347	51,132	31,694	35,168	24,923	46,988	59,002	26,051	17,646
Rent, common area fees / GOP ⁽¹⁾	17,484	15,366	17,831	16,686	19,563	14,706	87,652	98,385	69,059	48,323	29,295	34,054	23,319	32,001	54,554	23,136	15,915
Other revenue	-	1,069	635	1,860	2,355	-	3,039	9,044	3,288	2,809	2,399	1,113	1,603	14,987	4,448	2,914	1,731
② Property related expenses	3,303	6,864	9,193	9,842	15,810	5,198	35,667	40,060	23,830	20,914	16,760	13,738	10,835	21,165	29,353	13,386	8,855
Facility management fees	365	2,020	2,386	2,804	5,395	178	13,910	10,555	7,252	7,163	4,038	4,799	4,835	9,603	15,463	6,875	2,634
(of which, repair cost)	365	92	146	151	122	178	682	304	574	138	300	63	467	6,859	123	1,553	13
(of which, utility expenses)	-	178	546	324	1,058	-	1	1,393	654	491	954	-	512	519	-	1,805	634
Tax and other public charges	506	875	889	989	2,125	937	4,949	6,348	3,608	2,209	1,674	1,393	1,178	1,875	3,004	790	573
Insurance expenses	41	28	39	37	91	31	133	185	132	68	54	61	55	67	124	71	44
Depreciation expenses (⑦)	1,890	2,324	3,997	4,782	6,700	3,551	13,195	16,111	7,997	8,695	9,115	5,190	2,747	8,367	7,491	4,331	3,550
Other expenses	500	1,615	1,880	1,228	1,498	500	3,477	6,858	4,839	2,776	1,878	2,293	2,018	1,251	3,270	1,316	2,052
③ Rental income (①-②)	14,180	9,571	9,273	8,703	6,108	9,507	55,024	67,368	48,517	30,217	14,934	21,429	14,087	25,822	29,648	12,665	8,791
④ NOI (①-②+⑦)	16,070	11,896	13,271	13,486	12,808	13,059	68,220	83,480	56,514	38,913	24,049	26,620	16,834	34,190	37,139	16,997	12,342
⑤ Capital expenditure	207	-	256	2,391	6,793	-	844	2,588	15,491	465	491	5,153	600	1,915	2,175	8,280	-
⑥ NCF (④-⑤)	15,863	11,896	13,014	11,095	6,015	13,059	67,375	80,891	41,022	38,448	23,557	21,466	16,234	32,274	34,964	8,716	12,342

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.

(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Property Income (2/4)

(in JPY thousand)

Property Number	A66	A71	A72	A73	A75	A76	A77	A78	A79	A80	A81	A82	A83	A84	A85	A86	A87
Property Name	Visconti Kakuozan	Lexington Square Daitabashi	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Spacia Ebisu	Neo Prominence	Invoice Shin-Kobe Residence	Cosmo Court Moto machi	Revest Honjin	Revest Matsubara	Sun Terrace Minami Ikebukuro	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian	Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	10,533	29,731	17,760	47,964	199,105	65,593	49,993	37,778	31,265	28,956	23,817	26,647	26,539	24,076	33,371	25,795	17,871
Rent, common area fees / GOP ⁽¹⁾	8,596	28,239	17,318	46,096	177,611	55,557	45,499	35,858	29,056	26,360	21,459	24,432	24,581	23,419	28,727	23,930	17,082
Other revenue	1,937	1,492	442	1,868	21,493	10,036	4,493	1,919	2,209	2,596	2,358	2,214	1,958	657	4,643	1,864	789
② Property related expenses	8,421	17,055	8,871	25,490	67,874	27,171	24,803	20,258	15,493	15,526	9,816	13,902	14,223	10,993	20,423	12,904	10,386
Facility management fees	3,365	3,397	2,216	6,540	14,582	10,112	5,356	4,243	4,184	4,109	2,561	3,307	4,008	2,409	8,602	3,749	2,417
(of which, repair cost)	48	483	382	656	372	520	703	56	287	309	101	112	132	242	2,468	10	102
(of which, utility expenses)	171	489	359	1,008	1,847	3,623	593	589	400	367	405	349	548	318	2,236	994	269
Tax and other public charges	928	1,545	811	2,144	8,799	3,554	2,723	2,306	1,801	1,868	908	1,737	1,662	1,404	1,956	1,561	773
Insurance expenses	25	49	35	141	280	150	87	85	72	66	35	66	70	48	81	54	33
Depreciation expenses (⑦)	1,794	8,020	4,982	14,123	37,356	10,307	11,490	9,974	7,438	7,042	4,917	6,928	6,965	6,399	7,013	5,444	4,194
Other expenses	2,306	4,041	824	2,540	6,855	3,047	5,146	3,648	1,996	2,439	1,393	1,861	1,517	731	2,768	2,094	2,967
③ Rental income (①-②)	2,112	12,675	8,889	22,474	131,230	38,422	25,189	17,519	15,772	13,429	14,001	12,744	12,315	13,083	12,948	12,891	7,485
④ NOI (①-②+⑦)	3,907	20,696	13,872	36,597	168,586	48,729	36,679	27,494	23,210	20,472	18,918	19,673	19,281	19,482	19,961	18,335	11,679
⑤ Capital expenditure	841	486	1,274	-	3,928	2,505	-	1,261	485	313	4,752	625	349	-	207	-	-
⑥ NCF (④-⑤)	3,065	20,210	12,597	36,597	164,657	46,224	36,679	26,232	22,725	20,158	14,166	19,048	18,931	19,482	19,753	18,335	11,679

Property Number	A88	A89	A90	A91	A92	A93	A94	A95	A96	A97	A98	A99	A100	A101	A102	A103	A104
Property Name	Luna Court Edobori	Winnstage Kobe Motomachi	Queen's Court Fukuzumi	Corp Higashinotoin	Belair Oimachi	Siete Minami-Tsukaguchi	Prime Life Sannomiya Isogami Koen	HERMITAGE NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachi-bashi	Prime Life Mikage	City Court Kitaichijo	Lieto Court Mukojima	Lieto Court Nishi-Ojima	Royal Parks Momozaka	Royal Parks Shinden
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	161	92
① Rental revenues	21,499	21,396	17,240	17,464	15,582	16,684	15,129	14,372	17,500	11,037	13,951	12,143	66,535	53,918	48,584	124,216	108,933
Rent, common area fees / GOP ⁽¹⁾	20,402	20,231	15,573	16,349	14,931	15,956	14,269	12,870	14,368	10,198	13,872	11,934	59,712	50,946	48,352	114,859	101,210
Other revenue	1,096	1,165	1,666	1,115	650	728	859	1,502	3,132	839	78	208	6,822	2,972	232	9,357	7,723
② Property related expenses	11,623	14,604	8,630	8,921	5,748	8,127	7,832	10,490	8,472	8,100	6,588	6,145	37,492	28,079	18,583	75,407	52,665
Facility management fees	3,868	3,953	2,450	2,894	1,458	2,857	2,315	3,104	2,242	2,854	1,815	1,585	8,899	7,982	4,589	35,764	17,496
(of which, repair cost)	591	118	130	162	-	-	320	10	310	190	55	64	375	194	205	477	663
(of which, utility expenses)	871	493	181	634	168	384	232	266	225	206	342	157	1,674	541	732	-	-
Tax and other public charges	1,183	1,588	751	915	671	982	848	1,012	874	563	970	762	2,580	1,255	1,088	-	-
Insurance expenses	43	53	30	38	25	37	27	33	48	26	30	24	238	114	90	274	305
Depreciation expenses (⑦)	5,069	5,811	3,200	3,799	2,675	3,240	3,426	3,446	3,981	3,044	2,874	2,960	22,587	15,282	12,264	39,011	34,659
Other expenses	1,459	3,197	2,197	1,274	917	1,010	1,214	2,892	1,325	1,612	898	813	3,185	3,444	549	358	204
③ Rental income (①-②)	9,875	6,792	8,609	8,542	9,834	8,557	7,296	3,882	9,028	2,937	7,362	5,997	29,043	25,838	30,001	48,808	56,267
④ NOI (①-②+⑦)	14,944	12,604	11,810	12,342	12,509	11,797	10,722	7,329	13,010	5,981	10,236	8,957	51,631	41,121	42,266	87,820	90,926
⑤ Capital expenditure	321	1,893	630	-	-	-	-	-	2,823	1,397	-	-	-	237	295	-	-
⑥ NCF (④-⑤)	14,623	10,710	11,179	12,342	12,509	11,797	10,722	7,329	10,187	4,584	10,236	8,957	51,631	40,884	41,970	87,820	90,926

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.

(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Property Income (3/4)

(in JPY thousand)

Property Number		B08	B09	B14	B15	B16	B17	B18		C01		D01	D02	D03	D04	D05	D06
Property Name	subtotal	Kindai Kagaku Sha Building	Shinjuku Island	Lexington Plaza Nishigotanda	Cross Square NAKANO	Ohki Aoba Building	Lexington Plaza Hachiman	AEON TOWN Sukagawa	subtotal	Times Kanda-Sudacho 4th	subtotal	Hotel MyStays Kanda	Hotel MyStays Asakusa	Hotel MyStays Kyoto-Shijo	MyStays Shin-Urayasu Conference Center	Hotel MyStays Maihama	Hotel Vista Premio Dojima
number of operating days	-	184	184	184	184	184	184	184	-	184	-	184	184	184	184	184	184
① Rental revenues	2,481,468	37,069		149,977	39,416	39,081	163,598	142,027	588,368	2,700	2,700	88,987	128,239	358,013	179,110	148,450	206,141
Rent, common area fees / GOP ⁽¹⁾	2,282,408	33,059		133,537	33,635	31,155	131,165	142,027	521,778	2,700	2,700	88,987	128,239	358,013	179,110	148,450	206,141
Other revenue	199,059	4,009		16,439	5,781	7,925	32,433	-	66,589	-	-	-	-	-	-	-	-
② Property related expenses	1,152,702	22,572		65,241	16,478	19,968	72,761	93,935	300,509	260	260	21,248	21,716	59,546	50,113	39,092	62,659
Facility management fees	356,002	6,103		25,051	6,721	9,362	44,981	56,124	153,312	-	-	-	-	-	-	-	8,208
(of which, repair cost)	26,545	141		200	293	199	401	-	1,235	-	-	-	-	-	-	-	-
(of which, utility expenses)	41,652	2,829		15,679	2,457	4,294	33,076	-	58,338	-	-	-	-	-	-	-	-
Tax and other public charges	114,790	4,540	(Note 2)	12,393	3,861	2,025	5,651	7,501	39,083	259	259	4,418	3,906	10,476	8,160	3,194	11,785
Insurance expenses	5,188	87		232	99	123	199	253	1,084	-	-	99	123	280	225	113	311
Depreciation expenses (⑦)	530,446	10,673		26,519	4,343	7,479	21,134	29,438	100,976	1	1	16,216	17,144	48,252	41,197	35,270	41,838
Other expenses	146,274	1,167		1,044	1,452	978	793	616	6,053	-	-	514	540	537	529	514	515
③ Rental income (①-②)	1,328,765	14,496		84,736	22,938	19,112	90,837	48,092	287,858	2,439	2,439	67,738	106,523	298,466	128,997	109,358	143,481
④ NOI (①-②+⑦)	1,859,212	25,169		111,255	27,281	26,591	111,972	77,530	388,834	2,440	2,440	83,954	123,668	346,718	170,194	144,628	185,320
⑤ Capital expenditure	111,799	3,728		1,181	22,516	5,487	4,015	-	36,929	-	-	85,157	7,768	6,037	6,573	4,205	3,786
⑥ NCF (④-⑤)	1,747,412	21,441		110,074	4,764	21,104	107,956	77,530	351,905	2,440	2,440	-1,202	115,900	340,681	163,620	140,423	181,534

Property Number	D07	D08	D09	D10	D11	D12	D13	D14	D15	D16	D17	D18	D19	D20	D21	D22	D23
Property Name	Hotel MyStays Nagoya-Sakae	Hotel MyStays Sakaisuji-Honmachi	Hotel MyStays Yokohama	Hotel MyStays Nippori	Hotel MyStays Fukuoka-Tenjin-Minami	Flexstay Inn Iidabashi	Hotel MyStays Ueno Inaricho	Flexstay Inn Shinagawa	Flexstay Inn Tokiwadai	Flexstay Inn Sugamo	Hotel MyStays Otemae	Flexstay Inn Kiyosumi Shirakawa	Flexstay Inn Nakanobu P1	Flexstay Inn Nakanobu P2	APA Hotel Yokohama-Kannai	Hotel Nets Hako date	Flexstay Inn Shirogane
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	180,607	194,326	111,541	72,466	110,274	52,789	53,901	48,453	64,932	55,657	137,938	40,024	22,914	12,159	231,479	110,080	58,122
Rent, common area fees / GOP ⁽¹⁾	180,607	194,326	111,541	72,466	110,274	52,789	53,901	48,453	64,932	55,657	137,938	40,024	22,914	12,159	231,479	110,080	58,122
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	68,251	26,394	31,872	17,316	19,413	15,318	15,536	9,065	11,465	14,219	14,059	11,503	5,679	2,731	81,951	37,259	8,813
Facility management fees	17,163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(of which, repair cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges	4,614	6,410	4,476	1,755	5,084	4,503	1,478	1,670	3,424	2,883	3,612	3,388	950	526	5,175	5,166	959
Insurance expenses	269	134	220	70	111	102	51	42	91	75	128	88	28	16	297	209	62
Depreciation expenses (⑦)	45,674	19,320	26,659	14,961	13,686	10,184	13,476	6,824	7,419	10,731	9,790	7,497	4,172	1,659	75,951	31,352	7,262
Other expenses	529	528	515	528	530	528	530	528	528	528	527	528	529	529	526	531	528
③ Rental income (①-②)	112,356	167,932	79,668	55,149	90,861	37,470	38,364	39,387	53,466	41,438	123,879	28,520	17,234	9,427	149,528	72,821	49,309
④ NOI (①-②+⑦)	158,030	187,252	106,328	70,111	104,547	47,655	51,840	46,211	60,886	52,170	133,670	36,018	21,406	11,087	225,479	104,173	56,572
⑤ Capital expenditure	12,490	4,617	12,371	600	5,795	11,932	1,523	1,990	4,326	3,181	4,231	3,263	1,023	1,166	-	4,247	3,380
⑥ NCF (④-⑤)	145,540	182,635	93,956	69,511	98,752	35,722	50,317	44,221	56,559	48,988	129,438	32,754	20,383	9,920	225,479	99,925	53,192

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.

(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Property Income (4/4)

(in JPY thousand)

Property Number	D24	D25	D26	D27	D28	D29	D30	D31	D32	D33	D34	D35	D36	D37	D38	D39	D40
Property Name	Hotel MyStays Haneada	Hotel MyStays Kameido P1	Hotel MyStays Ueno Iriyaguchi	Hotel MyStays Kameido P2	Hotel Vista Shimizu	Super Hotel Shinbashi/Karasumori	Flexstay Inn Higashi-Jujo	Hotel MyStays Utsunomiya	Flexstay Inn Kawasaki-Kaizuka	Comfirt Hotel Toyama	Flexstay Inn Kawasaki-Ogawacho	Flexstay Inn Ekoda	Super Hotel Tokyo-JR Tachikawa	Super Hotel JR Ueno-iriyaguchi	Hotel MyStays Shinsaibashi	Comfirt Hotel Kurosaki	Comfirt Hotel Maebashi
number of operating days	169	169	169	169	169	169	169	169	169	169	169	126	126	126	161	161	161
① Rental revenues	177,466	176,496	106,248	123,608	67,741	39,426	40,114	77,939	31,955	35,928	29,136	113,216	31,787	27,275	84,282	33,616	38,901
Rent, common area fees / GOP ⁽¹⁾	177,466	176,496	106,248	123,608	67,741	39,426	40,114	77,939	31,955	35,928	29,136	113,216	31,787	27,275	84,282	33,616	38,901
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	63,920	37,120	23,916	28,190	24,779	7,434	6,874	23,984	11,320	11,211	6,604	34,699	11,771	8,944	16,707	12,954	21,520
Facility management fees	-	-	2,455	-	480	704	-	-	889	60	-	-	1,341	1,020	-	648	5,145
(of which, repair cost)	-	-	-	-	-	702	-	-	-	60	-	-	1,091	770	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges	4,085	3,195	624	1,921	2,061	1,554	973	6,866	408	1,895	480	2,347	1,421	1,071	-	-	-
Insurance expenses	211	201	98	124	111	46	58	401	46	99	31	130	64	44	68	75	94
Depreciation expenses (⑦)	59,164	33,295	20,307	25,715	21,697	4,717	5,413	16,300	9,544	8,745	5,665	31,792	8,482	6,346	16,261	11,850	15,865
Other expenses	458	429	430	428	428	410	429	415	430	411	426	428	461	461	377	379	414
③ Rental income (①-②)	113,546	139,375	82,331	95,418	42,962	31,992	33,239	53,955	20,634	24,716	22,532	78,517	20,015	18,331	67,575	20,661	17,380
④ NOI (①-②+⑦)	172,710	172,670	102,639	121,134	64,659	36,710	38,653	70,256	30,179	33,462	28,197	110,310	28,498	24,677	83,837	32,512	33,246
⑤ Capital expenditure	396	2,883	2,277	2,379	1,000	-	2,510	15,192	1,763	1,046	1,100	4,247	-	-	-	-	-
⑥ NCF (④-⑤)	172,314	169,787	100,362	118,755	63,659	36,710	36,143	55,063	28,416	32,416	27,097	106,062	28,498	24,677	83,837	32,512	33,246

Property Number	D41	D42	D43	D44	D45	D46	D47	D48		
Property Name	Comfirt Hotel Tsubamesanjo	Comfirt Hotel Kitami	Hotel MyStays Gotanda Station	Hotel Epinard Nasu	Hotel MyStays Fukuoka Tenjin	Hotel MyStays Hamamatsucho	Hotel MyStays Kanazawa	Takamatsu Tokyu REI Hotel	subtotal	Total
number of operating days	161	161	92	92	92	92	16	16	-	-
① Rental revenues	31,003	26,879	254,397	627,563	109,967	77,364	49,162	7,591	5,085,683	8,158,220
Rent, common area fees / GOP ⁽¹⁾	29,611	26,879	253,903	627,563	109,967	77,364	49,162	6,784	5,082,990	7,889,877
Other revenue	1,392	-	494	-	-	-	-	807	2,693	268,342
② Property related expenses	9,881	10,819	19,480	162,302	20,535	13,523	9,382	1,403	1,244,513	2,697,986
Facility management fees	306	650	1,004	4,717	-	-	-	38	44,835	554,149
(of which, repair cost)	-	-	-	-	-	-	-	-	2,624	30,405
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	99,990
Tax and other public charges	-	-	-	-	-	-	-	-	126,932	281,065
Insurance expenses	89	73	239	743	80	41	20	40	6,397	12,669
Depreciation expenses (⑦)	9,123	9,684	18,031	156,625	20,248	13,276	9,323	1,286	1,045,312	1,676,736
Other expenses	361	411	205	215	205	204	37	37	21,035	173,364
③ Rental income (①-②)	21,121	16,059	234,917	465,261	89,432	63,840	39,779	6,187	3,841,170	5,460,234
④ NOI (①-②+⑦)	30,245	25,744	252,948	621,887	109,680	77,117	49,103	7,474	4,886,483	7,136,971
⑤ Capital expenditure	-	1,240	-	19,278	2,217	-	-	-	247,196	395,926
⑥ NCF (④-⑤)	30,245	24,504	252,948	602,608	107,463	77,117	49,103	7,474	4,639,287	6,741,044

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.
(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Appraisal Value (1/3)

(in JPY thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2015			As of the end of June 2016			Change		Appraiser ⁽¹⁾
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A26	Nisshin Palacestage Daitabashi	1,251,830	1,133,219	1,140,000	4.8%	1,128,564	1,150,000	4.8%	10,000	-0.1pt	Assets R&D
A27	Nisshin Palacestage Higashi-Nagasaki	1,229,070	1,101,704	1,260,000	5.0%	1,095,161	1,270,000	4.9%	10,000	0.0pt	Assets R&D
A28	Growth Maison Gotanda	888,200	833,739	983,000	4.5%	831,889	993,000	4.5%	10,000	-0.1pt	Assets R&D
A29	Growth Maison Kameido	1,070,850	995,286	1,100,000	4.6%	990,073	1,110,000	4.6%	10,000	-0.1pt	Assets R&D
A30	Emerald House	1,505,161	1,391,961	1,310,000	4.8%	1,383,232	1,370,000	4.8%	60,000	-0.1pt	Assets R&D
A31	Harmonie Ochanomizu	1,428,024	1,362,813	1,320,000	4.5%	1,357,730	1,320,000	4.5%	0	-0.1pt	Assets R&D
A32	Suncrest Shakujii Koen	1,088,979	1,078,787	1,070,000	4.7%	1,082,475	1,070,000	4.7%	0	-	Assets R&D
A33	Growth Maison Shin-Yokohama	1,059,457	977,897	1,180,000	4.7%	972,694	1,180,000	4.7%	0	-0.1pt	Assets R&D
A34	Belle Face Ueno Okachimachi	1,023,074	967,058	1,020,000	4.5%	961,703	1,040,000	4.5%	20,000	-0.1pt	Assets R&D
A35	Grand Rire Kameido	906,121	840,893	969,000	4.7%	835,386	979,000	4.7%	10,000	-0.1pt	Assets R&D
A36	Growth Maison Ikebukuro	825,411	762,116	868,000	4.5%	757,252	878,000	4.5%	10,000	-0.1pt	Assets R&D
A37	Growth Maison Yoga	795,986	755,130	702,000	4.6%	752,949	703,000	4.6%	1,000	-0.1pt	Assets R&D
A38	Route Tachikawa	676,951	644,535	634,000	4.8%	643,256	641,000	4.8%	7,000	-0.1pt	Assets R&D
A39	Shibuya Honmachi Mansion	651,474	656,557	615,000	4.7%	654,716	620,000	4.7%	5,000	-0.1pt	Assets R&D
A40	City Heights Kinuta	646,337	647,243	486,000	4.7%	645,546	492,000	4.7%	6,000	-0.1pt	Assets R&D
A41	Acseeds Tower Kawaguchi Namiki	620,893	556,475	709,000	5.4%	551,436	716,000	5.4%	7,000	-0.1pt	Assets R&D
A42	Capital Heights Kagurazaka	604,858	617,064	562,000	4.6%	619,253	567,000	4.6%	5,000	-0.1pt	Assets R&D
A43	College Square Machida	589,553	565,807	530,000	5.2%	564,124	534,000	5.2%	4,000	-0.1pt	Assets R&D
A44	Belair Meguro	589,004	565,779	596,000	4.3%	563,454	601,000	4.3%	5,000	0.0pt	Assets R&D
A45	Wacore Tsunashima I	572,914	539,015	512,000	4.9%	535,274	515,000	4.9%	3,000	-0.1pt	Assets R&D
A46	Foros Nakamurabashi	566,980	526,547	564,000	4.6%	524,155	565,000	4.6%	1,000	-0.1pt	Assets R&D
A47	Growth Maison Kaijin	557,256	525,655	444,000	5.3%	525,748	449,000	5.3%	5,000	-0.1pt	Assets R&D
A48	College Square Machiya	510,721	467,190	530,000	4.7%	463,639	536,000	4.7%	6,000	-0.1pt	Assets R&D
A51	City House Tokyo Shinbashi	2,520,000	2,367,486	3,060,000	4.5%	2,355,135	3,090,000	4.5%	30,000	-	JREI
A52	Winbell Kagurazaka	3,260,000	3,085,339	3,810,000	4.2%	3,071,816	3,850,000	4.2%	40,000	-	Morii
A53	Nishiwaseda Crescent Mansion	1,880,000	1,879,064	2,380,000	4.5%	1,886,559	2,400,000	4.5%	20,000	-	Morii
A54	Lexington Square Akebonobashi	1,450,000	1,354,258	1,740,000	4.5%	1,346,028	1,780,000	4.4%	40,000	-0.1pt	Tanizawa
A56	Casa Eremitaggio	1,070,000	975,886	1,050,000	4.4%	967,262	1,050,000	4.4%	0	-	JREI
A59	Towa City Coop Shin-otsuka II	866,000	827,901	1,040,000	4.9%	827,864	1,050,000	4.9%	10,000	-	JREI
A61	Bichsel Musashiseki	577,000	555,975	695,000	4.7%	553,828	705,000	4.7%	10,000	-	Morii
A62	Lexel Mansion Ueno Matsugaya	970,000	877,084	1,140,000	4.6%	870,632	1,170,000	4.5%	30,000	-0.1pt	Tanizawa
A63	Towa City Coop Sengencho	1,110,000	1,027,659	1,350,000	5.5%	1,022,343	1,350,000	5.5%	0	-	JREI
A64	Royal Park Omachi	415,000	394,651	545,000	5.9%	398,600	549,000	5.8%	4,000	-0.1pt	JREI
A65	Lexington Square Haginomachi	330,000	296,358	450,000	5.9%	292,807	446,000	5.9%	-4,000	-	JREI
A66	Visconti Kakuozan	255,000	235,279	257,000	5.5%	234,326	260,000	5.4%	3,000	-0.1pt	Tanizawa
A71	Lexington Square Daitabashi	977,000	882,736	1,110,000	4.5%	875,201	1,150,000	4.4%	40,000	-0.1pt	Tanizawa
A72	Lexington Square Horjo-Azumabashi	511,000	454,991	581,000	4.6%	451,283	593,000	4.5%	12,000	-0.1pt	Tanizawa
A73	AMS TOWER Minami 6-Jo	1,180,000	1,015,496	1,180,000	5.6%	1,001,372	1,200,000	5.5%	20,000	-0.1pt	Tanizawa
A75	Spacia Ebisu	7,010,000	6,599,534	7,780,000	4.3%	6,566,107	7,840,000	4.3%	60,000	-	JREI
A76	Neo Prominence	1,660,000	1,635,998	1,860,000	4.9%	1,628,196	1,870,000	4.9%	10,000	-	JREI
A77	Invoice Shin-Kobe Residence	1,260,000	1,217,463	1,410,000	5.0%	1,205,972	1,420,000	5.0%	10,000	-	JREI
A78	Cosmo Court Motomachi	973,000	936,711	1,070,000	4.9%	927,998	1,070,000	4.9%	0	-	JREI
A79	Revest Honjin	674,000	649,399	784,000	5.6%	642,445	785,000	5.6%	1,000	-	JREI

(Note 1) The names of the appraisers in the chart are abridged. Official names are as follows:

Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: Morii Appraisal & Investment Consulting, Inc., Tanizawa: The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa: Daiwa Real Estate Appraisal Co., Ltd.

Appraisal Value (2/3)

(in JPY thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2015			As of the end of June 2016			Change		Appraiser ⁽¹⁾
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A80	Revest Matsubara	657,000	636,199	770,000	5.2%	629,470	769,000	5.2%	-1,000	-	JREI
A81	Sun Terrace Minami Ikebukuro	625,000	605,941	701,000	4.6%	605,776	709,000	4.6%	8,000	-	JREI
A82	Alba Noritake Shinmachi	608,000	586,580	712,000	5.1%	580,277	715,000	5.1%	3,000	-	JREI
A83	Revest Meieki Minami	597,000	577,505	723,000	4.9%	570,890	723,000	4.9%	0	-	JREI
A84	Revest Heian	595,000	574,265	666,000	5.2%	567,866	667,000	5.2%	1,000	-	JREI
A85	Vendir Hamaotsu Ekimae	581,000	556,325	684,000	5.9%	549,520	684,000	5.9%	0	-	JREI
A86	Salvo Sala	544,000	526,560	623,000	5.2%	521,115	623,000	5.2%	0	-	JREI
A87	Excellent Kagurazaka	543,000	529,531	613,000	4.3%	525,337	615,000	4.3%	2,000	-	JREI
A88	Luna Court Edobori	525,000	506,809	568,000	5.1%	502,061	568,000	5.1%	0	-	JREI
A89	Wintage Kobe Motomachi	512,000	491,218	594,000	5.0%	487,300	601,000	5.0%	7,000	-	JREI
A90	Queen's Court Fukuzumi	456,000	444,818	564,000	4.4%	442,248	568,000	4.4%	4,000	-	JREI
A91	Corp Higashino toin	446,000	433,378	500,000	4.9%	429,579	502,000	4.9%	2,000	-	JREI
A92	Belair Oimachi	412,000	403,570	487,000	4.4%	400,895	490,000	4.4%	3,000	-	JREI
A93	Siete Minami-Tsukaguchi	374,000	363,804	428,000	5.2%	360,564	427,000	5.2%	-1,000	-	JREI
A94	Prime Life Sannomiya Isogami Koen	373,000	361,256	432,000	4.9%	357,830	433,000	4.9%	1,000	-	JREI
A95	HERMITAGE NANBA WEST	355,000	346,448	418,000	5.1%	343,002	419,000	5.1%	1,000	-	JREI
A96	Century Park Shinkawa 1-bankan	335,000	327,704	418,000	5.5%	326,546	422,000	5.5%	4,000	-	JREI
A97	West Avenue	331,000	320,851	327,000	5.3%	319,204	322,000	5.3%	-5,000	-	JREI
A98	Little River Honmachibashi	310,000	304,022	381,000	4.9%	301,148	383,000	4.9%	2,000	-	JREI
A99	Prime Life Mikage	297,000	287,108	337,000	5.2%	284,148	337,000	5.2%	0	-	JREI
A100	City Court Kitaichijo	1,782,000	1,880,901	1,860,000	5.2%	1,858,314	1,890,000	5.2%	30,000	-	JREI
A101	Lieto Court Mukojima	1,683,000	1,761,516	1,700,000	4.7%	1,746,471	1,700,000	4.7%	0	-	JREI
A102	Lieto Court Nishi-Ojima	1,634,000	1,697,625	1,690,000	4.5%	1,685,655	1,700,000	4.5%	10,000	-	JREI
A103	Royal Parks Momozaka	2,910,000	-	-	-	3,040,784	2,970,000	4.8%	-	-	Morii
A104	Royal Parks Shinden	5,024,000	-	-	-	5,272,981	5,050,000	5.0%	-	-	Morii
	Subtotal of Residential	71,116,112	60,305,706	68,592,000	-	68,274,496	77,214,000	-	602,000	-	-
B08	Kindai Kagaku Sha Building	1,301,357	1,224,381	1,030,000	4.7%	1,217,437	1,040,000	4.7%	10,000	-	Assets R&D
B09	Shinjuku Island	715,000	707,231	524,000	4.8%	705,844	537,000	4.7%	13,000	-0.1pt	Morii
B14	Lexington Plaza Nishigotanda	4,880,000	4,730,966	4,030,000	4.7%	4,705,628	4,030,000	4.7%	0	-	JREI
B15	Cross Square NAKANO	1,060,000	1,082,297	945,000	4.9%	1,100,470	945,000	4.9%	0	-	JREI
B16	Ohki Aoba Building	816,000	742,998	677,000	5.9%	741,006	667,000	5.8%	-10,000	-0.1pt	Tanizawa
B17	Lexington Plaza Hachiman	3,280,000	3,131,210	3,500,000	5.9%	3,114,091	3,510,000	5.9%	10,000	-	Morii
B18	AEON TOWN Sukagawa	2,320,000	2,002,872	2,330,000	6.5%	1,973,433	2,330,000	6.5%	0	-	Morii
	Subtotal of Offices and Commercial Facilities	14,372,357	13,621,959	13,036,000	-	13,557,912	13,059,000	-	23,000	-	-
C01	Times Kanda-Sudacho 4th	97,978	100,821	112,000	4.2%	100,820	113,000	4.2%	1,000	-0.1pt	Assets R&D
	Subtotal of Parking Lots	97,978	100,821	112,000	-	100,820	113,000	-	1,000	-	-
D01	Hotel MyStays Kanda	2,851,000	2,864,942	5,000,000	5.1%	2,933,882	5,180,000	4.9%	180,000	-0.2pt	JREI
D02	Hotel MyStays Asakusa	2,584,000	2,581,962	5,330,000	5.7%	2,572,585	5,520,000	5.5%	190,000	-0.2pt	JREI
D03	Hotel MyStays Kyoto-Shijo	6,024,460	5,904,823	13,400,000	5.7%	5,862,608	13,900,000	5.5%	500,000	-0.2pt	JREI
D04	MyStays Shin-Urayasu Conference Center	4,930,200	4,829,797	6,200,000	5.3%	4,795,174	7,000,000	5.0%	800,000	-0.3pt	JREI
D05	Hotel MyStays Maihama	4,870,312	4,783,439	5,640,000	5.2%	4,752,374	6,550,000	5.0%	910,000	-0.2pt	JREI
D06	Hotel Vista Premio Dojima	3,845,400	3,760,639	5,560,000	5.1%	3,722,586	7,370,000	5.1%	1,810,000	-	JREI
D07	Hotel MyStays Nagoya-Sakae	2,958,000	2,857,518	4,920,000	6.9%	2,824,333	5,660,000	6.0%	740,000	-0.9pt	JREI

(Note 1) The names of the appraisers in the chart are abridged. Official names are as follows:

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Appraisal Value (3/3)

(in JPY thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2015			As of the end of June 2016			Change		Appraiser ⁽¹⁾
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
D08	Hotel MyStays Sakaisuji-Honmachi	2,514,820	2,471,561	7,010,000	7.0%	2,456,858	8,440,000	5.8%	1,430,000	-1.2pt	JREI
D09	Hotel MyStays Yokohama	2,119,900	2,068,442	3,310,000	5.8%	2,054,154	3,500,000	5.6%	190,000	-0.2pt	JREI
D10	Hotel MyStays Nippori	1,898,540	1,867,125	3,760,000	5.4%	1,852,764	3,760,000	5.4%	0	-	JREI
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1,570,520	1,545,303	3,330,000	7.4%	1,537,412	4,170,000	5.9%	840,000	-1.5pt	JREI
D12	Flexstay Inn Iidabashi	1,381,660	1,365,075	1,760,000	4.9%	1,366,823	2,170,000	4.9%	410,000	-	JREI
D13	Hotel MyStays Ueno Inaricho	1,331,960	1,303,805	2,680,000	5.0%	1,291,852	2,680,000	5.0%	0	-	JREI
D14	Flexstay Inn Shinagawa	1,242,500	1,231,080	1,670,000	5.0%	1,226,246	2,120,000	5.0%	450,000	-	JREI
D15	Flexstay Inn Tokiwadai	1,242,500	1,237,891	1,840,000	5.4%	1,234,798	2,300,000	5.1%	460,000	-0.3pt	JREI
D16	Flexstay Inn Sugamo	1,192,800	1,173,293	2,120,000	5.4%	1,165,743	2,160,000	5.3%	40,000	-0.1pt	JREI
D17	Hotel MyStays Otemae	1,192,800	1,180,372	2,960,000	7.8%	1,174,813	4,250,000	5.4%	1,290,000	-2.4pt	JREI
D18	Flexstay Inn Kiyosumi Shirakawa	749,476	745,286	999,000	5.4%	741,052	1,320,000	5.2%	321,000	-0.2pt	JREI
D19	Flexstay Inn Nakano bu P1	589,442	585,129	709,000	5.3%	581,980	837,000	5.3%	128,000	-	JREI
D20	Flexstay Inn Nakano bu P2	283,290	284,698	341,000	5.3%	284,205	403,000	5.3%	62,000	-	JREI
D21	APA Hotel Yokohama-Kannai	8,350,000	8,266,341	8,870,000	4.8%	8,190,389	9,500,000	4.5%	630,000	-0.3pt	JREI
D22	Hotel Nets Hakodate	2,792,000	2,762,625	2,890,000	6.6%	2,735,521	3,360,000	5.6%	470,000	-1.0pt	JREI
D23	Flexstay Inn Shirogane	2,119,000	2,117,033	2,180,000	5.4%	2,113,150	2,260,000	5.2%	80,000	-0.2pt	JREI
D24	Hotel MyStays Haneda	7,801,000	7,759,594	8,150,000	5.0%	7,700,825	8,480,000	4.8%	330,000	-0.2pt	JREI
D25	Hotel MyStays Kameido P1	5,594,000	5,576,612	6,680,000	5.8%	5,546,200	7,040,000	5.5%	360,000	-0.3pt	JREI
D26	Hotel MyStays Ueno Iriyaguchi	3,821,000	3,808,945	4,290,000	5.8%	3,790,914	4,520,000	5.5%	230,000	-0.3pt	JREI
D27	Hotel MyStays Kameido P2	3,742,000	3,726,317	4,480,000	5.9%	3,702,980	4,720,000	5.6%	240,000	-0.3pt	JREI
D28	Hotel Vista Shimizu	2,198,000	2,186,336	2,260,000	6.4%	2,165,638	2,360,000	6.0%	100,000	-0.4pt	JREI
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,624,000	1,627,818	1,720,000	4.1%	1,623,100	1,800,000	3.9%	80,000	-0.2pt	JREI
D30	Flexstay Inn Higashi-Jujo	1,277,000	1,279,050	1,330,000	6.2%	1,276,147	1,430,000	5.6%	100,000	-0.6pt	JREI
D31	Hotel MyStays Utsunomiya	1,237,000	1,242,879	1,250,000	6.6%	1,241,770	1,280,000	6.5%	30,000	-0.1pt	JREI
D32	Flexstay Inn Kawasaki-Kaizuka	980,000	977,143	1,010,000	5.9%	969,362	1,150,000	5.1%	140,000	-0.8pt	JREI
D33	Comfort Hotel Toyama	979,000	979,660	1,030,000	5.7%	971,961	1,080,000	5.4%	50,000	-0.3pt	JREI
D34	Flexstay Inn Kawasaki-Ogawacho	906,000	906,397	933,000	5.7%	901,832	1,030,000	5.3%	97,000	-0.4pt	JREI
D35	Flexstay Inn Ekoda	5,069,000	5,055,999	5,220,000	5.4%	5,028,453	5,220,000	5.4%	0	-	JREI
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,170,000	1,173,736	1,210,000	4.4%	1,165,253	1,210,000	4.4%	0	-	Daiwa
D37	Super Hotel JR Ueno-iriaguchi	1,130,000	1,134,373	1,170,000	4.0%	1,128,027	1,200,000	3.9%	30,000	-0.1pt	Daiwa
D38	Hotel MyStays Shinsaibashi	3,160,000	-	-	-	3,154,120	3,290,000	5.7%	-	-	JREI
D39	Comfort Hotel Kurosaki	1,148,000	-	-	-	1,147,871	1,180,000	5.4%	-	-	Daiwa
D40	Comfort Hotel Maebashi	1,128,000	-	-	-	1,154,263	1,150,000	5.0%	-	-	Daiwa
D41	Comfort Hotel Tsubamesanjo	1,010,000	-	-	-	1,014,787	1,040,000	5.4%	-	-	Daiwa
D42	Comfort Hotel Kitami	851,000	-	-	-	853,933	875,000	5.6%	-	-	Daiwa
D43	Hotel MyStays Gotanda Station	24,674,000	-	-	-	24,686,910	24,800,000	4.9%	-	-	Morii
D44	Hotel Epinard Nasu	20,981,000	-	-	-	20,896,279	21,300,000	6.3%	-	-	Morii
D45	Hotel MyStays Fukuoka Tenjin	8,059,000	-	-	-	8,058,420	8,270,000	4.9%	-	-	Morii
D46	Hotel MyStays Hamamatsucho	7,959,000	-	-	-	7,961,791	8,010,000	4.7%	-	-	Morii
D47	Hotel MyStays Kanazawa	13,761,000	-	-	-	13,776,589	13,900,000	5.4%	-	-	Morii
D48	Takamatsu Tokyo REI Hotel	2,139,000	-	-	-	2,149,171	2,160,000	5.3%	-	-	Daiwa
	Subtotal of Hotels	181,032,580	95,223,054	133,212,000	-	179,537,920	232,905,000	-	13,718,000	-	-
	Total	266,619,027	169,251,542	214,952,000	-	261,471,150	323,291,000	-	14,344,000	-	-

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Portfolio Properties (as of June 30, 2016) (1/3)

Property Number	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn)	Investment Ratio (%)	Rentable Unit ⁽¹⁾	Leaable Area (m ²)	Leased Area (m ²)	Occupancy Rate (%)
A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	Jul 28, 2005	Dec 1992	1,251	0.5	98	1,771.13	1,718.47	97.0
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima-ku, Tokyo	Jul 28, 2005	Mar 1989	1,229	0.5	60	2,681.94	2,500.76	93.2
A28	Growth Maison Gotanda	Shinagawa-ku, Tokyo	Jan 30, 2006	Jul 2005	888	0.3	48	1,051.50	1,051.50	100.0
A29	Growth Maison Kameido	Koto-ku, Tokyo	Mar 30, 2006	Oct 2005	1,070	0.4	66	1,367.96	1,306.58	95.5
A30	Emerald House	Itabashi-ku, Tokyo	Aug 1, 2006	Feb 1995	1,505	0.6	96	2,152.31	2,152.31	100.0
A31	Harmonie Ochanomizu	Bunkyo-ku, Tokyo	Aug 3, 2006	Mar 1997	1,428	0.5	65	1,748.24	1,748.24	100.0
A32	Suncrest Shakujii Koen	Nerima-ku, Tokyo	Aug 3, 2006	Mar 1990	1,088	0.4	29	3,029.16	2,554.28	84.3
A33	Growth Maison Shin-Yokohama	Yokohama, Kanagawa	Aug 3, 2006	Mar 2006	1,059	0.4	68	1,858.44	1,667.12	89.7
A34	Belle Face Ueno Okachimachi	Taito-ku, Tokyo	Aug 1, 2006	Feb 2006	1,023	0.4	64	1,351.11	1,328.76	98.3
A35	Grand Rire Kameido	Koto-ku, Tokyo	Aug 3, 2006	Mar 2006	906	0.3	72	1,562.26	1,562.26	100.0
A36	Growth Maison Ikebukuro	Toshima-ku, Tokyo	Aug 3, 2006	Jan 2006	825	0.3	42	952.89	929.60	97.6
A37	Growth Maison Yoga	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 2006	795	0.3	39	1,015.34	989.58	97.5
A38	Route Tachikawa	Tachikawa, Tokyo	Aug 3, 2006	Mar 1997	676	0.3	24	1,368.57	1,275.69	93.2
A39	Shibuya Honmachi Mansion	Shibuya-ku, Tokyo	Aug 3, 2006	Dec 1986	651	0.2	25	1,167.50	1,119.76	95.9
A40	City Heights Kinuta	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 1983	646	0.2	19	1,235.93	1,235.93	100.0
A41	Acseeds Tower Kawaguchi Namiki	Kawaguchi, Saitama	Aug 3, 2006	Feb 2006	620	0.2	57	1,210.74	1,147.32	94.8
A42	Capital Heights Kagurazaka	Shinjuku-ku, Tokyo	Aug 3, 2006	May 1987	604	0.2	26	1,126.65	1,095.18	97.2
A43	College Square Machida	Machida, Tokyo	Aug 1, 2006	Mar 1984	589	0.2	62	1,047.75	1,047.75	100.0
A44	Belair Meguro	Meguro-ku, Tokyo	Aug 1, 2006	Oct 2005	589	0.2	25	557.05	535.51	96.1
A45	Wacore Tsunashima I	Yokohama, Kanagawa	Aug 3, 2006	Feb 1991	572	0.2	50	907.46	889.51	98.0
A46	Foros Nakamurabashi	Nerima-ku, Tokyo	Aug 3, 2006	Sep 2001	566	0.2	37	815.77	784.90	96.2
A47	Growth Maison Kaijin	Funabashi, Chiba	Aug 1, 2006	Oct 1993	557	0.2	34	2,040.27	1,993.03	97.7
A48	College Square Machiya	Arakawa-ku, Tokyo	Aug 3, 2006	Mar 2006	510	0.2	43	871.35	871.35	100.0
A51	City House Tokyo Shinbashi	Minato-ku, Tokyo	Feb 1, 2010	Aug 2004	2,520	0.9	86	3,364.00	3,234.05	96.1
A52	Winbell Kagurazaka	Shinjuku-ku, Tokyo	Feb 1, 2010	Feb 2004	3,260	1.2	118	4,032.70	3,975.60	98.6
A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	Feb 1, 2010	Jul 1987	1,880	0.7	69	4,310.77	4,310.77	100.0
A54	Lexington Square Akebonobashi	Shinjuku-ku, Tokyo	Feb 1, 2010	Dec 2004	1,450	0.5	88	1,987.88	1,896.21	95.4
A56	Casa Eremitaggio	Meguro-ku, Tokyo	Feb 1, 2010	Dec 2003	1,070	0.4	17	1,197.19	1,197.19	100.0
A59	Towa City Coop Shin-otsuka II	Toshima-ku, Tokyo	Feb 1, 2010	May 1993	866	0.3	58	1,627.13	1,588.26	97.6
A61	Bichsel Musashiseki	Nerima-ku, Tokyo	Feb 1, 2010	Feb 1992	577	0.2	70	1,220.24	1,168.30	95.7
A62	Lexel Mansion Ueno Matsugaya	Taito-ku, Tokyo	Feb 1, 2010	Jan 2005	970	0.4	29	1,969.45	1,969.45	100.0
A63	Towa City Coop Sengencho	Yokohama, Kanagawa	Feb 1, 2010	Oct 1992	1,110	0.4	154	3,426.36	3,122.84	91.1
A64	Royal Park Omachi	Sendai, Miyagi	Feb 1, 2010	Feb 1993	415	0.2	51	1,929.59	1,865.35	96.7
A65	Lexington Square Haginomachi	Sendai, Miyagi	Feb 1, 2010	Aug 2005	330	0.1	39	1,528.58	1,528.58	100.0
A66	Visconti Kakuozan	Nagoya, Aichi	Feb 1, 2010	Sep 2003	255	0.1	8	705.75	705.75	100.0
A71	Lexington Square Daitabashi	Suginami-ku, Tokyo	Feb 1, 2010	Nov 2006	977	0.4	43	1,430.64	1,390.60	97.2
A72	Lexington Square Honjo-Azumabashi	Sumida-ku, Tokyo	Feb 1, 2010	Oct 2006	511	0.2	33	784.74	738.10	94.1
A73	AMS TOWER Minami 6-Jo	Sapporo, Hokkaido	Feb 1, 2010	Feb 2007	1,180	0.4	120	4,460.56	3,905.53	87.6
A75	Spacia Ebisu	Shibuya-ku, Tokyo	Feb 1, 2010	Feb 2003	7,010	2.6	109	7,794.91	7,147.78	91.7
A76	Neo Prominence	Kita-ku, Tokyo	Sep 28, 2012	Apr 1994	1,660	0.6	52	3,574.70	3,440.35	96.2
A77	Invoice Shin-Kobe Residence	Kobe, Hyogo	Sep 28, 2012	Jan 2007	1,260	0.5	81	2,773.71	2,724.13	98.2
A78	Cosmo Court Motomachi	Kobe, Hyogo	Sep 28, 2012	Mar 2007	973	0.4	82	2,310.49	2,225.98	96.3
A79	Revest Honjin	Nagoya, Aichi	Sep 28, 2012	Mar 2007	674	0.3	80	1,933.80	1,885.62	97.5

(Note 1) Rentable unit includes retail and office units.

Portfolio Properties (as of June 30, 2016) (2/3)

Property Number	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn)	Investment Ratio (%)	Rentable Unit ⁽¹⁾	Leaable Area (m ²)	Leased Area (m ²)	Occupancy Rate (%)
A80	Revest Matsubara	Nagoya, Aichi	Sep 28, 2012	Mar 2007	657	0.2	70	1,955.40	1,734.13	88.7
A81	Sun Terrace Minami Ikebukuro	Toshima-ku, Tokyo	Sep 28, 2012	Feb 1998	625	0.2	38	898.70	898.70	100.0
A82	Alba Noritake Shinmachi	Nagoya, Aichi	Sep 28, 2012	Nov 2006	608	0.2	64	1,731.68	1,683.48	97.2
A83	Revest Meieki Minami	Nagoya, Aichi	Sep 28, 2012	Feb 2007	597	0.2	61	1,634.60	1,579.51	96.6
A84	Revest Heian	Nagoya, Aichi	Sep 28, 2012	Nov 2006	595	0.2	40	1,554.03	1,554.03	100.0
A85	Vendir Hamaotsu Ekimae	Otsu, Shiga	Sep 28, 2012	Feb 2007	581	0.2	81	2,670.66	2,544.87	95.3
A86	Salvo Sala	Osaka, Osaka	Sep 28, 2012	Jan 2007	544	0.2	54	1,428.12	1,428.12	100.0
A87	Excellente Kagurazaka	Shinjuku-ku, Tokyo	Sep 28, 2012	Jan 2007	543	0.2	33	701.92	681.40	97.1
A88	Luna Court Edobori	Osaka, Osaka	Sep 28, 2012	Feb 2004	525	0.2	50	1,185.50	1,138.36	96.0
A89	Winntage Kobe Motomachi	Kobe, Hyogo	Sep 28, 2012	May 2007	512	0.2	57	1,433.35	1,232.99	86.0
A90	Queen's Court Fukuzumi	Koto-ku, Tokyo	Sep 28, 2012	Sep 2006	456	0.2	25	765.18	712.60	93.1
A91	Corp Higashinotoin	Kyoto, Kyoto	Sep 28, 2012	Feb 2004	446	0.2	42	1,029.05	934.14	90.8
A92	Belair Oimachi	Shinagawa-ku, Tokyo	Sep 28, 2012	Apr 2006	412	0.2	26	530.60	530.60	100.0
A93	Siete Minami-Tsukaguchi	Amagasaki, Hyogo	Sep 28, 2012	Jan 2007	374	0.1	40	1,020.86	995.58	97.5
A94	Prime Life Sannomiya Isogami Koen	Kobe Hyogo	Sep 28, 2012	Nov 2006	373	0.1	32	789.12	739.80	93.8
A95	HERMITAGE NANBA WEST	Osaka, Osaka	Sep 28, 2012	Dec 2006	355	0.1	21	992.76	992.76	100.0
A96	Century Park Shinkawa 1-bankan	Nagoya, Aichi	Sep 28, 2012	Sep 2001	335	0.1	44	1,477.62	1,410.28	95.4
A97	West Avenue	Kunitachi, Tokyo	Sep 28, 2012	Oct 1991	331	0.1	40	794.80	675.60	85.0
A98	Little River Honmachibashi	Okasa, Osaka	Sep 28, 2012	Jun 2007	310	0.1	31	974.81	974.81	100.0
A99	Prime Life Mikage	Kobe, Hyogo	Sep 28, 2012	Jan 2007	297	0.1	28	761.18	736.14	96.7
A100	City Court Kitaichijo	Sapporo, Hokkaido	Jul 16, 2015	Nov 2007	1,782	0.7	127	5,230.18	5,002.95	95.7
A101	Lieto Court Mukojima	Sumida-ku, Tokyo	Jul 16, 2015	Feb 2008	1,683	0.6	82	2,940.20	2,846.03	96.8
A102	Lieto Court Nishi-Ojima	Koto-ku, Tokyo	Jul 16, 2015	Feb 2008	1,634	0.6	91	2,048.28	2,007.00	98.0
A103	Royal Parks Momozaka	Okasa, Osaka	Jan 22, 2016	Jun 2007	2,910	1.1	147	8,776.26	8,776.26	100.0
A104	Royal Parks Shinden	Adachi-ku, Tokyo	Mar 31, 2016	Jun 2007	5,024	1.9	248	15,797.29	15,797.29	100.0
	Subtotal of Residential				71,116	26.7	4,108	144,376.66	139,133.26	96.40
B08	Kindai Kagaku Sha Building	Shinjuku-ku, Tokyo	Aug 1, 2006	Jun 1991	1,301	0.5	13	1,451.54	1,451.54	100.0
B09	Shinjuku Island	Shinjuku-ku, Tokyo	Mar 26, 2007	Jan 1995	715	0.3	1	526.43	526.43	100.0
B14	Lexington Plaza Nishigotanda	Shinagawa-ku, Tokyo	Feb 1, 2010	Jun 1993	4,880	1.8	11	6,033.58	6,033.58	100.0
B15	Cross Square NAKANO	Nakano-ku, Tokyo	Feb 1, 2010	Jan 1993	1,060	0.4	45	2,145.00	1,803.64	84.1
B16	Ohki Aoba Building	Sendai, Miyagi	Feb 1, 2010	Jul 1997	816	0.3	13	2,178.37	1,820.39	83.6
B17	Lexington Plaza Hachiman	Sendai, Miyagi	Feb 1, 2010	Dec 2005	3,280	1.2	18	8,419.15	8,319.97	98.8
B18	AEON TOWN Sukagawa	Sukagawa, Fukushima	Feb 1, 2010	Oct 2005	2,320	0.9	1	18,440.58	18,440.58	100.0
	Subtotal of Offices and Commercial Facilities				14,372	5.4	102	39,194.65	38,396.13	98.00
C01	Times Kanda-Sudacho 4th	Chiyoda-ku, Tokyo	Jan 22, 2007	-	97	0.0	1	81.04	81.04	100.0
	Subtotal of Parking Lots				97	0.0	1	81.04	81.04	100.00
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	May 23, 2014	Dec 2005	2,851	1.1	126	2,585.72	2,585.72	100.0
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	May 23, 2014	Jan 1990	2,584	1.0	161	3,327.38	3,327.38	100.0
D03	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	Jul 17, 2014	Jan 2008	6,024	2.3	225	7,241.51	7,241.51	100.0
D04	MyStays Shin- Urayasu Conference Center	Urayasu, Chiba	Jul 17, 2014	Mar 2009	4,930	1.8	175	6,232.30	6,232.30	100.0
D05	Hotel MyStays Maihama	Urayasu, Chiba	Jul 17, 2014	Jun 2005	4,870	1.8	90	2,456.36	2,456.36	100.0
D06	Hotel Vista Premio Dojima	Osaka, Osaka	Jul 17, 2014	Aug 1990	3,845	1.4	153	9,445.32	9,445.32	100.0
D07	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	Jul 17, 2014	Nov 1979	2,958	1.1	279	9,064.71	9,064.71	100.0

(Note 1) Rentable unit includes retail and office units.

Portfolio Properties (as of June 30, 2016) (3/3)

Property Number	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn)	Investment Ratio (%)	Rentable Unit ⁽¹⁾	Leasable Area (m ²)	Leased Area (m ²)	Occupancy Rate (%)
D08	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	Jul 17, 2014	Jul 2008	2,514	0.9	191	4,188.83	4,188.83	100.0
D09	Hotel MyStays Yokohama	Yokohama, Kanagawa	Jul 17, 2014	Oct 1974	2,119	0.8	190	7,379.43	7,379.43	100.0
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Jul 17, 2014	Apr 1987	1,898	0.7	93	1,719.29	1,719.29	100.0
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	Jul 17, 2014	Feb 2008	1,570	0.6	177	3,412.71	3,412.71	100.0
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Jul 17, 2014	Dec 1990	1,381	0.5	62	2,953.38	2,953.38	100.0
D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	Jul 17, 2014	Dec 1986	1,331	0.5	72	1,150.76	1,150.76	100.0
D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	Jul 17, 2014	Oct 1986	1,242	0.5	55	1,134.52	1,134.52	100.0
D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	Jul 17, 2014	Dec 1989	1,242	0.5	130	2,539.75	2,539.75	100.0
D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	Jul 17, 2014	Jan 1992	1,192	0.4	105	2,089.86	2,089.86	100.0
D17	Hotel MyStays Otemae	Osaka, Osaka	Jul 17, 2014	Dec 1986	1,192	0.4	111	4,956.66	4,956.66	100.0
D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	Jul 17, 2014	May 1992	749	0.3	56	2,673.64	2,673.64	100.0
D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	Jul 17, 2014	Sep 1986	589	0.2	39	770.56	770.56	100.0
D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	Jul 17, 2014	Mar 1989	283	0.1	22	391.49	391.49	100.0
D21	APA Hotel Yokohama-Kannai	Yokohama, Kanagawa	Feb 6, 2015	Apr 2005	8,350	3.1	452	6,568.51	6,568.51	100.0
D22	Hotel Nets Hako date	Hako date, Hokkaido	Feb 6, 2015	Feb 2008	2,792	1.0	205	7,961.26	7,961.26	100.0
D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	Feb 6, 2015	Dec 1984	2,119	0.8	84	1,754.06	1,754.06	100.0
D24	Hotel MyStays Hane da	Ota-ku, Tokyo	Jul 16, 2015	Apr 2001	7,801	2.9	174	5,400.16	5,400.16	100.0
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	5,594	2.1	266	4,349.67	4,349.67	100.0
D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	Jul 16, 2015	Nov 1985	3,821	1.4	97	2,247.92	2,247.92	100.0
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	3,742	1.4	177	2,793.99	2,793.99	100.0
D28	Hotel Vista Shimizu	Shimizu, Shizuoka	Jul 16, 2015	Jan 2007	2,198	0.8	152	3,559.81	3,559.81	100.0
D29	Super Hotel Shinbashi/ Karasumoriguchi	Minato-ku, Tokyo	Jul 16, 2015	Feb 2008	1,624	0.6	74	1,403.89	1,403.89	100.0
D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	Jul 16, 2015	Jun 1986	1,277	0.5	89	1,714.53	1,714.53	100.0
D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	Jul 16, 2015	Jan 1990	1,237	0.5	126	11,733.23	11,733.23	100.0
D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1990	980	0.4	64	1,190.57	1,190.57	100.0
D33	Comfort Hotel Toyama	Toyama, Toyama	Jul 16, 2015	Mar 2007	979	0.4	150	3,305.64	3,305.64	100.0
D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1989	906	0.3	62	725.60	725.60	100.0
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Aug 28, 2015	Jan 1989	5,069	1.9	210	3,932.93	3,932.93	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa, Tokyo	Aug 28, 2015	Nov 2007	1,170	0.4	96	1,832.97	1,832.97	100.0
D37	Super Hotel JR Ueno-iri yaguchi	Taito-ku, Tokyo	Aug 28, 2015	Mar 2006	1,130	0.4	69	1,279.16	1,279.16	100.0
D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	Jan 22, 2016	Sep 1984	3,160	1.2	57	1,942.01	1,942.01	100.0
D39	Comfort Hotel Kurosaki	Kitakyusyu, Fukuoka	Jan 22, 2016	Feb 2009	1,148	0.4	151	3,207.60	3,207.60	100.0
D40	Comfort Hotel Maebashi	Maebashi, Gunma	Jan 22, 2016	Mar 2009	1,128	0.4	154	3,660.96	3,660.96	100.0
D41	Comfort Hotel Tsubamesanjo	Sanjyo, Niigata	Jan 22, 2016	Jun 2007	1,010	0.4	133	3,099.90	3,099.90	100.0
D42	Comfort Hotel Kitami	Kitami, Hokkaido	Jan 22, 2016	Mar 2008	851	0.3	127	3,009.50	3,009.50	100.0
D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	Mar 31, 2016	日、1974年3月	24,674	9.3	335	8,752.42	8,752.42	100.0
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Mar 31, 2016	日、1995年6月	20,981	7.9	310	37,702.33	37,702.33	100.0
D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	Mar 31, 2016	Aug 2008	8,059	3.0	217	5,083.06	5,083.06	100.0
D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	Mar 31, 2016	Oct 2008	7,959	3.0	105	1,951.90	1,951.90	100.0
D47	Hotel MyStays Kanazawa	Kanazawa, Ishikawa	Jun 15, 2016	Oct 2014	13,761	5.2	261	13,250.03	13,250.03	100.0
D48	Takamatsu Tokyu REI Hotel	Takamatsu, Kagawa	Jun 15, 2016	Apr 1982	2,139	0.8	193	7,148.17	7,148.17	100.0
Subtotal of Hotels					181,032	67.9	7,102	226,275.96	226,275.96	100.00
Total					266,619	100.0	11,313	409,928.31	403,886.39	98.50

(Note 1) Rentable unit includes retail and office units.

Borrowing (as of August 23, 2016) (1/2)

Name	Lender	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Fixed / Floating	Borrowing Date	Maturity Date
New Syndicate Loan (E)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	28,979	0.37500% ¹	Fixed interest rate (swap)	July 16, 2015	July 16, 2018
	Shinsei Bank, Limited Citibank Japan Ltd.	28,979	0.48000% ¹	Fixed interest rate (swap)	July 16, 2015	July 16, 2019
	Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited. Mitsubishi UFJ Trust and Banking Corporation	28,979	0.59000% ¹	Fixed interest rate (swap)	July 16, 2015	July 16, 2020
Term Loan (A)	Mizuho Bank, Ltd.	3,682	0.48000% ¹	Fixed interest rate (swap)	August 28, 2015	August 28, 2019
Term Loan (B)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation	4,250	0.34300% ¹	Fixed interest rate (swap)	January 22, 2016	January 22, 2019
		4,250	0.60000% ¹	Fixed interest rate (swap)	January 22, 2016	January 22, 2021
	Sumitomo Mitsui Trust Bank, Limited	498	0.23182% ²	Floating interest rate (JPY 1 month TIBOR+0.20%)	January 22, 2016	January 22, 2017
New Syndicate Loan (F)	Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation	11,434	0.43182% ²	Floating interest rate (JPY 1 month TIBOR+0.40%)	March 31, 2016	March 30, 2019
	Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan Inc. The Bank of Fukuoka, Ltd.	10,433	0.53182% ²	Floating interest rate (JPY 1 month TIBOR+0.50%)	March 31, 2016	March 30, 2020
	The Shizuoka Bank, Ltd. Japan Post Bank Co., Ltd. The Kagawa Bank, Ltd. The Hyakugo Bank, LTD. The Nomura Trust and Banking Co., Ltd.	10,433	0.63182% ²	Floating interest rate (JPY 1 month TIBOR+0.60%)	March 31, 2016	March 30, 2021
	Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited	2,118	0.23182% ²	Floating interest rate (JPY 1 month TIBOR+0.20%)	March 31, 2016	March 30, 2017

(Note 1) The interest rates are after reflecting interest rate swap.

(Note 2) The interest rates are applicable for the period from July 29, 2016 to August 30, 2016.

(Note 3) Borrowing Amount is rounded down to the indicated unit.

Borrowing (as of August 23, 2016) (2/2)

Name	Lender	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Fixed / Floating	Borrowing Date	Maturity Date
Term Loan (C)	Citibank Japan Ltd.	882	0.25182% ²	Floating interest rate (JPY 1 month TIBOR+0.20%)	June 15, 2016	June 15, 2017
		1,000	0.45182% ²	Floating interest rate (JPY 1 month TIBOR+0.40%)	June 15, 2016	June 15, 2019
		1,000	0.55182% ²	Floating interest rate (JPY 1 month TIBOR+0.50%)	June 15, 2016	June 15, 2020
		1,000	0.65182% ²	Floating interest rate (JPY 1 month TIBOR+0.60%)	June 15, 2016	June 15, 2021
Term Loan (D)	Development Bank of Japan Inc.	1,000	0.43182% ²	Floating interest rate (JPY 1 month TIBOR+0.40%)	June 30, 2016	June 30, 2019
	AEON Bank, Ltd.	3,000	0.63182% ²	Floating interest rate (JPY 1 month TIBOR+0.60%)	June 30, 2016	June 30, 2021
Term Loan (E)	The Tokyo Star Bank, Limited	700	0.43182% ²	Floating interest rate (JPY 1 month TIBOR+0.40%)	July 20, 2016	July 20, 2019
		1,600	0.53182% ²	Floating interest rate (JPY 1 month TIBOR+0.50%)	July 20, 2016	July 20, 2020
		1,700	0.63182% ²	Floating interest rate (JPY 1 month TIBOR+0.60%)	July 20, 2016	July 20, 2021
Subtotal of Short Term Debt		3,498				
Subtotal of Long Term Debt		142,419				
Total Debt		145,917				

(Note 1) The interest rates are after reflecting interest rate swap.

(Note 2) The interest rates are applicable for the period from July 29, 2016 to August 30, 2016.

(Note 3) Borrowing Amount is rounded down to the indicated unit.

Overview of Unitholders

As of December 31, 2015

As of June 30, 2016

Major Unitholders (TOP10)

Name	Number of units held	(%)
1 Calliope Godo Kaisha	609,942	19.09
2 The Master Trust Bank of Japan, Ltd. (trust account)	457,742	14.33
3 Japan Trustee Services Bank, Ltd. (trust account)	380,895	11.92
4 Trust & Custody Services Bank, Ltd. (securities investment trust account)	327,963	10.26
5 Rayo Godo Kaisha	149,925	4.69
6 The Nomura Trust and Banking Co., Ltd. (investment trust account)	132,316	4.14
7 STATE STREET BANK AND TRUST COMPANY	75,193	2.35
8 STATE STREET BANK AND TRUST COMPANY 505225	68,976	2.15
9 NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	47,899	1.49
10 JP MORGAN CHASE BANK 385632	44,809	1.40
Total	2,295,660	71.88

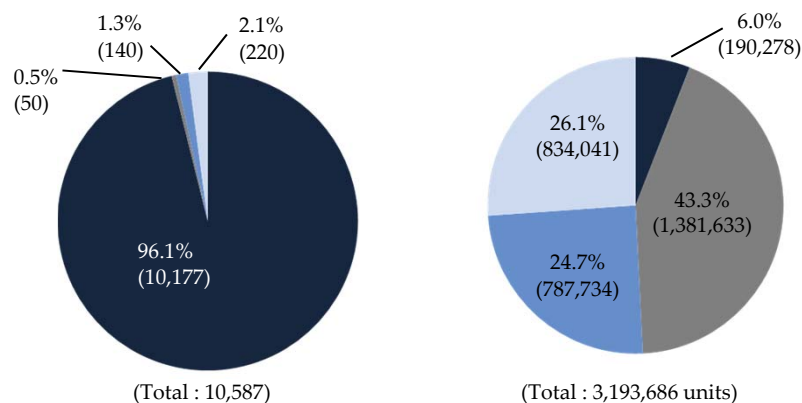
Name	Number of units held	(%)
1 Calliope Godo Kaisha	609,942	16.59
2 The Master Trust Bank of Japan, Ltd. (trust account)	440,880	11.99
3 Japan Trustee Services Bank, Ltd. (trust account)	432,104	11.75
4 Trust & Custody Services Bank, Ltd. (securities investment trust account)	327,680	8.91
5 The Nomura Trust and Banking Co., Ltd. (investment trust account)	157,460	4.28
6 Rayo Godo Kaisha	149,925	4.07
7 STATE STREET BANK AND TRUST COMPANY 505225	77,714	2.11
8 STATE STREET BANK AND TRUST COMPANY	77,540	2.10
9 JP MORGAN CHASE BANK 385628	65,090	1.77
10 NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	59,149	1.60
Total	2,397,484	65.22

*Percentages are rounded to the second decimal place.

Unitholders Composition

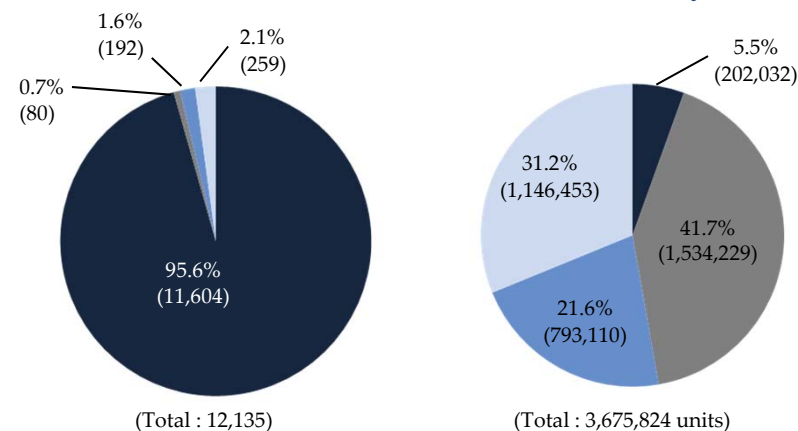
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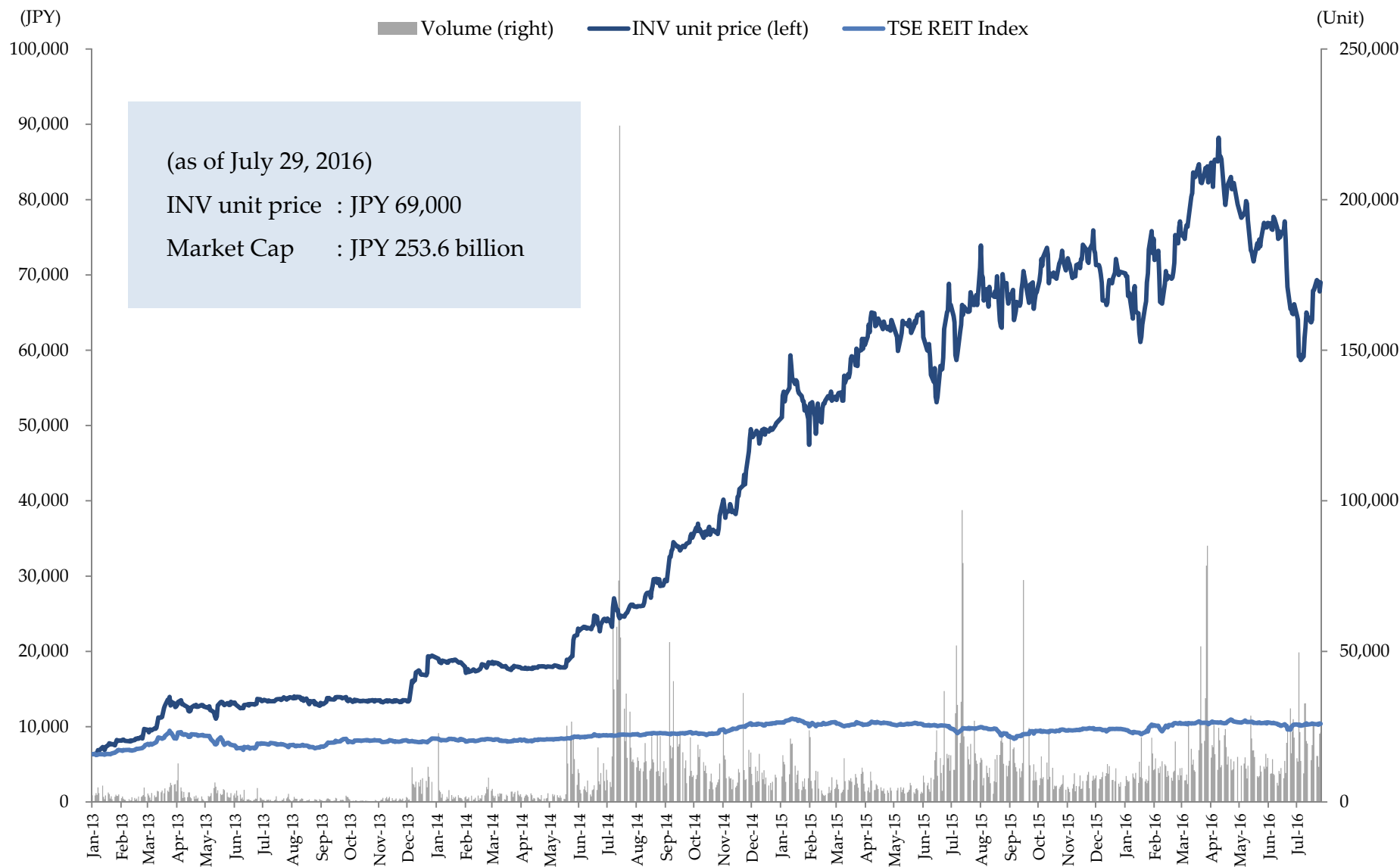
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<Number of Units held by Unitholders>



■ Individuals ■ Financial Institutions (incl. Securities Companies) ■ Other Domestic Corporations ■ Foreign Companies, etc.

Unit Price Information



Source: TSE and Bloomberg

(Note 1) It shows the change in the price from January 4, 2013 until July 29, 2016.

(Note 2) TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013 was the same as the closing price of INV unit on the same day.

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