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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended December 31, 2020 (July 1, 2020 to December 31, 2020)

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

We would like to take this opportunity to express our sincere gratitude to all unitholders of Invincible Investment Corporation ("INV") for your continued support. Our thoughts and prayers go out to all those who have contracted the COVID-19 virus, as well as to their families and friends.

We hereby provide you with a report on INV's asset management and financial results for the 35th fiscal period (from July 1, 2020 to December 31, 2020) (the "Reporting Period").

In the Reporting Period, which started after the first state of emergency declaration was lifted, demand for hotel accommodations from domestic customers began to gradually return while hotels took measures to combat the spread of infectious diseases. Hotel occupancy rates recovered toward the beginning of autumn, centered on full-service and resort-type hotels located in regional cities, partly due to the effect of the Go To Travel campaign, which was implemented to support tourism. However, an increase in the number of COVID-19 infections resulted in the so called 'Third Wave' of infections, which prompted the nationwide suspension of the Go To Travel campaign in December 2020. As a result, the occupancy rate of hotels declined. The operating environment for hotels remained extremely challenging throughout the Reporting Period, and INV was forced to accept substantial rent reductions from MyStays Hotel Management Co., Ltd., the major tenant and hotel operator, during the Reporting Period.

The occupancy rate of hotels located in the Cayman Islands was also low during the Reporting Period, as the government continued to stop accepting tourists from abroad.

Amid this challenging business environment, INV sold 6 residential properties on December 18, 2020 and recorded a gain on sale of approximately JPY 2.6 billion in order to avoid a net loss for the Reporting Period and strengthen its financial soundness. Of the sale proceeds, JPY 10 billion was used to prepay outstanding borrowings in January 2021, reducing the interest-bearing debt ratio.

As a result, operating revenue for the Reporting Period was JPY 8,340 million, operating income was JPY 1,690 million, and net income was JPY 623 million (JPY 102 per unit). In order to reward investors who have invested despite the harsh environment, we decided to partially reverse the profit carried forward from the previous fiscal period and pay a dividend of JPY 167 per unit.

In January 2021, a state of emergency primarily targeting major metropolitan areas was declared again, continuing the harsh environment for the hotel sector. However, the number of new infections has started to decline not only in the Tokyo metropolitan area but also nationwide, and vaccinations started on February 17. As a result, the COVID-19 pandemic is expected to gradually subside.

In the residential portfolio, the other core asset class, occupancy rates declined slightly, which could be due to the impact of the COVID-19 pandemic. However, relatively stable performance has continued, supporting INV's profitability. The existence of stable profits from the residential assets have alleviated any financial issues such as payment of interest on interest bearing debt, keeping the relationship with our lenders favorable.

Our business outlook remains uncertain due to the COVID-19 pandemic. However, we will continue to take initiatives to maximize hotel revenues under the new environment classified as "With Corona", while placing a high priority on the improvement of "sustainability" as a focal point for management to create long-term value in a new business environment. We, INV and its Asset Management Company, will make every effort to manage assets with the aim of achieving a recovery in business performance while contributing to the best interests of unitholders.

Your continued support is highly appreciated.

Naoki Fukuda

Executive Director, Invincible Investment Corporation

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

Summary of Financial Results

	Period from July 1, 2018 to December 31, 2018	Period from January 1, 2019 to June 30, 2019	Period from July 1, 2019 to December 31, 2019	Period from January 1, 2020 to June 30, 2020	Period from July 1, 2020 to December 31, 2020
Operating Revenues (JPY million)	14,451	27,339	18,587	9,410	8,340
Ordinary Income (JPY million)	8,384	21,240	11,639	424	624
Net Income (JPY million)	8,384	21,239	11,638	423	623
Net Assets (JPY million)	221,364	233,046	259,730	249,538	249,641
Total Assets (JPY million)	455,362	467,931	522,431	516,663	516,490
Net Assets per Unit (JPY)	39,063	41,125	42,601	40,929	40,946
Net Assets/Total Assets (%)	48.6	49.8	49.7	48.3	48.3
Distribution per Unit (JPY)	1,683	1,656	1,725	69	167
Number of Units Issued (Unit)	5,666,840	5,666,840	6,096,840	6,096,840	6,096,840

Distribution per unit for the 35th fiscal period
(the fiscal period ended December 2020)

JPY 167

(Note) The forward-looking statements, forecasts and goals described in this report are based on available information, assumptions and estimates as of February 28, 2020. 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.

■ Top Interview

Q: In the previous fiscal period (June 2020 Fiscal Period), DPU decreased significantly due to the impact of COVID-19. What was the situation during the December 2020 Fiscal Period (the “Reporting Period”)?

A: In the Reporting Period, which started after the first state of emergency declaration was lifted, demand for hotel accommodations from domestic customers began to gradually return amid the backing of Go To Travel campaign. Demand recovered from summer to autumn, mainly for full-service and resort-type hotels in provincial areas, and it was anticipated that the recovery would continue toward the end of the year. However, the number of infected people has grown drastically since late November, and demand for tourism and hotels has dropped drastically due to a request to refrain from self-imposed operations and the nationwide termination of Go To Travel campaign in December. Over the Reporting Period, the situation surrounding hotels has remained extremely demanding as in the previous period. However, we positively believe that hotel demand would recover from the beginning of autumn and that INV's hotel portfolio is more likely to benefit from a recovery in domestic tourism demand due to the diversification of locations and hotel types.

Q: As in the previous fiscal period, did you take measures to reduce rents for tenants in the Reporting Period as well?

A: In the previous fiscal period, MyStays Hotel Management, Inc. and its affiliates (the "MHM Group"), tenants for 73 of the 84 domestic hotel portfolios owned by INV, were granted a waiver of fixed rent, the burden of property management costs, and an increase in management fees payable to the MHM Group for the 4 months from March - June 2020. In the Reporting Period, we reduced fixed rents for the MHM Group in light of the ongoing slump in the performance of hotels affected by COVID-19. However, we did not bear property management expenses or increase management outsourcing fees to the MHM Group like the condition contracted in the previous period. As a result, in the year ended December 31, 2020, we received a total of JPY 2.65 billion in rent from the MHM Group, including variable rent. This represents approximately 41% of the amount under the original leasing terms and conditions.

Q: What is the situation with hotels in the Cayman Islands?

A: The Cayman Islands government closed the main international airport in late March last year, and both INV owned hotels were closed to reduce operating costs. Subsequently, the company only operated restaurants for local customers, but after the International Airport resumed operations in October with residents and others, Sunshine Suites Resort resumed operations primarily for resident self-quarantine, as designated by the Cayman government. However, Occupancy in October-December 2020 at the Sunshine Suites Resort was only about 30%.

In the Cayman Islands, COVID-19 vaccinations began in January 2021, and it has been announced that the government intends to resume accepting tourists when the vaccination rate by the public reaches a certain percentage. However, the specific timing has not been announced at this time.

Approximately 80% of tourists to the Cayman Islands are visitors from the United States, so we need to look at the situation in the United States. The 2 hotels owned by INV will take all possible measures to combat COVID-19 infections preparing for the full resumption of operations, and we expect to increase revenues after resumption.

Q: Please tell us the financial condition of the investment corporation. Are there any problems with financing?

A: During the Reporting Period, we refinanced JPY 30.5 billion in July 2020, JPY 3.0 billion in September, and JPY 1.8 billion in October. All the borrowings were refinanced in the same amount as the existing borrowing amount, without any problems. We have also refinanced JPY 4.2 billion on January 22, 2021. LTV (based on appraisal value) increased to 47.6% as of the end of the Reporting Period due to the sale of properties in December 2020. However, as of the end of February 2021, LTV declined to 45.8% as a result of the prepayment of JPY 10 billion of existing borrowings on January 29, 2021 by using the majority of proceeds from the asset sales in December 2020. Since 2020, when the COVID-19 pandemic began, INV has not violated any of the financial covenants relating to borrowings from financial institutions and others to date. Considering the recent uncertainty in the overall economy and hotel demand, we strive to be flexible in responding to changes in the operating environment by securing cash. Cash on hand is adequate for interest payments, and there is no problem with INV's cash flow.

Q: In the Reporting Period, INV withdrew JPY 65 per unit from its retained earnings, but why don't you utilize it more?

A: Since November 2020, the so called 'Third Wave' of COVID-19 infections saw a noticeable increase, and the state of emergency declaration was reissued in January 2021, which casts a shadow as to when COVID-19 will be brought to a manageable level. In light of this situation, while we want to return as much as possible to our unitholders, we believe that maintaining sufficient cash on hand is important to safeguard financial stability of the business environment during these uncertain times, which in turn contributes to the interests of our unitholders. Based on a comprehensive judgment, we decided to utilize retained earnings of JPY 65 per unit. We will carefully consider the future withdrawal of retained earnings while paying close attention to the situation.

Q: Please tell us about your outlook for the future.

A: In 2021, the second state of emergency declaration was issued from the beginning of the year, mainly in the Tokyo metropolitan area, which continues to pose challenges for the hotel market, which is one of

INV's two core asset classes. Although there are bright signs such as the start of vaccinations in Japan on February 17, there are still many uncertainties and the outlook for business results remains extremely difficult. We believe at this point in time that it is prudent maintain guidance on our forecast for the FY2021 as "To Be Determined." On the other hand, we expect domestic travel demand to recover gradually in the future due to the increase in vaccinations, the decline in the number of new infections, the resumption of Go To Travel campaign, and other policies.

From a financial perspective, the rental income from the residential assets and commercial facilities covers most of our interest payments on interest-bearing debt and our operating expenses. In addition, as we have a certain amount of cash on hand, we do not anticipate any adverse effects on the future repayment of interest-bearing debt or the payment of operating costs.

We sincerely apologize for the inconvenience caused to our investors, and we ask for your understanding in this matter. After the COVID-19 pandemic is over, we hope that you will enjoy traveling utilizing our Unitholder Benefit Program.

■ ESG Initiatives

INV recognizes the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the viewpoint of sustainability such as economic and social development and contributing to global environmental conservation, and regard improvement of sustainability as an important management issue and implement initiatives to contribute to make our society sustainable.



Initiatives for Environment

Implementation of other measures for energy saving and CO2 reduction

INV promotes the following environmentally friendly renovations in our portfolio.

■ Energy efficiency

- ✓ Automatic meter readings (AMR) (2)
- ✓ Introduction of BEMS (1)
- ✓ Introduction of LED lighting (all or part of property) (118)
- ✓ Installation of high-efficiency equipment and appliances (35)
- ✓ Installation of gas generation (10)
- ✓ Installation of inverters (32)
- ✓ Introduction of on-site renewable energy (2)

■ Water saving

- ✓ Introduction of whole or part of the water-saving type toilet (9)
- ✓ Installation of water-saving showers (76)
- ✓ Implementation of wastewater treatment on the premises (1)

Initiatives by Hotel Operator

Mystays Hotel Management Co., Ltd. (MHM), the main operator of INV's domestic hotel portfolio, has implemented various initiatives for Energy Conservation and CO2 Reduction.

- Eco-friendly plan at hotel "ECO-Plan"
Encouraging guests to use eco-friendly plans by lowering the price of plans that do not require linen exchange when guests stay 7 consecutive nights
- Conducted energy-saving checks
- Reducing CO2 Emissions from Food Transportation at Hotels (Hotel Epinard Nasu)
Contributing to CO2 reductions by cooperating with farmers and dairy farmers in Tochigi Prefecture to reduce the procurement from prefectures other than Tochigi

Elimination for CO2 Reduction

Annual delivery volume: 156t (approx. 13,000kg/month x 12 months)

↳ Annual CO2 emissions

Case of transporting from Tokyo:
 $156t \times 73 \text{ (CO2 emissions coefficient [g/t} \cdot \text{km])} \times 160\text{km} = 1822\text{kg}$

Case of transporting from Tochigi Prefecture:
 $156t \times 73 \text{ (CO2 emissions coefficient [g/t} \cdot \text{km])} \times 50\text{km} = 569\text{kg}$

Difference:
1,253kg/year



Correspond to CO2
absorbed by 26 trees



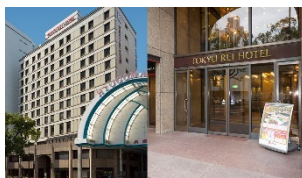
Source: Hotel epinard Nasu official website

Contribution to Disaster Prevention

Three properties in INV portfolio are designated as "Tsunami Evacuation Building¹"



Hotel MyStays Shimizu



Takamatsu Tokyu REI Hotel



Hotel MyStays Kagoshima Tenmonkan

(Note 1) Buildings designated by municipalities in advance as an emergency evacuation site for local residents to evacuate temporarily when a Tsunami inundates an area, in areas where it is considered difficult to evacuate due to time delay from the occurrence of the earthquake to arrival of the Tsunami considering geographical conditions

Asset Management Company Initiatives for Employees

■ **Regular performance appraisals and feedback processes**

All employees set an annual goal following an interview with their reporting supervisor. We conduct personnel evaluations at the end of the fiscal period after an interview with all employees to look back on their performance and provide feedback on the evaluation results. The result of those performance reviews are reflected in employees' compensation. We have established a transparent personnel evaluation system through regular measurement and feedback processes.

■ **Respect for human rights and promotion of diversity**

We accept differences in diverse professional abilities and values as well as paying respect to positive heterogeneity in order to maximize the abilities of each individual employee. We aspire to achieve sustainable corporate growth while creating additional value.

※Breakdown of directors and employees as of the end of 2020

	Total Number of people (# of Females)	Female Ratio
Directors	5 (0)	0.0%
Employees	19 (12)	63.2%
General Manager ² of Employees	7 (3)	42.9%

■ **Initiatives for health and well-being of each employee**

We have established various benefit programs listed below to support each work/lifestyles of employees. e.g. Childcare leave, Family care leave, Family care leave to care for children, etc.

Initiatives by Hotel Operator

■ **Participation in Local Activities**

MHM has implemented various initiatives to contribute to local communities in many areas.

- Clean-up activities of the surrounding roads and rivers (Hotel MyStays Matsuyama)
- Official partner agreements to support community-based sports club teams (Hotel MyStays Haneda)
- Support and cooperation for community festivals, community disaster prevention activities, and public health activities (Hotel MyStays Kanda and many others)

■ **Local Production for Local Consumption in Food Procurement**

Supporting local agriculture and contributing to the promotion of food education by using food produced in Tochigi Prefecture,

where the hotel is located, for ingredients at restaurants in Hotel Epinard Nasu

Developed "Nasu-no-Uchi Boxed lunches (abbreviated as "Nasuben")" using foodstuffs produced in Nasu, including Nasu Wagyu (Beef), Koshihikari (Rice), Shirobijin-negi (Onion), Nira (Chinese chives), Spinach, Apples, Udo (Wild plants), Carrots, and Milk.



GRESB Real Estate Assessment¹

INV is promoting initiatives aiming to acquire “Green Star” in the GRESB Real Estate Assessment since 2021

(Note 1) GRESB is an annual benchmarking program to evaluate ESG considerations of property companies and real estate funds. The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of initiatives for sustainability of property companies, REITs and real estate funds, not of individual properties. GRESB rating is a relative evaluation based on comprehensive scores and the highest being "5-stars".



■ Unitholder Benefit Program

INV has introduced the unitholder benefit program to improve the satisfaction of its unitholders and expand the unitholder base. Eligible unitholders can stay at Sheraton Grande Tokyo Bay Hotel and all MyStays hotels at special discount rates.

*Detailed information is sent to eligible unitholders along with this report.

Overview of the Unitholder Benefit Program^(Note 1)

Applicable Hotels	<ul style="list-style-type: none"> ■ Sheraton Grande Tokyo Bay Hotel ■ All MyStays hotels^(Note 2)
Eligible Unitholders	<p>All Unitholders whose names are recorded on Invincible's Unitholders' Registry as of the relevant record dates:</p> <p>*INV decided to remove the eligibility requirement of "holding 10 or more units" to enable all INV unitholders to utilize the Unitholder Benefit Program from the June 2020 Fiscal Period and onwards.</p>
Record Date	The last day of every fiscal period (June 30 and December 31 of each year)
Program Details	Stay with unitholder special discount rates at the above applicable hotels
Hotel Reservation	<ul style="list-style-type: none"> ■ Sheraton Grande Tokyo Bay Hotel Reservation via phone or Email ■ All MyStays hotels Reservation via designated website posting accommodation plans for the unitholder benefit program
Available Period (Note 3)	<p>From April 1 to September 30 (eligible unitholders as of December 31)</p> <p>From October 1 to March 31 (eligible unitholders as of June 30)</p>

Sheraton Grande Tokyo Bay Hotel



Hotel Epinard Nasu



Fusaki Beach Resort Hotel & Villas



Hotel MyStays Premier Kanazawa



Hotel MyStays Premier Akasaka



(Note 1)

The details of the unitholder benefit program described above are as planned by Invincible as of August 31, 2020, and the program may be changed or abolished even after it has been introduced.

- (Note 2) Refers to all hotels under MyStays brand managed by MHM, and hotels shown on the MyStays Hotel Group's official website (<https://www.mystays.com/en-us/>) will be applicable.
- (Note 3) Available Period represents a period during which you can lodge by using the unitholder benefit program. To enjoy the unitholder benefit program, you actually need to lodge during the availability period.

I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		31st fiscal period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period	
Reporting period		Jul. 1, 2018 to Dec. 31, 2018	Jan. 1, 2019 to Jun. 30, 2019	Jul. 1, 2019 to Dec. 31, 2019	Jan. 1, 2020 to Jun. 30, 2020	Jul. 1, 2020 to Dec. 31, 2020	
Operating Results	Operating revenue	(Note 1) (JPY thousand)	14,451,005	27,339,670	18,587,253	9,410,225	8,340,593
	(Rental revenue – real estate)	(JPY thousand)	13,604,224	12,153,399	14,545,826	5,838,836	5,738,249
	Operating expenses	(JPY thousand)	4,936,248	5,154,599	5,728,269	7,913,247	6,649,749
	(Property-related expenses)	(JPY thousand)	4,450,676	4,490,658	4,673,007	6,801,584	5,044,533
	Operating income	(JPY thousand)	9,514,756	22,185,070	12,858,984	1,496,977	1,690,843
	Ordinary income	(JPY thousand)	8,384,676	21,240,482	11,639,553	424,522	624,333
	Net income	(JPY thousand)	8,384,071	21,239,877	11,638,948	423,917	623,728
Assets	Total assets	(a) (JPY thousand)	455,362,796	467,931,975	522,431,999	516,663,418	516,490,350
	(change from last period)	(%)	21.6	2.8	11.6	(1.1)	(0.0)
	Interest-bearing debt	(JPY thousand)	229,873,000	228,774,000	259,174,000	263,468,000	262,588,000
	Net assets	(b) (JPY thousand)	221,364,900	233,046,414	259,730,758	249,538,194	249,641,218
(change from last period)	(%)	21.9	5.3	11.5	(3.9)	0.0	
	Unitholders' capital	(JPY thousand)	211,092,540	211,092,540	235,701,512	235,701,512	235,701,512
Dividend Status	Total distributions	(c) (JPY thousand)	9,537,291	9,384,287	10,517,049	420,681	1,018,172
	Dividend payout ratio	(Note 2) (%)	110.3	44.2	90.4	99.2	163.2
Information per Unit	Number of investment units issued and outstanding	(d) (Units)	5,666,840	5,666,840	6,096,840	6,096,840	6,096,840
	Net assets per unit	(b) / (d) (JPY) (Note 3)	39,063	41,125	42,601	40,929	40,946
	Distributions per unit	(c) / (d) (JPY)	1,683	1,656	1,725	69	167
	(Distributions of earnings per unit)	(JPY)	1,632	1,656	1,725	69	167
(Distributions in excess of retained earnings per unit)	(JPY)	51	—	—	—	—	
Financial Measures	Return on assets	(Note 4) (%)	2.0	4.6	2.4	0.1	0.1
	(annualized)		4.0	9.3	4.7	0.2	0.2
	Return on equity	(Note 4) (%)	4.2	9.3	4.7	0.2	0.2
	(annualized)		8.3	18.9	9.4	0.3	0.5
	Capital ratio	(b) / (a) (Note 4) (%)	48.6	49.8	49.7	48.3	48.3
(change from last period)	(%)	0.1	1.2	(0.1)	(1.4)	0.0	
	NOI	(Note 4) (JPY thousand)	12,192,581	11,247,273	14,490,677	3,392,004	3,703,215
	(Net Operating Income)						

(Note 1) Consumption taxes etc. are not included in the items including operating revenues.

(Note 2) Dividend payout ratio is calculated in accordance with the following formula and rounded to one decimal place:

$$\text{Dividend payout ratio} = \text{Distribution amount (Excluding distributions in excess of retained earnings)} \div \text{Net income} \times 100$$

(Note 3) Net assets per unit are rounded to the nearest unit.

(Note 4) Figures above are calculated as below, and ratios are rounded to one decimal place. Figures annualized according to the number of days are also shown.

Return on assets = Ordinary income for relevant period / ((Total assets at start of relevant period + Total assets at end of relevant period) / 2) x 100.

Return on equity = Net income for relevant period / ((Net assets at start of relevant period + Net assets at end of relevant period) / 2) x 100.

Capital ratio = Net assets at end of relevant period / Total assets at end of relevant period x 100.

NOI = Rental revenue – Property-related expenses + Management contract revenue - Management contract expenses + Depreciation expense for relevant period

2 Overview of Asset Management for the Fiscal Period Ended December 2020

(a) Main Trends of INV

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 absorption-type 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.

FIG became a subsidiary of SoftBank Group Corp. (“SoftBank Group”), after SoftBank Group acquired FIG effective on December 27, 2017 (Note 1). Calliope, an affiliate of FIG, who owned 100% of the issued shares of Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (the “Asset Manager”), transferred 80.0% of issued shares of the Asset Manager to Fortress CIM Holdings L.P., a subsidiary of SoftBank Group, and 20.0% to SoftBank Group on March 29, 2018, pursuant to the basic agreement which was entered into as of September 7, 2017. Although FIG is no longer an indirect parent company of the Asset Manager, FIG continues to support INV as the sponsor.

Ever since the commencement of sponsorship from the Fortress Group (Note 2), INV has been focusing its efforts on improving the profitability of its portfolio and establishing a revenue base in order to secure stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for external growth. With this platform as a base, in June 2014, the Asset Manager revised the Investment Guidelines for INV, positioned hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecasted to rise going forward, and has expanded its portfolio.

Moreover, the Asset Manager revised the Investment Guidelines as of July 17, 2018. Such revision was intended to establish an investment policy and asset management structure regarding investments in overseas assets, and also to change the investment policy regarding domestic hotels to focus on (i) Limited service hotels, which feature relatively higher profit margins and potential for revenue growth backed by increasing demand for accommodations, and (ii) Full-service and Resort hotels, which have a variety of revenue sources, including lodging, dining and sales of goods, that are expected to achieve stable growth in overall hotel revenues. Based on such change in investment policy, in July 2018, INV decided on the acquisition of TK (Japanese anonymous association (tokumei kumiai)) interest in two overseas hotels, “Westin Grand Cayman Seven Mile Beach Resort & SPA” and “Sunshine Suites Resort” (collectively, the “Cayman Hotels”) as underlying assets for the first time ever in J-REIT history. In September 2018, INV implemented the investment in the Cayman Hotels via a global offering of new investment units and borrowing of funds. INV intends to improve both the profitability and stability of the portfolio through such investments, including investment in the Cayman Hotels, which is expected to even out the effects of seasonality in INV’s portfolio.

In the Fiscal Period ended December 31, 2020 (“Reporting Period”), INV sold six residential properties on December 18, 2020. As a result, INV’s portfolio at the end of the Reporting Period comprised of 142 properties (86 hotels (Note 3) (Note 4), 54 residential properties and two others) with a total acquisition price of JPY 502,717 million (Note 5). Furthermore, INV’s hotel portfolio has reached the largest asset size (Note 6) of JPY 450.6 billion (86 properties, 15,597 rooms) among all J-REIT hotel portfolios including hotel-and-inn-specific type investment corporations.

(Note 1) US Eastern Standard Time

(Note 2) As of July 2011, Calliope owned 97.35% of issued shares of the Asset Manager and the investment ratio reached 100% in October 2013. Calliope transferred 80.0% of issued shares to Fortress CIM Holdings L.P., a subsidiary of SoftBank Group and 20.0% to SoftBank Group on March 29, 2018. As of the date of this

document, SoftBank Group owns 100% of issued shares of the Asset Manager directly and indirectly.

- (Note 3) The preferred equity interest held by INV is counted as one property. Such preferred equity interest issued by a special purpose company (tokutei mokuteki kaisha) refers to 178,458 units of the preferred equity interest issued by Kingdom Special Purpose Company (the “TMK”) (equivalent to 49.0% of the total issued and outstanding preferred equity interest), which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. The property is classified as a hotel, based on the use of Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest, and INV’s investment amount of the preferred equity interest is used as the acquisition price of the preferred equity interest, unless otherwise stated. The “underlying asset” refers to the real estate or the real estate related assets owned by a TK operator of TK interest or a TMK relating to the preferred equity interest which INV owns, thus the real estate or the real estate related assets which will be the revenue source of INV. Hereinafter the same shall apply.
- (Note 4) From September 28, 2018 (Cayman Island local time; September 29, 2018 in Japan local time), INV owned 100% of the TK interest in Seven Mile Resort Holdings Ltd. (the “Cayman SPC”), a Cayman Islands special purpose company that holds leasehold interests in the Cayman Hotels and ancillary assets as underlying assets. However, INV implemented the investment structure change (the “Structure Change” in some cases hereinafter) regarding the Cayman Hotels on May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time) and has directly held the Leasehold Interests, etc. of the Cayman Hotels thereafter. Both of the TK interest and the Cayman Hotels are counted as two properties before and after the Structure Change. In addition, the “Leasehold Interests, etc.” means leasehold interests (rights equivalent to long-term real estate leases on land and buildings under the British Cayman laws) and furniture, fixtures, equipment, ornaments, kitchen instrument, and other assets required for hotel operations. Hereinafter the same shall apply.
- (Note 5) Due to the Structure Change, the book value of the leasehold interests of the Cayman Hotels recorded by the Cayman SPC as of May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time), when INV succeeded the leasehold interests of the Cayman Hotels from the Cayman SPC via distribution in kind in connection with the termination of TK agreement, is deemed as the acquisition price of the Cayman Hotels. The book value is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts concluded on July 26, 2018 and executed on September 26, 2018 in connection with the investment in the TK interest by INV. Hereinafter the same shall apply.
- (Note 6) “The largest asset size ... among all J-REIT hotel portfolios” refers to the total acquisition price of 86 hotels owned by INV as compared with the total acquisition price of hotels (including inns and other accommodation facilities) owned by listed investment corporations other than INV as of December 31, 2020.

(b) Operational Environment and Performance

Given the enormous impact of COVID-19 on the economy as a whole, especially in the hotel sector, on September 10 and December 11, 2020, INV entered into a Memorandum of Understanding (“MOU”) to amend each fixed-term building lease and property management agreement (“MLPM Agreements”) pertaining to the rent conditions for the periods from July 1, 2020 to September 30, 2020 and from October 1, 2020 to December 31, 2020 for domestic hotels owned by INV and operated by INV’s main tenant, MyStays Hotel Management Co., Ltd. (“MHM”) and its affiliates (collectively the “MHM Group” along with MHM) (each MOU is referred to as the “September 2020 MOU” and “December 2020 MOU”, respectively). Pursuant to the September 2020 MOU and the December 2020 MOU, we have changed the rent payment conditions of MLPM Agreements in terms of the amount of fixed rent payment, the variable rent calculation method, payment method of rent and payment date. The rent paid by the MHM Group for the three months of July through September was fixed rent of JPY 800 million and variable rent of JPY 391 million, for a total of JPY 1,191 million, while for the three months of October through December was fixed rent of JPY 806 million and variable rent of JPY 652 million, for a total of JPY 1,458 million. The rent paid by the MHM Group for the Reporting Period was fixed rent of JPY 1,606 million and variable rent of JPY 1,043 million, for a total of JPY 2,649 million. This is equivalent to 41.0% of fixed rent for the same period under the original MLPM Agreements. As a result, NOI for the 73 hotels operated by the MHM Group for the Reporting Period was JPY 1,912 million.

For the December 2020 fiscal period, the portfolio NOI (Note 1) decreased by 75.6% or JPY 11,460 million to JPY 3,703 million compared to the same period in the previous year (the December 2019 fiscal period). The hotel portfolio NOI decreased by JPY 11,262 million, which represents 74.3% points of the decline in portfolio NOI. The residential portfolio NOI (Note 2) also decreased by JPY 193 million, which represents 1.3% points of the decline in portfolio NOI, due to asset sales. The portfolio maintained a high average occupancy rate (Note 3) of 99.1% for the Reporting Period.

Commentary on hotel and residential performance in the Reporting Period is as described below.

The NOI for the Reporting Period of the 75 domestic hotels (Note 4) owned by INV decreased by 83.6% compared to the same period in the previous year (figures exclude nine domestic hotels with fixed-rent lease agreements among the 84 domestic hotels owned by INV as of the end of the Reporting Period, including Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV). The 75 domestic hotels recorded an occupancy rate (Note 5) of 48.3% (-40.0 points YoY), ADR (Note 6) of JPY 8,374 (-21.1% YoY), and RevPAR (Note 7) of JPY 4,046 (-56.9% YoY).

Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort recorded an average occupancy rate of 4.5% (-67.8 points YoY), ADR of USD 173 (-47.1% YoY), and RevPAR of USD 8 (-96.7% YoY) for the Reporting Period.

Regarding the hotel sector, domestic hotel demand significantly declined due to a sharp reduction in inbound visitors and a shift in mindset to refrain from business trips and leisure travel. The temporary closure of the Owen Roberts International Airport from March 23, 2020 due to the COVID-19 pandemic caused a significant reduction in hotel demand at the two Cayman hotels. Owen Roberts International Airport has resumed acceptance of foreign nationals on a limited basis and Sunshine Suites Resort has resumed operations from October 2020 after being selected as one of the hotels for isolation facilities. However, Westin Grand Cayman Seven Mile Beach Resort & Spa is expected to remain closed for the time being, except for one restaurant, as the Cayman Islands government has not disclosed when the ban on tourists will be lifted.

Regarding the residential portfolio, the average occupancy rate (Note 3) of 60 residential properties (Note 8) for the Reporting Period was 94.6%, a decrease of 1.7 points compared to the same period in the previous year due to prolonged vacancy periods until a new tenant moves in, particularly in the Tokyo 23 wards and the Tokyo metropolitan area, where INV has a large investment ratio. The NOI (Note 2) of the 60 residential properties for the Reporting Period decreased by 2.3% compared to the same period in the previous year, due to the sale of six residential properties executed on December 18, 2020. NOI for the 54 residential properties, excluding the six properties sold, decreased by 0.8% year-over-year. COVID-19 seems to have only a minor impact on the residential rental market, and trends for rent at city-center residential properties with small-type rooms maintained a moderate increase. Under such circumstances in the macro environment, INV continues to focus on its rent increase program for both new leases and renewals as well as initiatives to reduce residential leasing costs based on a detailed market analysis of each property and unit. The rent increase program for the 60 residential properties (Note 8) continues to produce positive results, as rent has increased for both new and renewal contracts of residential properties owned by INV. The average rent per tsubo per month (Note 9) for the Reporting Period increased by 0.6% YoY to JPY 9,132, and the recovery of occupancy rate is a top priority.

In the Reporting Period, INV realized a rent increase for 46.5% (based on the number of contracts) of the new residential lease contracts for an average rent increase of 0.2% compared to the previous rent across all new leases (Note 10). INV achieved a rent increase for 36.8% (based on the number of contracts) of contract renewals for an average rent increase of 1.2% compared to the previous rent across all renewal leases (Note 10), while maintaining a high contract renewal rate (Note 11) of 84.1%, an increase of 0.9 points compared to the same period in the previous year. Combined, new leases and renewal leases were signed at 0.7% higher than the previous leases (Note 10).

The total appraisal value of 141 properties was JPY 530,860 million (1 out of the 142 properties owned by INV at the end of the Reporting Period is excluded from the appraisal calculation: Sheraton Grande Tokyo Bay Hotel (preferred equity interest) for which the appraisal value of such interest is not available). The portfolio has an unrealized gain of JPY 65,307 million (Note 12) and an unrealized gain ratio of 14.0% (Note 12). The total appraisal value of 141 properties which were owned throughout the Reporting Period increased by 0.1% from JPY 530,486 million at the end of the June 2020 fiscal period to JPY 530,860 million at the end of the Reporting Period.

Key Performance Indicators of 75 Domestic Hotel Properties (Note 4)

	December 2020 fiscal period	Year-on-year change
Occupancy Rate (Note 5)	48.3%	-40.0pt
ADR (JPY) (Note 6)	8,374	-21.1%
RevPAR (JPY) (Note 7)	4,046	-56.9%
GOP (JPY million) (Note 13)	3,344	-74.0%

Key Performance Indicators of Cayman Hotels

	December 2020 fiscal period	Year-on-year change
Occupancy Rate (Note 5)	4.5%	-67.8pt
ADR (USD) (Note 6)	173	-47.1%
RevPAR (USD) (Note 7)	8	-96.7%
GOP (USD) (Note 13)	-3,775,765	-

Key Performance Indicators of 60 Residential Properties (Note 8)

	December 2020 fiscal period	Year-on-year change
Occupancy Rate (Note 3)	94.6%	-1.7pt
Average Rent per Tsubo per Month (JPY) (Note 9)	9,132	+0.6%
NOI (JPY million) (Note 2)	1,614	-2.3%

- (Note 1) “NOI” for the hotel properties is calculated in accordance with the following formula:

$$\text{NOI} = \text{Rental Revenues} - \text{Property Related Expenses} + \text{Depreciation Expenses} + \text{Dividend on the preferred equity interest (TMK dividend)} + (\text{Management Contract Revenue of the Cayman Hotels} - \text{Management Contract Expense})$$
- (Note 2) For the comparison of NOI for the residential properties, one-off insurance-related revenues and expenses as well as one-off custodian fee associated with a trust split are excluded. NOI of six properties which are Nisshin Palacestage Higashi-Nagasaki, Nishiwaseda Crescent Mansion, Neo Prominence, City Court Kitaichijo, Lexington Square Akebonobashi and Lexington Square Daitabashi sold on December 18, 2020 is based on the data through the day before sale date, excluding one-off custodian fee associated with property sales. Hereinafter the same shall apply.
- (Note 3) “Average Occupancy Rate” and “Occupancy Rate” for the portfolio or the residential properties are calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month during the relevant period.
- (Note 4) Of the 84 hotels held as of the end of the December 2020 Fiscal Period (including the Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV), the following nine hotels with fixed-rent lease agreements are excluded: Super Hotel Shinbashi/Karasumoriguchi, Comfort Hotel

Toyama, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel. In addition, the figures for the properties acquired after July 2019 are calculated on the assumption INV had acquired those properties on July 1, 2019, using the actual figures provided by the sellers of such properties for the period before the acquisition. Hereinafter the same shall apply.

- (Note 5) “Occupancy rate” for the hotel properties is calculated in accordance with the following formula:
Occupancy rate = 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)
Hereinafter the same shall apply.
- (Note 6) “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. Hereinafter the same shall apply.
- (Note 7) “RevPAR” means revenues per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates. Hereinafter the same shall apply.
- (Note 8) Based on the 60 residential properties owned as of the beginning of July 2020. Of the 60 properties, six properties which are Nisshin Palacestage Higashi-Nagasaki, Nishiwaseda Crescent Mansion, Neo Prominence, City Court Kitaichijo, Lexington Square Akebonobashi and Lexington Square Daitabashi were sold on December 18, 2020. Therefore, for the six properties sold, July 1, 2020 through December 17, 2020 is deemed as the operating period for the December 2020 fiscal period, and the leased area and the leasable area as of December 17, 2020 are deemed as them as of the end of December 2020 to calculate each number. Hereinafter the same shall apply.
- (Note 9) “Average Rent per Tsubo per Month” is calculated by dividing the total rental revenue (including common area charges) for each month by the sum of total leased area (tsubo) at the end of each month during the relevant period.
- (Note 10) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents.
- (Note 11) Renewal rate is calculated by the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period
- (Note 12) 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.
- (Note 13) “GOP” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel’s revenues. Moreover, GOP for the Sheraton Grande Tokyo Bay Hotel has been multiplied by 49%, or INV’s ownership ratio of the preferred equity interest. Hereinafter the same shall apply.

(c) Overview of Fund Raising

As a result of the measures described below, INV’s interest-bearing debt outstanding balance was JPY 262,588 million and the Interest-Bearing Debt ratio (Note 1) and LTV (appraisal value basis) (Note 2) were 50.8% and 47.6% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.53%.

- (Note 1) Interest-Bearing Debt ratio uses the calculation formula below:
Interest-Bearing Debt ratio = total outstanding interest-bearing debt (excluding short-term consumption tax loans)/total assets x 100
- (Note 2) LTV (appraisal value basis) uses the calculation formula below:
LTV = total outstanding interest-bearing debt (excluding short-term consumption tax loans)/total appraisal value (*) x 100

(*) Since appraisal value for Sheraton Grande Tokyo Bay Hotel (preferred equity interest) is not available, the acquisition price of the preferred equity interest (JPY 17,845 million) is deemed as appraisal value of Sheraton Grande Tokyo Bay Hotel (preferred equity interest). The appraisal value of the Cayman Hotels is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts concluded on July 26, 2018 and executed on September 26, 2018.

(Note 3) The average interest rate (annual rate) is calculated by the weighted average based on the outstanding balance of borrowings and rounded to two decimal places.

(i) Borrowing of Funds

INV borrowed New Syndicate Loan (R) on July 16, 2020 (total amount borrowed: JPY 28,979 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by Mizuho Bank, Ltd. in order to repay New Syndicate Loan (E) in the amount of JPY 28,979 million due on July 16, 2020.

On July 20, 2020, INV borrowed Term Loan (N) (total amount borrowed: JPY 600 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of two years), which was arranged by The Tokyo Star Bank, Limited and Term Loan (O) (total amount borrowed: JPY 1,000 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by Development Bank of Japan, Inc. in order to repay one of the tranches of Term Loan (E) in the amount of JPY 1,600 million due on July 20, 2020.

Furthermore, INV borrowed Term Loan (P) on September 14, 2020 (total amount borrowed: JPY 3,000 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by Sumitomo Mitsui Banking Corporation in order to repay Term Loan (F) in the amount of JPY 3,000 million due on September 14, 2020.

In addition, on October 13, 2020, INV borrowed New Syndicate Loan (S) (total amount borrowed: JPY 1,539.5 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by Mizuho Bank, Ltd. and Term Loan (Q) (total amount borrowed: JPY 328.5 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by Sumitomo Mitsui Trust Bank, Limited in order to repay one of the tranches of New Syndicate Loan (H) in the amount of JPY 1,868 million due on October 13, 2020.

(ii) Prepayment of Loan

INV's short-term consumption tax loan (Note 1) in the New Syndicate Loan (P) (in the amount of JPY 880 million) was prepaid on October 30, 2020 from the consumption tax refund concerning asset acquisitions on January 6, 2020 and cash on hand.

(Note 1) Short-term consumption tax loan is a loan which is to be repaid before the maturity date from a refund of consumption taxes and regional consumption taxes on an acquisition of a properties.

(d) Overview of Sale of Assets

INV completed the sales of trust beneficiary interests in six residential assets as follows on December 18, 2020.

Property Number	Property Name	Acquisition Price (JPY million)	Book Value (JPY million) (Note 1)	Sale Price (JPY million) (Note 2) (Note 3)	Gain on Sale (JPY million) (Note 2) (Note 4)	Transferee
A27	Nisshin Palacestage Higashi-Nagasaki	1,229	1,036	7,869	1,509	Undisclosed (Note 5)
A53	Nishiwaseda Crescent Mansion	1,880	1,882			
A76	Neo Prominence	1,660	1,585			
A100	City Court Kitaichijo	1,782	1,678			
A54	Lexington Square Akebonobashi	1,450	1,280	3,270	1,092	
A71	Lexington Square Daitabashi	977	820			
Total		8,978	8,284	11,139	2,602	-

(Note 1) As of December 18, 2020.

(Note 2) The sale is a transaction under two purchase and sale agreements with different transferees, in which the six properties of the sold assets are divided into groups of four properties (A27, A53, A76 and A100) and two properties (A54 and A71). The sale price and gain on sale show the total amount of each of the abovementioned four properties and two properties. The sale prices of individual properties are not disclosed as the transferees' consent has not been obtained for disclosure. Accordingly, the gain on sales of individual properties are not disclosed, either.

(Note 3) Sale prices show the total sale prices set forth in the purchase and sale agreements for the trust beneficiary interests of each of the four properties and two properties, and do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes.

(Note 4) Gain on sale is calculated by deducting the book value and the transfer related cost for each of the four properties and two properties.

(Note 5) The names of the transferees are not disclosed, as the transferees' consent has not been obtained for disclosure.

(Note 6) The trust beneficiary interest of Nisshin Palacestage Higashi-Nagasaki was integrated in a single account with other trust accounts when INV procured funds through debt financing backed by trust assets in July 2011. Therefore, for the purpose of selling the trust beneficiary interests of the property by itself, INV has implemented the procedures for the trust split effective on November 17, 2020 and recorded certain expenses. For details on the debt financing backed by trust assets and the integration of trust accounts, please refer to the press release "Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets" dated July 15, 2011.

(Note 7) Amounts are rounded down to the nearest million yen.

(e) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period decreased by JPY 1,069 million from the previous period (-11.4%) to JPY 8,340 million, net income increased by JPY 199 million (47.1%) to JPY 623 million and unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 12,747 million) reached JPY 13,371 million.

INV decided that distribution per unit (excluding excess profit distribution) is JPY 167, which is the net income per unit (JPY 102) plus the reversal of retained earnings (JPY 65 per unit).

3 Changes in Total Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' capital for the past 10 years up to the end of the Reporting Period are as follows.

Date	Type of issue	Total number of investment units issued and outstanding		Unitholders' capital (JPY)		Reference
		Increase	Total	Increase	Total	
July 29, 2011	Third-party allotment	711,597	1,348,292	6,999,979,689	26,134,396,789	(Note 1)
December 20, 2013	Third-party allotment	224,887	1,573,179	2,999,992,580	29,134,389,369	(Note 2)
July 16, 2014	Public offering	1,040,000	2,613,179	22,747,920,000	51,882,309,369	(Note 3)
August 13, 2014	Third-party allotment	55,507	2,668,686	1,214,104,611	53,096,413,980	(Note 4)
July 15, 2015	Public offering	500,000	3,168,686	27,970,500,000	81,066,913,980	(Note 5)
August 12, 2015	Third-party allotment	25,000	3,193,686	1,398,525,000	82,465,438,980	(Note 6)
March 30, 2016	Public offering	459,512	3,653,198	36,123,157,344	118,588,596,324	(Note 7)
April 27, 2016	Third-party allotment	22,626	3,675,824	1,778,675,112	120,367,271,436	(Note 8)
February 22, 2017	Reversal of allowance for temporary differences adjustment	-	3,675,824	224,225,264	120,591,496,700	(Note 9)
March 13, 2017	Public offering	185,000	3,860,824	8,393,450,000	128,984,946,700	(Note 10)
October 12, 2017	Public offering	887,959	4,748,783	37,917,625,218	166,902,571,918	(Note 11)
November 1, 2017	Third-party allotment	44,398	4,793,181	1,895,883,396	168,798,455,314	(Note 12)
August 1, 2018	Public offering	909,524	5,702,705	40,280,089,388	209,078,544,702	(Note 13)
August 21, 2018	Third-party allotment	45,476	5,748,181	2,013,995,612	211,092,540,314	(Note 14)
December 28, 2018	Retirement	(81,341)	5,666,840	-	211,092,540,314	(Note 15)
July 18, 2019	Public offering	409,524	6,076,364	23,317,887,036	234,410,427,350	(Note 16)
August 15, 2019	Third-party allotment	20,476	6,096,840	1,165,882,964	235,576,310,314	(Note 17)
August 22, 2019	Reversal of allowance for temporary differences adjustment	-	6,096,840	125,201,855	235,701,512,169	(Note 18)

(Note 1) New investment units were issued in a third-party allotment at a price of JPY 9,837 per unit to make repayment of existing loan, etc.

(Note 2) New investment units were issued in a third-party allotment at a price of JPY 13,340 per unit to make repayment of existing loan, etc.

(Note 3) New investment units were issued in a public offering at a price of JPY 22,688 per unit (JPY 21,873 after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

- (Note 4) New investment units were issued in a third-party allotment at a price of JPY 21,873 per unit for the purpose of cash reserve to appropriate to repayment in future borrowings.
- (Note 5) New investment units were issued in a public offering at a price of JPY 57,817 per unit (JPY 55,941 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 6) New investment units were issued in a third-party allotment at a price of JPY 55,941 per unit for the purpose of allocation to cash reserves to be used as part of the funds for future acquisition of properties.
- (Note 7) New investment units were issued in a public offering at a price of JPY 81,217 per unit (JPY 78,612 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 8) New investment units were issued in a third-party allotment at a price of JPY 78,612 per unit for the purpose of allocation to cash reserves to be used as a part of the funds for future acquisition of specified assets.
- (Note 9) INV decided at the Board of Directors' Meeting held on February 22, 2017, the reversal of allowance for temporary difference adjustments for incorporation into unitholders' capital.
- (Note 10) New investment units were issued in a public offering at a price of JPY 46,897 per unit (JPY 45,370 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 11) New investment units were issued in a public offering at a price of JPY 44,118 per unit (JPY 42,702 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 12) New investment units were issued in a third-party allotment at a price of JPY 42,702 per unit for the purpose of allocation to cash reserves to be used as part of the funds for future acquisition of specified assets.
- (Note 13) New investment units were issued in a public offering at a price of JPY 45,776 per unit (JPY 44,287 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 14) New investment units were issued in a third-party allotment at a price of JPY 44,287 per unit for the purpose of raising a part of the funds for the acquisition of new properties.
- (Note 15) INV acquired own investment units from December 13, 2018 to December 18, 2018 (on a trade date basis) through the market purchase at Tokyo Stock Exchange based on a discretionary transaction contract with a securities company.
INV resolved the retirement of all the acquired own investment units at the Board of Directors' Meeting held on December 25, 2018 and the acquired own investment units were retired on December 28, 2018.
The acquisition of own investment units was conducted using capital surplus, and thus there is no change to unitholders' capital.
- (Note 16) New investment units were issued in a public offering at a price of JPY 58,898 per unit (JPY 56,939 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 17) New investment units were issued in a third-party allotment at a price of JPY 56,939 per unit for the purpose of raising a part of the funds for the acquisition of specified properties.
- (Note 18) INV decided at the Board of Directors' Meeting held on August 22, 2019, the reversal of allowance for temporary difference adjustments for incorporation into unitholders' capital.

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 follows.

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: JPY)

Period	31st fiscal period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period
Closing month	December 2018	June 2019	December 2019	June 2020	December 2020
Highest	51,000	60,700	70,600	62,300	39,800
Lowest	44,800	44,300	55,700	18,870	23,500

4 Distribution Performance

With respect to distributions of earnings for the Reporting Period, INV decided that distribution per unit (excluding excess profit distribution) is JPY 167 and does not make distributions in excess of profits.

Period	31st fiscal period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period
Calculated Period	Jul. 1, 2018 to Dec. 31, 2018	Jan. 1, 2019 to Jun. 30, 2019	Jul. 1, 2019 to Dec. 31, 2019	Jan. 1, 2020 to Jun. 30, 2020	Jul. 1, 2020 to Dec. 31, 2020
Unappropriated retained earnings (JPY thousand)	9,140,372	21,131,966	23,261,426	13,168,294	13,371,340
Reserved profit (JPY thousand)	-107,910	11,622,477	12,744,377	12,747,612	12,353,168
Total cash distribution (JPY thousand)	9,537,291	9,384,287	10,517,049	420,681	1,018,172
(Distribution per unit) (JPY)	(1,683)	(1,656)	(1,725)	(69)	(167)
Total profit distribution (JPY thousand)	9,248,282	9,384,287	10,517,049	420,681	1,018,172
(Profit distribution per unit) (JPY)	(1,632)	(1,656)	(1,725)	(69)	(167)
Total refund of investment (JPY thousand)	289,008	-	-	-	-
(Refund of investment per unit) (JPY)	(51)	(-)	(-)	(-)	(-)
Total distribution from the allowance for temporary differences adjustment out of total refund of investment (JPY thousand)	85,002	-	-	-	-
(Distribution from the allowance for temporary differences adjustment per unit out of refund of investment per unit) (JPY)	(15)	(-)	(-)	(-)	(-)
Total distribution from unitholders' equity under the tax laws out of the total refund of investment (JPY thousand)	204,006	-	-	-	-
Distribution from unitholders' equity under the tax laws out of refund of investment per unit (JPY)	(36)	(-)	(-)	(-)	(-)

5 Future operational policy and issues to be addressed

Outlook for the Fiscal Periods Ending June 30, 2021

From the next fiscal period onward, the Japanese economy is expected to begin a gradual recovery from the severe situation caused by COVID-19 once the nationwide vaccination process gets underway. However, the third wave of COVID-19 infections caused a suspension in the program, the government issuance of another state of emergency and the suspension of inbound travel by foreigners. Similar trends can be seen overseas and harsh conditions are expected to continue, with a risk that the overall economy will deteriorate causing a further rise in the unemployment rate. Therefore, it is necessary to closely monitor the impact of COVID-19 infections in Japan and overseas, variables in the financial and capital markets, and other factors.

The worldwide spread of COVID-19 has had a significant impact on hotel revenues. At this point in time, it remains difficult to predict the spread of COVID-19 and its impact on the hotel industry and operators. Therefore, the forecast of financial results for the June 2021 fiscal period remains undetermined.

(a) Future operational policy and issues to be addressed

Since July 2011, INV has enhanced unitholder value by significantly increasing DPU and financial stability with the Fortress Group as its sponsor. Fortress Group became a member of SoftBank Group in December 2017 and SoftBank Group owns 100% of issued shares of the Asset Manager directly and indirectly as of March 29, 2018. In addition to continued access to Fortress' global real estate expertise, INV will seek to leverage the resources that are expected to become available through SoftBank Group. SoftBank Group has market-leading expertise in technology fields such as digital marketing for both mobile and desktop, online payment systems, search engine optimization, AI and robotics. INV believes that deployment of technology into INV's real estate assets, especially its hotels, will enhance the ongoing initiatives to improve its digital marketing, minimize labor costs and increase customer engagement. For example, INV plans to pursue opportunities to better manage online research, bookings and payments, improve the process in setting hotel rates and manage overbooking through the use of sophisticated AI algorithms, and reduce labor costs while enhancing customer service through the use of robotics.

In addition to pursuing synergies with SoftBank Group, INV will pay attention to an asset management with an emphasis on customer safety and security in situations where accommodation demand has declined drastically due to the impact of COVID-19, and focus on reviewing the operational strategy to restore revenues from hotels. Going forward, INV will continue to implement various strategies for further growth and financial stability, including the following measures.

- Asset recycling: property acquisitions using the proceeds from sales
- Internal growth at hotels through reducing costs, stimulating existing demand and creating new demand by collaborating with hotel operators
- Further internal growth at residential properties

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

As its basic strategy, INV had moved forward with the acquisition of new properties focusing on hotels, where continued growth in portfolio revenues would be anticipated and residential properties, especially where rental growth could be achieved, to build a portfolio with a good balance between growth and stability. However, for the time being, it is necessary to carefully consider the acquisition of hotel properties, which have been greatly affected by the sluggish demand for accommodation due to COVID-19, while looking for the possibility of acquiring at an attractive price.

In regard to hotels, INV will take into consideration demands of business and leisure customers in nearby areas, and leasing contract types when making investment decisions, with the aim of acquiring properties where growth and stability of GOP and rental revenue are forecasted to increase.

In regard to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties among other factors, and consider acquiring properties that have mainly small-type rooms with strong competitiveness in large cities, in which it believes it can achieve increases in rent.

Property Sales

INV considers the possibility of portfolio optimization upon consideration of the portfolio sector composition, geographic distribution and competitiveness of each property as appropriate in the sluggish accommodation demand due to the impact of COVID-19.

(ii) Strategy for internal growth

(Hotels)

Of the 84 domestic hotels (Note 1) owned by INV as of the end of the Reporting Period, 75 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives all of gross operating profit (GOP) after deducting payment of management fees for the hotel operator as rents. For 73 hotels of the 75 hotels, MHM and subsidiaries of MHM have implemented sophisticated revenue management initiatives seeking to maximize revenue through effectively taking in the accommodation demand. As a result, INV can directly enjoy the hotel revenue upside through this variable rent scheme.

In response to the significant reduction in hotel demand, the MHM Group is taking steps to reduce hotel operating expenses by reviewing its operational strategy. Specific measures include temporary hotel closures and the suspension of non-essential capital expenditures as well as taking government subsidies, cutting payments to service providers such as cleaning vendors, significantly reducing marketing expenses, utilities and other items under the COVID-19 environment. The MHM Group is vigorously working to stimulate demand from existing domestic customers by following up on cancelled or postponed functions and providing corporate customers with various options including new lineup of meeting options highlighting strict measures to reduce the spread of COVID-19. In addition, the MHM Group is focusing on creating new demand, including the provision of day-use telework environments to provide individuals and corporates with a comfortable telework space as well as accommodation demand associated with the 14-day voluntary quarantine period after returning to Japan.

For hotels, renovation of rooms and replacement of fixtures and fittings are indispensable to maintain and increase revenues and operate stably in a planned manner while considering the hotel profit situation, where demand has dropped significantly as described above.

(Residential properties and others)

INV will continue to strengthen its collaborative ties with property managers and brokers to further boost occupancy rates and earning capabilities of its properties. With respect to INV's residential properties, INV will focus on increasing the occupancy rates and rents for both new lease contracts and lease renewals for all of its properties as well as formulating net leasing cost reduction 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 high tenant satisfaction. Therefore, INV will continue to monitor current strategic plans with flexible implementation as it sees fit.

(Note 1) Including Sheraton Grande Tokyo Bay Hotel (the preferred equity interest).

(iii) Financial strategy

The credit rating outlook from Japan Credit Rating Agency, Ltd. (JCR) has been changed as described on the following page as of December 14, 2020. As it is difficult to predict when the outbreak of COVID-19 will come to an end, for the time being INV will implement initiatives that restrict an increase in interest payments on refinancing of existing

borrowings and ensure refinancing. Over the medium to long term, INV will implement financial strategies such as reduction of borrowing costs, extension of average interest-bearing debt repayment periods, diversification of loan maturity dates and financing measures.

Credit Rating Object	Before Change	After Change
Long-term Issuer Rating (Outlook)	A+ (Stable)	A+ (Negative)

(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.

(v) Initiatives for Sustainability

INV and CIM recognize the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the viewpoint of sustainability such as economic and social development and contributing to global environmental conservation, and regard improvement of sustainability as an important management issue. INV and CIM believe that the incorporation of ESG considerations into the real estate investment management business, which is our primary business, is essential to maximizing unitholder value over the medium to long term and contributes to maximizing INV’s investment returns.

Thus, INV and CIM have established a “Sustainability Policy” to set basic policies for sustainability and put them into practice in our daily operations. Under this policy, CIM has formulated the “Energy Conservation Policy”, which stipulates efforts to improve energy consumption management and energy efficiency in the real estate investment management business, and the “Greenhouse Gas Emissions Reduction Policy”, which stipulates an operation policy to reduce carbon emissions. In addition, in order to promote initiatives for ESG throughout the value chain of INV’s real estate portfolio, CIM has established the Sustainable Procurement Policy to set guidelines in the real estate investment management business, pertaining to the content of construction ordered, the criteria for selecting goods to be procured in connection with construction, and the criteria for selecting and evaluating business partners (suppliers). Furthermore, CIM has conducted sustainability-focused training for all officers and employees, including temporary staff, at least once a year. The purpose of this training is to help officers and employees acquire knowledge and raise awareness of sustainability considerations in line with business practices.

As the COVID-19 pandemic continues, APA Hotel Yokohama-Kannai has been used as an accommodation and medical facility for people with mild COVID-19 cases since August 2020 in terms of initiatives for society.

INV will continue to recognize its social responsibility to the environment and local communities as a J-REIT with hotels and residences as our core assets, and will proactively implement ESG-friendly investment management and sustainability initiatives that take advantage of asset characteristics and carry out social contribution activities.

6 Significant Subsequent Events

Not applicable. Reference Information is described as follows.

(Reference Information)

(a) Prepayment of Loans

The Prepayment was implemented on January 29, 2021 to all lenders on a pro-rata basis by using JPY 10,000 million, a majority of the sales proceeds of the six residential properties sold on December 18, 2020.

Status of Loans Subject to Prepayment after the Prepayment (Note 1)

(As of January 29, 2021)

Loan/Lender(s)	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
New Syndicate Loan (F) <5-Year Loan> Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited The Hiroshima Bank, Ltd. The Kagawa Bank, Ltd. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. Resona Bank, Limited The Nomura Trust and Banking Co., Ltd.	March 31, 2016	10,433	4,037	6,396	0.68818% (Note 2)	Mar. 30, 2021	Unsecured/ non-guaranteed
New Syndicate Loan (G) <4-Year Loan> Mizuho Bank, Ltd. Resona Bank, Limited The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Shizuoka Bank, Ltd. The Towa Bank, Ltd. The Gunma Bank, Ltd.	March 14, 2017	3,250	2,323	927	0.58818% (Note 2)	Mar. 14, 2021	

Loan/Lender(s)	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
New Syndicate Loan (K) <3-Year Loan> Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Senshu Ikeda Bank, Ltd	March 29, 2019	7,934	12	7,922	0.36100% (Note 3)	Mar. 29, 2022	
New Syndicate Loan (K) <5-Year Loan> Aozora Bank, Ltd The Nishi-Nippon City Bank, Ltd. The Tochigi Bank, Ltd.	March 29, 2019	2,500	99	2,401	0.59400% (Note 3)	Mar. 29, 2024	
New Syndicate Loan (K) <10-Year Loan> Kiraboshi Bank, Ltd.	March 29, 2019	1,000	39	961	0.88818% (Note 2)	Mar. 29, 2029	
New Syndicate Loan (L) <4.5-Year Loan> Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Citibank, N.A.,Tokyo Branch Development Bank of Japan, Inc. AEON Bank, Ltd. Aozora Bank, Ltd The Nomura Trust and Banking Co., Ltd.	July 19, 2019	4,943	138	4,805	0.52473% (Note 3)	Jan. 16, 2024	

Loan/Lender(s)	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
New Syndicate Loan (N) <4.4-Year Loan> Mizuho Bank, Ltd. The Daisan Bank, Ltd.	August 28, 2019	3,682	138	3,544	0.46219% (Note 3)	Jan. 16, 2024	
New Syndicate Loan (P) <5-Year Loan> Sumitomo Mitsui Trust Bank, Limited Momiji Bank, Ltd. The Kiyo Bank	January 6, 2020	4,550	59	4,491	0.64291% (Note 3)	Jan. 6, 2025	
New Syndicate Loan (Q) <5-Year Loan> Mizuho Bank, Ltd. Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Shizuoka Bank, Ltd. The Yamaguchi Bank, Ltd.	March 16, 2020	3,250	39	3,211	0.48700% (Note 3)	Mar. 16, 2025	
New Syndicate Loan (Q) <5-Year Loan> Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Resona Bank, Limited The Nomura Trust and Banking Co., Ltd. Aozora Bank, Ltd The Shizuoka Bank, Ltd. The Kagawa Bank, Ltd. The Yamaguchi Bank, Ltd. The Chukyo Bank, Ltd.	March 30, 2020	6,960	39	6,921	0.58818% (Note 2)	Mar. 16, 2025	

Loan/Lender(s)	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
New Syndicate Loan (R) <1-Year Loan> Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	July 16, 2020	28,979	1,550	27,429	0.33818% (Note 2)	Jul. 16, 2021	
Term Loan (C) <5-Year Loan> Citibank, N.A.,Tokyo Branch	June 15, 2016	1,000	651	349	0.68818% (Note 2)	Jun. 15, 2021	
Term Loan (D) <5-Year Loan> AEON Bank, Ltd.	June 30, 2016	3,000	267	2,733	0.68818% (Note 2)	Jun. 30, 2021	
Term Loan (E) <5-Year Loan> The Tokyo Star Bank, Limited	July 20, 2016	1,700	118	1,582	0.68818% (Note 2)	Jul. 20, 2021	
Term Loan (G) <4.5-Year Loan> Mizuho Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	May 29, 2017	7,321	157	7,164	0.63818% (Note 2)	Nov. 29, 2021	
Term Loan (O) <1-Year Loan> Development Bank of Japan, Inc.	July 20, 2020	1,000	334	666	0.33818% (Note 2)	Jul. 20, 2021	
Total		91,502	10,000	81,502			

(Note 1) Of the loans that are subject to prepayment, only the tranches that are eligible for prepayment are listed.

(Note 2) The interest rate applicable as of January 20, 2021 is shown.

(Note 3) Figure is shown as virtually fixed interest rate because interest rate is fixed by interest rate swap agreement while it is a borrowing with floating interest rate.

(b) Debt Financing

INV decided to borrow Term Loan (R) and Term Loan (S) on January 20, 2021 in order to repay Term Loan (B) in the amount of JPY 4,250 million due on January 22, 2021.

(i) Term Loan (R)

Lender	Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation	January 22, 2021	3,400	Floating interest rates (Note 1)	January 22, 2022	Unsecured/ non guarantee

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.25000%)

(ii) Term Loan (S)

Lender	Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
MUFG Bank, Ltd.	January 22, 2021	850	Floating interest rates (Note 1)	January 22, 2022	Unsecured/ non guarantee

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.25000%)

Overview of the Investment Corporation

1 Overview of Investment

By Period	31st fiscal period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period
Results Dates	As of Dec. 31, 2018	As of Jun. 30, 2019	As of Dec. 31, 2019	As of Jun. 30, 2020	As of Dec. 31, 2020
Number of issuable investment units (Unit)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Number of investment units issued and outstanding (Unit)	5,666,840	5,666,840	6,096,840	6,096,840	6,096,840
Unitholders' capital (JPY million)	211,092	211,092	235,701	235,701	235,701
Number of total unitholders	35,228	32,645	34,626	42,439	38,074

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
The Master Trust Bank of Japan, Ltd. (trust account)	956,178	15.68
Custody BANK of Japan, Ltd. (trust account)	577,733	9.47
The Nomura Trust and Banking Co., Ltd. (investment trust account)	286,058	4.69
Custody BANK of Japan, Ltd. (security investment trust account)	225,424	3.69
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND	224,830	3.68
STATE STREET BANK AND TRUST COMPANY 510312	152,589	2.50
STATE STREET BANK AND TRUST COMPANY 510311	142,411	2.33
THE BANK OF NEW YORK MELLON 140044	136,940	2.24
FJODF GP INV HOLDINGS LLC	115,931	1.90
NORTHERN TRUST CO. (AVFC) RE MONDRIAN INTERNATIONAL SMALL CAP EQUITY FUND , L.P.	109,427	1.79
Total	2,927,521	48.01

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

3 Notes regarding Directors

Directors at the end of the Reporting Period are listed below.

Position	Name	Concurrent responsibilities	Directors' remuneration for operating period (JPY thousand)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co., Ltd. (current position)	-
Supervisory Director	Yoshihiro Tamura	Attorney, Shiba-Daimon Law Office Statutory Auditor, BEQONE PARTNERS, Inc. (current position)	2,400
	Hiroyuki Fujimoto	Certified Public Accountant, CPA Fujimoto Office Outside Auditor, BRYCEN Co., Ltd. (current position) Outside Director, the Audit & Supervisory Committee Member, NEO MARKETING INC. (current position)	2,400
Auditor	Ernst & Young ShinNihon LLC	-	17,700

(Note) Executive and supervisory directors do not hold INV'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 INV.

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.

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 unitholders' registry, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 2))	Consonant Investment Management Co., Ltd.
General administrative agent (accounting operations, etc.)	Sumitomo Mitsui Trust Bank, Limited
Special account management company	Mitsubishi UFJ Trust and Banking Corporation Limited (Note 3) / Sumitomo Mitsui Trust Bank, Limited (Note 4)
General administrative agent (Fiscal agent pertaining to investment corporation bonds, etc.)	Mizuho Bank, Ltd. / Sumitomo Mitsui Banking Corporation

(Note 1) Of the administrative tasks for the INV'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) or tasks incidental or related to that mentioned in (i) or (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 Investment Inc.) 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 INV's Assets

Type of asset	Purpose	Geographic area (Note 1)	Fiscal period ended June 30, 2020 (as of June 30, 2020)		Fiscal period ended December 31, 2020 (as of December 31, 2020)	
			Amount held (JPY million) (Note 2)	Percentage of total assets (%)	Amount held (JPY million) (Note 2)	Percentage of total assets (%)
Real estate	Hotels	Greater Tokyo Area (Note 3)	2	0.0	2	0.0
		Major regional cities	-	-	-	-
		Overseas (Note 4)	35,527	6.9	35,136	6.8
		Subtotal	35,530	6.9	35,139	6.8
Total real estate			35,530	6.9	35,139	6.8
Real estate in trust	Residences	Greater Tokyo area	35,880	6.9	29,098	5.6
		Major regional cities	15,023	2.9	13,194	2.6
		Subtotal	50,904	9.9	42,293	8.2
	Offices/Commercial Facilities	Greater Tokyo area	-	-	-	-
		Major regional cities	4,738	0.9	4,689	0.9
		Subtotal	4,738	0.9	4,689	0.9
	Hotels	Greater Tokyo area	171,170	33.1	170,270	33.0
		Major regional cities	214,912	41.6	213,161	41.3
		Subtotal	386,082	74.7	383,431	74.2
	Total real estate in trust			441,725	85.5	430,414
Preferred equity interest (Note 5)			17,856	3.5	17,856	3.5
Deposits and other assets			21,550	4.2	33,080	6.4
Total assets (Note 6)			516,663 (477,256)	100.0 (92.4)	516,490 (465,553)	100.0 (90.1)

(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 (book value after depreciation for real estate, leasehold and real estate in trust). The amounts held for hotels are calculated by including book value of accompanying FF&E, in principle.

(Note 3) While Hotel MyStays Haneda is held as trust beneficiary interests, part of accompanying FF&E is held in kind, which falls under this category.

(Note 4) The Leasehold of the Cayman Hotels falls under the category of "Real estate" for "Overseas." The leasehold interests are the rights equivalent to long-term real estate leasehold rights for buildings and land under the laws of the Cayman Islands (Term: 99 years; annual lease payment: USD 1 or KYD 1). INV implemented an investment structure change regarding "Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" on May 9, 2019 (Cayman Island local time), a change from making investments based on the TK agreement to directly owning the Leasehold of the Cayman Hotels, which are the underlying assets of the TK interest.

(Note 5) Preferred equity interest issued by Kingdom Special Purpose Company, with the Sheraton Grande Tokyo Bay Hotel as an underlying asset (asset in trust of trust beneficiary interest acquired by Kingdom Special Purpose Company, which is the real estate that serves as the main source of revenue for Kingdom Special Purpose Company).

(Note 6) The figures indicated in parenthesis under "Total assets" show the amounts related to owned real estate (excluding the amount of preferred equity securities owned).

2 Major Properties

The overview of INV's major properties (top 10 properties by book value) (Note 1) at the end of the Reporting Period is as below.

Name of property		Book value (JPY million)	Leasable area (m ²) (Note 2)	Leased area (m ²)	Occupancy rate (%) (Note 3)	Ratio of rental revenue (%) (Note 4)	Main use
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	29,476	21,528.23	21,528.23	100.0	-	Hotel
D43	Hotel MyStays Gotanda Station	26,309	10,137.88	10,137.88	100.0	1.0	Hotel
D60	Hotel MyStays Premier Akasaka	20,413	8,620.69	8,620.69	100.0	0.2	Hotel
D44	Hotel Epinard Nasu	19,394	37,702.33	37,702.33	100.0	14.8	Hotel
D61	Hotel MyStays Premier Sapporo Park	16,268	21,670.64	21,670.64	100.0	0.5	Hotel
D64	Hotel MyStays Sapporo Aspen	15,399	15,313.17	15,313.17	100.0	0.2	Hotel
D50	Hotel MyStays Shin Osaka Conference Center	12,889	13,026.99	13,026.99	100.0	0.3	Hotel
D47	Hotel MyStays Premier Kanazawa	12,800	13,250.03	13,250.03	100.0	2.6	Hotel
D82	Hotel MyStays Premier Narita	10,396	36,519.70	36,519.70	100.0	3.7	Hotel
D51	Hotel MyStays Premier Omori	9,723	11,849.61	11,849.61	100.0	0.5	Hotel
Total		173,071	189,619.27	189,619.27	100.0	23.8	

(Note 1) Securities described in "6 Asset Portfolio of Securities" later in this document are excluded.

(Note 2) Leasable area of Westin Grand Cayman Seven Mile Beach Resort & Spa indicates the area subject to management contract.

(Note 3) "Occupancy rate" is calculated by dividing the leased area by leasable area, and rounded to one decimal place.

(Note 4) "Ratio of rental revenue" are rounded to one decimal place.

3 Asset Portfolio of Real Estate, etc.

The portfolio of the properties (real estate and trust beneficiary interest in real estate) held by INV at the end of the Reporting Period is as below.

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interest (Note 4)	1,771.13	1,230	1,087
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,051.50	1,040	830
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	1,367.96	1,170	944
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interest	2,152.31	1,430	1,314
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	3,029.16	1,110	1,051
A33	Growth Maison Shin- Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	1,858.44	1,180	926
A34	Belle Face Ueno- Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest (Note 4)	1,351.11	1,090	917
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interest (Note 4)	1,562.26	1,010	787
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,015.34	784	720
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,368.57	675	631
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,167.50	669	697
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interest	1,235.93	561	651
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interest (Note 4)	1,210.74	769	512
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interest (Note 4)	1,047.75	507	560
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interest (Note 4)	557.05	632	545
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	907.46	527	513

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	815.77	589	498
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interest (Note 4)	2,040.27	521	530
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interest (Note 4)	871.35	567	434
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest	1,627.13	1,280	797
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interest	1,220.24	848	564
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	3,426.36	1,440	1,007
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,929.59	679	382
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,528.58	425	267
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya- shi, Aichi	Trust beneficiary interest	705.75	296	228
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashi-Komagata, Sumida-ku, Tokyo	Trust beneficiary interest	784.74	668	414
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	4,460.56	1,240	892
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	2,773.71	1,510	1,113
A78	Cosmo Court Motomachi	3-12-20 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	2,310.49	1,170	847
A79	Revest Honjin	2-13 Toriidori, Nakamura-ku, Nagoya- shi, Aichi	Trust beneficiary interest	1,933.80	858	581
A80	Revest Matsubara	3-13-12 Matsubara, Naka-ku, Nagoya- shi, Aichi	Trust beneficiary interest	1,955.40	879	571
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,731.68	784	523
A83	Revest Meieki Minami	2-13-33 Meieki-Minami, Nakamura- ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,634.60	813	511
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,554.03	760	514
A85	Vendir Hamaotsu Ekimae	1-2-15 Hamaotsu, Otsu-shi, Shiga	Trust beneficiary interest	2,670.66	814	490
A86	Salvo Sala	2-6-21 Shimanouchi, Chuo-ku, Osaka- shi, Osaka	Trust beneficiary interest	1,428.12	681	475
A87	Excellente Kagurazaka	128-1 Yamabukicho, Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interest	701.92	714	497

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A88	Luna Court Edobori	3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,185.50	618	463
A89	Winntage Kobe Motomachi	7-2-2 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	1,433.35	653	442
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	765.18	705	418
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoindori Nijo Kударu, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels	Trust beneficiary interest	1,029.05	551	396
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	530.60	583	380
A93	Siete Minami-Tsukaguchi	3-18 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interest	1,020.86	465	338
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	789.12	489	332
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interest	992.76	477	314
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,477.62	473	306
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interest	794.80	350	306
A98	Little River Honmachibashi	1-34 Honmachibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	974.81	421	276
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interest	761.18	352	265
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interest	2,940.20	2,050	1,632
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interest	2,048.28	2,010	1,580
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interest	8,776.26	3,290	2,657
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interest	15,797.29	5,870	4,746
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interest	6,496.86	2,960	2,596
Subtotal				108,572.68	54,237	42,293
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interest	8,419.15	3,660	2,980
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interest	18,440.58	2,380	1,708
Subtotal				26,859.73	6,040	4,689
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,585.72	4,920	2,897

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interest	3,327.38	4,410	2,500
D03	Hotel MyStays Kyoto-Shijo	52 Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo- ku, Kyoto-shi, Kyoto	Trust beneficiary interest	7,241.51	9,960	5,710
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interest	6,232.30	7,200	4,539
D05	Hotel MyStays Maihama	3-5-1 Tekkodori, Urayasu-shi, Chiba	Trust beneficiary interest	2,456.36	6,770	4,659
D06	Hotel MyStays Premier Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	9,445.32	6,650	3,659
D07	Hotel MyStays Nagoya- Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	9,064.71	5,530	2,572
D08	Hotel MyStays Sakaisuji- Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka- shi, Osaka	Trust beneficiary interest	4,188.83	4,000	2,320
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	7,379.43	3,890	2,260
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interest	1,719.29	2,510	1,776
D11	Hotel MyStays Fukuoka- Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	3,412.71	5,560	1,443
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,953.38	2,090	1,335
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interest	1,150.76	2,010	1,220
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa- ku, Tokyo	Trust beneficiary interest	1,134.52	1,980	1,187
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interest	2,539.75	2,140	1,190
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interest	2,089.86	2,260	1,099
D17	Hotel MyStays Otemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,956.66	2,430	1,124
D18	Hotel MyStays Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interest	2,673.64	1,500	876
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	770.56	803	557
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	391.49	387	282
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	6,568.51	9,930	7,530
D22	Hotel MyStays Hakodate-Goryokaku	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interest	7,961.26	3,900	2,735
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interest	1,754.06	2,360	2,076

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interest	5,400.16	8,590	7,185
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	4,349.67	7,370	5,313
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest	2,247.92	3,760	3,644
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	2,793.99	4,920	3,535
D28	Hotel MyStays Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interest	3,559.81	2,380	2,091
D29	Super Hotel Shinbashi/ Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interest	1,403.89	1,940	1,580
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interest	1,714.53	1,300	1,264
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya- shi, Tochigi	Trust beneficiary interest	11,733.23	1,990	1,207
D32	Flexstay Inn Kawasaki- Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,190.57	1,110	891
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interest	3,305.64	1,160	902
D34	Flexstay Inn Kawasaki- Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	725.60	890	871
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interest	3,932.93	4,580	4,805
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,832.97	1,240	1,088
D37	Super Hotel JR Ueno- iriyaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interest	1,279.16	1,210	1,070
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,942.01	2,580	3,006
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interest	3,207.60	1,240	1,039
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interest	3,660.96	1,120	1,001
D41	Comfort Hotel Tsubame- Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interest	3,099.90	1,090	927
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interest	3,009.50	923	771
D43	Hotel MyStays Gotanda Station (Note 5)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	10,137.88	23,900	26,309
D44	Hotel Epinard Nasu	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu- machi, Nasu-gun, Tochigi	Trust beneficiary interest	37,702.33	22,700	19,394
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	5,083.06	8,110	7,829

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	1,951.90	6,220	7,878
D47	Hotel MyStays Premier Kanazawa	2-13-1 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interest	13,250.03	12,800	12,800
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interest	7,148.17	2,240	2,103
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	6,151.93	10,300	7,988
D50	Hotel MyStays Shin Osaka Conference Center	6-2-4 Nishinakashima, Yodogawa-ku, Osaka-shi, Osaka and two other lots	Trust beneficiary interest	13,026.99	12,800	12,889
D51	Hotel MyStays Premier Omori	6-11-2 Minami Oi, Shinagawa-ku, Tokyo and 13 other lots	Trust beneficiary interest	11,849.61	9,620	9,723
D52	Beppu Kamenoi Hotel	2160-1 Chuocho, Beppu-shi, Oita and 12 other lots	Trust beneficiary interest	19,422.08	8,670	8,018
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	7,267.88	8,180	7,686
D54	Hotel MyStays Yokohama Kannai	5-65, Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa and 3 other lots	Trust beneficiary interest	4,501.18	5,250	5,174
D55	Art Hotel Joetsu	5-1-11, Hon-cho Joetsu-shi, Niigata	Trust beneficiary interest	7,563.60	2,670	2,661
D56	Art Hotel Hirosaki City	1-1-2, 1-6, 1-7, 2-1, Omachi, Hirosaki-shi, Aomori	Trust beneficiary interest	14,826.30	2,630	2,566
D57	Hotel MyStays Oita	1-32, Niagemachi Oita-shi, Oita	Trust beneficiary interest	3,254.69	1,560	1,509
D58	Hotel MyStays Gotanda	2-5-4, Higashigotanda Shinagawa-ku, Tokyo	Trust beneficiary interest	1,839.77	3,920	4,055
D59	Hotel MyStays Tachikawa	1-8-14, Nishiki-cho Tachikawa-shi, Tokyo	Trust beneficiary interest	3,844.64	3,310	3,206
D60	Hotel MyStays Premier Akasaka	2-17-54, Akasaka Minato-ku, Tokyo	Trust beneficiary interest	8,620.69	23,200	20,413
D61	Hotel MyStays Premier Sapporo Park	2-2-10, Minamikujo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	21,670.64	16,100	16,268
D62	Hotel MyStays Ueno East	5-5-6, Higashi Ueno, Taito-ku, Tokyo	Trust beneficiary interest	4,396.02	5,110	5,190
D63	Hotel MyStays Midosuji Honmachi	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,429.43	3,920	4,902
D64	Hotel MyStays Sapporo Aspen	5-1 Nishi 4-chome, Kita 8-jo, Kita-ku, Sapporo-shi, Hokkaido, and seven other lots	Trust beneficiary interest	15,313.17	14,900	15,399
D65	Art Hotel Ishigakijima	554-2 Nishimaji Okawa, Ishigaki - shi, Okinawa, and four other lots	Trust beneficiary interest	17,247.54	9,290	9,605
D66	Hotel MyStays Fuji Onsen Resort	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots	Trust beneficiary interest	5,498.49	9,750	9,104
D67	Hotel Sonia Otaru	1-4-20 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,509.41	5,670	5,761

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D68	Hotel MyStays Kanazawa Castle	10-17 Konohana-machi, Kanazawa-shi, Ishikawa	Trust beneficiary interest	5,931.84	5,410	5,645
D69	Art Hotel Niigata Station	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interest	10,403.01	5,340	5,476
D70	Hotel MyStays Nagoya Nishiki	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	6,077.99	5,110	5,138
D71	Hotel Nord Otaru	1-4-16 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,047.43	4,050	4,213
D72	Hotel MyStays Kagoshima Tenmonkan	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima	Trust beneficiary interest	7,659.55	3,390	3,390
D73	Art Hotel Asahikawa	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido	Trust beneficiary interest	25,131.84	3,040	3,043
D74	Hotel MyStays Matsuyama	1-10-10 Otemachi, Matsuyama-shi, Ehime	Trust beneficiary interest	8,274.37	3,160	2,975
D75	Hotel MyStays Sapporo Susukino	1-6 Nishi 5-Chome, Minami 7-jo, Chuo-ku, Sapporo-shi, Hokkaido, and one other lot	Trust beneficiary interest	2,853.26	2,970	3,024
D76	Hotel MyStays Sapporo Nakajima Park	1-20 Nishi 1-chome, Minami 14-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	5,473.41	2,060	2,072
D77	Hotel MyStays Sapporo Nakajima Park Annex	4-3 Nishi 1-chome, Minami 11-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	1,775.21	1,520	1,552
D78	Flexstay Inn Sakuragicho	2-72-2 Hanasaki-cho, Naka-ku, Yokohama-shi, Kanagawa, and four other lots	Trust beneficiary interest	1,308.61	1,450	1,410
D79	MyCUBE by MYSTAYS Asakusa Kuramae	2-6-7 Kuramae, Taito-ku, Tokyo	Trust beneficiary interest	2,156.70	1,260	1,278
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interest	2,047.70	1,190	1,155
D81	Hotel MyStays Nayoro	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot	Trust beneficiary interest	1,985.27	932	921
D82	Hotel MyStays Premier Narita	40 Yokomine Oyama, Narita-shi, Chiba, and 14 other lots	Trust beneficiary interest	36,519.70	10,200	10,396
D83	Art Hotel Morioka	3-3-18 Odori, Morioka-shi, Iwate	Trust beneficiary interest	16,727.08	5,400	5,533
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands	The Leasehold	21,528.23	32,788 (USD 316,800 thousand) (Note 6)	29,476
D201	Sunshine Suites Resort	1465 Esterley Tibbetts Highway, Grand Cayman, Cayman Islands	The Leasehold	6,723.11	5,909 (USD 57,100 thousand) (Note 6)	5,660
Subtotal				572,519.79	470,583	418,570
Total				707,952.20	530,860	465,553

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

(Note 2) Leasable areas of Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort indicate the areas subject to management contract.

- (Note 3) “Appraisal value as of the end of the Reporting Period” is the value appraised or researched by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. or CBRE, Inc., in accordance with the Articles of Incorporation of INV and the regulations of The Investment Trusts Association, Japan.
- (Note 4) Individual trust beneficiary interests were integrated into three groups with other trust beneficiary interests when INV procured funds through debt financing backed by trust assets in July 2011. As a result of disposition of assets and detachment of trust beneficiary interest from an integrated trust account thereafter, the grouping of trust beneficiary interests at the end of the Reporting Period is as follows:
- Group 1
Nisshin Palacestage Daitabashi, Growth Maison Shin-Yokohama, Belle Face Ueno-Okachimachi, Growth Maison Yoga, Shibuya-Honmachi Mansion, and Fors Nakamurabashi.
- Group 2
College Square Machida, Belair Meguro, and Wacore Tsunashima I.
- Group 3
Suncrest Shakujii-Koen, Grand Rire Kameido, Acseeds Tower Kawaguchi-Namiki, Growth Maison Kaijin, and College Square Machiya.
- (Note 5) “Appraisal value as of the end of the Reporting Period” indicates appraisal value calculated deeming the owned portion and the floor expansion portion as one.
- (Note 6) “Appraisal value as of the end of the Reporting Period” is converted into JPY using the exchange rate of USD 1 = JPY 103.50, which is the exchange rate on the closing date of the fiscal period (December 31, 2020).

Trends for the leasing operations of the properties owned by INV are as below.

Name of property		34th fiscal period (January 1, 2020 to June 30, 2020)				35th fiscal period (July 1, 2020 to December 31, 2020)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 3)	Rental revenue (during period) (JPY thousand) (Note 2)	Ratio of rental revenue (%) (Note 3)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 3)	Rental revenue (during period) (JPY thousand) (Note 2)	Ratio of rental revenue (%) (Note 3)
A26	Nisshin Palacestage Daitabashi	1	95.2	40,612	0.7	1	88.2	38,050	0.7
A27	Nisshin Palacestage Higashi- Nagasaki (Note 4)	1	97.1	47,466	0.8	-	-	44,051	0.8
A28	Growth Maison Gotanda	1	100.0	27,694	0.5	1	100.0	27,708	0.5
A29	Growth Maison Kameido	1	97.0	35,652	0.6	1	97.0	35,295	0.6
A30	Emerald House	1	98.9	50,047	0.9	1	93.8	41,900	0.7
A32	Suncrest Shakujii-Koen	1	94.9	37,543	0.6	1	94.1	38,160	0.7
A33	Growth Maison Shin-Yokohama	1	92.6	38,123	0.7	1	94.0	37,260	0.6
A34	Belle Face Ueno-Okachimachi	1	96.8	36,452	0.6	1	90.5	30,727	0.5
A35	Grand Rire Kameido	1	100.0	26,619	0.5	1	100.0	26,619	0.5
A37	Growth Maison Yoga	1	89.8	23,185	0.4	1	94.9	23,025	0.4
A38	Route Tachikawa	1	100.0	21,713	0.4	1	100.0	21,956	0.4
A39	Shibuya-Honmachi Mansion	1	95.5	20,937	0.4	1	100.0	21,467	0.4
A40	City Heights Kinuta	1	83.8	16,772	0.3	1	83.8	16,726	0.3
A41	Acseeds Tower Kawaguchi-Namiki	1	93.0	26,068	0.4	1	98.2	25,071	0.4
A43	College Square Machida	1	100.0	17,046	0.3	1	100.0	16,609	0.3
A44	Belair Meguro	1	100.0	17,678	0.3	1	91.9	16,609	0.3
A45	Wacore Tsunashima I	1	94.1	18,796	0.3	1	95.9	18,629	0.3
A46	Foros Nakamurabashi	1	92.6	18,987	0.3	1	95.1	18,537	0.3
A47	Growth Maison Kaijin	1	94.9	22,584	0.4	1	91.2	22,400	0.4
A48	College Square Machiya	1	100.0	14,924	0.3	1	100.0	14,924	0.3
A51	City House Tokyo Shinbashi (Note 5)	-	-	7,118	0.1	-	-	-	-
A53	Nishiwaseda Cresent Mansion (Note 4)	1	100.0	75,734	1.3	-	-	71,152	1.2
A54	Lexington Square Akebonobashi (Note 4)	1	95.4	51,742	0.9	-	-	46,241	0.8
A59	Towa City Coop Shinotsuka II	1	95.2	36,558	0.6	1	96.4	36,213	0.6

Name of property		34th fiscal period (January 1, 2020 to June 30, 2020)				35th fiscal period (July 1, 2020 to December 31, 2020)			
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A61	Bichsel Musashiseki	1	90.0	24,009	0.4	1	94.3	22,996	0.4
A63	Towa City Coop Sengencho	1	89.9	57,222	1.0	1	88.4	57,066	1.0
A64	Royal Park Omachi	1	89.4	25,599	0.4	1	81.1	22,914	0.4
A65	Lexington Square Haginomachi	1	92.1	16,878	0.3	1	92.4	16,408	0.3
A66	Visconti Kakuozan	1	100.0	9,997	0.2	1	100.0	11,659	0.2
A71	Lexington Square Daitabashi (Note 4)	1	93.0	34,137	0.6	—	—	30,425	0.5
A72	Lexington Square Honjo Azumabashi	1	93.9	18,758	0.3	1	97.0	18,697	0.3
A73	AMS TOWER Minami 6-Jo	1	86.0	46,320	0.8	1	86.1	42,972	0.7
A76	Neo Prominence (Note 4)	1	95.0	68,847	1.2	—	—	61,466	1.1
A77	Invoice Shin-Kobe Residence	1	96.3	50,169	0.9	1	94.5	49,193	0.9
A78	Cosmo Court Motomachi	1	97.7	38,377	0.7	1	98.8	39,291	0.7
A79	Revest Honjin	1	92.5	30,330	0.5	1	96.2	31,326	0.5
A80	Revest Matsubara	1	93.7	28,822	0.5	1	80.6	26,307	0.5
A82	Alba Noritake Shinmachi	1	95.2	26,944	0.5	1	90.3	25,634	0.4
A83	Revest Meieki Minami	1	90.5	26,705	0.5	1	75.9	23,754	0.4
A84	Revest Heian	1	93.6	23,820	0.4	1	93.6	23,546	0.4
A85	Vendir Hamaotsu Ekimae	1	95.3	34,983	0.6	1	97.8	35,107	0.6
A86	Salvo Sala	1	92.0	24,717	0.4	1	91.1	22,828	0.4
A87	Excellente Kagurazaka	1	94.2	20,015	0.3	1	82.4	17,887	0.3
A88	Luna Court Edobori	1	96.0	21,204	0.4	1	90.1	19,984	0.3
A89	Winntage Kobe Motomachi	1	91.3	22,399	0.4	1	90.8	21,642	0.4
A90	Queen's Court Fukuzumi	1	96.6	18,161	0.3	1	93.1	17,341	0.3
A91	Corp Higashinotoin	1	93.3	18,903	0.3	1	93.3	18,174	0.3
A92	Belair Oimachi	1	92.6	16,147	0.3	1	84.8	15,270	0.3
A93	Siete Minami-Tsukaguchi	1	100.0	17,746	0.3	1	97.5	17,502	0.3
A94	Prime Life Sannomiya Isogami Koen	1	100.0	15,434	0.3	1	93.8	15,067	0.3

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A95	HERMITAGE NANBA WEST	1	88.0	15,999	0.3	1	87.2	14,460	0.3
A96	Century Park Shinkawa 1-bankan	1	97.7	18,277	0.3	1	97.7	18,343	0.3
A97	West Avenue	1	92.5	13,471	0.2	1	97.5	12,995	0.2
A98	Little River Honmachibashi	1	100.0	14,743	0.3	1	84.6	12,658	0.2
A99	Prime Life Mikage	1	96.7	12,624	0.2	1	100.0	12,525	0.2
A100	City Court Kitaichijo (Note 4)	1	92.9	66,469	1.1	—	—	60,105	1.0
A101	Lieto Court Mukojima	1	99.0	56,899	1.0	1	96.4	56,786	1.0
A102	Lieto Court Nishi-Ojima	1	97.8	50,076	0.9	1	98.8	51,126	0.9
A103	Royal Parks Momozaka	1	96.0	161,353	2.8	1	96.0	161,328	2.8
A104	Royal Parks Shinden	1	100.0	216,531	3.7	1	100.0	217,186	3.8
A106	Royal Parks Seasir Minami-Senju	1	97.7	118,525	2.0	1	94.9	118,702	2.1
Subtotal		60	95.6	2,211,691	37.9	54	94.2	2,130,029	37.1
B17	Lexington Plaza Hachiman	1	98.5	160,501	2.7	1	98.5	159,025	2.8
B18	AEON TOWN Sukagawa	1	100.0	140,585	2.4	1	100.0	141,487	2.5
Subtotal		2	99.5	301,086	5.2	2	99.5	300,512	5.2
D01	Hotel MyStays Kanda	1	100.0	13,405	0.2	1	100.0	0	0.0
D02	Hotel MyStays Asakusa	1	100.0	19,987	0.3	1	100.0	2,942	0.1
D03	Hotel MyStays Kyoto-Shijo	1	100.0	30,445	0.5	1	100.0	5,394	0.1
D04	MyStays Shin-Urayasu Conference Center	1	100.0	36,106	0.6	1	100.0	9,145	0.2
D05	Hotel MyStays Maihama	1	100.0	32,293	0.6	1	100.0	41,855	0.7
D06	Hotel MyStays Premier Dojima	1	100.0	58,998	1.0	1	100.0	28,925	0.5
D07	Hotel MyStays Nagoya-Sakae	1	100.0	41,786	0.7	1	100.0	9,840	0.2
D08	Hotel MyStays Sakaisuji-Honmachi	1	100.0	13,295	0.2	1	100.0	0	0.0
D09	Hotel MyStays Yokohama	1	100.0	38,422	0.7	1	100.0	37,166	0.6
D10	Hotel MyStays Nippori	1	100.0	12,226	0.2	1	100.0	726	0.0
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	19,300	0.3	1	100.0	3,223	0.1

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D12	Flexstay Inn Idabashi	1	100.0	17,109	0.3	1	100.0	3,648	0.1
D13	Hotel MyStays Ueno Inaricho	1	100.0	8,995	0.2	1	100.0	0	0.0
D14	Flexstay Inn Shinagawa	1	100.0	10,724	0.2	1	100.0	2,548	0.0
D15	Flexstay Inn Tokiwadai	1	100.0	35,160	0.6	1	100.0	3,664	0.1
D16	Flexstay Inn Sugamo	1	100.0	10,898	0.2	1	100.0	1,341	0.0
D17	Hotel MyStays Otemae	1	100.0	9,421	0.2	1	100.0	0	0.0
D18	Hotel MyStays Kiyosumi Shirakawa	1	100.0	11,612	0.2	1	100.0	380	0.0
D19	Flexstay Inn Nakanobu P1	1	100.0	13,086	0.2	1	100.0	2,639	0.0
D20	Flexstay Inn Nakanobu P2	1	100.0	4,197	0.1	1	100.0	1,150	0.0
D21	APA Hotel Yokohama-Kannai	1	100.0	216,599	3.7	1	100.0	247,437	4.3
D22	Hotel MyStays Hakodate-Goryokaku	1	100.0	18,065	0.3	1	100.0	53,619	0.9
D23	Flexstay Inn Shirogane	1	100.0	20,019	0.3	1	100.0	0	0.0
D24	Hotel MyStays Haneda	1	100.0	111,581	1.9	1	100.0	74,035	1.3
D25	Hotel MyStays Kameido P1	1	100.0	54,922	0.9	1	100.0	31,597	0.6
D26	Hotel MyStays Ueno Iriyaguchi	1	100.0	19,044	0.3	1	100.0	3,634	0.1
D27	Hotel MyStays Kameido P2	1	100.0	31,796	0.5	1	100.0	20,317	0.4
D28	Hotel MyStays Shimizu	1	100.0	22,250	0.4	1	100.0	27,732	0.5
D29	Super Hotel Shinbashi/Karasumoriguchi	1	100.0	39,426	0.7	1	100.0	39,426	0.7
D30	Flexstay Inn Higashi-Jujo	1	100.0	8,888	0.2	1	100.0	0	0.0
D31	Hotel MyStays Utsunomiya	1	100.0	19,247	0.3	1	100.0	31,138	0.5
D32	Flexstay Inn Kawasaki-Kaizuka	1	100.0	21,574	0.4	1	100.0	3,832	0.1
D33	Comfort Hotel Toyama	1	100.0	35,928	0.6	1	100.0	35,928	0.6
D34	Flexstay Inn Kawasaki-Ogawacho	1	100.0	15,351	0.3	1	100.0	2,622	0.0
D35	Flexstay Inn Ekoda	1	100.0	53,303	0.9	1	100.0	14,346	0.3
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1	100.0	31,787	0.5	1	100.0	31,787	0.6

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D37	Super Hotel JR Ueno-iriyaguchi	1	100.0	27,275	0.5	1	100.0	27,275	0.5
D38	Hotel MyStays Shinsaibashi	1	100.0	13,813	0.2	1	100.0	0	0.0
D39	Comfort Hotel Kurosaki	1	100.0	37,894	0.6	1	100.0	37,894	0.7
D40	Comfort Hotel Maebashi	2	100.0	43,811	0.8	2	100.0	43,811	0.8
D41	Comfort Hotel Tsubame-Sanjo	2	100.0	34,949	0.6	2	100.0	34,949	0.6
D42	Comfort Hotel Kitami	1	100.0	30,300	0.5	1	100.0	30,300	0.5
D43	Hotel MyStays Gotanda Station	1	100.0	147,572	2.5	1	100.0	54,711	1.0
D44	Hotel Epinard Nasu	1	100.0	112,358	1.9	1	100.0	851,447	14.8
D45	Hotel MyStays Fukuoka Tenjin	1	100.0	29,041	0.5	1	100.0	8,050	0.1
D46	Hotel MyStays Hamamatsucho	1	100.0	27,694	0.5	1	100.0	2,259	0.0
D47	Hotel MyStays Premier Kanazawa	1	100.0	83,373	1.4	1	100.0	147,658	2.6
D48	Takamatsu Tokyu REI Hotel	3	100.0	100,066	1.7	2	95.8	94,804	1.7
D49	Hotel MyStays Premier Hamamatsucho	1	100.0	74,193	1.3	1	100.0	17,545	0.3
D50	Hotel MyStays Shin Osaka Conference Center	1	100.0	59,208	1.0	1	100.0	17,293	0.3
D51	Hotel MyStays Premier Omori	1	100.0	51,334	0.9	1	100.0	30,000	0.5
D52	Beppu Kamenoi Hotel	1	100.0	95,994	1.6	1	100.0	124,660	2.2
D53	Hotel MyStays Sapporo Station	1	100.0	57,028	1.0	1	100.0	8,436	0.1
D54	Hotel MyStays Yokohama Kannai	1	100.0	37,508	0.6	1	100.0	36,557	0.6
D55	Art Hotel Joetsu	1	100.0	3,164	0.1	1	100.0	46,021	0.8
D56	Art Hotel Hirosaki City	1	100.0	2,997	0.1	1	100.0	34,928	0.6
D57	Hotel MyStays Oita	1	100.0	14,079	0.2	1	100.0	18,667	0.3
D58	Hotel MyStays Gotanda	1	100.0	25,281	0.4	1	100.0	5,621	0.1
D59	Hotel MyStays Tachikawa	1	100.0	39,951	0.7	1	100.0	31,656	0.6
D60	Hotel MyStays Premier Akasaka	1	100.0	103,236	1.8	1	100.0	11,363	0.2
D61	Hotel MyStays Premier Sapporo Park	1	100.0	75,356	1.3	1	100.0	26,762	0.5

Name of property		34th fiscal period (January 1, 2020 to June 30, 2020)				35th fiscal period (July 1, 2020 to December 31, 2020)			
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D62	Hotel MyStays Ueno East	1	100.0	25,172	0.4	1	100.0	3,020	0.1
D63	Hotel MyStays Midosuji Honmachi	1	100.0	20,609	0.4	1	100.0	0	0.0
D64	Hotel MyStays Sapporo Aspen	1	100.0	101,004	1.7	1	100.0	10,012	0.2
D65	Art Hotel Ishigakijima	1	100.0	34,431	0.6	1	100.0	67,294	1.2
D66	Hotel MyStays Fuji Onsen Resort	1	100.0	43,344	0.7	1	100.0	98,948	1.7
D67	Hotel Sonia Otaru	1	100.0	30,074	0.5	1	100.0	62,190	1.1
D68	Hotel MyStays Kanazawa Castle	1	100.0	22,119	0.4	1	100.0	33,779	0.6
D69	Art Hotel Niigata Station	1	100.0	37,492	0.6	1	100.0	75,623	1.3
D70	Hotel MyStays Nagoya Nishiki	1	100.0	27,008	0.5	1	100.0	1,949	0.0
D71	Hotel Nord Otaru	1	100.0	27,027	0.5	1	100.0	33,813	0.6
D72	Hotel MyStays Kagoshima Tenmonkan	2	100.0	26,723	0.5	2	100.0	15,945	0.3
D73	Art Hotel Asahikawa	1	100.0	15,000	0.3	1	100.0	33,629	0.6
D74	Hotel MyStays Matsuyama	1	100.0	23,856	0.4	1	100.0	18,200	0.3
D75	Hotel MyStays Sapporo Susukino	1	100.0	15,812	0.3	1	100.0	1,609	0.0
D76	Hotel MyStays Sapporo Nakajima Park	1	100.0	11,253	0.2	1	100.0	0	0.0
D77	Hotel MyStays Sapporo Nakajima Park Annex	1	100.0	6,478	0.1	1	100.0	0	0.0
D78	Flexstay Inn Sakuragicho	1	100.0	18,281	0.3	1	100.0	12,477	0.2
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1	100.0	3,376	0.1	1	100.0	0	0.0
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1	100.0	11,112	0.2	1	100.0	3,088	0.1
D81	Hotel MyStays Nayoro	1	100.0	16,191	0.3	1	100.0	29,039	0.5
D82	Hotel MyStays Premier Narita	1	100.0	233,209	4.0	1	100.0	214,718	3.7
D83	Art Hotel Morioka	1	100.0	91,727	1.6	1	100.0	77,635	1.4
Subtotal		88	100.0	3,326,057	57.0	87	99.9	3,307,707	57.6
Total		150	99.2	5,838,836	100.0	143	99.0	5,738,249	100.0

(Note 1) "Occupancy rate" is calculated by dividing the leased area by leasable area.

(Note 2) "Rental revenue (during period)" indicates leasing operation revenues during the fiscal period for each property and has been rounded down to the nearest thousand yen.

(Note 3) "Occupancy rate" and "Ratio of rental revenue" are rounded to one decimal place.

(Note 4) The trust beneficiary interests of Nisshin Palacestage Higashi-Nagasaki, Nishiwaseda Crescent Mansion, Neo Prominence, City Court Kitaichijo, Lexington Square Akebonobashi, and Lexington Square Daitabashi were sold on December 18, 2020.

(Note 5) The trust beneficiary interest of City House Tokyo Shinbashi was sold on January 15, 2020.

Name of property		34th fiscal period (January 1, 2020 to June 30, 2020)				35th fiscal period (July 1, 2020 to December 31, 2020)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 3)	Management contract revenue (during period) (JPY thousand) (Note 2)	Ratio of management contract revenue (%) (Note 3)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 3)	Management contract revenue (during period) (JPY thousand) (Note 2) (Note 4)	Ratio of management contract revenue (%) (Note 3)
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	1	100.0	769,453	86.4	1	100.0	-	-
D201	Sunshine Suites Resort	1	100.0	120,989	13.6	1	100.0	-	-
Total		2	100.0	890,442	100.0	2	100.0	-	-

(Note 1) "Occupancy rate" is calculated using the area subject to management contract.

(Note 2) "Management contract revenue" is converted to JPY using the exchange rate at the time of the transaction.

(Note 3) "Occupancy rate" and "Ratio of management contract revenue" are rounded to one decimal place.

(Note 4) Since hotel operating expenses exceeded hotel operating revenues, management contract revenue was JPY 0. The excess amount is recorded as management contract losses.

4 Asset Portfolio of Facilities Generating Renewable Energy, etc.

Not applicable

5 Asset Portfolio Including Rights to Operate Public Facilities, etc.

Not applicable

6 Asset Portfolio of Securities

The portfolio of the securities held by INV at the end of the Reporting Period is as below.

Name	Type	Quantity (units)	Book value (JPY million)		Fair value (JPY million)		Valuation gain or loss (JPY million)	Notes
			Unit price	Amount	Unit price	Amount		
Preferred equity securities in Kingdom Special Purpose Company	Preferred equity securities	178,458	-	17,856	-	17,856	-	(Note 1) (Note 2)
Total		-	-	17,856	-	17,856	-	

(Note 1) Fair value of the preferred equity securities indicates the acquisition cost.

(Note 2) INV owns 178,458 units of preferred equity securities issued by Kingdom Special Purpose Company (equivalent to 49.0% of preferred equity securities issued and outstanding after the issuance of the said preferred equity securities), with the Sheraton Grande Tokyo Bay Hotel as an underlying asset.

7 Status of Contract Amount and Fair Value of Specified Transaction

As of December 31, 2020, the contract amount and fair value of the outstanding transaction under the specified transaction account of INV are as follows.

(Unit: JPY thousand)

Category	Transaction type, etc.	Contract amount (Note 1)		Fair value (Note 2)
			Amounts due after one year	
Non-market transaction	Interest rate swap Receive floating rate/pay fixed rate	69,383,000	65,133,000	(165,929)
	Currency option transaction, short USD/Call (Option fees)	952,820 (23,788)	596,860 (14,921)	(4,323)
	Currency option transaction, long USD/Put (Option fees)	952,820 39,407	596,860 25,719	66,180

(Note 1) The contract amount, etc. for interest rate swap are stated based on a notional principal.

(Note 2) Estimation method for fair value

Interest rate swap	Estimated based on the price, etc. presented by the correspondent financial institutions.
Currency option	Indicates fair values of option fees, etc. presented by the correspondent financial institutions.

8 Status of Other Assets

Real estate and trust beneficiary interests in real estate are listed together in “3 Asset Portfolio of Real Estate, etc.” above. As of the end of the Reporting Period, there are no investments in specified assets that are significant investment targets for INV outside of 3 and 6 above.

9 Assets Owned Outside of Japan or the Region

Assets owned outside of Japan or the region held by INV at the end of the Reporting Period are as below.

Country name	Amount held (JPY million) (Note 1)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 2)		No. of properties (properties)
			Percentage of total assets (%)	
Japan	448,273	510,007	92.9	140
The Cayman Islands	35,136	38,698	7.1	2
Total	483,409	548,706	100.0	142

(Note 1) “Amount held” is from the balance sheet (book value after depreciation for real estate and trust beneficiary interest in real estate; and book value for preferred equity securities with real estate as underlying assets) as of December 31, 2020.

(Note 2) “Appraisal value as of the end of the Reporting Period” indicates the real estate appraisal value as of December 31, 2020, or the research value stated in the real estate research report and the appraisal value of investment securities. “Appraisal value as of the end of the Reporting Period” for preferred equity securities which INV holds in Japan indicates acquisition cost since their fair value is deemed extremely difficult to value. “Appraisal value as of the end of the Reporting Period” for assets which INV holds in the Cayman Islands indicates the amount converted to JPY using the exchange rate of USD 1 = JPY 103.50, which is the exchange rate on the closing date of the fiscal period (December 31, 2020).

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 Reporting Period for the real estate-related assets owned by INV is as follows.

Name of property	Location	Purpose	Scheduled time of implementation	Estimated cost (JPY thousand)			
				Total	Payment for the Reporting Period	Advance payments	
D200	Westin Grand Cayman Seven Mile Beach Resort & SPA	Grand Cayman, Cayman Islands	Replacement of guest room key	From January 2021 To June 2021	30,025	-	-
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Fire protection equipment renovation work	From January 2021 To June 2021	30,000	-	-
D17	Hotel MyStays Otemae	Osaka-shi, Osaka	Guest room renovation work	From January 2021 To June 2021	21,000	-	-
D06	Hotel MyStays Premier Dojima	Osaka-shi, Osaka	Tenant space renovation work	From January 2021 To June 2021	20,000	-	-
D56	Art Hotel Hirosaki City	Hirosaki-shi, Aomori	Tenant space renovation work	From January 2021 To June 2021	20,000	-	-

2 Capital Expenditures for the Fiscal Period Ended December 31, 2020

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended December 31, 2020 is as follows. Capital expenditures for the fiscal period totaled JPY 574,116 thousand, and together with JPY 18,207 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 592,323 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Employee dormitory construction work	From July 2020 To December 2020	168,699
D49	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	Fire protection equipment renovation work	From July 2020 To December 2020	31,916
D200	Westin Grand Cayman Seven Mile Beach Resort & SPA	Grand Cayman, Cayman Islands	Restaurants and kitchens renovation work	From July 2020 To December 2020	29,129
A47	Growth Maison Kaijin	Funabashi-shi, Chiba	Automatic parking lot renovation work	From July 2020 To December 2020	24,200
D52	Beppu Kamenoi Hotel	Beppu-shi, Oita	Elevators renovation work	From July 2020 To December 2020	18,100
Other construction					302,071
Total					574,116

3 Reserved Funds for Long-Term Maintenance Plan (repair reserves)

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

(Unit: JPY thousand)

Fiscal period	31st fiscal period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period
	From July 1, 2018 to December 31, 2018	From January 1, 2019 to June 30, 2019	From July 1, 2019 to December 31, 2019	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020
Reserved funds at beginning of period	1,611,828	1,814,515	2,039,622	2,543,226	5,485,363
Amount reserved (Note)	618,404	1,215,476	1,621,422	3,908,773	565,299
Amount reversed (Note)	415,718	990,368	1,117,818	966,636	3,439,991
Amount carried over for next fiscal period	1,814,515	2,039,622	2,543,226	5,485,363	2,610,671

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

Overview of Expenses and Liabilities

1 Statement of Operating Expenses

(JPY thousand)

Item	34th fiscal period January 1, 2020 to June 30, 2020	35th fiscal period July 1, 2020 to December 31, 2020
(a) Asset management fees	300,000	300,000
(b) Asset custody fees	26,231	25,684
(c) Administrative services fees	47,259	67,749
(d) Directors' compensation	4,800	4,800
(e) Other	198,092	223,692
Total	576,383	621,927

2 Borrowing Conditions

Borrowing conditions by financial institution at the end of the Reporting Period are as below.

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Sumitomo Mitsui Trust Bank, Limited	Jan. 6, 2020	880,000	-	0.288	Jan. 6, 2021	(Note 4)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 16, 2020	-	5,992,000	0.338	Jul. 16, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	6,660,000					
	Sumitomo Mitsui Banking Corporation		-	5,992,000					
	Sumitomo Mitsui Trust Bank, Limited		-	2,670,000					
	Citibank, N.A., Tokyo Branch		-	3,000,000					
	Shinsei Bank, Limited		-	3,330,000					
	Resona Bank, Limited.		-	1,335,000					
	Development Bank of Japan, Inc.	Jul. 20, 2020	-	1,000,000	0.338	Jul. 20, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation	Sep. 14, 2020	-	3,000,000	0.338	Sep. 14, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Oct. 13, 2020	-	328,500	0.338	Oct. 13, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Citibank, N.A., Tokyo Branch		-	355,000					
	Shinsei Bank, Limited		-	355,000					
	Resona Bank, Limited.		-	334,000					
	The Nomura Trust and Banking Co., Limited		-	167,000					
Sumitomo Mitsui Trust Bank, Limited	-	328,500							
Subtotal			880,000	34,847,000					
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 16, 2015	5,992,000	-	0.590	Jul. 16, 2020	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,992,000	-					
	Sumitomo Mitsui Banking Corporation		5,992,000	-					
	Shinsei Bank, Limited		3,330,000	-					
	Citibank, N.A., Tokyo Branch		3,000,000	-					
	Sumitomo Mitsui Trust Bank, Limited		2,670,000	-					
	Resona Bank, Limited		1,335,000	-					
	MUFG Bank, Ltd.		668,000	-					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Sumitomo Mitsui Trust Bank, Limited	Jan. 22, 2016	3,400,000	3,400,000	0.600	Jan. 22, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		850,000	850,000					
	Mizuho Bank, Ltd.	Mar. 31, 2016	1,965,000	1,965,000	0.688	Mar. 30, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,125,000	1,125,000					
	Sumitomo Mitsui Trust Bank, Limited		2,180,000	2,180,000					
	Shinsei Bank, Limited		570,000	570,000					
	Resona Bank, Limited		570,000	570,000					
	MUFG Bank, Ltd.		650,000	650,000					
	The Bank of Fukuoka, Ltd.		1,333,000	1,333,000					
	The Shizuoka Bank, Ltd.		270,000	270,000					
	The Kagawa Bank, Ltd.		500,000	500,000					
	The Hiroshima Bank, Ltd.		1,000,000	1,000,000					
	The Nomura Trust and Banking Co., Limited		270,000	270,000					
	Citibank, N.A., Tokyo Branch	Jun. 15, 2016	1,000,000	1,000,000	0.688	Jun. 15, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	AEON Bank, Ltd.	Jun. 30, 2016	3,000,000	3,000,000	0.688	Jun. 30, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2016	600,000	-	0.561	Jul. 20, 2020	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Towa Bank, Ltd.		1,000,000	-					
	Tokyo Star Bank, Limited	Jul. 20, 2016	1,700,000	1,700,000	0.688	Jul. 20, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 14, 2017	1,633,000	1,633,000	0.588	Mar. 14, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited		333,000	333,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	The Nomura Trust and Banking Co., Limited		333,000	333,000					
	The Towa Bank, Ltd.		253,000	253,000					
	The Shizuoka Bank, Ltd.		200,000	200,000					
	The Gunma Bank, Ltd.		165,000	165,000					
	Mizuho Bank, Ltd.	Mar. 14, 2017	1,733,000	1,733,000	0.688	Mar. 14, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited		333,000	333,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	The Nomura Trust and Banking Co., Limited		333,000	333,000					
	AEON Bank, Ltd.		900,000	900,000					
The Towa Bank, Ltd.	253,000		253,000						
The Shizuoka Bank, Ltd.	200,000		200,000						
The Daiichi Life Insurance Co., Ltd.	500,000		500,000						
The Gunma Bank, Ltd.	165,000		165,000						
Sumitomo Mitsui Banking Corporation	Mar. 14, 2017		3,000,000	-					
Mizuho Bank, Ltd.	May 29, 2017	4,321,000	4,321,000	0.638	Nov. 29, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee	
The Daiichi Life Insurance Co., Ltd.		3,000,000	3,000,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Shinsei Bank, Limited	Oct. 13, 2017	355,000	-	0.380	Oct. 13, 2020	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Citibank, N.A., Tokyo Branch		355,000	-					
	Resona Bank, Limited		334,000	-					
	The Bank of Fukuoka, Ltd.		300,000	-					
	AEON Bank, Ltd.		190,000	-					
	The Nomura Trust and Banking Co., Limited		167,000	-					
	The Hiroshima Bank, Ltd.		167,000	-					
	Shinsei Bank, Limited	Oct. 13, 2017	355,000	355,000	0.488	Oct. 13, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Citibank, N.A., Tokyo Branch		355,000	355,000					
	Resona Bank, Limited		333,000	333,000					
	The Bank of Fukuoka, Ltd.		300,000	300,000					
	AEON Bank, Ltd.		190,000	190,000					
	The Nomura Trust and Banking Co., Limited		167,000	167,000					
	The Hiroshima Bank, Ltd.		167,000	167,000					
	Mizuho Bank, Ltd.	Oct. 13, 2017	500,000	500,000	0.688	Oct. 13, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
	Sumitomo Mitsui Banking Corporation		500,000	500,000					
	Shinsei Bank, Limited		355,000	355,000					
	Citibank, N.A., Tokyo Branch		355,000	355,000					
	Resona Bank, Limited		333,000	333,000					
	Development Bank of Japan, Inc.		1,500,000	1,500,000					
	The Bank of Fukuoka, Ltd.		300,000	300,000					
	AEON Bank, Ltd.		190,000	190,000					
	The Nomura Trust and Banking Co., Limited		166,000	166,000					
	The Hiroshima Bank, Ltd.		166,000	166,000					
	The Daiichi Life Insurance Co., Ltd.		500,000	500,000					
	Mizuho Bank, Ltd.	Oct. 13, 2017	1,250,000	1,250,000	0.788	Oct. 13, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,065,000	1,065,000					
	Sumitomo Mitsui Banking Corporation		1,250,000	1,250,000					
	Mizuho Bank, Ltd.	Oct. 13, 2017	1,250,000	1,250,000	0.888	Oct. 11, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,060,000	1,060,000					
	Sumitomo Mitsui Banking Corporation		1,250,000	1,250,000					
	Shinsei Bank, Limited	Jun. 27, 2018	1,000,000	1,000,000	0.750	Jun. 27, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
MUFG Bank, Ltd.	500,000		500,000						
Mizuho Bank, Ltd.	Jul. 17, 2018	2,442,000	2,442,000	0.388	Jul. 17, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee	
MUFG Bank, Ltd.		2,220,000	2,220,000						
Sumitomo Mitsui Banking Corporation		1,998,000	1,998,000						
Shinsei Bank, Limited		1,110,000	1,110,000						
Citibank, N.A., Tokyo Branch		1,000,000	1,000,000						
Sumitomo Mitsui Trust Bank, Limited		890,000	890,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 17, 2018	2,443,000	2,443,000	0.488	Jul. 17, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,220,000	2,220,000					
	Sumitomo Mitsui Banking Corporation		1,997,000	1,997,000					
	Shinsei Bank, Limited		1,110,000	1,110,000					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited		890,000	890,000					
	Mizuho Bank, Ltd.	Jul. 17, 2018	2,442,000	2,442,000	0.588	Jul. 14, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,220,000	2,220,000					
	Sumitomo Mitsui Banking Corporation		1,997,000	1,997,000					
	Shinsei Bank, Limited		1,110,000	1,110,000					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited		890,000	890,000					
	Mizuho Bank, Ltd.	Aug. 2, 2018	766,000	766,000	0.388	Aug. 2, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		766,000	766,000					
	MUFG Bank, Ltd.		467,000	467,000					
	Shinsei Bank, Limited		150,000	150,000					
	Citibank, N.A., Tokyo Branch		120,000	120,000					
	The Nomura Trust and Banking Co., Limited		30,000	30,000					
	AEON Bank, Ltd.		60,000	60,000					
	Mizuho Bank, Ltd.	Sep. 26, 2018	2,521,500	2,521,500	0.388	Sep. 26, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		2,521,500	2,521,500					
	MUFG Bank, Ltd.		2,133,000	2,133,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
	Shinsei Bank, Limited		684,000	684,000					
	Citibank, N.A., Tokyo Branch		546,000	546,000					
	Development Bank of Japan, Inc.		500,000	500,000					
	Resona Bank, Limited		445,000	445,000					
	The Nomura Trust and Banking Co., Limited		137,000	137,000					
	AEON Bank, Ltd.		273,000	273,000					
	Mizuho Bank, Ltd.	Sep. 26, 2018	3,287,000	3,287,000	0.488	Sep. 26, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		3,287,000	3,287,000					
	MUFG Bank, Ltd.		2,600,000	2,600,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
Shinsei Bank, Limited	833,000		833,000						
Citibank, N.A., Tokyo Branch	667,000		667,000						
Development Bank of Japan, Inc.	500,000		500,000						
Resona Bank, Limited	445,000		445,000						
The Nomura Trust and Banking Co., Limited	167,000		167,000						
AEON Bank, Ltd.	334,000		334,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Sep. 26, 2018	3,287,500	3,287,500	0.588	Sep. 26, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		3,287,500	3,287,500					
	MUFG Bank, Ltd.		2,600,000	2,600,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
	Shinsei Bank, Limited		833,000	833,000					
	Citibank, N.A., Tokyo Branch		667,000	667,000					
	Development Bank of Japan, Inc.		500,000	500,000					
	Resona Bank, Limited		445,000	445,000					
	The Nomura Trust and Banking Co., Limited		166,000	166,000					
	AEON Bank, Ltd.		333,000	333,000					
	MUFG Bank, Ltd.	Jan. 22, 2019	850,000	850,000	0.373	Jan. 22, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	3,400,000	3,400,000						
	Mizuho Bank, Ltd.	Mar. 29, 2019	386,000	386,000	0.361	Mar. 29, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,275,000	1,275,000					
	Sumitomo Mitsui Trust Bank, Limited		2,100,000	2,100,000					
	Shinsei Bank, Limited		500,000	500,000					
	Resona Bank, Limited		500,000	500,000					
	Development Bank of Japan, Inc.		1,000,000	1,000,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	The Shizuoka Bank, Ltd.		1,270,000	1,270,000					
	The Nomura Trust and Banking Co., Limited		270,000	270,000					
	The Senshu Ikeda Bank, Ltd.		300,000	300,000					
	Aozora Bank, Ltd.	Mar. 29, 2019	1,000,000	1,000,000	0.594	Mar. 29, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Nishi-Nippon City Bank, Ltd.		1,000,000	1,000,000					
	The Tochigi Bank, Ltd.		500,000	500,000					
	Kiraboshi Bank, Ltd.	Mar. 29, 2019	1,000,000	1,000,000	0.888	Mar. 29, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Citibank, N.A., Tokyo Branch	Jun. 17, 2019	1,000,000	1,000,000	0.340	Jun. 17, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Development Bank of Japan, Inc.	Jun. 28, 2019	1,000,000	1,000,000	0.334	Jun. 17, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 16, 2019	571,400	571,400	0.400	Jan. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
Sumitomo Mitsui Banking Corporation	1,331,200		1,331,200						
Sumitomo Mitsui Trust Bank, Limited	628,600		628,600						
Citibank, N.A., Tokyo Branch	1,000,000		1,000,000						
Shinsei Bank, Limited	200,000		200,000						
Resona Bank, Limited	600,000		600,000						
Mizuho Bank, Ltd.	571,400		571,400						
MUFG Bank, Ltd.	1,464,800	1,464,800							
Sumitomo Mitsui Banking Corporation	Jul. 16, 2019	1,331,200	1,331,200	0.499	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Sumitomo Mitsui Trust Bank, Limited		628,600	628,600						
Citibank, N.A., Tokyo Branch		1,000,000	1,000,000						
Shinsei Bank, Limited		200,000	200,000						
Resona Bank, Limited		600,000	600,000						
Mizuho Bank, Ltd.		571,400	571,400						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 16, 2019	1,171,400	1,171,400	0.563	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Shinsei Bank, Limited		200,000	200,000					
	Mizuho Bank, Ltd.	Jul. 16, 2019	2,171,400	2,171,400	0.638	Jan. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Shinsei Bank, Limited		200,000	200,000					
	Mizuho Bank, Ltd.		Jul. 16, 2019	2,170,400					
	MUFG Bank, Ltd.	1,464,800		1,464,800					
	Sumitomo Mitsui Banking Corporation	1,331,200		1,331,200					
	Sumitomo Mitsui Trust Bank, Limited	628,600		628,600					
	Shinsei Bank, Limited	200,000		200,000					
	Mizuho Bank, Ltd.	Jul. 19, 2019		1,085,000	1,085,000	0.413	Jan. 16, 2023	(Note 3)	(Note 2)
	MUFG Bank, Ltd.		987,000	987,000					
	Sumitomo Mitsui Banking Corporation		987,000	987,000					
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000					
	Citibank, N.A., Tokyo Branch		500,000	500,000					
	Development Bank of Japan, Inc.		300,000	300,000					
	AEON Bank, Ltd.		300,000	300,000					
	The Nomura Trust and Banking Co., Limited		100,000	100,000					
	Mizuho Bank, Ltd.	Jul. 19, 2019	712,000	712,000	0.525	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	986,000					
	Sumitomo Mitsui Banking Corporation		986,000	986,000					
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000					
	Citibank, N.A., Tokyo Branch		500,000	500,000					
	Development Bank of Japan, Inc.		300,000	300,000					
	AEON Bank, Ltd.		300,000	300,000					
	The Nomura Trust and Banking Co., Limited		100,000	100,000					
	Aozora Bank, Ltd.		375,000	375,000					
	Mizuho Bank, Ltd.		Jul. 19, 2019	712,000					
	MUFG Bank, Ltd.	986,000		986,000					
	Sumitomo Mitsui Banking Corporation	986,000		986,000					
Sumitomo Mitsui Trust Bank, Limited	684,000	684,000							
Citibank, N.A., Tokyo Branch	500,000	500,000							
Development Bank of Japan, Inc.	300,000	300,000							
AEON Bank, Ltd.	300,000	300,000							
The Nomura Trust and Banking Co., Limited	100,000	100,000							
Aozora Bank, Ltd.,	375,000	375,000							

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 19, 2019	1,212,000	1,212,000	0.638	Jan. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	986,000					
	Sumitomo Mitsui Banking Corporation		986,000	986,000					
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000					
	Development Bank of Japan, Inc.		300,000	300,000					
	AEON Bank, Ltd.		300,000	300,000					
	The Nomura Trust and Banking Co., Limited		100,000	100,000					
	Aozora Bank, Ltd.		375,000	375,000					
	Mizuho Bank, Ltd.	Jul. 19, 2019	1,211,000	1,211,000	0.788	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	986,000					
	Sumitomo Mitsui Banking Corporation		986,000	986,000					
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000					
	Development Bank of Japan, Inc.		300,000	300,000					
	AEON Bank, Ltd.		300,000	300,000					
	The Nomura Trust and Banking Co., Limited		100,000	100,000					
	Aozora Bank, Ltd.		375,000	375,000					
	Tokyo Star Bank, Limited	Jul. 22, 2019	700,000	700,000	0.788	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Aug. 28, 2019	2,882,000	2,882,000	0.462	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Daisan Bank, Ltd.		800,000	800,000					
	The Daisan Bank, Ltd.	Oct. 15, 2019	1,700,000	1,700,000	0.486	Apr. 15, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Daisan Bank, Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.638	Apr. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Nishi-Nippon City Bank, Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.788	Oct. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Jan. 6, 2020	1,550,000	1,550,000	0.417	Jan. 6, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Jan. 16, 2020	3,050,000	3,050,000	0.643	Jan. 6, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Momiji Bank, Ltd.		1,000,000	1,000,000					
	The Kiyo Bank		500,000	500,000					
	Mizuho Bank, Ltd.	Mar. 16, 2020	634,000	634,000	0.487	Mar. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited		300,000	300,000					
	Development Bank of Japan, Inc.		1,000,000	1,000,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
The Nomura Trust and Banking Co., Limited	333,000		333,000						
The Shizuoka Bank, Ltd.	200,000		200,000						
The Yamaguchi Bank, Ltd.	450,000		450,000						
MUFG Bank, Ltd.	850,000		850,000						
Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2020	1,090,000	1,090,000	0.388	Mar. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee	
The Bank of Fukuoka, Ltd.		333,000	333,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Mar. 30, 2020	582,000	582,000	0.588	Mar. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		628,000	628,000					
	Sumitomo Mitsui Trust Bank, Limited		1,090,000	1,090,000					
	Shinsei Bank, Limited		570,000	570,000					
	Resona Bank, Limited		500,000	500,000					
	The Nomura Trust and Banking Co., Limited		270,000	270,000					
	Aozora Bank, Ltd.		1,000,000	1,000,000					
	The Shizuoka Bank, Ltd.		270,000	270,000					
	The Kagawa Bank, Ltd.		500,000	500,000					
	The Yamaguchi Bank, Ltd.		550,000	550,000					
	The Chukyo Bank, Ltd.	1,000,000	1,000,000						
	Citibank, N.A., Tokyo Branch	Jun. 15, 2020	1,000,000	1,000,000	0.338	Jun. 17, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2020	-	600,000	0.338	Jul. 20, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
Subtotal			254,388,000	219,541,000					
Total			255,268,000	254,388,000					

(Note 1) Average interest rate shows the interest rate for each loan agreement as of the end of the fiscal period, rounded to three decimal places. In regards to borrowings which interest rate swap transactions are entered into for the purpose of avoiding risk from interest rate fluctuation, interest rates reflecting the interest rate swap are shown. In regards to borrowings repaid during the Reporting Period, the interest rate for each loan agreement as of the repayment date rounded to three decimal places is shown.

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

(Note 3) The balance at the end of the period will be repaid in full on the repayment date.

(Note 4) INV implemented the prepayment of its short-term consumption tax loan on October 30, 2020.

(Note 5) Long-term loans includes current portion of long-term loans payable.

3 Investment Corporation Bonds

Status of investment corporation bonds as of the end of the Reporting Period is as follows.

Bond Series	Issue Date	Balance at the beginning of the period (JPY thousand)	Balance at the end of the period (JPY thousand)	Interest Rate (%)	Redemption Date	Redemption method	Use of funds	Security/ Guaranty
First Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2018	1,000,000	1,000,000	0.400	May 25, 2023	(Note 2)	(Note 3)	Unsecured / Unguaranteed
Second Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2018	1,000,000	1,000,000	0.800	May 25, 2028	(Note 2)	(Note 3)	
Third Series Unsecured Investment Corporation Bonds (Note 1)	October 12, 2018	2,000,000	2,000,000	0.550	October 12, 2023	(Note 2)	(Note 4)	
Forth Series Unsecured Investment Corporation Bonds (Note 1)	October 28, 2019	1,000,000	1,000,000	0.480	October 28, 2024	(Note 2)	(Note 5)	
Fifth Series Unsecured Investment Corporation Bonds (Note 1)	October 28, 2019	2,000,000	2,000,000	0.900	October 26, 2029	(Note 2)	(Note 5)	
Sixth Series Unsecured Investment Corporation Bonds (Note 1)	March 13, 2020	1,200,000	1,200,000	0.850	March 13, 2030	(Note 2)	(Note 4)	
Total		8,200,000	8,200,000	—	—	—	—	—

(Note 1) This is with pari passu conditions among specified corporate bonds.

(Note 2) The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case where the laws and regulations or the depository otherwise stipulates.

(Note 3) The funds will be used to acquire trust beneficiary interest in real estate.

(Note 4) The funds will be used to repay borrowings.

(Note 5) The funds will be used in strategic capital expenditure.

4 Short-Term Investment Corporation Bonds

Not applicable

5 Investment Unit Options

Not applicable

Acquisitions and Sales for the Fiscal Period Ended December 31, 2020

1 Acquisitions and Sales of Real Estate, Asset-Backed Securities, Infrastructure Assets and Infrastructure Related-Assets

Type of asset	Name of property		Acquisition		Sale			
			Acquisition date	Acquisition price (JPY million)	Sales date	Sales price (JPY million) (Note 1) (Note 2)	Book value (JPY million) (Note 3)	Gain/loss on sales (JPY million) (Note 1) (Note 4)
Trust beneficiary interest	A27	Nisshin Palacestage Higashi-Nagasaki	—	—	December 18, 2020	7,869	1,036	1,509
Trust beneficiary interest	A53	Nishiwaseda Crescent Mansion	—	—	December 18, 2020		1,882	
Trust beneficiary interest	A76	Neo Prominence	—	—	December 18, 2020		1,585	
Trust beneficiary interest	A100	City Court Kitaichijo	—	—	December 18, 2020		1,678	
Trust beneficiary interest	A54	Lexington Square Akebonobashi	—	—	December 18, 2020	3,270	1,280	1,092
Trust beneficiary interest	A71	Lexington Square Daitabashi	—	—	December 18, 2020		820	
Total			—	—	—	11,139	8,284	2,602

(Note 1) The sale is a transaction under two purchase and sale agreements with different transferees, in which the six properties of the sold assets are divided into groups of four properties (A27, A53, A76 and A100) and two properties (A54 and A71). The sale price and gain on sale show the total amount of each of the abovementioned four properties and two properties. The sale prices of individual properties are not disclosed as the transferees' consent has not been obtained for disclosure. Accordingly, the gain on sales of individual properties are not disclosed, either. The same shall apply hereinafter.

(Note 2) Sale prices show the total sale prices set forth in the purchase and sale agreements for the trust beneficiary interests of each of the four properties and two properties, and do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes. The same shall apply hereinafter.

(Note 3) As of December 18, 2020.

(Note 4) Gain on sale is calculated by deducting the book value and the transfer related cost for each of the four properties and two properties.

(Note 5) The trust beneficiary interest of Nisshin Palacestage Higashi-Nagasaki was integrated in a single account with other trust accounts when INV procured funds through debt financing backed by trust assets in July 2011. Therefore, for the purpose of selling the trust beneficiary interests of the property by itself, INV has implemented the procedures for the trust split effective on November 17, 2020 and recorded certain expenses. For details on the debt financing backed by trust assets and the integration of trust accounts, please refer to the press release "Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets" dated July 15, 2011.

(Note 6) Amounts are rounded down to the nearest million yen.

2 Acquisitions and Sales of Other Assets

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

3 Transaction Price Verification of Specified Assets

Real Estate Transactions

Acquisition or sale	Name of property		Category of specified asset	Transaction date	Sales price (JPY million) (Note 1)	Appraisal value (JPY million)	Appraiser	Appraisal date
Sale	A27	Nisshin Palacestage Higashi-Nagasaki	Real estate Trust beneficiary interest	December 18, 2020	7,869	1,360	Assets Research and Development Inc.	November 1, 2020
Sale	A53	Nishiwaseda Crescent Mansion	Real estate Trust beneficiary interest	December 18, 2020		2,810	JLL Morii Valuation & Advisory K.K.	November 1, 2020
Sale	A76	Neo Prominence	Real estate Trust beneficiary interest	December 18, 2020		2,270	Japan Real Estate Institute	November 1, 2020
Sale	A100	City Court Kitaichijo	Real estate Trust beneficiary interest	December 18, 2020		2,160	Japan Real Estate Institute	November 1, 2020
Sale	A54	Lexington Square Akebonobashi	Real estate Trust beneficiary interest	December 18, 2020	3,270	1,990	Tanizawa Sogo Appraisal Co., Ltd.	November 1, 2020
Sale	A71	Lexington Square Daitabashi	Real estate Trust beneficiary interest	December 18, 2020		1,260	Tanizawa Sogo Appraisal Co., Ltd.	November 1, 2020

(Note 1) Acquisition price or sales price do not include various costs (brokerage commissions, taxes and other public dues) required for acquisition of the property and is the purchase price indicated in the trust beneficiary interest purchase agreement.

(Note 2) The real estate appraisal described above is conducted by applying "Section 3: appraisals concerning prices of real estate subject to securitization" of "Real Estate Appraisal Standard."

4 Transactions with Interested Parties

(1) Transactions

Not applicable

(2) Commissions Paid

Not applicable

5 Transactions between the Asset Manager and Its Other Businesses

As the Asset Manager (Consonant Investment Management Co., Ltd.) does not engage in any other business, such as the type I financial instruments business and the type II financial instruments business, the building lots and buildings transaction business, or the real estate specified joint enterprise, 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 and Retained Earnings,” “IV. Statement of Changes in Net Assets,” “V. Notes to Financial Statements” and “VI. Statement of Cash Distribution.”

2 Changes in the Calculation Method of Depreciation

Not applicable

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

Not applicable

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

Not applicable

Other

1 Notice

(1) General Meeting of Unitholders

INV's General Meeting of Unitholders was held on December 22, 2020.

The summary of the matters approved at the General Meeting of Unitholders are as follows.

Agenda	Summary
Partial Amendment to Articles of Incorporation	With the consent of the asset management company, the asset management fees for the period from January 2013 to December 2020 had 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 2021 to December 2021 to an amount which is lower than the amount that would be applicable if such reduction were not made, and which is at the same level as the amount applied for the period from January 2020 to December 2020. Accordingly, the Investment Corporation will amend the standards concerning the amount and payment of the asset management fees for the period from January 2021 to December 2021., effective January 1, 2021.

(2) Board of Directors of Investment Corporation

Of the execution and amendment of the principal agreement approved by INV's Board of Directors in the Reporting Period, principal summary is as follows.

Approval date	Item	Summary
September 10, 2020	Conclusion of MOU to amend the MLPM Agreements with Major Tenant, MHM Group	On September 10, 2020, INV entered into a MOU to amend respective MLPM Agreements for domestic hotels owned by INV and operated by INV's main tenant, MHM Group. Pursuant to the MOU, we have partially changed the rent payment conditions and changed the fixed rent payment amount, the variable rent calculation method, rent payment method and payment date.
December 11, 2020	Conclusion of MOU to amend the MLPM Agreements with Major Tenant, MHM Group	On December 11, 2020, INV entered into a MOU to amend respective MLPM Agreements for domestic hotels owned by INV and operated by INV's main tenant, MHM Group. Pursuant to the MOU, we have partially changed the rent payment conditions and changed the fixed rent payment amount, the variable rent calculation method, rent payment method and payment date.

2 Disclosure of Companies Owning Real Estate Overseas

Not applicable

3 Disclosure of Real Estate Owned by Companies Owning Real Estate Overseas

Not applicable

4 Other

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

II. Balance Sheet

(Unit: JPY thousand)

	(Reference) Fiscal period ended June 30, 2020 (as of June 30, 2020)	Fiscal period ended December 31, 2020 (as of December 31, 2020)
Assets		
Current assets:		
Cash and bank deposits	10,190,672	21,210,252
Cash and bank deposits in trust	6,127,902	6,295,192
Rental receivables	304,863	1,717,908
Deposits paid	262,507	356,534
Prepaid expenses	582,415	708,338
Income taxes receivable	129,613	16
Consumption taxes receivable	831,675	-
Other	-	6,536
Total current assets	18,429,649	30,294,779
Non-current assets:		
Property and equipment		
Buildings	19,392,579	19,406,379
Accumulated depreciation	(494,780)	(713,241)
Buildings, net	18,897,798	18,693,138
Buildings and accompanying facilities	5,292,840	5,293,194
Accumulated depreciation	(342,143)	(494,825)
Buildings and accompanying facilities, net	4,950,697	4,798,368
Structures, at cost	1,458	1,458
Accumulated depreciation	(19)	(52)
Structures, net	1,439	1,406
Tools, furniture and fixtures	1,160,530	1,183,738
Accumulated depreciation	(117,632)	(175,331)
Tools, furniture and fixtures, net	1,042,897	1,008,406
Construction in progress	486,479	588,930
Buildings in trust	167,743,709	164,029,805
Accumulated depreciation	(17,281,345)	(18,754,443)
Buildings in trust, net	150,462,363	145,275,361
Buildings and accompanying facilities in trust	33,693,125	33,102,139
Accumulated depreciation	(9,275,639)	(9,866,713)
Buildings and accompanying facilities in trust, net	24,417,485	23,235,425
Structures in trust, at cost	250,163	233,505
Accumulated depreciation	(102,281)	(98,339)
Structures in trust, net	147,882	135,165
Tools, furniture and fixtures in trust	2,766,458	2,727,329
Accumulated depreciation	(954,147)	(1,094,873)
Tools, furniture and fixtures in trust, net	1,812,311	1,632,456
Land in trust	250,271,308	245,560,970
Construction in progress in trust	129,129	-
Total property and equipment, net	452,619,792	440,929,629
Intangible assets		
Leasehold rights	10,637,811	10,637,811
Leasehold rights in trust	14,614,328	14,575,091
Total intangible assets	25,252,140	25,212,903
Investment and other assets		
Investment securities	17,856,387	17,856,387
Guarantee deposits	1,362,721	1,362,721
Long-term prepaid expenses	898,626	681,990
Derivatives assets	152,275	66,417
Others	22,667	22,667
Total investments and other assets	20,292,677	19,990,184
Total non-current assets	498,164,611	486,132,717
Deferred assets		
Investment corporation bond issuance costs	69,157	62,853
Total deferred assets	69,157	62,853
Total assets	516,663,418	516,490,350

(Unit: JPY thousand)

	(Reference) Fiscal period ended June 30, 2020 (as of June 30, 2020)	Fiscal period ended December 31, 2020 (as of December 31, 2020)
Liabilities		
Current liabilities:		
Accounts payable	142,330	846,058
Short-term loans payable	880,000	34,847,000
Current portion of long-term loans payable	57,380,000	55,601,000
Accounts payable-other	301,280	24,701
Accrued expenses	269,814	344,243
Income taxes payable	605	605
Consumption taxes payable	-	578,858
Advances received	1,000,217	580,016
Deposits received	31,889	11,143
Total current liabilities	60,006,137	92,833,627
Non-current liabilities:		
Investment corporation bonds	8,200,000	8,200,000
Long-term loans payable	197,008,000	163,940,000
Tenant leasehold and security deposits in trust	1,749,862	1,672,037
Derivatives liabilities	128,466	170,488
Asset retirement obligations	32,756	32,977
Total non-current liabilities	207,119,086	174,015,504
Total liabilities	267,125,223	266,849,131
Net assets		
Unitholders' equity:		
Unitholders' capital	235,701,512	235,701,512
Surplus:		
Capital surplus	6,264,432	6,264,432
Deduction of unitholders' capital surplus		
Allowance for temporary differences adjustment *2	(6,130)	(6,130)
Other deduction of capital surplus	(5,524,006)	(5,524,006)
Total deduction of unitholders' capital surplus	(5,530,137)	(5,530,137)
Capital surplus, net	734,294	734,294
Retained earnings	13,168,294	13,371,340
Total surplus	13,902,588	14,105,635
Total unitholders' equity	249,604,100	249,807,147
Valuation and translation adjustments:		
Deferred gains or losses on hedges	(65,906)	(165,929)
Total valuation and translation adjustments	(65,906)	(165,929)
Total net assets *1	249,538,194	249,641,218
Total liabilities and net assets	516,663,418	516,490,350

III. Statement of Income and Retained Earnings

				(Unit: JPY thousand)	
		(Reference)			
		Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)		
Operating revenue					
Rental revenue – real estate	*1	5,838,836			5,738,249
Management contract revenue	*2	890,442			-
Gain on sales of properties	*3	2,046,294			2,602,343
Dividend income		634,651			-
Total operating revenue		9,410,225			8,340,593
Operating expenses					
Property-related expenses	*1	6,801,584			5,044,533
Management contract expenses	*2	535,279			983,288
Asset management fees		300,000			300,000
Directors' compensation		4,800			4,800
Asset custody fees		26,231			25,684
Administrative service fees		47,259			67,749
Other		198,092			223,692
Total operating expenses		7,913,247			6,649,749
Operating income		1,496,977			1,690,843
Non-operating income					
Interest income		114			107
Foreign exchange gains		-			12,878
Interest on tax refund		7,712			1,498
Gain of derivatives		47,743			81,626
Miscellaneous income		1,613			3,272
Total non-operating income		57,183			99,382
Non-operating expenses					
Interest expenses		702,917			654,685
Foreign exchange losses		31,675			-
Interest expenses on investment corporation bonds		25,911			28,230
Amortization of investment corporation bond issuance costs		5,928			6,303
Loan-related costs		362,534			472,665
Other		670			4,007
Total non-operating expenses		1,129,639			1,165,892
Ordinary income		424,522			624,333
Extraordinary income					
Subsidy income		73,119			-
Total extraordinary income		73,119			-
Extraordinary losses					
Loss on reduction entry of non-current assets		73,119			-
Total extraordinary losses		73,119			-
Income before income taxes		424,522			624,333
Income taxes		605			605
Total income taxes		605			605
Net income		423,917			623,728
Retained earnings/losses brought forward		12,744,377			12,747,612
Unappropriated retained earnings/losses		13,168,294			13,371,340

IV. Statement of Changes in Net Assets

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Deduction of capital surplus			Capital surplus (net)
Allowance for temporary differences adjustment	Other deduction of capital surplus		Total deduction of capital surplus			
Balance at the beginning of the period	235,701,512	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	—	—	—	—	—	—
Balance at the end of the period	235,701,512	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	23,261,426	23,995,720	259,697,232	33,525	33,525	259,730,758
Changes during the period						
Distributions from surplus	(10,517,049)	(10,517,049)	(10,517,049)			(10,517,049)
Net income	423,917	423,917	423,917			423,917
Changes other than unitholders' equity (net)				(99,432)	(99,432)	(99,432)
Total changes during the period	(10,093,131)	(10,093,131)	(10,093,131)	(99,432)	(99,432)	(10,192,564)
Balance at the end of the period	13,168,294	13,902,588	249,604,100	(65,906)	(65,906)	249,538,194

Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Deduction of capital surplus			Capital surplus (net)
Allowance for temporary differences adjustment	Other deduction of capital surplus		Total deduction of capital surplus			
Balance at the beginning of the period	235,701,512	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	—	—	—	—	—	—
Balance at the end of the period	235,701,512	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	13,168,294	13,902,588	249,604,100	(65,906)	(65,906)	249,538,194
Changes during the period						
Distributions from surplus	(420,681)	(420,681)	(420,681)			(420,681)
Net income	623,728	623,728	623,728			623,728
Changes other than unitholders' equity (net)				(100,022)	(100,022)	(100,022)
Total changes during the period	203,046	203,046	203,046	(100,022)	(100,022)	103,024
Balance at the end of the period	13,371,340	14,105,635	249,807,147	(165,929)	(165,929)	249,641,218

V. Notes to Financial Statements

[Notes Concerning Significant Accounting Policies]

By Period Item	(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)																																
1. Evaluation standards and evaluation method of assets	<p>(a) Other securities Those with no fair value Cost method through moving-average method is used.</p> <p>(b) Claims generated and debt incurred through derivative transactions Market value method is used.</p>	<p>(a) Other securities Those with no fair value Cost method through moving-average method is used.</p> <p>(b) Claims generated and debt incurred through derivative transactions Market value method is used.</p>																																
2. Method of depreciation of non-current assets	<p>(a) Property 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="padding-right: 20px;">Buildings</td> <td style="text-align: right;">16-50 years</td> </tr> <tr> <td>Buildings and accompanying facilities</td> <td style="text-align: right;">5-29 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">20 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">3-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">7-67 years</td> </tr> <tr> <td>Buildings and accompanying facilities in trust</td> <td style="text-align: right;">2-33 years</td> </tr> <tr> <td>Structures in trust</td> <td style="text-align: right;">10-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-20 years</td> </tr> </table> <p>(b) Intangible assets For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used.</p> <p>(c) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	16-50 years	Buildings and accompanying facilities	5-29 years	Structures	20 years	Tools, furniture and fixtures	3-18 years	Buildings in trust	7-67 years	Buildings and accompanying facilities in trust	2-33 years	Structures in trust	10-55 years	Tools, furniture and fixtures in trust	2-20 years	<p>(a) Property 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="padding-right: 20px;">Buildings</td> <td style="text-align: right;">16-50 years</td> </tr> <tr> <td>Buildings and accompanying facilities</td> <td style="text-align: right;">5-29 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">20 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">3-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">7-67 years</td> </tr> <tr> <td>Buildings and accompanying facilities in trust</td> <td style="text-align: right;">2-33 years</td> </tr> <tr> <td>Structures in trust</td> <td style="text-align: right;">10-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-20 years</td> </tr> </table> <p>(b) Intangible assets For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used.</p> <p>(c) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	16-50 years	Buildings and accompanying facilities	5-29 years	Structures	20 years	Tools, furniture and fixtures	3-18 years	Buildings in trust	7-67 years	Buildings and accompanying facilities in trust	2-33 years	Structures in trust	10-55 years	Tools, furniture and fixtures in trust	2-20 years
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3. Accounting treatment of deferred assets	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.																																
4. Method of calculating allowances	Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.	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.																																
5. Conversion of assets and liabilities in foreign currency into Japanese yen	Receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate at the end of the fiscal period date, and differences arising from the translation are treated as a profit or loss.	Receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate at the end of the fiscal period date, and differences arising from the translation are treated as a profit or loss.																																
6. Revenue and expense recognition	Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount	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																																

By Period Item	(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
	<p>corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition cost of real estate during the fiscal period ended June 30, 2020 is JPY 41,528 thousand.</p>	<p>corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition cost of real estate during the fiscal period ended December 31, 2020 is zero.</p>
7. Method of hedge accounting	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item Hedging instrument: interest rate swap Hedged item: interest on borrowings</p> <p>(c) Hedge policy INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.</p> <p>(d) Method of evaluating hedge effectiveness Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.</p>	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item Hedging instrument: interest rate swap Hedged item: interest on borrowings</p> <p>(c) Hedge policy INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.</p> <p>(d) Method of evaluating hedge effectiveness Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.</p>
8. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment policy 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 bank deposits in trust</p> <p>(b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in trust Land in trust Construction in progress in trust</p> <p>(c) Leasehold rights in trust</p> <p>(d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of consumption taxes Transactions subject to consumption taxes</p>	<p>(1) Accounting treatment policy 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 bank deposits in trust</p> <p>(b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in trust Land in trust Construction in progress in trust</p> <p>(c) Leasehold rights in trust</p> <p>(d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of consumption taxes Transactions subject to consumption taxes</p>

By Period	(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
Item	are recorded at amounts exclusive of consumption taxes.	are recorded at amounts exclusive of consumption taxes.

[Notes to the Balance Sheet]

(Reference) Fiscal period ended June 30, 2020 (as of June 30, 2020)	Fiscal period ended December 31, 2020 (as of December 31, 2020)																					
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations JPY 50,000 thousand	*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations JPY 50,000 thousand																					
*2. Allowance for temporary differences adjustment (Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)																						
1. Reasons, related assets and amounts (Unit: JPY thousand)																						
<table border="1"> <thead> <tr> <th style="text-align: center;">Related assets, etc.</th> <th style="text-align: center;">Reason</th> <th style="text-align: center;">Initial amount</th> <th style="text-align: center;">Balance at the beginning of period</th> <th style="text-align: center;">Allowance set aside during period</th> <th style="text-align: center;">Reversal during period</th> <th style="text-align: center;">Balance at the end of period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Leasehold rights in trust</td> <td style="text-align: center;">Amortization of leasehold rights</td> <td style="text-align: right;">(131,332)</td> <td style="text-align: right;">(6,130)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(6,130)</td> </tr> <tr> <td style="text-align: center;">Total</td> <td></td> <td style="text-align: right;">(131,332)</td> <td style="text-align: right;">(6,130)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(6,130)</td> </tr> </tbody> </table>	Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period	Leasehold rights in trust	Amortization of leasehold rights	(131,332)	(6,130)	-	-	(6,130)	Total		(131,332)	(6,130)	-	-	(6,130)	
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*3. Reduction entry amount of property and equipment acquired with governmental subsidies, etc. Building and accompanying facilities in trust JPY 73,119 thousand	Not applicable																					

[Notes to Statement of Income and Retained Earnings]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues Rental revenue – real estate (Rent/common area charges) (Note) 5,604,840 (Other revenues) 233,996 <u>Total</u> 5,838,836</p> <p>B. Real estate rental expenses Property-related expenses (Maintenance costs) 2,452,700 (Taxes and public dues) 598,839 (Insurance expenses) 19,721 (Depreciation expenses) 3,578,589 (Other expenses) 151,732 <u>Total</u> 6,801,584</p> <p>C. Real estate rental income (A-B) (962,747) (Note) Of which, revenue from variable hotel rents 1,246,746</p>	<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues Rental revenue – real estate (Rent/common area charges) (Note) 5,530,201 (Other revenues) 208,047 <u>Total</u> 5,738,249</p> <p>B. Real estate rental expenses Property-related expenses (Maintenance costs) 548,085 (Taxes and public dues) 779,062 (Insurance expenses) 19,719 (Depreciation expenses) 3,564,224 (Other expenses) 133,441 <u>Total</u> 5,044,533</p> <p>C. Real estate rental income (A-B) 693,715 (Note) Of which, revenue from variable hotel rents 1,105,021</p>
<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 2,912,073 B. Hotel operating expenses <u>2,021,630</u> C. Management contract revenue (A-B) <u>890,442</u> D. Management contract expenses Management fee 4,096 Non-life insurance expenses 109,853 Depreciation expenses 420,999 Other expenses <u>329</u> <u>Total</u> 535,279</p> <p>E. Management contract revenue and expenses (C-D) 355,162</p>	<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 323,764 B. Hotel operating expenses <u>774,406</u> C. Management contract revenue (A-B) <u>-</u> D. Management contract expenses Management contract losses (A-B) 450,641 (Note) Non-life insurance expenses 101,221 Depreciation expenses 428,563 Other expenses <u>2,862</u> <u>Total</u> 983,288</p> <p>E. Management contract revenue and expenses (C-D) (983,288) (Note) If management contract expenses exceed management contract revenues, the excess amount is recorded as management contract losses.</p>

<p>*3. Gain on sales of properties (Unit: JPY thousand)</p> <p>City House Tokyo Shinbashi</p> <table border="0"> <tr> <td>Proceeds from sales of properties</td> <td style="text-align: right;">4,474,757</td> </tr> <tr> <td>Cost of sales of properties</td> <td style="text-align: right;">2,269,720</td> </tr> <tr> <td>Other expenses on sales of properties</td> <td style="text-align: right;">158,741</td> </tr> <tr> <td>Gain on sales of properties</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">2,046,294</td> </tr> </table>	Proceeds from sales of properties	4,474,757	Cost of sales of properties	2,269,720	Other expenses on sales of properties	158,741	Gain on sales of properties	2,046,294	<p>*3. Gain on sales of properties (Unit: JPY thousand)</p> <p>Nisshin Palacestage Higashi-Nagasaki, Nishiwaseda Crescent Mansion, Neo Prominence and City Court Kitaichijo</p> <table border="0"> <tr> <td>Proceeds from sales of properties</td> <td style="text-align: right;">7,870,163</td> </tr> <tr> <td>Cost of sales of properties</td> <td style="text-align: right;">6,183,306</td> </tr> <tr> <td>Other expenses on sales of properties</td> <td style="text-align: right;">176,967</td> </tr> <tr> <td>Gain on sales of properties</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,509,889</td> </tr> </table> <p>Lexington Square Akebonobashi and Lexington Square Daitabashi</p> <table border="0"> <tr> <td>Proceeds from sales of properties</td> <td style="text-align: right;">3,270,294</td> </tr> <tr> <td>Cost of sales of properties</td> <td style="text-align: right;">2,100,964</td> </tr> <tr> <td>Other expenses on sales of properties</td> <td style="text-align: right;">76,876</td> </tr> <tr> <td>Gain on sales of properties</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,092,453</td> </tr> </table> <p>(Note) The sale prices of individual properties are not disclosed as the transferees' consent has not been obtained for disclosure.</p>	Proceeds from sales of properties	7,870,163	Cost of sales of properties	6,183,306	Other expenses on sales of properties	176,967	Gain on sales of properties	1,509,889	Proceeds from sales of properties	3,270,294	Cost of sales of properties	2,100,964	Other expenses on sales of properties	76,876	Gain on sales of properties	1,092,453
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[Notes to Statement of Changes in Net Assets]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
Total number of issuable investment units and number of investment units issued and outstanding	Total number of issuable investment units and number of investment units issued and outstanding
Total number of investment units authorized 10,000,000 units	Total number of investment units authorized 10,000,000 units
Total number of investment units issued and outstanding 6,096,840 units	Total number of investment units issued and outstanding 6,096,840 units

[Notes Related to Tax Accounting]

(Reference) Fiscal period ended June 30, 2020 (as of June 30, 2020)						Fiscal period ended December 31, 2020 (as of December 31, 2020)	
1. Significant components of deferred tax assets and liabilities (Unit: JPY thousand)						1. Significant components of deferred tax assets and liabilities (Unit: JPY thousand)	
(Deferred tax assets)						(Deferred tax assets)	
Enterprise tax payable	731					Enterprise tax payable	731
Buildings and other (merger)	301,485					Buildings and other (merger)	312,445
Land (merger)	693,693					Land (merger)	472,381
Loss carried forward (Note 1)	522,444					Loss carried forward (Note 1)	532,677
Asset retirement obligations	10,305					Asset retirement obligations	10,374
Amortization of leasehold right	100,736					Amortization of leasehold right	113,080
Adjustment of acquisition prices (overseas properties)	469,321					Adjustment of acquisition prices (overseas properties)	465,374
Deposit received	4,762					Subtotal	1,907,065
Subtotal	2,103,480					Valuation allowance for tax loss carried forward	(532,677)
Valuation allowance for tax loss carried forward	(522,444)					Valuation allowance for the total of deductible temporary differences, etc.	(1,374,387)
Valuation allowance for the total of deductible temporary differences, etc.	(1,581,036)					Subtotal	(1,907,065)
Subtotal	(2,103,480)					Total	-
Total	-					(Note 1) The amounts of tax loss carried forward and the deferred tax assets by carry-forward period are as follows.	
						(Unit: JPY thousand)	
						(Unit: JPY thousand)	
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years			
Tax loss carried forward (a)	-	-	522,444	-			
Valuation allowance	-	-	(522,444)	-			
Deferred tax assets	-	-	-	-			
	Due after four to five years	Due after five years	Total				
Tax loss carried forward (a)	-	-	522,444				
Valuation allowance	-	-	(522,444)				
Deferred tax assets	-	-	-				
(a) Tax loss carried forward is multiplied by statutory tax rate.							
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years			
Tax loss carried forward (a)	-	-	201,976	-			
Valuation allowance	-	-	(201,976)	-			
Deferred tax assets	-	-	-	-			
	Due after four to five years	Due after five years	Total				
Tax loss carried forward (a)	-	-	532,677				
Valuation allowance	-	-	(532,677)				
Deferred tax assets	-	-	-				
(a) Tax loss carried forward is multiplied by statutory tax rate.							
2. Significant difference between statutory tax rate and the effective tax rate						2. Significant difference between statutory tax rate and the effective tax rate	
Statutory tax rate	31.46%					Statutory tax rate	31.46%
Deductible cash distributions	(8.87)%					Changes in valuation allowance	(31.46)%
Changes in valuation allowance	(16.98)%					Others	0.10%
Untaxable dividend income	(5.61)%					Effective tax rate	0.10%
Others	0.15%						
Effective tax rate	0.14%						

[Notes Related to Financial Instruments]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
<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. The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans. Derivative transactions are to be entered into for the purpose of hedging against the risks of future interest rate fluctuations, exchange rate fluctuations, etc. and not for speculation. Surplus funds are managed 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 and issuing investment corporation bonds are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loans. Liquidity risks relating to loan are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</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 estimate. Since certain assumptions, etc. are used in estimating the fair value, different assumptions, etc. may result in the variance of such value.</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. The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans. Derivative transactions are to be entered into for the purpose of hedging against the risks of future interest rate fluctuations, exchange rate fluctuations, etc. and not for speculation. Surplus funds are managed 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 and issuing investment corporation bonds are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loans. Liquidity risks relating to loan are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</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 estimate. Since certain assumptions, etc. are used in estimating the fair value, different assumptions, etc. may result in the variance of such value.</p>

2. Estimated fair value of financial instruments.
Book value, fair value and the difference between value as of June 30, 2020 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	10,190,672	10,190,672	-
(2) Cash and bank deposits in trust	6,127,902	6,127,902	-
Total assets	16,318,574	16,318,574	-
(3) Short-term loans	(880,000)	(880,000)	-
(4) Current portion of long-term loans payable	(57,380,000)	(57,380,000)	-
(5) Investment corporation bonds	(8,200,000)	(7,351,740)	848,260
(6) Long-term loans	(197,008,000)	(197,008,000)	-
Total liabilities	(263,468,000)	(262,619,740)	848,260
(7) Derivatives	23,808	23,808	-

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

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

2. Estimated fair value of financial instruments.
Book value, fair value and the difference between value as of December 31, 2020 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	21,210,252	21,210,252	-
(2) Cash and bank deposits in trust	6,295,192	6,295,192	-
Total assets	27,505,445	27,505,445	-
(3) Short-term loans	(34,847,000)	(34,847,000)	-
(4) Current portion of long-term loans payable	(55,601,000)	(55,601,000)	-
(5) Investment corporation bonds	(8,200,000)	(7,467,240)	732,760
(6) Long-term loans	(163,940,000)	(163,940,000)	-
Total liabilities	(262,588,000)	(261,855,240)	732,760
(7) Derivatives	(104,071)	(104,071)	-

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

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

(Note 1) Methods to calculate fair value of financial instruments.

(1) Cash and bank deposits (2) Cash and bank deposits in trust (3) Short-term loans
Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.

(4) Current portion of long-term loans payable (6) Long-term loans
Long-term loans with floating interest rates reflecting changes in market rates within a short-term period is stated at their book value as their book value approximate their fair value.

(5) Investment corporation bonds
Fair value is calculated using a method based on market price.

(7) Derivatives
(a) Derivatives transactions to which hedge accounting is not applied
As for derivative transactions for which hedge accounting is not applied, the contract amount as of the closing date and the amount equivalent to the notional principal prescribed in the contract are as follows.

(Unit: JPY thousand)

Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (*1)	Valuation gains/losses
			Amount due after one year		
OTC transaction	Currency option transaction short USD/Call (Option fees)	3,271,290 (- 79,014)	1,890,460 (- 46,376)	(- 48,852)	(30,162)
	Currency option transaction long USD/Put (Option fees)	3,271,290 (109,770)	1,890,460 (70,605)	(138,567)	(28,797)

(*1) Estimation method for fair value

Currency option:
Indicates fair values of option fees, etc. presented by the correspondent financial institutions.

(Note 1) Methods to calculate fair value of financial instruments.

(1) Cash and bank deposits (2) Cash and bank deposits in trust (3) Short-term loans
Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.

(4) Current portion of long-term loans payable (6) Long-term loans
Long-term loans with floating interest rates reflecting changes in market rates within a short-term period is stated at their book value as their book value approximate their fair value.

(5) Investment corporation bonds
Fair value is calculated using a method based on market price.

(7) Derivatives
(a) Derivatives transactions to which hedge accounting is not applied
As for derivative transactions for which hedge accounting is not applied, the contract amount as of the closing date and the amount equivalent to the notional principal prescribed in the contract are as follows.

(Unit: JPY thousand)

Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (*1)	Valuation gains/losses
			Amount due after one year		
OTC transaction	Currency option transaction short USD/Call (Option fees)	952,820 (- 23,788)	596,860 (- 14,921)	(- 4,323)	(19,464)
	Currency option transaction long USD/Put (Option fees)	952,820 (39,407)	596,860 (25,719)	(66,180)	(26,773)

(*1) Estimation method for fair value

Currency option:
Indicates fair values of option fees, etc. presented by the correspondent financial institutions.

(b) Derivatives transactions to which hedge accounting is applied

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

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	98,362,000	65,133,000	(65,906)

(*1) The contract amount, etc. for interest rate swap are stated based on a notional principal.

(*2) Estimation method for fair value

Interest rate swap:

Estimated based on the price, etc. presented by the correspondent financial institutions.

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

(Unit: JPY thousand)

Category	Book value
Tenant leasehold and security deposits in trust	1,749,862
Investment securities	17,856,387

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

Since quoted market prices are not available for investment securities (preferred equity interest and TK interest), fair value is deemed extremely difficult to value. Thus, prices are not subject to the disclosure of fair value.

(b) Derivatives transactions to which hedge accounting is applied

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

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	69,383,000	65,133,000	(165,929)

(*1) The contract amount, etc. for interest rate swap are stated based on a notional principal.

(*2) Estimation method for fair value

Interest rate swap:

Estimated based on the price, etc. presented by the correspondent financial institutions.

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

(Unit: JPY thousand)

Category	Book value
Tenant leasehold and security deposits in trust	1,672,037
Investment securities	17,856,387

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

Since quoted market prices are not available for investment securities (preferred equity interest), fair value is deemed extremely difficult to value. Thus, prices are not subject to the disclosure of fair value.

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

As of June 30, 2020

(Unit: JPY thousand)

	Due within one year	Due after one to two years	Due after two to three years
Cash and bank deposits	10,190,672	-	-
Cash and bank deposits in trust	6,127,902	-	-
Total	16,318,574	-	-

	Due after three to four years	Due after four to five years	Due after five years
Cash and bank deposits	-	-	-
Cash and bank deposits in trust	-	-	-
Total	-	-	-

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

As of June 30, 2020

(Unit: JPY thousand)

	Due within one year	Due after one to two years	Due after two to three years
Short-term loans	880,000	-	-
Current portion of long-term loans payable	57,380,000	-	-
Investment corporation bonds	-	-	1,000,000
Long-term loans	-	53,602,000	44,207,000
Total	58,260,000	53,602,000	45,207,000

	Due after three to four years	Due after four to five years	Due after five years
Short-term loans	-	-	-
Current portion of long-term loans payable	-	-	-
Investment corporation bonds	2,000,000	1,000,000	4,200,000
Long-term loans	44,964,000	40,798,000	13,437,000
Total	46,964,000	41,798,000	17,637,000

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

As of December 31, 2020

(Unit: JPY thousand)

	Due within one year	Due after one to two years	Due after two to three years
Cash and bank deposits	21,210,252	-	-
Cash and bank deposits in trust	6,295,192	-	-
Total	27,505,445	-	-

	Due after three to four years	Due after four to five years	Due after five years
Cash and bank deposits	-	-	-
Cash and bank deposits in trust	-	-	-
Total	-	-	-

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

As of December 31, 2020

(Unit: JPY thousand)

	Due within one year	Due after one to two years	Due after two to three years
Short-term loans	34,847,000	-	-
Current portion of long-term loans payable	55,601,000	-	-
Investment corporation bonds	-	-	3,000,000
Long-term loans	-	48,679,000	42,405,000
Total	90,448,000	48,679,000	45,405,000

	Due after three to four years	Due after four to five years	Due after five years
Short-term loans	-	-	-
Current portion of long-term loans payable	-	-	-
Investment corporation bonds	1,000,000	-	4,200,000
Long-term loans	32,920,000	38,936,000	1,000,000
Total	33,920,000	38,936,000	5,200,000

[Notes Related to Asset Retirement Obligations]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)																
<p>1. Summary of the asset retirement obligations for the period INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of Comfort Hotel Maebashi held by INV.</p> <p>2. Calculation method for asset retirement obligations for the period The amount of the asset retirement obligations has been calculated by fixing the estimated period of use at 43 years, based on the period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the period (Unit: JPY thousand)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Balance at the beginning of the period</td> <td style="text-align: right;">32,539</td> </tr> <tr> <td>Increase due to the acquisition of properties</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Accretion expense</td> <td style="text-align: right;">217</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">32,756</td> </tr> </table>	Balance at the beginning of the period	32,539	Increase due to the acquisition of properties	-	Accretion expense	217	Balance at the end of the period	32,756	<p>1. Summary of the asset retirement obligations for the period INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of Comfort Hotel Maebashi held by INV.</p> <p>2. Calculation method for asset retirement obligations for the period The amount of the asset retirement obligations has been calculated by fixing the estimated period of use at 43 years, based on the period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the period (Unit: JPY thousand)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Balance at the beginning of the period</td> <td style="text-align: right;">32,756</td> </tr> <tr> <td>Increase due to the acquisition of properties</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Accretion expense</td> <td style="text-align: right;">221</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">32,977</td> </tr> </table>	Balance at the beginning of the period	32,756	Increase due to the acquisition of properties	-	Accretion expense	221	Balance at the end of the period	32,977
Balance at the beginning of the period	32,539																
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Balance at the end of the period	32,977																

[Notes Related to Rental Properties]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)					Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)				
INV owns residential properties and hotels as core assets principally in the Greater Tokyo area and major regional cities with an aim to establish a portfolio focusing on both stability and growth potential. The book value changed during the period and the fair value at the end of the period are as follows.					INV owns residential properties and hotels as core assets principally in the Greater Tokyo area and major regional cities with an aim to establish a portfolio focusing on both stability and growth potential. The book value changed during the period and the fair value at the end of the period are as follows.				
(Unit: JPY thousand)					(Unit: JPY thousand)				
Use	Book value			Fair value at the end of the period	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			Balance at the beginning of the period	Change during the period	Balance at the end of the period	
Residences	53,552,976	(2,648,900)	50,904,075	65,438,000	Residences	50,904,075	(8,610,346)	42,293,729	54,237,000
Commercial facilities	4,789,956	(51,271)	4,738,684	6,120,000	Commercial facilities	4,738,684	(49,457)	4,689,226	6,040,000
Hotels	407,240,188	14,373,376	421,613,565	470,778,826	Hotels	421,613,565	(3,042,918)	418,570,646	470,583,650
Total	465,583,121	11,673,203	477,256,324	542,336,826	Total	477,256,324	(11,702,721)	465,553,602	530,860,650
<p>(Note 1) Book value is the figure calculated by subtracting amount of accumulated depreciation from acquisition price (including acquisition-related costs).</p> <p>(Note 2) The major factors for the increase for the fiscal period ended June 30, 2020 were acquisition of hotels and construction work related to capital expenditures.</p> <p>(Note 3) The major factors of the decrease were sale of residential properties and recording of depreciation.</p> <p>(Note 4) The fair value as of June 30, 2020 is based on the appraisal value or survey value provided by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE, Inc.</p> <p>For information related to profits and losses from rental properties in the fiscal period ended June 30, 2020, please refer to “Notes to Statement of Income and Retained Earnings.”</p>					<p>(Note 1) Book value is the figure calculated by subtracting amount of accumulated depreciation from acquisition price (including acquisition-related costs).</p> <p>(Note 2) The major factors for the increase for the fiscal period ended December 31, 2020 were construction work related to capital expenditures.</p> <p>(Note 3) The major factors of the decrease were sale of residential properties and depreciation.</p> <p>(Note 4) The fair value as of the end of the Reporting Period is determined based on the appraisal value or survey value provided by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE, Inc.</p> <p>For information related to profits and losses from rental properties in the fiscal period ended December 31, 2020, please refer to “Notes to Statement of Income and Retained Earnings.”</p>				

[Notes Related to Restriction on Asset Management]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
Not applicable.	Not applicable.

[Notes Related to Transactions with Related Parties]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)

1 Interested parties of the Asset Manager

Classification	Name	Business or occupation	Percentage of voting rights owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Interested party of the Asset Manager	Adria Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	10,593,000	-	-
	Heijo Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	5,643,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	112,358	Rental receivables	40,124
				Payment of property management costs and management fees (Note 2)	273,674	-	-
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	2,205,610	Rental receivables	93,116
				Payment of property management costs and management fees (Note 2)	985,476	Accounts payable-other	93,109

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

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

(Note 3) Adria Tokutei Mokuteki Kaisha, Heijo Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. However, these Tokutei Mokuteki Kaisha or the tenants and operators have received an anonymous partnership investment or investment through funds that are managed by affiliates of FIG (a subsidiary of SoftBank Group Corp., which is a parent company of the Asset Manager directly/indirectly owning 100% of its issued shares). Accordingly, INV treats Adria Tokutei Mokuteki Kaisha, Heijo Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

(Note 4) The purchase of trust beneficiary interests pertains to the following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses for acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
D82	Hotel MyStays Premier Narita	Adria Tokutei Mokuteki Kaisha	10,593,000
D83	Art Hotel Morioka	Heijo Tokutei Mokuteki Kaisha	5,643,000
Total			16,236,000

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	880,000	Short-term loans payable	880,000
				Repayment of short-term loan	672,000		
				Borrowing of long-term loan	8,280,000	Long-term loans payable	35,388,000
				Repayment of long-term loan	3,680,000		
				Finance-related fees (Note 2)	81,770	Prepaid expenses	73,764
				Interest expenses (Note 2)	99,901	Long-term prepaid expenses	139,632
						Accrued expenses	530

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

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

Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)

1 Interested parties of the Asset Manager

Classification	Name	Business or occupation	Percentage of voting rights owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Interested party of the Asset Manager	Naqua Hotel & Resorts Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	851,447	Accounts receivable	402,013
	MyStays Hotel Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	1,389,730	Accounts receivable	966,790

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

(Note 2) Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. However, these tenants and operators have received an anonymous partnership investment or investment through funds that are managed by affiliates of FIG (a subsidiary of SoftBank Group Corp., which is a parent company of the Asset Manager directly/indirectly owning 100% of its issued shares). Accordingly, INV treats Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	2,998,500	Short-term loans payable	2,998,500
				Repayment of short-term loan	880,000		
				Repayment of long-term loan	2,670,000	Long-term loans payable	32,718,000
				Finance-related fees (Note 2)	8,995	Prepaid expenses	69,946
						Long-term prepaid expenses	108,663
Interest expenses (Note 2)	92,604	Accrued expenses	883				

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

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

[Notes Related to Per Unit Information]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)		Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	
Net assets per unit	JPY 40,929	Net assets per unit	JPY 40,946
Net income per unit	JPY 70	Net income per unit	JPY 102
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.

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)		Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	
Net income for the period (JPY thousand)	423,917	Net income for the period (JPY thousand)	623,728
Amounts not attributable to common unitholders (JPY thousand)	-	Amounts not attributable to common unitholders (JPY thousand)	-
Net income attributable to common units (JPY thousand)	423,917	Net income attributable to common units (JPY thousand)	623,728
Average number of investment units during the period (units)	6,096,840	Average number of investment units during the period (units)	6,096,840

[Notes Related to Significant Subsequent Events]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
Not Applicable	Not Applicable

[Notes Related to Provision and Reversal of Allowance for Temporary Differences Adjustment]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
Not Applicable	Not Applicable

[Accounting Estimates Related to Impact of Spread of COVID-19]

(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
<p>Under the assumption that the impact of spread of COVID-19 gradually subsides and the business environment recovers after the next fiscal period, INV recorded accounting estimates involving fixed asset impairment.</p> <p>Since it is difficult to accurately predict when it will subside or the extent of the impact regarding the spread of COVID-19, the financial condition and business performance of INV after the next fiscal period may be affected in case there is a change in the spread of infection.</p>	<p>Under the assumption that the impact of spread of COVID-19 gradually subsides and the business environment recovers after the next fiscal period, INV recorded accounting estimates involving fixed asset impairment.</p> <p>Since it is difficult to accurately predict when it will subside or the extent of the impact regarding the spread of COVID-19, the financial condition and business performance of INV after the next fiscal period may be affected in case there is a change in the spread of infection.</p>

VI. Statement of Cash Distribution

	(Reference) Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
I. Unappropriated retained earnings	JPY 13,168,294,104	JPY 13,371,340,907
II. Distributions (Distribution per unit)	JPY 420,681,960 (JPY 69)	JPY 1,018,172,280 (JPY 167)
III. Retained earnings (losses) carried forward	JPY 12,747,612,144	JPY 12,353,168,627
Calculation method of distribution amount	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable income as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 420,681,960 out of net income of JPY 423,917,103. Moreover, INV does not make Excess Profit Distribution set forth in Article 17, Paragraph 4 of the Articles of Incorporation.	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable income as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 1,018,172,280, which is the sum of net income of JPY 623,728,763 and a part of retained earnings brought forward of JPY 394,443,517. Moreover, INV does not make excess profit distribution set forth in Article 17, Paragraph 4 of the Articles of Incorporation.

Note

Accompanying English financial information, comprising Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution, have been translated from the Japanese financial statements of INV 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, 2020 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 and Retained Earnings, Statements of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution is unaudited.

Regarding the English audited financial statements, please refer to the “Audited Financial Statements” on the website of Invincible Investment Corporation: <https://www.invincible-inv.co.jp/en/ir/library.html>

VII. Statement of Cash Flows (Reference Information)

	(Unit: JPY thousand)	
	Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
Cash flows from operating activities		
Net income before taxes	424,522	624,333
Depreciation and amortization	3,999,589	3,992,787
Loss on reduction entry of non-current assets	73,119	-
Amortization of investment corporation bond issuance costs	5,928	6,303
Loan-related costs	362,534	472,665
Interest income	(114)	(107)
Interest expenses	728,828	682,915
Foreign exchange losses (gains)	9,864	(30)
Loss (gain) of derivatives	(47,743)	(81,626)
Decrease (increase) in rental receivables	2,798,340	(1,413,044)
Decrease (Increase) in deposits paid	219,998	(94,026)
Decrease (increase) in receivable income taxes	7,942	129,597
Decrease (increase) in consumption taxes receivable	1,594,835	831,675
Increase (decrease) in accounts payable	(13,390)	640,046
Increase (decrease) in consumption taxes payable	(187,039)	578,858
Increase (decrease) in accounts payable-other	163,143	(256,749)
Increase (decrease) in accrued expenses	(1,411)	68,632
Increase (decrease) in advances received	546,581	(420,200)
Increase (decrease) in deposits received	(20,238)	(20,746)
Decrease in property and equipment in trust due to sale	2,269,720	8,284,271
Others, net	726,442	(104,384)
Subtotal	13,661,453	13,921,171
Interest income received	114	107
Interest expenses paid	(729,698)	(680,307)
Income taxes paid	(605)	(605)
Net cash provided by operating activities	12,931,264	13,240,366
Cash flows from investing activities		
Payment into time deposits	-	(1,328,500)
Purchases of property and equipment	(458,135)	(139,812)
Purchases of property and equipment in trust	(16,523,212)	(358,986)
Purchases of leasehold rights in trust	(1,387,263)	-
Repayments of tenant leasehold and security deposits in trust	(56,966)	(99,182)
Proceeds from tenant leasehold and security deposits in trust	42,113	26,461
Payment of tenant leasehold and security deposits	(559,000)	-
Other, net	43,852	109,484
Net cash used in investing activities	(18,898,611)	(1,790,534)
Cash flows from financing activities		
Proceeds from short-term loans payable	880,000	34,847,000
Repayments of short-term loans payable	(2,686,000)	(880,000)
Proceeds from long-term loans payable	19,583,000	600,000
Repayments of long-term loans payable	(14,683,000)	(35,447,000)
Proceeds from issuance of investment corporation bonds	1,184,469	-
Borrowing related expenses	(265,553)	(287,367)
Payment of distributions of earnings	(10,514,410)	(424,124)
Net cash provided by (used in) financing activities	(6,501,494)	(1,591,491)
Effect of exchange rate change on cash and cash equivalents	13	30
Net increase (decrease) in cash and cash equivalents	(12,468,828)	9,858,370
Cash and cash equivalents at beginning of period	28,787,403	16,318,574
Cash and cash equivalents at end of period	*1 16,318,574	26,176,945

(Note) Statement of cash flows is prepared based on the Regulation on the Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963, as amended) and attached as reference. This statement of cash flows is not subject to audit by an auditor pursuant to the Article 130 of the Investment Trust Act, and thus has not been audited by an auditor.

[Notes Concerning Significant Accounting Policies] (Reference Information)

Item \ By Period	Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
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 Flows] (Reference Information)

Item \ By Period	Fiscal period ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)
*1. Relationship between cash and cash equivalents in Statement of Cash Flows and amounts in accompanying balance sheet	(As of June 30, 2020) (Unit: JPY thousand)	(As of December 31, 2020) (Unit: JPY thousand)
	Cash and bank deposits 10,190,672	Cash and bank deposits 21,210,252
	Cash and bank deposits in trust 6,127,902	Cash and bank deposits in trust 6,295,192
	Cash and cash equivalents 16,318,574	Time deposits with over three months deposit period (1,328,500)
		Cash and cash equivalents 26,176,945

“My Number” is issued to all citizens and residents of Japan and is necessary for taxation purposes on investment units. Thus, it is necessary for unitholders to notify their brokerage with their “My Number.”

Usage of “My Number” in investment units-related affairs

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

Major payment record *Payment record regarding cash distribution

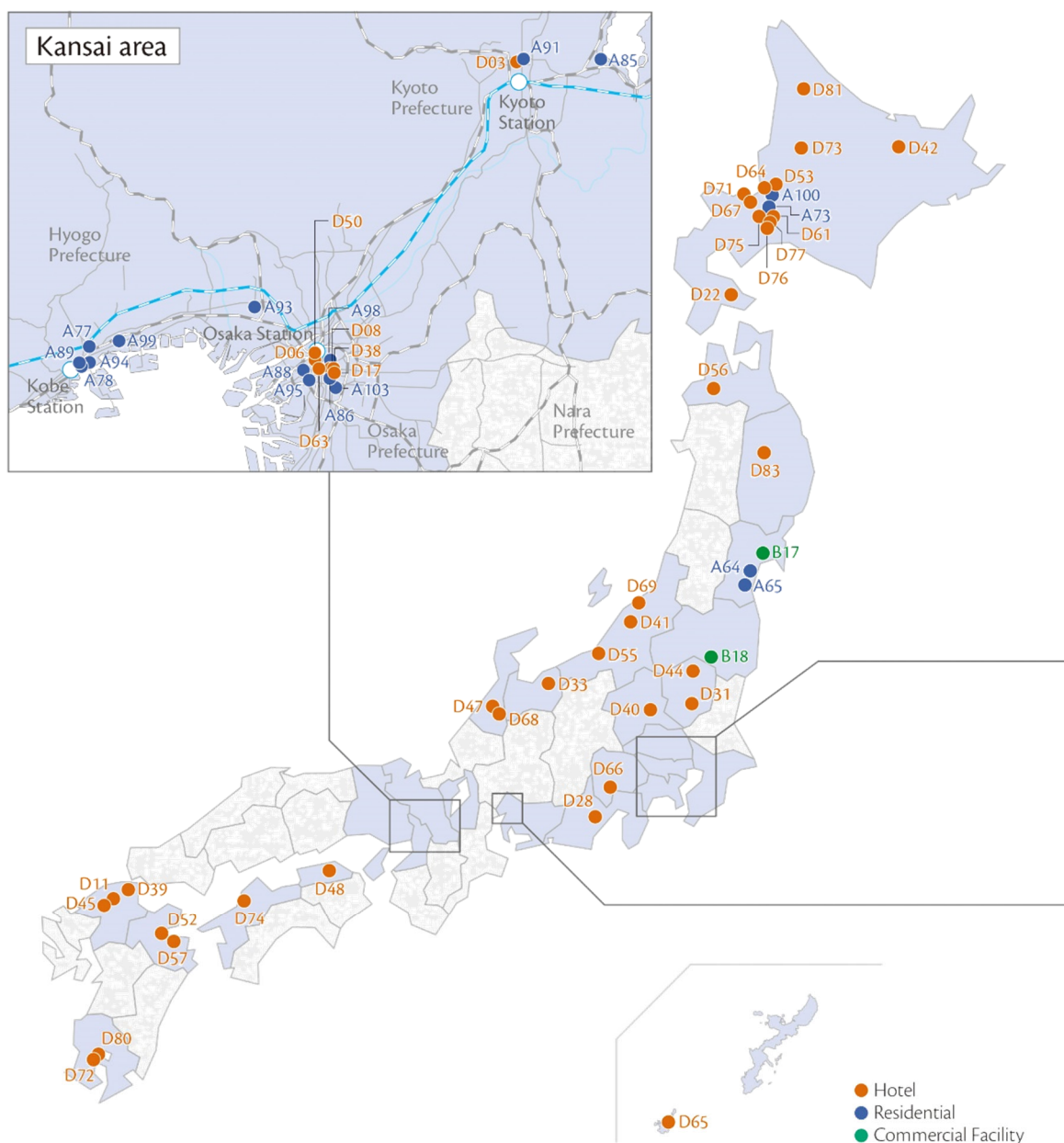
Usage of “My Number” also includes taxation-related procedures on investment units. It is necessary for unitholders to notify your “My Number” to your brokerage, etc.

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

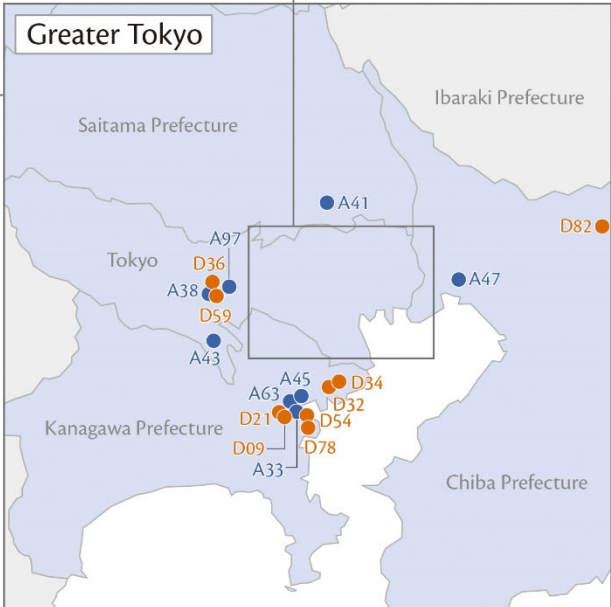
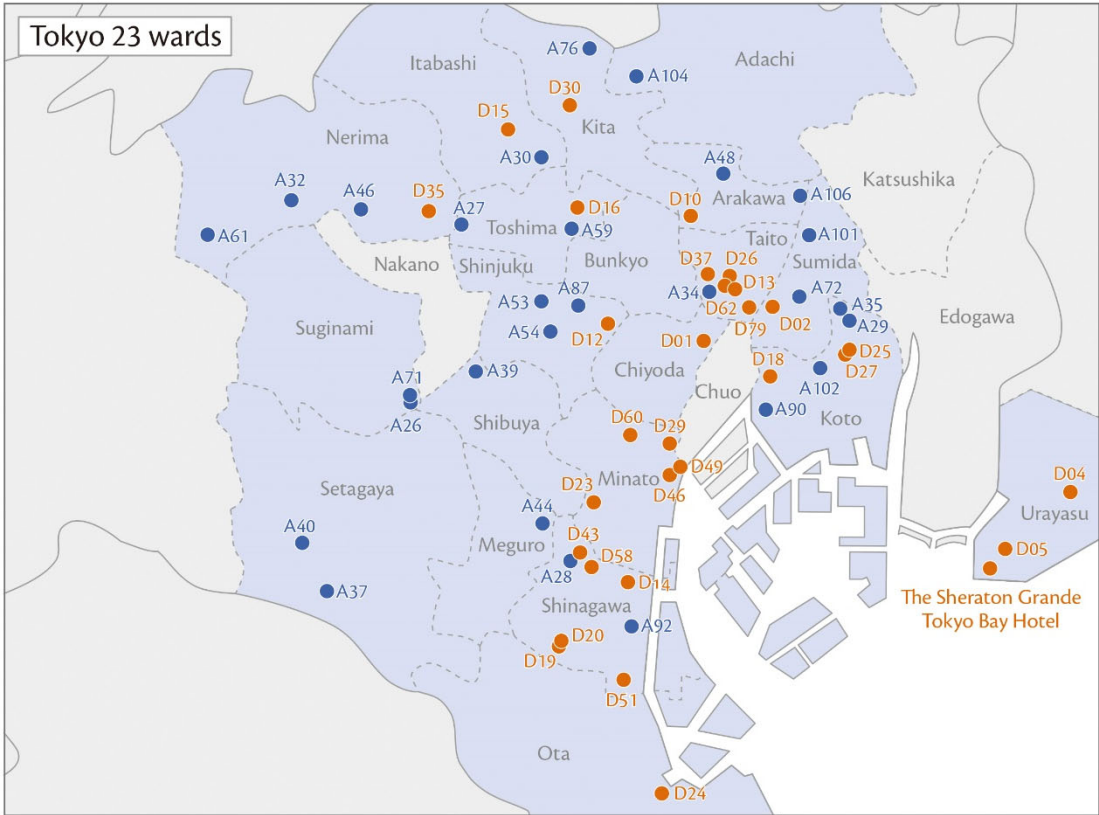
Domestic Portfolio Map (As of December 31, 2020)

No. of Properties (Note 1)	No. of Hotels (Note 1)	No. of Residential Properties	Others
140	84	54	2



(Note 1) Including Sheraton Grande Tokyo Bay Hotel, underlying assets of TMK investment

(Note 2) For properties corresponding to the number and their overview, please refer to pages [28-30] and pages [61-64].



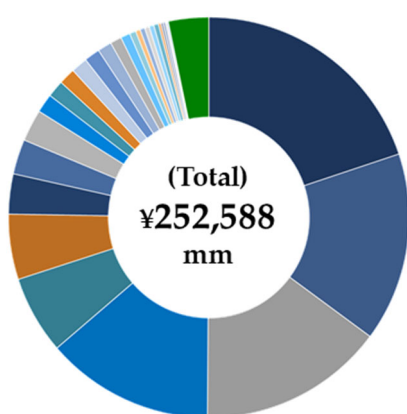
Financial Conditions

As it is difficult to expect that the outbreak of COVID-19 will come to an end soon, in the short term INV will implement initiatives that restrict an increase in interest payments on refinancing of existing borrowings and ensure refinancing. Over the medium to long term, INV will implement financial strategies such as reduction of borrowing costs, extension of average interest-bearing debt repayment period, diversification of loan maturity dates and financing measures.

Investment Corporation Bonds

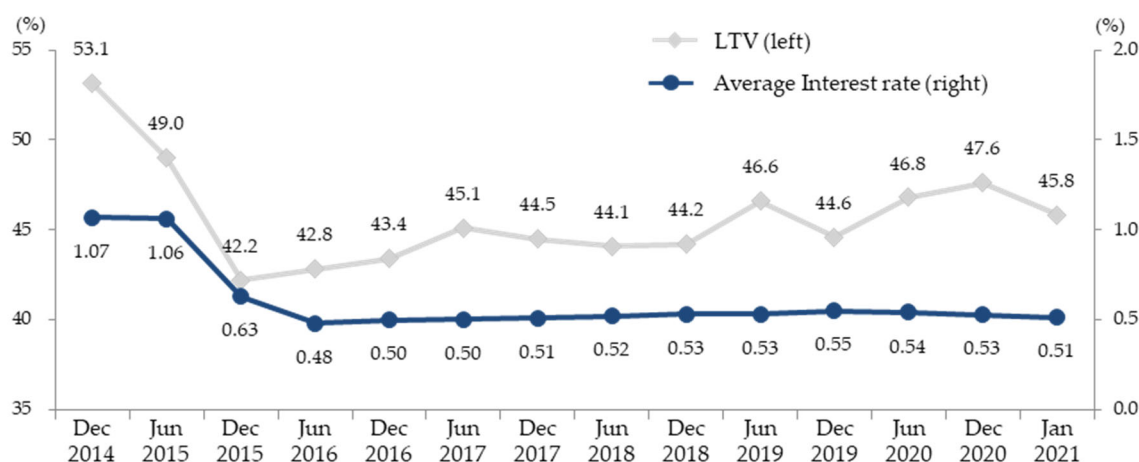
Bonds name	Issued Date	Term (years)	Balance (JPY mn)	Annual Interest Rate	Rating
1st Series Investment Corporation Bonds	May 25, 2018	5.0	1,000	0.40%	A+ (JCR)
2nd Series Investment Corporation Bonds	May 25, 2018	10.0	1,000	0.80%	A+ (JCR)
3rd Series Investment Corporation Bonds	Oct. 12, 2018	5.0	2,000	0.55%	A+ (JCR)
4th Series Investment Corporation Bonds	Oct. 28, 2019	5.0	1,000	0.48%	A+ (JCR)
5th Series Investment Corporation Bonds	Oct. 28, 2019	10.0	2,000	0.90%	A+ (JCR)
6th Series Investment Corporation Bonds	Mar. 13, 2020	10.0	1,200	0.85%	A+ (JCR)
Total			8,200		

Lender Formation (as of February 28, 2021)

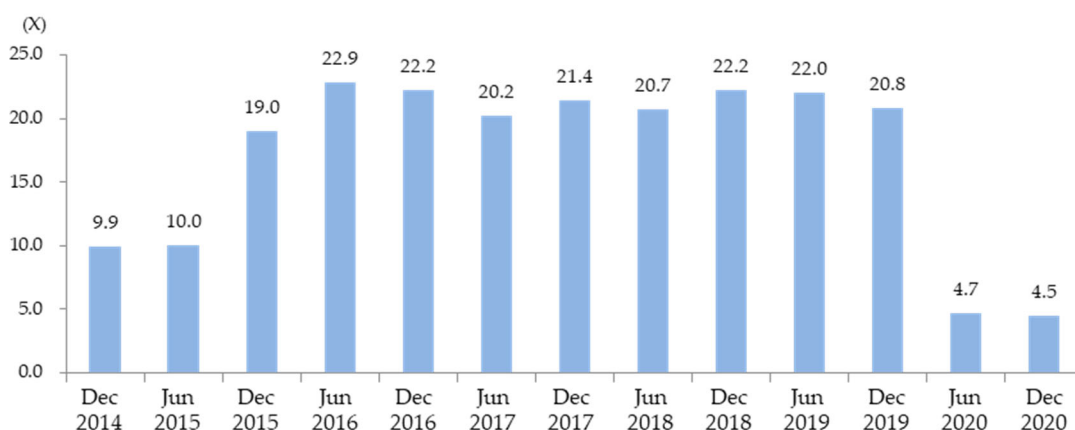


Mizuho Bank	19.9%	Shizuoka Bank	0.9%
MUFG	15.3%	Nishi-Nippon City Bank	0.8%
SMBC	15.0%	Hiroshima Bank	0.5%
SMTB	13.6%	Kagawa Bank	0.4%
Citibank	6.3%	Kiraboshi Bank	0.4%
Shinsei Bank	5.3%	Momiji Bank	0.4%
DBJ	3.2%	Yamaguchi Bank	0.4%
Resona Bank	2.8%	Chukyo Bank	0.4%
Aeon Bank	2.6%	Towa Bank	0.2%
Dai-ichi Life Insurance	1.5%	Tochigi Bank	0.2%
Fukuoka Bank	1.4%	Kiyo Bank	0.2%
Daisan Bank	1.3%	Gunma Bank	0.1%
Aozora Bank	1.3%	Sensyu Ikeda Bank	0.1%
Nomura TB	1.3%	REIT Bond	3.2%
Tokyo Star Bank	1.1%		

■ LTV (based on appraisal value)^(Note 1) and Weighted Average Interest Rate^(Note 2)



■ DSCR^(Note 3)



■ Rating

Rating Agency	Rating Object	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term Issuer Rating	A+	Negative

(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV's investment amount) of such preferred equity interest is deemed as the appraisal value and included. For the Overseas Real Estate TK Interest the underlying assets of which are "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the acquisition price (INV's TK investment amount) of such TK interest is deemed as the appraisal value and included regarding the calculation for "Dec. 2018". Regarding "Jun. 2019" onward, calculation is based on the appraisal value as of the end of each fiscal period. USD is converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contract entered into on July 26, 2018.

(Note 2) Calculated by the following formula: (Total loan amount outstanding at the relevant time multiplied by applicable interest rate at the relevant time for each loans) / (The loan amount outstanding at the end of each fiscal period)

(Note 3) DSCR is calculated by dividing (i) by (ii) for the relevant period; (i) operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property (ii) scheduled prepayments of loans payable, interest expenses. Excluded the temporal increase of income due to the change of investment structure regarding overseas assets for the calculation of June 2019 fiscal period.

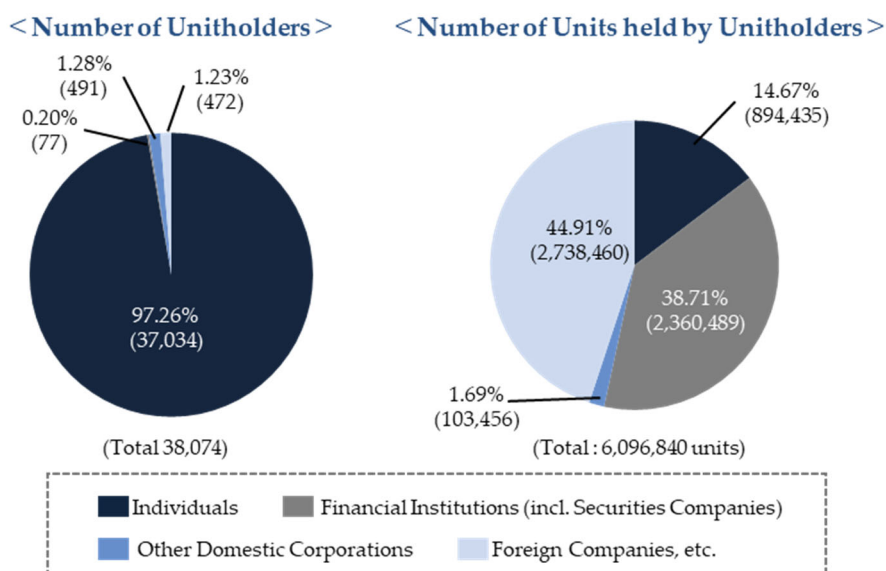
Overview of Unitholders/Investment Units

Historical Unit Price



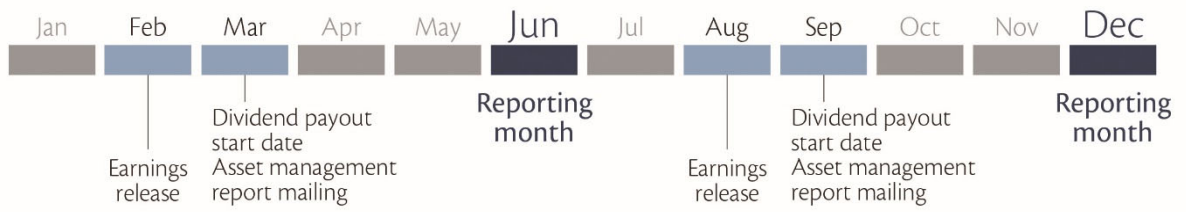
(Note) Unit prices indicate the closing price on the TSE market. TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013, as the same as the closing price of INV's unit on the same day.

Distribution of Unitholders



(Note) Percentage figures are rounded to one decimal place.

Annual Schedule



Information for Unitholders

For Unitholders

Investors' Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Special Account Management Institution	<Unitholders of the former Tokyo Growth REIT Investment Inc.> Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo <Unitholders of the former LCP Investment Corporation> Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Correspondence	Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, 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

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 Investment Inc.)
Mitsubishi UFJ Trust and Banking Corporation 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 has past, designate a 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 for dividends payable in and after January 2009. 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.”

(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, JASDEC registers them 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.

■ Inquiries

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

TEL: 03-5411-2731 (Main)

Weekdays 9:00-17:00