

Translation

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**Summary of Financial Results (REIT)  
for the Fiscal Period Ended June 30, 2016**

August 23, 2016

Name of Issuer:	Invincible Investment Corporation	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	8963	URL	<a href="http://www.invincible-inv.co.jp/">http://www.invincible-inv.co.jp/</a>
Representative:	Naoki Fukuda, Executive Director		
Name of Asset Manager:	Consonant Investment Management Co., Ltd.		
Representative:	Naoki Fukuda, President & CEO		
Contact:	Jun Komo, General Manager of Planning Department	TEL.	+81-3-5411-2731
Scheduled Date of Filing of Securities Report:	September 26, 2016	Scheduled Date of Commencement for Distribution Payments:	September 27, 2016
Supplementary Materials for Financial Results:	Yes		
Presentation Meeting:	Yes (for analysts and investors)		

(values are rounded down to the nearest JPY million)

1. Financial Results for the Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Fiscal period ended June 30, 2016	8,158	18.9	5,073	16.1	4,364	47.8	4,363	47.8
Fiscal period ended December 31, 2015	6,863	38.0	4,369	55.4	2,953	28.6	2,952	28.6

	Net Income per Unit	Net Income/ Unitholders' Equity	Ordinary Income/ Total Assets	Ordinary Income/ Operating Revenues
	JPY	%	%	%
Fiscal period ended June 30, 2016	1,270	3.9	1.9	53.5
Fiscal period ended December 31, 2015	937	3.8	1.8	43.0

(Note) "Net Income per Unit" is calculated based on the average number of investment units during the period and is rounded to the nearest yen. Net income per unit calculated based on the number of investment units issued and outstanding at the end of the fiscal period ended June 30, 2016 (3,675,824 units) and rounded down to yen is JPY 1,187.

(2) Distributions

	Distribution (excluding excess profit distribution)		Excess Profit Distribution		Distribution (including excess profit distribution)		Dividend Payout Ratio	Distribution / Net Assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Fiscal period ended June 30, 2016	JPY 1,125	JPY million 4,135	JPY 61	JPY million 224	JPY 1,186	JPY million 4,359	% 94.8	% 3.5
Fiscal period ended December 31, 2015	948	3,027	239	763	1,187	3,790	102.5	3.7

(Note 1) The amount of "Distribution per Unit (Excluding excess profit distribution per unit)" for the fiscal period ended December 31, 2015, i.e., JPY 948, is the amount calculated by adding the amount of reversal of surplus per unit, i.e., JPY 23.6, to the amount of Net Income Per Unit, i.e., JPY 924.4 (the amount calculated based on the number of investment units issued and outstanding at the end of the fiscal period ended December 31, 2015).

(Note 2) The distribution per unit in excess of profit is JPY 61, of which JPY 61 is the allowance for temporary difference adjustments.

(Note 3) The "Dividend Payout Ratio" is calculated in accordance with the following formula:

Dividend Payout Ratio = Distribution Amount (Excluding excess profit distribution) ÷ Net Income × 100

"Dividend Payout Ratio" is rounded to the nearest one decimal place.

In addition, the Dividend Payout Ratio calculated with the following formula for the period ended June 30, 2016 is 99.9%:

Dividend Payout Ratio = Distribution Amount (Including excess profit distribution) ÷ Net Income × 100

(Note 4) "Distribution/ Net Assets" are calculated based on the figures excluding excess profit distribution.

(3) Financial Position

	Total Assets	Net Assets	Net Assets/Total Assets	Net Assets per Unit
	JPY million	JPY million	%	JPY
Fiscal period ended June 30, 2016	284,106	130,005	45.8	35,368
Fiscal period ended December 31, 2015	185,918	91,758	49.4	28,731

(Note) "Net Assets per Unit" is calculated based on the number of investment units issued and outstanding at the end of each period, and is rounded to the nearest yen.

## (4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investment Activities	Cash Flows from Financing Activities	Closing Balance of Cash and Cash Equivalents
	JPY million	JPY million	JPY million	JPY million
Fiscal period ended June 30, 2016	5,319	(86,000)	83,626	16,764
Fiscal period ended December 31, 2015	4,312	(43,092)	45,084	13,818

## 2. Forecast for the Fiscal Period ending December 31, 2016 (from July 1, 2016 to December 31, 2016)

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (excluding excess profit distribution)	Excess Profit Distribution per Unit	Distribution per Unit (including excess profit distribution)
Fiscal Period ending December 31, 2016	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY	JPY
	10,015	22.8	6,417	26.5	5,872	34.6	5,872	34.6	1,597	0	1,597

(Reference) Estimated net income per unit for the fiscal period ending December 31, 2016 is JPY 1,597.

## ※ Others

## (1) Changes in Accounting Policies, Accounting Estimates or Restatements

- (a) Changes in Accounting Policies due to Revisions to Accounting Standards and Other Regulations None
- (b) Changes in Accounting Policies due to Other Reasons None
- (c) Changes in Accounting Estimates None
- (d) Restatements None

## (2) Number of Investment Units Issued and Outstanding

- (a) Number of Units Issued and Outstanding as of the End of the Fiscal Period (Including Treasury Units)
- |               |           |                   |           |
|---------------|-----------|-------------------|-----------|
| June 30, 2016 | 3,675,824 | December 31, 2015 | 3,193,686 |
|---------------|-----------|-------------------|-----------|
- (b) Number of Treasury Units as of the End of the Fiscal Period
- |               |   |                   |   |
|---------------|---|-------------------|---|
| June 30, 2016 | 0 | December 31, 2015 | 0 |
|---------------|---|-------------------|---|

(Note) Please refer to "Notes Related to Per Unit Information" regarding the number of investment units which is the basis for the calculation of net income per unit.

The Implementation Status of Statutory Audit

At the time of this financial report, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act are yet to be completed.

Explanation on the Appropriate Use of the Forecast of Results and Other Matters of Special Consideration

(Explanation on the Appropriate Use of the Forecast of Results)

The forward-looking statements in this financial report are based on the information currently available to us and certain assumptions which we believe are reasonable. Actual operating performance may differ significantly due to factors we cannot predict as of this date, including gains or losses from the disposition of properties, repayment of borrowings, decreases in rents and changes in operating conditions. Further, there is no guarantee of the payment of the forecast distribution amount. Please refer to “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Period ending December 31, 2016 (from July 1, 2016 to December 31, 2016)”, on page 17 for assumptions used in the forecasts and precautions regarding the use of such forecasts.

Unless otherwise specified herein, amounts less than JPY 1 are rounded down, and ratios are rounded to the nearest one decimal place.

## 1. Related Companies of the Investment Corporation

Disclosure is omitted because there have been no material changes in the “Structure of the Investment Corporation” section of the latest securities report (filed on March 31, 2016).

## 2. Management Policy and Operating Conditions

### (1) Management Policy

Disclosure of “Investment Policies,” “Investment Targets,” “Distribution Policies” and the “Investment Restriction” is omitted because there have been no material changes from the relevant sections of the latest securities report (filed on March 31, 2016)

### (2) Operating Conditions

#### a Overview of the Fiscal Period Ended June 2016 (“Reporting Period”)

##### (a) Main Trends in the Investment Corporation

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

After the merger with LCP Investment Corporation (“LCP”) was implemented on February 1, 2010, INV issued new investment units through a third-party allotment on July 29, 2011 and refinanced its debt. Calliope Godo Kaisha (“Calliope”), an affiliate of the Fortress Investment Group LLC (“FIG” and together with Calliope and other affiliates of FIG, collectively the “Fortress Group”) was the main allottee, and the sponsor changed to the Fortress Group.

Ever since the commencement of sponsorship from the Fortress Group, INV has been focusing its efforts on improving the earning power of its portfolio and establishing a revenue base in order to implement stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for future growth. With this platform as a base, in June 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (the “Asset Manager”) revised the Investment Guidelines for INV, and positioned hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecasted to rise going forward. As a result of the external growth efforts, INV's portfolio at the end of the previous period ended December 2015 composed of 111 properties (37 hotels, 66 residential properties and eight others) with a total acquisition value of JPY 173,815 million, and market capitalization at such date of JPY 224,835 million. When compared to the period as of May 22, 2014, which is the time immediately prior to INV's initial investment in hotels, the total acquisition value and market capitalization increased significantly by 2.4x and 7.6x, respectively.

In the Reporting Period, INV continued its external growth efforts by completing three separate transactions to further increase the size of the portfolio and increase earnings. On January 22, 2016, INV acquired five hotels and one residential property with funds raised through new loans along with a portion of the cash-on-hand from the July 2015 public offering. On March 10, 2016, INV conducted a global public offering for the third consecutive year (the “Capital Increase”), in which it acquired four hotels and one residential property on March 31, 2016. The transaction was funded with funds raised through the Capital Increase and new loans. In addition, INV acquired two hotels on June 15, 2016 with the cash-on-hand raised through the Capital Increase and third-party allotment conducted in relation to the Capital Increase and new loans. As a result, INV's portfolio composed of 124 properties (48 hotels, 68 residential properties and eight others) with a total acquisition value of JPY 266,619 million and market capitalization of JPY 238,193 million at the end of the Reporting Period.

With respect to financial management, INV took advantage of the negative interest rate policy adopted by the Bank of Japan and executed interest rate swap agreements to fix the interest rate on a portion of its existing borrowings (the total notional principal of which is JPY 99,119 million) on March 4, 2016. As a result, INV was able to improve its financial stability by fixing the interest rate on 69.8% of outstanding debt from 0% at the end of the previous period.

In conjunction with the acquisition of properties on January 20, 2016 and March 10, 2016, INV expanded the pipeline for future growth by adding new properties to the properties subject to a Memorandum of Understanding (the “MOU”) with affiliates of Fortress Group with respect to preferential negotiating rights regarding the acquisition of hotels and residential properties. As of the end of the Reporting Period, there are 22 hotels (6,116 rooms) and nine residential properties (743 units) in the MOU, which will continue to provide INV with considerable opportunity for external growth.

(b) Operational Environment and Performance

In the hotel segment, the Japanese government's promotion of tourism initiatives such as airport capacity expansion, the entry of LCC's into the Japanese market, and the relaxation of visa requirements for some Asian countries, coupled with macro structural changes such as a sharp increase in the number of cross-border travelers due to the global rise of the middle-income bracket, has led to a continued increase in the number of international visitors to Japan from China and Southeast Asian countries such as Thailand, Malaysia, the Philippines, Indonesia and Vietnam. This robust combination helped Japan log a record high of 19.737 million visitors in 2015 (47.1% increase from the 13.413 million visitors of the previous year), and the number of foreigners entering Japan exceeded the number of Japanese departing for the first time in 45 years. In the Reporting Period, regardless of the effect of the Kumamoto Earthquake and the development of yen appreciation, the number of foreigners entering Japan during the period from January to July of 2016 logged a record high of 14.010 million (+26.7% compared to the same period for the previous year), and demand in foreigners for accommodations continued to increase.

Regarding INV's hotels, in addition to the abovementioned external factors, the hotel operators adeptly captured inbound demand through strong revenue management techniques. 39 of the hotels owned by INV (Note 1) recorded ADR (Note 2) of JPY 9,148, RevPAR (Note 3) of JPY 8,213, and an occupancy rate (Note 4) of 89.8%. Among the 35 hotels (Note 5) in which a comparison can be made to the same period in the previous year, ADR was JPY 8,874 (+8.5%), RevPAR was JPY 7,896 (+6.9%) (Note 6), with an occupancy rate of 89.0% (-1.3 points). The ratio of overseas sales (Note 7) at the 35 hotels (Note 8) increased to 34.2% (+ 5.2 points compared to the same period for the previous year).

With respect to the residential portfolio, market rent trends for small-type city-center properties continue to improve. Under the positive circumstances in the macro environment, INV implemented a rent increase program for new leases and renewals as well as an initiative to reduce residential leasing costs based on a market analysis of each unit and property in 2014. As a result, in the Reporting Period, INV realized a rent increase for 49.0% of the new residential lease contracts or an average rent increase of 1.1% compared to the previous rent, and a rent increase for 42.4% of contract renewals or an average rent increase of 1.4% compared to the previous rent, while maintaining a high contract renewal rate of 83.6%. The average occupancy rate for the Reporting Period achieved a stable 95.7% (the average of 66 properties, excluding two properties acquired during the Reporting Period; the average occupancy rate including such two properties was 96.3%), and the average occupancy rate of 63 properties that can be compared to the same period for the previous year (Note 9) increased 1.8%. The NOI (Note 10) for the 63 properties (Note 9) in which previous year comparisons can be made increased 5.1% compared to the same period for the previous year.

As a result, INV maintained a high average occupancy rate of 98.3% across the entire portfolio, and the NOI increased by 19.7% from the previous period to JPY 7,136 million.

As a result of the internal growth and the external growth through the acquisition of properties for the Reporting Period, the trends in the real estate investment and rental market, as well as the strong performance of the hotels, the total appraisal value at the end of the Reporting Period was JPY 323,291 million, an increase of JPY 108,339 million (+50.4%) over the previous period. The appraisal value of 111 properties held at the end of the previous period increased from JPY 214,952 million to 229,296 million (+6.7%), and in particular, the appraisal value of the 37 hotels increased by JPY 13,718 million (+10.3%) year-on-year, significantly enhancing the overall portfolio asset value. The portfolio has an unrealized gain of JPY 61,819 million (Note 11) and an unrealized gain ratio of 23.6% (Note 11) were achieved.

- (Note 1) Of the 48 acquired hotels, the following hotels on fixed rents are excluded: Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel.
- (Note 2) "ADR" means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period.
- (Note 3) "RevPar" means revenue per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates.
- (Note 4) "Occupancy rates" are calculated in accordance with the following formula:  
Occupancy rates = total number of occupied rooms during a certain period / total number of rooms available (number of rooms x number of days) during the same period
- (Note 5) Hotel Mystays Haneda and Hotel Mystays Kanazawa, for which there are no performance figures in and prior to 2014, Hotel Mystays Shinsaibashi, which was not operated for a certain period due to renovation in 2015 (renovation period: from January 25 2015 through March 31, 2015), and Hotel Mystays Gotanda Station, which was not operated for a certain period due to renovation in 2015 (renovation period: from March 1, 2015 through November 24, 2015) are excluded, in addition to the properties excluded per Note 1.

- (Note 6) The 34 properties excluded per Note 5 and Hotel Mystays Kanda, which underwent renovation for the period from May 20, 2016 through August 22, 2016, recorded an occupancy rate of 89.1% (-1.1 points compared to the same period for the previous year), ADR of JPY 8,876 (+8.7% compared to the same period for the previous year), and RevPAR of JPY 7,911 (+7.5% compared to the same period for the previous year).
- (Note 7) Of the 48 acquired hotels, APA Hotel Yokohama-Kannai, Hotel Nets Hakodate, Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel, the tenants of which do not disclose the ratio of overseas sales; Hotel Mystays Gotanda Station, the prior operator of which did not calculate the ratio of overseas sales; and Hotel Epinard Nasu, the ratio of overseas sales of which has not been calculated for the period in and prior to May 2015, are excluded.
- (Note 8) “Overseas sales ratio” is the ratio of sales amount through overseas web agents to revenues.
- (Note 9) Of the 68 acquired residential properties, City Court Kitaichijo, Lieto Court Mukojima, Lieto Court Nishi-Ojima, Royal Parks Momozaka and Royal Parks Shinden, which were not held by INV in the same period in the previous year, are excluded.
- (Note 10) For the comparison of NOI of the 63 properties, insurance payment as the temporary revenue and repair expenses and other expenses that correspond to the insurance payment are excluded.
- (Note 11) The unrealized gain is calculated using the following formula: the appraisal value as of the end of the Reporting Period - book value as of the end of the Reporting Period  
The unrealized gain ratio is calculated using the following formula: the unrealized gain ÷ book value as of the end of the Reporting Period

(c) Overview of Fund Raising

(i) Equity Finance

INV executed (i) a global public offering of investment units that closed on March 30, 2016 (number of new investment units issued: 459,512; total issue value: JPY 36,123 million) and (ii) a third-party allotment in conjunction with the global offering that closed on April 27, 2016, (number of new investment units issued: 22,626; total issue value: JPY 1,778 million), in order to procure part of the funds for the acquisition of four hotels and one residential property.

(ii) Debt Finance

INV implemented the borrowing of Term Loan (B) (amount borrowed: JPY 8,998 million; interest rate: variable interest rate of one-month JPY TIBOR plus 0.40%, 0.60% and 0.20%) from Sumitomo Mitsui Trust Bank, Limited. and Mitsubishi UFJ Trust and Banking Corporation on January 22, 2016 for use as a portion of the funds and related expenses to acquire five hotels and one residential property.

In addition, INV introduced Development Bank of Japan Inc., etc. as new lenders and implemented the borrowing of New Syndicate Loan (F) (amount borrowed: JPY 34,418 million; interest rate: variable interest rate of one-month JPY TIBOR (Note 1) plus 0.40%, 0.50%, 0.60% and 0.20%) on March 31, 2016, with Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Trust Bank, Limited. as arrangers, for use as portion of the funds and related expenses to acquire four hotels and one residential property, together with the equity finance described in (i) above.

On April 28, 2016, INV repaid the portion of New Syndicate Loan (E) in the amount of JPY 1,080 million that corresponds to the borrowings equivalent to the expected consumption tax refund (Note 2), using the consumption tax refunds from the 11 hotels acquired on July 16, 2015.

Furthermore, INV implemented the borrowing of Term Loan (C) (amount borrowed: JPY 3,882 million; interest rate: variable interest rate of one-month JPY TIBOR (Note 1) plus 0.40%, 0.50%, 0.60% and 0.20%) from Citibank Japan Ltd. on June 15, 2016 for use as a portion of the funds and related expenses to acquire two hotels. Additionally, INV implemented the borrowing of Term Loan (D) (amount borrowed: JPY 4,000 million; interest rate: one-month JPY TIBOR plus 0.40% and 0.60%) from Development Bank of Japan Inc. and AEON Bank, Ltd. INV also fixed interest rates by executing the interest rate swap agreements with regard to its existing borrowing totaling JPY 99,119 million under New Syndicate Loan (E), Term Loan (A) and a part of Term Loan (B), on March 4, 2016, in order to prepare for future rises in interest rates. Accordingly, INV pursued the improvement of the financial stability as the ratio of fixed interest rates for the total amount of interest-bearing liabilities of INV became 69.8%.

As a result of the above measures, INV’s interest-bearing debt outstanding balance was JPY 141,917 million and the Interest-Bearing Debt ratio was 48.7% (Note 3) as of the end of the Reporting Period and, the average interest rate was 0.50% (Note 4).

- (Note 1) With respect only to the first interest calculation period, the 2-month JPY TIBOR.
- (Note 2) Borrowings corresponding to the expected consumption tax refund mean the borrowings which will be prepaid in the amount equivalent to the refund of consumption tax and local tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings executed at the same time, in the case where the above-mentioned consumption tax refunds are received. The same shall apply hereinafter.
- (Note 3) The calculation for the Interest-Bearing Debt ratio uses the calculation formula below:  
Interest-Bearing Debt ratio = amount of interest-bearing debt (excluding JPY 3,498 million borrowings corresponding to the expected consumption tax refund) ÷ amount of total assets at end of the Reporting Period x 100
- (Note 4) The average borrowing interest rate (annual rate) is calculated by the weighted average based on the outstanding balance of borrowings, excluding borrowings corresponding to the expected consumption tax refund. In addition, the said rate is rounded to two decimal places.

(d) Overview of Acquisition of Assets

The overview of five hotels and one residential property acquired on January 22, 2016 is as follows:

Use	Property Number	Property Name	Location	Acquisition Price (JPY million) (Note 1)	Appraisal Value (JPY million) (Note 2)	Seller	Category of Specified Assets
Hotel	D38	Hotel Mystays Shinsaibashi	Osaka-shi, Osaka	3,160	3,190	Aki Tokutei Mokuteki Kaisha	Trust Benefit Interest
	D39	Comfort Hotel Kurosaki	Kitakyushu-shi, Fukuoka	1,148	1,160	Navaro Tokutei Mokuteki Kaisha	
	D40	Comfort Hotel Maebashi	Maebashi-shi, Gunma	1,128	1,140	Navaro Tokutei Mokuteki Kaisha	
	D41	Comfort Hotel Tsubame-Sanjo	Sanjo-shi, Nigata	1,010	1,020	Navaro Tokutei Mokuteki Kaisha	
	D42	Comfort Hotel Kitami	Kitami-shi, Hokkaido	851	860	Navaro Tokutei Mokuteki Kaisha	
Residential	A103	Royal Parks Momozaka	Osaka-shi, Osaka	2,910	2,940	Momo Tokutei Mokuteki Kaisha	
Total				10,207	10,310		

(Note 1) Acquisition price does not include adjustments for property taxes, city planning taxes, national or local consumption taxes; hereinafter the same.

(Note 2) The appraisal value is based on that as of November 20, 2015 by reports of the Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd. and Morii Appraisal & Investment Consulting, Inc.



The overview of four hotels and one residential property acquired on March 31, 2016 is as follows:

Use	Property Number	Property Name	Location	Acquisition Price (JPY million)	Appraisal Value (JPY million) (Note 1)	Seller	Category of Specified Assets
Hotel	D43	Hotel Mystays Gotanda Station	Shinagawa-ku, Tokyo	24,674	24,800	Tsuki Tokutei Mokuteki Kaisha	Trust Benefit Interest
	D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	20,981	21,300	Septentrio Tokutei Mokuteki Kaisha Septentrio 2 Tokutei Mokuteki Kaisha Septentrio 3 Tokutei Mokuteki Kaisha	
	D45	Hotel MyStays Fukuoka Tenjin	Fukuoka-shi, Fukuoka	8,059	8,100	Navaro Tokutei Mokuteki Kaisha	
	D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	7,959	8,000	Navaro Tokutei Mokuteki Kaisha	
Residential	A104	Royal Parks Shinden	Adachi-ku, Tokyo	5,024	5,100	Momo Tokutei Mokuteki Kaisha	
Total				66,697	67,300		

(Note 1) The appraisal value is based on that as of November 20, 2015, January 1, 2016 and January 31, 2016 by reports of Morii Appraisal & Investment Consulting, Inc.

The overview of two hotels acquired on June 15, 2016 is as follows:

Use	Property Number	Property Name	Location	Acquisition Price (JPY million)	Appraisal Value (JPY million) (Note 1)	Seller	Category of Specified Assets
Hotel	D47	Hotel Mystays Kanazawa	Kanazawa-shi, Ishikawa	13,761	13,900	Ginga Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D48	Takamatsu Tokyu REI Hotel	Takamatsu-shi, Kagawa	2,139	2,160	Wakusei Tokutei Mokuteki Kaisha	
Total				15,900	16,060		

(Note 1) The appraisal value is based on that as of May 31, 2016 by reports of Morii Appraisal & Investment Consulting, Inc. and Daiwa Real Estate Appraisal Co., Ltd.

(e) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 1,294 million from the previous period (+18.9%) to JPY 8,158 million, and net income increased by JPY 1,410 million from the previous period (+47.8%) to JPY 4,363 million. DPU for the Reporting Period was JPY 1,186, a decrease of JPY 1 (-0.1%) compared to the same period for the previous year.

With respect to distributions, INV includes profit distributions in deductible expenses in accordance with Section 1 of Article 67-15 of the Act on Special Taxation Measures Law. Profit distributions (not including distributions in excess of profit) declared for the six months ended June 30, 2016 were ¥4,135,302,000 which were all profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, except for fractional distribution per unit less than JPY 1. In addition, INV makes distributions in excess of profit considering the effect of items deducted from net assets and distributions in excess of profit for the six months ended June 30, 2016 were ¥224,225,264, which corresponds to ¥227,532,553 of deferred losses on hedges at the end of Reporting Period divided by the number of outstanding units (except for fractional distribution per unit in excess of profit less than JPY 1). All of the distributions in excess of profit for the six months ended June 30, 2016 amounting to ¥224,225,264 consist only of allowance for temporary difference adjustments. As a result, the distribution per unit for the Reporting Period is JPY 1,186.

In addition, INV has decided not to conduct the excess profit distribution via return of capital for the Reporting Period, which was announced in the release “Notice concerning Revision of Forecast of Financial Results and Distribution for the 26th Notice concerning Revision of Forecast of Financial Results and Distribution for the 26th” on March 10, 2016, since the sum of adjustment accounts has no discrepancy between tax and accounting profits which can incur taxation.

b Outlook for the Fiscal Period Ending December 31, 2016

Future operational policy and issues to be addressed

Since July 2011, INV has enhanced unitholder value by significantly increasing DPU with the Fortress Group as its sponsor. Going forward, INV will implement various strategies to maintain further growth, including the following measures.

- Continuous acquisition of properties from sponsor and third parties
- Further internal growth at hotel properties
- Obtain credit rating
- Diversification of financing measures, including the issuance of invest corporation bonds

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

As its basic strategy, INV will move forward with the acquisition of new properties focusing on hotels, where continued growth in portfolio revenues is anticipated. INV will also acquire a certain proportion of residential properties and hotels using fixed rent schemes, which contribute to stable revenue. This acquisition strategy will enable INV to build a portfolio with a good balance between growth and stability.

In regards to hotels, INV will take into consideration the trends in foreign travelers visiting Japan, demands of business and leisure customers, the competitive hotel environment, and leasing contract types when making investment decisions, with the aim of acquiring properties where growth and stability of gross operating profit (GOP) and rental revenue are forecasted to increase.

In regards to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties and other factors, and consider acquiring mainly small-type properties in large cities with strong competitiveness. In addition, INV will consider acquiring family-type properties in the case where it is determined by INV to be beneficial to portfolio diversification regarding residential properties.

In recent years, the property acquisition environment has become increasingly severe, however, INV, as shown below, has continued to achieve steady external growth from the pipeline of the sponsor, the Fortress Group.

Properties Acquired from affiliates of the Fortress Group

Date	Properties acquired	Total acquisition price
September 2012	24 residential properties	JPY 14,043 million
May 2014	Two hotels	JPY 5,435 million
July 2014	18 hotels	JPY 39,938 million
February 2015	Two hotels	JPY 4,911 million
July 2015	11 hotels and three residential properties	JPY 35,258 million
August 2015	One hotel	JPY 5,069 million
January 2016	Five hotels and one residential property	JPY 10,207 million
March 2016	Four hotels and one residential property	JPY 66,697 million
June 2016	Two hotels	JPY 15,900 million
Total	74 properties (of which 29 are residential and 45 are hotels)	JPY 197,458 million (of which residential: JPY 27,076 million; hotels: JPY 170,382 million)

The Fortress Group manages four dedicated Japanese real estate funds, including the Fortress Japan Opportunity Funds I and II. The Fortress Group's committed equity is over JPY 300 billion and the number of properties that the Fortress Group is invested in exceeds 1,400. In order to ensure future growth options for the portfolio, INV entered into an updated MOU with the Fortress Group that provides preferential negotiation rights with respect to the acquisition of 22 hotels and nine residential properties (see the table below) (Note 1). As a result of the acquisition of two properties as of June 15, 2016, the properties with preferential negotiation rights as of the date of this document are as set forth below.

In addition, by utilizing the property transaction information available through the Fortress Group and INV's own network, INV will continuously consider and implement the acquisition of properties from third parties that will contribute to stability and growth in revenue and cash flow and an increase in DPU.

No.	Asset Name	Asset Type (Note 6)	Location	No. of Rooms
1	Hotel MyStays Premier Akasaka	Limited Service Hotel	Minato-ku, Tokyo	327
2	Hotel MyStays Yokohama-Kannai (Note 2)	Limited Service Hotel	Yokohama-shi, Kanagawa	166
3	Rihga Royal Hotel Kyoto (Note 3)	Full Service Hotel	Kyoto-shi, Kyoto	489
4	Narita Excel Hotel Tokyu	Full Service Hotel	Narita-shi, Chiba	706
5	Art Hotels Sapporo	Full Service Hotel	Sapporo-shi, Hokkaido	418
6	Best Western Hotel Fino Sapporo	Limited Service Hotel	Sapporo-shi, Hokkaido	242
7	Best Western Hotel Fino Oita	Limited Service Hotel	Oita-shi, Oita	145
8	Hotel Naqua City Hirosaki	Full Service Hotel	Hirosaki-shi, Aomori	134
9	Beppu Kamenoi Hotel	Resort Hotel	Beppu-shi, Oita	322
10	Fusaki Resort Village Ishigaki-jima	Resort Hotel	Ishigaki-shi, Okinawa	195
11	Sheraton Grande Tokyo Bay Hotel (Note 4)	Full Service Hotel	Urayasu-shi, Chiba	1,016
12	Hotel MyStays Shin-Osaka Conference Center	Limited Service Hotel	Osaka-shi, Osaka	397
13	Art Hotels Asahikawa	Full Service Hotel	Asahikawa-shi, Hokkaido	265
14	Hotel MyStays Kanazawa Castle	Limited Service Hotel	Kanazawa-shi, Ishikawa	206
15	Hotel JAL City Matsuyama	Full Service Hotel	Matsuyama-shi, Ehime	161
16	Hotel MyStays Ueno East	Limited Service Hotel	Taito-ku, Tokyo	150
17	(Provisional Name) Hotel MyStays Hommachi 3-chome (Osaka) (Note 5)	Limited Service Hotel	Osaka-shi, Osaka	120
18	Hotel MyStays Sapporo Nakajima Park	Limited Service Hotel	Sapporo-shi, Hokkaido	86
19	Flexstay Inn Sakuragicho	Limited Service Hotel	Yokohama-shi, Kanagawa	70
20	MyCUBE by MYSTAYS Asakusa Kuramae	Limited Service Hotel	Taito-ku, Tokyo	161
21	Art Hotels Hamamatsucho	Limited Service Hotel	Minato-ku, Tokyo	120
22	Art Hotels Ohmori	Limited Service Hotel	Shinagawa-ku, Tokyo	220
Hotel Subtotal				6,116
23	Gran Charm Hiroo	Residential/Small Type	Shibuya-ku, Tokyo	121
24	Plestay Win Kinshicho	Residential/Small Type	Sumida-ku, Tokyo	92
25	Gran Charm Kichijoji	Residential/Small Type	Musashino-shi, Tokyo	28
26	Green Patio Noda	Residential/Small Type	Noda-shi, Chiba	240
27	Dainichi F-45	Residential/Small Type	Urayasu-shi, Chiba	54
28	Gran Charm Urayasu	Residential/Small Type	Urayasu-shi, Chiba	54
29	Gran Charm Urayasu 5	Residential/Small Type	Urayasu-shi, Chiba	54
30	Gran Charm Minami Gyotoku I	Residential/Small Type	Ichikawa-shi, Chiba	52
31	Gran Charm Minami Gyotoku II	Residential/Small Type	Ichikawa-shi, Chiba	48
Residential Property Subtotal				743

- (Note 1) The term of validity of the MOU is from March 10, 2016, the date of execution of the new MOU, to March 9, 2017. Regarding the 31 properties listed above, there is no guarantee that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties.
- (Note 2) Hotel MyStays Yokohama-Kannai is scheduled to be completed in September 2016, and is scheduled to open in October 2016.
- (Note 3) Rihga Royal Hotel Kyoto is scheduled to partially reopen on September 8, 2016 after renewal and fully reopen on November 1, 2016.
- (Note 4) Extension work regarding the Annex site of Sheraton Grande Tokyo Bay Hotel is now underway and is scheduled to be completed in December 2016.
- (Note 5) (Provisional Name) Hotel MyStays Hommachi 3-chome (Osaka) is scheduled to be completed in October 2017, and is scheduled to open in December 2017.
- (Note 6) Each “Asset Type” above is as follows:  
 “Limited Service Hotel” refers to a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities.  
 “Full Service Hotel” refers to a hotel having sections of stay, foods and beverages, and banquet.  
 “Resort Hotel” refers to a hotel located at tourist destinations or recreational lots, having sections of stay, foods and beverages, and incidental facilities.  
 “Small Type” refers to a residential property in which the majority of dwelling units are less than 30 m<sup>2</sup>.

### Property Sales

While INV places priority on increasing unitholders’ value through external growth by taking into account the increased level of activity in the real estate trading market, it also plans to consider the possibility of property sale and replacement upon consideration of the portfolio sector composition, geographic distribution and competitiveness of each property, as appropriate.

#### (ii) Strategy for internal growth

##### (Hotels)

Of the 48 hotels owned by INV as at the end of the Reporting Period, 39 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives gross operating profit (GOP) after deducting management fees for the hotel operator, and INV’s variable rent scheme is set up so that INV can directly enjoy the hotel revenue upside. For 33 hotels, MYSTAYS HOTEL MANAGEMENT Co., Ltd., a hotel operator in the sponsor group, has implemented strict revenue management seeking to maximize revenue. INV will continue to accurately ascertain and analyze operating conditions of its hotels, the conditions of nearby hotels, market trends and other factors through operation meetings and other contact with hotel operators and will focus on operations that maximize rent income.

##### (Residential properties and others)

INV will continue to strengthen its collaborative ties with Property Management (PM) companies and brokers to further boost occupancy rates and earning capabilities of its properties. With respect to INV’s residential properties, while keeping in mind the off-season in the residential rental market that occurs during the fiscal period ending December 2016, INV will focus on increasing an occupancy rate, rent for new lease contracts as well as for lease renewals for each of its properties as well as formulating net leasing management policies in order to continue maximizing profits.

Further, the implementation of appropriate maintenance and repair plans is of the utmost importance in maintaining and enhancing the competitiveness and market value of the properties as well as ensuring stable operations and high tenant satisfaction. Therefore, INV will continue to monitor current strategic plans with flexible implementation as it sees fit.

#### (iii) Financial strategy

INV has strengthened its lender formation via the new borrowings in conjunction with the public offering implemented in March 2016 and the new borrowings implemented in January 2016 and June 2016, to further stabilize its financial base. Going forward, INV will work on diversifying financing measures, including issuing investment corporation bonds, as well as obtaining a future credit rating. Also, INV seeks to maximize unitholders’ value by way of lengthening and diversification of borrowing terms, further reduction of borrowing costs, solicitation of new financial institutions and strengthening of its lender formation.

(iv) Compliance risk management

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

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

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

c Significant Subsequent Events

Borrowing of Funds

INV implemented the new borrowings described in the following table on July 20, 2016 for use as a portion of the fund and related expenses to acquire properties described in "a. Overview of the Reporting Period (d) Overview of Acquisition of Assets" above.

Term Loan (E)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (per annum)	Principal Maturity Date	Borrowing Method
The Tokyo Star Bank, Limited	July 20, 2016	700	Variable interest rate (Note 1)	July 20, 2019	Unsecured / non guarantee
	July 20, 2016	1,600	Variable interest rate (Note 2)	July 20, 2020	Unsecured / non guarantee
	July 20, 2016	1,700	Variable interest rate (Note 3)	July 20, 2021	Unsecured / non guarantee
Total		4,000			

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.4%)

(Note 2) 1-month JPY TIBOR (Base Rate) + spread (0.5%)

(Note 3) 1-month JPY TIBOR (Base Rate) + spread (0.6%)

(Reference Information)

Loan Transfer with respect to Existing Loans

INV decided on July 15, 2016 to consent to the transfer of a portion of its existing loans from Mizuho Bank, Ltd. as follows.

- (1) Financial institution transferring INV's loan:  
Mizuho Bank, Ltd.
- (2) Financial institution to which INV's loan is transferred to:  
Japan Post Bank Co., Ltd.
- (3) Loan to be transferred:  
A total amount of JPY 4,000 million of the New Syndicate Loan (F) as announced in the release "Notice concerning Debt Financing" on March 10, 2016, which is the sum of (a) JPY 2,000 million of the loan held by Mizuho Bank, Ltd. (original principal amount: JPY 4,465 million), out of the three-year loan amounting JPY 11,434 million and (b) JPY 2,000 million of the loan held by Mizuho Bank, Ltd. (original principal amount: JPY 4,465 million), out of the four-year loan amounting JPY 10,433 million
- (4) Date of loan transfer agreement:  
July 15, 2016
- (5) Date of transfer:  
July 15, 2016

In addition, INV decided on July 27, 2016 to consent to the partial transfer of its existing loans from Mizuho Bank, Ltd. as follows.

- (1) Financial institution transferring INV's loans:  
Mizuho Bank, Ltd.
- (2) Financial institutions to which INV's loans are transferred to:  
The Kagawa Bank, Ltd., The Shizuoka Bank, Ltd., The Hyakugo Bank, Ltd., and The Bank of Fukuoka, Ltd.
- (3) Loans to be transferred:  
A total amount of JPY 4,000 million of the New Syndicate Loan (F) as announced in the release "Notice concerning Debt Financing" on March 10, 2016. The breakdown of loans is as follows.
  - (i) The Kagawa Bank, Ltd.  
The sum of (a) JPY 500 million of the loan held by Mizuho Bank, Ltd. (principal amount: JPY 2,465 million), out of the four-year loan amounting JPY 10,433 million and (b) JPY 500 million of the loan held by Mizuho Bank, Ltd. (principal amount: JPY 4,465 million), out of the five-year loan amounting JPY 10,433 million
  - (ii) The Shizuoka Bank, Ltd.  
JPY 1,000 million of the loan held by Mizuho Bank, Ltd. (principal amount: JPY 2,465 million), out of the three-year loan amounting JPY 11,434 million
  - (iii) The Hyakugo Bank, Ltd.  
JPY 1,000 million of the loan held by Mizuho Bank, Ltd. (principal amount: JPY 2,465 million), out of the four-year loan amounting JPY 10,433 million
  - (iv) The Bank of Fukuoka, Ltd.  
JPY 1,000 million of the loan held by Mizuho Bank, Ltd. (principal amount: JPY 4,465 million), out of the five-year loan amounting JPY 10,433 million
- (4) Date of loan transfer agreements:  
July 27, 2016
- (5) Date of transfer:  
July 29, 2016

There is no change to the content of the loan agreements, including the loan terms and conditions due to the loan transfer.

As a result, the number of lenders has increased from 15 to 17 after the loan transfer above, and INV's lender formation has been further strengthened.

d Operational Outlook

The following forecast is made for the fiscal period ending December 31, 2016.

Fiscal Period ending December 31, 2016 (from July 1, 2016 to December 31, 2016)

Operating Revenues	JPY 10,015million
Operating Income	JPY 6,417 million
Ordinary Income	JPY 5,872 million
Net Income	JPY 5,872 million
Earnings per Unit	JPY 1,597
Reversal of Surplus per Unit	-
Distribution per Unit (Excluding excess profit distribution per unit)	JPY 1,597
Excess Profit Distribution per Unit	-
Distribution per Unit (Including excess profit distribution per unit)	JPY 1,597

For the assumptions underlying the operational outlook for the fiscal period ending December 31, 2016, please see “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Period ending December 31, 2016 (from July 1, 2016 to December 31, 2016)”.

(Cautionary Note regarding Forward Looking Statements)

Forward looking statements such as the forecasts set forth herein are based on information currently available and certain assumptions that are deemed reasonable. Actual operating performance may vary significantly due to factors not foreseen at the time of this present notice, such as the occurrence of gains and losses associated with the sale of properties, repayment of borrowings and a decrease in rent received. Also, this forecast is not a guarantee of distribution amounts.



<Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Period ending December 31, 2016 (from July 1, 2016 to December 31, 2016)>

Item	Assumptions																								
Fiscal period	The December 2016 Fiscal Period: from July 1, 2016 to December 31, 2016 (184 days)																								
Assets under management	Properties held as of the end of the December 2016 Fiscal Period: 124 properties The assets under management are based on the 124 properties held by INV as of today and INV assumes that there will be no change such as acquisition of new properties or disposal of properties held by INV through the end of the fiscal period ending December 2016.																								
The total number of units outstanding	As of the end of the December 2016 Fiscal Period: 3,675,824 units INV assumes that there will be no additional issuance of units through the end of the fiscal period ending December 2016.																								
Interest-bearing liabilities	Balance as of the end of the December 2016 Fiscal Period: JPY 142,419 million (Note) (Note) Out of JPY 145,917 million of the interest-bearing liabilities as of today, JPY 3,498 million of consumption tax loan is assumed to have been repaid during the fiscal period ending December 2016. INV assumes that there will be no other borrowings or prepayments through the end of the fiscal period ending December 2016.																								
Operating revenues	INV expects to record rental revenues as follows: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">The December 2016 Fiscal Period</td> </tr> <tr> <td>• Rental revenues</td> <td style="text-align: right;">JPY 10,015 million</td> </tr> <tr> <td>(of these, hotel rents)</td> <td style="text-align: right;">(JPY 6,844 million)</td> </tr> <tr> <td>(of these, hotel fixed rents)</td> <td style="text-align: right;">(JPY 3,232 million)</td> </tr> <tr> <td>(of these, hotel variable rents)</td> <td style="text-align: right;">(JPY 3,611 million)</td> </tr> </table> Rental revenues in the fiscal period ending December 2016 are calculated based on estimates as of today from July 2016 to December 2016. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants.		The December 2016 Fiscal Period	• Rental revenues	JPY 10,015 million	(of these, hotel rents)	(JPY 6,844 million)	(of these, hotel fixed rents)	(JPY 3,232 million)	(of these, hotel variable rents)	(JPY 3,611 million)														
	The December 2016 Fiscal Period																								
• Rental revenues	JPY 10,015 million																								
(of these, hotel rents)	(JPY 6,844 million)																								
(of these, hotel fixed rents)	(JPY 3,232 million)																								
(of these, hotel variable rents)	(JPY 3,611 million)																								
Operating expenses	INV expects to incur property related expenses as follows: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">The December 2016 Fiscal Period</td> </tr> <tr> <td>• Facility management fees</td> <td style="text-align: right;">JPY 613 million</td> </tr> <tr> <td>(of these, repair costs)</td> <td style="text-align: right;">(JPY 33 million)</td> </tr> <tr> <td>• Taxes and other dues</td> <td style="text-align: right;">JPY 349 million</td> </tr> <tr> <td>• Insurance expenses</td> <td style="text-align: right;">JPY 11 million</td> </tr> <tr> <td>• Depreciation expenses</td> <td style="text-align: right;">JPY 2,060 million</td> </tr> <tr> <td>• Other expenses</td> <td style="text-align: right;">JPY 168 million</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"></td> </tr> <tr> <td>Total property related expenses</td> <td style="text-align: right;">JPY 3,203 million</td> </tr> </table> INV expects to incur other operating expenses than the property related expenses as follows: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">The December 2016 Fiscal Period</td> </tr> <tr> <td>• Other operating expenses</td> <td style="text-align: right;">JPY 394 million</td> </tr> <tr> <td>(of these, asset management fees)</td> <td style="text-align: right;">(JPY 250 million)</td> </tr> </table>		The December 2016 Fiscal Period	• Facility management fees	JPY 613 million	(of these, repair costs)	(JPY 33 million)	• Taxes and other dues	JPY 349 million	• Insurance expenses	JPY 11 million	• Depreciation expenses	JPY 2,060 million	• Other expenses	JPY 168 million			Total property related expenses	JPY 3,203 million		The December 2016 Fiscal Period	• Other operating expenses	JPY 394 million	(of these, asset management fees)	(JPY 250 million)
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	The December 2016 Fiscal Period																								
• Other operating expenses	JPY 394 million																								
(of these, asset management fees)	(JPY 250 million)																								

Item	Assumptions										
Net Operating Income	<p style="text-align: right;">The December 2016 Fiscal Period</p> <ul style="list-style-type: none"> <li>• NOI JPY 8,872 million</li> <li>(of these, hotel NOI) (JPY 6,554 million)</li> </ul> <p>NOI is calculated based on the formula as follows.  NOI = rental revenues - property related expenses + depreciation expenses</p>										
Non-operating expenses	<p>INV expects to incur non-operating expenses:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">The December 2016 Fiscal Period</td> </tr> <tr> <td>• Interest expense</td> <td style="text-align: right;">JPY 362 million</td> </tr> <tr> <td>• Finance related costs</td> <td style="text-align: right;">JPY 181 million</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"></td> </tr> <tr> <td>Total Non-operating expenses</td> <td style="text-align: right;">JPY 544 million</td> </tr> </table>		The December 2016 Fiscal Period	• Interest expense	JPY 362 million	• Finance related costs	JPY 181 million			Total Non-operating expenses	JPY 544 million
	The December 2016 Fiscal Period										
• Interest expense	JPY 362 million										
• Finance related costs	JPY 181 million										
Total Non-operating expenses	JPY 544 million										
Distribution per unit	<p>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.</p> <p>For the fiscal period ending December 31, 2016, INV expects to record deferred loss/gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 227 million, which is equal to the amount for the fiscal period ended June 30, 2016. The distribution per unit is calculated based on the assumption that fluctuation of the market value of the interest rate swap does not affect the distribution per unit.</p> <p>Distribution per unit may vary due to various factors, including changes of the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.</p>										
Excess profit distribution per unit	<p>INV expects to make no excess profit distribution as allowance for temporary difference adjustments for the fiscal period ending December 2016 because excess profit distribution is calculated based on the assumption that there is no fluctuation in the market value of the interest rate swap.</p>										
Other	<p>INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts. In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.</p>										

### 3. Financial Statements

#### (1) Balance Sheet

	(Unit: JPY thousand)	
	Fiscal Period ended December 31, 2015 (as of December 31, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
<b>Assets</b>		
Current assets:		
Cash and bank deposits	7,885,398	11,322,762
Cash and bank deposits in trust	5,933,582	5,441,316
Accounts receivable	124	201
Rental receivables	1,069,352	1,375,846
Prepaid expenses	241,931	394,524
Consumption taxes receivable	928,025	2,672,787
Other	35	35
Allowance for doubtful accounts	(2,494)	(2,764)
<b>Total current assets</b>	<b>16,055,955</b>	<b>21,204,709</b>
Non-current assets:		
Property and equipment		
Buildings, at cost	85,914	85,914
Accumulated depreciation	(9,407)	(9,948)
Buildings, net	76,507	75,965
Buildings and accompanying facilities, at cost	38,862	38,862
Accumulated depreciation	(20,593)	(21,375)
Buildings and accompanying facilities, net	18,268	17,487
Structures, at cost	2,779	2,779
Accumulated depreciation	(1,335)	(1,401)
Structures, net	1,443	1,377
Land	711,834	711,834
Buildings in trust, at cost	65,882,282	101,837,752
Accumulated depreciation	(4,510,729)	(5,539,382)
Buildings in trust, net	61,371,553	96,298,370
Buildings and accompanying facilities in trust, at cost	15,364,500	23,193,164
Accumulated depreciation	(3,006,062)	(3,592,722)
Buildings and accompanying facilities in trust, net	12,358,438	19,600,442
Structures in trust, at cost	327,632	336,691
Accumulated depreciation	(138,040)	(147,949)
Structures in trust, net	189,591	188,742
Tools, furniture and fixtures in trust, at cost	401,404	500,608
Accumulated depreciation	(150,073)	(179,738)
Tools, furniture and fixtures in trust, net	251,331	320,869
Land in trust	88,435,785	135,384,518
Construction in progress in trust	-	46,368
<b>Total property and equipment, net</b>	<b>163,414,753</b>	<b>252,645,976</b>
Intangible assets		
Leasehold rights in trust	5,836,789	8,871,542
Other	15	-
<b>Total intangible assets</b>	<b>5,836,804</b>	<b>8,871,542</b>
Investment and other assets		
Guarantee deposits	39,518	613,914

(Unit: JPY thousand)

	Fiscal Period ended December 31, 2015 (as of December 31, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
Long-term prepaid expenses	533,409	729,351
Other	38,429	40,640
Total investments and other assets	611,357	1,383,905
Total non-current assets	169,862,915	262,901,424
Total assets	185,918,871	284,106,133

(Unit: JPY thousand)

	Fiscal Period ended December 31, 2015 (as of December, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	136,766	188,362
Short-term loans payable	1,080,000	3,498,000
Accounts payable-other	47,597	8,957,286
Accrued expenses	134,010	186,571
Income taxes payable	564	605
Advances received	473,164	507,135
Deposits received	23,043	21,072
<b>Total current liabilities</b>	<b>1,895,146</b>	<b>13,359,034</b>
<b>Non-current liabilities:</b>		
Long-term loans payable	90,619,000	138,419,000
Tenant leasehold and security deposits in trust	1,617,867	2,035,843
Tenant leasehold and security deposits	28,663	28,663
Derivatives liabilities	-	227,532
Asset retirement obligations	-	31,050
<b>Total non-current liabilities</b>	<b>92,265,530</b>	<b>140,742,089</b>
<b>Total liabilities</b>	<b>94,160,677</b>	<b>154,101,123</b>
<b>Net assets</b>		
<b>Unitholders' equity:</b>		
Unitholders' equity	82,465,438	120,367,271
<b>Surplus:</b>		
Capital surplus	6,264,432	6,264,432
Deduction of capital surplus	-	(763,290)
Capital surplus, net	6,264,432	5,501,141
<b>Voluntary retained earnings:</b>		
Reserve for temporary differences adjustments	-	※1 708
Voluntary retained earnings	-	708
Retained earnings	3,028,323	4,363,420
<b>Total surplus</b>	<b>9,292,755</b>	<b>9,865,270</b>
<b>Total unitholders' equity</b>	<b>91,758,194</b>	<b>130,232,542</b>
<b>Valuation and translation adjustments:</b>		
Deferred gains or losses on hedges	-	(227,532)
<b>Total valuation and translation adjustments</b>	<b>-</b>	<b>(227,532)</b>
<b>Total net assets</b>	<b>※2 91,758,194</b>	<b>※2 130,005,009</b>
<b>Total liabilities and net assets</b>	<b>185,918,871</b>	<b>284,106,133</b>

## (2) Statement of Income

(Unit: JPY thousand)

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Operating revenue		
Rental revenue	※1 6,863,775	※1 8,158,220
Total operating revenue	6,863,775	8,158,220
Operating expenses		
Property related expenses	※1 2,178,165	※1 2,697,986
Asset management fees	180,000	250,000
Directors' compensation	4,800	4,800
Asset custody fees	6,794	9,128
Administrative service fees	25,170	24,010
Provision of allowance for doubtful accounts	58	269
Other	99,677	98,120
Total operating expenses	2,494,667	3,084,315
Operating income	4,369,108	5,073,905
Non-operating income		
Interest income	814	1,316
Interest on tax refund	936	1,372
Other	454	213
Total non-operating income	2,205	2,902
Non-operating expenses		
Interest expenses	296,892	295,185
Loan-related costs	982,261	280,326
Investment unit issuance costs	138,866	137,270
Total non-operating expenses	1,418,020	712,782
Ordinary income	2,953,293	4,364,025
Income before income taxes	2,953,293	4,364,025
Income taxes	605	605
Total income taxes	605	605
Net income	2,952,688	4,363,420
Retained earnings brought forward	75,634	-
Unappropriated retained earnings	3,028,323	4,363,420

## (3) Statement of Changes in Net Assets

Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)

(Unit: JPY thousand)

	Unitholders' Equity					Total Net Assets
	Unitholders' Equity	Surplus			Total Unitholders' Equity	
		Capital Surplus	Retained Earnings	Total Surplus		
Balance at the beginning of the period	53,096,413	6,264,432	2,370,704	8,635,136	61,731,550	61,731,550
Changes during the period						
Issuance of new investment units	29,369,025				29,369,025	29,369,025
Dividends from surplus			(2,295,069)	(2,295,069)	(2,295,069)	(2,295,069)
Net income			2,952,688	2,952,688	2,952,688	2,952,688
Total changes during the period	29,369,025	—	657,618	657,618	30,026,643	30,026,643
Balance at the end of the period	82,465,438	6,264,432	3,028,323	9,292,755	91,758,194	91,758,194

Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

(Unit: JPY thousand)

	Unitholders' Equity					
	Unitholders' Equity	Surplus				
		Capital Surplus			Voluntary retained earnings	
		Capital Surplus	Deduction from capital surplus	Capital surplus (Net)	Reserve for temporary difference adjustment	Voluntary retained earnings
Balance at the beginning of the period	82,465,438	6,264,432	—	6,264,432	—	—
Changes during the period						
Issuance of new investment units	37,901,832					
Dividends in excess of retained earnings			(763,290)	(763,290)		
Reserve for temporary difference adjustment					708	708
Dividends from surplus						
Net income						
Net changes other than unitholders' equity						
Total changes during the period	37,901,832	—	(763,290)	(763,290)	708	708
Balance at the end of the period	120,367,271	6,264,432	(763,290)	5,501,141	708	708

	Unitholders' Equity			Valuation and conversion adjustments, etc.		Total Net Assets
	Surplus		Total Unitholders' Equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Unappropriated Retained Earnings/Loss	Total surplus				
Balance at the beginning of the period	3,028,323	9,292,755	91,758,194	—	—	91,758,194
Changes during the period						
Issuance of new investment units		—	37,901,832			37,901,832
Dividends in excess of retained earnings		(763,290)	(763,290)			(763,290)
Reserve for temporary difference adjustment	(708)	—	—			—
Dividends from surplus	(3,027,614)	(3,027,614)	(3,027,614)			(3,027,614)
Net income	4,363,420	4,363,420	4,363,420			4,363,420
Net changes other than unitholders' equity				(227,532)	(227,532)	(227,532)
Total changes during the period	1,335,097	572,515	38,474,348	(227,532)	(227,532)	38,246,815
Balance at the end of the period	4,363,420	9,865,270	130,232,542	(227,532)	(227,532)	130,005,009



## (4) Statement of Cash Distribution

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
I Unappropriated retained earnings	JPY 3,028,323,270	JPY 4,363,420,951
II Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustment	-	JPY 708,942
III Distribution in excess of retained earnings		
Allowance for temporary difference adjustment	-	JPY 224,225,264
Deduction from capital surplus	JPY 763,290,954	-
IV Distributions	JPY 3,790,905,282	JPY 4,359,527,264
(Distribution per unit)	JPY 1,187	JPY 1,186
Of which, distributions of earnings	JPY 3,027,614,328	JPY 4,135,302,000
(Distributions of earnings per unit)	JPY 948	JPY 1,125
Of which, allowance for adjustment for temporary difference	-	JPY 224,225,264
(Distributions in excess of net earnings per unit (Allowance for adjustment for temporary difference))	-	(JPY 61)
Of which, distributions in excess of net earnings	JPY 763,290,954	-
(Distributions in excess of net earnings per unit (Other distributions in excess of net earnings))	JPY 239	-
V Voluntary retained earnings		
Reserve for temporary difference adjustment	JPY 708,942	-
VI Retained earnings carried forward	-	JPY 228,827,893
Calculation method of distribution amount	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 3,027,614,328 out of the unappropriated retained earnings of JPY 3,028,323,270. Moreover, INV	As shown above, the distribution per unit for the Reporting Period is JPY 1,186. With respect to profit distributions (not including distributions in excess of profit), INV decided to distribute almost all of its profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, other than fractional amount per unit less than JPY 1, aiming to include the maximum amount of profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures (Act No. 26, 1957). As a result, the distribution of earnings per unit (not including distributions in excess of profit per unit) is JPY 1,125.

	<p>make excess profit distribution (refund of investment), based on policy on the distribution of funds as set forth in Article 17, Paragraph 4 of the Articles of Incorporation. Based on such policy, INV declared a distribution (refund of investment) of JPY 763,290,954, which is the amount equivalent to approximately 60% of the depreciation expense of JPY 1,275,714,057.</p>	<p>In addition, in accordance with the distribution policy as set forth in the Articles of Incorporation, INV makes distributions in excess of earnings of the amount that it determines as the amount equivalent to items deducted from net assets (as set forth in Article 2, Paragraph 2, Item 30 (b) of the Ordinance on Accountings of Investment Corporations), taking into consideration the effect of the items deducted from net assets on the distributions (the “Excess Profit Distribution”). For the Reporting Period, INV makes Distribution in excess of earnings of JPY 227 million, corresponding to deferred losses on hedges, of which, the distribution of allowance for temporary difference adjustment is JPY 224 million, and the distribution per unit of the allowance for temporary difference adjustment is JPY 61.</p>
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## (5) Statement of Cash Flows

(Unit: JPY thousand)

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Cash flows from operating activities		
Net income before 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 receivable	(431,538)	(306,493)
Decrease (increase) in consumption taxes receivable	(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, net	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)
Net cash provided by operating activities	4,312,234	5,319,276
Cash flows from investing 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	(40,738)	(56,280)
Repayments of tenant leasehold and security deposits in trust	239,098	474,368
Payments of tenant leasehold and security deposits	(29,483)	(574,396)
Other, net	(2,211)	(2,211)
Net cash used in investing activities	(43,092,621)	(86,000,448)
Cash flows from financing activities		
Proceeds from short-term loans payable	1,401,000	3,498,000
Repayment of short-term loans payable	(321,000)	(1,080,000)
Proceeds from long-term loans payable	90,619,000	47,800,000
Repayment of long-term loans payable	(62,341,000)	-
Repayment of long-term loans payable in trust	(9,960,000)	-
Payments for loan- related costs	(1,250,432)	(594,356)
Payment of distributions of earnings	(2,292,901)	(3,014,523)
Payment of distributions in excess of retained earnings	-	(763,290)
Proceeds from issuance of investment units	29,230,158	37,780,441
Net cash used in 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	※1 13,818,981	※1 16,764,078

(6) Notes Concerning Going Concerns Assumption  
None

(7) Notes Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets

(a) Property, plant and equipment (including assets in trust)

The straight-line method is used.

The useful lives of major property, plant and equipment are as follows.

Buildings	77 years
Buildings and accompanying facilities	8-24 years
Structures	7-18 years
Buildings in trust	2-67 years
Buildings and accompanying facilities in trust	2-33 years
Structures in trust	3-55 years
Tools, furniture and fixtures in trust	2-19 years

(b) Intangible assets

The straight-line method is used. For leasehold interests (fixed-term land lease for business purposes), the straight-line method based on the lease period is used.

(c) Long-term prepaid expenses

The straight-line method is used.

2. Method of calculating allowances

Allowance for doubtful accounts

To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.

3. Revenue and expense recognition

Accounting treatment of property taxes and other taxes

With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses.

Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate or trust beneficiary interests in real estate instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition of real estate during the fiscal period ended June 30, 2016 is JPY 176,385 thousand.

4. Method of hedge accounting

(a) Method of hedge accounting

Deferral hedge accounting is used.

(b) Hedging instrument and hedged item

Hedging instrument: interest rate swap

Hedged item: interest on borrowings

(c) Hedge policy

INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.

(d) Method of evaluating hedge effectiveness

Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.

5. Cash and cash equivalents as stated in Statement of Cash Flows

Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.

6. Other significant matters which constitute the basis for preparation of financial statements

(i) Accounting treatment of trust beneficiary interests in real estate

As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.

(a) Cash and deposits in trust

(b) Buildings in trust

Buildings and accompanying facilities in trust

Structures in trust

Tools, furniture and fixtures in trust

Land in trust

Construction in progress in trust

(c) Land leasehold rights in trust

(d) Tenant leasehold and security deposits in trust

(ii) Accounting treatment of deferred charges

Investment unit issuance costs

The full amount is recorded as expense at the time of expenditure.

(iii) Accounting treatment of consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(8) Notes to changes in indication method

(Statement of Cash Flows)

In the fiscal period ended December 31, 2015, "Payment for leasehold and security deposits" was included in "Other" under "Cash flows from investing activities". However, due to an increase in the relevant amount, it has become significant enough to be recorded as a separate item in the fiscal period ended June 30, 2016. As a result, the entry for (JPY 2,211,000), which was recorded under "Cash flows from investing activities – Others" for the previous period is now indicated under "Payments of tenant leasehold and security deposits".

(9) Notes to the Financial Statements

(Notes to the Balance Sheet)

※1. Matters concerning treatment of reversal of reserve for temporary difference adjustment.

Fiscal Period ended December 31, 2015 (as of December 31, 2015)

None

Fiscal period ended June 30, 2016 (as of June 30, 2016)

INV plans to reverse all of the reserve for temporary difference adjustment in the amount of JPY 708 thousand, and use the fund as part of the profit distributions to be made in the next fiscal period.

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

(Unit: JPY thousand)	
Fiscal Period ended December 31, 2015 (as of December 31, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
50,000	50,000

(Notes to Statement of Income)

※1. Rental revenues and property related expenses

(Unit: JPY thousands)

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
A. Real property rental revenue		
Rental revenue		
Rent/common area charges	6,652,619	7,889,877
Other revenue	211,156	268,342
Total	6,863,775	8,158,220
B. Real property related expenses		
Property related expenses		
Maintenance costs	472,597	554,149
Taxes and public dues	250,268	281,065
Insurance expenses	9,934	12,669
Depreciation expenses	1,275,714	1,676,736
Other expenses	169,651	173,364
Total	2,178,165	2,697,986
C. Operating income from rental revenue (A-B)	4,685,610	5,460,234

(Notes to Statement of Unitholders' Equity)

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

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	3,193,686 units	3,675,824 units

(Notes to Statement of Cash Flow)

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

(Unit: JPY thousands)

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Cash and bank deposits	7,885,398	11,322,762
Cash and bank deposits in trust	5,933,582	5,441,316
Cash and cash equivalents	13,818,981	16,764,078

(Notes Related to Lease Contracts)

Operating lease transactions (as lessee)  
Remaining lease payments

	Fiscal Period ended December 31, 2015 (as of December 31, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
Due within one year	112,249	244,619
Due after one year	2,111,914	7,490,299
Total	2,224,164	7,734,918

(Unit: JPY thousand)

Operating lease transactions (as lessor)  
Remaining lease payments

	Fiscal Period ended December 31, 2015 (as of December 31, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
Due within one year	3,657,829	5,988,176
Due after one year	31,055,536	50,718,568
Total	34,713,366	56,706,745

(Unit: JPY thousand)

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

Derivative transactions are to be entered into for the purpose of hedging against the risk of future interest rate increases, etc. and not for speculation.

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

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

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

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

The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is determined through a reasonable estimate. Since certain assumptions, etc. are used in estimating the fair value, different assumptions, etc. may result in the variance of such value.



## 2. Estimated fair value of financial instruments

Fiscal Period ended December 31, 2015 (As of December 31, 2015)

Book value, fair value and the difference between values as of December 31, 2015 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	7,885,398	7,885,398	-
(2) Cash and bank deposits in trust	5,933,582	5,933,582	-
Total assets	13,818,981	13,818,981	-
(3) Short-term loans	(1,080,000)	(1,080,000)	-
(4) Long-term loans	(90,619,000)	(90,619,000)	-
Total liabilities	(91,699,000)	(91,699,000)	-

Fiscal Period ended June 30, 2016 (As of June 30, 2016)

Book value, fair value and the difference between values as of June 30, 2016 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	11,322,762	11,322,762	-
(2) Cash and bank deposits in trust	5,441,316	5,441,316	-
Total assets	16,764,078	16,764,078	-
(3) Short-term loans	(3,498,000)	(3,498,000)	-
(4) Accounts payable	(8,957,286)	(8,957,286)	-
(5) Long-term loans	(138,419,000)	(138,419,000)	-
Total liabilities	(150,874,286)	(150,874,286)	-
(6) Derivative transactions	(227,532)	(227,532)	-

(Note 1) Items recorded in the Liabilities Section are shown in parenthesis.

(Note 2) Receivables and payables arising from derivative transactions are recorded in net amounts, and if the total net amount is a negative amount, such amount are shown in parenthesis.

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

- (1) Cash and bank deposits    (2) Cash and bank deposits in trust    (3) Short-term loans    (4) Accounts payable  
 Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.
- (5) Long-term loans  
 Long-term loan with floating interest rates reflecting changes in market rates within a short term period are stated at their book value as their book values approximate their fair values.
- (6) Derivative transactions  
 Please refer to the “Notes Related to Derivative Transactions” below.

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

(Unit: JPY thousand)

	Fiscal Period ended December 31, 2015 (as of December 31, 2015)	Fiscal Period ended June 30, 2016 (as of June 30, 2016)
Tenant leasehold and security deposits	28,663	28,663
Tenant leasehold and security deposits in trust	1,617,867	2,035,843

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

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

Fiscal Period ended December 31, 2015 (As of December 31, 2015)

(Unit: JPY thousand)

	Due within One Year	Due after One to Two Years	Due after Two to Three Years	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years
Cash and bank deposits	7,885,398	-	-	-	-	-
Cash and bank deposits in trust	5,933,582	-	-	-	-	-
Total	13,818,981	-	-	-	-	-

Fiscal Period ended June 30, 2016 (As of June 30, 2016)

(Unit: JPY thousand)

	Due within One Year	Due after One to Two Years	Due after Two to Three Years	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years
Cash and bank deposits	11,322,762	-	-	-	-	-
Cash and bank deposits in trust	5,441,316	-	-	-	-	-
Total	16,764,078	-	-	-	-	-

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

Fiscal Period ended December 31, 2015 (As of December 31, 2015)

(Unit: JPY thousand)

	Due within One Year	Due after One to Two Years	Due after Two to Three Years	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years
Short-term loans	1,080,000	-	-	-	-	-
Long-term loans	-	-	28,979,000	32,661,000	28,979,000	-
Total	1,080,000	-	28,979,000	32,661,000	28,979,000	-

Fiscal Period ended June 30, 2016 (As of June 30, 2016)

(Unit: JPY thousand)

	Due within One Year	Due after One to Two Years	Due after Two to Three Years	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years
Short-term loans	3,498,000	-	-	-	-	-
Long-term loans	-	-	46,663,000	44,094,000	47,662,000	-
Total	3,498,000	-	46,663,000	44,094,000	47,662,000	-

(Notes Related to Investment Securities)

None

(Notes Related to Derivative Transactions)

1. Hedge accounting was not applied

Fiscal Period ended December 31, 2015 (As of December 31, 2015)

None

Fiscal Period ended June 30, 2016 (As of June 30, 2016)

None

2. Hedge accounting was applied

Fiscal Period ended December 31, 2015 (As of December 31, 2015)

None

Fiscal Period ended June 30, 2016 (As of June 30, 2016)

The contractual amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below.

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contractual amount, etc. (※1)		Fair value (※2)
				Amount due after one year	
Standard method of treatment	Interest rate swap Receive floating rate/pay fixed rate	Long-term loans	99,119,000	99,119,000	(227,532)

(Note 1) The contractual amount, etc. are stated based on a notional principal.

(Note 2) The fair value is estimated based on the price, etc. presented by the correspondent financial institutions.

(Notes Related to Retirements Payments)

None

(Notes Related to Asset Retirement Obligations)

Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)

None

Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

1. Summary of the asset retirement obligations for the period

INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of land of Comfort Hotel Maebashi held by INV.

2. Calculation method for asset retirement obligations for the period

The amount of the asset retirement obligations has been calculated by fixing the estimated period of use at 43 years, based on the period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.

3. Increase/decrease in the total amount of asset retirement obligations for the current fiscal period

(Unit: JPY thousand)

Balance at the beginning of the period	-
Liabilities incurred due to the acquisition of properties	30,868
Accretion expense	182
Balance at the end of the period	31,050

(Notes Related to Segment and Related Information)

I. Segment Information

Disclosure is omitted because the real estate investment business is INV's sole business and it has no reportable segments.

II. Related Information

Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)

1. Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category accounted for over 90% of the operating revenue on the statement of income.

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan accounted for over 90% of the operating revenue on the statement of income.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan accounted for over 90% of the amount of property and equipment on the balance sheet.

3. Information about each major customer

(Unit: JPY thousand)

Name of Customer	Operating revenues	Related segment
MyStays Hotel Management Co., Ltd.	3,125,985	Real Estate Investment

Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

1. Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category accounted for over 90% of the operating revenue on the statement of income.

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan accounted for over 90% of the operating revenue on the statement of income.

(2) Property, plant and equipment

Disclosure is omitted because the amount of property and equipment located in Japan accounted for over 90% of the amount of property and equipment on the balance sheet.

3. Information about each major customer

(Unit: JPY thousand)

Name of Customer	Operating revenues	Related segment
MyStays Hotel Management Co., Ltd.	3,389,166	Real Estate Investment

## (Notes Related to Rental Properties)

INV owns residential properties and hotels as core assets as well as other various properties including offices and retail assets principally in the Tokyo area and major regional cities in order to establish a portfolio which focuses on both stability and growth potential. The book value amount changed during the period and balance at the end of the period are as follows.

(Unit: JPY thousand)

			Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Residences	Book value	Balance at the beginning of the period	55,269,403	60,305,706
		Change during the period	5,036,303	7,968,789
		Balance at the end of the period	60,305,706	68,274,496
	Fair value at the end of the period		68,592,000	77,214,000
Offices	Book value	Balance at the beginning of the period	8,514,702	8,487,876
		Change during the period	(26,826)	(17,489)
		Balance at the end of the period	8,487,876	8,470,387
	Fair value at the end of the period		7,206,000	7,219,000
Commercial facilities	Book value	Balance at the beginning of the period	5,178,288	5,134,083
		Change during the period	(44,205)	(46,557)
		Balance at the end of the period	5,134,083	5,087,525
	Fair value at the end of the period		5,830,000	5,840,000
Parking lots	Book value	Balance at the beginning of the period	100,822	100,821
		Change during the period	(1)	(1)
		Balance at the end of the period	100,821	100,820
	Fair value at the end of the period		112,000	113,000
Hotels	Book value	Balance at the beginning of the period	58,211,612	95,223,054
		Change during the period	37,011,441	84,314,865
		Balance at the end of the period	95,223,054	179,537,920
	Fair value at the end of the period		133,212,000	232,905,000
Total	Book value	Balance at the beginning of the period	127,274,829	169,251,542
		Change during the period	41,976,712	92,219,607
		Balance at the end of the period	169,251,542	261,471,150
	Fair value at the end of the period		214,952,000	323,291,000

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

- (Note 2) The major factors for the increase for the fiscal period ended December 31, 2015 were acquisition of new residential properties/hotels, capital expenditures related to construction work, and the major factor of the decrease was depreciation. The major factors for the increase for the fiscal period ended June 30, 2016 were acquisition of new residential properties and hotels, capital expenditures related to construction work, and the major factor for the decrease was depreciation.
- (Note 3) The fair value as of the end of the reporting period is determined based on the appraisal value provided by Asset Research and Development Inc., Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc., Tanizawa Sogo Appraisal Co., Ltd., and Daiwa Real Estate Appraisal Co., Ltd.

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

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit: JPY thousand)

	Fiscal Period ended December 31, 2015	Fiscal Period ended June 30, 2016
(Deferred tax assets - current assets)		
Enterprise tax payable	489	481
Accounts receivable (merger)	186	183
Allowance for doubtful accounts	806	877
Subtotal	1,482	1,542
Valuation allowance	1,482	1,542
Total	-	-
(Net deferred tax assets - current)	-	-
(Deferred tax assets - non-current assets)		
Buildings and other (merger)	735,158	711,143
Land (merger)	2,129,657	2,092,087
Deferred gains/losses on hedges	-	72,218
Long-term accrued expenses	7,329,595	7,200,289
Asset retirement obligations	-	9,855
Subtotal	10,194,411	10,085,594
(Deferred tax liabilities - non-current liabilities)		
Removal expenses included in asset retirement obligations	-	9,797
Subtotal	-	9,797
Valuation allowance	10,194,411	10,075,797
Total	-	-
(Net deferred tax assets - non-current)	-	-

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

(Unit: %)

	Fiscal Period ended December 31, 2015	Fiscal Period ended June 30, 2016
Statutory tax rate	32.31	32.31
Deductible cash distributions	(31.93)	(32.21)
Provision of reserve for reduction entry	(0.38)	(2.72)
Others	0.02	2.63
Effective tax rate	0.02	0.01

3. Modifications to the amount of deferred tax assets and deferred tax liabilities due to changes in the corporation tax rate, etc.

Due to the enactment of the “Act to Partially Revise the Income Tax Act and Others” (Act No. 15 of 2016) and the “Act to Partially Revise the Local Tax Act and Others” (Act No. 13 of 2016) on March 29, 2016, the corporation tax rate, etc. was reduced from the fiscal period commencing after April 1, 2016. Accordingly, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities will be changed from the existing rate of 32.31% to 31.74% for the temporary difference expected to be reversed during fiscal periods commencing after July 1, 2016. There is little impact from this change.

## (Notes Related to Equity-Method Income)

None

## (Notes Related to Transactions with Related Parties)

## 1. Transactions with Parent Company and Major Unitholders

Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)

Classification	Name	Address	Stated Capital (JPY million)	Business or Occupation	Ratio of Voting Rights Owned (%)	Relationship		Type of Transaction	Transaction Amount (JPY thousand) (Note 1)	Account	Balance at the End of the Period (JPY thousand) (Note 1)
						Common Board Member	Business Relationship				
Interested party of the Asset Manager	Skye Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	7,801,000	-	-
	Nishi Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	14,405,000	-	-
	Rannoch Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	5,707,000	-	-
	Wakusei Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,198,000	-	-
	Suisei Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,603,000	-	-
	Aki Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	1,277,000	-	-
	Zephyrus Tokutei Mokuteki Kaisha (Note 3)	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	1,237,000	-	-
	Godo Kaisha Baretta (Note 3)	Minato Ward, Tokyo	3	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	5,099,000	-	-
	MyStays Hotel Management Co., Ltd. (Note 3)	Minato Ward, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	3,125,985	Accounts receivable	920,391



- (Note 1) Consumption taxes, etc., are not included in transaction amounts, but are included in the balance at the end of the period.
- (Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.
- (Note 3) Skye Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Rannoch Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Suisei Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha, Zephyrus Tokutei Mokuteki Kaisha, Godo Kaisha Baretta and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope. Accordingly, INV treats Skye Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Rannoch Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Suisei Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha, Zephyrus Tokutei Mokuteki Kaisha, Godo Kaisha Baretta and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.
- (Note 4) Calliope holds 609,942 units (holding percentage: 19.09%) of the issued investment units of INV.
- (Note 5) The purchase of trust beneficiary interests pertains to the following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, to which other expenses for acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
A100	City Court Kitaichijo	Godo Kaisha Baretta	1,782,000
A101	Lieto Court Mukojima	Godo Kaisha Baretta	1,683,000
A102	Lieto Court Nishi-Ojima	Godo Kaisha Baretta	1,634,000
D24	Hotel MyStays Haneda	Skye Tokutei Mokuteki Kaisha	7,801,000
D25	Hotel MyStays Kameido P1	Nishi Tokutei Mokuteki Kaisha	5,594,000
D26	Hotel MyStays Ueno Iriyaguchi	Rannoch Tokutei Mokuteki Kaisha	3,821,000
D27	Hotel MyStays Kameido P2	Nishi Tokutei Mokuteki Kaisha	3,742,000
D28	Hotel Vista Shimizu	Wakusei Tokutei Mokuteki Kaisha	2,198,000
D29	Super Hotel Shinbashi/ Karasumoriguchi	Suisei Tokutei Mokuteki Kaisha	1,624,000
D30	Flexstay Inn Higashi-Jujo	Aki Tokutei Mokuteki Kaisha	1,277,000
D31	Hotel MyStays Utsunomiya	Zephyrus Tokutei Mokuteki Kaisha	1,237,000
D32	Flexstay Inn Kawasaki-Kaizuka	Rannoch Tokutei Mokuteki Kaisha	980,000
D33	Comfort Hotel Toyama	Suisei Tokutei Mokuteki Kaisha	979,000
D34	Flexstay Inn Kawasaki-Ogawacho	Rannoch Tokutei Mokuteki Kaisha	906,000
D35	Flexstay Inn Ekoda	Nishi Tokutei Mokuteki Kaisha	5,069,000
Total			40,327,000

Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

Classification	Name	Address	Stated Capital (JPY million)	Business or Occupation	Percentage of Voting Rights Owned (%)	Relationship		Type of Transaction	Transaction Amount (JPY thousand) (Note 1)	Account	Balance at the End of the Period (JPY thousand) (Note 1)
						Common Board Member	Business Relationship				
Interested party of the Asset Manager	Aki Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	3,160,000	-	-
	Navaro Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	20,155,000	-	-
	Momo Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	7,934,000	-	-
	Tsuki Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	24,674,000	-	-
	Septentrio Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	12,588,600	-	-
	Septentrio 2 Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	4,196,199	-	-
	Septentrio 3 Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	4,196,199	-	-
	Ginga Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	13,761,000	Accounts payable	8,800,548
	Wakusei Tokutei Mokuteki Kaisha	Minato Ward, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,139,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd.	Minato Ward, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	627,563	Accounts receivable	220,811
MyStays Hotel Management Co., Ltd.	Minato Ward, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	3,389,166	Accounts receivable	990,543	

- (Note 1) Consumption taxes, etc., are not included in transaction amounts, but are included in the balance at the end of the period.
- (Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.
- (Note 3) Aki Tokutei Mokuteki Kaisha, Navaro Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Tsuki Tokutei Mokuteki Kaisha, Septentrio Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Septentrio 3 Tokutei Mokuteki Kaisha, Ginga Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope. Accordingly, INV treats Aki Tokutei Mokuteki Kaisha, Navaro Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Tsuki Tokutei Mokuteki Kaisha, Septentrio Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Septentrio 3 Tokutei Mokuteki Kaisha, Ginga Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.
- (Note 4) Calliope holds 609,942 units (holding percentage: 16.6%) of the issued investment units of INV.
- (Note 5) The purchase of trust beneficiary interests pertains to the following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, to which other expenses for acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
A103	Royal Parks Momozaka	Momo Tokutei Mokuteki Kaisha	2,910,000
A104	Royal Parks Shinden	Momo Tokutei Mokuteki Kaisha	5,024,000
D38	Hotel MyStays Shinsaibashi	Aki Tokutei Mokuteki Kaisha	3,160,000
D39	Comfort Hotel Kurosaki	Navaro Tokutei Mokuteki Kaisha	1,148,000
D40	Comfort Hotel Maebashi	Navaro Tokutei Mokuteki Kaisha	1,128,000
D41	Comfort Hotel Tsubame-Sanjo	Navaro Tokutei Mokuteki Kaisha	1,010,000
D42	Comfort Hotel Kitami	Navaro Tokutei Mokuteki Kaisha	851,000
D43	Hotel MyStays Gotanda Station	Tsuki Tokutei Mokuteki Kaisha	24,674,000
D44	Hotel Epinard Nasu	Serpentrio Tokutei Mokuteki Kaisha Serpentrio 2 Tokutei Mokuteki Kaisha Serpentrio 3 Tokutei Mokuteki Kaisha	20,981,000
D45	Hotel MyStays Fukuoka Tenjin	Navaro Tokutei Mokuteki Kaisha	8,059,000
D46	Hotel MyStays Hamamatsucho	Navaro Tokutei Mokuteki Kaisha	7,959,000
D47	Hotel MyStays Kanazawa	Ginga Tokutei Mokuteki Kaisha	13,761,000
D48	Takamatsu Tokyo REI Hotel	Wakusei Tokutei Mokuteki Kaisha	2,139,000
Total			92,804,000

## 2. Transactions with Affiliates

None for both the fiscal period ended December 31, 2015 and the fiscal period ended June 30, 2016

## 3. Transactions with Companies under Common Control

None for both the fiscal period ended December 31, 2015 and the fiscal period ended June 30, 2016

#### 4. Transactions with Directors and Major Unitholders

Fiscal Period ended December 31, 2015 (from July, 2015 to December 31, 2015)

Classification	Name	Business or occupation	Ratio of voting rights (%)	Details of transaction	Transaction amount (JPY thousand) (Note 3)	Account	Balance at the end of the period (JPY thousand) (Note 3)
Directors and close relatives	Naoki Fukuda	Executive Director of INV and President & CEO of Consonant Investment Management Co., Ltd.	-	Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1)	180,000	Trade and other payables	97,200
Same as above	Same as above	Same as above	-	Payment of general administration fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2)	1,100	Trade and other payables	864

(Note 1) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the Articles of Incorporation of INV.

(Note 2) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the "General Administrative Agreement relating to Organizational Management," entered into by and between INV and the Asset Manager.

(Note 3) Consumption taxes, etc. are not included in the transaction amounts, but are included in the balance at the end of the period.

Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

Classification	Name	Business or occupation	Ratio of voting rights (%)	Details of transaction	Transaction amount (JPY thousand) (Note 3)	Account	Balance at the end of the period (JPY thousand) (Note 3)
Directors and close relatives	Naoki Fukuda	Executive Director of INV and President & CEO of Consonant Investment Management Co., Ltd.	-	Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1)	259,280	Trade and other payables	135,000
Same as above	Same as above	Same as above	-	Payment of general administration fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2)	600	Trade and other payables	324

(Note 1) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the Articles of Incorporation of INV.

(Note 2) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in "General Administrative Agreement relating to Organizational Management," entered into by and between INV and the Asset Manager.

(Note 3) Consumption taxes, etc. are not included in the transaction amounts, but are included in the balance at the end of the period.

(Notes Related to Per Unit Information)

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Net assets per unit	JPY 28,731	JPY 35,368
Net income per unit	JPY 937	JPY 1,270

Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.

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

	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	Fiscal Period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)
Net income for the fiscal period ended June 30, 2016 (JPY thousand)	2,952,688	4,363,420
Amounts not attributable to common unitholders (JPY thousand)	-	-
Net income attributable to common unitholders (JPY thousand)	2,952,688	4,363,420
Average number of investment units during the period (units)	3,149,936	3,436,572

(Significant Subsequent Events)

1. Borrowing of Funds

In order to raise a part of the funds to be used for the acquisition of trust beneficiary interests for the 2 hotel properties acquired on June 15, 2016, INV implemented the following borrowing on July 20, 2016.

Term Loan (E)

Lender	: The Tokyo Star Bank, Limited
Borrowing amount	: JPY 4,000 million
Interest rate, etc.	: Base Rate (1-month JPY TIBOR) + 0.40%, 0.50%, 0.60%
Interest payment date	: On (i) the last Japanese business day of each month before the principal maturity date, beginning with July 29, 2016, and (ii) the principal maturity date
Principal repayment method	: Lump-sum repayment
Borrowing method	: Unsecured / with no guarantee
Borrowing date	: July 20, 2016
Maturity date	: July 20, 2019, July 20, 2020, July 20, 2021

## (10) Changes in Total Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity from the date of establishment to the end of the Reporting Period are as follows.

Date	Type of Issue	Total Number of Investment Units Issued and Outstanding		Unitholders' Equity (JPY)		Reference
		Increase	Total	Increase	Total	
January 18, 2002	Private placement for incorporation	400	400	200,000,000	200,000,000	(Note 1)
December 26, 2003	Private placement	2,700	3,100	1,012,500,000	1,212,500,000	(Note 2)
January 9, 2004	Private Placement	1,350	4,450	506,250,000	1,718,750,000	(Note 2)
January 21, 2004	Private placement	1,333	5,783	499,875,000	2,218,625,000	(Note 2)
January 27, 2004	Private placement	267	6,050	100,125,000	2,318,750,000	(Note 2)
January 28, 2004	Private placement	800	6,850	300,000,000	2,618,750,000	(Note 2)
January 31, 2004	Private placement	266	7,116	99,750,000	2,718,500,000	(Note 2)
February 5, 2004	Private placement	800	7,916	300,000,000	3,018,500,000	(Note 2)
February 7, 2004	Private placement	1,333	9,249	499,875,000	3,518,375,000	(Note 2)
May 17, 2004	Public offering	9,000	18,249	3,377,250,000	6,895,625,000	(Note 3)
February 7, 2005	Public offering	10,650	28,899	3,937,667,100	10,833,292,100	(Note 4)
July 31, 2006	Public offering	25,000	53,899	8,301,125,000	19,134,417,100	(Note 5)
February 1, 2010	Unit split	215,596	269,495	-	19,134,417,100	(Note 6)
February 1, 2010	Merger	367,200	636,695	-	19,134,417,100	(Note 7)
July 29, 2011	Third-party allotment	711,597	1,348,292	6,999,979,689	26,134,396,789	(Note 8)
December 20, 2013	Third-party allotment	224,887	1,573,179	2,999,992,580	29,134,389,369	(Note 9)
July 16, 2014	Public offering	1,040,000	2,613,179	22,747,920,000	51,882,309,369	(Note 10)
August 13, 2014	Third-party allotment	55,507	2,668,686	1,214,104,611	53,096,413,980	(Note 11)
July 15, 2015	Public offering	500,000	3,168,686	27,970,500,000	81,066,913,980	(Note 12)
August 12, 2015	Third-party allotment	25,000	3,193,686	1,398,525,000	82,465,438,980	(Note 13)
March 30, 2016	Public offering	459,512	3,653,198	36,123,157,344	118,588,596,324	(Note 14)
April 27, 2016	Third-party allotment	22,626	3,675,824	1,778,675,112	120,367,271,436	(Note 15)

(Note 1) INV was incorporated through a private placement at a price of JPY 500,000 per unit.

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

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

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

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

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

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

- (Note 8) New investment units were issued in a third party allotment at a price of JPY 9,837 per unit to make repayment of existing loan, etc.
- (Note 9) New investment units were issued in a third party allotment at a price of JPY 13,340 per unit to make repayment of existing loan, etc.
- (Note 10) New investment units were issued in a public offering at a price of JPY 22,688 per unit (JPY 21,873 after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 11) New investment units were issued in a third party allotment at a price of JPY 21,873 per unit for the purpose of cash reserve to appropriate to repayment in future borrowings.
- (Note 12) New investment units were issued in a public offering at a price of JPY 57,817 per unit (JPY 55,941 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 13) New investment units were issued in a third party allotment at a price of JPY 55,941 per unit for the purpose of allocation to cash reserves to be used as part of the funds for future acquisition of properties.
- (Note 14) New investment units were issued in a public offering at a price of JPY 81,217 per unit (JPY 78,612 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 15) New investment units were issued in a third party allotment at a price of JPY 78,612 per unit for the purpose of allocation to cash reserves to be used as a part of the funds for future acquisition of properties.

#### 4. Change in Directors

Changes in directors are disclosed in a timely manner upon the determination of such changes.

## 5. Reference Information

### (1) Composition of INV's Assets

Type of asset	Purpose	Geographic area (Note 1)	Fiscal Period ended December 31, 2015 (as of December 31, 2015)		Fiscal Period ended June 30, 2016 (as of June 30, 2016)	
			Amount held (JPY million) (Note 2)	Percentage of total assets (%)	Amount held (JPY million) (Note 2)	Percentage of total assets (%)
Real estate	Residential	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
	Office/Retail	Greater Tokyo area	707	0.4	705	0.2
		Major regional cities	—	—	—	—
		Subtotal	707	0.4	705	0.2
	Hourly parking, etc	Greater Tokyo area	100	0.1	100	0.0
		Major regional cities	—	—	—	—
		Subtotal	100	0.1	100	0.0
	Hotel	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
Total real estate			808	0.4	806	0.3
Real estate in trust	Residential	Greater Tokyo area	45,941	24.7	51,860	18.3
		Major regional cities	13,505	7.3	16,413	5.8
		Subtotal	59,446	32.0	68,274	24.0
	Office/Retail	Greater Tokyo area	7,037	3.8	7,023	2.5
		Major regional cities	5,877	3.2	5,828	2.1
		Subtotal	12,914	6.9	12,852	4.5
	Hourly parking, etc	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
	Hotel	Greater Tokyo area	67,207	36.1	102,445	36.1
		Major regional cities	23,037	12.4	77,092	27.1
		Subtotal	90,245	48.5	179,537	63.2
Total real estate in trust			162,606	87.5	260,664	91.7
Deposits and other assets			22,504	12.1	22,634	8.0
Total assets (Note 3)			185,918 (163,414)	100.0 (87.9)	284,106 (261,471)	100.0 (92.0)

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

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

(Note 3) The figures indicated in "( )" under "Total assets" show the amounts related to actual owned real estate.



	Fiscal Period ended December 31, 2015 (as of December 31, 2015)		Fiscal Period ended June 30, 2016 (as of June 30, 2016)	
	Amount (JPY million)	Percentage to total assets (%)	Amount (JPY million)	Percentage to total assets (%)
Total Liabilities	94,160	50.6	154,101	54.2
Total Net Assets	91,758	49.4	130,005	45.8
Total Liabilities and Net Assets	185,918	100.0	284,106	100.0

## (2) Real Estate Properties

The following summarizes the real estate and real estate held in trust that INV held as of June 30, 2016.

## a Price and investment percentage

Property number (Note 1)	Name of property	Location (Note 2)	Type of ownership	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of June 30, 2016 (JPY million) (Note 5)	
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	1,251	1,128	0.5	1,150	(Note 6)
A27	Nisshin Palacestage Higashi- Nagasaki	5-4-1 Nagasaki, Toshima-ku, Tokyo	Trust beneficiary interests	1,229	1,095	0.5	1,270	(Note 6)
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	888	831	0.3	993	(Note 6)
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	1,070	990	0.4	1,110	(Note 6)
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interests	1,505	1,383	0.6	1,370	(Note 6)
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo-ku, Tokyo	Trust beneficiary interests	1,428	1,357	0.5	1,320	(Note 6)
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interests	1,088	1,082	0.4	1,070	(Note 6)
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,059	972	0.4	1,180	(Note 6)
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,023	961	0.4	1,040	(Note 6)
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	906	835	0.3	979	(Note 6)
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	825	757	0.3	878	(Note 6)
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interests	795	752	0.3	703	(Note 6)
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interests	676	643	0.3	641	(Note 6)
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interests	651	654	0.2	620	(Note 6)
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interests	646	645	0.2	492	(Note 6)
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interests	620	551	0.2	716	(Note 6)
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku-ku, Tokyo	Trust beneficiary interests	604	619	0.2	567	(Note 6)
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interests	589	564	0.2	534	(Note 6)
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interests	589	563	0.2	601	(Note 6)
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	572	535	0.2	515	(Note 6)
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima-ku, Tokyo	Trust beneficiary interests	566	524	0.2	565	(Note 6)
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interests	557	525	0.2	449	(Note 6)

Property number (Note 1)	Name of property	Location (Note 2)	Type of ownership	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of June 30, 2016 (JPY million) (Note 5)	
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interests	510	463	0.2	536	(Note 6)
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	2,520	2,355	0.9	3,090	(Note 7)
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku-ku, Tokyo	Trust beneficiary interests	3,260	3,071	1.2	3,850	(Note 8)
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,880	1,886	0.7	2,400	(Note 8)
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,450	1,346	0.5	1,780	(Note 9)
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro-ku, Tokyo	Trust beneficiary interests	1,070	967	0.4	1,050	(Note 7)
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	866	827	0.3	1,050	(Note 7)
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interests	577	553	0.2	705	(Note 8)
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	970	870	0.4	1,170	(Note 9)
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,110	1,022	0.4	1,350	(Note 7)
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	415	398	0.2	549	(Note 7)
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interests	330	292	0.1	446	(Note 7)
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interests	255	234	0.1	260	(Note 9)
A71	Lexington Square Daitabashi	1-33-18 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	977	875	0.4	1,150	(Note 9)
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interests	511	451	0.2	593	(Note 9)
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,180	1,001	0.4	1,200	(Note 9)
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya-ku, Tokyo	Trust beneficiary interests	7,010	6,566	2.6	7,840	(Note 7)
A76	Neo Prominence	3-21-5 Shimo, Kita-ku, Tokyo	Trust beneficiary interests	1,660	1,628	0.6	1,870	(Note 7)
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	1,260	1,205	0.5	1,420	(Note 7)
A78	Cosmo Court Motomachi	3-12-20 Motomachi Dori Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	973	927	0.4	1,070	(Note 7)
A79	Revest Honjin	2-13 Torii Dori Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	674	642	0.3	785	(Note 7)
A80	Revest Matsubara	3-13-12 Matsubara Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	657	629	0.2	769	(Note 7)
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	625	605	0.2	709	(Note 7)
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interests	608	580	0.2	715	(Note 7)
A83	Revest Meieki Minami	2-13-33 Meiekininami, Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	597	570	0.2	723	(Note 7)

Property number (Note 1)	Name of property	Location (Note 2)	Type of ownership	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of June 30, 2016 (JPY million) (Note 5)	
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interests	595	567	0.2	667	(Note 7)
A85	Vendir Hamaotsu Ekimae	1-2-15 Hama Otsu, Otsu-shi, Shiga	Trust beneficiary interests	581	549	0.2	684	(Note 7)
A86	Salvo Sala	2-6-21 Shimanouchi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	544	521	0.2	623	(Note 7)
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interests	543	525	0.2	615	(Note 7)
A88	Luna Court Edobori	3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interests	525	502	0.2	568	(Note 7)
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	512	487	0.2	601	(Note 7)
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interests	456	442	0.2	568	(Note 7)
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudaru, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels	Trust beneficiary interests	446	429	0.2	502	(Note 7)
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	412	400	0.2	490	(Note 7)
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interests	374	360	0.1	427	(Note 7)
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	373	357	0.1	433	(Note 7)
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interests	355	343	0.1	419	(Note 7)
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interests	335	326	0.1	422	(Note 7)
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interests	331	319	0.1	322	(Note 7)
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	310	301	0.1	383	(Note 7)
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi Higashi Nada-ku, Kobe-shi, Hyogo	Trust beneficiary interests	297	284	0.1	337	(Note 7)
A100	City Court Kitaichijo	1-6-3, Kitaichijohigashi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,782	1,858	0.7	1,890	(Note 7)
A101	Lieto Court Mukojima	5-45-10, Mukojima, Sumida-ku, Tokyo	Trust beneficiary interests	1,683	1,746	0.6	1,700	(Note 7)
A102	Lieto Court Nishi-Ojima	2-41-14, Oshima, Koto-ku, Tokyo	Trust beneficiary interests	1,634	1,685	0.6	1,700	(Note 7)
A103	Royal Parks Momozaka	5-38, Fudegasaki-Chou, Tennouji-Ku, Osaka-shi, Osaka	Trust beneficiary interests	2,910	3,040	1.1	2,970	(Note 8)
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interests	5,024	5,272	1.9	5,050	(Note 8)
Subtotal (68 properties)				71,116	68,274	26.7	77,214	-
B08	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,301	1,217	0.5	1,040	(Note 6)
B09	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Real estate	715	705	0.3	537	(Note 8)
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,880	4,705	1.8	4,030	(Note 7)

Property number (Note 1)	Name of property	Location (Note 2)	Type of ownership	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of June 30, 2016 (JPY million) (Note 5)	
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano-ku, Tokyo	Trust beneficiary interests	1,060	1,100	0.4	945	(Note 7)
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	816	741	0.3	667	(Note 9)
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	3,280	3,114	1.2	3,510	(Note 8)
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interests	2,320	1,973	0.9	2,330	(Note 8)
Subtotal (7 properties)				14,372	13,557	5.4	13,059	-
C01	Times Kanda-Sudacho 4th	1-22-7, 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo	Real estate	97	100	0.0	113	(Note 6)
Subtotal (1 property)				97	100	0.0	113	-
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interests	2,851	2,933	1.1	5,180	(Note 7)
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interests	2,584	2,572	1.0	5,520	(Note 7)
D03	Hotel MyStays Kyoto-Shijo	52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interests	6,024	5,862	2.3	13,900	(Note 7)
D04	MyStays Shin-Urayasu Conference Center	2-1-4, Akemi, Urayasu-shi, Chiba	Trust beneficiary interests	4,930	4,795	1.8	7,000	(Note 7)
D05	Hotel MyStays Maihama	3-5-1, Tekko-dori, Urayasu-shi, Chiba	Trust beneficiary interests	4,870	4,752	1.8	6,550	(Note 7)
D06	Hotel Vista Premio Dojima	2-4-1, Sonezakishinchi, Kita-ku, Osaka	Trust beneficiary interests	3,845	3,722	1.4	7,370	(Note 7)
D07	Hotel MyStays Nagoya-Sakae	2-23-22, Higashisakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	2,958	2,824	1.1	5,660	(Note 7)
D08	Hotel MyStays Sakaisuji-Honmachi	1-4-8, Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,514	2,456	0.9	8,440	(Note 7)
D09	Hotel MyStays Yokohama	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	2,119	2,054	0.8	3,500	(Note 7)
D10	Hotel MyStays Nippori	5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,898	1,852	0.7	3,760	(Note 7)
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	1,570	1,537	0.6	4,170	(Note 7)
D12	Flexstay Inn Iidabashi	3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,381	1,366	0.5	2,170	(Note 7)
D13	Hotel MyStays Ueno Inaricho	1-5-7, Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,331	1,291	0.5	2,680	(Note 7)
D14	Flexstay Inn Shinagawa	1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,242	1,226	0.5	2,120	(Note 7)
D15	Flexstay Inn Tokiwadai	1-52-5, Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	1,242	1,234	0.5	2,300	(Note 7)
D16	Flexstay Inn Sugamo	3-6-16, Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	1,192	1,165	0.4	2,160	(Note 7)
D17	Hotel MyStays Ottemae	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,192	1,174	0.4	4,250	(Note 7)
D18	Flexstay Inn Kiyosumi Shirakawa	1-12-16, Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	749	741	0.3	1,320	(Note 7)
D19	Flexstay Inn Nakanobu P1	4-27-12, Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	589	581	0.2	837	(Note 7)

Property number (Note 1)	Name of property	Location (Note 2)	Type of ownership	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of June 30, 2016 (JPY million) (Note 5)	
D20	Flexstay Inn Nakanobu P2	4-27-8, Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	283	284	0.1	403	(Note 7)
D21	APA Hotel Yokohama-Kannai	3-37-2, Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	8,350	8,190	3.1	9,500	(Note 7)
D22	Hotel Nets Hakodate	26-17, Motomachi, Hakodate-shi, Hokkaido	Trust beneficiary interests	2,792	2,735	1.0	3,360	(Note 7)
D23	Flexstay Inn Shirogane	5-10-15, Shirokane, Minato-ku, Tokyo	Trust beneficiary interests	2,119	2,113	0.8	2,260	(Note 7)
D24	Hotel MyStays Haneda	5-1-13, Haneda, Ota-ku, Tokyo	Trust beneficiary interests	7,801	7,700	2.9	8,480	(Note 7)
D25	Hotel MyStays Kameido P1	6-32-1, Kameido, Koto-ku, Tokyo	Trust beneficiary interests	5,594	5,546	2.1	7,040	(Note 7)
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13, HigashiUeno, Taito-ku, Tokyo	Trust beneficiary interests	3,821	3,790	1.4	4,520	(Note 7)
D27	Hotel MyStays Kameido P2	6-7-8, Kameido, Koto-ku, Tokyo	Trust beneficiary interests	3,742	3,702	1.4	4,720	(Note 7)
D28	Hotel Vista Shimizu	1-23, Masagomachi, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interests	2,198	2,165	0.8	2,360	(Note 7)
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4, Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	1,624	1,623	0.6	1,800	(Note 7)
D30	Flexstay Inn Higashi-Jujo	2-10-2, Nakajujo, Kita-ku, Tokyo	Trust beneficiary interests	1,277	1,276	0.5	1,430	(Note 7)
D31	Hotel MyStays Utsunomiya	2-4-1, Higashishukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interests	1,237	1,241	0.5	1,280	(Note 7)
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2, Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	980	969	0.4	1,150	(Note 7)
D33	Comfort Hotel Toyama	1-3-2, Takara-machi, Toyama-shi, Toyama	Trust beneficiary interests	979	971	0.4	1,080	(Note 7)
D34	Flexstay Inn Kawasaki-Ogawacho	15-9, Ogawa-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	906	901	0.3	1,030	(Note 7)
D35	Flexstay Inn Ekoda	8-6, Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interests	5,069	5,028	1.9	5,220	(Note 7)
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9, Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interests	1,170	1,165	0.4	1,210	(Note 10)
D37	Super Hotel JR Ueno-iriyaguchi	7-9-14, Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,130	1,128	0.4	1,200	(Note 10)
D38	Hotel MyStays Shinsaibashi	1-9-30, Nishi-Shinsaibashi, Chuo-Ku, Osaka-shi, Osaka	Trust beneficiary interests	3,160	3,154	1.2	3,290	(Note 7)
D39	Comfort Hotel Kurosaki	3-13-13, Kurosaki, Yahatanishi-Ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interests	1,148	1,147	0.4	1,180	(Note 10)
D40	Comfort Hotel Maebashi	2-18-14, Omote-Cho, Maebashi-shi, Gunma	Trust beneficiary interests	1,128	1,154	0.4	1,150	(Note 10)
D41	Comfort Hotel Tsubame-Sanjo	2-115, Sugoro, Sanjo-shi, Niigata	Trust beneficiary interests	1,010	1,014	0.4	1,040	(Note 10)
D42	Comfort Hotel Kitami	3-4, Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interests	851	853	0.3	875	(Note 10)
D43	Hotel MyStays Gotanda Station	2-6-8, Nishigotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	24,674	24,686	9.3	24,800	(Note 8)
D44	Hotel Epinard Nasu	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi	Trust beneficiary interests	20,981	20,896	7.9	21,300	(Note 8)

Property number (Note 1)	Name of property	Location (Note 2)	Type of ownership	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of June 30, 2016 (JPY million) (Note 5)	
D45	Hotel MyStays Fukuoka Tenjin	3-5-7, Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	8,059	8,058	3.0	8,270	(Note 8)
D46	Hotel MyStays Hamamatsucho	1-18-14, Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	7,959	7,961	3.0	8,010	(Note 8)
D47	Hotel MyStays Kanazawa	2-13-1, Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interests	13,761	13,776	5.2	13,900	(Note 8)
D48	Takamatsu Tokyu REI Hotel	9-9, Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interests	2,139	2,149	0.8	2,160	(Note 10)
Subtotal (48 properties)				181,032	179,537	67.9	232,905	-
Total (124 properties)				266,619	261,471	100.0	323,291	-

(Note 1) "Property number" indicates the use categorization of properties acquired by INV, with "A" standing for residential, "B" standing for office and retail, "C" standing for parking lots and "D" standing for hotel, and the number assigned for each property. The number following "A", "B", "C" and "D" is assigned based on how early the acquisition was made, except that for acquisitions made at the same time a lower number is assigned to the property with a greater acquisition price.

(Note 2) "Location" is, in principle, based on the indicated address (*gyuhojyoji*), except that if the *gyuhojyoji* system has not been implemented for such property, the location is based on the land number (*banchi*).

(Note 3) "Acquisition price" is the purchase price indicated in the real estate or trust beneficiary purchase agreement. Such price excludes consumption tax and other taxes, and has been rounded down to the nearest hundred million yen.

(Note 4) "Investment percentage" is the ratio of the acquisition price to the aggregate acquisition price of INV's portfolio, and has been rounded to the first decimal place.

(Note 5) "Appraisal value as of June 30, 2016" is the value appraised or determined based on research by the real estate appraiser as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of the Investment Trust Association, Japan. The real estate appraisers are as follows.

Real estate appraiser	
(Note 6)	Asset Research and Development Inc.
(Note 7)	Japan Real Estate Institute
(Note 8)	Morii Appraisal & Investment Consulting Inc.
(Note 9)	Tanizawa Sogo Appraisal Co., Ltd.
(Note 10)	Daiwa Real Estate Appraisal Co., Ltd.

b Capital expenditures for assets under management

(a) Schedule for capital expenditures

The schedule for the principal capital expenditures for property maintenance construction, etc., as of the end of the fiscal period for the real estate assets is as follows.

Name of Property	Location	Purpose	Scheduled Time of Implementation	Estimated Cost (JPY thousand)			
				Total	Payment for the Fiscal Period ended June 30, 2016	Advance Payments	
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	Renovation work	From July 2016 to December 2016	125,000	—	—
A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	Outer wall repair work	From July 2016 to December 2016	90,000	—	—
A75	Spacia Ebisu	Shibuya-ku, Tokyo	Entrance area improvement work	From July 2016 to December 2016	53,900	—	—
A62	Lexel Mansion Ueno Matsugaya	Taito-ku, Tokyo	Outer wall repair work	From July 2016 to December 2016	39,500	—	—

(b) Capital expenditures for the fiscal period ended June 30, 2016

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2016 is as follows. Capital expenditures for the fiscal period totaled JPY 438,859 thousand, and together with JPY 30,405 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 469,265 thousand was implemented.

Name of Property	Location	Purpose	Time of Implementation	Payment (JPY thousand)	
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	Renovation work	From January 2016 to June 2016	125,000
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Installation of additional steel-frame staircases	From January 2016 to June 2016	9,250
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	Replacement of automatic fire alarm system	From January 2016 to June 2016	7,600
A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	Replacement of intercom system	From January 2016 to June 2016	5,800
B16	Ohki Aoba Building	Sendai-shi, Miyagi	Maintenance work on parking lot equipment	From January 2016 to June 2016	5,000
Other construction					286,209
Total					438,859



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

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

(Unit: JPY thousand)

Fiscal period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period
	From January 1, 2014 to June 30, 2014	From July 1, 2014 to December 31, 2014	From January 1, 2015 to June 30, 2015	From July 1, 2015 to December 31, 2015	From January 1, 2016 to June 30, 2016
Reserved funds at beginning of period	524,730	579,682	738,365	852,699	982,750
Amount reserved (Note)	199,177	268,495	283,147	352,490	543,275
Amount reversed (Note)	144,225	109,812	168,813	222,439	222,339
Amount carried over for next fiscal period	579,682	738,365	852,699	982,750	1,303,685

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

c Condition of income, etc. (From January 1, 2016 to June 30, 2016)

(Unit: JPY thousand)

Property No.	Property Name	Total of rental revenue (i)	Total of rental-related expenses (ii)		Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))						
			Rent, common area fees	Other income								
A26	Nisshin Palacestage Daitabashi	39,605	36,270	3,334	19,403	6,027	1,616	73	8,743	2,942	20,202	28,945
A27	Nisshin Palacestage Higashi-Nagasaki	45,952	40,961	4,991	24,742	7,169	2,701	112	12,842	1,916	21,210	34,052
A28	Growth Maison Gotanda	27,349	26,772	577	8,991	2,764	1,328	44	4,355	500	18,358	22,713
A29	Growth Maison Kameido	34,404	32,587	1,816	12,867	3,309	1,685	62	5,927	1,882	21,536	27,463
A30	Emerald House	50,753	39,567	11,185	24,269	7,411	2,562	119	9,543	4,633	26,483	36,026
A31	Harmonie Ochanomizu	40,389	38,271	2,118	15,674	3,461	1,878	66	7,138	3,128	24,715	31,854
A32	Suncrest Shakujii-Koen	34,709	30,521	4,187	19,621	5,832	3,129	107	8,076	2,475	15,087	23,163
A33	Growth Maison Shin-Yokohama	34,823	31,904	2,918	17,211	5,299	2,411	81	6,178	3,240	17,612	23,790
A34	Belle Face Ueno-Okachimachi	33,342	29,973	3,368	14,053	4,762	1,663	57	5,355	2,214	19,289	24,644
A35	Grand Rire Kameido	26,619	26,619	-	8,311	517	1,721	65	5,506	500	18,308	23,814
A36	Growth Maison Ikebukuro	26,408	24,833	1,575	11,349	3,486	1,051	43	5,274	1,493	15,059	20,333
A37	Growth Maison Yōga	21,839	20,768	1,071	10,742	3,352	1,370	44	4,067	1,907	11,097	15,165
A38	Route Tachikawa	20,700	18,896	1,804	9,697	2,996	1,071	46	4,206	1,376	11,002	15,209
A39	Shibuya-Honmachi Mansion	20,473	19,897	576	5,743	1,718	929	38	2,241	814	14,730	16,971
A40	City Heights Kinuta	17,446	16,720	726	5,190	1,288	983	35	1,697	1,185	12,256	13,954
A41	Acseeds Tower Kawaguchi-Namiki	24,262	22,518	1,743	11,428	2,440	1,126	48	5,038	2,774	12,833	17,872
A42	Capital Heights Kagurazaka	18,752	18,119	633	7,487	2,580	1,089	41	2,481	1,294	11,265	13,746
A43	College Square Machida	17,484	17,484	-	3,303	365	506	41	1,890	500	14,180	16,070
A44	Belair Meguro	16,436	15,366	1,069	6,864	2,020	875	28	2,324	1,615	9,571	11,896
A45	Wacore Tsunashima I	18,466	17,831	635	9,193	2,386	889	39	3,997	1,880	9,273	13,271
A46	Foros Nakamurabashi	18,546	16,686	1,860	9,842	2,804	989	37	4,782	1,228	8,703	13,486
A47	Growth Maison Kaijin	21,918	19,563	2,355	15,810	5,395	2,125	91	6,700	1,498	6,108	12,808
A48	College Square Machiya	14,706	14,706	-	5,198	178	937	31	3,551	500	9,507	13,059
A51	City House Tokyo Shinbashi	90,692	87,652	3,039	35,667	13,910	4,949	133	13,195	3,477	55,024	68,220
A52	Winbell Kagurazaka	107,429	98,385	9,044	40,060	10,555	6,348	185	16,111	6,858	67,368	83,480
A53	Nishiwaseda Crescent Mansion	72,347	69,059	3,288	23,830	7,252	3,608	132	7,997	4,839	48,517	56,514
A54	Lexington Square Akebonobashi	51,132	48,323	2,809	20,914	7,163	2,209	68	8,695	2,776	30,217	38,913
A56	Casa Eremitaggio	31,694	29,295	2,399	16,760	4,038	1,674	54	9,115	1,878	14,934	24,049
A59	Towa City Coop Shinotsuka II	35,168	34,054	1,113	13,738	4,799	1,393	61	5,190	2,293	21,429	26,620
A61	Bichsel Musashiseki	24,923	23,319	1,603	10,835	4,835	1,178	55	2,747	2,018	14,087	16,834
A62	Lexel Mansion Ueno Matsugaya	46,988	32,001	14,987	21,165	9,603	1,875	67	8,367	1,251	25,822	34,190
A63	Towa City Coop Sengencho	59,002	54,554	4,448	29,353	15,463	3,004	124	7,491	3,270	29,648	37,139
A64	Royal Park Omachi	26,051	23,136	2,914	13,386	6,875	790	71	4,331	1,316	12,665	16,997
A65	Lexington Square Haginomachi	17,646	15,915	1,731	8,855	2,634	573	44	3,550	2,052	8,791	12,342
A66	Visconti Kakuzan	10,533	8,596	1,937	8,421	3,365	928	25	1,794	2,306	2,112	3,907
A71	Lexington Square Daitabashi	29,731	28,239	1,492	17,055	3,397	1,545	49	8,020	4,041	12,675	20,696
A72	Lexington Square Honjo Azumabashi	17,760	17,318	442	8,871	2,216	811	35	4,982	824	8,889	13,872
A73	AMS TOWER Minami 6-Jo	47,964	46,096	1,868	25,490	6,540	2,144	141	14,123	2,540	22,474	36,597
A75	Spacia Ebisu	199,105	177,611	21,493	67,874	14,582	8,799	280	37,356	6,855	131,230	168,586
A76	Neo Prominence	65,593	55,557	10,036	27,171	10,112	3,554	150	10,307	3,047	38,422	48,729
A77	Invoice Shin-Kobe Residence	49,993	45,499	4,493	24,803	5,356	2,723	87	11,490	5,146	25,189	36,679
A78	Cosmo Court Motomachi	37,778	35,858	1,919	20,258	4,243	2,306	85	9,974	3,648	17,519	27,494
A79	Revest Honjin	31,265	29,056	2,209	15,493	4,184	1,801	72	7,438	1,996	15,772	23,210
A80	Revest Matsubara	28,956	26,360	2,596	15,526	4,109	1,868	66	7,042	2,439	13,429	20,472
A81	Sun Terrace Minami Ikebukuro	23,817	21,459	2,358	9,816	2,561	908	35	4,917	1,393	14,001	18,918
A82	Alba Noritake Shinmachi	26,647	24,432	2,214	13,902	3,307	1,737	66	6,928	1,861	12,744	19,673
A83	Revest Meieki Minami	26,539	24,581	1,958	14,223	4,008	1,662	70	6,965	1,517	12,315	19,281
A84	Revest Heian	24,076	23,419	657	10,993	2,409	1,404	48	6,399	731	13,083	19,482
A85	Vendir Hamaotsu Ekimae	33,371	28,727	4,643	20,423	8,602	1,956	81	7,013	2,768	12,948	19,961
A86	Salvo Sala	25,795	23,930	1,864	12,904	3,749	1,561	54	5,444	2,094	12,891	18,335
A87	Excellente Kagurazaka	17,871	17,082	789	10,386	2,417	773	33	4,194	2,967	7,485	11,679
A88	Luna Court Edobori	21,499	20,402	1,096	11,623	3,868	1,183	43	5,069	1,459	9,875	14,944
A89	Winntage Kobe Motomachi	21,396	20,231	1,165	14,604	3,953	1,588	53	5,811	3,197	6,792	12,604
A90	Queen's Court Fukuzumi	17,240	15,573	1,666	8,630	2,450	751	30	3,200	2,197	8,609	11,810
A91	Corp Higashinotoin	17,464	16,349	1,115	8,921	2,894	915	38	3,799	1,274	8,542	12,342

Property No.	Property Name	Total of rental revenue (i)			Total of rental-related expenses (ii)							Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))
		Rent, common area fees	Other income		Facility management fee	Taxes and public dues	Insurance expenses	Depreciation expenses (iii)	Other expenses				
A92	Belair Oimachi	15,582	14,931	650	5,748	1,458	671	25	2,675	917	9,834	12,509	
A93	Siete Minami-Tsukaguchi	16,684	15,956	728	8,127	2,857	982	37	3,240	1,010	8,557	11,797	
A94	Prime Life Sannomiya Isogami Koen	15,129	14,269	859	7,832	2,315	848	27	3,426	1,214	7,296	10,722	
A95	HERMITAGE NANBA WEST	14,372	12,870	1,502	10,490	3,104	1,012	33	3,446	2,892	3,882	7,329	
A96	Century Park Shinkawa 1-bankan	17,500	14,368	3,132	8,472	2,242	874	48	3,981	1,325	9,028	13,010	
A97	West Avenue	11,037	10,198	839	8,100	2,854	563	26	3,044	1,612	2,937	5,981	
A98	Little River Honmachibashi	13,951	13,872	78	6,588	1,815	970	30	2,874	898	7,362	10,236	
A99	Prime Life Mikage	12,143	11,934	208	6,145	1,585	762	24	2,960	813	5,997	8,957	
A100	City Court Kitaichijo	66,535	59,712	6,822	37,492	8,899	2,580	238	22,587	3,185	29,043	51,631	
A101	Lieto Court Mukojima	53,918	50,946	2,972	28,079	7,982	1,255	114	15,282	3,444	25,838	41,121	
A102	Lieto Court Nishi-Ojima	48,584	48,352	232	18,583	4,589	1,088	90	12,264	549	30,001	42,266	
A103	Royal Parks Momozaka (Note 2)	124,216	114,859	9,357	75,407	35,764	-	274	39,011	358	48,808	87,820	
A104	Royal Parks Shinden (Note 3)	108,933	101,210	7,723	52,665	17,496	-	305	34,659	204	56,267	90,926	
B08	Kindai Kagakusha Building	37,069	33,059	4,009	22,572	6,103	4,540	87	10,673	1,167	14,496	25,169	
B09	Shinjuku Island	Not disclosed (Note1)											
B14	Lexington Plaza Nishigotanda	149,977	133,537	16,439	65,241	25,051	12,393	232	26,519	1,044	84,736	111,255	
B15	Cross Square NAKANO	39,416	33,635	5,781	16,478	6,721	3,861	99	4,343	1,452	22,938	27,281	
B16	Ohki Aoba Building	39,081	31,155	7,925	19,968	9,362	2,025	123	7,479	978	19,112	26,591	
B17	Lexington Plaza Hachiman	163,598	131,165	32,433	72,761	44,981	5,651	199	21,134	793	90,837	111,972	
B18	AEON TOWN Sukagawa	142,027	142,027	-	93,935	56,124	7,501	253	29,438	616	48,092	77,530	
C01	Times Kanda-Sudacho 4th	2,700	2,700	-	260	-	259	-	1	-	2,439	2,440	
D01	Hotel MyStays Kanda	88,987	88,987	-	21,248	-	4,418	99	16,216	514	67,738	83,954	
D02	Hotel MyStays Asakusa	128,239	128,239	-	21,716	-	3,906	123	17,144	540	106,523	123,668	
D03	Hotel MyStays Kyoto-Shijo	358,013	358,013	-	59,546	-	10,476	280	48,252	537	298,466	346,718	
D04	MyStays Shin-Urayasu Conference Center	179,110	179,110	-	50,113	-	8,160	225	41,197	529	128,997	170,194	
D05	Hotel MyStays Maihama	148,450	148,450	-	39,092	-	3,194	113	35,270	514	109,358	144,628	
D06	Hotel Vista Premio Dojima	206,141	206,141	-	62,659	8,208	11,785	311	41,838	515	143,481	185,320	
D07	Hotel MyStays Nagoya-Sakae	180,607	180,607	-	68,251	17,163	4,614	269	45,674	529	112,356	158,030	
D08	Hotel MyStays Sakaisuji-Honmachi	194,326	194,326	-	26,394	-	6,410	134	19,320	528	167,932	187,252	
D09	Hotel MyStays Yokohama	111,541	111,541	-	31,872	-	4,476	220	26,659	515	79,668	106,328	
D10	Hotel MyStays Nippori	72,466	72,466	-	17,316	-	1,755	70	14,961	528	55,149	70,111	
D11	Hotel MyStays Fukuoka-Tenjin-Minami	110,274	110,274	-	19,413	-	5,084	111	13,686	530	90,861	104,547	
D12	Flexstay Inn Iidabashi	52,789	52,789	-	15,318	-	4,503	102	10,184	528	37,470	47,655	
D13	Hotel MyStays Ueno Inaricho	53,901	53,901	-	15,536	-	1,478	51	13,476	530	38,364	51,840	
D14	Flexstay Inn Shinagawa	48,453	48,453	-	9,065	-	1,670	42	6,824	528	39,387	46,211	
D15	Flexstay Inn Tokiwadai	64,932	64,932	-	11,465	-	3,424	91	7,419	528	53,466	60,886	
D16	Flexstay Inn Sugamo	55,657	55,657	-	14,219	-	2,883	75	10,731	528	41,438	52,170	
D17	Hotel MyStays Otemae	137,938	137,938	-	14,059	-	3,612	128	9,790	527	123,879	133,670	
D18	Flexstay Inn Kiyosumi Shirakawa	40,024	40,024	-	11,503	-	3,388	88	7,497	528	28,520	36,018	
D19	Flexstay Inn Nakanobu P1	22,914	22,914	-	5,679	-	950	28	4,172	529	17,234	21,406	
D20	Flexstay Inn Nakanobu P2	12,159	12,159	-	2,731	-	526	16	1,659	529	9,427	11,087	
D21	APA Hotel Yokohama-Kannai	231,479	231,479	-	81,951	-	5,175	297	75,951	526	149,528	225,479	
D22	Hotel Nets Hakodate	110,080	110,080	-	37,259	-	5,166	209	31,352	531	72,821	104,173	
D23	Flexstay Inn Shirogane	58,122	58,122	-	8,813	-	959	62	7,262	528	49,309	56,572	
D24	Hotel MyStays Haneda	177,466	177,466	-	63,920	-	4,085	211	59,164	458	113,546	172,710	
D25	Hotel MyStays Kameido P1	176,496	176,496	-	37,120	-	3,195	201	33,295	429	139,375	172,670	
D26	Hotel MyStays Ueno Iriyaguchi	106,248	106,248	-	23,916	2,455	624	98	20,307	430	82,331	102,639	
D27	Hotel MyStays Kameido P2	123,608	123,608	-	28,190	-	1,921	124	25,715	428	95,418	121,134	
D28	Hotel Vista Shimizu	67,741	67,741	-	24,779	480	2,061	111	21,697	428	42,962	64,659	
D29	Super Hotel Shinbashi/ Karasumoriguchi	39,426	39,426	-	7,434	704	1,554	46	4,717	410	31,992	36,710	
D30	Flexstay Inn Higashi-Jujo	40,114	40,114	-	6,874	-	973	58	5,413	429	33,239	38,653	
D31	Hotel MyStays Utsunomiya	77,939	77,939	-	23,984	-	6,866	401	16,300	415	53,955	70,256	
D32	Flexstay Inn Kawasaki-Kaizuka	31,955	31,955	-	11,320	889	408	46	9,544	430	20,634	30,179	
D33	Comfort Hotel Toyama	35,928	35,928	-	11,211	60	1,895	99	8,745	411	24,716	33,462	
D34	Flexstay Inn Kawasaki-Ogawacho	29,136	29,136	-	6,604	-	480	31	5,665	426	22,532	28,197	
D35	Flexstay Inn Ekoda	113,216	113,216	-	34,699	-	2,347	130	31,792	428	78,517	110,310	

Property No.	Property Name	Total of rental revenue (i)			Total of rental-related expenses (ii)							Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))
		Rent, common area fees	Other income		Facility management fee	Taxes and public dues	Insurance expenses	Depreciation expenses (iii)	Other expenses				
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	31,787	31,787	-	11,771	1,341	1,421	64	8,482	461	20,015	28,498	
D37	Super Hotel JR Ueno-iriyaguchi	27,275	27,275	-	8,944	1,020	1,071	44	6,346	461	18,331	24,677	
D38	Hotel MyStays Shinsaibashi (Note 2)	84,282	84,282	-	16,707	-	-	68	16,261	377	67,575	83,837	
D39	Comfort Hotel Kurosaki (Note 2)	33,616	33,616	-	12,954	648	-	75	11,850	379	20,661	32,512	
D40	Comfort Hotel Maebashi (Note 2)	38,901	38,901	-	21,520	5,145	-	94	15,865	414	17,380	33,246	
D41	Comfort Hotel Tsubame-Sanjo (Note 2)	31,003	29,611	1,392	9,881	306	-	89	9,123	361	21,121	30,245	
D42	Comfort Hotel Kitami (Note 2)	26,879	26,879	-	10,819	650	-	73	9,684	411	16,059	25,744	
D43	Hotel MyStays Gotanda Station (Note 3)	254,397	253,903	494	19,480	1,004	-	239	18,031	205	234,917	252,948	
D44	Hotel Epinard Nasu (Note 3)	627,563	627,563	-	162,302	4,717	-	743	156,625	215	465,261	621,887	
D45	Hotel MyStays Fukuoka Tenjin (Note 3)	109,967	109,967	-	20,535	-	-	80	20,248	205	89,432	109,680	
D46	Hotel MyStays Hamamatsucho (Note 3)	77,364	77,364	-	13,523	-	-	41	13,276	204	63,840	77,117	
D47	Hotel MyStays Kanazawa (Note 4)	49,162	49,162	-	9,382	-	-	20	9,323	37	39,779	49,103	
D48	Takamatsu Tokyu REI Hotel (Note 4)	7,591	6,784	807	1,403	38	-	40	1,286	37	6,187	7,474	
	Total	8,158,220	7,889,877	268,342	2,697,986	554,149	281,065	12,669	1,676,736	173,364	5,460,234	7,136,971	

(Note 1) Not disclosed because the consent of the tenant was not obtained.

(Note 2) These properties were acquired on January 22, 2016, and the operation period is from January 22, 2016 to June 30, 2016.

(Note 3) These properties were acquired on March 31, 2016, and the operation period is from March 31, 2016 to June 30, 2016.

(Note 4) These properties were acquired on June 15, 2016, and the operation period is from June 15, 2016 to June 30, 2016.

## (3) Tenant Summary

## a Summary of lease conditions by property

(As of June 30, 2016)

Property No.	Property Name	Leasable Area (m <sup>2</sup> ) (Note 1)	Leased Area (m <sup>2</sup> ) (Note 2)	Leasable Units (units) (Note 3)	Leased Units (units) (Note 4)	Number of tenants (Note 5)	Tenants (Note 6)	Rental Revenue (JPY thousand) (Note7)	Ratio of Rental Revenue (%)	Type of Lease (Note 8)
A26	Nisshin Palacestage Daitabashi	1,771.13	1,718.47	98	95	1	Best Property Corporation	39,605	0.5	Pass through master lease
A27	Nisshin Palacestage Higashi-Nagasaki	2,681.94	2,500.76	60	56	1	Best Property Corporation	45,952	0.6	Pass through master lease
A28	Growth Maison Gotanda	1,051.50	1,051.50	48	48	1	Pacific Development & Management Co., Ltd	27,349	0.3	Pass through master lease
A29	Growth Maison Kameido	1,367.96	1,306.58	66	63	1	Mitsui Home Estate Co., Ltd.	34,404	0.4	Pass through master lease
A30	Emerald House	2,152.31	2,152.31	96	96	1	Tokyo Gakusei-life Co., Ltd.	50,753	0.6	Pass through master lease
A31	Harmonie Ochanomizu	1,748.24	1,748.24	65	65	1	Pacific Development & Management Co., Ltd.	40,389	0.5	Pass through master lease
A32	Suncrest Shakujii-Koen	3,029.16	2,554.28	29	24	1	Mitsui Home Estate Co., Ltd.	34,709	0.4	Pass through master lease
A33	Growth Maison Shin-Yokohama	1,858.44	1,667.12	68	61	1	Pacific Development & Management Co., Ltd	34,823	0.4	Pass through master lease
A34	Belle Face Ueno-Okachimachi	1,351.11	1,328.76	64	63	1	Mainichicomnet Co., Ltd.	33,342	0.4	Pass through master lease
A35	Grand Rire Kameido	1,562.26	1,562.26	72	72	1	J.S.B. Co., Ltd.	26,619	0.3	Guaranteed rent
A36	Growth Maison Ikebukuro	952.89	929.60	42	41	1	Pacific Development & Management Co., Ltd	26,408	0.3	Pass through master lease
A37	Growth Maison Yōga	1,015.34	989.58	39	38	1	Mitsui Home Estate Co., Ltd.	21,839	0.3	Pass through master lease
A38	Route Tachikawa	1,368.57	1,275.69	24	22	1	Pacific Development & Management Co., Ltd	20,700	0.3	Pass through master lease
A39	Shibuya-Honmachi Mansion	1,167.50	1,119.76	25	23	1	Pacific Development & Management Co., Ltd	20,473	0.3	Pass through master lease
A40	City Heights Kinuta	1,235.93	1,235.93	19	19	1	Mitsui Home Estate Co., Ltd.	17,446	0.2	Pass through master lease
A41	Acseeds Tower Kawaguchi-Namiki	1,210.74	1,147.32	57	54	1	Access Group, Inc.	24,262	0.3	Pass through master lease
A42	Capital Heights Kagurazaka	1,126.65	1,095.18	26	25	1	Mitsui Home Estate Co., Ltd.	18,752	0.2	Pass through master lease
A43	College Square Machida	1,047.75	1,047.75	62	62	1	Mainichicomnet Co., Ltd.	17,484	0.2	Guaranteed rent
A44	Belair Meguro	557.05	535.51	25	24	1	Pacific Development & Management Co., Ltd	16,436	0.2	Pass through master lease
A45	Wācore Tsunashima I	907.46	889.51	50	49	1	Pacific Development & Management Co., Ltd	18,466	0.2	Pass through master lease
A46	Foros Nakamurahashi	815.77	784.90	37	36	1	Mitsui Home Estate Co., Ltd.	18,546	0.2	Pass through master lease
A47	Growth Maison Kaijin	2,040.27	1,993.03	34	33	1	Mitsui Home Estate Co., Ltd.	21,918	0.3	Pass through master lease
A48	College Square Machiya	871.35	871.35	43	43	1	Mainichicomnet Co., Ltd.	14,706	0.2	Guaranteed rent
A51	City House Tokyo Shinbashi	3,364.00	3,234.05	86	83	1	Mitsui Home Estate Co., Ltd.	90,692	1.1	Pass through master lease
A52	Winbell Kagurazaka	4,032.70	3,975.60	118	116	1	Mitsui Home Estate Co., Ltd.	107,429	1.3	Pass through master lease
A53	Nishiwaseda Crescent Mansion	4,310.77	4,310.77	69	69	1	Pacific Development & Management Co., Ltd	72,347	0.9	Pass through master lease
A54	Lexington Square Akebonobashi	1,987.88	1,896.21	88	84	1	Mitsui Home Estate Co., Ltd.	51,132	0.6	Pass through master lease
A56	Casa Eremitaggio	1,197.19	1,197.19	17	17	1	Pacific Development & Management Co., Ltd	31,694	0.4	Pass through master lease
A59	Tōwa City Coop Shinotsuka II	1,627.13	1,588.26	58	57	1	Mitsui Home Estate Co., Ltd.	35,168	0.4	Pass through master lease
A61	Bichsel Musashiseki	1,220.24	1,168.30	70	67	1	Mitsui Home Estate Co., Ltd.	24,923	0.3	Pass through master lease
A62	Lexel Mansion Ueno Matsugaya	1,969.45	1,969.45	29	29	1	Pacific Development & Management Co., Ltd	46,988	0.6	Pass through master lease
A63	Tōwa City Coop Sengencho	3,426.36	3,122.84	154	140	1	Pacific Development & Management Co., Ltd	59,002	0.7	Pass through master lease
A64	Royal Park Omachi	1,929.59	1,865.35	51	49	1	One-Eyed Capital Advisers	26,051	0.3	Pass through master lease

Property No.	Property Name	Leasable Area (m <sup>2</sup> ) (Note 1)	Leased Area (m <sup>2</sup> ) (Note 2)	Leasable Units (units) (Note 3)	Leased Units (units) (Note 4)	Number of tenants (Note 5)	Tenants (Note 6)	Rental Revenue (JPY thousand) (Note 7)	Ratio of Rental Revenue (%)	Type of Lease (Note 8)
A65	Lexington Square Haginomachi	1,528.58	1,528.58	39	39	1	One-Eyed Capital Advisers	17,646	0.2	Pass through master lease
A66	Visconti Kakuozan	705.75	705.75	8	8	1	Mitsui Home Estate Co., Ltd.	10,533	0.1	Pass through master lease
A71	Lexington Square Daitabashi	1,430.64	1,390.60	43	42	1	Nisshin Kanzai K.K. (Note 9)	29,731	0.4	Pass through master lease
A72	Lexington Square Honjo Azumabashi	784.74	738.10	33	31	1	Nisshin Kanzai K.K. (Note 9)	17,760	0.2	Pass through master lease
A73	AMS TOWER Minami 6-Jo	4,460.56	3,905.53	120	106	1	Big Service Co., Ltd.	47,964	0.6	Pass through master lease
A75	Spacia Ebisu	7,794.91	7,147.78	109	100	1	Pacific Development & Management Co., Ltd	199,105	2.4	Pass through master lease
A76	Neo Prominence	3,574.70	3,440.35	52	50	1	Goodworks Co., Ltd.	65,593	0.8	Pass through master lease
A77	Invoice Shin-Kobe Residence	2,773.71	2,724.13	81	79	1	Sohgoh Real Estate (Note 10)	49,993	0.6	Pass through master lease
A78	Cosmo Court Motomachi	2,310.49	2,225.98	82	79	1	Global Community Co., Ltd	37,778	0.5	Pass through master lease
A79	Revest Honjin	1,933.80	1,885.62	80	78	1	Mininet, Inc	31,265	0.4	Pass through master lease
A80	Revest Matsubara	1,955.40	1,734.13	70	62	1	Mininet, Inc	28,956	0.4	Pass through master lease
A81	Sun Terrace Minami Ikebukuro	898.70	898.70	38	38	1	Goodworks Co., Ltd.	23,817	0.3	Pass through master lease
A82	Alba Noritake Shinmachi	1,731.68	1,683.48	64	62	1	Mininet, Inc.	26,647	0.3	Pass through master lease
A83	Revest Meieki Minami	1,634.60	1,579.51	61	59	1	Mininet, Inc.	26,539	0.3	Pass through master lease
A84	Revest Heian	1,554.03	1,554.03	40	40	1	Mininet, Inc.	24,076	0.3	Pass through master lease
A85	Vendir Hamaotsu Ekimae	2,670.66	2,544.87	81	77	1	Mininet, Inc.	33,371	0.4	Pass through master lease
A86	Salvo Sala	1,428.12	1,428.12	54	54	1	Daygran, Inc.	25,795	0.3	Pass through master lease
A87	Excellente Kagurazaka	701.92	681.40	33	32	1	Goodworks Co., Ltd.	17,871	0.2	Pass through master lease
A88	Luna Court Edobori	1,185.50	1,138.36	50	48	1	Nihon Housing Co., Ltd.	21,499	0.3	Pass through master lease
A89	Winntage Kobe Motomachi	1,433.35	1,232.99	57	49	1	Global Community Co., Ltd.	21,396	0.3	Pass through master lease
A90	Queen's Court Fukuzumi	765.18	712.60	25	23	1	Goodworks Co., Ltd.	17,240	0.2	Pass through master lease
A91	Corp Higashinotoin	1,029.05	934.14	42	38	1	Global Community Co., Ltd.	17,464	0.2	Pass through master lease
A92	Belair Oimachi	530.60	530.60	26	26	1	Goodworks Co., Ltd.	15,582	0.2	Pass through master lease
A93	Siete Minami-Tsukaguchi	1,020.86	995.58	40	39	1	Goodworks Co., Ltd.	16,684	0.2	Pass through master lease
A94	Prime Life Sannomiya Isogami Koen	789.12	739.80	32	30	1	Global Community Co., Ltd.	15,129	0.2	Pass through master lease
A95	HERMITAGE NANBA WEST	992.76	992.76	21	21	1	Daygran, Inc.	14,372	0.2	Pass through master lease
A96	Century Park Shinkawa 1-bankan	1,477.62	1,410.28	44	42	1	Goodworks Co., Ltd.	17,500	0.2	Pass through master lease
A97	West Avenue	794.80	675.60	40	34	1	Joint Property Co., Ltd.	11,037	0.1	Pass through master lease
A98	Little River Honmachibashi	974.81	974.81	31	31	1	Goodworks Co., Ltd.	13,951	0.2	Pass through master lease
A99	Prime Life Mikage	761.18	736.14	28	27	1	Global Community Co., Ltd.	12,143	0.1	Pass through master lease
A100	City Court Kitaichijo	5,230.18	5,002.95	127	121	1	Big Service Co., Ltd.	66,535	0.8	Pass through master lease
A101	Lieto Court Mukojima	2,940.20	2,846.03	82	80	1	Taisei Housy Property	53,918	0.7	Pass through master lease
A102	Lieto Court Nishi-Ojima	2,048.28	2,007.00	91	89	1	Taisei Housy Property	48,584	0.6	Pass through master lease
A103	Royal Parks Momozaka	8,776.26	8,776.26	147	147	4	Daiwa Living Co., Ltd.	124,216	1.5	Guaranteed rent and pass through master lease
A104	Royal Parks Shinden	15,797.29	15,797.29	248	248	4	Daiwa Living Co., Ltd.	108,933	1.3	Guaranteed rent and pass through master lease
B08	Kindai Kagakusha Building	1,451.54	1,451.54	13	13	1	Sohgoh Real Estate (Note 10)	37,069	0.5	Pass through master lease
B09	Shinjuku Island	526.43	526.43	1	1	1	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	—

Property No.	Property Name	Leasable Area (m <sup>2</sup> ) (Note 1)	Leased Area (m <sup>2</sup> ) (Note 2)	Leasable Units (units) (Note 3)	Leased Units (units) (Note 4)	Number of tenants (Note 5)	Tenants (Note 6)	Rental Revenue (JPY thousand) (Note7)	Ratio of Rental Revenue (%)	Type of Lease (Note 8)
B14	Lexington Plaza Nishigotanda	6,033.58	6,033.58	11	11	7	Community One Co., Ltd.	149,977	1.8	—
B15	Cross Square NAKANO	2,145.00	1,803.64	45	35	1	Shin-ei Real Estate Business Co., Ltd.	39,416	0.5	Pass through master lease
B16	Ohki Aoba Building	2,178.37	1,820.39	13	12	1	One-Eyed Capital Advisers	39,081	0.5	Pass through master lease
B17	Lexington Plaza Hachiman	8,419.15	8,319.97	18	17	1	Tokyo Bisō Kogyō Corporation	163,598	2.0	Pass through master lease
B18	AEON TOWN Sukagawa	18,440.58	18,440.58	1	1	1	AEONTOWN Co., Ltd.	142,027	1.7	—
C01	Times Kanda-Sudacho 4th	81.04	81.04	1	1	1	Times24. Co., Ltd.	2,700	0.0	—
D01	Hotel MyStays Kanda	2,585.72	2,585.72	126	126	1	MyStays Hotel Management Co., Ltd.	88,987	1.1	Fixed rent plus variable rent type operation
D02	Hotel MyStays Asakusa	3,327.38	3,327.38	161	161	1	MyStays Hotel Management Co., Ltd.	128,239	1.6	Fixed rent plus variable rent type operation
D03	Hotel MyStays Kyoto-Shijo	7,241.51	7,241.51	225	225	1	MyStays Hotel Management Co., Ltd.	358,013	4.4	Fixed rent plus variable rent type operation
D04	MyStays Shin-Urayasu Conference Center	6,232.30	6,232.30	175	175	1	MyStays Hotel Management Co., Ltd.	179,110	2.2	Fixed rent plus variable rent type operation
D05	Hotel MyStays Maihama	2,456.36	2,456.36	90	90	1	MyStays Hotel Management Co., Ltd.	148,450	1.8	Fixed rent plus variable rent type operation
D06	Hotel Vista Premio Dojima	9,445.32	9,445.32	153	153	1	MGH Master Lease Co., Ltd.	206,141	2.5	Fixed rent plus variable rent type operation
D07	Hotel MyStays Nagoya-Sakae	9,064.71	9,064.71	279	279	1	Yugen Kaisha Nagoya Hotel Management	180,607	2.2	Fixed rent plus variable rent type operation
D08	Hotel MyStays Sakaisuji-Honmachi	4,188.83	4,188.83	191	191	1	MyStays Hotel Management Co., Ltd.	194,326	2.4	Fixed rent plus variable rent type operation
D09	Hotel MyStays Yokohama	7,379.43	7,379.43	190	190	1	MyStays Hotel Management Co., Ltd.	111,541	1.4	Fixed rent plus variable rent type operation
D10	Hotel MyStays Nippori	1,719.29	1,719.29	93	93	1	MyStays Hotel Management Co., Ltd.	72,466	0.9	Fixed rent plus variable rent type operation
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3,412.71	3,412.71	177	177	1	MyStays Hotel Management Co., Ltd.	110,274	1.4	Fixed rent plus variable rent type operation
D12	Flexstay Inn Iidabashi	2,953.38	2,953.38	62	62	1	MyStays Hotel Management Co., Ltd.	52,789	0.6	Fixed rent plus variable rent type operation
D13	Hotel MyStays Ueno Inaricho	1,150.76	1,150.76	72	72	1	MyStays Hotel Management Co., Ltd.	53,901	0.7	Fixed rent plus variable rent type operation
D14	Flexstay Inn Shinagawa	1,134.52	1,134.52	55	55	1	MyStays Hotel Management Co., Ltd.	48,453	0.6	Fixed rent plus variable rent type operation
D15	Flexstay Inn Tokiwadai	2,539.75	2,539.75	130	130	1	MyStays Hotel Management Co., Ltd.	64,932	0.8	Fixed rent plus variable rent type operation
D16	Flexstay Inn Sugamo	2,089.86	2,089.86	105	105	1	MyStays Hotel Management Co., Ltd.	55,657	0.7	Fixed rent plus variable rent type operation
D17	Hotel MyStays Otemae	4,956.66	4,956.66	111	111	1	MyStays Hotel Management Co., Ltd.	137,938	1.7	Fixed rent plus variable rent type operation
D18	Flexstay Inn Kiyosumi Shirakawa	2,673.64	2,673.64	56	56	1	MyStays Hotel Management Co., Ltd.	40,024	0.5	Fixed rent plus variable rent type operation
D19	Flexstay Inn Nakanobu P1	770.56	770.56	39	39	1	MyStays Hotel Management Co., Ltd.	22,914	0.3	Fixed rent plus variable rent type operation
D20	Flexstay Inn Nakanobu P2	391.49	391.49	22	22	1	MyStays Hotel Management Co., Ltd.	12,159	0.1	Fixed rent plus variable rent type operation

Property No.	Property Name	Leasable Area (m <sup>2</sup> ) (Note 1)	Leased Area (m <sup>2</sup> ) (Note 2)	Leasable Units (units) (Note 3)	Leased Units (units) (Note 4)	Number of tenants (Note 5)	Tenants (Note 6)	Rental Revenue (JPY thousand) (Note7)	Ratio of Rental Revenue (%)	Type of Lease (Note 8)
D21	APA Hotel Yokohama Kannai	6,568.51	6,568.51	452	452	1	APA Hotel Kabushiki Kaisha	231,479	2.8	Fixed rent plus variable rent type operation
D22	Hotel Nets Hakodate	7,961.26	7,961.26	205	205	1	Hakodate Hospitality Godo Kaisha	110,080	1.3	Fixed rent plus variable rent type operation
D23	Flexstay Inn Shirogane	1,754.06	1,754.06	84	84	1	MyStays Hotel Management Co., Ltd.	58,122	0.7	Fixed rent plus variable rent type operation
D24	Hotel MyStays Haneda	5,400.16	5,400.16	174	174	1	MyStays Hotel Management Co., Ltd.	177,466	2.2	Fixed rent plus variable rent type operation
D25	Hotel MyStays Kameido P1	4,349.67	4,349.67	266	266	1	MyStays Hotel Management Co., Ltd.	176,496	2.2	Fixed rent plus variable rent type operation
D26	Hotel MyStays Ueno Iriyaguchi	2,247.92	2,247.92	97	97	1	MyStays Hotel Management Co., Ltd.	106,248	1.3	Fixed rent plus variable rent type operation
D27	Hotel MyStays Kameido P2	2,793.99	2,793.99	177	177	1	MyStays Hotel Management Co., Ltd.	123,608	1.5	Fixed rent plus variable rent type operation
D28	Hotel Vista Shimizu	3,559.81	3,559.81	152	152	1	Vista Hotel Management Co., Ltd.	67,741	0.8	Fixed rent plus variable rent type operation
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,403.89	1,403.89	74	74	1	Super Hotel Co., Ltd.	39,426	0.5	Fixed rent
D30	Flexstay Inn Higashi-Jujo	1,714.53	1,714.53	89	89	1	MyStays Hotel Management Co., Ltd.	40,114	0.5	Fixed rent plus variable rent type operation
D31	Hotel MyStays Utsunomiya	11,733.23	11,733.23	126	126	1	MyStays Hotel Management Co., Ltd.	77,939	1.0	Fixed rent plus variable rent type operation
D32	Flexstay Inn Kawasaki-Kaizuka	1,190.57	1,190.57	64	64	1	MyStays Hotel Management Co., Ltd.	31,955	0.4	Fixed rent plus variable rent type operation
D33	Comfort Hotel Toyama	3,305.64	3,305.64	150	150	1	Greens Co., Ltd.	35,928	0.4	Fixed rent
D34	Flexstay Inn Kawasaki-Ogawacho	725.60	725.60	62	62	1	MyStays Hotel Management Co., Ltd.	29,136	0.4	Fixed rent plus variable rent type operation
D35	Flexstay Inn Ekoda	3,932.93	3,932.93	210	210	1	MyStays Hotel Management Co., Ltd.	113,216	1.4	Fixed rent plus variable rent type operation
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,832.97	1,832.97	96	96	1	Super Hotel Co., Ltd.	31,787	0.4	Fixed rent
D37	Super Hotel JR Ueno-iriyauchi	1,279.16	1,279.16	69	69	1	Super Hotel Co., Ltd.	27,275	0.3	Fixed rent
D38	Hotel MyStays Shinsaibashi	1,942.01	1,942.01	57	57	1	MyStays Hotel Management Co., Ltd.	84,282	1.0	Fixed rent plus variable rent type operation
D39	Comfort Hotel Kurosaki	3,207.60	3,207.60	151	151	1	Greens Co., Ltd.	33,616	0.4	Fixed rent
D40	Comfort Hotel Maebashi	3,660.96	3,660.96	154	154	2	Greens Co., Ltd.	38,901	0.5	Fixed rent
D41	Comfort Hotel Tsubame-Sanjo	3,099.90	3,099.90	133	133	2	Greens Co., Ltd.	31,003	0.4	Fixed rent
D42	Comfort Hotel Kitami	3,009.50	3,009.50	127	127	1	Greens Co., Ltd.	26,879	0.3	Fixed rent
D43	Hotel MyStays Gotanda Station	8,752.42	8,752.42	335	335	1	MyStays Hotel Management Co., Ltd.	254,397	3.1	Fixed rent plus variable rent type operation
D44	Hotel Epinard Nasu	37,702.33	37,702.33	310	310	1	Naqua Hotels and Resorts Management Co., Ltd.	627,563	7.7	Fixed rent plus variable rent type operation
D45	Hotel MyStays Fukuoka Tenjin	5,083.06	5,083.06	217	217	1	MyStays Hotel Management Co., Ltd.	109,967	1.3	Fixed rent plus variable rent type operation
D46	Hotel MyStays Hamamatsucho	1,951.90	1,951.90	105	105	1	MyStays Hotel Management Co., Ltd.	77,364	0.9	Fixed rent plus variable rent type operation
D47	Hotel MyStays Kanazawa	13,250.03	13,250.03	261	261	1	MyStays Hotel Management Co., Ltd.	49,162	0.6	Fixed rent plus variable rent type operation
D48	Takamatsu Tokyu REI Hotel	7,148.17	7,148.17	193	193	3	Tokyu Hotels Co., Ltd.	7,591	0.1	Fixed rent



Property No.	Property Name	Leasable Area (m <sup>2</sup> ) (Note 1)	Leased Area (m <sup>2</sup> ) (Note 2)	Leasable Units (units) (Note 3)	Leased Units (units) (Note 4)	Number of tenants (Note 5)	Tenants (Note 6)	Rental Revenue (JPY thousand) (Note 7)	Ratio of Rental Revenue (%)	Type of Lease (Note 8)
	Total	409,928.31	403,886.39	11,313	11,145	140	—	8,158,220	100.0	—

(Note 1) “Leasable Area” is based on the portion of each property or property in trust that is owned by INV and leasable as residential properties, offices, retail spaces, etc.

(Note 2) “Leased Area” is the portion of leasable area for which there is actually a lease agreement and is based on the area indicated in the lease agreements.

(Note 3) “Leasable Units” with respect to hotel properties mean the total number of guest rooms and leasable retail spaces, etc. for each property or property in trust, and with respect to properties other than hotel properties, means the total number of leasable units and retail spaces, etc. for each property or property in trust.

(Note 4) “Leased Units” with respect to hotel properties mean the total number of guest rooms, retail spaces, etc. actually leased to tenants or end-tenants based on lease agreements, and with respect to properties other than hotel properties, means the total number of units, retail spaces, etc. actually leased to tenants or end-tenants based on lease agreements.

(Note 5) “Number of Tenants” is calculated by counting all lessees who have entered into a direct lease agreement with INV or the trustee as one tenant, and in cases where a tenant rents multiple rental rooms in the same property, such tenant is also counted as one tenant.

(Note 6) “Tenant” is the master lessee where there is a master lease agreement between INV or the trustee and a master lease company, and the principal lessee where there are direct lease agreements with end-tenants.

(Note 7) “Rental Revenue” is the aggregate rent revenue for each property for the fiscal period, rounded down to the nearest thousand yen.

(Note 8) With respect to the properties for which a master lease agreement has been entered into, the type of lease (either a pass-through master lease or a guaranteed rent) is indicated. “Pass-through master lease” is defined as a lease under which, pursuant to the pass-through master lease agreement entered into between the master lease company and INV or the trustee, the amount equal to the rent under the sublease agreement between the master lease company and the end tenant shall be paid to INV or the trustee. “Guaranteed rent” is defined as a lease under which a specified rent shall be paid to INV or the trustee, regardless of the rent under the sublease agreement between the master lease company and the end tenant. Moreover, with respect to hotel properties, the type of rent received from the relevant operator (either a fixed-rent or a fixed rent plus variable rent type operation) is indicated. “Fixed-rent” is defined as an agreement under which INV or the trustee shall receive a specified rent, regardless of the operational results of the relevant hotel. “Fixed rent plus variable rent type operation” is defined as an agreement under which INV or the trustee shall receive rent that varies based on the GOP (Gross Operating Profit), in addition to a fixed rent.

(Note 9) Nisshin Jyutaku Support K.K. merged with Nisshin Kanzai K.K. on April 1, 2016, and its company name was change to Nisshin Kanzai K.K.

(Note 10) Sohgo Real Estate transferred its leasing business to Haseko Livenet, Inc. on July 1, 2016. The tenant as of the date of this report is Haseko Livenet, Inc.

(Note 11) Not disclosed because the consent of the tenant was not obtained.

## b Occupancy trend

(Unit: %)

Property No.	Property Name	21 <sup>st</sup> Fiscal Period	22 <sup>nd</sup> Fiscal Period	23 <sup>rd</sup> Fiscal Period	24 <sup>th</sup> Fiscal Period	25 <sup>th</sup> Fiscal Period	26 <sup>th</sup> Fiscal Period					
		As of the end of Dec. 2013	As of the end of Jun. 2014	As of the end of Dec. 2014	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jan. 2016	As of the end of Feb. 2016	As of the end of Mar. 2016	As of the end of Apr. 2016	As of the end of May 2016	As of the end of Jun. 2016
A26	Nisshin Palacestage Daitabashi	95.0	94.1	90.0	96.9	96.1	97.1	96.0	98.0	95.0	96.2	97.0
A27	Nisshin Palacestage Higashi-Nagasaki	97.4	97.7	96.3	94.9	96.8	99.1	99.1	99.1	93.4	89.8	93.2
A28	Growth Maison Gotanda	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A29	Growth Maison Kameido	89.3	89.3	86.2	95.4	97.0	97.0	100.0	100.0	96.9	97.0	95.5
A30	Emerald House	98.9	100.0	98.0	100.0	97.9	97.9	95.8	97.1	100.0	100.0	100.0
A31	Harmonie Ochanomizu	97.5	91.2	93.5	88.3	90.8	100.0	100.0	100.0	100.0	100.0	100.0
A32	Suncrest Shakujii-Koen	95.3	97.0	97.0	97.4	97.0	97.0	95.8	95.0	81.5	81.5	84.3
A33	Growth Maison Shin-Yokohama	94.1	86.9	95.6	97.0	97.2	98.5	95.5	95.6	90.0	91.4	89.7
A34	Belle Face Ueno-Okachimachi	100.0	98.3	98.3	100.0	100.0	100.0	95.1	100.0	100.0	100.0	98.3
A35	Grand Rire Kameido	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A36	Growth Maison Ikebukuro	97.6	90.4	90.5	88.1	97.6	97.6	100.0	100.0	97.6	97.6	97.6
A37	Growth Maison Yoga	100.0	97.3	94.9	94.9	94.8	94.9	92.3	94.9	97.4	97.4	97.5
A38	Route Tachikawa	83.5	96.6	96.6	96.6	96.6	100.0	100.0	96.6	93.2	93.2	93.2
A39	Shibuya-Honmachi Mansion	96.4	100.0	91.3	89.9	96.4	100.0	100.0	100.0	97.9	97.9	95.9
A40	City Heights Kinuta	94.6	100.0	100.0	94.6	89.2	94.6	100.0	100.0	100.0	100.0	100.0
A41	Acseeds Tower Kawaguchi-Namiki	96.5	93.0	86.0	100.0	86.0	86.0	87.7	96.5	96.5	94.8	94.8
A42	Capital Heights Kagurazaka	91.0	90.5	91.6	94.4	97.2	93.0	97.2	97.2	94.4	94.4	97.2
A43	College Square Machida	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A44	Belair Meguro	92.1	100.0	88.1	100.0	96.0	92.0	96.0	100.0	100.0	96.1	96.1
A45	Wacore Tsunashima I	82.1	94.1	89.9	98.0	91.9	93.9	100.0	98.0	98.0	98.0	98.0
A46	Foros Nakamurabashi	94.5	100.0	88.8	90.5	100.0	100.0	95.1	96.9	94.5	96.2	96.2
A47	Growth Maison Kaijin	100.0	90.0	89.0	87.3	96.7	96.7	94.2	93.5	90.9	91.9	97.7
A48	College Square Machiya	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A51	City House Tokyo Shinbashi	100.0	94.5	95.6	97.1	98.6	95.0	96.7	97.8	97.8	97.6	96.1
A52	Winbell Kagurazaka	96.5	98.6	100.0	95.4	98.3	98.5	97.1	97.4	98.1	99.3	98.6
A53	Nishiwaseda Crescent Mansion	94.8	92.5	90.5	92.1	97.5	97.0	98.5	100.0	97.3	96.9	100.0
A54	Lexington Square Akebonobashi	89.7	93.3	88.8	93.5	98.8	96.4	98.8	98.9	97.8	98.8	95.4
A56	Casa Eremitaggio	90.0	97.0	91.2	84.2	100.0	97.0	100.0	97.0	94.1	100.0	100.0
A59	Towa City Coop Shinotsuka II	89.9	92.8	91.3	96.3	96.4	95.2	92.3	100.0	100.0	98.7	97.6
A61	Bichsel Musashiseki	92.9	94.3	85.8	98.5	97.1	95.7	98.5	98.6	97.1	97.1	95.7
A62	Lexel Mansion Ueno Matsugaya	100.0	96.3	96.8	100.0	100.0	100.0	100.0	100.0	96.4	96.4	100.0
A63	Towa City Coop Sengencho	90.5	89.1	80.2	83.0	93.1	93.3	93.5	94.9	92.4	90.5	91.1
A64	Royal Park Omachi	95.0	90.6	88.1	98.3	98.3	97.7	98.3	98.3	98.3	98.3	96.7
A65	Lexington Square Haginomachi	97.4	97.4	100.0	92.4	92.6	95.0	97.4	100.0	89.5	92.2	100.0
A66	Visconti Kakuozan	100.0	100.0	89.7	78.3	86.3	76.0	73.6	86.3	86.3	100.0	100.0
A71	Lexington Square Daitabashi	93.7	90.9	85.1	93.0	90.1	88.0	88.0	90.1	95.1	94.4	97.2
A72	Lexington Square Honjo Azumabashi	100.0	96.9	97.0	91.1	97.0	97.0	97.0	97.0	97.0	97.0	94.1
A73	AMS TOWER Minami 6-Jo	97.1	91.8	83.7	83.3	94.3	92.9	92.9	91.1	90.4	89.7	87.6
A75	Spacia Ebisu	89.2	90.0	93.6	93.6	95.6	93.9	93.8	94.1	91.9	92.7	91.7
A76	Neo Prominence	96.6	88.9	93.9	94.9	96.6	91.3	98.3	100.0	98.3	96.1	96.2
A77	Invoice Shin-Kobe Residence	95.4	94.4	94.0	88.4	94.9	92.1	94.9	96.8	95.9	98.2	98.2
A78	Cosmo Court Motomachi	98.7	90.4	86.6	96.2	96.2	95.0	93.9	97.6	95.1	95.3	96.3
A79	Revest Honjin	93.7	95.0	92.5	100.0	98.8	96.3	97.5	95.0	96.3	92.5	97.5
A80	Revest Matsubara	98.8	91.2	93.7	89.5	93.1	93.1	94.4	94.3	89.9	90.5	88.7
A81	Sun Terrace Minami Ikebukuro	97.4	89.5	92.1	97.4	97.4	100.0	97.4	100.0	100.0	100.0	100.0

Property No.	Property Name	21 <sup>st</sup> Fiscal Period	22 <sup>nd</sup> Fiscal Period	23 <sup>rd</sup> Fiscal Period	24 <sup>th</sup> Fiscal Period	25 <sup>th</sup> Fiscal Period	26 <sup>th</sup> Fiscal Period					
		As of the end of Dec. 2013	As of the end of Jun. 2014	As of the end of Dec. 2014	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jan. 2016	As of the end of Feb. 2016	As of the end of Mar. 2016	As of the end of Apr. 2016	As of the end of May 2016	As of the end of Jun. 2016
A82	Alba Noritake Shinmachi	96.5	91.7	94.4	98.6	91.0	95.1	93.0	96.5	96.5	95.1	97.2
A83	Revest Meieki Minami	98.5	93.6	95.4	100.0	100.0	100.0	100.0	98.5	91.4	91.4	96.6
A84	Revest Heian	98.4	98.4	100.0	92.0	100.0	100.0	100.0	98.4	100.0	100.0	100.0
A85	Yéndir Hamaotsu Ekimae	100.0	94.2	87.3	88.4	88.4	87.4	84.7	92.0	97.7	95.3	95.3
A86	Salvo Sala	96.7	91.5	93.5	94.4	98.0	98.5	100.0	100.0	98.3	98.3	100.0
A87	Excellente Kagurazaka	91.2	97.1	88.3	97.1	91.2	88.2	88.2	94.1	97.1	97.1	97.1
A88	Luna Court Edobori	98.0	88.1	88.1	94.0	96.0	100.0	98.0	98.0	96.0	98.0	96.0
A89	Winntage Kobe Motomachi	86.0	91.1	94.8	94.7	85.9	82.4	89.3	92.9	94.6	87.7	86.0
A90	Queen's Court Fukuzumi	100.0	100.0	92.5	100.0	95.9	96.6	82.8	96.6	96.6	96.6	93.1
A91	Corp Higashinotoin	95.1	90.3	92.9	95.7	97.9	97.9	95.4	93.2	90.8	90.8	90.8
A92	Belair Oimachi	96.4	96.1	92.9	96.1	96.4	100.0	100.0	100.0	100.0	100.0	100.0
A93	Siete Minami-Tsukaguchi	97.5	92.5	97.5	92.6	95.0	95.0	95.0	100.0	100.0	97.5	97.5
A94	Prime Life Sannomiya Isogami Koen	93.8	100.0	96.9	93.8	100.0	100.0	96.9	100.0	100.0	100.0	93.8
A95	HERMITAGE NANBA WEST	96.0	92.0	100.0	95.7	91.2	91.2	82.4	78.4	70.1	78.1	100.0
A96	Century Park Shinkawa 1-bankan	97.7	100.0	95.5	91.0	91.0	91.0	93.2	95.5	90.9	93.2	95.4
A97	West Avenue	90.0	85.0	85.0	75.0	80.0	80.0	80.0	80.0	85.0	85.0	85.0
A98	Little River Honmachibashi	96.9	93.9	93.8	96.9	100.0	96.9	100.0	100.0	100.0	100.0	100.0
A99	Prime Life Mikage	96.6	93.4	93.3	86.8	100.0	96.6	96.6	93.4	96.7	96.7	96.7
A100	City Court Kitaichijo	—	—	—	—	96.6	96.8	97.6	98.9	97.8	98.3	95.7
A101	Lieto Court Mukojima	—	—	—	—	97.6	99.0	97.0	99.0	97.6	95.2	96.8
A102	Lieto Court Nishi-Ojima	—	—	—	—	100.0	100.0	100.0	100.0	99.0	99.0	98.0
A103	Royal Parks Momozaka	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0
A104	Royal Parks Shinden	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0
B08	Kindai Kagakusha Building	100.0	95.0	100.0	100.0	100.0	98.7	98.7	98.7	90.7	100.0	100.0
B09	Shinjuku Island	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B14	Lexington Plaza Nishigotanda	90.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B15	Cross Square NAKANO	67.6	64.3	64.3	70.8	79.1	79.1	80.8	82.4	82.4	84.1	84.1
B16	Ohki Aoba Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	83.6	83.6
B17	Lexington Plaza Hachiman	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.8
B18	AEON TOWN Sukagawa	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
C01	Times Kanda-Sudacho 4th	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
C21	Bon Sejour Chitose Funabashi	100.0	—	—	—	—	—	—	—	—	—	—
C22	Bon Sejour Yotsugi	100.0	—	—	—	—	—	—	—	—	—	—
C23	Bon Sejour Hino	100.0	—	—	—	—	—	—	—	—	—	—
C24	Bon Sejour Musashi Shinjo	100.0	—	—	—	—	—	—	—	—	—	—
C25	Bon Sejour Komaki	100.0	—	—	—	—	—	—	—	—	—	—
C26	Bon Sejour Hadano Shibusawa	100.0	—	—	—	—	—	—	—	—	—	—
C27	Bon Sejour Itami	100.0	—	—	—	—	—	—	—	—	—	—
D01	Hotel MyStays Kanda	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D02	Hotel MyStays Asakusa	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D03	Hotel MyStays Kyoto-Shijo	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D04	MyStays Shin-Urayasu Conference Center	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D05	Hotel MyStays Maihama	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D06	Hotel Vista Premio Dojima	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D07	Hotel MyStays Nagoya-Sakae	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D08	Hotel MyStays Sakaisuji-Honmachiji	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Property No.	Property Name	21 <sup>st</sup> Fiscal Period	22 <sup>nd</sup> Fiscal Period	23 <sup>rd</sup> Fiscal Period	24 <sup>th</sup> Fiscal Period	25 <sup>th</sup> Fiscal Period	26 <sup>th</sup> Fiscal Period						
		As of the end of Dec. 2013	As of the end of Jun. 2014	As of the end of Dec. 2014	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jan. 2016	As of the end of Feb. 2016	As of the end of Mar. 2016	As of the end of Apr. 2016	As of the end of May 2016	As of the end of Jun. 2016	
D09	Hotel MyStays Yokohama	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D10	Hotel MyStays Nippori	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D11	Hotel MyStays Fukuoka-Tenjin-Minami	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D12	Flexstay Inn Iidabashi	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D13	Hotel MyStays Ueno Inaricho	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D14	Flexstay Inn Shinagawa	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D15	Flexstay Inn Tokiwadai	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D16	Flexstay Inn Sugamo	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D17	Hotel MyStays Otemae	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D18	Flexstay Inn Kiyosumi Shirakawa	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D19	Flexstay Inn Nakanobu P1	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D20	Flexstay Inn Nakanobu P2	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D21	APA Hotel Yokohama-Kannai	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D22	Hotel Nets Hakodate	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D23	Flexstay Inn Shirogane	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D24	Hotel MyStays Haneda	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D25	Hotel MyStays Kameido P1	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D26	Hotel MyStays Ueno Iriyaguchi	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D27	Hotel MyStays Kameido P2	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D28	Hotel Vista Shimizu	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D29	Super Hotel Shinbashi/Karasumoriguchi	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D30	Flexstay Inn Higashi-Juio	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D31	Hotel MyStays Utsunomiya	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D32	Flexstay Inn Kawasaki-Kaizuka	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D33	Comfort Hotel Toyama	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D34	Flexstay Inn Kawasaki-Ogawacho	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D35	Flexstay Inn Ekoda	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D37	Super Hotel JR Ueno-iryaguchi	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D38	Hotel MyStays Shinsaibashi	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D39	Comfort Hotel Kurosaki	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D40	Comfort Hotel Maebashi	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D41	Comfort Hotel Tsubame-Sanjo	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D42	Comfort Hotel Kitami	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D43	Hotel MyStays Gotanda Station	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0
D44	Hotel Epinard Nasu	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0
D45	Hotel MyStays Fukuoka Tenjin	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0
D46	Hotel MyStays Hamamatsucho	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0
D47	Hotel MyStays Kanazawa	—	—	—	—	—	—	—	—	—	—	—	100.0
D48	Takamatsu Tokyu REI Hotel	—	—	—	—	—	—	—	—	—	—	—	100.0
	Total	96.3	95.1	96.1	96.9	98.2	98.2	98.3	98.9	98.4	98.4	98.5	98.5

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