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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended June 30, 2021 (January 1, 2021 to June 30, 2021)

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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 or have been affected by the torrential rain in various areas, as well as their families and friends.

We hereby provide you with a report on INV's asset management and financial results for the 36th fiscal period (from January 1, 2021 to June 30, 2021) (the "Reporting Period").

In the Reporting Period, the government has repeatedly issued and extended the state of emergency and quasi state of emergency ordinances for various areas in Japan due to the spread of COVID-19 since the end of last year. As a result, the occupancy rate of hotels was sluggish due to self-restraint for business trips and leisure travel. Amid this environment, INV was again forced to accept substantial rent reductions from MyStays Hotel Management Co., Ltd., the major tenant and hotel operator.

The occupancy rates of the two hotels located in the Cayman Islands remained low as the government continued to stop accepting tourists from abroad.

As a result, the financial results for the Reporting Period were severe, with operating revenues of JPY 3,806 million, operating loss of JPY 2,341 million, and net loss of JPY 3,599 million. However, to avoid non-payment of dividends and to reward investors who have invested despite the harsh environment, we decided to use retained earnings to pay a dividend of JPY 15 per unit.

After the Reporting Period, the Tokyo Olympics were held without spectators at most venues. As a result, the hotels owned by INV around the venues in the Tokyo metropolitan area and Sapporo were not able to secure the demand for accommodations as expected when the decision to hold the Olympics was made. In addition, the outbreak of COVID-19 in Japan began to spread again in the second half of July, and the number of new infections hit a record high almost every day. As a result, there are no signs of the containment of COVID-19 as of late August. However, vaccinations in Japan are making good progress, despite the extremely slow start compared to other developed countries. The rate of fully vaccinated people aged 65 and older, who are at higher risk of becoming severely ill, exceeded 80%, and workplace vaccinations are also being carried out. Although the operating environment for hotels remains extremely challenging, INV's residential portfolio, the other core asset class, has performed relatively stable, supporting INV's earnings, with reduced leasing costs. In addition, we sold one retail property in July, a non-core asset, and appropriately controlled LTV by using the sale proceeds to repay existing borrowings, 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 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	Period from January 1, 2021 to June 30, 2021
Operating Revenues (JPY million)	27,339	18,587	9,410	8,340	3,806
Ordinary Income (JPY million)	21,240	11,639	424	624	-3,599
Net Income (JPY million)	21,239	11,638	423	623	-3,599
Net Assets (JPY million)	233,046	259,730	249,538	249,641	245,113
Total Assets (JPY million)	467,931	522,431	516,663	516,490	497,899
Net Assets per Unit (JPY)	41,125	42,601	40,929	40,946	40,203
Net Assets/Total Assets (%)	49.8	49.7	48.3	48.3	49.2
Distribution per Unit (JPY)	1,656	1,725	69	167	15
Number of Units Issued (Unit)	5,666,840	6,096,840	6,096,840	6,096,840	6,096,840

Distribution per unit for the 36th fiscal period
(the fiscal period ended June 2021)

JPY 15

(Note) The forward-looking statements, forecasts and goals described in this report are based on available information, assumptions and estimates as of August 31, 2021. 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: When will the performance of the hotel return to the level before the COVID-19 pandemic?

A: Although various forecasts have been announced by various institutes, it is difficult at this time to accurately anticipate when hotel performance will recover. In the early period of the COVID-19 pandemic, we thought that COVID-19 would naturally subside once vaccines and therapeutics were developed. However, things weren't that easy. In Japan, while vaccination progressed from spring to summer this year, the number of new infections rapidly increased. Still, an increase in the vaccination rate would be an important factor in overcoming COVID-19. Therefore, we expect that the situation for infections will gradually stabilize and that both domestic business demand and leisure demand will begin to improve in the future due to the progress of vaccination, which had been temporarily stagnant due to supply problems. While it would take some time to resume accepting overseas tourism, we will try to manage the property by capturing domestic demand to a maximum extent.

Q: If the performance of the hotel returns to the level prior to the COVID-19 pandemic, can we expect that DPU would also return to the level prior to the COVID-19 pandemic?

A: Since we do not expect the COVID-19 to be contained in the short term, it will take a certain amount of time to for DPU to return the previous level. However, we believe that the future performance of the hotels will recover to levels it achieved prior to the COVID-19 pandemic, and we are striving to ensure that this scenario will come to fruition as early as possible. On the other hand, considering the number of properties in INV's current portfolio has decreased due to the sale of properties compared to the end of 2019, the normalized portfolio revenue has declined compared to levels achieved prior to COVID-19, and it is imperative to expand our asset size again. Recently, there have been many cases of property acquisitions via J-REIT public offerings. We believe there will be external growth opportunities for INV once COVID-19 is over. When the time comes, we will aim to increase the DPU to pre COVID-19 levels through the acquisition of new properties and the improvement of profitability of existing properties.

Q: In a year and a half since the COVID-19 pandemic began, web conferences are becoming popular. Therefore, people would no longer need business trips, which might result that business demand of hotels decrease. Please tell us about the outlook for business demand.

A: In the midst of the COVID-19 pandemic, we, the asset management company, have also introduced the system for teleworking, and we are actively utilizing telephone conferences and web conferences for meetings with external parties as well as internal meetings. It is true that businesses can reduce travel expenses and some of the work that people had done on business trip can be replaced by web conferences now. However, there are many tasks that require visiting the site and checking the spot with your own eye, such as real estate investment and plant maintenance work. Also, it might be difficult to develop strong relationships through online communication at the start of a business relationship. Established

relationships are easier to maintain even if it is required to do so online. We believe that business trip demand will also return when people have no concerns regarding infections, as the importance of direct communication will likely be reviewed,.

Q: What is the status of hotels in the Cayman Islands?

A: The Cayman Islands government closed its international airport in March 2020 and stopped accepting tourists from overseas. This action has continued as of the end of August 2021, and both Cayman hotels operate on a limited basis to capture staycation demand from domestic customers and demand for self-quarantine of persons entering for long stay in the islands.

In the Cayman Islands, vaccinations are progressing faster than in Japan with the aim of resuming the acceptance of tourists from overseas, because tourism is a major pillar of economic growth. In mid-July this year the Cayman Islands Government announced a restricted border reopening plan to resume accepting tourists from overseas in phases from September 9 once the vaccination rate reaches 80%. Since the period between Thanksgiving Day of late November and the Christmas holidays is one of the peak seasons in Cayman Islands, it is expected that tourist acceptance will be fully resumed by this time, and that hotels will also be able to thoroughly resume operations.

Since more than 80 percent of visitors to the Cayman Islands are from the U.S., Cayman tourism demand is significantly affected by the situation in the U.S. Some articles report that people have the mindset of so-called "Revenge Travel", where travel consumers appear ready to splurge on more travel experiences to help release their pandemic stress. As vaccinations have progressed to a certain extent, we expect this demand to spread to the Cayman hotels.

Q: It seems that many of the recent new borrowings have shorter periods. Is it getting hard to borrow from your lender?

A: In general, given that longer borrowing periods increase the cost of borrowing, we place our priority on ensuring refinancing for shorter borrowing periods at the lowest possible cost. This has resulted in an increase in short-term borrowings. However, we borrowed a 3-year loans (¥1,582 million) in July 2021.

Q: Recently, more REITs are focusing on responding to sustainability. What kind of sustainability initiatives is INV implementing?

A: From the asset management report of the previous fiscal period (the 35th fiscal period), we have incorporated a section that introduces a part of our ESG initiatives. Please refer to the next section for this fiscal period. In addition, please refer to INV's website (Policy & Strategy - Sustainability).

■ 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)
- ✓ Introduction of BEMS
- ✓ Introduction of LED lighting (all or part of property)
- ✓ Installation of high-efficiency equipment and appliances
- ✓ Installation of gas generation
- ✓ Installation of inverters
- ✓ Introduction of on-site renewable energy

■ Water saving

- ✓ Introduction of whole or part of the water-saving type toilet
- ✓ Installation of water-saving showers
- ✓ Implementation of wastewater treatment on the premises



Initiatives for Society

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 ^o of Employees	7 (3)	42.9%

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

Established various benefit programs for all employees, including rental PCs for remote work as a countermeasure against the COVID-19 virus.

*Newly introduced program: Telework / staggered work system, provision of telework allowance, introduction of vaccine leave

GRESB Real Estate Assessment²

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

(Note 2) 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 25, 2021, 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.

Initiatives by hotels amid COVID-19

～Delivery and Takeout Services～

Delivery services and takeout menus distributed in neighborhoods have started at MHM's directly managed restaurants since April 2020, and the number of hotels offering the service was 12 hotels in the INV portfolio as of the end of June 2021



MHM's website for "Delivery and Takeout Services" (Japanese only)
https://www.mystays.com/delivery_and_takeout/

Art Hotel Niigata Station



A menu that uses plenty of local ingredients such as Niigata brand rice, beef, and pork

Hotel Sonia Otaru



Seafood and other Hokkaido products unique to Otaru, Hokkaido

Hotel Nord Otaru



Colorful hors d'oeuvre

Hotel MyStays Premier Sapporo Park



Fine eel lunch box etc.

Hotel MyStays Matsuyama



Pasta, meat and fish dishes using locally produced ingredients

Art Hotel Hirosaki City



Various hors d'oeuvres and home delivery lunches in Japanese, Western and Chinese dishes

Beppu Kamenoi Hotel



Lunch box with plenty of flavors from famous restaurants

Art Hotel Morioka



Takeout lunch box etc.

Hotel MyStays Kagoshima Tenmonkan



Delicious hamburgers made with selected ingredients

Hotel MyStays Shin Osaka Conference Center



Hamburgers and steaks made with selected beef

Hotel MyStays Premier Akasaka



A variety of delicious pastas and salads by the chef of an authentic Italian restaurant

Hotel MyStays Gotanda Station



Italian Bologna cuisine and classic pasta pizza



I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period	36th fiscal period	
Reporting period		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	Jan. 1, 2021 to Jun. 30, 2021	
Operating Results	Operating revenue	(Note 1) (JPY thousand)	27,339,670	18,587,253	9,410,225	8,340,593	3,806,176
	(Rental revenue – real estate)	(JPY thousand)	12,153,399	14,545,826	5,838,836	5,738,249	3,806,176
	Operating expenses	(JPY thousand)	5,154,599	5,728,269	7,913,247	6,649,749	6,147,595
	(Property-related expenses)	(JPY thousand)	4,490,658	4,673,007	6,801,584	5,044,533	4,720,815
	Operating income (loss)	(JPY thousand)	22,185,070	12,858,984	1,496,977	1,690,843	(2,341,419)
	Ordinary income (loss)	(JPY thousand)	21,240,482	11,639,553	424,522	624,333	(3,599,083)
	Net income (loss)	(JPY thousand)	21,239,877	11,638,948	423,917	623,728	(3,599,688)
Assets	Total assets (change from last period)	(a) (JPY thousand) (%)	467,931,975 2.8	522,431,999 11.6	516,663,418 (1.1)	516,490,350 (0.0)	497,899,915 (3.6)
	Interest-bearing debt	(JPY thousand)	228,774,000	259,174,000	263,468,000	262,588,000	249,198,000
	Net assets (change from last period)	(b) (JPY thousand) (%)	233,046,414 5.3	259,730,758 11.5	249,538,194 (3.9)	249,641,218 0.0	245,113,891 (1.8)
	Unitholders' capital	(JPY thousand)	211,092,540	235,701,512	235,701,512	235,701,512	235,701,512
Dividend Status	Total distributions	(c) (JPY thousand)	9,384,287	10,517,049	420,681	1,018,172	91,452
	Dividend payout ratio	(Note 2) (%)	44.2	90.4	99.2	163.2	—
Information per Unit	Number of investment units issued and outstanding	(d) (Units)	5,666,840	6,096,840	6,096,840	6,096,840	6,096,840
	Net assets per unit	(b) / (d) (Note 3) (JPY)	41,125	42,601	40,929	40,946	40,203
	Distributions per unit (Distributions of earnings per unit)	(c) / (d) (JPY) (JPY)	1,656 1,656	1,725 1,725	69 69	167 167	15 15
	(Distributions in excess of retained earnings per unit)	(JPY)	—	—	—	—	—
Financial Measures	Return on assets (annualized)	(Note 4) (%)	4.6 9.3	2.4 4.7	0.1 0.2	0.1 0.2	(0.7) (1.4)
	Return on equity (annualized)	(Note 4) (%)	9.3 18.9	4.7 9.4	0.2 0.3	0.2 0.5	(1.5) (2.9)
	Capital ratio (change from last period)	(b) / (a) (Note 4) (%) (%)	49.8 1.2	49.7 (0.1)	48.3 (1.4)	48.3 0.0	49.2 0.9
	NOI (Net Operating Income)	(Note 4) (JPY thousand)	11,247,273	14,490,677	3,392,004	3,703,215	2,090,413

(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:

Dividend payout ratio = Distribution amount (Excluding distributions in excess of retained earnings) ÷ Net income × 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 June 2021

(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 (“CIM”), transferred 80.0% of issued shares of CIM 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 CIM, 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, CIM 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, CIM 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 June 30, 2021 (“Reporting Period”), INV didn’t acquire or sell any properties. 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 retail properties) with a total acquisition price of JPY 502,717 million (Note 5). Furthermore, INV’s hotel portfolio has the largest asset size (Note 6) of JPY 450,609 million (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 CIM 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 CIM 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 June 30, 2021.

(b) Operational Environment and Performance

Given the enormous impact of COVID-19 on the economy as a whole, especially in the hotel sector, on March 11, 2021, 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 January 1, 2021 to June 30, 2021 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). Pursuant to the 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 six months of January through June was JPY 1 billion, which is an amount equivalent to the fixed rent, and no variable rent was accrued. Moreover, JPY 1 billion is equivalent to about 20% of fixed rent under the original MLPM Agreements. As a result, NOI for the 73 hotels operated by the MHM Group for the Reporting Period was JPY 430 million.

For the June 2021 fiscal period, the portfolio NOI (Note 1) decreased by 48.1% or JPY 1,936 million compared to the same period in the previous year (the June 2020 fiscal period) to JPY 2,090 million. The hotel portfolio NOI decreased by JPY 1,654 million. The residential portfolio NOI (Note 2) also decreased by JPY 281 million due to asset sales. Compared to the June 2019 fiscal period prior to the COVID-19 pandemic, the portfolio NOI decreased by 85.8% or JPY 12,644 million, of which the hotel portfolio NOI decreased by JPY 11,532 million and the residential portfolio NOI decreased by JPY 1,108 million due to asset sales.

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 3) owned by INV decreased by 27.1% 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 4) of 35.6% (-12.5 points YoY), ADR (Note 5) of JPY 6,940 (-4.0% YoY), and RevPAR (Note 6) of JPY 2,472 (-28.9% YoY). Compared to the June 2019 fiscal period prior to the COVID-19 pandemic, the NOI decreased by 94.4%, the occupancy rate decreased by 51.2pt, ADR decreased by 31.4%, and RevPAR decreased by 71.8%.

Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort recorded an average occupancy rate of 7.9% (-29.7 points YoY), ADR of USD 162 (-66.8% YoY), and RevPAR of USD 13 (-93.0% YoY) for the Reporting Period. Compared to June 2019 fiscal period prior to the COVID-19 pandemic, the occupancy rate decreased by 81.4pt, ADR decreased by 61.1%, and RevPAR decreased by 96.6%.

Regarding the hotel sector in Japan, domestic hotel demand has significantly declined compared to pre-COVID-19 pandemic levels due to a sharp reduction in inbound visitors and self-restraint in business trips and leisure travel under the State of Emergency and other measures. While demand from individual customers remained weak, several hotels maintained relatively high occupancy rates by procuring group accommodation demand from sports organizations, various educational institutions and other groups as well as business demand from diverse industries thanks to an extensive corporate customer base and sales efforts of the MHM Group.

The Cayman Hotels were closed due to the temporary closure of the Owen Roberts International Airport in March 2020 caused by the COVID-19 pandemic. The 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. Westin Grand Cayman Seven Mile Beach Resort & Spa has reopened on a limited basis from June 2021 primarily to capture staycation demand from domestic customers during summer vacation. COVID-19 vaccinations have been making steady progress in the Cayman Islands, and the Cayman Islands Government has announced a restricted border reopening plan from September 9 once the fully vaccinated rate reaches 80%. The Cayman Hotels are preparing to resume accepting tourists from overseas in phases starting in June 2021 with restrictions.

Regarding the residential portfolio, CIM prioritized the recovery of the occupancy rate (Note 7). As a result, the occupancy rate of 54 residential properties (Note 8) increased by 1.2 points from 94.2% at the end of the previous fiscal period to 95.4% at the end of the Reporting Period. The average occupancy rate (Note 7) decreased by 0.7 points YoY to 95.3%. The NOI for the Reporting Period was almost flat YoY, mainly due to the decrease in restoration work costs and repair costs.

Regarding the rent market conditions for small-type properties, the rents in the 23 wards of Tokyo for the first quarter of 2021 (January to March) decreased YoY due to the impact of tenant relocation to the suburbs with the spread of remote work. The rents in other regions are generally on a gradual uptrend or flat.

In the Reporting Period, INV realized a rent increase for 27.6% (based on the number of contracts) of the new residential lease contracts, however the new rent decreased by 1.5% compared to the previous rent across all new leases (Note 9). INV achieved a rent increase for 23.1% (based on the number of contracts) of contract renewals with an average rent increase of 0.7% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate (Note 10) of 79.7, 10.4 points decrease YoY. Combined, new lease and renewal lease rents were signed at 0.2% lower than the previous leases. The average rent per tsubo per month (Note 11) for the Reporting Period decreased by 0.2% YoY to JPY 9,037.

The total appraisal value of 141 properties was JPY 532,550 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 70,385 million (Note 12) and an unrealized gain ratio of 15.2% (Note 12). The total appraisal value of 141 properties which were owned throughout the Reporting Period increased by 0.3% from JPY 530,860 million at the end of the December 2020 fiscal period to JPY 532,550 million at the end of the Reporting Period.

Key Performance Indicators of 75 Domestic Hotel Properties (Note 3)

	June 2021 fiscal period	vs 1H 2020	vs 1H 2019
Occupancy Rate (Note 4)	35.6%	-12.5pt	-51.2pt
ADR (JPY) (Note 5)	6,940	-4.0%	-31.4%
RevPAR (JPY) (Note 6)	2,472	-28.9%	-71.8%
GOP (JPY million) (Note 13)	655	+58.1%	-94.3%

Key Performance Indicators of Cayman Hotels

	June 2021 fiscal period	vs 1H 2020	vs 1H 2019
Occupancy Rate (Note 4)	7.9%	-29.7pt	-81.4pt
ADR (USD) (Note 5)	162	-66.8%	-61.1%
RevPAR (USD) (Note 6)	13	-93.0%	-96.6%
GOP (USD) (Note 13)	-2,850,157	- (Note 14)	- (Note 14)

Key Performance Indicators of 54 Residential Properties (Note 8)

	June 2021 fiscal period	Year-on-year change
Occupancy Rate (Note 7)	95.3%	-0.7pt
Average Rent per Tsubo per Month (JPY) (Note 11)	9,037	-0.2%
NOI (JPY million) (Note 2)	1,376	-0.1%

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

NOI = Rental Revenues - Property Related Expenses + Depreciation Expenses + Dividend on the preferred equity interest (TMK dividend) + (Management Contract Revenue of the Cayman Hotels - Management Contract Expense)

(Note 2) For the comparison of NOI for the residential properties, one-off insurance-related revenues and expenses. Hereinafter the same shall apply.

(Note 3) Of the 84 hotels held as of the end of the June 2021 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 January 2019 are calculated on the assumption INV had acquired those properties on January 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 4) “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 5) “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 6) “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 7) “Occupancy Rate” and “Average 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. Hereinafter the same shall apply.
- (Note 8) Based on the 54 residential properties owned as of the end of June 2021. Hereinafter the same shall apply.
- (Note 9) 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. Hereinafter the same shall apply.
- (Note 10) 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 11) “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 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. GOP for each fiscal period ended June 2020 and onwards includes the amount of employment adjustment subsidies to be received by the hotel operators for the respective fiscal period, which requires a certain period of time to confirm. Therefore, the amount of GOP is subject to change retroactively upon confirmation of the amount of employment adjustment subsidies. Moreover, if variable rent is accrued due to changes in GOP arising from revision of the employment adjustment subsidies, we will discuss with the tenant separately regarding the handling of such variable rent. In addition, 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.
- (Note 14) The GOP of the Cayman Hotels was USD 8,502,469 in the same period of 2020 and USD 26,681,479 in the same period of 2019.

(c) Overview of Fund Raising

As a result of the measures described below, INV’s interest-bearing debt outstanding balance was JPY 249,198 million and the Interest-Bearing Debt ratio (Note 1) and LTV (appraisal value basis) (Note 2) were 50.0% and 45.3% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.51%.

- (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 Term Loan (R) on January 22, 2021 (total amount borrowed: JPY 3,400 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 and Term Loan (S) (total amount borrowed: JPY 850 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by MUFG Bank, Ltd. in order to repay Term Loan (B) in the amount of JPY 4,250 million due on January 22, 2021.

On March 30, 2021, INV borrowed New Syndicate Loan (T) (total amount borrowed: JPY 3,057 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., New Syndicate Loan (U) (total amount borrowed: JPY 3,039 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 (T) (total amount borrowed: JPY 570 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of three months), which was arranged by Resona Bank, Limited in order to repay one of the tranches of New Syndicate Loan (G) in the amount of JPY 927 million due on March 14, 2021 and New Syndicate Loan (F) in the amount of JPY 6,396 million due on March 30, 2021.

Furthermore, INV borrowed Term Loan (U) on June 15, 2021 (total amount borrowed: JPY 349 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of one year), which was arranged by Citibank, N.A., Tokyo Branch in order to repay Term Loan (C) in the amount of JPY 349 million due on June 15, 2021.

In addition, INV borrowed Term Loan (V) on June 30, 2021 (total amount borrowed: JPY 570 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for duration of six months), which was arranged by Resona Bank, Limited in order to repay Term Loan (T) in the amount of JPY 570 million due on June 30, 2021.

(ii) Prepayment of Loan

INV's following Loans Subject to Prepayment were prepaid on January 29, 2021 to each lender 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	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>	March 31, 2016	10,433	4,037	6,396	0.68818% (Note 2)	Mar. 30, 2021 (Note 3)	Unsecured/ non- guaranteed
New Syndicate Loan (G) <4-Year Loan>	March 14, 2017	3,250	2,323	927	0.58818% (Note 2)	Mar. 14, 2021 (Note 3)	
New Syndicate Loan (K) <3-Year Loan>	March 29, 2019	7,934	12	7,922	0.36100% (Note 4)	Mar. 29, 2022	
New Syndicate Loan (K) <5-Year Loan>	March 29, 2019	2,500	99	2,401	0.59400% (Note 4)	Mar. 29, 2024	
New Syndicate Loan (K) <10-Year Loan>	March 29, 2019	1,000	39	961	0.88818% (Note 2)	Mar. 29, 2029	
New Syndicate Loan (L) <4.5-Year Loan>	July 19, 2019	4,943	138	4,805	0.52473% (Note 4)	Jan. 16, 2024	
New Syndicate Loan (N) <4.4-Year Loan>	August 28, 2019	3,682	138	3,544	0.46219% (Note 4)	Jan. 16, 2024	
New Syndicate Loan (P) <5-Year Loan>	January 6, 2020	4,550	59	4,491	0.64291% (Note 4)	Jan. 6, 2025	
New Syndicate Loan (Q) <5-Year Loan>	March 16, 2020	3,250	39	3,211	0.48700% (Note 4)	Mar. 16, 2025	
New Syndicate Loan (Q) <5-Year Loan>	March 30, 2020	6,960	39	6,921	0.58818% (Note 2)	Mar. 16, 2025	
New Syndicate Loan (R) <1-Year Loan>	July 16, 2020	28,979	1,550	27,429	0.33818% (Note 2)	Jul. 16, 2021 (Note 3)	
Term Loan (C) <5-Year Loan>	June 15, 2016	1,000	651	349	0.68818% (Note 2)	Jun. 15, 2021 (Note 3)	
Term Loan (D) <5-Year Loan>	June 30, 2016	3,000	267	2,733	0.68818% (Note 2)	Jun. 30, 2021 (Note 3)	
Term Loan (E) <5-Year Loan>	July 20, 2016	1,700	118	1,582	0.68818% (Note 2)	Jul. 20, 2021 (Note 3)	
Term Loan (G) <4.5-Year Loan>	May 29, 2017	7,321	157	7,164	0.63818% (Note 2)	Nov. 29, 2021	
Term Loan (O) <1-Year Loan>	July 20, 2020	1,000	334	666	0.33818% (Note 2)	Jul. 20, 2021 (Note 3)	
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) All repayments are completed as of the date of this document.

(Note 4) Figures are 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.

(d) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period decreased by JPY 4,534 million from the previous period (-54.4%) to JPY 3,806 million, resulting in a net loss of JPY 3,599 million (net income of JPY 623 million for the previous period). Unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 12,353 million) is JPY 8,753 million. INV has decided to set distribution per unit (excluding excess profit distribution) of JPY 15 by reversing retained earnings in order to avoid non-dividend.

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 5 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	
February 22, 2017	Reversal of allowance for temporary differences adjustment	-	3,675,824	224,225,264	120,591,496,700	(Note 1)
March 13, 2017	Public offering	185,000	3,860,824	8,393,450,000	128,984,946,700	(Note 2)
October 12, 2017	Public offering	887,959	4,748,783	37,917,625,218	166,902,571,918	(Note 3)
November 1, 2017	Third-party allotment	44,398	4,793,181	1,895,883,396	168,798,455,314	(Note 4)
August 1, 2018	Public offering	909,524	5,702,705	40,280,089,388	209,078,544,702	(Note 5)
August 21, 2018	Third-party allotment	45,476	5,748,181	2,013,995,612	211,092,540,314	(Note 6)
December 28, 2018	Retirement	(81,341)	5,666,840	-	211,092,540,314	(Note 7)
July 18, 2019	Public offering	409,524	6,076,364	23,317,887,036	234,410,427,350	(Note 8)
August 15, 2019	Third-party allotment	20,476	6,096,840	1,165,882,964	235,576,310,314	(Note 9)
August 22, 2019	Reversal of allowance for temporary differences adjustment	-	6,096,840	125,201,855	235,701,512,169	(Note 10)

(Note 1) 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 2) 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 3) 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 4) 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 5) 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 6) 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 7) 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 8) 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 9) 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 10) 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	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period	36th fiscal period
Closing month	June 2019	December 2019	June 2020	December 2020	June 2021
Highest	60,700	70,600	62,300	39,800	47,650
Lowest	44,300	55,700	18,870	23,500	31,400

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 15 by reversing retained earnings.

Period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period	36th fiscal period
Calculated Period	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	Jan. 1, 2021 to Jun. 30, 2021
Unappropriated retained earnings (JPY thousand)	21,131,966	23,261,426	13,168,294	13,371,340	8,753,480
Reserved profit (JPY thousand)	11,622,477	12,744,377	12,747,612	12,353,168	8,662,027
Total cash distribution (JPY thousand)	9,384,287	10,517,049	420,681	1,018,172	91,452
(Distribution per unit) (JPY)	1,656	1,725	69	167	15
Total profit distribution (JPY thousand)	9,384,287	10,517,049	420,681	1,018,172	91,452
(Profit distribution per unit) (JPY)	1,656	1,725	69	167	15
Total refund of investment (JPY thousand)	-	-	-	-	-
(Refund of investment per unit) (JPY)	-	-	-	-	-
Total distribution from the allowance for temporary differences adjustment out of total refund of investment (JPY thousand)	-	-	-	-	-
(Distribution from the allowance for temporary differences adjustment per unit out of refund of investment per unit) (JPY)	-	-	-	-	-
Total distribution from unitholders' equity under the tax laws out of the total refund of investment (JPY thousand)	-	-	-	-	-
Distribution from unitholders' equity under the tax laws out of refund of investment per unit (JPY)	-	-	-	-	-

5 Future operational policy and issues to be addressed

Outlook for the Fiscal Periods Ending December 31, 2021

The Japanese economy is expected to remain in a severe situation caused by COVID-19 infections, and it is necessary to closely monitor impacts of the pandemic in Japan and overseas, variables in the financial and capital markets, and other factors. However, the increase in nationwide vaccinations will hopefully reduce the number of patients with severe symptoms and death toll, and lead to an improvement in the Japanese economy toward the end of the year.

In the hotel market, accommodation demand related to the Tokyo Olympic Games were limited, as most of the competitions were held without spectators. It is expected that inbound demand will not recover for the time being. However, domestic tourism and business demand are expected to gradually recover as vaccinations progress and the level of socio-economic activity rises.

In the rental housing market, lifestyle changes due to the impact of COVID-19 infections are expected to affect tenant trends, and lessors are required to pay close attention to such trends.

(a) Future operational policy and issues to be addressed

Since July 2011, INV has focused on improving the profitability of its portfolio and strengthening its financial base in order to enhance unitholder value 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 CIM 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.

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 property 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 with strong competitiveness, 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 reduction of labor costs 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 providing corporate customers with diverse options including a new lineup of meeting options highlighting strict measures to reduce the spread of COVID-19 while grasping changes in customer demand under the "With Corona" environment. 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 and expansion of delivery and take-out services through directly managed restaurants in the hotel 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

INV has been granted a long-term issuer rating of "A+" (Outlook: Negative) from Japan Credit Rating Agency, Ltd. (JCR)

as of the date of this document.

As it is difficult to predict when the COVID-19 pandemic will come to an end, for the time being INV will implement initiatives that restrict an increase in interest payments upon 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.

(iv) Compliance risk management

While the executive officer of INV concurrently serves as the representative director at CIM, 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 CIM attends each meeting of the Board of Directors in the capacity of an observer.

CIM 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 conducts sustainability-focused training for all officers and employees, including temporary staff, at least once a year, to help officers and employees acquire knowledge and raise awareness of sustainability considerations in line with business practices. In addition, as an initiative for its employees, CIM conducts an employee satisfaction survey once every three years with the aim of improving its working environment. CIM also introduced a paid vaccine leave so that officers and employees can receive COVID-19 vaccines and deal with any potential side-effects.

As the COVID-19 pandemic continues, APA Hotel Yokohama-Kannai has been used as an accommodation and medical facility for patients with mild symptoms since August 2020 in terms of social contributions.

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

(a) Overview of Sale of Assets

CIM decided to sell trust beneficiary interests in one retail facility, Lexington Plaza Hachiman as below on June 28, 2021 and INV completed the sale on July 2, 2021.

Property Number	Property Name	Acquisition Price (JPY million)	Book Value (JPY million) (Note 1)	Sale Price (JPY million) (Note 2)	Expected Gain on Sale (JPY million) (Note 3)	Transferee (Note 4)
B17	Lexington Plaza Hachiman	3,280	2,982	3,660	590	Kubota Holdings

(Note 1) Book value shows figures as of June 30, 2021.

(Note 2) Sale price does not include transfer related cost, adjustments for fixed asset taxes or city planning taxes, or national or local consumption taxes.

(Note 3) Expected gain on sale is calculated by deducting the Book Value and estimated transfer related costs from the Sale Price.

(Note 4) INV does not have any capital, personnel or transactional relationship of note with the Transferee. In addition, the Transferee is not a related party of INV/CIM. Furthermore, related persons and affiliates of the Transferee are not related parties of INV/CIM. Moreover, the Transferee is not an interested party, etc. of INV/CIM as provided in Investment Trust Act.

(Note 5) Amounts are rounded down to the nearest million yen.

(Reference Information)

(a) Debt Financing

INV decided to borrow New Syndicate Loan (V) and Term Loan (W) on July 14, 2021 in order to repay (i) the New Syndicate Loan (R) in the amount of JPY 27,429 million due on July 16, 2021, (ii) the borrowing in the amount of JPY 9,660 million due on July 17, 2021, which is one of the tranches of the New Syndicate Loan (I) with a total outstanding amount of JPY 28,979 million, (iii) the Term Loan (E) in the amount of JPY 1,582 million due on July 20, 2021, (iv) the Term Loan (O) in the amount of JPY 666 million due on July 20, 2021 and (v) the borrowing in the amount of JPY 2,359 million due on August 2, 2021, which is one of the tranches of the New Syndicate Loan (J) with a total outstanding amount of JPY 39,359 million.

(i) New Syndicate Loan (V)

Lender	Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
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, 2021	27,429	Floating interest rates (Note 1)	July 16, 2022	Unsecured/ non guarantee
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A., Tokyo Branch	July 19, 2021	9,660	Floating interest rates (Note 1)	July 16, 2022	
Development Bank of Japan, Inc.	July 20, 2021	666	Floating interest rates (Note 1)	July 16, 2022	
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Shinsei Bank, Limited Citibank, N.A., Tokyo Branch	August 2, 2021	2,269	Floating interest rates (Note 1)	July 16, 2022	
Total		40,024			

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

(ii) Term Loan (W)

Lender	Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
The Tokyo Star Bank, Limited	July 20, 2021	1,582	Floating interest rates (Note 1)	July 20, 2024	Unsecured/ non guarantee

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.35000%)

Overview of the Investment Corporation

1 Overview of Investment

By Period	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period	36th fiscal period
Results Dates	As of Jun. 30, 2019	As of Dec. 31, 2019	As of Jun. 30, 2020	As of Dec. 31, 2020	As of Jun. 30, 2021
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	6,096,840	6,096,840	6,096,840	6,096,840
Unitholders' capital (JPY million)	211,092	235,701	235,701	235,701	235,701
Number of total unitholders	32,645	34,626	42,439	38,074	33,747

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)	958,447	15.72
Custody BANK of Japan, Ltd. (trust account)	609,079	9.99
The Nomura Trust and Banking Co., Ltd. (investment trust account)	258,258	4.23
Custody BANK of Japan, Ltd. (security investment trust account)	215,818	3.53
DEUTSCHE BANK AG, SINGAPORE A/C CLIENTS (TREATY)	194,900	3.19
THE BANK OF NEW YORK MELLON 140044	190,617	3.12
SSBTC CLIENT OMNIBUS ACCOUNT	169,549	2.78
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND	145,462	2.38
FJODF GP INV HOLDINGS LLC	115,931	1.90
GOLDMAN SACHS INTERNATIONAL	100,668	1.65
Total	2,958,729	48.52

(Note) 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.

Notes regarding indemnification agreement between Directors and INV

Not applicable.

4 Notes regarding Directors Liability Insurance

Directors Liability Insurance concluded by INV is as below.

Insured Person	Overview of the Insurance Contract
All Executive Directors and Supervisory Directors	<p>(Outline of insured event covered by insurance) Damages and dispute costs incurred by the insured due to a claim for damages caused by the insured's actions as a director's duties will be covered.</p> <p>(Burden ratio of insurance premium) INV bears the insurance premiums except those for the special contract of unitholder derivative suits.</p> <p>(Measures to ensure that duties are executed properly) By excluding criminal acts such as bribery and damages of directors who intentionally commit illegal acts from compensation, measures are taken so that duties of directors are executed properly.</p>

5 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 administration of unitholders' registry, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 1))	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 2) / Sumitomo Mitsui Trust Bank, Limited (Note 3)
General administrative agent (Fiscal agent pertaining to investment corporation bonds, etc.)	Mizuho Bank, Ltd. / Sumitomo Mitsui Banking Corporation

- (Note 1) (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 2) 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 3) 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 December 31, 2020 (as of December 31, 2020)		Fiscal period ended June 30, 2021 (as of June 30, 2021)		
			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)	35,136	6.8	34,712	7.0	
		Subtotal	35,139	6.8	34,714	7.0	
Total real estate			35,139	6.8	34,714	7.0	
Real estate in trust	Residences	Greater Tokyo area	29,098	5.6	28,937	5.8	
		Major regional cities	13,194	2.6	13,060	2.6	
		Subtotal	42,293	8.2	41,998	8.4	
	Offices/Commercial Facilities	Greater Tokyo area	-	-	-	-	
		Major regional cities	4,689	0.9	4,661	0.9	
		Subtotal	4,689	0.9	4,661	0.9	
	Hotels	Greater Tokyo area	170,270	33.0	169,417	34.0	
		Major regional cities	213,161	41.3	211,373	42.5	
		Subtotal	383,431	74.2	380,790	76.5	
	Total real estate in trust			430,414	83.3	427,450	85.9
	Preferred equity interest (Note 5)			17,856	3.5	17,856	3.6
	Deposits and other assets			33,080	6.4	17,878	3.6
Total assets (Note 6)			516,490 (465,553)	100.0 (90.1)	497,899 (462,164)	100.0 (92.8)	

(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	29,144	21,528.23	21,528.23	100.0	-	Hotel
D43	Hotel MyStays Gotanda Station	26,269	10,137.88	10,137.88	100.0	1.5	Hotel
D60	Hotel MyStays Premier Akasaka	20,348	8,620.69	8,620.69	100.0	1.1	Hotel
D44	Hotel Epinard Nasu	19,114	37,702.33	37,702.33	100.0	1.0	Hotel
D61	Hotel MyStays Premier Sapporo Park	16,156	21,670.64	21,670.64	100.0	0.9	Hotel
D64	Hotel MyStays Sapporo Aspen	15,342	15,313.17	15,313.17	100.0	1.1	Hotel
D50	Hotel MyStays Shin Osaka Conference Center	12,855	13,026.99	13,026.99	100.0	1.0	Hotel
D47	Hotel MyStays Premier Kanazawa	12,688	13,250.03	13,250.03	100.0	0.8	Hotel
D82	Hotel MyStays Premier Narita	10,279	36,519.70	36,519.70	100.0	0.8	Hotel
D51	Hotel MyStays Premier Omori	9,723	11,849.61	11,849.61	100.0	0.7	Hotel
	Total	171,923	189,619.27	189,619.27	100.0	8.9	

(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	1,080
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,051.50	1,050	826
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	1,367.96	1,190	939
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interest	2,152.31	1,400	1,311
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	3,029.16	1,150	1,050
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	923
A34	Belle Face Ueno- Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest (Note 4)	1,351.11	1,080	913
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interest (Note 4)	1,562.26	1,020	782
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,015.34	794	717
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,368.57	660	635
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,167.50	678	704
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interest	1,235.93	571	653
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interest (Note 4)	1,210.74	766	507
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interest (Note 4)	1,047.75	507	558
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interest (Note 4)	557.05	633	546
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	907.46	532	510

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	596	497
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interest (Note 4)	2,040.27	525	525
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interest (Note 4)	871.35	574	436
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest	1,627.13	1,310	795
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interest	1,220.24	865	565
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	3,426.36	1,460	1,005
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,929.59	683	385
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,528.58	433	263
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya- shi, Aichi	Trust beneficiary interest	705.75	298	230
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashi-Komagata, Sumida-ku, Tokyo	Trust beneficiary interest	784.74	684	412
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	878
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	2,773.71	1,550	1,106
A78	Cosmo Court Motomachi	3-12-20 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	2,310.49	1,200	840
A79	Revest Honjin	2-13 Toriiodori, Nakamura-ku, Nagoya- shi, Aichi	Trust beneficiary interest	1,933.80	875	575
A80	Revest Matsubara	3-13-12 Matsubara, Naka-ku, Nagoya- shi, Aichi	Trust beneficiary interest	1,955.40	867	565
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,731.68	792	516
A83	Revest Meieki Minami	2-13-33 Meieki-Minami, Nakamura- ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,634.60	832	506
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,554.03	782	509
A85	Vendir Hamaotsu Ekimae	1-2-15 Hamaotsu, Otsu-shi, Shiga	Trust beneficiary interest	2,670.66	841	484
A86	Salvo Sala	2-6-21 Shimanouchi, Chuo-ku, Osaka- shi, Osaka	Trust beneficiary interest	1,428.12	697	471
A87	Excellente Kagurazaka	128-1 Yamabukicho, Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interest	701.92	735	494

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	632	461
A89	Winntage Kobe Motomachi	7-2-2 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	1,433.35	666	438
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	765.18	717	415
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoindori Nijo Kudara, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels	Trust beneficiary interest	1,029.05	559	393
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	530.60	599	379
A93	Siete Minami-Tsukaguchi	3-18 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interest	1,020.86	470	336
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	789.12	495	331
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interest	992.76	489	312
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,477.62	477	301
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interest	794.80	358	309
A98	Little River Honmachibashi	1-34 Honmachibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	974.81	432	274
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interest	761.18	360	263
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interest	2,940.20	2,100	1,620
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interest	2,048.28	2,060	1,569
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interest	8,776.26	3,280	2,614
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interest	15,797.29	5,980	4,688
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interest	6,496.86	3,070	2,559
Subtotal				108,572.68	55,024	41,998
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interest	8,419.15	3,660	2,982
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interest	18,440.58	2,380	1,679
Subtotal				26,859.73	6,040	4,661
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,585.72	4,920	2,873

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	2,485
D03	Hotel MyStays Kyoto-Shijo	52 Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo- ku, Kyoto-shi, Kyoto	Trust beneficiary interest	7,241.51	9,460	5,655
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interest	6,232.30	7,200	4,498
D05	Hotel MyStays Maihama	3-5-1 Tekkodori, Urayasu-shi, Chiba	Trust beneficiary interest	2,456.36	6,810	4,617
D06	Hotel MyStays Premier Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	9,445.32	6,680	3,632
D07	Hotel MyStays Nagoya- Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	9,064.71	5,530	2,550
D08	Hotel MyStays Sakaisuji- Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka- shi, Osaka	Trust beneficiary interest	4,188.83	3,780	2,299
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	7,379.43	3,890	2,223
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interest	1,719.29	2,510	1,763
D11	Hotel MyStays Fukuoka- Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	3,412.71	5,560	1,428
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,953.38	2,100	1,329
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interest	1,150.76	2,010	1,209
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa- ku, Tokyo	Trust beneficiary interest	1,134.52	1,980	1,181
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interest	2,539.75	2,140	1,184
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interest	2,089.86	2,260	1,091
D17	Hotel MyStays Otemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,956.66	2,410	1,136
D18	Hotel MyStays Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interest	2,673.64	1,490	868
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	770.56	810	554
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	391.49	390	280
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	6,568.51	9,930	7,454
D22	Hotel MyStays Hakodate-Goryokaku	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interest	7,961.26	3,910	2,699
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interest	1,754.06	2,360	2,068

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	8,390	7,128
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	4,349.67	7,210	5,282
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest	2,247.92	3,760	3,623
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	2,793.99	4,820	3,509
D28	Hotel MyStays Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interest	3,559.81	2,390	2,067
D29	Super Hotel Shinbashi/ Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interest	1,403.89	1,940	1,575
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interest	1,714.53	1,300	1,265
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya- shi, Tochigi	Trust beneficiary interest	11,733.23	2,010	1,192
D32	Flexstay Inn Kawasaki- Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,190.57	1,110	882
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interest	3,305.64	1,160	897
D34	Flexstay Inn Kawasaki- Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	725.60	891	866
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interest	3,932.93	4,580	4,780
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,832.97	1,240	1,080
D37	Super Hotel JR Ueno- iriyaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interest	1,279.16	1,180	1,064
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,942.01	2,460	2,987
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interest	3,207.60	1,240	1,026
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interest	3,660.96	1,120	986
D41	Comfort Hotel Tsubame- Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interest	3,099.90	1,100	916
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interest	3,009.50	912	767
D43	Hotel MyStays Gotanda Station (Note 5)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	10,137.88	23,700	26,269
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	19,114
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	5,083.06	7,990	7,784

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	6,120	7,847
D47	Hotel MyStays Premier Kanazawa	2-13-1 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interest	13,250.03	12,800	12,688
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interest	7,148.17	2,240	2,094
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	6,151.93	10,400	7,967
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	12,855
D51	Hotel MyStays Premier Omori	6-11-2 Minami Oi, Shinagawa-ku, Tokyo and 13 other lots	Trust beneficiary interest	11,849.61	9,640	9,723
D52	Beppu Kamenoi Hotel	2160-1 Chuocho, Beppu-shi, Oita and 12 other lots	Trust beneficiary interest	19,422.08	8,670	7,899
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	7,267.88	8,180	7,624
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	5,144
D55	Art Hotel Joetsu	5-1-11, Hon-cho Joetsu-shi, Niigata	Trust beneficiary interest	7,563.60	2,690	2,631
D56	Art Hotel Hirosaki City	1-1-2, 1-6, 1-7, 2-1, Omachi, Hirosaki-shi, Aomori	Trust beneficiary interest	14,826.30	2,740	2,530
D57	Hotel MyStays Oita	1-32, Niagemachi Oita-shi, Oita	Trust beneficiary interest	3,254.69	1,560	1,488
D58	Hotel MyStays Gotanda	2-5-4, Higashigotanda Shinagawa-ku, Tokyo	Trust beneficiary interest	1,839.77	3,920	4,049
D59	Hotel MyStays Tachikawa	1-8-14, Nishiki-cho Tachikawa-shi, Tokyo	Trust beneficiary interest	3,844.64	3,320	3,193
D60	Hotel MyStays Premier Akasaka	2-17-54, Akasaka Minato-ku, Tokyo	Trust beneficiary interest	8,620.69	23,200	20,348
D61	Hotel MyStays Premier Sapporo Park	2-2-10, Minamikujo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	21,670.64	16,100	16,156
D62	Hotel MyStays Ueno East	5-5-6, Higashi Ueno, Taito-ku, Tokyo	Trust beneficiary interest	4,396.02	5,110	5,171
D63	Hotel MyStays Midosuji Honmachi	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,429.43	3,710	4,871
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	15,342
D65	Art Hotel Ishigakijima	554-2 Nishimaji Okawa, Ishigaki - shi, Okinawa, and four other lots	Trust beneficiary interest	17,247.54	9,310	9,560
D66	Hotel MyStays Fuji Onsen Resort	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots	Trust beneficiary interest	5,498.49	9,760	8,994
D67	Hotel Sonia Otaru	1-4-20 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,509.41	5,700	5,700

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	5,627
D69	Art Hotel Niigata Station	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interest	10,403.01	5,340	5,410
D70	Hotel MyStays Nagoya Nishiki	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	6,077.99	5,000	5,114
D71	Hotel Nord Otaru	1-4-16 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,047.43	4,050	4,200
D72	Hotel MyStays Kagoshima Tenmonkan	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima	Trust beneficiary interest	7,659.55	3,400	3,376
D73	Art Hotel Asahikawa	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido	Trust beneficiary interest	25,131.84	3,080	2,995
D74	Hotel MyStays Matsuyama	1-10-10 Otemachi, Matsuyama-shi, Ehime	Trust beneficiary interest	8,274.37	3,160	2,928
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	2,930	3,010
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	1,970	2,053
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	1,539
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	1,406
D79	MyCUBE by MYSTAYS Asakusa Kuramae	2-6-7 Kuramae, Taito-ku, Tokyo	Trust beneficiary interest	2,156.70	1,270	1,273
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interest	2,047.70	1,190	1,158
D81	Hotel MyStays Nayoro	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot	Trust beneficiary interest	1,985.27	930	907
D82	Hotel MyStays Premier Narita	40 Yokomine Oyama, Narita-shi, Chiba, and 14 other lots	Trust beneficiary interest	36,519.70	10,100	10,279
D83	Art Hotel Morioka	3-3-18 Odori, Morioka-shi, Iwate	Trust beneficiary interest	16,727.08	5,400	5,469
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands	The Leasehold	21,528.23	35,031 (USD 316,800 thousand) (Note 6)	29,144
D201	Sunshine Suites Resort	1465 Esterley Tibbetts Highway, Grand Cayman, Cayman Islands	The Leasehold	6,723.11	6,391 (USD 57,800 thousand) (Note 6)	5,567
Subtotal				572,519.79	471,486	415,505
Total				707,952.20	532,550	462,164

(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 Foros 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 110.58, which is the exchange rate on the closing date of the fiscal period (June 30, 2021).

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

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
A26	Nisshin Palacestage Daitabashi	1	88.2	38,050	0.7	1	90.8	38,886	1.0
A27	Nisshin Palacestage Higashi-Nagasaki (Note 4)	-	-	44,051	0.8	-	-	-	-
A28	Growth Maison Gotanda	1	100.0	27,708	0.5	1	100.0	27,696	0.7
A29	Growth Maison Kameido	1	97.0	35,295	0.6	1	92.5	35,191	0.9
A30	Emerald House	1	93.8	41,900	0.7	1	100.0	47,212	1.2
A32	Suncrest Shakujii-Koen	1	94.1	38,160	0.7	1	100.0	39,472	1.0
A33	Growth Maison Shin-Yokohama	1	94.0	37,260	0.6	1	94.0	38,130	1.0
A34	Belle Face Ueno-Okachimachi	1	90.5	30,727	0.5	1	100.0	33,266	0.9
A35	Grand Rire Kameido	1	100.0	26,619	0.5	1	100.0	26,619	0.7
A37	Growth Maison Yoga	1	94.9	23,025	0.4	1	92.4	22,403	0.6
A38	Route Tachikawa	1	100.0	21,956	0.4	1	100.0	22,167	0.6
A39	Shibuya-Honmachi Mansion	1	100.0	21,467	0.4	1	92.4	20,495	0.5
A40	City Heights Kinuta	1	83.8	16,726	0.3	1	100.0	18,918	0.5
A41	Acseeds Tower Kawaguchi-Namiki	1	98.2	25,071	0.4	1	94.7	26,363	0.7
A43	College Square Machida	1	100.0	16,609	0.3	1	100.0	16,609	0.4
A44	Belair Meguro	1	91.9	16,609	0.3	1	96.0	16,116	0.4
A45	Wacore Tsunashima I	1	95.9	18,629	0.3	1	89.9	18,315	0.5
A46	Foros Nakamurabashi	1	95.1	18,537	0.3	1	100.0	19,366	0.5
A47	Growth Maison Kaijin	1	91.2	22,400	0.4	1	100.0	23,284	0.6
A48	College Square Machiya	1	100.0	14,924	0.3	1	100.0	14,924	0.4
A53	Nishiwaseda Crescent Mansion (Note 4)	-	-	71,152	1.2	-	-	-	-
A54	Lexington Square Akebonobashi (Note 4)	-	-	46,241	0.8	-	-	-	-
A59	Towa City Coop Shinotsuka II	1	96.4	36,213	0.6	1	98.8	35,962	0.9
A61	Bichsel Musashiseki	1	94.3	22,996	0.4	1	88.7	23,199	0.6

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
A63	Towa City Coop Sengencho	1	88.4	57,066	1.0	1	95.6	58,174	1.5
A64	Royal Park Omachi	1	81.1	22,914	0.4	1	96.7	26,517	0.7
A65	Lexington Square Haginomachi	1	92.4	16,408	0.3	1	100.0	17,234	0.5
A66	Visconti Kakuozan	1	100.0	11,659	0.2	1	76.0	10,868	0.3
A71	Lexington Square Daitabashi (Note 4)	-	-	30,425	0.5	-	-	-	-
A72	Lexington Square Honjo Azumabashi	1	97.0	18,697	0.3	1	93.9	18,515	0.5
A73	AMS TOWER Minami 6-Jo	1	86.1	42,972	0.7	1	90.0	43,675	1.1
A76	Neo Prominence (Note 4)	-	-	61,466	1.1	-	-	-	-
A77	Invoice Shin-Kobe Residence	1	94.5	49,193	0.9	1	97.2	50,571	1.3
A78	Cosmo Court Motomachi	1	98.8	39,291	0.7	1	93.8	38,310	1.0
A79	Revest Honjin	1	96.2	31,326	0.5	1	93.8	31,746	0.8
A80	Revest Matsubara	1	80.6	26,307	0.5	1	71.8	24,719	0.6
A82	Alba Noritake Shinmachi	1	90.3	25,634	0.4	1	93.7	26,586	0.7
A83	Revest Meieki Minami	1	75.9	23,754	0.4	1	83.8	23,695	0.6
A84	Revest Heian	1	93.6	23,546	0.4	1	98.4	23,970	0.6
A85	Vendir Hamaotsu Ekimae	1	97.8	35,107	0.6	1	94.7	35,075	0.9
A86	Salvo Sala	1	91.1	22,828	0.4	1	88.7	23,732	0.6
A87	Excellente Kagurazaka	1	82.4	17,887	0.3	1	85.1	18,385	0.5
A88	Luna Court Edobori	1	90.1	19,984	0.3	1	96.0	20,406	0.5
A89	Winntage Kobe Motomachi	1	90.8	21,642	0.4	1	94.6	22,778	0.6
A90	Queen's Court Fukuzumi	1	93.1	17,341	0.3	1	93.1	17,407	0.5
A91	Corp Higashinotoin	1	93.3	18,174	0.3	1	95.5	18,525	0.5
A92	Belair Oimachi	1	84.8	15,270	0.3	1	92.9	14,975	0.4
A93	Siete Minami-Tsukaguchi	1	97.5	17,502	0.3	1	95.0	17,374	0.5
A94	Prime Life Sannomiya Isogami Koen	1	93.8	15,067	0.3	1	100.0	15,333	0.4
A95	HERMITAGE NANBA WEST	1	87.2	14,460	0.3	1	100.0	16,451	0.4

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
A96	Century Park Shinkawa 1-bankan	1	97.7	18,343	0.3	1	93.2	18,334	0.5
A97	West Avenue	1	97.5	12,995	0.2	1	95.0	13,262	0.3
A98	Little River Honmachibashi	1	84.6	12,658	0.2	1	100.0	13,118	0.3
A99	Prime Life Mikage	1	100.0	12,525	0.2	1	100.0	12,579	0.3
A100	City Court Kitaichijo (Note 4)	-	-	60,105	1.0	-	-	-	-
A101	Lieto Court Mukojima	1	96.4	56,786	1.0	1	98.0	56,927	1.5
A102	Lieto Court Nishi-Ojima	1	98.8	51,126	0.9	1	94.5	49,957	1.3
A103	Royal Parks Momozaka	1	96.0	161,328	2.8	1	94.6	158,764	4.2
A104	Royal Parks Shinden	1	100.0	217,186	3.8	1	100.0	219,479	5.8
A106	Royal Parks Seasir Minami-Senju	1	94.9	118,702	2.1	1	93.3	118,454	3.1
Subtotal		54	94.2	2,130,029	37.1	54	95.4	1,840,513	48.4
B17	Lexington Plaza Hachiman	1	98.5	159,025	2.8	1	95.8	158,023	4.2
B18	AEON TOWN Sukagawa	1	100.0	141,487	2.5	1	100.0	141,243	3.7
Subtotal		2	99.5	300,512	5.2	2	98.7	299,267	7.9
D01	Hotel MyStays Kanda	1	100.0	0	0.0	1	100.0	7,242	0.2
D02	Hotel MyStays Asakusa	1	100.0	2,942	0.1	1	100.0	7,544	0.2
D03	Hotel MyStays Kyoto-Shijo	1	100.0	5,394	0.1	1	100.0	17,973	0.5
D04	MyStays Shin-Urayasu Conference Center	1	100.0	9,145	0.2	1	100.0	13,471	0.4
D05	Hotel MyStays Maihama	1	100.0	41,855	0.7	1	100.0	13,302	0.3
D06	Hotel MyStays Premier Dojima	1	100.0	28,925	0.5	1	100.0	33,310	0.9
D07	Hotel MyStays Nagoya-Sakae	1	100.0	9,840	0.2	1	100.0	13,217	0.3
D08	Hotel MyStays Sakaisuji-Honmachi	1	100.0	0	0.0	1	100.0	8,860	0.2
D09	Hotel MyStays Yokohama	1	100.0	37,166	0.6	1	100.0	8,292	0.2
D10	Hotel MyStays Nippori	1	100.0	726	0.0	1	100.0	6,095	0.2
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	3,223	0.1	1	100.0	5,745	0.2
D12	Flexstay Inn Iidabashi	1	100.0	3,648	0.1	1	100.0	5,371	0.1

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D13	Hotel MyStays Ueno Inaricho	1	100.0	0	0.0	1	100.0	4,345	0.1
D14	Flexstay Inn Shinagawa	1	100.0	2,548	0.0	1	100.0	3,995	0.1
D15	Flexstay Inn Tokiwadai	1	100.0	3,664	0.1	1	100.0	4,937	0.1
D16	Flexstay Inn Sugamo	1	100.0	1,341	0.0	1	100.0	4,623	0.1
D17	Hotel MyStays Otemae	1	100.0	0	0.0	1	100.0	3,995	0.1
D18	Hotel MyStays Kiyosumi Shirakawa	1	100.0	380	0.0	1	100.0	3,283	0.1
D19	Flexstay Inn Nakanobu P1	1	100.0	2,639	0.0	1	100.0	1,774	0.0
D20	Flexstay Inn Nakanobu P2	1	100.0	1,150	0.0	1	100.0	989	0.0
D21	APA Hotel Yokohama-Kannai	1	100.0	247,437	4.3	1	100.0	249,996	6.6
D22	Hotel MyStays Hakodate-Goryokaku	1	100.0	53,619	0.9	1	100.0	7,242	0.2
D23	Flexstay Inn Shirogane	1	100.0	0	0.0	1	100.0	5,431	0.1
D24	Hotel MyStays Haneda	1	100.0	74,035	1.3	1	100.0	18,468	0.5
D25	Hotel MyStays Kameido P1	1	100.0	31,597	0.6	1	100.0	17,985	0.5
D26	Hotel MyStays Ueno Iriyaguchi	1	100.0	3,634	0.1	1	100.0	11,467	0.3
D27	Hotel MyStays Kameido P2	1	100.0	20,317	0.4	1	100.0	11,467	0.3
D28	Hotel MyStays Shimizu	1	100.0	27,732	0.5	1	100.0	7,363	0.2
D29	Super Hotel Shinbashi/Karasumoriguchi	1	100.0	39,426	0.7	1	100.0	39,426	1.0
D30	Flexstay Inn Higashi-Jujo	1	100.0	0	0.0	1	100.0	4,466	0.1
D31	Hotel MyStays Utsunomiya	1	100.0	31,138	0.5	1	100.0	7,604	0.2
D32	Flexstay Inn Kawasaki-Kaizuka	1	100.0	3,832	0.1	1	100.0	3,742	0.1
D33	Comfort Hotel Toyama	1	100.0	35,928	0.6	1	100.0	35,928	0.9
D34	Flexstay Inn Kawasaki-Ogawacho	1	100.0	2,622	0.0	1	100.0	3,017	0.1
D35	Flexstay Inn Ekoda	1	100.0	14,346	0.3	1	100.0	12,227	0.3
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1	100.0	31,787	0.6	1	100.0	31,787	0.8
D37	Super Hotel JR Ueno-iriyaguchi	1	100.0	27,275	0.5	1	100.0	27,275	0.7

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D38	Hotel MyStays Shinsaibashi	1	100.0	0	0.0	1	100.0	7,484	0.2
D39	Comfort Hotel Kurosaki	1	100.0	37,894	0.7	1	100.0	37,894	1.0
D40	Comfort Hotel Maebashi	2	100.0	43,811	0.8	2	100.0	43,811	1.2
D41	Comfort Hotel Tsubame-Sanjo	2	100.0	34,949	0.6	2	100.0	34,949	0.9
D42	Comfort Hotel Kitami	1	100.0	30,300	0.5	1	100.0	30,300	0.8
D43	Hotel MyStays Gotanda Station	1	100.0	54,711	1.0	1	100.0	55,840	1.5
D44	Hotel Epinard Nasu	1	100.0	851,447	14.8	1	100.0	38,627	1.0
D45	Hotel MyStays Fukuoka Tenjin	1	100.0	8,050	0.1	1	100.0	17,744	0.5
D46	Hotel MyStays Hamamatsucho	1	100.0	2,259	0.0	1	100.0	16,537	0.4
D47	Hotel MyStays Premier Kanazawa	1	100.0	147,658	2.6	1	100.0	29,272	0.8
D48	Takamatsu Tokyu REI Hotel	2	95.8	94,804	1.7	2	95.8	92,699	2.4
D49	Hotel MyStays Premier Hamamatsucho	1	100.0	17,545	0.3	1	100.0	21,607	0.6
D50	Hotel MyStays Shin Osaka Conference Center	1	100.0	17,293	0.3	1	100.0	38,868	1.0
D51	Hotel MyStays Premier Omori	1	100.0	30,000	0.5	1	100.0	27,763	0.7
D52	Beppu Kamenoi Hotel	1	100.0	124,660	2.2	1	100.0	36,031	0.9
D53	Hotel MyStays Sapporo Station	1	100.0	8,436	0.1	1	100.0	26,760	0.7
D54	Hotel MyStays Yokohama Kannai	1	100.0	36,557	0.6	1	100.0	14,183	0.4
D55	Art Hotel Joetsu	1	100.0	46,021	0.8	1	100.0	9,737	0.3
D56	Art Hotel Hirosaki City	1	100.0	34,928	0.6	1	100.0	10,562	0.3
D57	Hotel MyStays Oita	1	100.0	18,667	0.3	1	100.0	5,552	0.1
D58	Hotel MyStays Gotanda	1	100.0	5,621	0.1	1	100.0	11,316	0.3
D59	Hotel MyStays Tachikawa	1	100.0	31,656	0.6	1	100.0	9,445	0.2
D60	Hotel MyStays Premier Akasaka	1	100.0	11,363	0.2	1	100.0	43,696	1.1
D61	Hotel MyStays Premier Sapporo Park	1	100.0	26,762	0.5	1	100.0	34,623	0.9
D62	Hotel MyStays Ueno East	1	100.0	3,020	0.1	1	100.0	14,022	0.4

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D63	Hotel MyStays Midosuji Honmachi	1	100.0	0	0.0	1	100.0	10,541	0.3
D64	Hotel MyStays Sapporo Aspen	1	100.0	10,012	0.2	1	100.0	41,061	1.1
D65	Art Hotel Ishigakijima	1	100.0	67,294	1.2	1	100.0	22,110	0.6
D66	Hotel MyStays Fuji Onsen Resort	1	100.0	98,948	1.7	1	100.0	25,932	0.7
D67	Hotel Sonia Otaru	1	100.0	62,190	1.1	1	100.0	11,547	0.3
D68	Hotel MyStays Kanazawa Castle	1	100.0	33,779	0.6	1	100.0	15,390	0.4
D69	Art Hotel Niigata Station	1	100.0	75,623	1.3	1	100.0	24,350	0.6
D70	Hotel MyStays Nagoya Nishiki	1	100.0	1,949	0.0	1	100.0	13,056	0.3
D71	Hotel Nord Otaru	1	100.0	33,813	0.6	1	100.0	10,220	0.3
D72	Hotel MyStays Kagoshima Tenmonkan	2	100.0	15,945	0.3	2	100.0	16,299	0.4
D73	Art Hotel Asahikawa	1	100.0	33,629	0.6	1	100.0	9,860	0.3
D74	Hotel MyStays Matsuyama	1	100.0	18,200	0.3	1	100.0	11,386	0.3
D75	Hotel MyStays Sapporo Susukino	1	100.0	1,609	0.0	1	100.0	6,464	0.2
D76	Hotel MyStays Sapporo Nakajima Park	1	100.0	0	0.0	1	100.0	5,524	0.1
D77	Hotel MyStays Sapporo Nakajima Park Annex	1	100.0	0	0.0	1	100.0	3,868	0.1
D78	Flexstay Inn Sakuragicho	1	100.0	12,477	0.2	1	100.0	4,124	0.1
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1	100.0	0	0.0	1	100.0	3,822	0.1
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1	100.0	3,088	0.1	1	100.0	3,742	0.1
D81	Hotel MyStays Nayoro	1	100.0	29,039	0.5	1	100.0	3,259	0.1
D82	Hotel MyStays Premier Narita	1	100.0	214,718	3.7	1	100.0	30,459	0.8
D83	Art Hotel Morioka	1	100.0	77,635	1.4	1	100.0	20,767	0.5
Subtotal		87	99.9	3,307,707	57.6	87	99.9	1,666,395	43.8
Total		143	99.0	5,738,249	100.0	143	99.2	3,806,176	100.0

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

(Note 2) "Occupancy rate" and "Ratio of rental revenue" are rounded to one decimal place.

(Note 3) "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 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.

Name of property		35th fiscal period (July 1, 2020 to December 31, 2020)				36th fiscal period (January 1, 2021 to June 30, 2021)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Management contract revenue (during period) (JPY thousand) (Note 3) (Note 4)	Ratio of management contract revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Management contract revenue (during period) (JPY thousand) (Note 3) (Note 4)	Ratio of management contract revenue (%) (Note 2)
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	1	100.0	-	-	1	100.0	—	—
D201	Sunshine Suites Resort	1	100.0	-	-	1	100.0	5,558	—
Total		2	100.0	-	-	2	100.0	-	-

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

(Note 2) “Occupancy rate” and “Ratio of management contract revenue” are rounded to one decimal place.

(Note 3) “Management contract revenue” is converted to JPY using the exchange rate at the time of the transaction.

(Note 4) If hotel operating expenses exceed hotel operating revenues, the management contract revenue is set to JPY 0 and the excess amount is recorded as the management contract loss.

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 the end of the Reporting Period, 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	64,648,000	50,476,000	(75,395)
	Currency option transaction, short USD/Call (Option fees)	952,820 (23,788)	- -	(15,962)
	Currency option transaction, long USD/Put (Option fees)	952,820 39,407	- -	13,181

(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	445,308	508,972	92.5	140
The Cayman Islands	34,712	41,423	7.5	2
Total	480,020	550,396	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 June 30, 2021.

(Note 2) “Appraisal value as of the end of the Reporting Period” indicates the real estate appraisal value as of June 30, 2021, 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 110.58, which is the exchange rate on the closing date of the fiscal period (June 30, 2021).

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	
D48	Takamatsu Tokyu REI Hotel	Takamatsu-shi, Kagawa	Water tank renovation work	From July 2021 To December 2021	70,000	-	-
D73	Art Hotel Asahikawa	Asahikawa-shi, Hokkaido	Water purifier facility renovation work	From July 2021 To December 2021	28,000	-	-
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Roof waterproofing work	From July 2021 To December 2021	24,146	-	-
D42	Comfort Hotel Kitami	Kitami-shi, Hokkaido	Air-conditioner's outdoor units work	From July 2021 To December 2021	22,000	-	-
D06	Hotel MyStays Premier Dojima	Osaka-shi, Osaka	Tenant space work	From July 2021 To December 2021	20,000	-	-

2 Capital Expenditures for the Fiscal Period Ended June 30, 2021

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2021 is as follows. Capital expenditures for the fiscal period totaled JPY 500,498 thousand, and together with JPY 20,011 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 520,509 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Firefighting facility renovation work	From January 2021 To June 2021	25,600
D17	Hotel MyStays Otemae	Osaka-shi, Osaka	Renovation work	From January 2021 To June 2021	21,933
D71	Hotel Nord Otaru	Otaru-shi, Hokkaido	Water boilers renovation work	From January 2021 To June 2021	11,000
D71	Hotel Nord Otaru	Otaru-shi, Hokkaido	Firefighting facility renovation work	From January 2021 To June 2021	10,500
B17	Lexington Plaza Hachiman	Sendai-shi, Miyagi	Air conditioning facility renovation work	From January 2021 To June 2021	9,970
Other construction					421,494
Total					500,498

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	32nd fiscal period	33rd fiscal period	34th fiscal period	35th fiscal period	36th fiscal period
	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	From January 1, 2021 to June 30, 2021
Reserved funds at beginning of period	1,814,515	2,039,622	2,543,226	5,485,363	2,610,671
Amount reserved (Note)	1,215,476	1,621,422	3,908,773	565,299	546,287
Amount reversed (Note)	990,368	1,117,818	966,636	3,439,991	407,235
Amount carried over for next fiscal period	2,039,622	2,543,226	5,485,363	2,610,671	2,749,724

(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	35th fiscal period July 1, 2020 to December 31, 2020		36th fiscal period January 1, 2021 to June 30, 2021	
	(a) Asset management fees	300,000		300,000
(b) Asset custody fees	25,684		25,203	
(c) Administrative services fees	67,749		49,087	
(d) Directors' compensation	4,800		4,800	
(e) Other	223,692		162,956	
Total	621,927		542,048	

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	Mizuho Bank, Ltd.	Jul. 16, 2020	5,992,000	5,992,000	0.335	Jul. 16, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		6,660,000	6,660,000					
	Sumitomo Mitsui Banking Corporation		5,992,000	4,442,000					
	Sumitomo Mitsui Trust Bank, Limited		2,670,000	2,670,000					
	Citibank, N.A., Tokyo Branch		3,000,000	3,000,000					
	Shinsei Bank, Limited		3,330,000	3,330,000					
	Resona Bank, Limited.		1,335,000	1,335,000					
	Development Bank of Japan, Inc.	Jul. 20, 2020	1,000,000	666,000	0.335	Jul. 20, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation	Sep. 14, 2020	3,000,000	3,000,000	0.335	Sep. 14, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Oct. 13, 2020	328,500	328,500	0.335	Oct. 13, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Citibank, N.A., Tokyo Branch		355,000	355,000					
	Shinsei Bank, Limited		355,000	355,000					
	Resona Bank, Limited.		334,000	334,000					
	The Nomura Trust and Banking Co., Limited		167,000	167,000					
	Sumitomo Mitsui Trust Bank, Limited		328,500	328,500					
	Sumitomo Mitsui Trust Bank, Limited	Jan. 22, 2021	-	3,400,000	0.335	Jan. 22, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.	Jan. 22, 2021	-	850,000	0.335	Jan. 22, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 30, 2021	-	1,215,500	0.335	Mar. 30, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	199,000					
	Sumitomo Mitsui Trust Bank, Limited		-	447,500					
Shinsei Bank, Limited	-		25,000						
The Bank of Fukuoka, Ltd.	-		525,000						
The Nomura Trust and Banking Co., Limited	-		270,000						
The Shizuoka Bank, Ltd.	-		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
Short-term loans	Mizuho Bank, Ltd.	Mar. 30, 2021	-	902,000	0.335	Mar. 30, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	692,000					
	Sumitomo Mitsui Banking Corporation		-	681,000					
	Sumitomo Mitsui Trust Bank, Limited		-	617,000					
	Development Bank of Japan, Inc.		-	147,000					
	Resona Bank, Limited	Mar. 30, 2021	-	-	0.335	Jun. 30, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Citibank, N.A., Tokyo Branch	Jun. 15, 2021	-	349,000	0.335	Jun. 15, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited	Jun. 30, 2021	-	570,000	0.335	Dec. 30, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
Subtotal			34,847,000	44,228,000					
Long-term loans (Note 4)	Sumitomo Mitsui Trust Bank, Limited	Jan. 22, 2016	3,400,000	-	0.600	Jan. 22, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		850,000	-					
	Mizuho Bank, Ltd.	Mar. 31, 2016	1,965,000	-	0.678	Mar. 30, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,125,000	-					
	Sumitomo Mitsui Trust Bank, Limited		2,180,000	-					
	Shinsei Bank, Limited		570,000	-					
	Resona Bank, Limited		570,000	-					
	MUFG Bank, Ltd.		650,000	-					
	The Bank of Fukuoka, Ltd.		1,333,000	-					
	The Shizuoka Bank, Ltd.		270,000	-					
	The Kagawa Bank, Ltd.		500,000	-					
	The Hiroshima Bank, Ltd.		1,000,000	-					
	The Nomura Trust and Banking Co., Limited		270,000	-					
	Citibank, N.A., Tokyo Branch	Jun. 15, 2016	1,000,000	-	0.685	Jun. 15, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	AEON Bank, Ltd.	Jun. 30, 2016	3,000,000	-	0.685	Jun. 30, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2016	1,700,000	1,582,000	0.685	Jul. 20, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 14, 2017	1,633,000	-	0.578	Mar. 14, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited		333,000	-					
	The Bank of Fukuoka, Ltd.		333,000	-					
	The Nomura Trust and Banking Co., Limited		333,000	-					
The Towa Bank, Ltd.	253,000		-						
The Shizuoka Bank, Ltd.	200,000		-						
The Gunma Bank, Ltd.	165,000		-						

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 4)	Mizuho Bank, Ltd.	Mar. 14, 2017	1,733,000	1,733,000	0.685	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					
	Mizuho Bank, Ltd.	May 29, 2017	4,321,000	4,321,000	0.635	Nov. 29, 2021	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Daiichi Life Insurance Co., Ltd.		3,000,000	2,843,000					
	Shinsei Bank, Limited	Oct. 13, 2017	355,000	355,000	0.485	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	0.685	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					
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	0.885	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						

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 4)	Mizuho Bank, Ltd.	Jul. 17, 2018	2,442,000	2,442,000	0.385	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					
	Mizuho Bank, Ltd.	Jul. 17, 2018	2,443,000	2,443,000	0.485	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	0.585	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	0.385	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	0.385	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						

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 4)	Mizuho Bank, Ltd.	Sep. 26, 2018	3,287,000	3,287,000	0.485	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					
	Mizuho Bank, Ltd.	Sep. 26, 2018	3,287,500	3,287,500	0.585	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		288,000						
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	921,000						
The Tochigi Bank, Ltd.		500,000	480,000						
Kiraboshi Bank, Ltd.	Mar. 29, 2019	1,000,000	961,000	0.885	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	

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 4)	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.	Jul. 16, 2019	571,400	571,400	0.499	Jan. 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					
	Resona Bank, Limited		600,000	600,000					
	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	0.635	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	2,170,400	0.785	Jul. 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. 19, 2019	1,085,000	1,085,000	0.413	Jan. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee	
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						

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 4)	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	237,000					
	Mizuho Bank, Ltd.		712,000	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						
	Mizuho Bank, Ltd.	Jul. 19, 2019	1,212,000	1,212,000	0.635	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	0.785	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	0.785	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	
San ju San Bank, Ltd. (Note 5)		800,000	662,000						
San ju San Bank, Ltd. (Note 5)	Oct. 15, 2019	1,700,000	1,700,000	0.486	Apr. 15, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee	
San ju San Bank, Ltd. (Note 5)	Oct. 15, 2019	1,000,000	1,000,000	0.635	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	0.785	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	

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 4)	Sumitomo Mitsui Trust Bank, Limited	Jan. 6, 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	961,000					
	The Kiyo Bank		500,000	480,000					
	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	411,000					
	MUFG Bank, Ltd.	Mar. 30, 2020	850,000	850,000	0.385	Mar. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,090,000	1,090,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	Mizuho Bank, Ltd.	Mar. 30, 2020	582,000	582,000	0.585	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		961,000						
Citibank, N.A., Tokyo Branch	Jun. 15, 2020	1,000,000	1,000,000	0.335	Jun. 17, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Tokyo Star Bank, Limited	Jul. 20, 2020	600,000	600,000	0.335	Jul. 20, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Subtotal			219,541,000	196,770,000					
Total			254,388,000	240,998,000					

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

(Note 5) The Daisan Bank, Ltd. merged with The Mie Bank, Ltd. and changed its trade name to San ju San Bank, Ltd. on May 1, 2021.

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 June 30, 2021

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

Not applicable

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

Not applicable

4 Transactions with Interested Parties

(1) Transactions

Not applicable

(2) Commissions Paid

Not applicable

5 Transactions between CIM and Its Other Businesses

As CIM 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

Board of Directors of Investment Corporation

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

Approval date	Item	Summary
March 11, 2021	Conclusion of MOU to amend the MLPM Agreements with Major Tenant, MHM Group	On March 11, 2021, 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 December 31, 2020 (as of December 31, 2020)	Fiscal period ended June 30, 2021 (as of June 30, 2021)
Assets		
Current assets:		
Cash and bank deposits	21,210,252	6,311,545
Cash and bank deposits in trust	6,295,192	6,528,498
Rental receivables	1,717,908	1,239,770
Deposits paid	356,534	441,992
Prepaid expenses	708,338	498,144
Income taxes receivable	16	14
Consumption taxes receivable	-	268,549
Other	6,536	-
Total current assets	30,294,779	15,288,515
Non-current assets:		
Property and equipment		
Buildings	19,406,379	19,406,379
Accumulated depreciation	(713,241)	(931,763)
Buildings, net	18,693,138	18,474,616
Buildings and accompanying facilities	5,293,194	5,294,556
Accumulated depreciation	(494,825)	(647,543)
Buildings and accompanying facilities, net	4,798,368	4,647,013
Structures, at cost	1,458	1,458
Accumulated depreciation	(52)	(85)
Structures, net	1,406	1,373
Tools, furniture and fixtures	1,183,738	1,187,082
Accumulated depreciation	(175,331)	(233,535)
Tools, furniture and fixtures, net	1,008,406	953,547
Construction in progress	588,930	637,580
Buildings in trust	164,029,805	164,167,367
Accumulated depreciation	(18,754,443)	(21,027,435)
Buildings in trust, net	145,275,361	143,139,931
Buildings and accompanying facilities in trust	33,102,139	33,384,159
Accumulated depreciation	(9,866,713)	(10,817,809)
Buildings and accompanying facilities in trust, net	23,235,425	22,566,350
Structures in trust, at cost	233,505	235,988
Accumulated depreciation	(98,339)	(104,094)
Structures in trust, net	135,165	131,893
Tools, furniture and fixtures in trust	2,727,329	2,800,865
Accumulated depreciation	(1,094,873)	(1,286,332)
Tools, furniture and fixtures in trust, net	1,632,456	1,514,532
Land in trust	245,560,970	245,560,970
Total property and equipment, net	440,929,629	437,627,809
Intangible assets		
Leasehold rights	10,637,811	10,637,811
Leasehold rights in trust	14,575,091	14,536,494
Total intangible assets	25,212,903	25,174,306
Investment and other assets		
Investment securities	17,856,387	17,856,387
Guarantee deposits	1,362,721	1,362,721
Long-term prepaid expenses	681,990	494,637
Derivatives assets	66,417	16,216
Others	22,667	22,667
Total investments and other assets	19,990,184	19,752,630
Total non-current assets	486,132,717	482,554,746
Deferred assets		
Investment corporation bond issuance costs	62,853	56,652
Total deferred assets	62,853	56,652
Total assets	516,490,350	497,899,915

(Unit: JPY thousand)

	(Reference) Fiscal period ended December 31, 2020 (as of December 31, 2020)	Fiscal period ended June 30, 2021 (as of June 30, 2021)
Liabilities		
Current liabilities:		
Accounts payable	846,058	917,331
Short-term loans payable	34,847,000	44,228,000
Current portion of long-term loans payable	55,601,000	53,315,000
Accounts payable-other	24,701	26,843
Accrued expenses	344,243	249,410
Income taxes payable	605	605
Consumption taxes payable	578,858	—
Advances received	580,016	597,790
Deposits received	11,143	11,083
Total current liabilities	92,833,627	99,346,064
Non-current liabilities:		
Investment corporation bonds	8,200,000	8,200,000
Long-term loans payable	163,940,000	143,455,000
Tenant leasehold and security deposits in trust	1,672,037	1,657,369
Derivatives liabilities	170,488	94,392
Asset retirement obligations	32,977	33,197
Total non-current liabilities	174,015,504	153,439,959
Total liabilities	266,849,131	252,786,023
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	13,371,340	8,753,480
Total surplus	14,105,635	9,487,774
Total unitholders' equity	249,807,147	245,189,287
Valuation and translation adjustments:		
Deferred gains or losses on hedges	(165,929)	(75,395)
Total valuation and translation adjustments	(165,929)	(75,395)
Total net assets *1	249,641,218	245,113,891
Total liabilities and net assets	516,490,350	497,899,915

III. Statement of Income and Retained Earnings

(Unit: JPY thousand)			
		(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Operating revenue			
Rental revenue – real estate	*1	5,738,249	3,806,176
Gain on sales of properties	*3	2,602,343	-
Total operating revenue		8,340,593	3,806,176
Operating expenses			
Property-related expenses	*1	5,044,533	4,720,815
Management contract expenses	*2	983,288	884,731
Asset management fees		300,000	300,000
Directors' compensation		4,800	4,800
Asset custody fees		25,684	25,203
Administrative service fees		67,749	49,087
Other		223,692	162,956
Total operating expenses		6,649,749	6,147,595
Operating income (loss)		1,690,843	(2,341,419)
Non-operating income			
Interest income		107	96
Foreign exchange gains		12,878	-
Interest on tax refund		1,498	-
Gain of derivatives		81,626	-
Miscellaneous income		3,272	8,327
Total non-operating income		99,382	8,423
Non-operating expenses			
Interest expenses		654,685	624,616
Foreign exchange losses		-	34,513
Interest expenses on investment corporation bonds		28,230	27,769
Amortization of investment corporation bond issuance costs		6,303	6,200
Loan-related costs		472,665	508,348
Loss of derivatives		-	64,638
Other		4,007	-
Total non-operating expenses		1,165,892	1,266,088
Ordinary income (loss)		624,333	(3,599,083)
Income (loss) before income taxes		624,333	(3,599,083)
Income taxes		605	605
Total income taxes		605	605
Net income (loss)		623,728	(3,599,688)
Retained earnings (deficit) brought forward		12,747,612	12,353,168
Unappropriated retained earnings (deficit)		13,371,340	8,753,480

IV. Statement of Changes in Net Assets

(Reference) 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 (loss)						
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 (loss)	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

Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)

(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 (loss)						
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	13,371,340	14,105,635	249,807,147	(165,929)	(165,929)	249,641,218
Changes during the period						
Distributions from surplus	(1,018,172)	(1,018,172)	(1,018,172)			(1,018,172)
Net income (loss)	(3,599,688)	(3,599,688)	(3,599,688)			(3,599,688)
Changes other than unitholders' equity (net)				90,533	90,533	90,533
Total changes during the period	(4,617,860)	(4,617,860)	(4,617,860)	90,533	90,533	(4,527,327)
Balance at the end of the period	8,753,480	9,487,774	245,189,287	(75,395)	(75,395)	245,113,891

V. Notes to Financial Statements

[Notes Concerning Significant Accounting Policies]

By Period Item	(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
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. 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> <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>	<p>(a) Property and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows. 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> <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>
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 December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
	<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>	<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, 2021 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</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 are recorded at amounts exclusive of 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</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 are recorded at amounts exclusive of consumption taxes.</p>

[Notes on Changes in Presentation Methods]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Not applicable	<p>Changes due to the application of “Accounting Standard for Disclosure of Accounting Estimates”</p> <p>“Accounting Standard for Disclosure of Accounting Estimates” (Corporate Accounting Standards No. 31, March 31, 2020) has been applied from the Reporting Period, and [Notes on Material Accounting Estimates] are described in the Notes to Financial Statements.</p>

[Notes on Material Accounting Estimates]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)				
Not applicable	<p>1. Valuation of non-current assets</p> <p>(1) Amount recorded in the financial statements for the Reporting Period</p> <p style="text-align: right;">(JPY million)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="text-align: left;">Impairment loss</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: left;">Non-current assets (Rental properties)</td> <td style="text-align: right;">462,164</td> </tr> </tbody> </table> <p>Although no impairment loss was recorded in the Reporting Period, we recognize it as a disclosure item in view of the risk of having a significant impact on the financial statements for the next fiscal period.</p> <p>(2) Information about the content of material accounting estimates for the identified item</p> <p>We determine whether or not there are any signs of possible impairment pertaining to rental properties owned by INV. If there are any signs, we determine whether or not INV should recognize the impairment loss. No impairment loss was recognized for INV’s rental properties, since future cash flows before discounting exceed the book value of rental properties.</p> <p>In estimating future cash flows, it is assumed that the adverse effect by the spread of the COVID-19 infection will continue during the fiscal period ending December 2021, but the pandemic will be gradually contained and the business environment will recover in 2022 onwards. However, it is difficult to accurately predict when the spread of the COVID-19 infection will be contained and how much the impacts will be. Changes in the infection status may affect the above estimates and INV may incur impairment loss.</p>	Impairment loss	-	Non-current assets (Rental properties)	462,164
Impairment loss	-				
Non-current assets (Rental properties)	462,164				

[Notes to the Balance Sheet]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)																																										
*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																																										
<p>*2. Allowance for temporary differences adjustment (Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)</p> <p>1. Reasons, related assets and amounts</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th>Related assets, etc.</th> <th>Reason</th> <th>Initial amount</th> <th>Balance at the beginning of period</th> <th>Allowance set aside during period</th> <th>Reversal during period</th> <th>Balance at the end of period</th> </tr> </thead> <tbody> <tr> <td>Leasehold rights in trust</td> <td>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> <p>2. Method of reversal</p> <p>(1) Leasehold rights in trust</p> <p>The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.</p> <p>Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)</p> <p>1. Reasons, related assets and amounts</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th>Related assets, etc.</th> <th>Reason</th> <th>Initial amount</th> <th>Balance at the beginning of period</th> <th>Allowance set aside during period</th> <th>Reversal during period</th> <th>Balance at the end of period</th> </tr> </thead> <tbody> <tr> <td>Leasehold rights in trust</td> <td>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> <p>2. Method of reversal</p> <p>(1) Leasehold rights in trust</p> <p>The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.</p>		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)	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)
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)																																					
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)																																					

[Notes to Statement of Income and Retained Earnings]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate</p> <p>(Rent/common area charges) (Note) 5,530,201</p> <p>(Other revenues) 208,047</p> <p style="text-align: right;">Total 5,738,249</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 548,085</p> <p>(Taxes and public dues) 779,062</p> <p>(Insurance expenses) 19,719</p> <p>(Depreciation expenses) 3,564,224</p> <p>(Other expenses) 133,441</p> <p style="text-align: right;">Total 5,044,533</p> <p>C. Real estate rental income</p> <p>(A-B) 693,715</p> <p>(Note) Of which, revenue from variable hotel rents 1,105,021</p>	<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate</p> <p>(Rent/common area charges) (Note) 3,599,611</p> <p>(Other revenues) 206,564</p> <p style="text-align: right;">Total 3,806,176</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 497,596</p> <p>(Taxes and public dues) 603,133</p> <p>(Insurance expenses) 19,012</p> <p>(Depreciation expenses) 3,460,619</p> <p>(Other expenses) 140,454</p> <p style="text-align: right;">Total 4,720,815</p> <p>C. Real estate rental income</p> <p>(A-B) (914,639)</p> <p>(Note) Of which, revenue from variable hotel rents 37,496</p>
<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 323,764</p> <p>B. Hotel operating expenses 774,406</p> <p style="text-align: right;">C. Management contract revenue (A-B) -</p> <p>D. Management contract expenses</p> <p>Management contract losses (A-B) 450,641</p> <p>(Note)</p> <p>Non-life insurance expenses 101,221</p> <p>Depreciation expenses 428,563</p> <p>Other expenses 2,862</p> <p style="text-align: right;">Total 983,288</p> <p>E. Management contract revenue and expenses (C-D) (983,288)</p> <p>(Note) If hotel operating expenses exceed hotel operating revenue, the excess amount is recorded as management contract losses.</p>	<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 388,076</p> <p>B. Hotel operating expenses 740,915</p> <p style="text-align: right;">C. Management contract revenue (A-B) -</p> <p>D. Management contract expenses</p> <p>Management contract losses (A-B) 352,838</p> <p>(Note)</p> <p>Non-life insurance expenses 101,793</p> <p>Depreciation expenses 429,164</p> <p>Other expenses 934</p> <p style="text-align: right;">Total 884,731</p> <p>E. Management contract revenue and expenses (C-D) (884,731)</p> <p>(Note) If hotel operating expenses exceed hotel operating revenue, the excess amount is recorded as management contract losses.</p>

<p>*3. Gain on sales of properties</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <p>Nisshin Palacestage Higashi-Nagasaki, Nishiwaseda Crescent Mansion, Neo Prominence and City Court Kitaichijo</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">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 style="border-top: 1px solid black;">Gain on sales of properties</td> <td style="text-align: right; border-top: 1px solid black;">1,509,889</td> </tr> </table> <p>Lexington Square Akebonobashi and Lexington Square Daitabashi</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">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 style="border-top: 1px solid black;">Gain on sales of properties</td> <td style="text-align: right; border-top: 1px solid 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	<p>*3. Gain on sales of properties</p> <p>Not applicable</p>
Proceeds from sales of properties	7,870,163																
Cost of sales of properties	6,183,306																
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Other expenses on sales of properties	76,876																
Gain on sales of properties	1,092,453																

[Notes to Statement of Changes in Net Assets]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
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 December 31, 2020 (as of December 31, 2020)						Fiscal period ended June 30, 2021 (as of June 30, 2021)					
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	615				
Buildings and other (merger)	312,445					Buildings and other (merger)	307,217				
Land (merger)	472,381					Land (merger)	472,381				
Loss carried forward (Note 1)	532,677					Loss carried forward (Note 1)	1,662,026				
Asset retirement obligations	10,374					Asset retirement obligations	10,443				
Amortization of leasehold right	113,080					Amortization of leasehold right	125,223				
Adjustment of acquisition prices (overseas properties)	465,374					Adjustment of acquisition prices (overseas properties)	461,428				
Subtotal	1,907,065					Subtotal	3,039,336				
Valuation allowance for tax loss carried forward	(532,677)					Valuation allowance for tax loss carried forward	(1,662,026)				
Valuation allowance for the total of deductible temporary differences, etc.	(1,374,387)					Valuation allowance for the total of deductible temporary differences, etc.	(1,377,309)				
Subtotal	(1,907,065)					Subtotal (Note 2)	(3,039,336)				
Total	-					Total	-				
(Note 1) The amounts of tax loss carried forward and the deferred tax assets by carry-forward period are as follows.						(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			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	320,467	-		Tax loss carried forward (a)	-	522,444	-	-	
Valuation allowance	-	(201,976)	(320,467)	-		Valuation allowance	-	(522,444)	-	-	
Deferred tax assets	-	-	-	-		Deferred tax assets	-	-	-	-	
	Due after four to five years	Due after five years	Total				Due after four to five years	Due after five years	Total		
Tax loss carried forward (a)	-	10,232	532,677			Tax loss carried forward (a)	-	1,139,582	1,662,026		
Valuation allowance	-	(10,232)	(532,677)			Valuation allowance	-	(1,139,582)	(1,662,026)		
Deferred tax assets	-	-	-			Deferred tax assets	-	-	-		
(a) Tax loss carried forward is multiplied by statutory tax rate.						(a) Tax loss carried forward is multiplied by statutory tax rate. (Note 2) Valuation allowance increased by JPY 1,132,271 thousand mainly due to an increase in tax loss carried forward.					
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%										
Changes in valuation allowance	(31.46)%					Disclosure is omitted because INV recorded the loss before income taxes for the Reporting Period.					
Others	0.10%										
Effective tax rate	0.10%										

[Notes Related to Financial Instruments]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
<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 CIM 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 CIM 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>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)</p>				<p>2. Estimated fair value of financial instruments. Book value, fair value and the difference between value as of June 30, 2021 are as follows. (Unit: JPY thousand)</p>			
	Book Value	Fair Value	Difference		Book Value	Fair Value	Difference
(1) Cash and bank deposits	21,210,252	21,210,252	-	(1) Cash and bank deposits	6,311,545	6,311,545	-
(2) Cash and bank deposits in trust	6,295,192	6,295,192	-	(2) Cash and bank deposits in trust	6,528,498	6,528,498	-
Total assets	27,505,445	27,505,445	-	Total assets	12,840,044	12,840,044	-
(3) Short-term loans	(34,847,000)	(34,847,000)	-	(3) Short-term loans	(44,228,000)	(44,228,000)	-
(4) Current portion of long-term loans payable	(55,601,000)	(55,601,000)	-	(4) Current portion of long-term loans payable	(53,315,000)	(53,315,000)	-
(5) Investment corporation bonds	(8,200,000)	(7,467,240)	732,760	(5) Investment corporation bonds	(8,200,000)	(7,556,240)	643,760
(6) Long-term loans	(163,940,000)	(163,940,000)	-	(6) Long-term loans	(143,455,000)	(143,455,000)	-
Total liabilities	(262,588,000)	(261,855,240)	732,760	Total liabilities	(249,198,000)	(248,554,240)	643,760
(7) Derivatives	(104,071)	(104,071)	-	(7) Derivatives	(78,176)	(78,176)	-
<p>(*1) Items recorded in the Liabilities Section are shown in parenthesis.</p> <p>(*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.</p>				<p>(*1) Items recorded in the Liabilities Section are shown in parenthesis.</p> <p>(*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.</p>			

(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.

(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
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(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)	- -	(15,962)	7,825
	Currency option transaction long USD/Put (Option fees)	952,820 39,407	- -	13,181	(26,226)

(*1) Estimation method for fair value

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

<p>(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.</p> <p style="text-align: right;">(Unit: JPY thousand)</p>						<p>(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.</p> <p style="text-align: right;">(Unit: JPY thousand)</p>																	
Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)	Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)												
			Amount due after one year						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)	Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	64,648,000	50,476,000	(75,395)												
<p>(*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.</p>						<p>(*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.</p>																	
<p>(Note 2) Financial instruments for which fair value is extremely difficult to value.</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Book value</th> </tr> </thead> <tbody> <tr> <td>Tenant leasehold and security deposits in trust</td> <td>1,672,037</td> </tr> <tr> <td>Investment securities</td> <td>17,856,387</td> </tr> </tbody> </table> <p>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.</p> <p>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.</p>						Category	Book value	Tenant leasehold and security deposits in trust	1,672,037	Investment securities	17,856,387	<p>(Note 2) Financial instruments for which fair value is extremely difficult to value.</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Book value</th> </tr> </thead> <tbody> <tr> <td>Tenant leasehold and security deposits in trust</td> <td>1,657,369</td> </tr> <tr> <td>Investment securities</td> <td>17,856,387</td> </tr> </tbody> </table> <p>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.</p> <p>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.</p>						Category	Book value	Tenant leasehold and security deposits in trust	1,657,369	Investment securities	17,856,387
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(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period				(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period			
As of December 31, 2020				As of June 30, 2021			
(Unit: JPY thousand)				(Unit: JPY thousand)			
	Due within one year	Due after one to two years	Due after two to three years		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	6,311,545	-	-
Cash and bank deposits in trust	6,295,192	-	-	Cash and bank deposits in trust	6,528,498	-	-
Total	27,505,445	-	-	Total	12,840,044	-	-
	Due after three to four years	Due after four to five years	Due after five years		Due after three to four years	Due after four to five years	Due after five years
Cash and bank deposits	-	-	-	Cash and bank deposits	-	-	-
Cash and bank deposits in trust	-	-	-	Cash and bank deposits in trust	-	-	-
Total	-	-	-	Total	-	-	-
(Note 4) Repayment schedule of long-term loans and other interest-bearing debts after the closing date of the fiscal period				(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				As of June 30, 2021			
(Unit: JPY thousand)				(Unit: JPY thousand)			
	Due within one year	Due after one to two years	Due after two to three years		Due within one year	Due after one to two years	Due after two to three years
Short-term loans	34,847,000	-	-	Short-term loans	44,228,000	-	-
Current portion of long-term loans payable	55,601,000	-	-	Current portion of long-term loans payable	53,315,000	-	-
Investment corporation bonds	-	-	3,000,000	Investment corporation bonds	-	1,000,000	2,000,000
Long-term loans	-	48,679,000	42,405,000	Long-term loans	-	44,807,000	44,589,000
Total	90,448,000	48,679,000	45,405,000	Total	97,543,000	45,807,000	46,589,000
	Due after three to four years	Due after four to five years	Due after five years		Due after three to four years	Due after four to five years	Due after five years
Short-term loans	-	-	-	Short-term loans	-	-	-
Current portion of long-term loans payable	-	-	-	Current portion of long-term loans payable	-	-	-
Investment corporation bonds	1,000,000	-	4,200,000	Investment corporation bonds	1,000,000	-	4,200,000
Long-term loans	32,920,000	38,936,000	1,000,000	Long-term loans	40,661,000	12,437,000	961,000
Total	33,920,000	38,936,000	5,200,000	Total	41,661,000	12,437,000	5,161,000

[Notes Related to Asset Retirement Obligations]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)																
<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%;"> <tr> <td>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	<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%;"> <tr> <td>Balance at the beginning of the period</td> <td style="text-align: right;">32,977</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;">219</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">33,197</td> </tr> </table>	Balance at the beginning of the period	32,977	Increase due to the acquisition of properties	-	Accretion expense	219	Balance at the end of the period	33,197
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[Notes Related to Rental Properties]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)					Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)				
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	50,904,075	(8,610,346)	42,293,729	54,237,000	Residences	42,293,729	(295,696)	41,998,033	55,024,000
Commercial facilities	4,738,684	(49,457)	4,689,226	6,040,000	Commercial facilities	4,689,226	(27,797)	4,661,429	6,040,000
Hotels	421,613,565	(3,042,918)	418,570,646	470,583,650	Hotels	418,570,646	(3,065,573)	415,505,072	471,486,268
Total	477,256,324	(11,702,721)	465,553,602	530,860,650	Total	465,553,602	(3,389,066)	462,164,535	532,550,268
<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 recording of depreciation.</p> <p>(Note 4) The fair value as of December 31, 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 December 31, 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 Reporting Period were construction work related to capital expenditures.</p> <p>(Note 3) The major factor of the decrease was recording of 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 June 30, 2021, please refer to "Notes to Statement of Income and Retained Earnings."</p>				

[Notes Related to Restriction on Asset Management]

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Not applicable.	Not applicable.

[Notes Related to Transactions with Related Parties]

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

1 Interested parties of CIM

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 CIM	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 CIM. 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 CIM 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.

Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)

1 Interested parties of CIM

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 CIM	Naqua Hotel & Resorts Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	38,627	Rental receivables	42,489
	MyStays Hotel Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	867,619	Rental receivables	945,735

(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 CIM. 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 CIM 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	4,464,500	Short-term loans payable	7,463,000
				Repayment of long-term loan	5,580,000	Long-term loans payable	27,138,000
				Finance-related fees (Note 2)	13,393	Prepaid expenses	65,412
						Long-term prepaid expenses	83,376
Interest expenses (Note 2)	84,908	Accrued expenses	461				

(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 December 31, 2020 (from July 1, 2020 to December 31, 2020)		Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)	
Net assets per unit	JPY 40,946	Net assets per unit	JPY 40,203
Net income per unit	JPY 102	Net loss per unit	JPY -590
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 loss per unit is calculated by dividing net loss for the period by the daily weighted average number of investment units issued and outstanding. Diluted net loss per unit is not stated, as net loss per unit was reported for the period and there are no diluted units.	

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

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)		Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)	
Net income for the period (JPY thousand)	623,728	Net loss for the period (JPY thousand)	(3,599,688)
Amounts not attributable to common unitholders (JPY thousand)	-	Amounts not attributable to common unitholders (JPY thousand)	-
Net income attributable to common units (JPY thousand)	623,728	Net loss attributable to common units (JPY thousand)	(3,599,688)
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 December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Not Applicable	<p>INV completed the sale of the following property on July 2, 2021.</p> <p>Property Number: B17 Lexington Plaza Hachiman</p> <p>Sale Date : July 2, 2021</p> <p>Location : Sendai-shi, Miyagi</p> <p>Book Value (Note 1) : JPY 2,982 million</p> <p>Sales Price (Note 2) : JPY 3,660 million</p> <p>Expected Gain on Sale (Note 3) : JPY 590 million</p> <p>Transferee : Kubota Holdings</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>(Note 1) As of June 30, 2021.</p> <p>(Note 2) Sales price does not include transfer related cost, adjustment for property taxes or city planning taxes, or national or local consumption taxes.</p> <p>(Note 3) Expected gain on sale is calculated by deducting the book value and estimated transfer related costs from the sale price.</p> <p>(Note 4) For an overview of the sold asset, please refer to “Status of Investment Corporation’s Assets under Management 3. Asset Portfolio of Real Estate, etc.” of “I. Asset Management Report” as described above.</p>

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

(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Not Applicable	Not Applicable

VI. Statement of Cash Distribution

	(Reference) Fiscal period ended December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
I. Unappropriated retained earnings	JPY 13,371,340,907	JPY 8,753,480,137
II. Distributions	JPY 1,018,172,280	JPY 91,452,600
(Distribution per unit)	JPY 167	JPY 15
III. Retained earnings (deficit) carried forward	JPY 12,353,168,627	JPY 8,662,027,537
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 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.	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. Although INV recorded a net loss for the Reporting Period, INV determined the distribution amount to be JPY 15 per unit by reversing retained earnings.

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 June 30, 2021 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 December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Cash flows from operating activities		
Net income (loss) before taxes	624,333	(3,599,083)
Depreciation and amortization	3,992,787	3,889,784
Amortization of investment corporation bond issuance costs	6,303	6,200
Loan-related costs	472,665	508,348
Interest income	(107)	(96)
Interest expenses	682,915	652,386
Foreign exchange losses (gains)	(30)	51
Loss (gain) of derivatives	(81,626)	64,638
Decrease (increase) in rental receivables	(1,413,044)	478,137
Decrease (Increase) in deposits paid	(94,026)	(85,458)
Decrease (increase) in receivable income taxes	129,597	1
Decrease (increase) in consumption taxes receivable	831,675	(268,549)
Increase (decrease) in accounts payable	640,046	17,621
Increase (decrease) in consumption taxes payable	578,858	(578,858)
Increase (decrease) in accounts payable-other	(256,749)	16,542
Increase (decrease) in accrued expenses	68,632	(89,059)
Increase (decrease) in advances received	(420,200)	17,773
Increase (decrease) in deposits received	(20,746)	(59)
Decrease in property and equipment in trust due to sale	8,284,271	0
Others, net	(104,384)	129,029
Subtotal	13,921,171	1,159,352
Interest income received	107	96
Interest expenses paid	(680,307)	(655,468)
Income taxes paid	(605)	(605)
Net cash provided by operating activities	13,240,366	503,374
Cash flows from investing activities		
Payment into time deposits	(1,328,500)	(2,000,000)
Proceeds from time deposits	-	1,328,500
Purchases of property and equipment	(139,812)	(53,356)
Purchases of property and equipment in trust	(358,986)	(453,398)
Repayments of tenant leasehold and security deposits in trust	(99,182)	(53,590)
Proceeds from tenant leasehold and security deposits in trust	26,461	38,922
Other, net	109,484	-
Net cash used in investing activities	(1,790,534)	(1,192,923)
Cash flows from financing activities		
Proceeds from short-term loans payable	34,847,000	11,835,000
Repayments of short-term loans payable	(880,000)	(2,454,000)
Proceeds from long-term loans payable	600,000	-
Repayments of long-term loans payable	(35,447,000)	(22,771,000)
Borrowing related expenses	(287,367)	(237,904)
Payment of distributions of earnings	(424,124)	(1,019,396)
Net cash provided by (used in) financing activities	(1,591,491)	(14,647,300)
Effect of exchange rate change on cash and cash equivalents	30	(51)
Net increase (decrease) in cash and cash equivalents	9,858,370	(15,336,901)
Cash and cash equivalents at beginning of period	16,318,574	26,176,945
Cash and cash equivalents at end of period	*1 26,176,945	10,840,044

(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 December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
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 December 31, 2020 (from July 1, 2020 to December 31, 2020)	Fiscal period ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
*1. Relationship between cash and cash equivalents in Statement of Cash Flows and amounts in accompanying balance sheet	(As of December 31, 2020) (Unit: JPY thousand)	(As of June 30, 2021) (Unit: JPY thousand)
	Cash and bank deposits 21,210,252	Cash and bank deposits 6,311,545
	Cash and bank deposits in trust 6,295,192	Cash and bank deposits in trust 6,528,498
	Time deposits with over three months deposit period (1,328,500)	Time deposits with over three months deposit period (2,000,000)
	Cash and cash equivalents 26,176,945	Cash and cash equivalents 10,840,044

“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

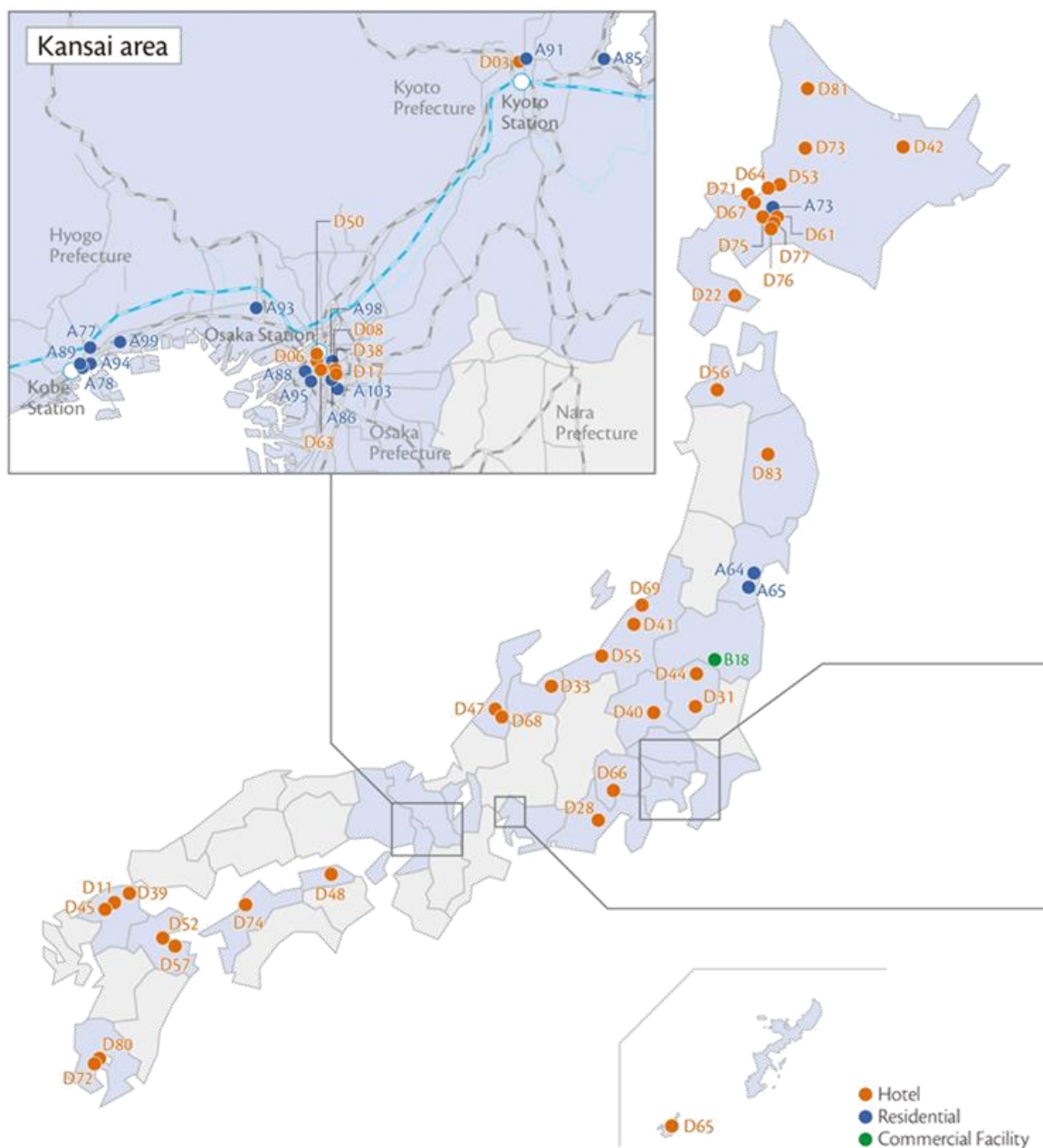
Usage of “My Number” also includes taxation-related procedures on investment units. It is necessary for unitholders to notify your “My Number” to your brokerage, etc.

Inquiries regarding notifying “My Number”

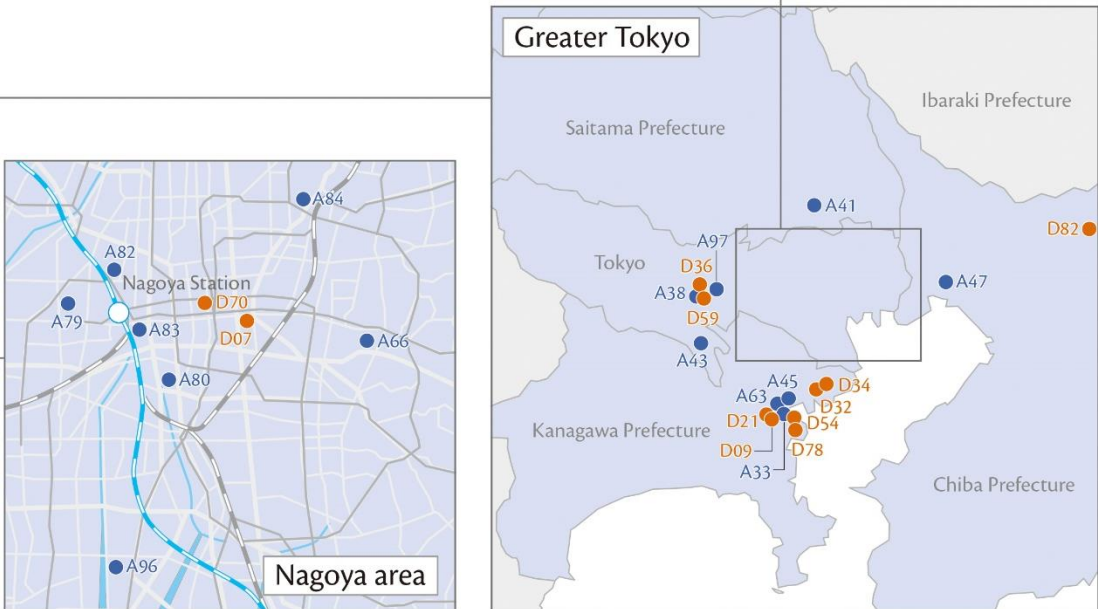
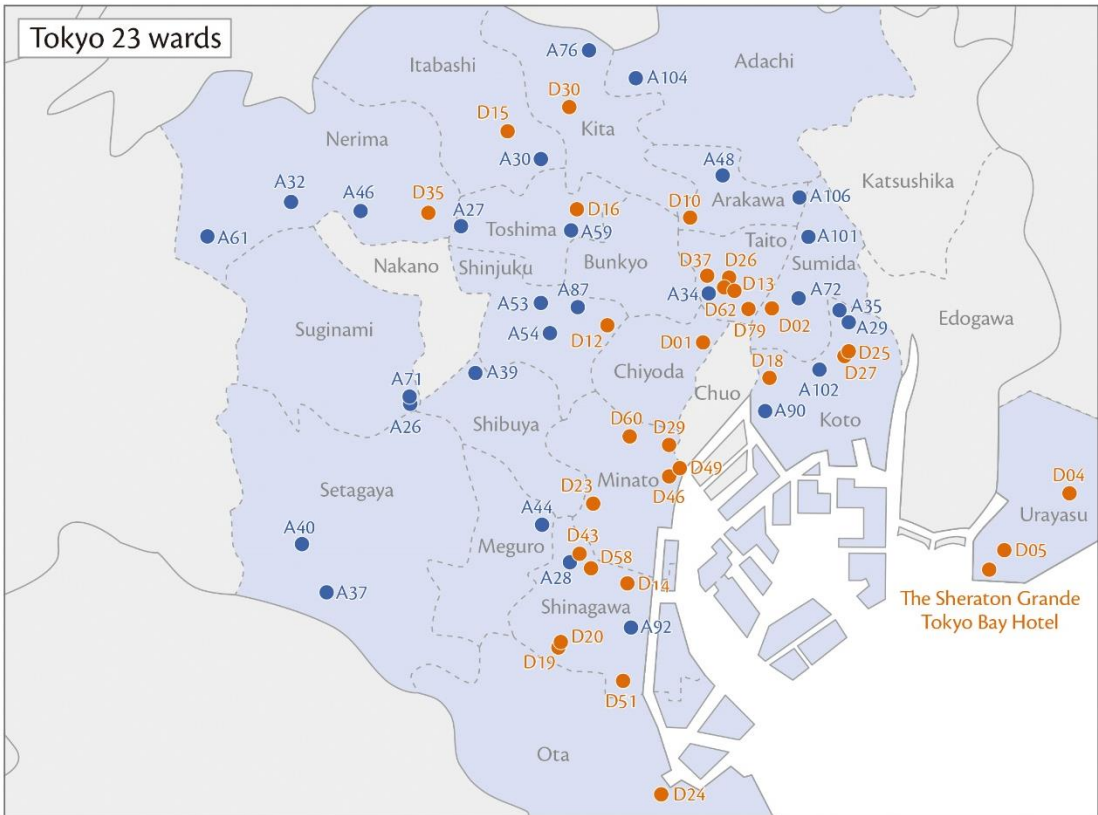
- Unitholders whose investment units are managed in brokerage accounts
Each brokerage
- Unitholders who have no brokerage account
Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited
Toll-free Telephone Number 0120-782-031

Domestic Portfolio Map (As of August 31, 2021)

No. of Properties (Note 1)	No. of Hotels (Note 1)	No. of Residential Properties	Others
139	84	54	1



(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].



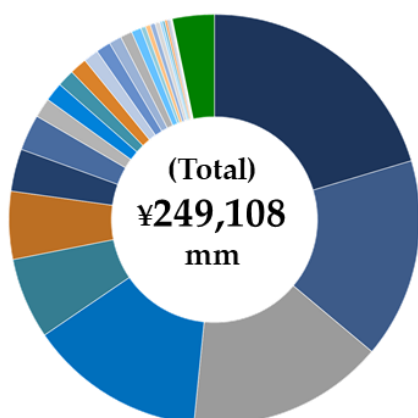
Financial Conditions

INV has successfully refinanced a total of JPY 41.6 billion by August 2021. We have enough cash on hand to pay interest expenses and endeavor to preserve cash and provide flexibility given the uncertainty in the current economic and tourism environment.

Investment Corporation Bonds

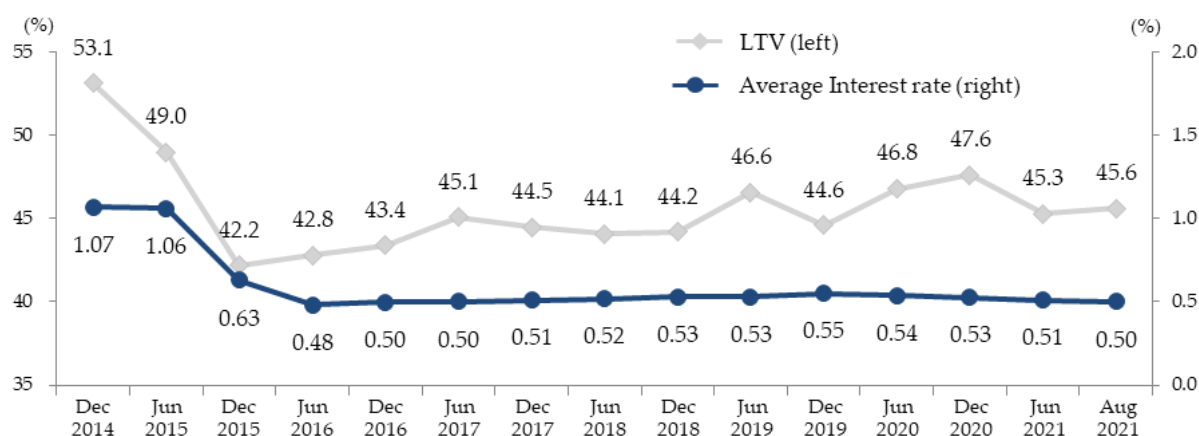
Bonds name	Issued Date	Term (years)	Balance (JPY mn)	Annual Interest Rate	Rating
1st Series Investment Corporation Bonds	May 25, 2018	5.0	1,000	0.40%	A+ (JCR)
2nd Series Investment Corporation Bonds	May 25, 2018	10.0	1,000	0.80%	A+ (JCR)
3rd Series Investment Corporation Bonds	Oct. 12, 2018	5.0	2,000	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 August 31, 2021)

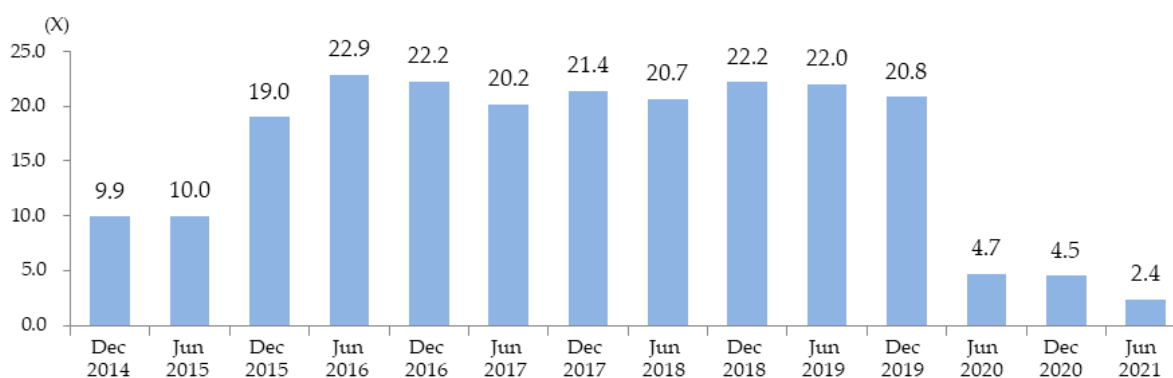


Mizuho Bank	20.4%	Shizuoka Bank	0.9%
MUFG	15.7%	Nishi-Nippon City Bank	0.8%
SMBC	15.5%	Kiraboshi Bank	0.4%
SMTB	13.9%	Momiji Bank	0.4%
Citibank	6.4%	Yamaguchi Bank	0.4%
Shinsei Bank	5.3%	The Chukyo Bank	0.4%
DBJ	3.3%	Kagawa Bank	0.2%
Resona Bank	2.8%	Tochigi Bank	0.2%
Dai-ichi Life Insurance	1.5%	Kiyo Bank	0.2%
Aeon Bank	1.5%	Hiroshima Bank	0.1%
San ju San Bank	1.3%	The Sensyu Ikeda Bank	0.1%
Aozora Bank	1.3%	Towa Bank	0.1%
Nomura TB	1.2%	Gunma Bank	0.1%
Tokyo Star Bank	1.2%	REIT Bond	3.3%
Fukuoka Bank	1.0%		

■ 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

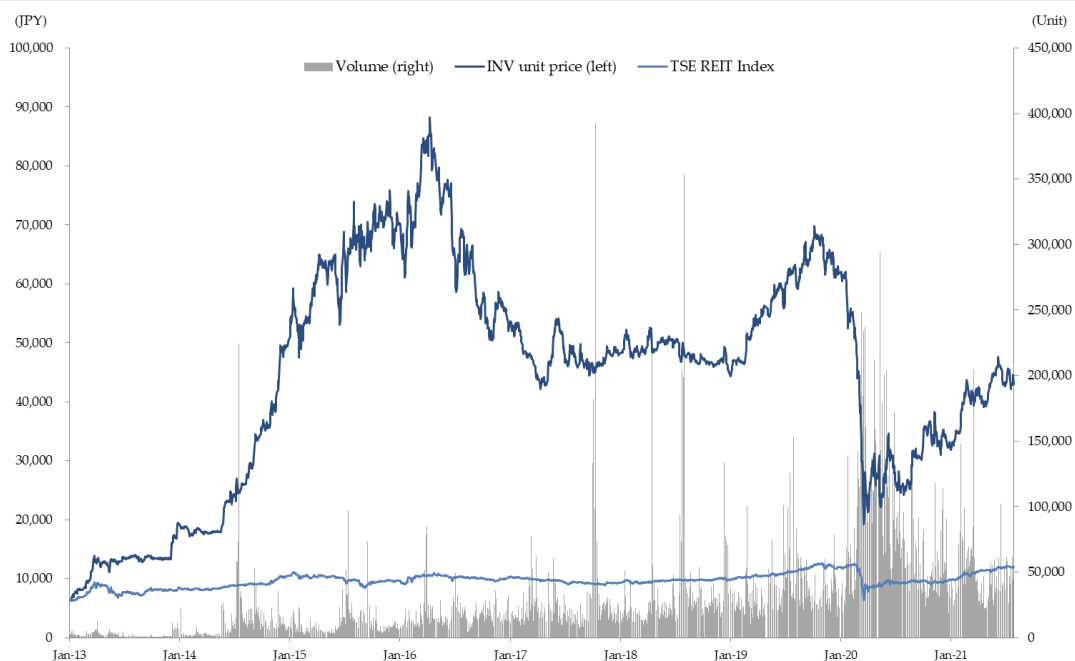
(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel 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

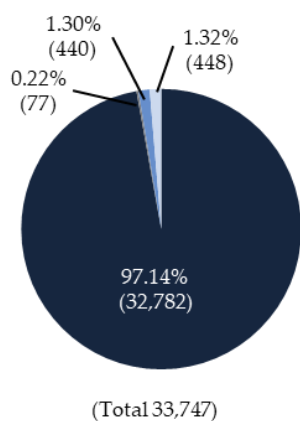
Historical Unit Price



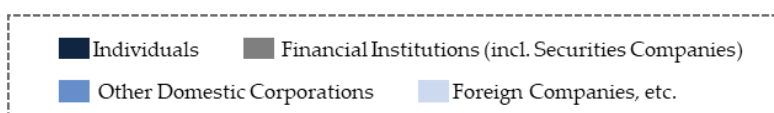
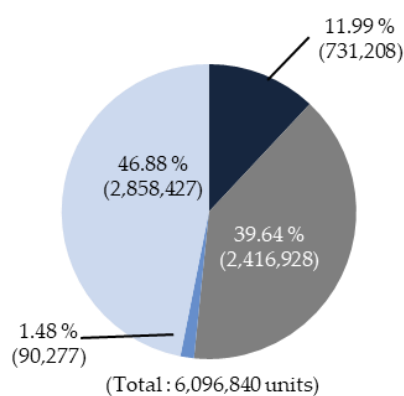
(Note) Unit prices indicate the closing price on the TSE market. TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013, as the same as the closing price of INV's unit on the same day.

Distribution of Unitholders

< Number of Unitholders >

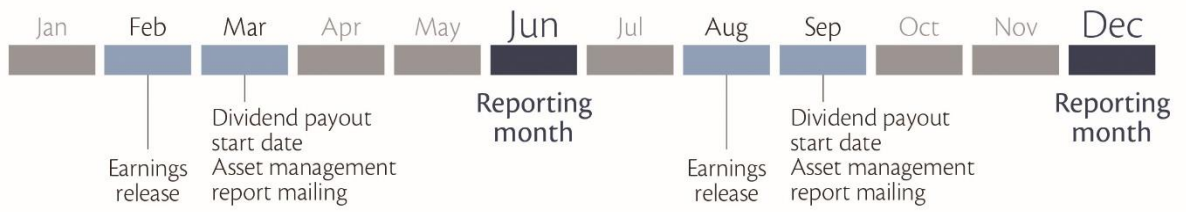


< Number of Units held by Unitholders >



(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