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Invincible Investment Corporation

Asset Management Report

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

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Information for Unitholders

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

I would like to take this opportunity to express my sincere gratitude and appreciation to all investors in Invincible Investment Corporation (“INV”) for your continued support.

It is my pleasure to provide you with a report on INV’s asset management and financial results for the 25th period (covering the period from July 1, 2015 to December 31, 2015; the “Reporting Period”).

During the Reporting Period, we conducted our second global public offering (the “Capital Increase”) in two years that raised JPY 29.3 billion in funds. The proceeds from the Capital Increase were used together with new loans to acquire 11 hotels and 3 residential properties in July 2015. In August 2015, we acquired 3 hotels by utilizing the excess cash on hand from the Capital Increase along with new loans. As of the end of the Reporting Period, our portfolio consisted of 111 properties, and our asset size was JPY 173.8 billion (based on the acquisition price).

With respect to the property operations, the average daily rate (ADR) for hotels increased substantially, due in large part to the steep increase in the number of international inbound visitors to Japan, which nearly reached 20 million visitors annually. INV has adopted a variable rent structure at most of the hotels it owns, under which any increase in hotel revenue directly leads to an increase in INV’s revenue. INV’s operating revenue increased by JPY 1,889 million, or 38.0%, from the previous period to JPY 6,863 million due to the revenue contribution of the newly acquired assets referenced above together with an increase in variable rent revenue.

In regards to financial operations, we refinanced all existing loans in July 2015, and concurrently converted all debt to unsecured debt, lengthened and diversified the debt maturity periods and further reduced the interest rates. As of the end of the Reporting Period, the average interest rate on loans was 0.63%, substantially lower than 1.06% as of the end of the previous period.

As a result, net income increased by JPY 657 million, or 28.6%, from the previous period to JPY 2,952 million, and DPU (distribution per unit) increased by JPY 327, or 38.0%, from the previous period to JPY 1,187 (the total of JPY 948 from distribution of earnings per unit and JPY 239 from excess profit distribution per unit). The annual DPU for 2015, the sum of the DPU for the June and December 2015 fiscal periods, was JPY 2,047, a considerable increase of JPY 741, or 56.7%, from the previous year.

In January 2016, INV acquired 5 hotels and 1 residential property by utilizing cash-on-hand and new loans. INV also renewed the MOU with Fortress-related special purpose companies, concerning preferential negotiation rights for the acquisition of 10 additional hotels, including “Sheraton Grande Tokyo Bay Hotel.” As of February 29, 2016, INV had preferential negotiation rights regarding 25 hotels and 9 residential properties. We will further seek to build a portfolio that demonstrates both high growth and stability by utilizing this extensive sponsor pipeline. With respect to INV’s internal growth, we will continue our efforts to maximize the rent revenue from the hotel portfolio, which is expected to achieve high growth in the medium to long-term. In regards to financial operations, we will aim to further strengthen our bank formation and will also make efforts to diversify debt maturity periods, fix some of the interest rates and diversify financing methods, including issuing REIT bonds.

We maintain our policy to “increase distribution per unit,” and will implement strategic initiatives to maximize unitholders’ value.

Your continued support is highly appreciated.



Naoki Fukuda

Executive Officer, Invincible Investment Corporation

President & CEO, Consonant Investment Management Co., Ltd.

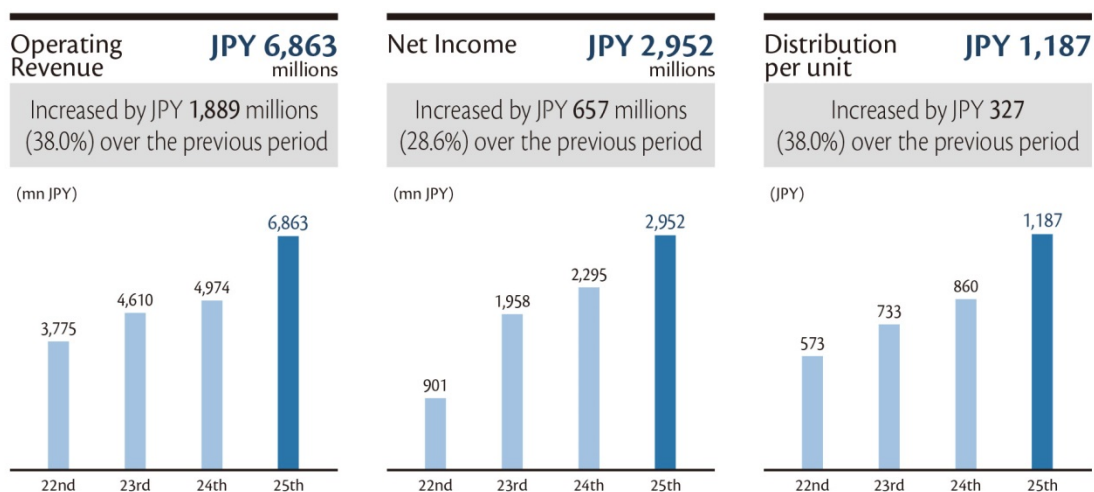
Fixed Distributions	The 25th fiscal period (the fiscal period ended December 2015)	Per investment unit JPY 1,187
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(Note) The forward-looking statements, forecasts and goals mentioned above are based on available information, assumptions and estimates as of the end of February, 2016. These assumptions and estimates are unavoidably uncertain, and could be affected by various risks and factors beyond INV’s control. Thus, no guarantee can be made regarding the realization of such future forecasts and targets, and actual results may vary significantly.

Summary of Financial Results

	Period from January 1, 2014 to June 30, 2014	Period from July 1, 2014 to December 31, 2014	Period from January 1, 2015 to June 30, 2015	Period from July 1, 2015 to December 31, 2015
Operating Revenue (Thousands of yen)	3,775,772	4,610,717	4,974,760	6,863,775
Ordinary Income (Thousands of yen)	902,420	1,958,607	2,295,909	2,953,293
Net Income (Thousands of yen)	901,815	1,958,002	2,295,304	2,952,688
Net Assets (Thousands of yen)	36,373,796	61,392,392	61,731,550	91,758,194
Total Assets (Thousands of yen)	79,261,754	130,477,232	136,299,746	185,918,871
Net Assets per Unit (Yen)	23,121	23,005	23,132	28,731
Net Assets/Total Assets (%)	45.9	47.1	45.3	49.4
Distribution per Unit (Yen)	573	733	860	1,187
Number of Units Issued (Unit)	1,573,179	2,668,686	2,668,686	3,193,686

(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place. However, “Net Assets per Unit” are rounded to the nearest yen.



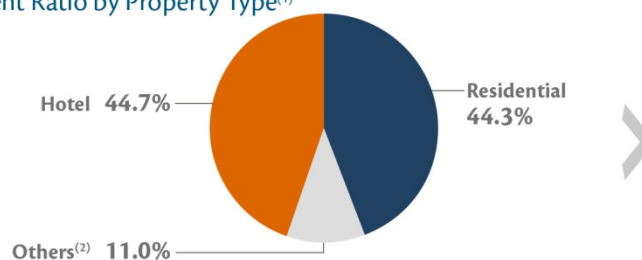
(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

Further External Growth

External Growth Supported by Stronger Sponsor Support

As of end of the 24th fiscal period (Jun. 30, 2015)	
# of Properties	94
Acquisition Price (mn JPY)	131,188
Appraisal Value (mn JPY)	146,874

Investment Ratio by Property Type⁽¹⁾

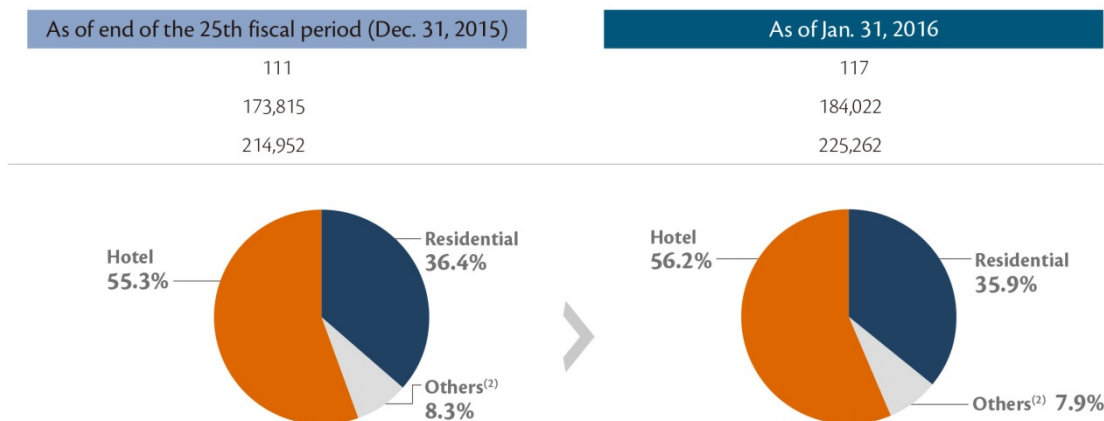


(Note 1) Based on acquisition price

(Note 2) "Others" includes Office, Retail and Parking lot.

Acquisition Summary

Property Name	Property Type	Location	Acquisition Value (JPY mn)	Appraisal Value at acquisition (JPY mn)	Acquisition Date
Hotel MyStays Haneda	Hotel	Ota Ward, Tokyo	7,801	7,880	Jul. 2015
Hotel MyStays Kameido P1	Hotel	Koto Ward, Tokyo	5,594	5,650	Jul. 2015
Hotel MyStays Ueno Iriyaguchi	Hotel	Taito Ward, Tokyo	3,821	3,860	Jul. 2015
Hotel MyStays Kameido P2	Hotel	Koto Ward, Tokyo	3,742	3,780	Jul. 2015
Hotel Vista Shimizu	Hotel	Shizuoka City, Shizuoka Prefecture	2,198	2,220	Jul. 2015
Super Hotel Shinbashi/ Karasumoriguchi	Hotel	Minato Ward, Tokyo	1,624	1,640	Jul. 2015
Flexstay Inn Higashi-Jujo	Hotel	Kita Ward, Tokyo	1,277	1,290	Jul. 2015
Hotel MyStays Utsunomiya	Hotel	Utsunomiya City, Tochigi Prefecture	1,237	1,250	Jul. 2015
Flexstay Inn Kawasaki-Kaizuka	Hotel	Kawasaki City, Kanagawa Prefecture	980	990	Jul. 2015
Comfort Hotel Toyama	Hotel	Toyama City, Toyama Prefecture	979	989	Jul. 2015
Flexstay Inn Kawasaki-Ogawacho	Hotel	Kawasaki City, Kanagawa Prefecture	906	915	Jul. 2015
Flexstay Inn Ekoda	Hotel	Nerima Ward, Tokyo	5,069	5,120	Aug. 2015
Super Hotel Tokyo-JR Tachikawa Kitaguchi	Hotel	Tachikawa City, Tokyo	1,170	1,180	Aug. 2015
Super Hotel JR Ueno-iriyaguchi	Hotel	Taito Ward, Tokyo	1,130	1,140	Aug. 2015
Hotel MyStays Shinsaibashi	Hotel	Osaka, Osaka	3,160	3,190	Jan. 2016
Comfort Hotel Kurosaki	Hotel	Kitakyushu, Fukuoka	1,148	1,160	Jan. 2016
Comfort Hotel Maebashi	Hotel	Maebashi, Gunma	1,128	1,140	Jan. 2016
Comfort Hotel Tsubame-Sanjyo	Hotel	Sanjyo, Niigata	1,010	1,020	Jan. 2016
Comfort Hotel Kitami	Hotel	Kitami, Hokkaido	851	860	Jan. 2016
City Court Kitaichijo	Residence	Sapporo City, Hokkaido	1,782	1,800	Jul. 2015
Lieto Court Mukojima	Residence	Sumida Ward, Tokyo	1,683	1,700	Jul. 2015
Lieto Court Nishi-Ojima	Residence	Koto Ward, Tokyo	1,634	1,650	Jul. 2015
Royal Parks Momozaka	Residence	Osaka, Osaka	2,910	2,940	Jan. 2016



Hotels Covered by Preferential Negotiation Rights

	Hotel Name	Asset Type	Location	No. of Rooms
1	Hotel MyStays Gotanda Station	Limited Service Hotel	Shinagawa-ku, Tokyo	333
2	Hotel MyStays Akasaka	Limited Service Hotel	Minato-ku, Tokyo	327
3	Hotel MyStays Kanazawa	Limited Service Hotel	Kanazawa, Ishikawa	244
4	Hotel MyStays Fukuoka-Tenjin	Limited Service Hotel	Fukuoka, Fukuoka	217
5	Hotel MyStays Yokohama-Kannai	Limited Service Hotel	Yokohama, Kanagawa	166
6	Hotel MyStays Hamamatsucho	Limited Service Hotel	Minato-ku, Tokyo	105
7	RihgaRoyal Hotel Kyoto	Full Service Hotel	Kyoto, Kyoto	489
8	Narita Excel Hotel Tokyu	Full Service Hotel	Narita, Chiba	706
9	Art Hotels Sapporo	Full Service Hotel	Sapporo, Hokkaido	418
10	Best Western Hotel Fino Sapporo	Limited Service Hotel	Sapporo, Hokkaido	242
11	Best Western Hotel Fino Oita	Limited Service Hotel	Oita, Oita	145
12	Takamatsu Tokyu REI Hotel	Limited Service Hotel	Takamatsu, Kagawa	191
13	Hotel Naqua City Hirosaki	Full Service Hotel	Hirosaki, Aomori	134
14	Beppu Kamenoi Hotel	Resort Hotel	Beppu, Oita	322
15	Fusaki Resort Village	Resort Hotel	Ishigaki, Okinawa	195
16	Sheraton Grande Tokyo Bay Hotel	Full Service Hotel	Urayasu, Chiba	1,016
17	Hotel Shin-Osaka Conference Center	Limited Service Hotel	Osaka, Osaka	397
18	Art Hotels Asahikawa	Full Service Hotel	Asahikawa, Hokkaido	265
19	Hotel MyStays Kanazawa Castle	Limited Service Hotel	Kanazawa, Ishikawa	206
20	Hotel JAL City Matsuyama	Full Service Hotel	Matsuyama, Ehime	161
21	Hotel Ueno East	Limited Service Hotel	Taito-ku, Tokyo	150
22	(tentative) Hotel Mystays Honmachi 3-chome (Osaka)	Limited Service Hotel	Osaka, Osaka	120
23	Hotel MyStays Sapporo Nakajima Park	Limited Service Hotel	Sapporo, Hokkaido	86
24	Flexstay Inn Sakuragicho	Limited Service Hotel	Yokohama, Kanagawa	70
25	MyCUBE by MYSTAYS! Asakusa Kuramae	Limited Service Hotel	Taito-ku, Tokyo	64
	Total			6,769

(Note 2) The term of validity of the MOU is from January 20, 2016, the date of execution of the new MOU, to January 19, 2017.

(Note 3) As of the end of February 2016, INV does not have any plan to acquire any of the 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.

Continuous Improvement of Financial Conditions

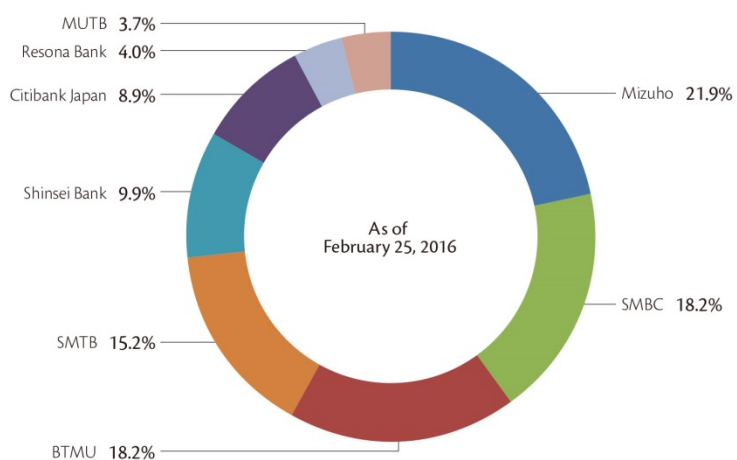
- LTV ratio based on appraisal value was 44% as of the latest date
- Stable bank formation mainly consists of megabanks and mega trust banks

Borrowings ⁽¹⁾

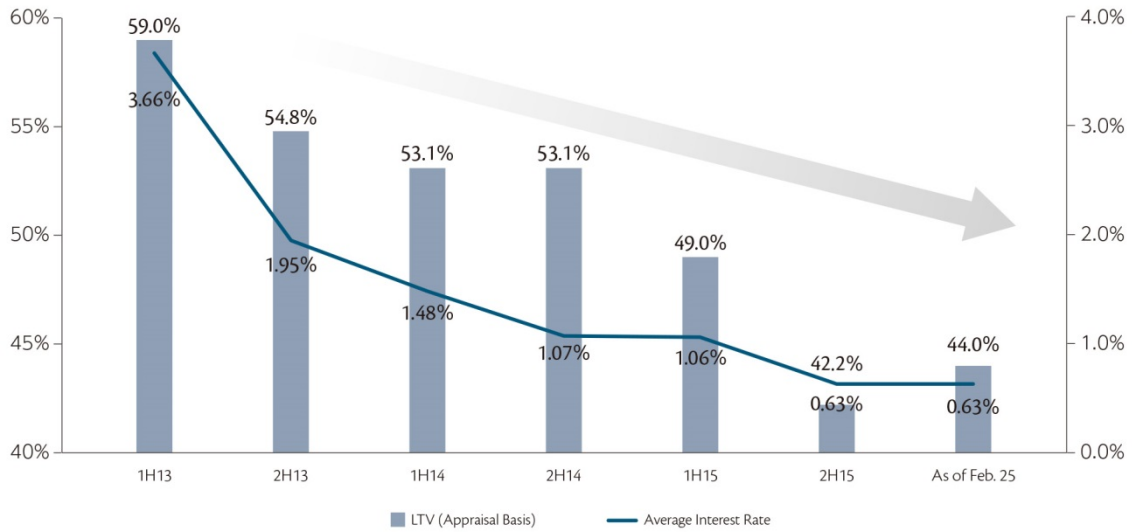
Loans	Term	Balance (¥ mn)	Interest Rate
New Syndicate Loan (E)	3yrs.	28,979	1MT + 0.4%
	4yrs.	28,979	1MT + 0.5%
	5yrs.	28,979	1MT + 0.6%
Term Loan (A)	10mo.	1,080	1MT + 0.2%
	4yrs.	3,682	1MT + 0.5%
Term Loan (B)	3yrs.	4,250	1MT + 0.4%
	5yrs.	4,250	1MT + 0.6%
	1yrs.	498	1MT + 0.2%
Total / Average Interest Rate	4yrs.	100,697	0.63%

(Note 1) C-tax loan isn't included in calculation of average loan term. Average Interest Rate of Loans; based on assumption 1 month TIBOR as of January 22, 2016, although 2 month TIBOR is applied as the base rate of the first payment period for Term Loan (B).

Bank Formation



LTV ⁽²⁾ (Appraisal base) and Average Interest Rate ⁽³⁾



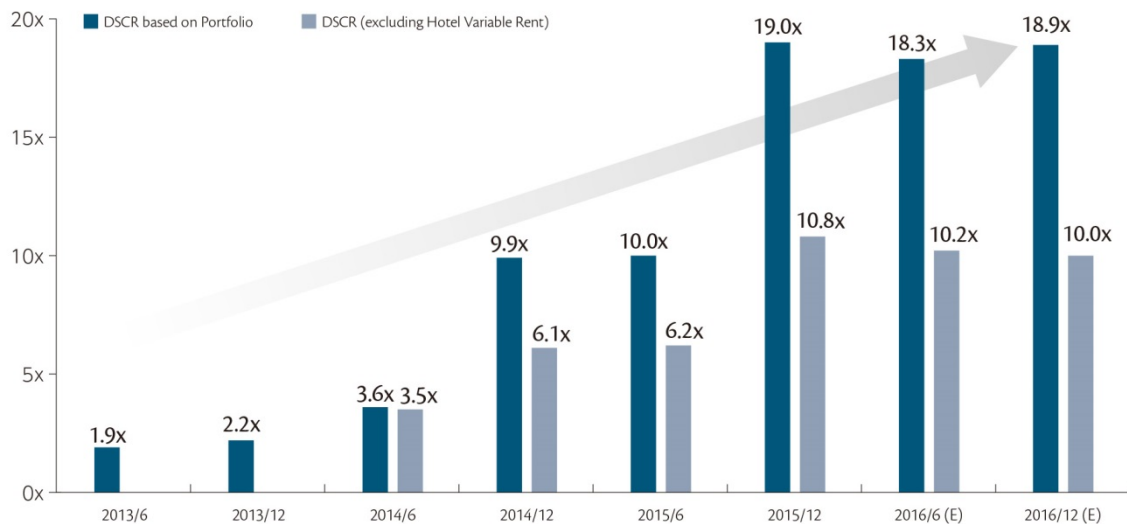
(Note 2) LTV (Appraisal base) is calculated using the following formula:

$$\text{Interest - Bearing Debts (excluding c-tax loan)} / \text{Total Appraisal Value}$$

(Note 3) The average interest rate is calculated using the following formula:

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

DSCR (Based on Portfolio) ⁽⁴⁾ / DSCR (Excluding Hotel Variable Rent Portion) ⁽⁵⁾



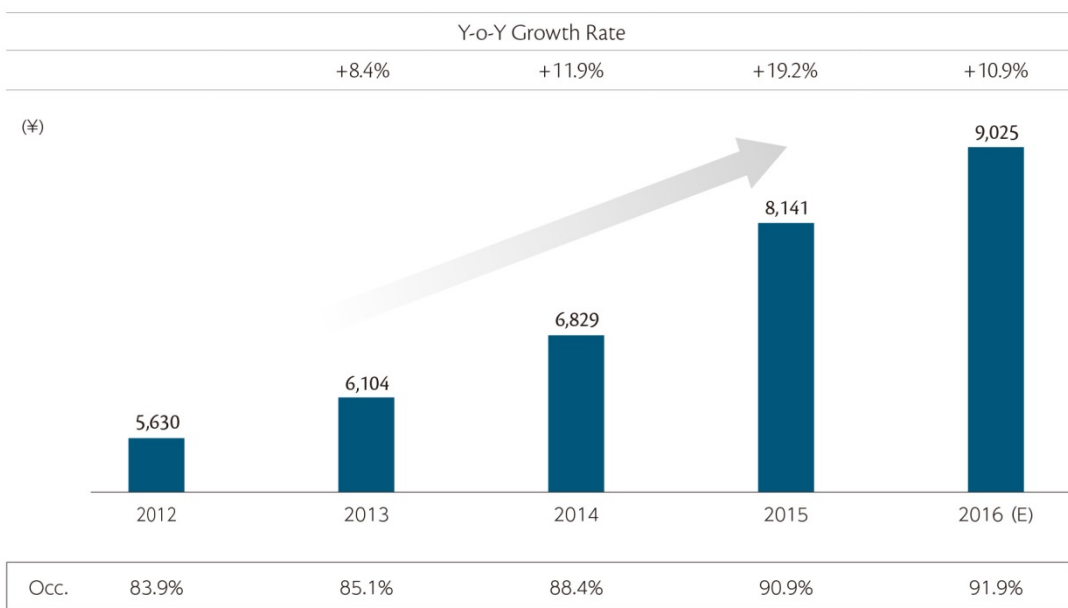
(Note 4) DSCR (Based on Portfolio) is calculated using the following formula; $(\text{Operating Income} + \text{Depreciation Expenses} + \text{Profit/Loss derived from Sale of Real Estate}) \div (\text{Contract Payment Amount} + \text{Interest Amount})$

(Note 5) DSCR (Excluding Hotel Variable Rent) is calculated using the following formula; $(\text{Operating Income} - \text{Hotel Variable Rental Income} + \text{Depreciation Expenses} + \text{Profit/Loss derived from Sale of Real Estate}) \div (\text{Contract Payment Amount} + \text{Interest Amount})$

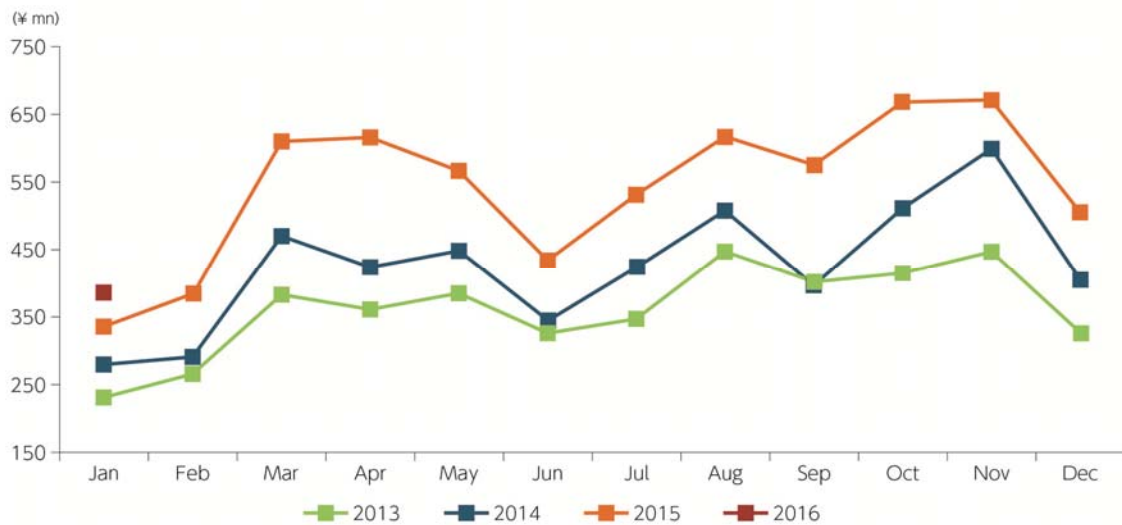
Strong Performance of Hotel Assets

- Japan saw a record 19.73 million foreign visitors in 2015, up 47.1%. The number of inbound Asian tourists is not impacted by volatility in Chinese equity market and continues to increase in 2016
- Average daily rate (ADR) of hotels increased. Increase in hotel revenues leads to growth of INV's revenues.

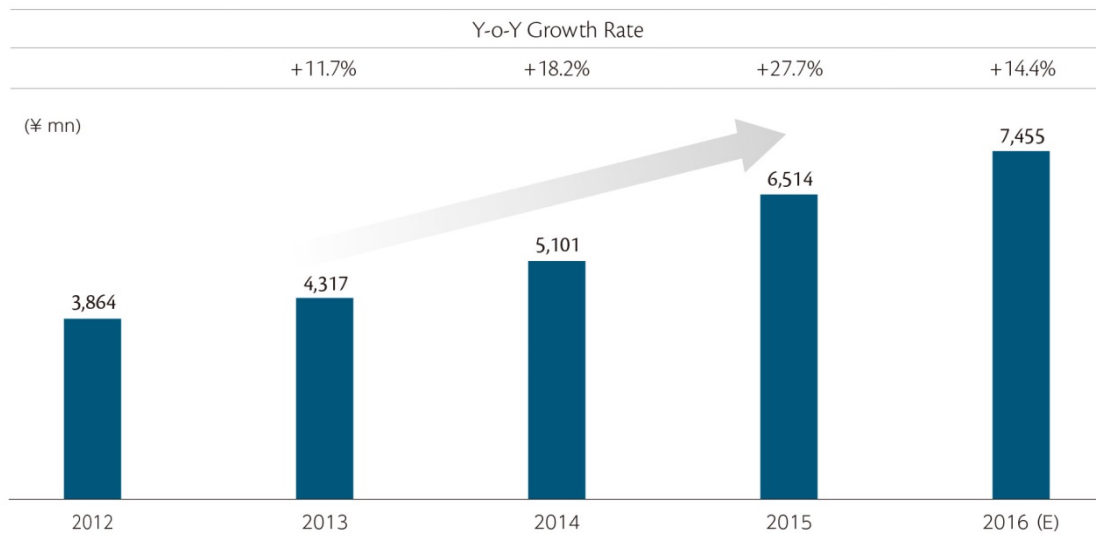
ADR Growth (Annual)⁽¹⁾



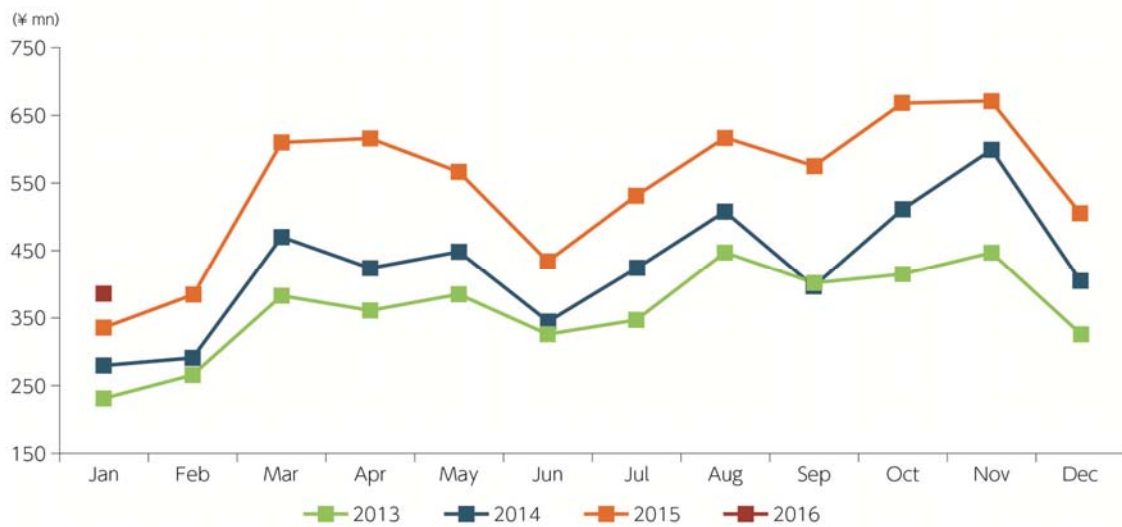
ADR Monthly Trend⁽¹⁾



NOI Growth (Annual) ⁽¹⁾⁽²⁾



NOI Monthly Trend ⁽¹⁾



(Note 1) Based on 32 hotels in our portfolio, as of the end of December 31, 2015 which include all hotels with variable rent structures except for Hotel MyStays Haneda, which opened on September 26, 2014 and have no comparable results, Super Hotel Shinbashi/Karasumoriguchi, Comfort Hotel Toyama, Super Hotel JR Uenoiriyaguchi and Super Hotel Tokyo - JR Tachikawa Kitaguchi, that are also excluded because their leases have only fixed rent.

(Note 2) Pre-acquisition GOP and NOI are based on the actual results provided by sellers and adjusted to reflect for trust fees and insurance premiums assuming the properties had been held by Invincible.

I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period	
Calculated period		Jul. 1, 2013 to Dec. 31, 2013	Jan. 1, 2014 to Jun. 30, 2014	Jul. 1, 2014 to Dec. 31, 2014	Jan. 1, 2015 to Jun. 30, 2015	Jul. 1, 2015 to Dec. 31, 2015	
Operating Results	Operating revenues	(Note 1) (Thousands of yen)	2,740,449	3,775,772	4,610,717	4,974,760	6,863,775
	(Rental revenues)	(Thousands of yen)	2,740,449	2,772,419	4,610,717	4,974,760	6,863,775
	Operating expenses	(Thousands of yen)	1,474,679	1,541,127	1,840,796	2,163,828	2,494,667
	(Property-related expenses)	(Thousands of yen)	1,261,221	1,281,791	1,586,854	1,834,039	2,178,165
	Operating income	(Thousands of yen)	1,265,770	2,234,644	2,769,920	2,810,931	4,369,108
	Ordinary income	(Thousands of yen)	353,360	902,420	1,958,607	2,295,909	2,953,293
	Net income	(Thousands of yen)	352,755	901,815	1,958,002	2,295,304	2,952,688
Asset Condition	Total assets (change from last period)	(a) (Thousands of yen) (%)	79,176,632 (1.3)	79,261,754 0.1	130,477,232 64.6	136,299,746 4.5	185,918,871 36.4
	Interest-bearing debt	(Thousands of yen)	41,310,000	41,000,850	67,260,000	72,301,000	91,699,000
	Net assets (change from last period)	(b) (Thousands of yen) (%)	35,844,824 9.1	36,373,796 1.5	61,392,392 68.8	61,731,550 0.6	91,758,194 48.6
	Total contribution	(Thousands of yen)	29,134,389	29,134,389	53,096,413	53,096,413	82,465,438
Dividend Status	Total distribution	(c) (Thousands of yen)	372,843	901,431	1,956,146	2,295,069	3,790,905
	Dividend payout ratio	(Note 2) (%)	105.7	100.0	99.9	100.0	102.5
Information per Unit	Number of investment units issued and outstanding	(d) (Units)	1,573,179	1,573,179	2,668,686	2,668,686	3,193,686
	Net assets per unit	(b) / (d) (yen) (Note 3))	22,785	23,121	23,005	23,132	28,731
	Distribution per unit (Profit distribution per unit) (Excess profit distribution per unit)	(c) / (d) (yen) (yen) (yen)	237	573	733	860	1,187
			237	573	733	860	948
Financial Measures	Return on assets (change over year)	(Note 4) (%)	0.4	1.1	1.9	1.7	1.8
	Return on equity (change over year)	(Note 4) (%)	0.9	2.3	3.7	3.5	3.6
	Capital ratio (change from last period)	(b) / (a) (Note 4) (%) (%)	45.3	45.9	47.1	45.3	49.4
	NOI (Net Operating Income)	(Note 4) (Thousands of yen)	2,006,648	2,018,542	3,861,122	4,127,486	5,961,324
			4.3	0.6	1.2	(1.8)	4.1

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

- (Note 2) Dividend payout ratio is calculated by dividing profit distribution by unit by net income that period. However, for the period after the 21st Fiscal Period, it is calculated by dividing the total profit distribution amount by net income.
- (Note 3) Distribution by unit is rounded to the nearest unit.
- (Note 4) Published benchmarks are calculated as below, and ratios are rounded to one decimal place.
- Return on Assets = Ordinary Income / (Total Assets at Start of Reporting Period + Total Assets at End of Reporting Period) / 2 x 100
- Return on Equity = Net Income this period / (Net Assets at Start of Reporting Period + Net Assets at End of Reporting Period) / 2 x 100
- Capital Ratio = Net Assets at End of Reporting Period / Total Assets at End of Reporting Period x 100
- Rental NOI = Rental Revenues – Leasing Costs + Fiscal Period Depreciation Expenses

2 Operating Conditions

(1) 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 focused 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, and thereby has established 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 added hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecast to rise going forward. INV's portfolio as at the end of the previous period ended June 2015 comprised 94 properties (23 hotels, 63 residential properties and eight others) with a total acquisition price of JPY 131,188 million, and market capitalization as at such date was JPY 174,265 million.

In the fiscal period ended December 2015 (the "Reporting Period"), INV conducted a global public offering for the second consecutive year (the "Capital Increase"), and with the funds raised through the Capital Increase and new loans, acquired 11 hotels and three residential properties (the "Acquisition") and refinanced all existing loans (the "Refinancing"; collectively with the Capital Increase and the Acquisition, the "Measures"). In addition, on June 25, 2015, INV entered into a Memorandum of Understanding (the "MOU") with affiliates of sponsor Fortress Group, thereby acquiring preferential negotiating rights regarding the acquisition of 21 hotels and nine residential properties, securing a pipeline for external growth.

Through implementation of the Measures, INV achieved further DPU growth and an increase in scale for both the portfolio and market capitalization. Furthermore, INV converted all loans into unsecured debt, further strengthening its financial soundness and stability.

In addition, INV acquired three hotels as of August 28, 2015 which increased the portfolio size to 111 properties (an increase of 17 properties from the previous period end) with a total acquisition price of JPY 173,815 million (an increase of JPY 42,627 million from the previous period end) and a market capitalization of JPY 224,835 million (an increase of JPY 50,570 million from the previous year end) as of the end of the Reporting Period. INV was included in the FTSE EPRA / NAREIT Global Real Estate Index Series regarded as a prominent benchmark by many global property funds from September 21, 2015, due to expansion of market capitalization and enhancement of liquidity through our initiatives.

(2) Operational Environment and Performance

In the Reporting Period, certain segments of the Japanese economy such as exports were influenced by weakness in emerging economies. However, there were many bright spots to highlight due to strong

corporate earnings which helped spur real annualized GDP growth of 1.0% for the period from July to September 2015 year-on-year. The employment and wage environment showed further improvement as the unemployment rate for December 2015 fell to 3.3%, the jobs-to-applicants ratio was 1.27x, and the number of unemployed declined for the 67th consecutive month. Going forward, while it is necessary to take note of risks such as the growing concerns over the slowdown in overseas economies primarily in emerging countries, the decline in worldwide stock values and the low price of crude oil, the moderate domestic economic upswing is expected to continue due to the recovery in consumer spending on the back of the improved employment and wage environment. Furthermore, there is underlying economic support from the impact of the government's financial policy, the Bank of Japan's large-scale monetary easing policy, and the strengthening of corporate profits in connection with the decline in raw material costs associated with the decline in the price of crude oil.

Regarding the real estate investment market, real estate transaction prices continued to rise in Tokyo and other large cities as a result of Japan's economic recovery and expectations of an end to deflation. According to the Japanese Real Estate Investor Survey (October 2015) conducted by the Japan Real Estate Institute, investors expect capitalization rates for offices, residences, retail facilities, and hotels to continue to decline. 87% of the survey respondents said that they would make new investments over the next year, showing that investment demand remains high. In particular, investors expect hotel capitalization rates to decrease by 0.4 points in both Tokyo and Osaka compared with the previous survey, as investment demand continues to grow.

Regarding the property rental market, Tokyo office building vacancy rates continue to decline while vacancy rates are bottoming out in parts of other major cities such as Osaka and Nagoya. Rents increased mainly for newly constructed buildings and premium properties in the Tokyo area as corporations consolidate their floor space as well as expand leasing space in the same building.

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 significant 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. The influx of inbound visitors has dramatically increased the demand for hotel accommodation, in some cases causing a shortage in some regions..

With respect to the residential sector, 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 both new leases and renewals as well as an initiative to reduce residential leasing costs based on a market analysis of each unit and property. As a result, in the Reporting Period, INV realized a rent increase for 42.8% of the new residential lease contracts or a rent increase of 0.2% compared to the previous rent, and a rent increase for 39.1% of contract renewals or a rent increase of 1.3% compared to the previous rent. while maintaining a high contract renewal rate of 85.5% in 2015. The average occupancy rate increased from 93.7% (January to June 2015) to 95.6% (July to December 2015) while maintaining a high renewal rate in contract renewals (85.5% per year in 2015). Furthermore, INV acquired three residential properties from the sponsor group on July 16, 2015 at a total price of JPY 5,099 million, adding further stability to the portfolio.

In the hotel segment, INV acquired 12 properties in total from the sponsor group on July 16 and on August 28, 2015, INV acquired two hotels from a third party, for a total price of JPY 37,528 million. In terms of internal growth, in addition to the abovementioned external factors, the hotel operators adeptly captured inbound demand through strong revenue management techniques. 33 of the INV's hotels (Note 1) recorded significant growth metrics in the Reporting Period led by an occupancy rate (Note 2) of 91.4% (+1.7 points year-on-year for 32 properties (Note 3)), ADR (Note 4) of JPY 8,784 (+18.5% year-on-year), and RevPAR (Note 5) of JPY8,026 (+20.7% year-on-year). The ratio of overseas sales (Note 7) at 31 of the hotels (Note 6) increased to 31.8% (+ 12.2 points year-on-year).

As a result, INV maintained a high average occupancy rate of 98.0% across the entire portfolio, and the NOI increased by 44.4% from the previous period to JPY 5,961 million.

At the end of the Reporting Period, the number of properties held by INV totaled 111, including 37 hotels, 66 residential properties, seven office buildings and retail facilities, as well as one parking lot, at a total acquisition price of JPY 173,815 million and total leasable area of 296,546.92m².

As a result of the internal growth performance, 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 214,952 million, an increase of JPY 25,024 million (+13.2%) year-on-year (Note 8). The increase came

primarily from the hotels, as the appraisal value of the 37 hotels increased JPY 23,753 million (+21.7%) year-on-year (Note 8), significantly enhancing the overall portfolio asset value. The portfolio has an unrealized gain of JPY 45,700 million (Note 9) and an unrealized gain ratio of 27.0% (Note 9).

(Note 1) Of the 37 acquired hotels, the following hotels on fixed rents are excluded: Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo-JR Tachikawa Kitaguchi and Super Hotel JR Ueno-Iriyaguchi.

(Note 2) "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 during the same period (number of rooms x number of days)

(Note 3) Hotel Mystays Haneda for which there are no performance figures for the same period in the previous year is excluded, in addition to the properties excluded per Note 1.

(Note 4) "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 5) "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 occupancy rates by ADR.

(Note 6) Of the 37 acquired hotels, the following hotels are excluded as the tenant does not disclose the ratio of overseas sales: APA Hotel Yokohama-Kannai, Hotel Nets Hakodate, Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR-Tachikawa Kitaguchi and Super Hotel JR Ueno-Iriyaguchi.

(Note 7) "Overseas sales ratio" is the ratio of sales amount through overseas web agents to revenues.

(Note 8) The comparison was made after the following were added to the total appraisal value of the portfolio assets as of the end of the previous period: (i) of the 66 residential properties, the appraisal value as of May 1, 2015 of the three properties acquired as of July 16, 2015, of the 37 hotels, (ii) the appraisal value as of May 1, 2015 of the 11 properties acquired as of July 16, 2015, (iii) the appraisal value as of August 10, 2015 of Flexstay Inn Ekoda, which is one of three hotels acquired as of August 28, 2015, and (iv) the appraisal value as of July 31, 2015 of the remaining two properties

(Note 9) 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

(3) Overview of Fund Raising

(i) Equity Finance

INV executed (i) a global public offering of investment units that closed on July 15, 2015 (number of new investment units issued: 500,000; total issue value: JPY 27,970 million) and (ii) a third-party allotment in conjunction with the global offering that closed on August 12, 2015 (number of new investment units issued: 25,000; total issue value: JPY 1,398 million), in order to procure part of the funds for the acquisition of 11 new hotels and three residential properties.

(ii) Debt Finance

INV implemented the borrowing of New Syndicate Loan (E) (amount borrowed: JPY 88,338 million; interest rate: variable interest rate of one-month JPY TIBOR plus 0.40%, 0.50%, 0.60% and 0.20%) on July 16, 2015, with Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ and Mizuho Bank, Ltd. as arrangers, in order to refinance New Syndicate Loan (C), New Syndicate Loan (D) and Prudential LPS Loan B, along with using a portion of the funds to acquire 11 new hotels and three residential properties. Through the Refinancing, INV converted the entire debt to unsecured debt, lengthened and diversified the debt maturity and further reduced borrowing costs.

In addition, INV implemented the borrowing of Term Loan (A) (amount borrowed: JPY 3,682 million; interest rate: one-month JPY TIBOR plus 0.5%) from Mizuho Bank, Ltd. on August 28, 2015 for use as a portion of the fund and related expenses to acquire three hotels.

Furthermore, INV repaid the portion of the New Syndicate Loan (E) on November 30, 2015 in the amount of JPY 321 million that corresponds to the borrowings equivalent to the expected consumption tax refund (Note 1) using the consumption tax refunds from the three hotels acquired on February 6, 2015.

As a result of the above measures, INV's interest-bearing debt outstanding balance was JPY 90,619 million and the Loan-to-Value ratio was 48.7% (Note 2) as of the end of the Reporting Period and, the average

interest rate was 0.63% (Note 3), a significant reduction from 1.06% as of the end of the previous period.

(Note 1) 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 2) The calculation for the Loan-to-Value ratio uses the calculation formula below:

$$\text{Loan-to-Value ratio} = \frac{\text{amount of interest-bearing debt (excluding JPY 1,080 million borrowings corresponding to the expected consumption tax refund)}}{\text{amount of total assets at end of the Reporting Period}} \times 100$$

(Note 3) 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.

3 Changes in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity by the end of the reporting period are as follow.

Date	Type of issue	Number of investment units issued and outstanding (units)		Unitholders' equity (yen)		Reference
		Increase	Total	Increase	Total	
January 18, 2002	Private placement for incorporation	400	400	200,000,000	200,000,000	(Note 1)
December 26, 2003	Private placement	2,700	3,100	1,012,500,000	1,212,500,000	(Note 2)
January 9, 2004	Private Placement	1,350	4,450	506,250,000	1,718,750,000	(Note 2)
January 21, 2004	Private placement	1,333	5,783	499,875,000	2,218,625,000	(Note 2)
January 27, 2004	Private placement	267	6,050	100,125,000	2,318,750,000	(Note 2)
January 28, 2004	Private placement	800	6,850	300,000,000	2,618,750,000	(Note 2)
January 31, 2004	Private placement	266	7,116	99,750,000	2,718,500,000	(Note 2)
February 5, 2004	Private placement	800	7,916	300,000,000	3,018,500,000	(Note 2)
February 7, 2004	Private placement	1,333	9,249	499,875,000	3,518,375,000	(Note 2)
May 17, 2004	Public offering	9,000	18,249	3,377,250,000	6,895,625,000	(Note 3)
February 7, 2005	Public offering	10,650	28,899	3,937,667,100	10,833,292,100	(Note 4)
July 31, 2006	Public offering	25,000	53,899	8,301,125,000	19,134,417,100	(Note 5)
February 1, 2010	Unit split	215,596	269,495	—	19,134,417,100	(Note 6)
February 1, 2010	Merger	367,200	636,695	—	19,134,417,100	(Note 7)
July 29, 2011	Third-party allotment	711,597	1,348,292	6,999,979,689	26,134,396,789	(Note 8)
December 20, 2013	Third-party allotment	224,887	1,573,179	2,999,992,580	29,134,389,369	(Note 9)
July	Public	1,040,000	2,613,179	22,747,920,000	51,882,309,369	(Note 10)

16, 2014	offering					
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)

- (Note 1) The Investment Corporation was incorporated through a private placement at a price of 500,000 yen per unit.
- (Note 2) New investment units were issued in a private placement at a price of 375,000 yen per unit to raise funds for the acquisition of new properties.
- (Note 3) New investment units were issued in a public offering at a price of 395,000 yen per unit (375,250 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 4) New investment units were issued in a public offering at a price of 385,140 yen per unit (369,734 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 5) New investment units were issued in a public offering at a price of 348,740 yen per unit (332,045 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 6) An investment unit split of 5 units per 1 unit was conducted.
- (Note 7) A merger by absorption pursuant to Article 147 of the Act on Investment Trusts and Investment Corporations was conducted with LCP, with 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 9,837 yen per unit to make repayment of existing debt, etc.
- (Note 9) New investment units were issued in a third party allotment at a price of 13,340 yen per unit to make repayment of existing debt, etc.
- (Note 10) New investment units were issued in a public offering at a price of 22,688 yen per unit (21,873 yen 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 21,873 yen 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 57,817 yen per unit (55,941 yen after deducting the underwriters' discount) to appropriate a portion of funds for the acquisition of new properties.
- (Note 13) New investment units were issued in a third party allotment at a price of 55,941 yen per unit for the purpose of cash reserve to appropriate a portion of funds for the acquisition of properties in future.

Trends in Trading Prices of Investment Securities

The highest and lowest prices (trading prices) in the Real Estate Investment and Trust Securities Section of the Tokyo Securities Exchange on which the investment securities of INV are listed are as follow.

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: yen)

Period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period
Closing Month	December 2013	June 2014	December 2014	June 2015	December 2015
Highest	20,000	24,760	50,900	66,400	76,400
Lowest	12,610	16,740	23,020	44,500	57,900

4 Distribution Performance

With respect to distributions for the Reporting Period, it was determined to distribute all unappropriated retained earnings, excluding fractions of distribution per investment unit that are less than one yen, with the aim of having the maximum amount of profit distribution deducted as expenses based on application of the special taxation provisions (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, the distribution per unit for the Reporting Period was determined to be JPY 948. In addition to this, based

on the policy on distributions in excess of the amount of profit prescribed by the Articles of Incorporation of INV, it was determined to distribute JPY 763 million as refund of investment in order to equalize the aggregate amount of the distribution, since the amount of profit distribution is expected to decrease significantly due to the occurrence of (i) expenses regarding the issuance of new investment units and (ii) the one-time expenses regarding refinancing. As a result, the excess profit distribution per investment unit was determined to be JPY 239.

Period	21st Fiscal	22nd Fiscal	23rd Fiscal	24th Fiscal	25th Fiscal
Calculated Period	July 1, 2013 to Dec. 31, 2013	Jan. 1, 2014 to June 30, 2014	July 1, 2014 to Dec. 31, 2014	Jan 1, 2015 to June. 30, 2015	Jul. 1, 2015 to Dec. 31, 2015
Total unappropriated retained earnings for period (thousands of yen)	446,003	974,975	2,031,546	2,370,704	3,028,323
Reserved profit (thousands of yen)	73,159	73,543	75,399	75,634	—
Total cash distribution (thousands of yen)	372,843	901,431	1,956,146	2,295,069	3,790,905
(Distribution per unit) (yen)	237	573	733	860	1,187
Total profit distribution (thousands of yen)	372,843	901,431	1,956,146	2,295,069	3,027,614
(Profit distribution per unit) (yen)	237	573	733	860	948
Total refund of investment (thousands of yen)	—	—	—	—	763,290
(Refund of investment per unit) (yen)	—	—	—	—	239
Total distribution from the reserve for temporary difference adjustments out of total refund of investment (thousands of yen)	—	—	—	—	—
(Distribution of the reserve for temporary difference adjustments per unit out of refund of investment per unit) (yen)	—	—	—	—	—
Total distribution from unitholders' capital under the tax laws out of the total refund of investment (thousands of yen)	—	—	—	—	763,290
Distribution from unitholders' capital under the tax laws out of refund of investment per unit (yen)	—	—	—	—	239

5 Future Operational Policy and Issues to be Addressed

Forecast for Next Period 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 visitors, 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	Details	Total acquisition price
September 2012	Acquired 24 residential properties	JPY 14,043 million
May 2014	Acquired two hotels	JPY 5,435 million
July 2014	Acquired 18 hotels	JPY 39,938 million
February 2015	Acquired two hotels	JPY 4,911 million
July 2015	Acquired 11 hotels and three residential properties	JPY 35,258 million
August 2015	Acquired one hotel	JPY 5,069 million
January 2016	Acquired five hotels and one residential property	JPY 10,207 million
Total	67 properties (of which 28 are residential and 39 are hotels)	JPY 114,861 million (of which residential: JPY 22,052 million; hotels: JPY 92,809 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 25 hotels and nine residential properties as of January 20, 2016 (see the table below) (Note 1).

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 8)	Location	No. of Rooms
1	Hotel MyStays Gotanda Station	Limited Service Hotel	Shinagawa-ku, Tokyo	333

No.	Asset Name	Asset Type (Note 8)	Location	No. of Rooms
2	Hotel MyStays Akasaka (Note 2)	Limited Service Hotel	Minato-ku, Tokyo	327
3	Hotel MyStays Kanazawa	Limited Service Hotel	Kanazawa-shi, Ishikawa	244
4	Hotel MyStays Fukuoka-Tenjin	Limited Service Hotel	Fukuoka-shi, Fukuoka	217
5	Hotel MyStays Yokohama-Kannai (Note 3)	Limited Service Hotel	Yokohama-shi, Kanagawa	166
6	Hotel MyStays Hamamatsucho	Limited Service Hotel	Minato-ku, Tokyo	105
7	Rihga Royal Hotel Kyoto (Note 4)	Full Service Hotel	Kyoto-shi, Kyoto	489
8	Narita Excel Hotel Tokyu	Full Service Hotel	Narita-shi, Chiba	706
9	Art Hotels Sapporo	Full Service Hotel	Sapporo-shi, Hokkaido	418
10	Best Western Hotel Fino Sapporo	Limited Service Hotel	Sapporo-shi, Hokkaido	242
11	Best Western Hotel Fino Oita	Limited Service Hotel	Oita-shi, Oita	145
12	Takamatsu Tokyu REI Hotel	Limited Service Hotel	Takamatsu-shi, Kagawa	191
13	Hotel Naqua City Hirosaki	Full Service Hotel	Hirosaki-shi, Aomori	134
14	Beppu Kamenoi Hotel	Resort Hotel	Beppu-shi, Oita	322
15	Fusaki Resort Village	Resort Hotel	Ishigaki-shi, Okinawa	195
16	Sheraton Grande Tokyo Bay Hotel (Note 5)	Full Service Hotel	Urayasu-shi, Chiba	1,016
17	Hotel Shin-Osaka Conference Center	Limited Service Hotel	Osaka-shi, Osaka	397
18	Art Hotels Asahikawa	Full Service Hotel	Asahikawa-shi, Hokkaido	265
19	Hotel MyStays Kanazawa Castle	Limited Service Hotel	Kanazawa-shi, Ishikawa	206
20	Hotel JAL City Matsuyama	Full Service Hotel	Matsuyama-shi, Ehime	161
21	Hotel Ueno East	Limited Service Hotel	Taito-ku, Tokyo	150
22	(Provisional Name) Hotel MyStays Hommachi 3-chome (Osaka) (Note 6)	Limited Service Hotel	Osaka-shi, Osaka	120
23	Hotel MyStays Sapporo Nakajima Park	Limited Service Hotel	Sapporo-shi, Hokkaido	86
24	Flexstay Inn Sakuragicho	Limited Service Hotel	Yokohama-shi, Kanagawa	70
25	MyCUBE by MYSTAYS Asakusa Kuramae (Note 7)	Limited Service Hotel	Taito-ku, Tokyo	64
Hotel Subtotal				6,769
26	Gran Charm Hiroo	Residential/Small Type	Shibuya-ku, Tokyo	121
27	Plestay Win Kinshicho	Residential/Small Type	Sumida-ku, Tokyo	92
28	Gran Charm Kichijoji	Residential/Small Type	Musashino-shi, Tokyo	28
29	Green Patio Noda	Residential/Small Type	Noda-shi, Chiba	240
30	Dainichi F-45	Residential/Small Type	Urayasu-shi, Chiba	54
31	Gran Charm Urayasu	Residential/Small Type	Urayasu-shi, Chiba	54
32	Gran Charm Urayasu 5	Residential/Small Type	Urayasu-shi, Chiba	54
33	Gran Charm Minami Gyotoku I	Residential/Small Type	Ichikawa-shi, Chiba	52
34	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 January 20, 2016, the date of execution of the new MOU, to January 19, 2017. Properties highlighted in the above table show the new properties added to the subject properties of the MOU. Regarding the 34 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 Akasaka is scheduled to be completed in June 2016, and is scheduled to open in August 2016.
- (Note 3) Hotel MyStays Yokohama –Kannai is scheduled to be completed in September 2016, and is scheduled to open in October 2016.
- (Note 4) Rihga Royal Hotel Kyoto is scheduled to partially reopen on September 1, 2016 after renewal and fully reopen on November 1, 2016.
- (Note 5) Extension work regarding the Annex site of Sheraton Grande Tokyo Bay Hotel is now underway and is scheduled to be completed in February 2017.
- (Note 6) (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 7) MyCUBE by MYSTAYS Asakusa Kuramae is scheduled to be completed in April 2016, and is scheduled to open in June 2016.
- (Note 8) 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 m².

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 upon consideration of the portfolio sector composition, geographic distribution and competitiveness of each property, as appropriate.

(ii) Strategy for internal growth

(Hotels)

Of the 37 hotels owned by INV as at the end of the fiscal period ended December 2015, 32 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 29 hotels, MHM, 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 on-season in the residential rental market that occurs during the fiscal period ending June 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 will, in continuation of the strengthening of its financial base via the refinancing implemented in July

2015 resulting in its debt becoming unsecured borrowing and the new borrowings implemented in August 2015 and January 2016, promote a financial strategy that envisages obtaining a future credit rating and diversifying financing measures, including issuing investment corporation bonds. Also, INV seeks to maximize unitholders' value by way of lengthening and diversification of borrowing terms, further reduction of borrowing costs, fixing interest rates taking into consideration the interest rate trends, 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.

6 Significant subsequent events

INV acquired five hotels and one residential property in the fiscal period ending June 30, 2016 (26th fiscal period) by utilizing excess cash-on-hand and new borrowings, without issuing new equity.

As a result, the total number of properties held by INV as of the date of this document increased to 117 properties (comprising 67 residential properties, 42 hotels, and eight others) with a total acquisition price of JPY 184,022 million.

(a) Acquisition of Assets

On January 22, 2016, INV acquired five hotels and one residential property as described in the following table.

Use	Property Number	Property Name	Location	Acquisition Price (mn JPY) (Note 1)	Appraisal Value (mn JPY) (Note 2)	Seller	Category of Specified Assets
Hotel	D38	Hotel Mystays Shinsaibashi	Osaka-shi, Osaka	3,160	3,190	Aki TokuteiMokuteki Kaisha	Trust Beneficial Interest
	D39	Comfort Hotel Kurosaki	Kitakyushu-shi, Fukuoka	1,148	1,160	Navaro TokuteiMokuteki Kaisha	Trust Beneficial Interest
	D40	Comfort Hotel Maebashi	Maebashi-shi, Gunma	1,128	1,140	Navaro TokuteiMokuteki Kaisha	Trust Beneficial Interest
	D41	Comfort Hotel Tsubamesanjo	Sanjo-shi, Nigata	1,010	1,020	Navaro TokuteiMokuteki Kaisha	Trust Beneficial Interest
	D42	Comfort Hotel Kitami	Kitami-shi, Hokkaido	851	860	Navaro TokuteiMokuteki Kaisha	Trust Beneficial Interest
Subtotal				7,297	7,370		
Residential	A103	Royal Parks Momozaka	Osaka-shi, Osaka	2,910	2,940	Momo TokuteiMokuteki Kaisha	Trust Beneficial Interest
Subtotal				2,910	2,940		
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 of Hotel Mystays Shinsaibashi is based on that as of November 20, 2015 by a report of the Japan Real Estate Institute. The appraisal value of Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubamesanjo and Comfort Hotel Kitami are based on that as of November 20, 2015 by reports of Daiwa Real Estate Appraisal Co., Ltd. Royal Parks Momozaka is based on the appraisal value as of November 20, 2015 by a report of Morii Appraisal & Investment Consulting, Inc.

(b) Borrowing of Funds

INV implemented the new borrowings described in the following table on January 22, 2016 for use as a portion of the fund and related expenses to acquire properties described in “(a) Acquisition of Assets”.

Term Loan (B)

Lender	Borrowing Date	Borrowing Amount (mn JPY)	Interest Rate (per annum) (Note 1)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Trust Bank, Limited	January 22, 2016	4,250	0.55% (Note 1) Variable interest rate (Note 2) (Note 5)	January 22, 2019	Unsecured / non guarantee
Mitsubishi UFJ Trust and Banking Corporation	January 22, 2016	4,250	0.75% (Note 1) Variable interest rate (Note 3) (Note 5)	January 22, 2021	Unsecured / non guarantee
Sumitomo Mitsui Trust Bank, Limited	January 22, 2016	498	0.35% (Note 1) Variable interest rate (Note 4) (Note 5)	January 22, 2017	Unsecured / non guarantee
Total		8,998			

(Note 1) Interest rate applicable for the period from January 22, 2016 to February 28, 2016

(Note 2) One-month JPY TIBOR (Base Rate) + spread (0.4%)

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

(Note 4) One-month JPY TIBOR (Base Rate) + spread (0.2%)

(Note 5) With respect only to the first interest calculation period, the two-month JPY TIBOR will be applied as the base rate, instead of the one-month JPY TIBOR.

Overview of the Investment Corporation

1 Overview of Investment

By Period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period
Results Dates	As of Dec. 31, 2013	As of Jun. 30, 2014	As of Dec. 31, 2014	As of Jun. 30, 2015	As of Dec. 31, 2015
Number of investment	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

units authorized					
Number of investment units issued and	1,573,179	1,573,179	2,668,686	2,668,686	3,193,686
Unitholders' capital	29,134	29,134	53,096	53,096	82,465
Number of total unitholders	8,783	10,005	12,148	10,731	10,587

2 Notes regarding Unitholders

Major unitholders at the end of the reporting period are as below.

Name	Number of units held	% of total number of investment units issued and outstanding
Calliope Godo Kaisha	609,942	19.09
The Master Trust Bank of Japan, Ltd. (trust account)	457,742	14.33
Japan Trustee Services Bank, Ltd. (trust account)	380,895	11.92
Trust & Custody Services Bank, Ltd. (securities investment trust account)	327,963	10.26
Rayo Godo Kaisha	149,925	4.69
The Nomura Trust and Banking Co., Ltd. (investment trust account)	132,316	4.14
STATE STREET BANK AND TRUST COMPANY	75,193	2.35
STATE STREET BANK AND TRUST COMPANY 505225	68,976	2.15
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS	47,899	1.49

CLIENTS NON LENDING 15 PCT TREATY ACCOUNT		
Total	2,295,660	71.88

(Note 1) Percentages are rounded down to two decimal places.

3 Notes regarding Directors

Directors at the end of the reporting period are as below.

Position	Name	Primary Responsibilities	Directors' remuneration for operating period (thousands of yen)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co. Ltd.	--
Supervisory Director	Takashi Takahashi	Attorney, Ocean General Law Office	2,400
	Hiroyuki Fujimoto	Tax accountant, CPA Fujimoto Office	2,400
Auditor	Ernst & Young ShinNihon LLC	--	30,800

(Note) Executive and supervisory directors do not hold the Investment Corporation's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with the Investment Corporation.

Determination policy for dismissal or non-reappointment of Auditor

The auditing agreement with the auditor is renewed every accounting period. Dismissals are made in accordance with the Investment Trust Act, and in addition, non-reappointments are considered by the board of directors of INV by comprehensively taking into account the auditing quality, auditor remuneration, and other various circumstances.

Business suspension order issued to an Auditor

Ernst & Young ShinNihon LLC, the Auditor of INV ("Ernst & Young ShinNihon"), received

business suspension order from the Financial Services Agency on December 22, 2015, as set forth below,

a. Subject of the order

- Ernst & Young ShinNihon LLC

b. Contents of the order

- Suspension of accepting new engagements for 3 months (from January 1, 2016, to March 31, 2016)
- Operational improvement order (improvement of the operational management system, etc.)

c. Reason of the order

- With respect to Ernst & Young ShinNihon, the seven certified public accountants thereof had, in negligence of due care, attested the financial statements of TOSHIBA CORPORATION for years that ended March 31, 2010, 2012 and 2013 containing material misstatements as if the statements contained no material misstatements.
- The operations of Ernst & Young ShinNihon are significantly inappropriate.

4 Asset Management Company, Asset Custody Companies, and General Administrative Agents

The asset management company, asset custody companies, and general administrative agents at the end of the Reporting Period are as below.

Delegation Category	Name
Asset management company	Consonant Investment Management Co., Ltd.
Asset custody company	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 1) administration of investors' registry, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 2))	Consonant Investment Management Co., Ltd.
General administrative agent (auditing operations, etc.)	EP Consulting Services Corporation
Special account management company	Mitsubishi UFJ Trust and Banking Corporation Limited (Note 3) /Sumitomo Mitsui Trust Bank, Limited (Note 4)

(Note 1) Of the administrative tasks for the Investment Corporation's institutional operations, tasks

related to the mailing of general unitholders' meetings and the receipt and counting of voting forms are delegated

- (Note 2) (i) Tasks related to the running of general unitholders' meetings for INV (excluding tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms), (ii) Tasks related to the running of the meetings of the Board of Directors of INV, and (iii) the aforementioned in (i) or tasks incidental or related to (ii) are delegated.
- (Note 3) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the INV before the merger (former Tokyo Growth REIT Fund) as well as tasks related to other transfer savings account registers.
- (Note 4) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the former LCP as well as tasks related to other transfer savings account registers.

Status of Investment Corporation's Assets under Management

1 Composition of Investment Corporation's Assets

Type of Asset	Purpose	Geographic Area (Note 1)	Previous period (as of June 30, 2015)		Reporting period (as of December 31, 2015)	
			Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)
Real Estate	Residential	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
	Office/Retail	Greater Tokyo area	708	0.5	707	0.4
		Major regional cities	—	—	—	—
		Subtotal	708	0.5	707	0.4
	Hourly parking	Greater Tokyo area	100	0.1	100	0.1
		Major regional cities	—	—	—	—
		Subtotal	100	0.1	100	0.1
	Hotel	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
Total real estate			809	0.6	808	0.4
Real estate in trust	Residential	Greater Tokyo area	43,525	31.9	45,941	24.7
		Major regional cities	11,743	8.6	13,505	7.3
		Subtotal	55,269	40.5	59,446	32.0
	Office/Retail	Greater Tokyo area	7,056	5.2	7,037	3.8
		Major regional cities	5,928	4.3	5,877	3.2
		Subtotal	12,984	9.5	12,914	6.9
	Hourly parking, etc.	Greater Tokyo area	—	—	—	—
		Major regional cities	—	—	—	—
		Subtotal	—	—	—	—
	Hotel	Greater Tokyo area	37,553	27.6	67,207	36.1
		Major regional cities	20,658	15.2	23,037	12.4
		Subtotal	58,211	42.7	90,245	48.5
Total Real Estate in Trust			126,465	92.8	162,606	87.5

Type of Asset	Purpose	Geographic Area (Note 1)	Previous period (as of June 30, 2015)		Reporting period (as of December 31, 2015)	
			Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)
Deposits and Other Assets			9,024	6.6	22,504	12.1
Total Assets (Note 3)			136,299	100.0	185,918	100.0
			(127,274)	(93.4)	(163,414)	(87.9)

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

(Note 3) The figure indicated in“()” in “total assets” shows the amount relevant to the real estate actually held among the covered assets.

2 Major Properties

The overview of the Investment Corporation's major properties (top 10 properties by book value) at the end of the reporting period is as below.

	Name of Property	Book Value (millions of yen)	Leasable Area (m ²)	Leased Area (m ²)	Occupancy Rate (%) (Note)	Ratio of Rental Revenue (%)	Main Use
D21	APA Hotel Yokohama-Kannai	8,266	6,568.51	6,568.51	100.0	3.4	Hotel
D24	Hotel MyStays Haneda	7,759	5,400.16	5,400.16	100.0	3.0	Hotel
A75	Spacia Ebisu	6,599	7,794.91	7,454.27	95.6	3.0	Residential
D3	Hotel MyStays Kyoto-shijo	5,904	7,241.51	7,241.51	100.0	5.4	Hotel
D25	Hotel MyStays Kameido P1	5,576	4,349.67	4,349.67	100.0	2.7	Hotel
D35	Flexstay Inn Ekoda	5,055	3,932.93	3,932.93	100.0	1.2	Hotel
D4	MyStays Shin-Urayasu Conference Center	4,829	6,232.30	6,232.30	100.0	3.2	Hotel
D5	Hotel MyStays Maihama	4,783	2,456.36	2,456.36	100.0	2.8	Hotel
B14	Lexington Plaza Nishigotanda	4,730	6,033.58	6,033.58	100.0	2.2	Office Retail Facilities
D27	Hotel MyStays Kameido P2	3,726	2,793.99	2,793.99	100.0	1.8	Hotel
	Total	57,233	52,803.92	52,463.28	99.4	28.6	-

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

3 Asset Portfolio Including Real Estate

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

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	1,771.13	1,140	1,133
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima-ku, Tokyo	Trust beneficiary interests	2,681.94	1,260	1,101
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,051.50	983	833
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	1,367.96	1,100	995
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interests	2,152.31	1,310	1,391
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo-ku, Tokyo	Trust beneficiary interests	1,748.24	1,320	1,362
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interests	3,029.16	1,070	1,078
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,858.44	1,180	977
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary	1,351.11	1,020	967

Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
		interests			
A35	Grand Rire Kameido	Trust beneficiary interests	1,562.26	969	840
A36	Growth Maison Ikebukuro	Trust beneficiary interests	952.89	868	762
A37	Growth Maison Yoga	Trust beneficiary interests	1,015.34	702	755
A38	Route Tachikawa	Trust beneficiary interests	1,368.57	634	644
A39	Shibuya-Honmachi Mansion	Trust beneficiary interests	1,167.50	615	656
A40	City Heights Kinuta	Trust beneficiary interests	1,235.93	486	647
A41	Acseeds Tower Kawaguchi-Namiki	Trust beneficiary interests	1,210.74	709	556
A42	Capital Heights Kagurazaka	Trust beneficiary interests	1,126.65	562	617
A43	College Square Machida	Trust beneficiary interests	1,047.75	530	565
A44	Belair Meguro	Trust beneficiary	557.05	596	565

Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)	
		interests				
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	907.46	512	539
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima-ku, Tokyo	Trust beneficiary interests	815.77	564	526
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interests	2,040.27	444	525
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interests	871.35	530	467
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	3,364.00	3,060	2,367
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,032.70	3,810	3,085
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,310.77	2,380	1,879
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,987.88	1,740	1,354
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro-ku, Tokyo	Trust beneficiary interests	1,197.19	1,050	975
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary	1,627.13	1,040	827

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
			interests			
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interests	1,220.24	695	555
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,969.45	1,140	877
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	3,426.36	1,350	1,027
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	1,929.59	545	394
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interests	1,528.58	450	296
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interests	705.75	257	235
A71	Lexington Square Daitabashi	1-33-18 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	1,430.64	1,110	882
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interests	784.74	581	454
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	4,460.56	1,180	1,015
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya-ku, Tokyo	Trust beneficiary	7,794.91	7,780	6,599

Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
		interests			
A76	Neo Prominence	Trust beneficiary interests	3,574.70	1,860	1,635
A77	Invoice Shin-Kobe Residence	Trust beneficiary interests	2,773.71	1,410	1,217
A78	Cosmo Court Motomachi	Trust beneficiary interests	2,310.49	1,070	936
A79	Revest Honjin	Trust beneficiary interests	1,933.80	784	649
A80	Revest Matsubara	Trust beneficiary interests	1,955.40	770	636
A81	Sun Terrace Minami Ikebukuro	Trust beneficiary interests	898.70	701	605
A82	Alba Noritake Shinmachi	Trust beneficiary interests	1,731.68	712	586
A83	Revest Meieki Minami	Trust beneficiary interests	1,634.60	723	577
A84	Revest Heian	Trust beneficiary interests	1,554.03	666	574
A85	Vendir Hamaotsu Ekimae	Trust beneficiary	2,670.66	684	556

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
			interests			
A86	Salvo Sala	2-6-21 Shimanouchi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,428.12	623	526
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku-ku, Tokyo	Trust beneficiary interests	701.92	613	529
A88	Luna Court Edobori	3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,185.50	568	506
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	1,433.35	594	491
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interests	765.18	564	444
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudaru, Chukyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interests	1,029.05	500	433
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	530.60	487	403
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interests	1,020.86	428	363
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi Hyogo	Trust beneficiary interests	789.12	432	361
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary	992.76	418	346

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
			interests			
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interests	1,477.62	418	327
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interests	794.80	327	320
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	974.81	381	304
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi Higashi Nada-ku, Kobe-shi, Hyogo	Trust beneficiary interests	761.18	337	287
A100	City Court Kitaichijo	1-6-3 Kitaichijohigashi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interestst	5,230.18	1,860	1,880
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interestst	2,940.20	1,700	1,761
A102	Lieto Court Nishi-Ojima	2-41-14 Oshima, Koto-ku, Tokyo	Trust beneficiary interestst	2,048.28	1,690	1,697
Subtotal				119,803.11	68,592	60,305
B8	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku-ku, Tokyo	Trust beneficiary interestst	1,451.54	1,030	1,224
B9	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Real estate	526.43	524	707
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	6,033.58	4,030	4,730

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano-ku, Tokyo	Trust beneficiary interests	2,145.00	945	1,082
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	2,178.41	677	742
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	8,419.15	3,500	3,131
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interests	18,440.58	2,330	2,002
Subtotal				39,194.69	13,036	13,621
C1	Times Kanda-Sudacho4th	1-22-7, 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo	Real estate	81.04	112	100
Subtotal				81.04	112	100
D1	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interestst	2,585.72	5,000	2,864
D2	Hotel MyStays Asakusa	1-21-11 Honjyo, Sumida-ku, Tokyo	Trust beneficiary interests	3,327.38	5,330	2,581
D3	Hotel MyStays Kyoto-shijo	52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi, Kyoto	Trust beneficiary interests	7,241.51	13,400	5,904
D4	MyStays Shin-Urayasu Conference Center	2-1-4, Akemi, Urayasu-shi, Chiba	Trust beneficiary interests	6,232.30	6,200	4,829
D5	Hotel MyStays Maihama	3-5-1, Tekko-dori, Urayasu-shi, Chiba	Trust beneficiary interests	2,456.36	5,640	4,783

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
D6	Hotel Vista Premio Dojima	2-4-1, Sonezakishinchi, Kita-ku, Osaka	Trust beneficiary interests	9,445.32	5,560	3,760
D7	Hotel MyStays Nagoya-Sakae	2-23-22, Higashisakura, Naka-ku, Nagoya, Aichi	Trust beneficiary interests	9,064.71	4,920	2,857
D8	Hotel MyStays Sakaisuji-Honmachi	1-4-8, Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	4,188.83	7,010	2,471
D9	Hotel MyStays Yokohama	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	7,379.43	3,310	2,068
D10	Hotel MyStays Nippori	5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,719.29	3,760	1,867
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	3,412.71	3,330	1,545
D12	Flexstay Inn Iidabashi	3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo	Trust beneficiary interests	2,953.38	1,760	1,365
D13	Hotel MyStays Ueno Inaricho	1-5-7, Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,150.76	2,680	1,303
D14	Flexstay Inn Shinagawa	1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,134.52	1,670	1,231
D15	Flexstay Inn Tokiwadai	1-52-5, Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	2,539.75	1,840	1,237

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
D16	Flexstay Inn Sugamo	3-6-16, Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	2,089.86	2,120	1,173
D17	Hotel MyStays Otemae	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	4,956.66	2,960	1,180
D18	Flexstay Inn Kiyosumi Shirakawa	1-12-16, Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	2,673.64	999	745
D19	Flexstay Inn Nakanobu P1	4-27-12, Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	770.56	709	585
D20	Flexstay Inn Nakanobu P2	4-27-8, Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	391.49	341	284
D21	APA Hotel Yokohama Kannai	3-37-2, Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	6,568.51	8,870	8,266
D22	Hotel Nets Hakodate	26-17, Motomachi, Hakodate-shi, Hokkaido	Trust beneficiary interests	7,961.26	2,890	2,762
D23	Flexstay Inn Shirogane	5-10-15, Shirogane, Minato-ku, Tokyo	Trust beneficiary interests	1,754.06	2,180	2,117
D24	Hotel MyStays Haneda	5-1-13, Haneda, Ota-Ku, Tokyo	Trust beneficiary interests	5,400.16	8,150	7,759
D25	Hotel MyStays Kameido P1	6-32-1, Kameido, Koto-Ku, Tokyo	Trust beneficiary interests	4,349.67	6,680	5,576

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13, Ueno, Taito-Ku, Tokyo	Trust beneficiary interests	2,247.92	4,290	3,808
D27	Hotel MyStays Kameido P2	6-7-8, Kameido, Koto-Ku, Tokyo	Trust beneficiary interests	2,793.99	4,480	3,726
D28	Hotel Vista Shimizu	1-23, Masagomachi, Shimizu-Ku, Shizuoka-shi, Sizuoka	Trust beneficiary interests	3,559.81	2,260	2,186
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4, Shinbashi, Minato-Ku, Tokyo	Trust beneficiary interests	1,403.89	1,720	1,627
D30	Flexstay Inn Higashi-Jujo	2-10-2, nakajujo, Kita-Ku, Tokyo	Trust beneficiary interests	1,714.53	1,330	1,279
D31	Hotel MyStays Utsunomiya	2-4-1, Higashishukugo, Utsunomiya, Tochigi	Trust beneficiary interests	11,733.23	1,250	1,242
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2, Kaizuka, Kawasaki-Ku, Kanagawa	Trust beneficiary interests	1,190.57	1,010	977
D33	Comfort Hotel Toyama	1-3-2, Takara-machi, Toyama-shi, Toyama	Trust beneficiary interests	3,305.64	1,030	979
D34	Flexstay Inn Kawasaki-Ogawacho	15-9, Ogawa-cho, Kawasaki-Ku, Kawasaki, Kanagawa	Trust beneficiary interests	725.60	933	906
D35	Flexstay Inn Ekoda	8-6, Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interests	3,932.93	5,220	5,055

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m ²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9, Akebono, Tachikawa-shi, Tokyo	Trust beneficiary interests	1,832.97	1,210	1,173
D37	Super Hotel JR Ueno-iriyaguchi	7-9-14, Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,279.16	1,170	1,134
				137,468.08	133,212	95,223
Total				296,546.92	214,952	169,251

(Note 1) “Location” is, in principle, based on the indicated address (*kyuhyoji*), except that if the *kyuhyoji* system has not been implemented for such property, the location is based on the land number (*banchi*).

(Note 2) “Appraisal Value” is the value appraised or researched as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of the Investment Trust Association, Japan by Asset Research and Development Inc., the Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc., Tanizawa Sogo Appraisal Co., Ltd. or Daiwa Real Estate Appraisal Co., Ltd.

Occupancy trends for the leasing operations of the real estate and accounts of assets and liabilities within assets in trust that the Investment Corporation holds are as below.

Name of Property	24th Fiscal Period (January 1, 2015 to June 30, 2015)				25th Fiscal Period (July 1, 2015 to December 31, 2015)			
	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A26 Nisshin Palacestage Daitabashi	1	96.9	36,844	0.7	1	96.1	39,112	0.6
A27 Nisshin Palacestage Higashi-Nagasaki	1	94.9	44,729	0.9	1	96.8	44,131	0.6
A28 Growth Maison Gotanda	1	100.0	27,343	0.5	1	100.0	27,351	0.4
A29 Growth Maison Kameido	1	95.4	32,304	0.6	1	97.0	33,293	0.5
A30 Emerald House	1	100.0	49,104	1.0	1	97.9	42,204	0.6
A31 Harmonie Ochanomizu	1	88.3	39,126	0.8	1	90.8	37,837	0.6

Name of Property		24th Fiscal Period (January 1, 2015 to June 30, 2015)				25th Fiscal Period (July 1, 2015 to December 31, 2015)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A32	Suncrest Shakujii-Koen	1	97.4	37,730	0.8	1	97.0	36,341	0.5
A33	Growth Maison Shin-Yokohama	1	97.0	35,451	0.7	1	97.2	35,887	0.5
A34	Belle Face Ueno-Okachimachi	1	100.0	32,607	0.7	1	100.0	30,622	0.4
A35	Grand Rire Kameido	1	100.0	26,619	0.5	1	100.0	26,619	0.4
A36	Growth Maison Ikebukuro	1	88.1	22,670	0.5	1	97.6	25,305	0.4
A37	Growth Maison Yōga	1	94.9	21,633	0.4	1	94.8	22,164	0.3
A38	Route Tachikawa	1	96.6	21,399	0.4	1	96.6	21,787	0.3
A39	Shibuya-Honmachi Mansion	1	89.9	19,356	0.4	1	96.4	20,262	0.3
A40	City Heights Kinuta	1	94.6	17,773	0.4	1	89.2	17,163	0.3
A41	Acseeds Tower Kawaguchi-Namiki	1	100.0	25,008	0.5	1	86.0	24,609	0.4
A42	Capital Heights Kagurazaka	1	94.4	18,625	0.4	1	97.2	18,605	0.3
A43	College Square Machida	1	100.0	17,876	0.4	1	100.0	17,484	0.3
A44	Belair Meguro	1	100.0	15,914	0.3	1	96.0	16,591	0.2
A45	Wacore Tsunashima I	1	98.0	18,004	0.4	1	91.9	18,189	0.3
A46	Foros Nakamurabashi	1	90.5	17,217	0.3	1	100.0	17,872	0.3
A47	Growth Maison Kaijin	1	87.3	21,007	0.4	1	96.7	22,357	0.3
A48	College Square Machiya	1	100.0	14,706	0.3	1	100.0	14,706	0.2
A51	City House Tokyo Shinbashi	1	97.1	90,344	1.8	1	98.6	91,326	1.3
A52	Winbell Kagurazaka	1	95.4	104,468	2.1	1	98.3	102,344	1.5
A53	Nishiwaseda Crescent Mansion	1	92.1	70,977	1.4	1	97.5	70,527	1.0
A54	Lexington Square Akebonobashi	1	93.5	48,581	1.0	1	98.8	49,358	0.7
A56	Casa Eremitaggio	1	84.2	29,901	0.6	1	100.0	30,488	0.4
A59	Towa City Coop Shinotsuka II	1	96.3	34,194	0.7	1	96.4	33,697	0.5
A61	Bichsel Musashiseki	1	98.5	24,505	0.5	1	97.1	24,129	0.4
A62	Lexel Mansion Ueno Matsugaya	1	100.0	35,737	0.7	1	100.0	34,353	0.5
A63	Towa City Coop Sengencho	1	83.0	52,944	1.1	1	93.1	54,348	0.8

Name of Property		24th Fiscal Period (January 1, 2015 to June 30, 2015)				25th Fiscal Period (July 1, 2015 to December 31, 2015)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A64	Royal Park Omachi	1	98.3	24,471	0.5	1	98.3	25,904	0.4
A65	Lexington Square Haginomachi	1	92.4	18,432	0.4	1	92.6	17,373	0.3
A66	Visconti Kakuozan	1	78.3	9,818	0.2	1	86.3	9,620	0.1
A71	Lexington Square Daitabashi	1	93.0	30,511	0.6	1	90.1	31,704	0.5
A72	Lexington Square Honjo Azumabashi	1	91.1	18,066	0.4	1	97.0	17,679	0.3
A73	AMS TOWER Minami 6-Jo	1	83.3	44,973	0.9	1	94.3	46,125	0.7
A75	Spacia Ebisu	1	93.6	197,748	4.0	1	95.6	203,351	3.0
A76	Neo Prominence	1	94.9	62,980	1.3	1	96.6	63,002	0.9
A77	Invoice Shin-Kobe Residence	1	88.4	46,339	0.9	1	94.9	46,814	0.7
A78	Cosmo Court Motomachi	1	96.2	34,751	0.7	1	96.2	37,098	0.5
A79	Revest Honjin	1	100.0	31,672	0.6	1	98.8	31,945	0.5
A80	Revest Matsubara	1	89.5	28,540	0.6	1	93.1	28,756	0.4
A81	Sun Terrace Minami Ikebukuro	1	97.4	22,455	0.5	1	97.4	22,630	0.3
A82	Alba Noritake Shinmachi	1	98.6	26,107	0.5	1	91.0	25,999	0.4
A83	Revest Meieki Minami	1	100.0	26,205	0.5	1	100.0	26,282	0.4
A84	Revest Heian	1	92.0	23,843	0.5	1	100.0	23,297	0.3
A85	Vendir Hamaotsu Ekimae	1	88.4	30,148	0.6	1	88.4	30,247	0.4
A86	Salvo Sala	1	94.4	23,373	0.5	1	98.0	24,735	0.4
A87	Excellente Kagurazaka	1	97.1	17,033	0.3	1	91.2	18,265	0.3
A88	Luna Court Edobori	1	94.0	20,055	0.4	1	96.0	20,341	0.3
A89	Winntage Kobe Motomachi	1	94.7	22,706	0.5	1	85.9	22,271	0.3
A90	Queen's Court Fukuzumi	1	100.0	16,720	0.3	1	95.9	17,033	0.2
A91	Corp Higashinotoin	1	95.7	17,199	0.3	1	97.9	17,945	0.3
A92	Belair Oimachi	1	96.1	15,641	0.3	1	96.4	14,857	0.2
A93	Siete Minami-Tsukaguchi	1	92.6	16,097	0.3	1	95.0	16,431	0.2
A94	Prime Life Sannomiya Isogami Koen	1	93.8	14,106	0.3	1	100.0	14,943	0.2

Name of Property		24th Fiscal Period (January 1, 2015 to June 30, 2015)				25th Fiscal Period (July 1, 2015 to December 31, 2015)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A95	HERMITAGE NANBA WEST	1	95.7	15,596	0.3	1	91.2	15,790	0.2
A96	Century Park Shinkawa 1-bankan	1	91.0	17,322	0.3	1	91.0	16,411	0.2
A97	West Avenue	1	75.0	11,025	0.2	1	80.0	10,366	0.2
A98	Little River Honmachibashi	1	96.9	13,698	0.3	1	100.0	13,332	0.2
A99	Prime Life Mikage	1	86.8	11,367	0.2	1	100.0	12,003	0.2
A100	City Court Kitaichijo (Note 4)	—	—	—	—	1	96.6	59,410	0.9
A101	Lieto Court Mukojima (Note 4)	—	—	—	—	1	97.6	47,395	0.7
A102	Lieto Court Nishi-Ojima (Note 4)	—	—	—	—	1	100.0	44,694	0.7
Subtotal		63	93.7	2,013,728	40.5	66	95.9	2,175,138	31.7
B8	Kindai Kagakusha Building	1	100.0	38,607	0.8	1	100.0	38,433	0.6
B9	Shinjuku Island	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
B14	Lexington Plaza Nishigotanda	8	100.0	141,089	2.8	7	100.0	150,219	2.2
B15	Cross Square NAKANO	1	70.8	32,032	0.6	1	79.1	36,311	0.5
B16	Ohki Aoba Building	1	100.0	40,168	0.8	1	100.0	39,494	0.6
B17	Lexington Plaza Hachiman	1	100.0	165,200	3.3	1	100.0	166,052	2.4
B18	AEON TOWN Sukagawa	1	100.0	141,739	2.8	1	100.0	142,027	2.1
Subtotal		14	98.4	576,034	11.6	13	98.9	589,738	8.6
C1	Times Kanda-Sudacho4th	1	100.0	2,700	0.1	1	100.0	2,700	0.0
Subtotal		1	100.0	2,700	0.1	1	100.0	2,700	0.0
D1	Hotel MyStays Kanda	1	100.0	111,428	2.2	1	100.0	117,428	1.7
D2	Hotel MyStays Asakusa	1	100.0	126,298	2.5	1	100.0	142,768	2.1
D3	Hotel MyStays Kyoto-shijo	1	100.0	282,858	5.7	1	100.0	370,894	5.4
D4	MyStays Shin-Urayasu Conference Center	1	100.0	164,208	3.3	1	100.0	217,548	3.2
D5	Hotel MyStays Maihama	1	100.0	142,571	2.9	1	100.0	188,788	2.8
D6	Hotel Vista Premio Dojima	1	100.0	187,248	3.8	1	100.0	216,812	3.2
D7	Hotel MyStays Nagoya-Sakae	1	100.0	155,746	3.1	1	100.0	201,397	2.9

Name of Property		24th Fiscal Period (January 1, 2015 to June 30, 2015)				25th Fiscal Period (July 1, 2015 to December 31, 2015)			
		Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
D8	Hotel MyStays Sakaisuji-Honmachi	1	100.0	163,179	3.3	1	100.0	240,538	3.5
D9	Hotel MyStays Yokohama	1	100.0	107,111	2.2	1	100.0	134,323	2.0
D10	Hotel MyStays Nippori	1	100.0	81,080	1.6	1	100.0	83,977	1.2
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	95,816	1.9	1	100.0	125,043	1.8
D12	Flexstay Inn Iidabashi	1	100.0	54,096	1.1	1	100.0	59,153	0.9
D13	Hotel MyStays Ueno Inaricho	1	100.0	57,552	1.2	1	100.0	61,488	0.9
D14	Flexstay Inn Shinagawa	1	100.0	52,213	1.0	1	100.0	56,956	0.8
D15	Flexstay Inn Tokiwadai	1	100.0	62,141	1.2	1	100.0	69,464	1.0
D16	Flexstay Inn Sugamo	1	100.0	57,339	1.2	1	100.0	57,405	0.8
D17	Hotel MyStays Otemae	1	100.0	79,292	1.6	1	100.0	121,301	1.8
D18	Flexstay Inn Kiyosumi Shirakawa	1	100.0	36,131	0.7	1	100.0	43,269	0.6
D19	Flexstay Inn Nakanobu P1	1	100.0	23,094	0.5	1	100.0	24,491	0.4
D20	Flexstay Inn Nakanobu P2	1	100.0	11,989	0.2	1	100.0	13,100	0.2
D21	APA Hotel Yokohama Kannai	1	100.0	189,256	3.8	1	100.0	236,234	3.4
D22	Hotel Nets Hakodate	1	100.0	89,046	1.8	1	100.0	124,347	1.8
D23	Flexstay Inn Shirogane	1	100.0	52,591	1.1	1	100.0	57,114	0.8
D24	Hotel MyStays Haneda (Note 4)	—	—	—	—	1	100.0	204,721	3.0
D25	Hotel MyStays KameidoP1 (Note 4)	—	—	—	—	1	100.0	182,201	2.7
D26	Hotel MyStays Ueno Iriyaguchi (Note 4)	—	—	—	—	1	100.0	121,374	1.8
D27	Hotel MyStays KameidoP2 (Note 4)	—	—	—	—	1	100.0	125,072	1.8
D28	Hotel Vista Shimizu (Note 4)	—	—	—	—	1	100.0	81,760	1.2
D29	Super Hotel Shinbashi/Karasumoriguchi (Note 5)	—	—	—	—	1	100.0	36,303	0.5
D30	Flexstay Inn Higashi-Jujo (Note 4)	—	—	—	—	1	100.0	45,317	0.7
D31	Hotel MyStays Utsunomiya (Note 4)	—	—	—	—	1	100.0	110,292	1.6
D32	Flexstay Inn Kawasaki-Kaizuka (Note 4)	—	—	—	—	1	100.0	35,764	0.5
D33	Comfort Hotel Toyama (Note 4)	—	—	—	—	1	100.0	33,030	0.5

Name of Property	24th Fiscal Period (January 1, 2015 to June 30, 2015)				25th Fiscal Period (July 1, 2015 to December 31, 2015)			
	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
D34 Flexstay Inn Kawasaki-Ogawacho (Note 4)	—	—	—	—	1	100.0	31,266	0.5
D35 Flexstay Inn Ekoda (Note 5)	—	—	—	—	1	100.0	84,916	1.2
D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi (Note 5)	—	—	—	—	1	100.0	21,704	0.3
D37 Super Hotel JR Ueno-iryaguchi (Note 5)	—	—	—	—	1	100.0	18,623	0.3
Subtotal	23	100.0	2,382,297	47.9	37	100.0	4,096,198	59.7
Total	101	96.9	4,974,760	100.0	117	98.2	6,863,775	100.0

(Note 1) “Occupancy Rate” is computed by dividing the leased area by leasable area, and is rounded to one decimal place.

(Note 2) “Rental Revenue (during period)” indicates each property’s leasing operation revenues during the fiscal period, and has been rounded down to the nearest thousand yen.

(Note 3) Undisclosed due to inability to gain approval from the property tenant for document disclosure.

(Note 4) Since the property was acquired as of July 16, 2015, the calculation period of the rental revenue of the relevant property for the Reporting Period was set for the period commenced on July 16, 2015 and ended on December 31, 2015.

(Note 5) Since the property was acquired as of August 28, 2015, the calculation period of the rental revenue of the relevant property for the Reporting Period was set for the period commenced on August 28, 2015 and ended on December 31, 2015.

4 Status of Size and Market Value of Trading Assets

No relevant items

5 Status of Other Assets

Trust beneficiary interests in real estate and real estate held in trust are listed together in the “3 Asset Portfolio Including Real Estate” above. As of the end of this reporting period, there are no investments in specified assets that are significant investment targets for INV outside of the above 3.

6 Asset Holdings Outside of Japan or the Region

There are no relevant items outside of Japan or the region.

Capital expenditures for properties held by INV

1 Schedule for capital expenditures

The schedule for the principal capital expenditures for property maintenance construction, etc. as of the end of the fiscal period for the properties held by INV is as follows.

Name of Property		Location	Purpose	Scheduled Time of Implementation	Estimated Cost (Thousands of yen)		
					Total	Payment for the Fiscal Period	Advance Payments
D1	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	Renovation work on guest rooms, the front desk, etc.	From January 2016 to June 2016	125,000	—	—
A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	Outer wall repair work	From January 2016 to June 2016	47,000	—	—
A62	Lexel Mansion Ueno Matsugaya	Taito-ku, Tokyo	Outer wall repair work	From January 2016 to June 2016	37,000	—	—
B14	Lexington Plaza Nishigotanda	Shinagawa-ku, Tokyo	Electrical equipment repair work	From January 2016 to June 2016	25,000	—	—
B17	Lexington Plaza Hachiman	Sendai-shi, Miyagi	Asphalt renewal work on rooftop parking lots	From January 2016 to June 2016	15,500	—	—

2 Capital expenditures for the fiscal period ended December 31, 2014

The principal construction constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2015 is as follows. Capital expenditures for the fiscal period was 171,320 thousand yen, and together with 24,408 thousand yen of repair cost included in this fiscal period's expenses, construction work totaling 195,729 thousand yen was implemented.

Name of Property		Location	Purpose	Time of Implementation	Payment (Thousands of yen)
A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	Replacing intercom equipment	From July 2015 to December 2015	5,586
A32	Suncrest Shakujii-Koen	Nerima-ku, Tokyo	Rooftop waterproofing work	From July 2015 to December 2015	15,912
A32	Suncrest Shakujii-Koen	Nerima-ku, Tokyo	Replacing emergency power generator installations	From July 2015 to December 2015	8,486
D6	Hotel Vista Premio Dojima	Osaka-shi, Osaka	Bathroom work	From July 2015 to December 2015	2,950
D9	Hotel MyStays Yokohama	Yokohama-shi, Kanagawa	Replacing a storage battery for the direct-current power supply system	From July 2015 to December 2015	4,190
Other construction					176,709
Total					213,834

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

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

Fiscal period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period
	From July 1, 2013 to December 31, 2013	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
Reserved funds at beginning of period	571,543 thousand yen	524,730 thousand yen	579,682 thousand yen	738,365 thousand yen	852,699 thousand yen
Amount reserved (Note)	165,271 thousand yen	199,177 thousand yen	268,495 thousand yen	283,147 thousand yen	352,490 thousand yen
Amount reversed (Note)	212,084 thousand yen	144,225 thousand yen	109,812 thousand yen	168,813 thousand yen	222,439 thousand yen

Fiscal period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period
Amount carried over for next fiscal period	524,730 thousand yen	579,682 thousand yen	738,365 thousand yen	852,699 thousand yen	982,750 thousand yen

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

Overview of Liabilities and Expenses

1 Statement of Operating Expenses

(Thousands of yen)

Item	24th Fiscal Period	25th Fiscal Period
	Jan. 1, 2015 to Jun. 30, 2015	Jul. 1, 2015 to Dec. 31, 2015
(a) Asset management fees	180,000	180,000
(b) Asset custodian fees	6,342	6,794
(c) Administrative services fees	22,055	25,170
(d) Directors' remuneration	4,800	4,800
(e) Other operating expenses	116,590	99,736
Total	329,789	316,501

2 Borrowing Conditions

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

Type	Lender	Borrowing Date	Balance at Start	Balance at End	Average Interest Rate (%) (Note 1)	Repayment Date	Payment Method	Purpose	Notes
			of Reporting Period (Thousands of yen)	of Reporting Period (Thousands of yen)					
Short-term Debt	Sumitomo Mitsui Banking Corporation	Jul. 16, 2015	—	360,000	0.330	May 16, 2016	(Note 3) (Note 4)	(Note 2)	Unsecured / with no guarantee
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	360,000					
	Mizuho Bank, Ltd.		—	360,000					
Subtotal			—	1,080,000					
Long-term Debt	Sumitomo Mitsui Banking Corporation	Jul. 17, 2014	12,000,000	—	0.930	Jul. 14, 2017	(Note 5)	(Note 2)	Secured / with no guarantee
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		12,000,000	—					
	Mizuho Bank, Ltd.		12,000,000	—					
	Shinsei Bank, Limited.		6,500,000	—					
	Citibank Japan Ltd.		6,500,000	—					

Sumitomo Mitsui Trust & Banking Co., Ltd.		5,000,000	—					
Resona Bank, Limited.		2,100,000	—					
Sumitomo Mitsui Banking Corporation	Feb. 6, 2015	1,357,000	—	0.930	Feb. 6, 2018	(Note 5)	(Note 2)	Secured / with no guarantee
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,357,000	—					
Mizuho Bank, Ltd.		1,357,000	—					
Shinsei Bank, Limited.		650,000	—					
Citibank Japan Ltd.		650,000	—					
Sumitomo Mitsui Trust Bank, Limited		470,000	—					
Resona Bank, Limited.		400,000	—					
Sumitomo Mitsui Banking Corporation		Jul. 16, 2015	—					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	—		5,992,000					
Mizuho Bank, Ltd.	—		5,992,000					
Shinsei Bank, Limited.	—		3,330,000					
Citibank Japan Ltd	—		3,000,000					
Sumitomo Mitsui Trust Bank, Limited	—		2,670,000					
Resona Bank, Limited	—		1,335,000					
Mitsubishi UFJ Trust and Banking Corporation	—		668,000					
Sumitomo Mitsui Banking Corporation	Jul. 16, 2015	—	5,992,000	0.630	Jul. 16, 2019	(Note 4)	(Note 2)	Unsecured / with no guarantee
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,992,000					
Mizuho Bank, Ltd.		—	5,992,000					
Shinsei Bank, Limited.		—	3,330,000					

	Citibank Japan Ltd		—	3,000,000					
	Sumitomo Mitsui Trust Bank, Limited		—	2,670,000					
	Resona Bank, Limited		—	1,335,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	668,000					
	Sumitomo Mitsui Banking Corporation	Jul. 16, 2015	—	5,992,000	0.730	Jul. 16, 2020	(Note 4)	(Note 2)	Unsecured / with no guarantee
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,992,000					
	Mizuho Bank, Ltd.		—	5,992,000					
	Shinsei Bank, Limited.		—	3,330,000					
	Citibank Japan Ltd		—	3,000,000					
	Sumitomo Mitsui Trust Bank, Limited		—	2,670,000					
	Resona Bank, Limited		—	1,335,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	668,000					
	Mizuho Bank, Ltd	Aug. 28, 2015	—	3,682,000	0.630	Aug. 28, 2019	(Note 4)	(Note 2)	Unsecured / with no guarantee
Subtotal			62,341,000	90,619,000					
Long-term Debt in trust	Mitsubishi UFJ Trust and Banking Corporation (Note 6)	Sep. 28, 2012	2,700,000	—	1.900	Mar. 31, 2018	(Note 5)	(Note 2)	Secured / with no guarantee
			2,860,000	—	1.900	Mar. 31, 2019			
			1,830,000	—	1.900	Mar. 31, 2020			
			2,570,000	—	1.900	Mar. 31, 2019			
Subtotal			9,960,000	—					
Total			72,301,000	91,699,000					

(Note 1) Average interest rate is the daily weighted average number of the period according to the number of days, and is rounded to three decimal place.

(Note 2) The funds raised through borrowings are mainly used to acquire real estate properties or trust beneficiary interests and to prepay the borrowings.

(Note 3) INV repaid the portion of the principal (JPY 321 million) accompanied with the receipt of consumption tax refund on November 30, 2015.

(Note 4) The balance at the end of the period will be repaid in full of the repayment date

(Note 5) INV prepaid the balance of all secured borrowing at the end of the period on July 16, 2015.

(Note 6) Mitsubishi UFJ Trust and Banking Corporation is the trustee of the REIT of which the Investment Corporation is the beneficiary, and has borrowed funds on Sep. 28, 2012 from Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership of Prudential Financial Inc. Group. The Investment Corporation received said loan (after deduction of reserves) as grant of trust principal of said REIT from Mitsubishi UFJ Trust and Banking Corporation on the same date.

3 Investment Corporation Bonds

Nothing applicable.

4 Short-Term Investment Corporation Bonds

Nothing applicable.

5 Investment Unit Options

Nothing applicable.

Buying and Selling for the Fiscal Period Ended June 30, 2015

1 Buying and Selling, etc. of Real Estate and Asset-Backed Securities, etc. and Infrastructure Assets and Infrastructure Related-Assets

Name of Property		Acquisition	
		Acquisition Date	Acquisition Price (Thousands of yen)
A100	City Court Kitaichijo	Jul. 16, 2015	1,782,000
A101	Lieto Court Mukojima	Jul. 16, 2015	1,683,000
A102	Lieto Court Nishi-Ojima	Jul. 16, 2015	1,634,000
D24	Hotel MyStays Haneda	Jul. 16, 2015	7,801,000
D25	Hotel MyStays Kameido P1	Jul. 16, 2015	5,594,000
D26	Hotel MyStays Ueno Iriyaguchi	Jul. 16, 2015	3,821,000
D27	Hotel MyStays Kameido P2	Jul. 16, 2015	3,742,000
D28	Hotel Vista Shimizu	Jul. 16, 2015	2,198,000
D29	Super Hotel Shinbashi/ Karasumoriguchi	Jul. 16, 2015	1,624,000
D30	Flexstay Inn Higashi-Jujo	Jul. 16, 2015	1,277,000
D31	Hotel MyStays Utsunomiy	Jul. 16, 2015	1,237,000
D32	Flexstay Inn Kawasaki-Kaizuka	Jul. 16, 2015	980,000
D33	Comfort Hotel Toyama	Jul. 16, 2015	979,000
D34	Flexstay Inn Kawasaki-Ogawacho	Jul. 16, 2015	906,000
D35	Flexstay Inn Ekoda	Aug. 28, 2015	5,069,000
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Aug. 28, 2015	1,170,000
D37	Super Hotel JR Ueno-iriyaguchi	Aug. 28, 2015	1,130,000
Total			42,627,000

(Note) Acquisition price do not include various costs (brokerage commissions, taxes and other public charges) required for acquisition or transfer of the property, and indicate the purchase and sale price of the property as described in the the trust beneficiary purchase agreement.

2 Buying and Selling, etc. of Other Assets

Assets other than those described above were mostly bank deposits or bank deposits within assets in trust.

3 Survey of Prices, etc. of Specified Assets

Real Estate Transactions

Acquisition / Disposal	Name of Property		Specified Assets Type	Transaction Date	Acquisition / or Disposal Price (Thousands of yen)	Real Estate Appraisal Value (Thousands of yen)	Name of Appraiser	Date of Appraisal
Acquisition	D24	Hotel MyStays Haneda	trust beneficiary interests	Jul. 16, 2015	7,801,000	7,880,000	Japan Real Estate Institute	May 1, 2015
	D25	Hotel MyStays Kameido P1			5,594,000	5,650,000		
	D26	Hotel MyStays Ueno Iriyaguchi			3,821,000	3,860,000		
	D27	Hotel MyStays Kameido P2			3,742,000	3,780,000		
	D28	Hotel Vista Shimizu			2,198,000	2,220,000		
	D29	Super Hotel Shinbashi/Karasumoriguchi			1,624,000	1,640,000		
	D30	Flexstay Inn Higashi-Jujo			1,277,000	1,290,000		
	D31	Hotel MyStays Utsunomiya			1,237,000	1,250,000		
	D32	Flexstay Inn Kawasaki-Kaizuka			980,000	990,000		
	D33	Comfort Hotel Toyama			979,000	989,000		
	D34	Flexstay Inn Kawasaki-Ogawacho			906,000	915,000		
	A100	City Court Kitaichijo			1,782,000	1,800,000		
	A101	Lieto Court Mukojima			1,683,000	1,700,000		
	A102	Lieto Court Nishi-Ojima			1,634,000	1,650,000		
	D35	Flexstay Inn Ekoda		5,069,000	5,120,000	Aug. 10, 2015		
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,170,000	1,180,000	Daiwa Real Estate Appraisal Co., Ltd.	Jul. 31, 2015			
D37	Super Hotel JR Ueno-iriyauchi	1,130,000	1,140,000	Daiwa Real Estate Appraisal Co., Ltd.	Jul. 31, 2015			

(Note 1) Acquisition price do not include various costs (brokerage commissions, taxes and other public charges) required for acquisition of the property, and indicate the purchase and sale

price of the property as described in the the trust beneficiary purchase agreement.
(Note 2) The real estate appraisal described above is conducted by applying “Real Estate Appraisal Standard Section 3: appraisals concerning prices of real estate subject to securitization.”

4 Transactions with Interested Parties

(1) Transactions

Nothing applicable.

(2) Commissions Paid

Nothing applicable.

5 Transactions between the Asset Manager in Other Businesses of the Asset Manager

As the Asset Manager (Consonant Investment Management Co., Ltd.) does not engage in any other business, such as the first financial instruments business and the second financial instruments business, the building lots and buildings transaction business, or the designated real estate joint business, there are no applicable transactions.

Financial Condition

1 Assets, Liabilities, Principal, and Profit and Loss

Please refer to “II. Balance Sheet,” “III. Statement of Income,” “IV. Statement of Unitholders’ Equity,” “V. Notes” and “VI. Statement of Cash Distribution”.

2 Changes in the Calculation Method of Depreciation Expenses

Nothing applicable.

3 Changes in the Evaluation Method of Real Estate, etc. and Infrastructure Assets, etc.

Nothing applicable.

4 Beneficiary Certificates of Investment Trusts, etc. Set Up by the Company

Nothing applicable.

Other

1 Notice

(1) General Meeting of Unitholders

INV's General Meeting of Unitholders was held on December 18, 2015. The summary of the matters approved at the General Meeting of Unitholders are as follows.

Agenda		Summary
Proposal No. 1	Partial Amendment to Articles of Incorporation	<ol style="list-style-type: none">1. With the consent of the asset management company, the asset management fees for the period from January 2013 to December 2015 have been reduced. INV has further obtained the consent of the asset management company to reduce the amount of asset management fees for the period from January 2016 to December 2016 to the amount which is lower than the amount applicable if such reduction were not made, but which is higher than the amount applied in 2015, so that the amount of asset management fees become appropriate, considering the expansion of INV's asset scale, profit level and other factors resulting from its internal and external growth. Accordingly, INV amended the standards concerning the amount and payment for the asset management fees for the period from January 2016 to December 2016. Such amendment has taken effect as of January 1, 2016.2. INV deleted the eligibility requirements for the application of being applied for special taxation treatments on INV, which is no longer required for INV, under the amendment to the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation (Ordinance of the Ministry of Finance No. 15 of 1957, as amended). Furthermore, in line with the amendment to the Ordinance on Accounting at Investment Corporations (Cabinet Office Ordinance No. 47 of 2006, as amended) and the Act on Special

		Measures Concerning Taxation (Act No. 26 of 1957, as amended), etc., in relation to the issue of potential taxation due to discrepancies between taxation and accounting for INV, the relevant provisions have been amended to allow for the distribution of cash in excess of earnings to avoid being subject to taxation such as corporate tax, etc. on INV. In addition, necessary additions or deletions of provisions, revision and clarification of expressions, and other changes in the wording of INV's Articles of Incorporation are made.
Proposal No. 2	Appointment of One (1) Executive Director	Naoki Fukuda was appointed.
Proposal No. 3	Appointment of One (1) Substitute Executive Director	Christopher Reed was appointed.
Proposal No. 4	Appointment of Two (2) Supervisory Directors	Takashi Takahashi and Hiroyuki Fujimoto were appointed.

(2) Board of Directors of Investment Corporation

There are no matters regarding execution and amendment of the principal agreement approved by INV's Board of Directors in the Reporting Period.

2 Disclosure of companies owing real estate overseas

Nothing applicable.

3 Disclosure of real estate owned by companies owing real estate overseas

Nothing applicable.

4 Risk Factors

An investment in our units involves significant risks. The principal risks with respect to investment in Invincible Investment Corporation are as follows.

Property and Business Risks

- Any adverse conditions in the Japanese economy could adversely affect our properties.
- We may not be able to acquire properties to execute our growth and investment strategy in a manner that is accretive to earnings.
- Our reliance on Fortress Group could have a material adverse effect on our business.
- Because of our repositioning of our portfolio in 2014 to include hotels, which include lease terms that contain a variable rent structure, our results of operations will be inherently more volatile and not comparable to previous fiscal periods, and we may not be able to effectively manage our hotel portfolio due to our limited operating history in the hotel business, especially with respect to full service hotels, resort hotels and other non-limited service hotels that we may decide to acquire in greater numbers in the future.
- Increases in prevailing market interest rates, particularly following the Bank of Japan's announcement of a major new policy for monetary easing, would increase our interest expense and may result in a decline in the market price of our units.
- The high geographic concentration of our real estate portfolio in the greater Tokyo area and other major cities could have a material adverse effect on our business.
- Competition for tenants and hotel guests may adversely affect our ability to retain our current tenants and find new tenants, and to maintain occupancy rates and revenue.
- Our hotels are subject to the operating risks common to the hospitality industry, which have a direct effect on the variable rent component of our portfolio's revenue.
- The cyclical and seasonal nature of the hospitality industry may cause fluctuations in our operating performance, which could have a material adverse effect on us and our variable rent revenues.
- We may incur unexpected expenses, expenditure or other losses for repair or maintenance of our properties, and our hotels require periodic capital reinvestment for renovation.
- The majority of our hotels are leased to MyStays Hotel Management, which is owned by Fortress Group-managed funds, and subject to the risk of default under its hotel lease agreements.
- Our focus on residential properties could have a material adverse effect on our business.
- We may lose rental revenues in the event of defaults by end-tenants under their lease agreements for properties other than hotels.
- Master leases may give rise to certain risks.
- We may suffer large losses if any of our properties incur damage from a natural or man-made disaster or acts of violence.
- We may be strictly liable for an unforeseen loss, damage or injury suffered by a third party at our properties.
- Because most of our operating expenses are largely fixed, we may suffer adverse consequences if our rental revenues decline.

- We may not be able to promptly acquire suitable properties or sell those in our portfolio on acceptable terms in response to changing economic, financial or investment conditions.
- Defects relating to our properties may adversely affect our financial condition and results of operations.
- We rely on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties.
- The environmental assessments of our properties made prior to our ownership may not have uncovered all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities.
- Decreases in tenant leasehold and/or security deposits would increase our funding costs.
- Any inability to obtain financing for future acquisitions, or any restrictions on our activities under our financing arrangements, could adversely affect us.
- A high LTV ratio may increase our exposure to changes in interest rates and have a material adverse effect on our results of operations.
- We may suffer impairment losses relating to our properties and may also suffer adverse tax effects upon recognizing impairments.
- The performance of Fortress Group is not an indicator or guarantee of our future results.
- Our financial statements are prepared in accordance with Japanese GAAP, which differs in certain material respects from IFRS, U.S. GAAP and generally accepted accounting principles and financial reporting standards in other jurisdictions.
- We rely on industry and market data that are subject to significant uncertainties.

Management and Governance Risks

- Our success depends on the performances of service providers to which we are required to assign various key functions.
- There are potential conflicts of interest between us and certain Fortress Group affiliates or Fortress Group-related companies including the Asset Manager, MyStays Hotel Management and Naqua Hotels & Resorts Management
- We depend on the efforts of our executive director and key personnel of the Asset Manager.
- Unitholders have limited control over our policies.
- The Japanese regulatory authorities have tightened regulatory supervision of J-REITs and their asset managers and their corporate governance.
- If unitholders do not exercise their voting rights, we may count their votes in favor of proposals at a general meeting of unitholders.

Taxation Risks

- Our failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify us from certain taxation benefits and significantly reduce our distributions to our unitholders.
- If the Japanese tax authorities disagree with the interpretations we used for prior periods, we may be forced to pay additional taxes for those periods.

- We may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs.
- Changes in Japanese tax laws may significantly increase our tax burden.
- We expect to be treated as a “passive foreign investment company” for U.S. federal income tax purposes.
- Unitholders may be subject to U.S. Foreign Account Tax Compliance Act (FATCA) withholding tax after 2016.

Legal and Regulatory Risks

- Our ownership rights in some of our properties may be declared invalid or limited.
- We may lose our rights in a property we own if the purchase of the property is recharacterized as a secured financing.
- Acquisition of properties for which third parties hold leasehold interests in the land and own the buildings may subject us to various risks.
- Our leasehold interests may be terminated or may not be asserted against a third party in some cases, or our leases with our tenants could be modified.
- We currently hold several properties in the form of compartmentalized ownership interests (*kubun shoyu-ken*) and our rights relating to such properties may be affected by the intentions of other owners
- We may acquire properties in the form of co-ownership (*kyoyu*) and our rights relating to such properties may be affected by the intentions of other owners.
- Tax increases or adverse changes in applicable laws may affect our potential liabilities relating to our properties and operations.
- Compliance with energy conservation regulations in Japan may adversely affect our financial results.
- Our costs of complying with regulations applicable to our properties could adversely affect our results of operations.
- We own a substantial portion of our properties through trust beneficiary interests and may suffer losses as a trust beneficiary.
- The Alternative Investment Fund Managers Directive may negatively affect our ability to market our units in the EEA and increase our compliance costs associated with the marketing of our units in the EEA.
- Our units may be deemed to constitute “plan assets” for ERISA purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and our being held in violation of ERISA requirements.

5 Other

Unless there are specific statements to the contrary, monetary figures are rounded down to the nearest yen and percentages are rounded off for unspecified values.

II. Balance Sheet

(Unit: thousands of yen)

		Fiscal Period ended June 30, 2015 (reference) (as of June 30, 2015)	Fiscal Period ended December 31, 2015 (as of December 31, 2015)
Assets			
Current assets			
Cash and deposits	※1	2,691,921	7,885,398
Cash and deposits in trust	※1	4,822,622	5,933,582
Accrued revenue		190	124
Accounts receivables		637,813	1,069,352
Prepaid expenses		260,394	241,931
Consumption tax receivable		316,413	928,025
Others		0	35
Allowance for doubtful accounts		(2,436)	(2,494)
Total current assets		8,726,919	16,055,955
Non-current assets			
Property, plant and equipment			
Buildings	※1	85,914	85,914
Accumulated depreciation		(8,866)	(9,407)
Buildings, net		77,048	76,507
Equipment	※1	38,862	38,862
Accumulated depreciation		(19,774)	(20,593)
Equipment, net		19,117	18,268
Building improvements	※1	2,779	2,779
Accumulated depreciation		(1,270)	(1,335)
Building improvements, net		1,509	1,443
Land	※1	711,834	711,834
Buildings in trust	※1	49,657,804	65,882,282
Accumulated depreciation		(3,726,114)	(4,510,729)
Buildings in trust, net		45,931,690	61,371,553
Equipment in trust	※1	12,748,349	15,364,500
Accumulated depreciation		(2,551,810)	(3,006,062)
Equipment in trust, net		10,196,539	12,358,438
Building improvements in trust	※1	323,594	327,632
Accumulated depreciation		(128,347)	(138,040)
Building improvements in trust, net		195,246	189,591
Tools, furniture and fixtures in trust	※1	302,397	401,404
Accumulated depreciation		(124,376)	(150,073)
Tools, furniture and fixtures in trust, net		178,020	251,331
Land in trust	※1	69,963,823	88,435,785
Total property, plant and equipment		127,274,829	163,414,753
Intangible assets			
Land leasehold rights in trust		-	5,836,789
Others		45	15
Total intangible assets		45	5,836,804
Total investment and other assets			

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2015 (reference) (as of June 30, 2015)	Fiscal Period ended December 31, 2015 (as of December 31, 2015)
Guarantee deposits	10,035	39,518
Long-term prepaid expenses	251,697	533,409
Others	36,218	38,429
Total investments and other assets	297,951	611,357
Total non-current assets	127,572,826	169,862,915
Total assets	136,299,746	185,918,871

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2015 (reference) (as of June 30, 2015)	Fiscal Period ended December 31, 2015 (as of December 31, 2015)
Liabilities		
Current liabilities		
Accounts payable	168,742	136,766
Short-term debts	-	1,080,000
Current portion of long-term debts ※1	62,341,000	-
Current portion of long-term debts in trust ※1	9,960,000	-
Accrued liabilities	43,752	47,597
Accrued expenses	174,711	134,010
Accrued income taxes	542	564
Advances received	420,660	473,164
Deposits received	10,108	23,043
Total current liabilities	73,119,517	1,895,146
Non-current liabilities		
Long-term debts	-	90,619,000
Tenant leasehold and security deposits in trust	1,420,014	1,617,867
Tenant leasehold and security deposits	28,663	28,663
Total non-current liabilities	1,448,677	92,265,530
Total liabilities	74,568,195	94,160,677
Net assets		
Unitholders' equity		
Unitholders' capital	53,096,413	82,465,438
Surplus		
Capital surplus	6,264,432	6,264,432
Unappropriated retained earnings/loss	2,370,704	3,028,323
Total surplus	8,635,136	9,292,755
Total unitholders' equity	61,731,550	91,758,194
Total net assets ※2	61,731,550	91,758,194
Total liabilities and net assets	136,299,746	185,918,871

III. Statement of Income

		(Unit: thousands of yen)	
		Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
Operating revenues			
Rental revenues	※1	4,974,760	6,863,775
Total operating revenues		4,974,760	6,863,775
Operating expenses			
Property related expenses	※1	1,834,039	2,178,165
Asset management fees		180,000	180,000
Directors' remuneration		4,800	4,800
Asset custodian fees		6,342	6,794
Administrative service fees		22,055	25,170
Provision of allowance for doubtful accounts		467	58
Other operating expenses		116,123	99,677
Total operating expenses		2,163,828	2,494,667
Operating income		2,810,931	4,369,108
Non-operating revenues			
Interest revenues		1,242	814
Interest on refund		3,098	936
Miscellaneous income		307	454
Total non-operating revenues		4,648	2,205
Non-operating expenses			
Interest expenses		379,341	296,892
Finance related costs		140,328	982,261
Investment unit issuance expenses		-	138,866
Total non-operating expenses		519,670	1,418,020
Ordinary income		2,295,909	2,953,293
Net income before taxes		2,295,909	2,953,293
Corporate tax, etc.		605	605
Total corporate tax, etc.		605	605
Net income		2,295,304	2,952,688
Retained earnings at the beginning of the period		75,399	75,634
Unappropriated retained earnings/Loss at the end of the period		2,370,704	3,028,323

IV. Statement of Unitholders' Equity

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)

(Unit: thousands of yen)

	Unitholders' Equity					Total Net Assets
	Unitholders' Capital	Surplus			Total Unitholders' Equity	
		Capital Surplus	Unappropriated Retained Earnings/Loss	Total Surplus		
Balance at the beginning of the period	53,096,413	6,264,432	2,031,546	8,295,978	61,392,392	61,392,392
Change during the period						
Distributions from surplus			(1,956,146)	(1,956,146)	(1,956,146)	(1,956,146)
Net income			2,295,304	2,295,304	2,295,304	2,295,304
Total change during the period	-	-	339,157	339,157	339,157	339,157
Balance at the end of the period	53,096,413	6,264,432	2,370,704	8,635,136	61,731,550	61,731,550

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

(Unit: thousands of yen)

	Unitholders' Equity					Total Net Assets
	Unitholders' Capital	Surplus			Total Unitholders' Equity	
		Capital Surplus	Unappropriated Retained Earnings/Loss	Total Surplus		
Balance at the beginning of the period	53,096,413	6,264,432	2,370,704	8,635,136	61,731,550	61,731,550
Change during the period						
Issuance of new investment units	29,369,025				29,369,025	29,369,025
Distributions 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 change 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

V. Notes

[Notes Concerning Significant Accounting Policies]

By Period Item	Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)																												
1. Method of depreciation of non-current assets	<p>(a)Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">77 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">8-24 years</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">7-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">2-66 years</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">2-32 years</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">4-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-15 years</td> </tr> </table> <p>(b)Intangible assets The straight-line method is used.</p> <p>(c)Long-term prepaid expenses The straight-line method is used.</p>	Buildings	77 years	Equipment	8-24 years	Building improvements	7-18 years	Buildings in trust	2-66 years	Equipment in trust	2-32 years	Building improvements in trust	4-55 years	Tools, furniture and fixtures in trust	2-15 years	<p>(a)Property, plant and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">77 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">8-24 years</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">7-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">2-67 years</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">2-32 years</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">4-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-15 years</td> </tr> </table> <p>(b)Intangible assets The straight-line method is used.</p> <p>(c)Long-term prepaid expenses The straight-line method is used.</p>	Buildings	77 years	Equipment	8-24 years	Building improvements	7-18 years	Buildings in trust	2-67 years	Equipment in trust	2-32 years	Building improvements in trust	4-55 years	Tools, furniture and fixtures in trust	2-15 years
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Equipment in trust	2-32 years																													
Building improvements in trust	4-55 years																													
Tools, furniture and fixtures in trust	2-15 years																													
2. Method of calculating allowances	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>																												
3. Revenue and expense recognition	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate 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 this fiscal period is JPY 42,497 thousand.</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate 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 this fiscal period is JPY 59,232 thousand.</p>																												

By Period Item	Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
4. Other significant matters which constitute the basis for preparation of financial statements	<p>(1)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.</p> <p>(a)Cash and deposits in trust (b)Buildings in trust Equipment in trust Building improvements in trust Tools, furniture and fixtures in trust Land in trust (c)Tenant leasehold and security deposits in trust (d)Current portion of long-term debts in trust Long-term debts in trust</p> <p>(2)Accounting treatment of deferred charges Investment unit issuance expenses The full amount is recorded as expense at the time of expenditure.</p> <p>(3)Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>	<p>(1)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.</p> <p>(a)Cash and deposits in trust (b)Buildings in trust Equipment in trust Building improvements in trust Tools, furniture and fixtures in trust Land in trust (c)Land leasehold rights in trust (d)Tenant leasehold and security deposits in trust (e)Current portion of long-term debts in trust</p> <p>(2)Accounting treatment of deferred charges Investment unit issuance expenses The full amount is recorded as expense at the time of expenditure.</p> <p>(3)Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>

[Notes to the Balance Sheets]

Fiscal Period ended June 30, 2015 (reference) (as of June 30, 2015)	Fiscal Period ended December 31, 2015 (as of December 31, 2015)																														
<p>※1. Assets pledged as collateral and liabilities with collateral Assets pledged as collateral are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and deposits</td> <td style="text-align: right;">312,245 thousand yen</td> </tr> <tr> <td>Cash and deposits in trust</td> <td style="text-align: right;">4,822,622 thousand yen</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">77,048 thousand yen</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">19,117 thousand yen</td> </tr> <tr> <td>Building improvements</td> <td style="text-align: right;">1,509 thousand yen</td> </tr> <tr> <td>Land</td> <td style="text-align: right;">711,834 thousand yen</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">45,931,690 thousand yen</td> </tr> <tr> <td>Equipment in trust</td> <td style="text-align: right;">10,196,539 thousand yen</td> </tr> <tr> <td>Building improvements in trust</td> <td style="text-align: right;">195,246 thousand yen</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">178,020 thousand yen</td> </tr> <tr> <td>Land in trust</td> <td style="text-align: right;">69,963,823 thousand yen</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right; border-top: 1px solid black;">132,409,697 thousand yen</td> </tr> </table> <p style="margin-top: 10px;">Liabilities with collateral are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current portion of long-term debts</td> <td style="text-align: right;">62,341,000 thousand yen</td> </tr> <tr> <td>Current portion of long-term debts in trust</td> <td style="text-align: right;">9,960,000 thousand yen</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right; border-top: 1px solid black;">72,301,000 thousand yen</td> </tr> </table>	Cash and deposits	312,245 thousand yen	Cash and deposits in trust	4,822,622 thousand yen	Buildings	77,048 thousand yen	Equipment	19,117 thousand yen	Building improvements	1,509 thousand yen	Land	711,834 thousand yen	Buildings in trust	45,931,690 thousand yen	Equipment in trust	10,196,539 thousand yen	Building improvements in trust	195,246 thousand yen	Tools, furniture and fixtures in trust	178,020 thousand yen	Land in trust	69,963,823 thousand yen	Total	132,409,697 thousand yen	Current portion of long-term debts	62,341,000 thousand yen	Current portion of long-term debts in trust	9,960,000 thousand yen	Total	72,301,000 thousand yen	-
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<p>※2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations</p> <p style="text-align: right;">50,000 thousand yen</p>	<p>※2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations</p> <p style="text-align: right;">50,000 thousand yen</p>																														

[Notes to Statement of Income]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
※1. Rental revenues and property related expenses (Unit: thousands of yen)	※1. Rental revenues and property related expenses (Unit: thousands of yen)
A. Real property rental revenues Rental revenues (Rent/common area charges) 4,738,713 (Other revenues) 236,047 Total rental revenues 4,974,760	A. Real property rental revenues Rental revenues (Rent/common area charges) 6,652,619 (Other revenues) 211,156 Total rental revenues 6,863,775
B. Real property related expenses Property related expenses (Maintenance costs) 468,393 (Taxes and public dues) 201,860 (Insurance expenses) 7,061 (Depreciation expenses) 986,765 (Other expenses) 169,957 Total real property related expenses 1,834,039	B. Real property related expenses Property related expenses (Maintenance costs) 472,597 (Taxes and public dues) 250,268 (Insurance expenses) 9,934 (Depreciation expenses) 1,275,714 (Other expenses) 169,651 Total real property related expenses 2,178,165
C. Operating income from rental revenues (A-B) 3,140,721	C. Operating income from rental revenues (A-B) 4,685,610

[Notes to Statement of Unitholders' Equity]

Fiscal Period ended June 30, 2015 (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
Number of investment units authorized and number of investment units issued and outstanding	Number of investment units authorized and number of investment units issued and outstanding
Number of investment units authorized 10,000,000 units Number of investment units issued and outstanding 2,668,686 units	Number of investment units authorized 10,000,000 units Number of investment units issued and outstanding 3,193,686 units

[Notes Related to Tax Accounting]

Fiscal Period ended June 30, 2015 (reference)	Fiscal Period ended December 31, 2015																																																								
<p>1. Significant components of deferred tax assets and liabilities (Deferred tax assets - current assets)</p> <table> <tr> <td>Enterprise tax payable</td> <td style="text-align: right;">489 thousand yen</td> </tr> <tr> <td>Accounts receivable (merger)</td> <td style="text-align: right;">186 thousand yen</td> </tr> <tr> <td>Allowance for doubtful accounts</td> <td style="text-align: right;">787 thousand yen</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;"><u>1,463 thousand yen</u></td> </tr> <tr> <td>Valuation allowance</td> <td style="text-align: right;"><u>1,463 thousand yen</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> <tr> <td>(Net deferred tax assets - current)</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> </table> <p>(Deferred tax assets - non-current assets)</p> <table> <tr> <td>Buildings and other (merger)</td> <td style="text-align: right;">746,394 thousand yen</td> </tr> <tr> <td>Land (merger)</td> <td style="text-align: right;">2,129,657 thousand yen</td> </tr> <tr> <td>Long-term accrued expenses</td> <td style="text-align: right;">7,329,595 thousand yen</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;"><u>10,205,647 thousand yen</u></td> </tr> <tr> <td>Valuation allowance</td> <td style="text-align: right;"><u>10,205,647 thousand yen</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> <tr> <td>(Net deferred tax assets - non-current)</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> </table>	Enterprise tax payable	489 thousand yen	Accounts receivable (merger)	186 thousand yen	Allowance for doubtful accounts	787 thousand yen	Subtotal	<u>1,463 thousand yen</u>	Valuation allowance	<u>1,463 thousand yen</u>	Total	<u>- thousand yen</u>	(Net deferred tax assets - current)	<u>- thousand yen</u>	Buildings and other (merger)	746,394 thousand yen	Land (merger)	2,129,657 thousand yen	Long-term accrued expenses	7,329,595 thousand yen	Subtotal	<u>10,205,647 thousand yen</u>	Valuation allowance	<u>10,205,647 thousand yen</u>	Total	<u>- thousand yen</u>	(Net deferred tax assets - non-current)	<u>- thousand yen</u>	<p>1. Significant components of deferred tax assets and liabilities (Deferred tax assets - current assets)</p> <table> <tr> <td>Enterprise tax payable</td> <td style="text-align: right;">489 thousand yen</td> </tr> <tr> <td>Accounts receivable (merger)</td> <td style="text-align: right;">186 thousand yen</td> </tr> <tr> <td>Allowance for doubtful accounts</td> <td style="text-align: right;">806 thousand yen</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;"><u>1,482 thousand yen</u></td> </tr> <tr> <td>Valuation allowance</td> <td style="text-align: right;"><u>1,482 thousand yen</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> <tr> <td>(Net deferred tax assets - current)</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> </table> <p>(Deferred tax assets - non-current assets)</p> <table> <tr> <td>Buildings and other (merger)</td> <td style="text-align: right;">735,158 thousand yen</td> </tr> <tr> <td>Land (merger)</td> <td style="text-align: right;">2,129,657 thousand yen</td> </tr> <tr> <td>Long-term accrued expenses</td> <td style="text-align: right;">7,329,595 thousand yen</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;"><u>10,194,411 thousand yen</u></td> </tr> <tr> <td>Valuation allowance</td> <td style="text-align: right;"><u>10,194,411 thousand yen</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> <tr> <td>(Net deferred tax assets - non-current)</td> <td style="text-align: right;"><u>- thousand yen</u></td> </tr> </table>	Enterprise tax payable	489 thousand yen	Accounts receivable (merger)	186 thousand yen	Allowance for doubtful accounts	806 thousand yen	Subtotal	<u>1,482 thousand yen</u>	Valuation allowance	<u>1,482 thousand yen</u>	Total	<u>- thousand yen</u>	(Net deferred tax assets - current)	<u>- thousand yen</u>	Buildings and other (merger)	735,158 thousand yen	Land (merger)	2,129,657 thousand yen	Long-term accrued expenses	7,329,595 thousand yen	Subtotal	<u>10,194,411 thousand yen</u>	Valuation allowance	<u>10,194,411 thousand yen</u>	Total	<u>- thousand yen</u>	(Net deferred tax assets - non-current)	<u>- thousand yen</u>
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<p>2. Significant difference between statutory tax rate and the effective tax rate</p> <table> <tr> <td>Statutory tax rate</td> <td style="text-align: right;">34.15%</td> </tr> <tr> <td>Deductible cash distributions</td> <td style="text-align: right;">(33.80)%</td> </tr> <tr> <td>Provision of reserve for reduction entry</td> <td style="text-align: right;">0.63%</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">(0.95)%</td> </tr> <tr> <td>Effective tax rate</td> <td style="text-align: right;"><u>0.03%</u></td> </tr> </table>	Statutory tax rate	34.15%	Deductible cash distributions	(33.80)%	Provision of reserve for reduction entry	0.63%	Others	(0.95)%	Effective tax rate	<u>0.03%</u>	<p>2. Significant difference between statutory tax rate and the effective tax rate</p> <table> <tr> <td>Statutory tax rate</td> <td style="text-align: right;">32.31%</td> </tr> <tr> <td>Deductible cash distributions</td> <td style="text-align: right;">(31.93)%</td> </tr> <tr> <td>Provision of reserve for reduction entry</td> <td style="text-align: right;">(0.38)%</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">0.02%</td> </tr> <tr> <td>Effective tax rate</td> <td style="text-align: right;"><u>0.02%</u></td> </tr> </table>	Statutory tax rate	32.31%	Deductible cash distributions	(31.93)%	Provision of reserve for reduction entry	(0.38)%	Others	0.02%	Effective tax rate	<u>0.02%</u>																																				
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<p>3. Revision of the amounts of deferred tax assets and liabilities due to changes in rate of any Corporation Tax, etc. As a result of the promulgation of the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 9 of 2015) on March 31, 2015, the statutory tax rate used to calculate deferred tax assets and liabilities will be changed to 32.31% for temporary differences, etc. which are expected to be eliminated in the fiscal period starting after July 1, 2015. This change in tax rate has no effect on the amounts of deferred tax assets and liabilities, and deferred income taxes.</p>	-																																																								

[Notes Related to Lease Contracts]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)			Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)		
Operating lease transactions (as lessee) (Unit: thousands of yen)			Operating lease transactions (as lessee) (Unit: thousands of yen)		
	Due within one year	112,249		Due within one year	112,249
Remaining lease payments	Due after one year	2,168,039	Remaining lease payments	Due after one year	2,111,914
	Total	2,280,288		Total	2,224,164
(as lessor) (Unit: thousands of yen)			(as lessor) (Unit: thousands of yen)		
	Due within one year	2,413,667		Due within one year	3,657,829
Remaining lease payments	Due after one year	21,199,677	Remaining lease payments	Due after one year	31,055,536
	Total	23,613,345		Total	34,713,366

[Notes Related to Financial Instruments]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
<p>1. Status of financial instruments</p> <p>(1)Policy for financial instruments</p> <p>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.</p> <p>The policy for raising funds is principally through issuing new investment units or entering into debt.</p> <p>Derivative transactions are to be entered into for the purpose of hedging against the rate of future interest rate increases, etc. and not for speculation. There are currently no derivative transactions that have been entered into.</p> <p>Surplus funds are managed carefully after carefully taking into account safety, liquidity, the interest rate environment and financing.</p> <p>(2)Nature and extent of risks arising from financial instruments and risk management</p> <p>The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</p> <p>(3)Supplemental information regarding market value, etc. for financial instruments</p> <p>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</p>	<p>1. Status of financial instruments</p> <p>(1)Policy for financial instruments</p> <p>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.</p> <p>The policy for raising funds is principally through issuing new investment units or entering into debt.</p> <p>Derivative transactions are to be entered into for the purpose of hedging against the rate of future interest rate increases, etc. and not for speculation. There are currently no derivative transactions that have been entered into.</p> <p>Surplus funds are managed carefully after carefully taking into account safety, liquidity, the interest rate environment and financing.</p> <p>(2)Nature and extent of risks arising from financial instruments and risk management</p> <p>The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</p> <p>(3)Supplemental information regarding market value, etc. for financial instruments</p> <p>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</p>

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(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period				(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period
As of June 30, 2015				As of December 31, 2015
(Unit: thousands of yen)				(Unit: thousands of yen)
	Due within One Year	Due after One to Two Years	Due after Two to Three Years	
Cash and deposits	2,691,921	-	-	
Cash and deposits in trust	4,822,622	-	-	
Total	7,514,543	-	-	
	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years	
Cash and deposits	-	-	-	
Cash and deposits in trust	-	-	-	
Total	-	-	-	
(Note 4) Redemption schedule of long-term debts and other interest-bearing indebtedness after the closing date of the fiscal period				(Note 4) Redemption schedule of long-term debts and other interest-bearing indebtedness after the closing date of the fiscal period
As of June 30, 2015				As of December 31, 2015
(Unit: thousands of yen)				(Unit: thousands of yen)
	Due within One Year	Due after One to Two Years	Due after Two to Three Years	
Current portion of long-term debts	62,341,000	-	-	
Current portion of long-term debts in trust	9,960,000	-	-	
Total	72,301,000	-	-	
	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years	
Current portion of long-term debts	-	-	-	
Current portion of long-term debts in trust	-	-	-	
Total	-	-	-	
	Due within One Year	Due after One to Two Years	Due after Two to Three Years	
Long-term debts	-	-	28,979,000	
Total	-	-	28,979,000	
	Due after Three to Four Years	Due after Four to Five Years	Due after Five Years	
Long-term debts	32,661,000	28,979,000	-	
Total	32,661,000	28,979,000	-	

[Notes Related to Rental Properties]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)					Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)																																																																																
<p>INV owns residential properties and hotels as core assets and owns other various properties including offices and retails principally in the Tokyo area and major regional cities in order to aim for the establishment of the portfolio which focuses on both improvement of stability and growth potential. The book value, amount changed during the period and balance at the end of the period are as follows.</p> <p style="text-align: center;">(Unit: thousands of yen)</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="3">Book Value</th> <th rowspan="2">Fair Value at the End of the Period</th> </tr> <tr> <th>Balance at the Beginning of the Period</th> <th>Change during the Period</th> <th>Balance at the End of the Period</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>55,569,758</td> <td>(300,354)</td> <td>55,269,403</td> <td>62,209,000</td> </tr> <tr> <td>Office</td> <td>8,551,609</td> <td>(36,906)</td> <td>8,514,702</td> <td>7,181,000</td> </tr> <tr> <td>Retail</td> <td>5,225,394</td> <td>(47,106)</td> <td>5,178,288</td> <td>5,820,000</td> </tr> <tr> <td>Parking</td> <td>100,823</td> <td>(1)</td> <td>100,822</td> <td>109,000</td> </tr> <tr> <td>Hotel</td> <td>45,296,007</td> <td>12,915,605</td> <td>58,211,612</td> <td>71,555,000</td> </tr> <tr> <td>Total</td> <td>114,743,593</td> <td>12,531,236</td> <td>127,274,829</td> <td>146,874,000</td> </tr> </tbody> </table>					Use	Book Value			Fair Value at the End of the Period	Balance at the Beginning of the Period	Change during the Period	Balance at the End of the Period	Residential	55,569,758	(300,354)	55,269,403	62,209,000	Office	8,551,609	(36,906)	8,514,702	7,181,000	Retail	5,225,394	(47,106)	5,178,288	5,820,000	Parking	100,823	(1)	100,822	109,000	Hotel	45,296,007	12,915,605	58,211,612	71,555,000	Total	114,743,593	12,531,236	127,274,829	146,874,000	<p>INV owns residential properties and hotels as core assets and owns other various properties including offices and retails principally in the Tokyo area and major regional cities in order to aim for the establishment of the portfolio which focuses on both improvement of stability and growth potential. The book value, amount changed during the period and balance at the end of the period are as follows.</p> <p style="text-align: center;">(Unit: thousands of yen)</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="3">Book Value</th> <th rowspan="2">Fair Value at the End of the Period</th> </tr> <tr> <th>Balance at the Beginning of the Period</th> <th>Change during the Period</th> <th>Balance at the End of the Period</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>55,269,403</td> <td>5,036,303</td> <td>60,305,706</td> <td>68,592,000</td> </tr> <tr> <td>Office</td> <td>8,514,702</td> <td>(26,826)</td> <td>8,487,876</td> <td>7,206,000</td> </tr> <tr> <td>Retail</td> <td>5,178,288</td> <td>(44,205)</td> <td>5,134,083</td> <td>5,830,000</td> </tr> <tr> <td>Parking</td> <td>100,822</td> <td>(1)</td> <td>100,821</td> <td>112,000</td> </tr> <tr> <td>Hotel</td> <td>58,211,612</td> <td>37,011,441</td> <td>95,223,054</td> <td>133,212,000</td> </tr> <tr> <td>Total</td> <td>127,274,829</td> <td>41,976,712</td> <td>169,251,542</td> <td>214,952,000</td> </tr> </tbody> </table>					Use	Book Value			Fair Value at the End of the Period	Balance at the Beginning of the Period	Change during the Period	Balance at the End of the Period	Residential	55,269,403	5,036,303	60,305,706	68,592,000	Office	8,514,702	(26,826)	8,487,876	7,206,000	Retail	5,178,288	(44,205)	5,134,083	5,830,000	Parking	100,822	(1)	100,821	112,000	Hotel	58,211,612	37,011,441	95,223,054	133,212,000	Total	127,274,829	41,976,712	169,251,542	214,952,000
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[Notes Related to Restriction on Asset Management]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
Nothing applicable.	Nothing applicable.

[Notes Related to Transactions with Related Parties]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)

1 Interested parties of the Asset Manager

Classification	Name	Business or Occupation	Ratio of Voting Rights Owned (%)	Type of Transaction	Transaction Amount (Thousands of yen) (Note 1)	Account	Balance at the End of the Period (Thousands of yen) (Note 1)
Interested party of the Asset Manager	Zephyrus Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,792,000	-	-
	Nishi Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,119,000	-	-
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	1,760,999	Accounts receivables	501,272

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

(Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.

(Note 3) Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Shijodori Holding Tokutei Mokuteki Kaisha, Danube Tokutei Mokuteki Kaisha, Nagahoribashi Holding Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. have no capital relationship with the Asset Manager to be disclosed. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Shijodori Holding Tokutei Mokuteki Kaisha, Danube Tokutei Mokuteki Kaisha, Nagahoribashi Holding Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. as the equivalent of interested party.

(Note 4) Calliope holds 609,942 units (holding ratio: 22.85%) of the issued investment units of INV.

(Note 5) The purchase of trust beneficiary interests pertains to following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses on acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (Thousands of yen)
D22	Hotel Nets Hakodate	Zephyrus Tokutei Mokuteki Kaisha	2,792,000
D23	Flexstay Inn Shirogane	Nishi Tokutei Mokuteki Kaisha	2,119,000
Total			4,911,000

2 Asset Custody Companies

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen)	Account	Balance at the End of the Period (Thousands of yen)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Loan for long-term debts	470,000	Current portion of long-term debts	5,470,000
				Finance related fees	9,171	Prepaid expenses	39,318
				Interest expenses	24,918	Accrued expenses	139

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

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

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

1 Interested parties of the Asset Manager

Classification	Name	Business or Occupation	Ratio of Voting Rights Owned (%)	Type of Transaction	Transaction Amount (Thousands of yen) (Note 1)	Account	Balance at the End of the Period (Thousands of yen) (Note 1)
Interested party of the Asset Manager	Skye Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	7,801,000	-	-
	Nishi Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	14,405,000	-	-
	Rannoch Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	5,707,000	-	-
	Wakusei Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,198,000	-	-
	Suisei Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,603,000	-	-
	Aki Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	1,277,000	-	-
	Zephyrus Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	1,237,000	-	-
	Godo Kaisha Baretta (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	5,099,000	-	-
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	3,125,985	Accounts receivables	920,391

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

(Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.

(Note 3) Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. have no capital relationship with the Asset Manager to be disclosed. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. as the equivalent of interested party.

(Note 4) Calliope holds 609,942 units (holding ratio: 19.09%) of the issued investment units of INV.

(Note 5) The purchase of trust beneficiary interests pertains to following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses on acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (Thousands of yen)
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

2 Asset Custody Companies

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen)	Account	Balance at the End of the Period (Thousands of yen)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Loan for long-term debt	8,010,000	Long-term debt	8,010,000
				Repayment of current portion of long-term debts	5,470,000	Current portion of long-term debts	-
				Finance related fees	47,895	Prepaid expenses	18,186
						Long-term Prepaid expenses	46,077
Interest expenses	25,318	Accrued expenses	276				

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

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

[Notes Related to Per Unit Information]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)		Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	
Net assets per unit	23,132 yen	Net assets per unit	28,731 yen
Net income per unit	860 yen	Net income per unit	937 yen
Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.		Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income 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 June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)		Fiscal Period ended December 31., 2015 (from July 1, 2015 to December 31, 2015)	
Net income for the fiscal period (thousands of yen)	2,295,304	Net income for the fiscal period (thousands of yen)	2,952,688
Amounts not attributable to common unit holders (thousands of yen)	-	Amounts not attributable to common unit holders (thousands of yen)	-
Net income attributable to common unit holders (thousands of yen)	2,295,304	Net income attributable to common unit holders (thousands of yen)	2,952,688
Average number of investment units during the period (units)	2,668,686	Average number of investment units during the period (units)	3,149,936

[Notes Related to Significant Subsequent Events]

Fiscal Period ended June 30, 2015 (reference) (from January 1 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)																																																										
<p>1. Issuance of new investment units</p> <p>INV resolved at its meetings of the Board of Directors held on June 25, 2015 and July 8, 2015 respectively to conduct the issuance of new investment units and secondary distribution of investment units. Payment for the new investment units issued through the public offering was completed on July 15, 2015, in accordance with the following terms and conditions. In addition, with respect to the issuance of new investment units through the third-party allotment in connection with the overallotment secondary offering, the payment was completed on August 12, 2015. As a result, the unitholders' equity of INV is JPY 82,465 million and the number of investment units issued and outstanding of INV increased to 3,193,686</p> <p>(i) Issuance of new investment units through public offering</p> <table border="1"> <tr> <td>Number of New Investment Units Issued</td> <td>: 500,000 units</td> </tr> <tr> <td>Domestic public offering</td> <td>: 211,250 units</td> </tr> <tr> <td>Overseas offering</td> <td>: 288,750 units</td> </tr> <tr> <td>Issue Price (Offer Price)</td> <td>: JPY 57,817 per unit</td> </tr> <tr> <td>Total Issue Price (Total Offer Price)</td> <td>: JPY 28,908,500,000</td> </tr> <tr> <td>Amount Paid In (Issue Value)</td> <td>: JPY 55,941 per unit</td> </tr> <tr> <td>Total Amount Paid In (Total Issue Value)</td> <td>: JPY 27,970,500,000</td> </tr> <tr> <td>Payment Date</td> <td>: Wednesday, July 15, 2015</td> </tr> </table> <p>(ii) Secondary offering of investment units outside Japan</p> <table border="1"> <tr> <td>Number of Investment Units Offered in the Secondary Offering</td> <td>: 25,000 units</td> </tr> <tr> <td>Offer Price</td> <td>: JPY 57,817 per unit</td> </tr> <tr> <td>Total Offer Value</td> <td>: JPY 1,445,425,000</td> </tr> <tr> <td>Delivery Date</td> <td>: Wednesday, July 16, 2015</td> </tr> </table> <p>(iii) Secondary offering of investment units (overallotment secondary offering)</p> <table border="1"> <tr> <td>Number of Investment Units Offered in the Secondary Offering</td> <td>: 25,000 units</td> </tr> <tr> <td>Offer Price</td> <td>: JPY 55,941 per unit</td> </tr> <tr> <td>Total Offer Value</td> <td>: JPY 1,398,525,000</td> </tr> <tr> <td>Payment Date</td> <td>: Wednesday, August 12, 2015</td> </tr> <tr> <td>Allotee</td> <td>: Mizuho Securities Co., Ltd</td> </tr> </table>	Number of New Investment Units Issued	: 500,000 units	Domestic public offering	: 211,250 units	Overseas offering	: 288,750 units	Issue Price (Offer Price)	: JPY 57,817 per unit	Total Issue Price (Total Offer Price)	: JPY 28,908,500,000	Amount Paid In (Issue Value)	: JPY 55,941 per unit	Total Amount Paid In (Total Issue Value)	: JPY 27,970,500,000	Payment Date	: Wednesday, July 15, 2015	Number of Investment Units Offered in the Secondary Offering	: 25,000 units	Offer Price	: JPY 57,817 per unit	Total Offer Value	: JPY 1,445,425,000	Delivery Date	: Wednesday, July 16, 2015	Number of Investment Units Offered in the Secondary Offering	: 25,000 units	Offer Price	: JPY 55,941 per unit	Total Offer Value	: JPY 1,398,525,000	Payment Date	: Wednesday, August 12, 2015	Allotee	: Mizuho Securities Co., Ltd	<p>1. Borrowing of Fund</p> <p>In order to raise a part of the funds to be used for the acquisition of trust beneficiary interests for the 5 hotel properties and 1 residential property acquired on January 22, 2016 (see "2. Acquisition of Assets" below), INV implemented the following borrowing on January 22, 2016.</p> <p>Term Loan (B)</p> <table border="1"> <tr> <td>Lender</td> <td>: Sumitomo Mitsui Trust Bank, Limited., Mitsubishi UFJ Trust and Banking Corporation.</td> </tr> <tr> <td>Borrowing amount</td> <td>: JPY8,998 million</td> </tr> <tr> <td>Interest rate, etc.</td> <td>: Base Rate (One-month JPY TIBOR; however, two-month JPY TIBOR for the first interest calculation period only) + 0.20%, 0.40%, 0.60%</td> </tr> <tr> <td>Interest payment date</td> <td>: On (i) the last Japanese business day of each month before the principal maturity date, beginning with February 29, 2015, and (ii) the principal maturity date</td> </tr> <tr> <td>Principal repayment method</td> <td>: Lump-sum repayment</td> </tr> <tr> <td>Borrowing method</td> <td>: Unsecured / with no guarantee</td> </tr> <tr> <td>Borrowing date</td> <td>: January 22, 2016</td> </tr> <tr> <td>Maturity date</td> <td>: January 22, 2017, January 22, 2019, January 22, 2021</td> </tr> </table> <p>2. Acquisition of Assets</p> <p>INV decided to acquire the following 6 properties (total acquisition price of JPY 10,207 million) on January 20, 2016, and completed the acquisition of all of the 6 properties on January 22, 2016.</p> <p>Property number: D38 Name of property: Hotel MyStays Shinsaibashi</p> <table border="1"> <tr> <td>Acquisition Date</td> <td>January 22, 2016</td> </tr> <tr> <td>Acquisition Price (Note)</td> <td>JPY3,160 million</td> </tr> <tr> <td>Location</td> <td>Osaka-shi, Osaka</td> </tr> <tr> <td>Construction Date</td> <td>September 1984</td> </tr> </table>	Lender	: Sumitomo Mitsui Trust Bank, Limited., Mitsubishi UFJ Trust and Banking Corporation.	Borrowing amount	: JPY8,998 million	Interest rate, etc.	: Base Rate (One-month JPY TIBOR; however, two-month JPY TIBOR for the first interest calculation period only) + 0.20%, 0.40%, 0.60%	Interest payment date	: On (i) the last Japanese business day of each month before the principal maturity date, beginning with February 29, 2015, and (ii) the principal maturity date	Principal repayment method	: Lump-sum repayment	Borrowing method	: Unsecured / with no guarantee	Borrowing date	: January 22, 2016	Maturity date	: January 22, 2017, January 22, 2019, January 22, 2021	Acquisition Date	January 22, 2016	Acquisition Price (Note)	JPY3,160 million	Location	Osaka-shi, Osaka	Construction Date	September 1984
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<p>2. Borrowing of Funds</p> <p>In order to implement refinancing via unsecured lower-interest borrowings for part of the funds to be used for the acquisition of trust beneficiary interests for 11 hotel properties and 3 residential properties acquired on July 16, 2015 (see "4. Acquisition of Assets" below) and all of the existing syndicate loans (New Syndicate Loan (C), New Syndicate Loan (D)) and Prudential LPS Loan B, INV implemented the following borrowing on July 16, 2015.</p> <p>New Syndicate Loan (E)</p> <table border="1"> <tr> <td>Lender</td> <td>: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited and Mitsubishi UFJ Trust and Banking Corporation</td> </tr> <tr> <td>Borrowing amount</td> <td>: JPY88,338 million</td> </tr> <tr> <td>Interest rate, etc.</td> <td>: Base Rate (One-month JPY TIBOR) + 0.20%, 0.40%, 0.50%, 0.60%</td> </tr> <tr> <td>Interest payment date</td> <td>: On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 31, 2015, and (2) the principal maturity date</td> </tr> <tr> <td>Principal repayment method</td> <td>: Lump-sum repayment for each individual loan</td> </tr> <tr> <td>Borrowing method</td> <td>: Unsecured / with no guarantee</td> </tr> <tr> <td>Borrowing date</td> <td>: July 16, 2015</td> </tr> <tr> <td>Maturity date</td> <td>: May 16, 2016, July 16, 2018, July 16, 2019 and July 16, 2020</td> </tr> </table> <p>INV also intends to acquire trust beneficiary interests in real estate for 3 hotel properties on August 28, 2015 (see "4. Acquisition of Assets" below), and resolved at its meeting of the Board of Directors held on August 21, 2015 to implement the following borrowing in order to procure part of the funds for the acquisition of the trust beneficiary interests.</p> <p>Term Loan (A)</p> <table border="1"> <tr> <td>Lender</td> <td>: Mizuho Bank, Ltd.</td> </tr> <tr> <td>Borrowing amount</td> <td>: JPY3,682 million</td> </tr> <tr> <td>Interest rate, etc.</td> <td>: Base Rate (One-month JPY TIBOR; however, two-month JPY TIBOR for the first interest calculation period only) +</td> </tr> </table>	Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited and Mitsubishi UFJ Trust and Banking Corporation	Borrowing amount	: JPY88,338 million	Interest rate, etc.	: Base Rate (One-month JPY TIBOR) + 0.20%, 0.40%, 0.50%, 0.60%	Interest payment date	: On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 31, 2015, and (2) the principal maturity date	Principal repayment method	: Lump-sum repayment for each individual loan	Borrowing method	: Unsecured / with no guarantee	Borrowing date	: July 16, 2015	Maturity date	: May 16, 2016, July 16, 2018, July 16, 2019 and July 16, 2020	Lender	: Mizuho Bank, Ltd.	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Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited and Mitsubishi UFJ Trust and Banking Corporation																																																																																												
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Acquisition Price (Note)	JPY851 million																																																																																												
Location	Kitami-shi, Hokkaido																																																																																												
Construction Date	March 2008																																																																																												
Category of Assets	Trust Beneficiary Interest																																																																																												
Seller	Navaro Tokutei Mokuteki Kaisha																																																																																												
Total Floor Area	3,009.50m ²																																																																																												

Fiscal Period ended June 30, 2015 (reference) (from January 1 2015 to June 30, 2015)		Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	
	0.50%	Total Leasable Area	3,009.50m ²
Interest payment date	: On (i) the last Japanese business day of each month before the principal maturity date, beginning with September 30, 2015, and (ii) the principal maturity date	Property number: A103 Name of property: Royal Parks Momozaka	
Principal repayment method	: Lump-sum repayment	Acquisition Date	January 22, 2016
Borrowing method	: Unsecured / with no guarantee	Acquisition Price (Note)	JPY2,910 million
Borrowing date	: August 28, 2015	Location	Osaka-shi, Osaka
Maturity date	: August 28, 2019	Construction Date	June 2007
		Category of Assets	Trust Beneficiary Interest
		Seller	Momo Tokutei Mokuteki Kaisha
		Total Floor Area	10,541.69m ²
		Total Leasable Area	8,776.26m ²
3. Prepayment of Borrowings		(Note) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition costs, property taxes, city planning taxes and consumption taxes, etc.	
INV implemented refinancing in order to procure the funds for acquisition of 11 hotel properties and 3 residential properties on July 16, 2015 and to reduce loan costs, and prepaid the borrowings as follows.			
New Syndicate Loan (C)			
Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited		
Balance of borrowing	: JPY56,100 million		
Interest rate, etc.	: Base Rate (One-month JPY TIBOR) + 0.80%		
Borrowing method	: Secured / with no guarantee		
Borrowing date	: July 17, 2014		
Maturity date	: July 14, 2017		
Prepayment date	: July 16, 2015		
Repayment amount	: JPY56,100 million		
Balance after repayment	: JPY 0		
New Syndicate Loan (D)			
Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited		
Balance of borrowing	: JPY6,241 million		

Fiscal Period ended June 30, 2015 (reference) (from January 1 2015 to June 30, 2015)		Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	
Interest rate, etc.	: Base Rate (One-month JPY TIBOR) + 0.80%		
Borrowing method	: Secured / with no guarantee		
Borrowing date	: February 6, 2015		
Maturity date	: February 6, 2018		
Prepayment date	: July 16, 2015		
Repayment amount	: JPY6,241 million		
Balance after repayment	: JPY 0		
Prudential LPS Loan B			
Lender	: Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership		
Balance of borrowing	: JPY9,960 million		
Interest rate, etc.	: 1.90%		
Borrowing method	: Secured / with no guarantee		
Borrowing date	: September 28, 2012		
Maturity dates	: March 31, 2018, March 31, 2019 and March 31, 2020		
Prepayment date	: July 16, 2015		
Repayment amount	: JPY9,960 million		
Balance after repayment	: JPY 0		
4. Acquisition of Assets			
INV decided to acquire the following 14 properties (total acquisition price of JPY 35,258 million) on June 25, 2015, and completed the acquisition of all of the 14 properties on July 16, 2015.			
Property number: D24 Name of property: Hotel MyStays Haneda			
Acquisition Date	July 16, 2015		
Acquisition Price (Note)	JPY7,801 million		
Location	Ota-Ku, Tokyo		
Construction Date	April 2001		
Category of Assets	Trust Beneficiary Interest		
Seller	Skye Tokutei Mokuteki Kaisha		
Total Floor Area	5,400.16m ²		
Total Leasable Area	5,400.16m ²		
Property number: D25 Name of property: Hotel MyStays Kameido P1			
Acquisition Date	July 16, 2015		
Acquisition Price (Note)	JPY5,594 million		

Fiscal Period ended June 30, 2015 (reference) (from January 1 2015 to June 30, 2015)		Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)	
Location	Koto-Ku, Tokyo		
Construction Date	March 1991		
Category of Assets	Trust Beneficiary Interest		
Seller	Nishi Tokutei Mokuteki Kaisha		
Total Floor Area	4,349.67m ²		
Total Leasable Area	4,349.67m ²		
Property number: D26 Name of property: Hotel MyStays Ueno Iriyaguchi			
Acquisition Date	July 16, 2015		
Acquisition Price (Note)	JPY3,821 million		
Location	Taito-Ku, Tokyo		
Construction Date	November 1985		
Category of Assets	Trust Beneficiary Interest		
Seller	Rannoch Tokutei Mokuteki Kaisha		
Total Floor Area	2,247.92m ²		
Total Leasable Area	2,247.92m ²		
Property number: D27 Name of property: Hotel MyStays Kameido P2			
Acquisition Date	July 16, 2015		
Acquisition Price (Note)	JPY3,742 million		
Location	Koto-Ku, Tokyo		
Construction Date	March 1991		
Category of Assets	Trust Beneficiary Interest		
Seller	Nishi Tokutei Mokuteki Kaisha		
Total Floor Area	2,793.99m ²		
Total Leasable Area	2,793.99m ²		
Property number: D28 Name of property: Hotel Vista Shimizu			
Acquisition Date	July 16, 2015		
Acquisition Price (Note)	JPY2,198 million		
Location	Shimizu-Ku, Shizuoka city, Shizuoka		
Construction Date	January 2007		
Category of Assets	Trust Beneficiary Interest		
Seller	Wakusei Tokutei Mokuteki Kaisha		
Total Floor Area	3,559.81m ²		
Total Leasable Area	3,559.81m ²		
Property number: D29 Name of property: Super Hotel Shinbashi/Karasumoriguchi			
Acquisition Date	July 16, 2015		
Acquisition Price (Note)	JPY1,624 million		
Location	Minato-Ku, Tokyo		
Construction Date	February 2008		
Category of Assets	Trust Beneficiary Interest		

Fiscal Period ended June 30, 2015 (reference) (from January 1 2015 to June 30, 2015)		Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
Seller	Suisei Tokutei Mokuteki Kaisha	
Total Floor Area	1,403.89m ²	
Total Leasable Area	1,403.89m ²	
Property number: D30 Name of property: Flexstay Inn Higashi-Jujo		
Acquisition Date	July 16, 2015	
Acquisition Price (Note)	JPY1,277 million	
Location	Kita-Ku, Tokyo	
Construction Date	June 1986	
Category of Assets	Trust Beneficiary Interest	
Seller	Aki Tokutei Mokuteki Kaisha	
Total Floor Area	1,714.53m ²	
Total Leasable Area	1,714.53m ²	
Property number: D31 Name of property: Hotel MyStays Utsunomiya		
Acquisition Date	July 16, 2015	
Acquisition Price (Note)	JPY1,237 million	
Location	Utsunomiya, Tochigi	
Construction Date	January 1990	
Category of Assets	Trust Beneficiary Interest	
Seller	Zephyrus Tokutei Mokuteki Kaisha	
Total Floor Area	11,733.23m ²	
Total Leasable Area	11,733.23m ²	
Property number: D32 Name of property: Flexstay Inn Kawasaki-Kaizuka		
Acquisition Date	July 16, 2015	
Acquisition Price (Note)	JPY980 million	
Location	Kawasaki, Kanagawa	
Construction Date	April 1990	
Category of Assets	Trust Beneficiary Interest	
Seller	Rannoch Tokutei Mokuteki Kaisha	
Total Floor Area	1,190.57m ²	
Total Leasable Area	1,190.57m ²	
Property number: D33 Name of property: Comfort Hotel Toyama		
Acquisition Date	July 16, 2015	
Acquisition Price (Note)	JPY979 million	
Location	Toyama city, Toyama	
Construction Date	March 2007	
Category of Assets	Trust Beneficiary Interest	
Seller	Suisei Tokutei Mokuteki Kaisha	
Total Floor Area	3,305.64m ²	
Total Leasable Area	3,305.64m ²	

Fiscal Period ended June 30, 2015 (reference) (from January 1 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)																
Property number: D34 Name of property: Flexstay Inn Kawasaki-Ogawacho																	
<table border="1"> <tr><td>Acquisition Date</td><td>July 16, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY906 million</td></tr> <tr><td>Location</td><td>Kawasaki, Kanagawa</td></tr> <tr><td>Construction Date</td><td>April 1989</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Rannoch Tokutei Mokuteki Kaisha</td></tr> <tr><td>Total Floor Area</td><td>725.6m²</td></tr> <tr><td>Total Leasable Area</td><td>725.6m²</td></tr> </table>		Acquisition Date	July 16, 2015	Acquisition Price (Note)	JPY906 million	Location	Kawasaki, Kanagawa	Construction Date	April 1989	Category of Assets	Trust Beneficiary Interest	Seller	Rannoch Tokutei Mokuteki Kaisha	Total Floor Area	725.6m ²	Total Leasable Area	725.6m ²
Acquisition Date	July 16, 2015																
Acquisition Price (Note)	JPY906 million																
Location	Kawasaki, Kanagawa																
Construction Date	April 1989																
Category of Assets	Trust Beneficiary Interest																
Seller	Rannoch Tokutei Mokuteki Kaisha																
Total Floor Area	725.6m ²																
Total Leasable Area	725.6m ²																
Property number: A100 Name of property: City Court Kitaichijo																	
<table border="1"> <tr><td>Acquisition Date</td><td>July 16, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY1,782 million</td></tr> <tr><td>Location</td><td>Sapporo, Hokkaido</td></tr> <tr><td>Construction Date</td><td>November 2007</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Valletta Godo Kaisha</td></tr> <tr><td>Total Floor Area</td><td>7,577.24m²</td></tr> <tr><td>Total Leasable Area</td><td>5,230.18m²</td></tr> </table>		Acquisition Date	July 16, 2015	Acquisition Price (Note)	JPY1,782 million	Location	Sapporo, Hokkaido	Construction Date	November 2007	Category of Assets	Trust Beneficiary Interest	Seller	Valletta Godo Kaisha	Total Floor Area	7,577.24m ²	Total Leasable Area	5,230.18m ²
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Total Leasable Area	5,230.18m ²																
Property number: A101 Name of property: Lieto Court Mukojima																	
<table border="1"> <tr><td>Acquisition Date</td><td>July 16, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY1,683 million</td></tr> <tr><td>Location</td><td>Sumida-Ku, Tokyo</td></tr> <tr><td>Construction Date</td><td>February 2008</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Valletta Godo Kaisha</td></tr> <tr><td>Total Floor Area</td><td>3,170.99m²</td></tr> <tr><td>Total Leasable Area</td><td>2,940.20m²</td></tr> </table>		Acquisition Date	July 16, 2015	Acquisition Price (Note)	JPY1,683 million	Location	Sumida-Ku, Tokyo	Construction Date	February 2008	Category of Assets	Trust Beneficiary Interest	Seller	Valletta Godo Kaisha	Total Floor Area	3,170.99m ²	Total Leasable Area	2,940.20m ²
Acquisition Date	July 16, 2015																
Acquisition Price (Note)	JPY1,683 million																
Location	Sumida-Ku, Tokyo																
Construction Date	February 2008																
Category of Assets	Trust Beneficiary Interest																
Seller	Valletta Godo Kaisha																
Total Floor Area	3,170.99m ²																
Total Leasable Area	2,940.20m ²																
Property number: A102 Name of property: Lieto Court Nishi-Ojima																	
<table border="1"> <tr><td>Acquisition Date</td><td>July 16, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY1,634 million</td></tr> <tr><td>Location</td><td>Tokyo</td></tr> <tr><td>Construction Date</td><td>February 2008</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Valletta Godo Kaisha</td></tr> <tr><td>Total Floor Area</td><td>2,210.45m²</td></tr> <tr><td>Total Leasable Area</td><td>2,048.28m²</td></tr> </table>		Acquisition Date	July 16, 2015	Acquisition Price (Note)	JPY1,634 million	Location	Tokyo	Construction Date	February 2008	Category of Assets	Trust Beneficiary Interest	Seller	Valletta Godo Kaisha	Total Floor Area	2,210.45m ²	Total Leasable Area	2,048.28m ²
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Acquisition Price (Note)	JPY1,634 million																
Location	Tokyo																
Construction Date	February 2008																
Category of Assets	Trust Beneficiary Interest																
Seller	Valletta Godo Kaisha																
Total Floor Area	2,210.45m ²																
Total Leasable Area	2,048.28m ²																
<p>INV resolved at its meeting of the Board of Directors held on August 21, 2015 to acquire the following three hotel properties (total acquisition price: JPY7,369 million) as of April 28, 2015, by utilizing the excess cash-on-hand and new loans.</p>																	
Property number: D35 Name of property: Flexstay Inn																	

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)																																																
<p>Ekoda</p> <table border="1"> <tr><td>Acquisition Date</td><td>August 28, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY5,069 million</td></tr> <tr><td>Location</td><td>Nerima-Ku, Tokyo</td></tr> <tr><td>Construction Date</td><td>January 27, 1989</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Tsukiji One Godo Kaisha</td></tr> <tr><td>Total Floor Area</td><td>3,932.93m²</td></tr> <tr><td>Total Leasable Area</td><td>3,932.93m²</td></tr> </table> <p>Property number: D36 Name of property: Super Hotel Tokyo-JR Tachikawa Kitaguchi</p> <table border="1"> <tr><td>Acquisition Date</td><td>August 28, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY1,170 million</td></tr> <tr><td>Location</td><td>Tachikawa, Tokyo</td></tr> <tr><td>Construction Date</td><td>November 2007</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Tsukiji One Godo Kaisha</td></tr> <tr><td>Total Floor Area</td><td>1,832.97m²</td></tr> <tr><td>Total Leasable Area</td><td>1,832.97m²</td></tr> </table> <p>Property number: D37 Name of property: Flexstay Inn Shirogane</p> <table border="1"> <tr><td>Acquisition Date</td><td>August 28, 2015</td></tr> <tr><td>Acquisition Price (Note)</td><td>JPY1,130 million</td></tr> <tr><td>Location</td><td>Taito-Ku, Tokyo</td></tr> <tr><td>Construction Date</td><td>March 2006</td></tr> <tr><td>Category of Assets</td><td>Trust Beneficiary Interest</td></tr> <tr><td>Seller</td><td>Tsukiji One Godo Kaisha</td></tr> <tr><td>Total Floor Area</td><td>1,279.16m²</td></tr> <tr><td>Total Leasable Area</td><td>1,279.16m²</td></tr> </table> <p>(Note) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition costs, property taxes, city planning taxes and consumption taxes, etc.</p>	Acquisition Date	August 28, 2015	Acquisition Price (Note)	JPY5,069 million	Location	Nerima-Ku, Tokyo	Construction Date	January 27, 1989	Category of Assets	Trust Beneficiary Interest	Seller	Tsukiji One Godo Kaisha	Total Floor Area	3,932.93m ²	Total Leasable Area	3,932.93m ²	Acquisition Date	August 28, 2015	Acquisition Price (Note)	JPY1,170 million	Location	Tachikawa, Tokyo	Construction Date	November 2007	Category of Assets	Trust Beneficiary Interest	Seller	Tsukiji One Godo Kaisha	Total Floor Area	1,832.97m ²	Total Leasable Area	1,832.97m ²	Acquisition Date	August 28, 2015	Acquisition Price (Note)	JPY1,130 million	Location	Taito-Ku, Tokyo	Construction Date	March 2006	Category of Assets	Trust Beneficiary Interest	Seller	Tsukiji One Godo Kaisha	Total Floor Area	1,279.16m ²	Total Leasable Area	1,279.16m ²	
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[Other Notes]

Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
—	In the statement of cash distribution, INV recorded JPY 708 thousand of reserve for temporary difference adjustments regarding the gain on negative goodwill that accrue during a fiscal period prior to the Reporting Period. All amount of such reserve is scheduled to be reversed in the following fiscal period.

VI. Statement of Cash Distribution

	Fiscal Period ended June 30, 2015 (reference) (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
I. Unappropriated retained earnings	2,370,704,364 yen	3,028,323,270 yen
II. Distribution in excess of profits		
Deduction from unitholders' capita	-	763,290,954 yen
III. Distribution amount	2,295,069,960 yen	3,790,905,282 yen
(Distribution per unit)	(860 yen)	(1,187 yen)
Profit distribution	2,295,069,960 yen	3,027,614,328 Yen
(Profit distribution per unit)	(860 yen)	(948 yen)
Excess profit distribution	-	763,290,954 yen
(Excess profit distribution per unit)	-	(239 yen)
IV Voluntary reserve		
Reserve for temporary difference adjustments	-	708,942 yen
V Retained earnings carried forward	75,634,404 yen	-
Calculation method of distribution amount	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of Investment Corporation, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special	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.

	<p>Taxation Measures Act.</p> <p>However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by Investment Corporation. Pursuant to this policy, Investment Corporation determined the distribution amount to be 2,295,069,960 yen out of the net income of 2,295,304,665 yen. Investment Corporation did not distribute any amounts in excess of profit, as set forth in Article 17, Paragraph 4 of the Articles of Incorporation.</p>	<p>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 3,027,614,328 yen out of the unappropriated retained earnings of 3,028,323,270 yen. Moreover, INV 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 763,290,954 yen, which is the amount equivalent to approximately 60% of the depreciation expense of 1,275,714,057 yen.</p>
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(Note) INV is permitted to distribute the amount determined by INV as excess profit distribution if the amount of the profit is less than 90% of the distributable profit, or if INV determines that such distribution is appropriate, to the extent that such distribution amount does not exceed the amount prescribed in the relevant laws and regulations, etc. (including the rules of The Investment Trusts Association, Japan, etc.). Moreover, if the distribution amount does not satisfy certain requirements provided in the special taxation measures for investment corporations, INV is permitted to distribute cash in any amount determined by INV for the purpose of satisfying such requirements. Please note that the amount of distribution in excess of the profit for the relevant fiscal period shall be subtracted from the balance of the capital surplus upon payment of the distribution amount.

Note

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

Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended December 31, 2015 have been audited by Ernst & Young ShinNihon LLC, in accordance with auditing standards generally accepted in Japan. However, English translation of the Japanese language report of independent auditors is not attached herein since the accompanying English translation of Balance Sheet, Statement of Income, Statements of Unitholders' Equity, Notes to financial statements and Statement of Cash Distribution are unaudited.

Regarding the English audited financial statements, please refer to the "Audited Financial Statements" on the website of Invincible Investment Corporation:

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

VII. Statement of Cash Flow (Reference Information)

	(Unit: thousands of yen)	
	Fiscal Period ended June 30, 2015 (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
Cash flows from operating activities		
Net income before taxes	2,295,909	2,953,293
Depreciation expenses	986,795	1,275,744
Investment unit issuance expenses	-	138,866
Finance related costs	140,328	982,261
Interest received	(1,242)	(814)
Interest paid	379,341	296,892
Increase (decrease) in allowance for doubtful accounts	467	58
Decrease (increase) in accounts receivable	6,739	(431,538)
Decrease (increase) in consumption tax receivable	1,002,839	(611,612)
Increase (decrease) in accounts payable	21,539	(25,114)
Increase (decrease) in accrued liabilities	17,865	1,989
Increase (decrease) in accrued expenses	49,396	(9,097)
Increase (decrease) in advances received	49,576	52,504
Increase (decrease) in deposits received	(13,787)	12,935
Others	(9,953)	4,131
Subtotal	4,925,816	4,640,500
Proceeds of interest	1,242	814
Payment of interest	(381,197)	(328,496)
Payment of corporate taxes, etc.	(640)	(583)
Cash flows from operating activities	4,545,220	4,312,234
Cash flows from investing activities		
Payment for acquisition of tangible assets in trust	(13,512,228)	(37,422,498)
Payment for acquisition of intangible assets in trust	-	(5,836,789)
Proceeds of tenant leasehold and security deposits in trust	406,054	239,098
Proceeds of tenant leasehold and security deposits in trust	(95,186)	(40,738)
Others	(1,487)	(31,694)
Cash flows from investing activities	(13,202,847)	(43,092,621)
Cash flows from financing activities		
Proceeds from short-term debt	-	1,401,000
Repayment of short-term debt	-	(321,000)
Proceeds from long-term debt	6,241,000	90,619,000
Repayment of long-term debt	(1,200,000)	(62,341,000)
Repayment of long-term debt in trust	-	(9,960,000)
Finance related costs	(81,398)	(1,250,43)
Payment of distributions	(1,952,824)	(2,292,901)
Proceeds from issuance of investment units	-	29,230,158

(Unit: thousands of yen)

	Fiscal Period ended June 30, 2015 (from January 1, 2015 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1, 2015 to December 31, 2015)
Cash flows from financing activities	3,006,776	45,084,824
Increase (decrease) in cash and cash equivalents	(5,650,850)	6,304,437
Beginning balance of cash and cash equivalents	13,165,393	7,514,543
Closing balance of cash and cash equivalents ※1	7,514,543	13,818,981

[Notes Concerning Significant Accounting Policies (Reference Information)]

Item	By Period	Fiscal Period ended June 30, 2015 (from January 1 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1 to December 31, 2015)
Cash and cash equivalents as stated in Statement of Cash Flows		Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.	Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.

[Notes to Statement of Cash Flow (Reference Information)]

Item	By Period	Fiscal Period ended June 30, 2015 (from January 1 to June 30, 2015)	Fiscal Period ended December 31, 2015 (from July 1 to December 31, 2015)
※1. Relationship between cash and cash equivalents in statement of cash flows and amounts in accompanying balance sheet		(As of June 30, 2015) (Unit: thousands of yen)	(As of December 31, 2015) (Unit: thousands of yen)
		Cash and deposits 2,691,921	Cash and deposits 7,885,398
		Cash and deposits in trust 4,822,622	Cash and deposits in trust 5,933,582
		Cash and cash equivalents 7,514,543	Cash and cash equivalents 13,818,981

“My Number” informed by municipalities is necessary for taxation procedure on investment units. Thus, it is necessary for unitholders to notify your “My Number” with your brokerage, etc.

Usage of “My Number” in investment units related affairs

“My Number” is recorded on payment record and the payment record is filed with the relevant tax authority pursuant to laws and ordinances.

Major payment record *Payment record regarding cash distribution

Usage of “My Number” includes taxation related procedures on the investment units. It is necessary for unitholders to notify your “My Number” with your brokerage, etc.

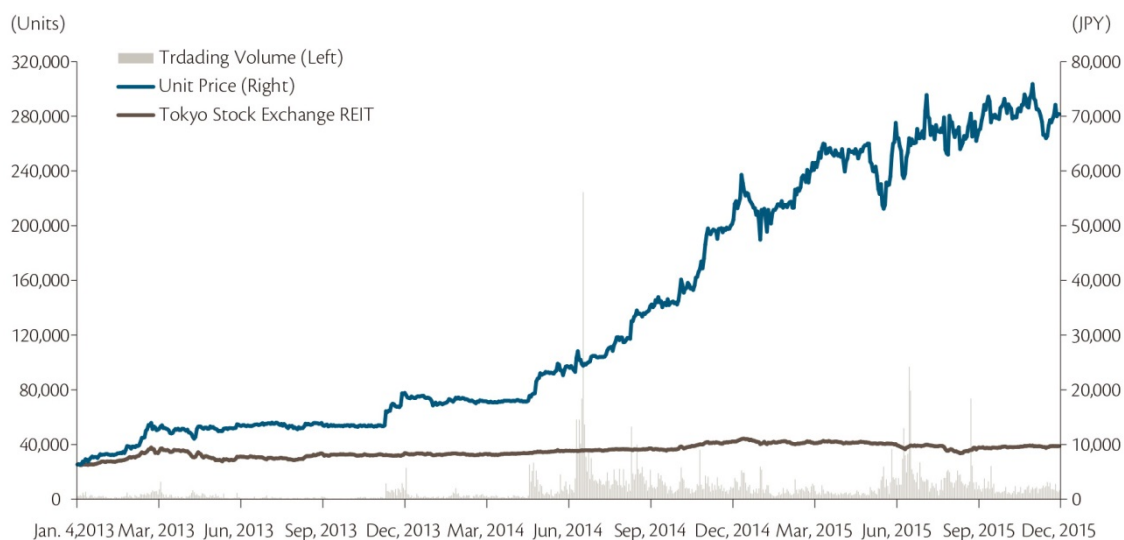
Inquiries regarding notifying “My Number”

- Unitholders whose investment units are managed in brokerage accounts
Each brokerage
- Unitholders who have no brokerage account
Transfer Agent Department, Sumitomo Mitsui Trust Bank,Limited
Toll-free Telephone Number 0120-782-031

* As of October 2015

Overview of Unitholders/Investment Units

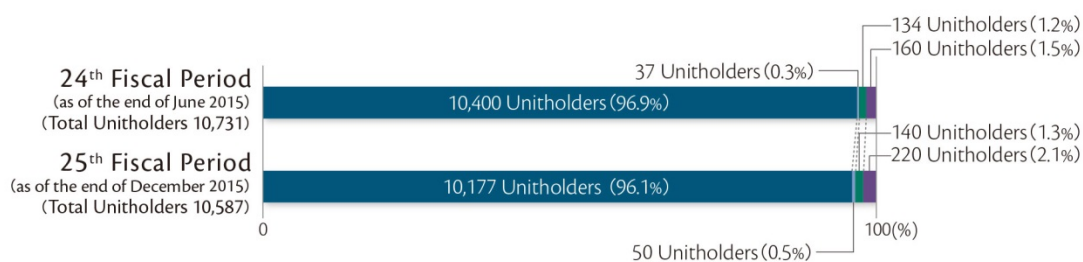
Historical Unit Price



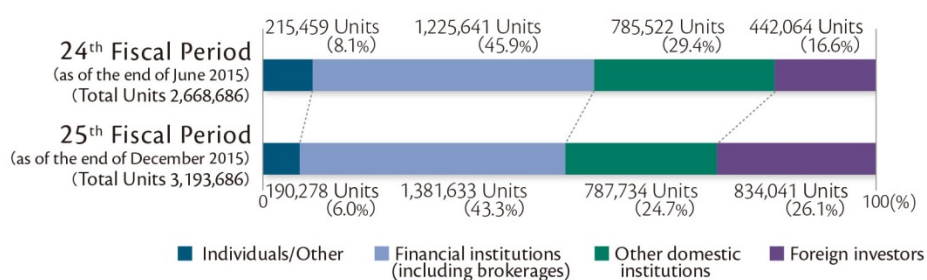
(Note) Unit prices indicate the closing price on the TSE market. Development of Tokyo Stock Exchange REIT Index indicates on or after January 4, 2013 on the assumption that the closing price of INV's unit price is deemed as identical to the closing price of Tokyo Stock Exchange REIT index as of January 4, 2013.

Distribution of Unitholders

Number of Unitholders by Owner



Number of Investment Units by Owner



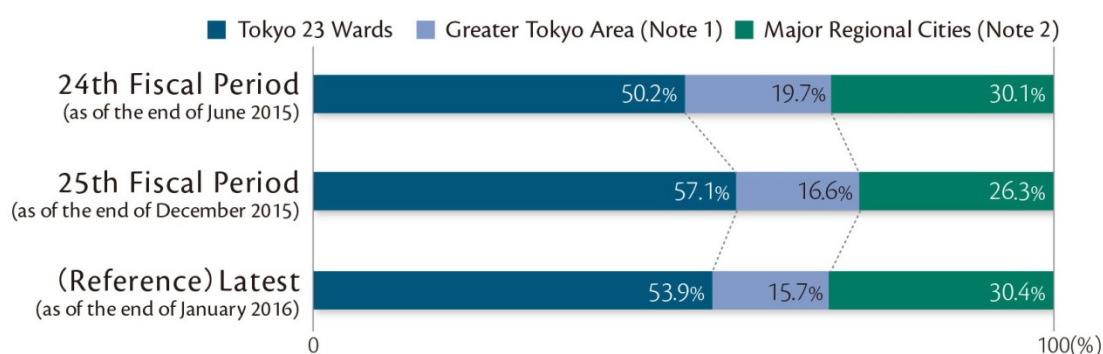
Portfolio Data

Portfolio Characteristics

At the end of the reporting period, the number of properties held by the Investment Corporation totaled 111, including 66 residential properties, 37 hotels, 7 retail and office buildings, and as well as one parking lot with a total acquisition value of JPY 173,815 million and a total leasable area of 295,546.92 m².

Investment Ratio by Region

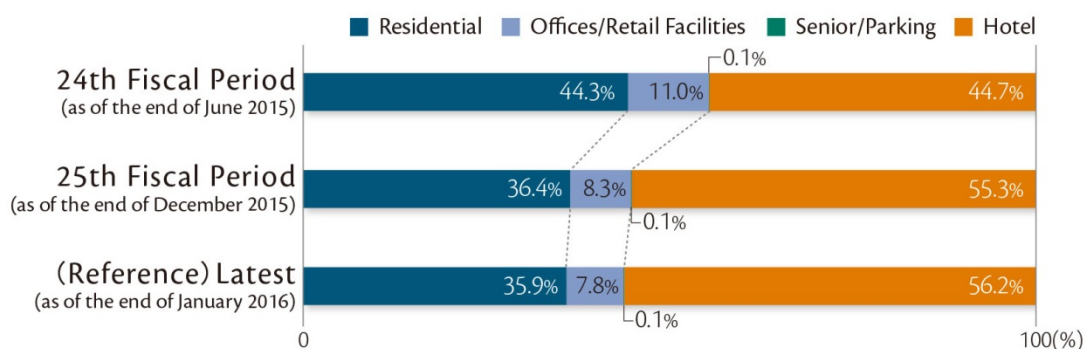
(Note) The ratios below are indicated based on the acquisition price and are rounded to one decimal place.



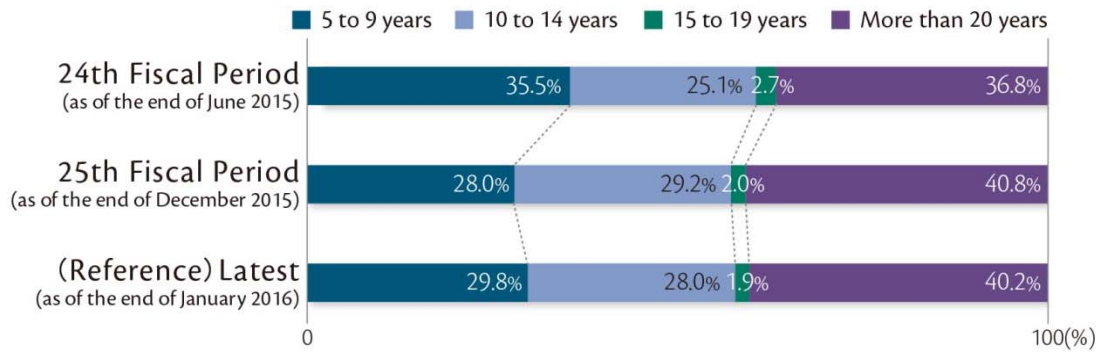
(Note 1) Greater Tokyo Area indicates Tokyo excluding 23 Wards, Kanagawa, Chiba, and Saitama.

(Note 2) Major Regional Cities indicates “areas surrounding Tokyo” and “major cities including ordinance designated cities and surrounding areas.”

By Property Type



By Property Age



(Note) Open parking lots are not counted in the property age distribution since they lack building structures.

Portfolio Overview

(as of January 31, 2016)

Purpose	Property Number	Name of Property	Location	Leasable Area (m ²)	Rentable Units	Acquisition Price (JPY mn)	Investment Ratio (%)	Occupancy Rate (%)
Residential	A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	1,771.13	98	1,251	0.7	97.1
	A27	Nisshin Palacestage Higashi-Nagasaki	Toshima-ku, Tokyo	2,681.94	60	1,229	0.7	99.1
	A28	Growth Maison Gotanda	Shinagawa-ku, Tokyo	1,051.50	48	888	0.5	100.0
	A29	Growth Maison Kameido	Koto-ku, Tokyo	1,367.96	66	1,070	0.6	97.0
	A30	Emerald House	Itabashi-ku, Tokyo	2,152.31	96	1,505	0.8	97.9
	A31	Harmonie Ochanomizu	Bunkyo-ku, Tokyo	1,748.24	65	1,428	0.8	100.0
	A32	Suncrest Shakujii-Koen	Nerima-ku, Tokyo	3,029.16	29	1,088	0.6	97.0
	A33	Growth Maison Shin-Yokohama	Yokohama-shi, Kanagawa	1,858.44	68	1,059	0.6	98.5
	A34	Belle Face Ueno-Okachimachi	Taito-ku, Tokyo	1,351.11	64	1,023	0.6	100.0
	A35	Grand Rire Kameido	Koto-ku, Tokyo	1,562.26	72	906	0.5	100.0
	A36	Growth Maison Ikebukuro	Toshima-ku, Tokyo	952.89	42	825	0.4	97.6
	A37	Growth Maison Yoga	Setagaya-ku, Tokyo	1,015.34	39	795	0.4	94.9
	A38	Route Tachikawa	Tachikawa-shi, Tokyo	1,368.57	24	676	0.4	100.0
	A39	Shibuya-Honmachi Mansion	Shibuya-ku, Tokyo	1,167.50	25	651	0.4	100.0
	A40	City Heights Kinuta	Setagaya-ku, Tokyo	1,235.93	19	646	0.4	94.6
	A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi-shi, Saitama	1,210.74	57	620	0.3	86.0
	A42	Capital Heights Kagurazaka	Shinjuku-ku, Tokyo	1,126.65	26	604	0.3	93.0
	A43	College Square Machida	Machida-shi, Tokyo	1,047.75	62	589	0.3	100.0
	A44	Belair Meguro	Meguro-ku, Tokyo	557.05	25	589	0.3	92.0
	A45	Wacore Tsunashima I	Yokohama-shi, Kanagawa	907.46	50	572	0.3	93.9
	A46	Foros Nakamurabashi	Nerima-ku, Tokyo	815.77	37	566	0.3	100.0
	A47	Growth Maison Kaijin	Funabashi-shi, Chiba	2,040.27	34	557	0.3	96.7
	A48	College Square Machiya	Arakawa-ku, Tokyo	871.35	43	510	0.3	100.0
	A51	City House Tokyo Shinbashi	Minato-ku, Tokyo	3,364.00	86	2,520	1.4	95.0
	A52	Winbell Kagurazaka	Shinjuku-ku, Tokyo	4,032.70	118	3,260	1.8	98.5
	A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	4,310.77	69	1,880	1.0	97.0
	A54	Lexington Square Akebonobashi	Shinjuku-ku, Tokyo	1,987.88	88	1,450	0.8	96.4
	A56	Casa Eremitaggio	Meguro-ku, Tokyo	1,197.19	17	1,070	0.6	97.0
	A59	Towa City Coop Shinotsuka II	Toshima-ku, Tokyo	1,627.13	58	866	0.5	95.2
A61	Bichsel Musashiseki	Nerima-ku, Tokyo	1,220.24	70	577	0.3	95.7	
A62	Lexel Mansion Ueno Matsugaya	Taito-ku, Tokyo	1,969.45	29	970	0.5	100.0	
A63	Towa City Coop Sengencho	Yokohama-shi, Kanagawa	3,426.36	154	1,110	0.6	93.3	
A64	Royal Park Omachi	Sendai-shi, Miyagi	1,929.59	51	415	0.2	97.7	
A65	Lexington Square Haginomachi	Sendai-shi, Miyagi	1,528.58	39	330	0.2	95.0	
A66	Visconti Kakuzan	Nagoya-shi, Aichi	705.75	8	255	0.1	76.0	
A71	Lexington Square Daitabashi	Suginami-ku, Tokyo	1,430.64	43	977	0.5	88.0	
A72	Lexington Square Honjo Azumabashi	Sumida-ku, Tokyo	784.74	33	511	0.3	97.0	
A73	AMS TOWER Minami 6-Jo	Sapporo-shi, Hokkaido	4,460.56	120	1,180	0.6	92.9	
A75	Spacia Ebisu	Shibuya-ku, Tokyo	7,794.91	109	7,010	3.8	93.9	
A76	Neo Prominence	Kita-ku, Tokyo	3,574.70	52	1,660	0.9	91.3	
A77	Invoice Shin-Kobe Residence	Kobe-shi, Hyogo	2,773.71	81	1,260	0.7	92.1	
A78	Cosmo Court Motomachi	Kobe-shi, Hyogo	2,310.49	82	973	0.5	95.0	
A79	Revest Honjin	Nagoya-shi, Aichi	1,933.80	80	674	0.4	96.3	

Purpose	Property Number	Name of Property	Location	Leasable Area (m ²)	Rentable Units	Acquisition Price (JPY mn)	Investment Ratio (%)	Occupancy Rate (%)
Residential	A80	Revest Matsubara	Nagoya-shi, Aichi	1,955.40	70	657	0.4	93.1
	A81	Sun Terrace Minami Ikebukuro	Toshima-ku, Tokyo	898.70	38	625	0.3	100.0
	A82	Alba Noritake Shinmachi	Nagoya-shi, Aichi	1,731.68	64	608	0.3	95.1
	A83	Revest Meieki Minami	Nagoya-shi, Aichi	1,634.60	61	597	0.3	100.0
	A84	Revest Heian	Nagoya-shi, Aichi	1,554.03	40	595	0.3	100.0
	A85	Vendir Hamaotsu Ekimae	Otsu-shi, Shiga	2,670.66	81	581	0.3	87.4
	A86	Salvo Sala	Osaka-shi, Osaka	1,428.12	54	544	0.3	98.5
	A87	Excellente Kagurazaka	Shinjuku-ku, Tokyo	701.92	33	543	0.3	88.2
	A88	Luna Court Edobori	Osaka-shi, Osaka	1,185.50	50	525	0.3	100.0
	A89	Winntage Kobe Motomachi	Kobe-shi, Hyogo	1,433.35	57	512	0.3	82.4
	A90	Queen's Court Fukuzumi	Koto-ku, Tokyo	765.18	25	456	0.2	96.6
	A91	Corp Higashinotoin	Kyoto-shi, Kyoto	1,029.05	42	446	0.2	97.9
	A92	Belair Oimachi	Shinagawa-ku, Tokyo	530.60	26	412	0.2	100.0
	A93	Siete Minami-Tsukaguchi	Amagasaki-shi, Hyogo	1,020.86	40	374	0.2	95.0
	A94	Prime Life Sannomiya Isogami Koen	Kobe-shi, Hyogo	789.12	32	373	0.2	100.0
	A95	HERMITAGE NANBA WEST	Osaka-shi, Osaka	992.76	21	355	0.2	91.2
	A96	Century Park Shinkawa I-bankan	Nagoya-shi, Aichi	1,477.62	44	335	0.2	91.0
	A97	West Avenue	Kunitachi-shi, Tokyo	794.80	40	331	0.2	80.0
	A98	Little River Honmachibashi	Osaka-shi, Osaka	974.81	31	310	0.2	96.9
	A99	Prime Life Mikage	Kobe-shi, Hyogo	761.18	28	297	0.2	96.6
A100	City Court Kitaichijo	Sapporo-shi, Hokkaido	5,230.18	127	1,782	1.0	96.8	
A101	Lieto Court Mukojima	Sumida-ku, Tokyo	2,940.20	82	1,683	0.9	99.0	
A102	Lieto Court Nishi-Ojima	Koto-ku, Tokyo	2,048.28	91	1,634	0.9	100.0	
A103	Royal Parks Momozaka (Note 2)	Osaka-shi, Osaka	8,776.26	147	2,910	1.6	100.0	
Subtotal				128,579.37	3,860	66,092	35.9	95.7
Office Buildings/Retail Facilities	B8	Kindai Kagakusha Building	Shinjuku-ku, Tokyo	1,451.54	13	1,301	0.7	98.7
	B9	Shinjuku Island	Shinjuku-ku, Tokyo	526.43	1	715	0.4	100.0
	B14	Lexington Plaza Nishigotanda	Shinagawa-ku, Tokyo	6,033.58	11	4,880	2.7	100.0
	B15	Cross Square NAKANO	Nakano-ku, Tokyo	2,145.00	45	1,060	0.6	79.1
	B16	Ohki Aoba Building	Sendai-shi, Miyagi	2,178.41	13	816	0.4	100.0
	B17	Lexington Plaza Hachiman	Sendai-shi, Miyagi	8,419.15	18	3,280	1.8	100.0
	B18	AEON TOWN Sukagawa	Sukagawa-shi, Fukushima	18,440.58	1	2,320	1.3	100.0
Subtotal				39,194.69	102	14,372	7.8	98.8
Parking Lots	C1	Stop Parking Kanda-Sudacho	Chiyoda-ku Tokyo	81.04	1	97	0.1	100.0
Subtotal				81.04	1	97	0.1	100.0
Hotels	D1	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	2,585.72	126	2,851	1.5	100.0
	D2	Hotel MyStays Asakusa	Sumida-ku, Tokyo	3,327.38	160	2,584	1.4	100.0
	D3	Hotel MyStays Kyoto-shijo	Kyoto-shi, Kyoto	7,241.51	224	6,024	3.3	100.0
	D4	MyStays Shin-Urayasu Conference Center	Urayasu-shi, Chiba	6,232.30	175	4,930	2.7	100.0
	D5	Hotel MyStays Maihama	Urayasu-shi, Chiba	2,456.36	90	4,870	2.6	100.0

Purpose	Property Number	Name of Property	Location	Leasable Area (m ²)	Rentable Units	Acquisition Price (JPY mn)	Investment Ratio (%)	Occupancy Rate (%)
	D6	Hotel Vista Premio Dojima	Osaka-shi, Osaka	9,445.32	141	3,845	2.1	100.0
	D7	Hotel MyStays Nagoya-Sakae	Nagoya-shi, Aichi	9,064.71	270	2,958	1.6	100.0
	D8	Hotel MyStays Sakaisuji-Honmachi	Osaka-shi, Osaka	4,188.83	190	2,514	1.4	100.0
	D9	Hotel MyStays Yokohama	Yokohama-shi, Kanagawa	7,379.43	190	2,119	1.2	100.0
	D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	1,719.29	93	1,898	1.0	100.0
	D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka-shi, Fukuoka	3,412.71	177	1,570	0.9	100.0
	D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	2,953.38	59	1,381	0.8	100.0
	D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	1,150.76	72	1,331	0.7	100.0
	D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	1,134.52	55	1,242	0.7	100.0
	D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	2,539.75	129	1,242	0.7	100.0
	D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	2,089.86	104	1,192	0.6	100.0
	D17	Hotel MyStays Otemae	Osaka-shi, Osaka	4,956.66	110	1,192	0.6	100.0
	D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	2,673.64	55	749	0.4	100.0
	D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	770.56	39	589	0.3	100.0
	D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	391.49	22	283	0.2	100.0
	D21	APA Hotel Yokohama-Kannai	Yokohama-shi, Kanagawa	6,568.51	451	8,350	4.5	100.0
	D22	Hotel Nets Hakodate	Hakodate-shi, Hokkaido	7,961.26	202	2,792	1.5	100.0
	D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	1,754.06	84	2,119	1.2	100.0
	D24	Hotel MyStays Haneda	Ota-ku, Tokyo	5,400.16	174	7,801	4.2	100.0
	D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	4,349.67	265	5,594	3.0	100.0
	D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	2,247.92	97	3,821	2.1	100.0
	D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	2,793.99	175	3,742	2.0	100.0
	D28	Hotel Vista Shimizu	Shizuoka-shi, Shizuoka	3,559.81	152	2,198	1.2	100.0
	D29	Super Hotel Shinbashi/Karasumoriguchi	Minato-ku, Tokyo	1,403.89	74	1,624	0.9	100.0
	D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	1,714.53	88	1,277	0.7	100.0
	D31	Hotel MyStays Utsunomiya	Utsunomiya-shi, Tochigi	11,733.23	116	1,237	0.7	100.0
	D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki-shi, Kanagawa	1,190.57	64	980	0.5	100.0
	D33	Comfort Hotel Toyama	Toyoma-shi, Toyama	3,305.64	150	979	0.5	100.0
	D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki-shi, Kanagawa	725.60	62	906	0.5	100.0
	D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	3,932.93	210	5,069	2.8	100.0
	D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa-shi, Tokyo	1,832.97	96	1,170	0.6	100.0
	D37	Super Hotel JR Uenoiriyaguchi	Taito-ku, Tokyo	1,279.16	69	1,130	0.6	100.0
	D38	Hotel MyStays Shinsaibashi (Note 2)	Osaka-shi, Osaka	1,942.01	54	3,160	1.7	100.0
	D39	Comfort Hotel Kurosaki (Note 2)	Kitakyushu-shi, Fukuoka	3,207.60	151	1,148	0.6	100.0
	D40	Comfort Hotel Maebashi (Note 2)	Maebashi-shi, Gunma	3,660.96	153	1,128	0.6	100.0
	D41	Comfort Hotel Tsubame-Sanjo (Note 2)	Sanjo-shi, Niigata	3,099.90	132	1,010	0.5	100.0
	D42	Comfort Hotel Kitami (Note 2)	Kitami-shi, Hokkaido	3,009.50	127	851	0.5	100.0
		Subtotal		152,388.05	5,627	103,459	56.2	100.0
		Total		320,243.15	9,590	184,022	100.0	98.2

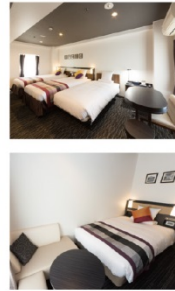
(Note1) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

(Note2) Acquired as of January 22, 2016

Overview of the properties acquired in January, 2016 (6 properties)

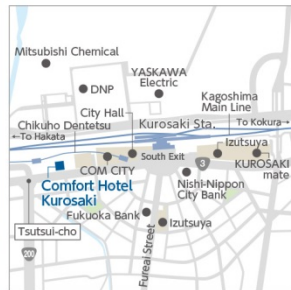
5 Hotels and 1 Residential Property Acquired in January

D38 : Hotel MyStays Shinsaibashi



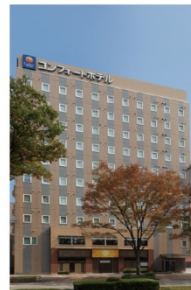
Location	1-930, Nishi-Shinsaibashi, Chuo-Ku, Osaka City, Osaka
Transport	2 min from Subway Midosuji Line, Shinsaibashi station
Construction Date	September 1984
Renovation Date	March 2015
Number of Guest Rooms	54
Total Floor Area (m ²)	1,942.01m ²
Lot Area (m ²)	413.96m ²
Type of Contract	Fixed rent plus variable rent type

D39 : Comfort Hotel Kurosaki



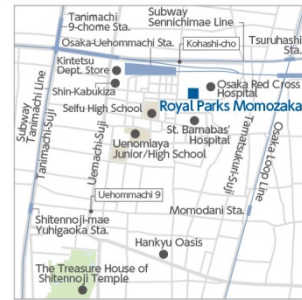
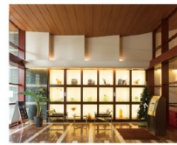
Location	3-13-13, Kurosaki, Yahatanishi-Ku, Kitakyusyu City, Fukuoka
Transport	3 min from JR Kagoshima Main Line, Kurosaki station
Construction Date	February 2009
Renovation Date	—
Number of Guest Rooms	151
Total Floor Area (m ²)	3,207.60m ²
Lot Area (m ²)	826.45m ²
Type of Contract	Fixed rent

D40 : Comfort Hotel Maebashi



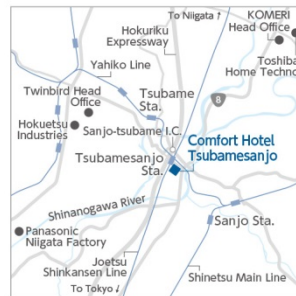
Location	2-18-14, Omote-Cho, Maebashi City, Gunma
Transport	3 min from JR Ryomo Line, Maebashi station
Construction Date	March 2009
Renovation Date	—
Number of Guest Rooms	153
Total Floor Area (m ²)	3,660.96m ²
Lot Area (m ²)	874.39m ²
Type of Contract	Fixed rent

A103 : Royal Parks Momozaka



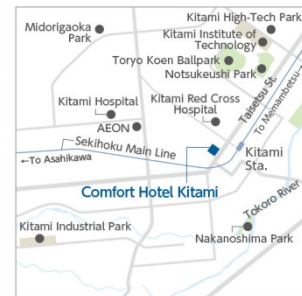
Location	5-38, Fudegasaki-Chou, Tennouji-Ku, Osaka City, Osaka
Transport	6 min from Kintetsu Nara/Osaka Line, Osaka-Uehonmachi station
Construction Date	June 2007
Structure / No. of Stories	Steel frame and reinforced concrete structure with flat roof, 14 stories with basement
Rentable Units	144, 3 (Retail)
Leasable Area (m ²)	8,776.26m ²
Lot Area (m ²)	3,043.89m ²
Type of contract	Fixed rent (Residential) / Pass-through (Retail)

D41 : Comfort Hotel Tsubamesanjo



Location	2-115, Sugoro, Sanjo City, Niigata
Transport	3 min from JR Joetsu Shinkansen, Tsubamesanjo station
Construction Date	June 2007
Renovation Date	—
Number of Guest Rooms	132
Total Floor Area (m ²)	3,099.90m ²
Lot Area (m ²)	1,936.96m ²
Type of Contract	Fixed rent

D42 : Comfort Hotel Kitami



Location	3-4, Ohdori-Nishi, Kitami City, Hokkaido
Transport	3 min from JR Sekihoku Main Line, Kitami station
Construction Date	March 2008
Renovation Date	—
Number of Guest Rooms	127
Total Floor Area (m ²)	3,009.50m ²
Lot Area (m ²)	926.30m ²
Type of Contract	Fixed rent

Information for Unitholders

Notification Process for Address Changes

Please notify your brokerage (financial instruments business operator) regarding changes to addresses, names, registered seals, and the like. Unitholders who have special accounts instead of brokerage accounts should contact the transfer account management institution (financial instruments business operator) below.

Unitholders of the pre-merger Investment Corporation (former Tokyo Growth REIT Fund)
Mitsubishi UFJ Trust and Banking Corporation Limited Toll-free Number: 0120-255-100

Unitholders of the former LCP Investment Corporation
Sumitomo Mitsui Trust Bank, Limited Toll-free Number: 0120-782-031

Dividends

Unitholders may collect “dividends” by submitting the “Dividends Receipt” at your local Japan Post Bank or at the deposit teller of a post office. In the case that the collection period is past, please specify the collection method on the back of the “Dividends Receipt,” and either mail the receipt to the Transfer Agent Department of the Sumitomo Mitsui Trust Bank, Limited or collect from a branch teller.

(Bank Transfers)

Should you desire to specify bank transfers for future dividends, please notify your brokerage (financial instruments business operator).

(Note) Please collect dividends within 3 years of distribution. Please note that payments cannot be made after 3 years due to the rules and regulations of the Articles of Incorporation of the Investment Corporation.

Notification

(Notice of Dividend Payment)

The 2008 amendment of the Special Taxation Measures Law (Act No. 23 of April 30, 2008) mandated the sending to unitholders a “Notice of Dividend Payment” stating the dividend amount, amount of taxes withheld, and the like. If you collect dividends via a “Dividends Receipt,” please view the “Notice of Dividend Payment” sent alongside it. If you have specified a wire transfer, the

“Dividend Statement” delivered with the dividend payment is the “Notice of Dividend Payment.” Both documents may be used as supporting documents when filing income tax returns.

(Characters for Addresses and Names of Unitholders)

With the digitization of investment securities, if there are Chinese characters in your address or names that the Japan Securities Depository Center (JASDEC) has not included in the transfer system, please list in the Investors’ Registry by converting part or all of the characters to those that JASDEC has included in the transfer system or to katakana. Please be aware that correspondence may be addressed using characters that JASDEC has included in the transfer system. Please inquire with your brokerage regarding characters registered for your address and name.

Annual Schedule



Inquiries

For inquiries regarding INV: Consonant Investment Management Co., Ltd.

TEL: 03-5411-2731 (Main)

Weekdays 9:30-17:30

Website

What's New
This page describes updated information in addition press releases.

Portfolio
Portfolio MAP and Portfolio List provides summaries of particular properties. Occupancy Rates and Hotel Performance is renewed toward the end of each month.

Investor Relations
This page describes Financial Results Information, Financial Information, Disclosure Materials, and the IR Schedule.

RSS
Through the RSS system INV provides updated information on this website.

Distribution Per Unit
This page describes the latest information about distribution.

Inquiries

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

For Unitholders

Investors' Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Special Account Management Institution	<Unitholders of the former Tokyo Growth REIT Fund> Mitsubishi UFJ Trust and Banking Corporation Limited 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo <Unitholders of the forme LCP Investment Corporation> Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome Chiyoda-ku, Tokyo
Correspondence	Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063
(Telephone Assistance)	Toll-free Telephone Number 0120-782-031 Administrative services are available at the main and branch offices throughout Japan of Sumitomo Mitsui Trust Bank, Limited

Matters to be additionally stated regarding Asset Management Report (Fiscal Period ended December 31, 2015 (July 1, 2015 to December 31, 2015))

Invincible Investment Corporation

With respect to the contents of page 18 of INV's Asset Management Report (Fiscal Period ended December 31, 2015 (July 1, 2015 to December 31, 2015)), INV adds the following matters to the end of "Overview of the Investment Corporation, 4. Asset Management Company, Asset Custody Companies, and General Administrative Agents".

(Note 5) In the Reporting Period, with respect to the handling of the Individual Numbers and the Corporate Numbers (hereinafter referred to as the "Individual Numbers, etc."), INV has amended the details of the entrustment of the affairs pertaining to the General Administrative Agent, due to the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure coming into effect.

- (i) As of December 15, 2015, (a) with respect to the entrustment agreement that was entered into between INV and Sumitomo Mitsui Trust Bank, Limited, which is the general administrative agent (administration of investors' registry), INV has added the entrustment of the affairs regarding the collection, registration, storage and disposal or deletion of the Individual Numbers, etc. of the unitholders and the holders of investment unit options and (b) with respect to the special account management agreement that was entered into between INV and Sumitomo Mitsui Trust Bank, Limited, which is the special account management company, INV has added the entrustment of the affairs regarding the collection, registration, storage and disposal or deletion of the Individual Numbers, etc. of the affiliates of special accounts; and
- (ii) As of October 23, 2015, with respect to the special account management agreement that was entered into between INV and Mitsubishi UFJ Trust and Banking Corporation Limited, the special account management company, INV has added the entrustment of the affairs regarding the collection, registration, storage and disposal or deletion of the Individual Numbers, etc. of the affiliates of special accounts.