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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended December 31, 2024 (July 1, 2024 to December 31, 2024)

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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. We hereby provide you with a report on INV's asset management and financial results for the 43rd fiscal period (from July 1, 2024 to December 31, 2024) (the "Reporting Period").

In the Reporting Period, the domestic hotels achieved steady growth compared to the previous year due to stable domestic demand coupled with the recovery and growth in inbound demand. As for the Cayman hotels, there was a temporary downturn in performance due to the partial sales stoppage resulting from the large-scale renovation work at Sunshine Suites Resort, but demand remained strong.

Under such circumstances, INV implemented a global public offering for the second consecutive year to acquire 12 domestic hotels, including the full-service hotel "Art Hotel Osaka Bay Tower & Solaniwa Onsen", further expanding and enriching its hotel portfolio, which is the largest among J-REITs. Furthermore, in October 2024, Fusaki Beach Resort Hotel & Villas, one of INV's flagship hotels, won a total of six awards for "World Luxury Hotel Awards 2024", an internationally recognized award which is considered as the "Academy Awards of the hotel industry", including three "World Luxury Hotel Awards" in the hotel category, and three awards for "World Luxury Spa Awards 2024" for its SPA "Fusaki Spa". We believe that the hotel's high quality of service and diverse facilities were highly evaluated, leading to the award, and we look forward to welcoming our unitholders to this hotel.

On the financing side, we worked to manage our finances by keeping a close eye on interest rate trends, and we extended the terms of the loans and diversified repayment dates. At the same time, we raised the ratio of fixed interest rates by implementing interest rate swap transactions and borrowing at fixed interest rates as a precaution against the risk of rising interest rates.

As a result, INV announced a distribution per unit of JPY 1,982 by recording operating revenues of JPY 25,555 million, operating income of JPY 17,751 million, and net income of JPY 15,138 million in the Reporting Period. The distribution per unit ("DPU") exceeded the result for the June 2024 fiscal period and is the highest DPU since February 2010 when the corporate name changed to Invincible Investment Corporation.

The current environment will continue to require us to deal with rising costs, including interest rates, but we aim to further increase DPU by working diligently to capture demand for banquets and meetings which have recovered significantly after the COVID-19 pandemic, and inbound demand in regional areas, as well as by making asset acquisitions and strategic investments such as renovations of domestic and overseas hotels.

Your continued support is highly appreciated.

Naoki Fukuda

Executive Director, Invincible Investment Corporation

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

Summary of Financial Results

	Period from July 1, 2022 to December 31, 2022	Period from January 1, 2023 to June 30, 2023	Period from July 1, 2023 to December 31, 2023	Period from January 1, 2024 to June 30, 2024	Period from July 1, 2024 to December 31, 2024
Operating Revenues (JPY million)	11,929	15,914	18,819	21,136	25,555
Ordinary Income (JPY million)	5,075	8,914	11,033	12,901	15,138
Net Income (JPY million)	5,075	8,913	11,032	12,900	15,138
Net Assets (JPY million)	250,321	254,024	290,305	292,766	351,388
Total Assets (JPY million)	494,237	496,819	563,393	569,016	680,004
Net Assets per Unit (JPY)	41,058	41,665	43,090	43,455	45,954
Net Assets/Total Assets (%)	50.6	51.1	51.5	51.5	51.7
Distribution per Unit (JPY)	832	1,464	1,640	1,917	1,982
Number of Units Issued (Unit)	6,096,840	6,096,840	6,737,121	6,737,121	7,646,453

Distribution per unit for the 43rd fiscal period
(the fiscal period ended December 2024)





JPY 1,982

(Note) The forward-looking statements, forecasts and goals described in this report are based on available information, assumptions and estimates as of February 28, 2025. 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.



Improvement of Asset Value through Renovation

INV implements renovation of guest rooms, banquet rooms and restaurants, etc. to maintain and strengthen competitiveness of hotels in order to further increase profitability of portfolio.

Hotel MyStays Nippori

Back-ground	<ul style="list-style-type: none"> • A limited service hotel within a 4-minute walk from JR Nippori Station • Though renovated in 2011, its competitiveness has declined due to deterioration from aging and new hotels opened in the neighborhood • The renovations are being carried out to improve customer satisfaction by updating the facilities and to meet the increased demand for multiple guests due to the increase in inbound demand 	
Main Work	<ul style="list-style-type: none"> • Renew interior and furnishings of guest rooms and common areas <ul style="list-style-type: none"> - Replace semi-double beds with bunk beds or double beds • Renew exterior and signage • Make all rooms smoke-free 	
Renovation Period	September 2024 – February 2025	
Return	Expected ROI: 24.9% <ul style="list-style-type: none"> • CAPEX: JPY 419 million • GOP Increase: JPY 104 million per year (+79.1% compared to pre-renovation) 	
After Renovation	 Guest Room (bunk bed)	 Guest Room (double bed)
		

◆ Art Hotel Niigata Station

Back-ground	<ul style="list-style-type: none"> • A full service hotel directly connected to JR Niigata Station with large banquet halls which are rare in the area • The guest rooms, banquet halls, and restaurant were last renovated in 2007. Due to aging, some aspects, such as the bathrooms, have received lower evaluations from guests compared to nearby competitors • Renovations will be done to maintain and strengthen competitiveness 	
Main Work	<ul style="list-style-type: none"> • Renew interior and furnishings of guest rooms, banquet halls, and restaurant • Change the layout of the restaurant (increase the seat capacity from 119 to 132) • Make two of the existing three smoking floors smoke-free 	
Renovation Period	January 2025 – July 2025 (scheduled)	
Return	<p>Expected ROI: 17.0%</p> <ul style="list-style-type: none"> • CAPEX: JPY 651 million • GOP increase: JPY 110 million per year (+20.2% compared to pre-renovation) 	
After Renovation	<p>Guest Room¹</p> 	<p>Banquet Hall¹</p> 

(Note 1) Rendering

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.

2024 GRESB Real Estate Assessment¹

In the 2024 GRESB Real Estate Assessment, INV received a “3-Star” GRESB Rating, which is based on overall GRESB scores and its quintile position among participants, for the second consecutive year. INV was also awarded a “Green Star” designation by achieving high performance in both the “Management Component” that evaluates policies and organizational structure for ESG (Environmental, Social, and Governance) promotion, and the “Performance Component” that assesses environmental performance and tenant engagement of properties owned. Further, INV was highly evaluated for its ESG information

disclosure efforts and received an “A Level” the highest level for GRESB Public Disclosure, which assesses the breadth of ESG disclosure for the fourth consecutive year. We will consider preparations for acquiring evaluation by other external organizations, such as green building certification, to strengthen our ESG initiatives.



(Note 1) GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social, and Governance) integration of real estate companies and funds. The GRESB Real Estate Assessment is characterized by evaluating sustainability initiatives of real estate companies, REITs, and real estate funds, rather than targeting individual real estate. The GRESB rating is a relative evaluation based on the overall score, with the highest rating being 5-star

Green Finance

Executed refinance with green loan in October 2024 and January 2025 (total: JPY 12,457 million), bringing the total amount of outstanding green finance to JPY 25,956 million.

< Total amount of green finance > As of Feb. 26, 2025

	(JPY million)
Green finance	25,956
Green bonds	3,500
Green loans	22,456

External Certifications (total 22 properties)

BELS² Certification (total 19 properties)

* Funds procured by green finance are used for the properties in bold font in below tables

★★★★★	Hotel MyStays Premier Akasaka, Hotel MyStays Fukuoka Tenjin, Hotel MyStays Yokohama Kannai, Hotel MyStays Oita, Hotel MyStays Haneda, Hotel MyStays Matsuyama
★★★★	Hotel MyStays Premier Kanazawa, Hotel MyStays Sapporo Station, Hotel MyStays Fuji Onsen Resort, Hotel MyStays Kanda, Hotel MyStays Aomori Station
★★★	MyStays Shin-Urayasu Conference Center, Hotel MyStays Sakaisuji-Honmachi, Hotel Epinard Nasu
★★	Hotel MyStays Kyoto-Shijo, Hotel MyStays Fukuoka-Tenjin-Minami, Hotel MyStays Hakodate-Goryokaku, Hotel MyStays Hamamatsucho, Hotel MyStays Midotsuji Honmachi



CASBEE Certification for Buildings and Certification for CASBEE for Real Estate³ (total 8 properties)

CASBEE Certification for Buildings		Certification for CASBEE for Real Estate	
Rank A	Hotel MyStays Premier Akasaka	Rank A	Royal Parks Momozaka, Royal Parks Shinden, Royal Parks Seasir Minami-Senju
Rank B+	Hotel MyStays Premier Kanazawa, Hotel Epinard Nasu, Hotel MyStays Yokohama Kannai		
Rank B-	Hotel MyStays Sapporo Station		



(Note 2) BELS is a third-party certification system that evaluates and certifies the energy-saving performance of a building that the operators are required to make efforts to display under the Act on Improving Energy Consumption Performance for Architectural Structures. Houses and buildings are evaluated based on the value of BEI (Building Energy Index) derived from the primary energy consumption based on the government-designated energy consumption performance standard of architectural structures. The evaluation result is rated on a five-star scale based on energy conservation performance (from one star “★” to five stars “★★★★★”), with five stars meaning the highest energy conservation performance. Also, two stars or more represent that the building meets the existing energy conservation standard

(Note 3) CASBEE is a method that comprehensively assesses the quality of a building, and evaluates features such as interior comfort and scenic aesthetics, in consideration of environment practices including use of materials and equipment that save energy or achieve smaller environmental loads. CASBEE Certification for Buildings (Existing Buildings) scores buildings based on the environmental quality and the environmental load reduction of buildings that are at least one year old after completion. Assessment results by CASBEE are indicated on a scale with the following five ranks: Rank S “★★★★★”, Rank A “★★★★”, Rank B+ “★★★”, Rank B- “★★”, and Rank C “★”. Certification for CASBEE for Real Estate was developed with the aim of making use of the results of the environmental assessment of buildings by CASBEE in real estate evaluation. The assessment results are given one of four ranks: Rank S “★★★★★”, Rank A “★★★★”, Rank B+ “★★★”, and Rank B- “★★”

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 group hotels at special discount rates. INV decided to expand the available period by two months (from six months to eight months) for stay from the December 2022 Fiscal Period and onwards.

Overview of the Unitholder Benefit Program^(Note 1)

Applicable Hotels	<ul style="list-style-type: none"> ● Sheraton Grande Tokyo Bay Hotel ● All hotels managed by MyStays ^(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 <p>Reservation via phone or Email</p> <ul style="list-style-type: none"> ● All MyStays hotels and Kamenoi Hotels <p>Reservation via official website</p>
Available Period (Note 3)	<p>From April 1 to November 30 (eligible unitholders as of December 31)</p> <p>From October 1 to May 31 (eligible unitholders as of June 30)</p>

Sheraton Grande Tokyo Bay Hotel



Fusaki Beach Resort Hotel & Villas



Ari Hotel Osaka Bay Tower & Solaniwa Onsen



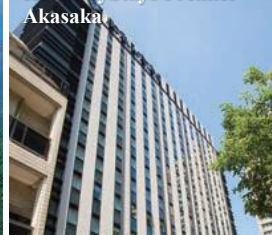
Hotel MyStays Gotanda Station



Hotel Epinard Nasu



Hotel MyStays Premier Akasaka



Hakodate Kokusai Hotel



Hotel MyStays Premier Sapporo Park



Kamenoi Hotel Beppu



(Note 1) The details of the unitholder benefit program described above are as planned by Invincible as of February 28, 2025, and the program may be changed or abolished even after it is has been introduced.

(Note 2) Refers to all hotels under MyStays brand managed by MHM, and hotels shown on the MyStays Hotel Group's official website (<https://www.mystays.com/en-us/>) will be applicable.

(Note 3) Available Period represents a period during which you can lodge by using the unitholder benefit program. To enjoy the unitholder benefit program, you actually need to lodge during the availability period.

I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period			39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period	43rd fiscal period
Reporting period			Jul. 1, 2022 to Dec. 31, 2022	Jan. 1, 2023 to Jun. 30, 2023	Jul. 1, 2023 to Dec. 31, 2023	Jan. 1, 2024 to Jun. 30, 2024	Jul. 1, 2024 to Dec. 31, 2024
Operating Results	Operating revenue	(JPY thousand)	11,929,599	15,914,981	18,819,119	21,136,007	25,555,158
	(Rental revenue – real estate)	(JPY thousand)	(10,182,751)	(12,000,955)	(16,696,076)	(14,933,032)	(23,205,026)
	Operating expenses	(JPY thousand)	5,672,588	5,558,241	6,230,207	6,500,276	7,803,491
	(Property-related expenses)	(JPY thousand)	(4,606,538)	(4,488,341)	(5,096,717)	(5,107,042)	(6,325,294)
	Operating income (loss)	(JPY thousand)	6,257,011	10,356,739	12,588,912	14,635,731	17,751,667
	Ordinary income (loss)	(JPY thousand)	5,075,941	8,914,347	11,033,176	12,901,166	15,138,810
	Net income (loss)	(JPY thousand)	5,075,336	8,913,742	11,032,571	12,900,561	15,138,205
Assets	Total assets (change from last period)	(a) (JPY thousand) (%)	494,237,781 (0.8)	496,819,930 (0.5)	563,393,061 (13.4)	569,016,514 (1.0)	680,004,964 (19.5)
	Interest-bearing debt	(JPY thousand)	240,797,000	239,190,000	269,100,000	271,154,000	323,197,000
	Net assets (change from last period)	(b) (JPY thousand) (%)	250,321,091 (1.7)	254,024,091 (1.5)	290,305,021 (14.3)	292,766,734 (0.8)	351,388,558 (20.0)
	Unitholders' capital	(JPY thousand)	235,701,512	235,701,512	270,101,249	270,101,249	326,079,727
Dividend Status	Total distributions	(c) (JPY thousand)	5,072,570	8,925,773	11,048,878	12,915,060	15,155,269
	Dividend payout ratio	(Note 1) (%)	99.9	100.1	100.1	100.1	100.1
Information per Unit	Number of investment units issued and outstanding	(d) (Units)	6,096,840	6,096,840	6,737,121	6,737,121	7,646,453
	Net assets per unit	(b) / (d) (JPY)	41,058	41,665	43,090	43,455	45,954
	Distributions per unit (Distributions of earnings per unit)	(c) / (d) (JPY) (JPY)	832 (832)	1,464 (1,464)	1,640 (1,640)	1,917 (1,917)	1,982 (1,982)
	(Distributions in excess of retained earnings per unit)	(JPY)	(-)	(-)	(-)	(-)	(-)
Financial Measures	Return on assets (annualized)	(Note 2) (%)	1.0 (2.0)	1.8 (3.6)	2.1 (4.1)	2.3 (4.6)	2.4 (4.8)
	Return on equity (annualized)	(Note 2) (%)	2.0 (4.1)	3.5 (7.1)	4.1 (8.0)	4.4 (8.9)	4.7 (9.3)
	Capital ratio (change from last period)	(b) / (a) (Note 2) (%) (%)	50.6 (0.4)	51.1 (0.5)	51.5 (0.4)	51.5 (-0.1)	51.7 (0.2)
	NOI (Net Operating Income)	(Note 2) (JPY thousand)	10,509,695	14,523,824	17,205,671	19,634,102	23,451,825

(Note 1) 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 2) 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 + Dividends of preferred equity interest + Depreciation expense for relevant period.

The dividends of preferred equity interest has been included in the formula calculating NOI from the 41st fiscal period. Since no dividends of preferred equity interest was recorded from the 39th to the 41st fiscal period, this change makes no difference. However, since dividends of preferred equity interest was recorded from the 42nd to the 43rd fiscal period, dividends of preferred equity interest was included in NOI due to this change.

2 Overview of Asset Management for the Fiscal Period Ended December 2024

(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). 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.

Ever since the commencement of sponsorship from the Fortress Group (Note 1), 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, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (“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.

In the Fiscal Period ended December 31, 2024 (“Reporting Period”), INV implemented a global offering of new investment units for the second consecutive year and acquired 12 domestic hotels. As a result, INV's portfolio at the end of the Reporting Period comprised of 146 properties (104 hotels (Note 2) (Note 3), 41 residential properties and one retail facility) with a total acquisition price of JPY 653,066 million (Note 4). Furthermore, INV's hotel portfolio has the largest asset size (Note 5) of JPY 612,281 million (104 properties, 18,871 rooms) among all J-REITs (real estate investment corporations which are listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market, hereinafter the same shall apply) hotel portfolios including Hotel J-REITs (Note 6).

(Note 1) Calliope transferred 80.0% of issued shares to Fortress CIM Holdings L.P., a subsidiary of SoftBank Group and 20.0% to SoftBank Group Corp. (“SoftBank Group”) on March 29, 2018, but the SoftBank Group transferred its issued shares of CIM to Fortress CIM Holdings L.P. on May 23, 2023. Further, on May 15, 2024, the SoftBank Group transferred its interest in the indirect parent company of Fortress CIM Holdings L.P. to Mubadala Capital, a wholly-owned subsidiary of Mubadala Investment Company, an Abu Dhabi sovereign wealth fund. As a result, the SoftBank Group no longer falls under the parent company and specified related corporation of CIM.

(Note 2) 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*, “TMK”) refers to 178,458 units of the preferred equity interest issued by Kingdom Special Purpose Company (equivalent to 49.0% of the 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 operator of an anonymous association (*tokumei kumiai*, "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 3) 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 Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort (collectively, 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 4) 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 executed on July 26, 2018 and implemented on September 26, 2018 in connection with the investment in the TK interest by INV. Hereinafter the same shall apply.
- (Note 5) Hotel J-REIT is defined as the J-REIT whose majority part of portfolio consists of hotel assets.
- (Note 6) "The largest asset size ... among all J-REIT hotel portfolios" refers to the total acquisition price of 104 hotels owned by INV as compared with the total acquisition price of hotels (including inns and other accommodation facilities) owned by listed investment corporations other than INV as of December 31, 2024.

(b) Operational Performance

The portfolio NOI (Note 1) increased by 36.3% or JPY 6,246 million compared to the same period in the previous year (the December 2023 fiscal period) to JPY 23,451 million. Of which, the hotel portfolio NOI increased by JPY 6,226 million and the residential and retail portfolio NOI increased by JPY 19 million. Compared to the December 2019 fiscal period prior to the COVID-19 pandemic, the portfolio NOI increased by 54.7% or JPY 8,287 million, of which the hotel portfolio NOI increased by JPY 9,057 million and the residential and retail portfolio NOI decreased by JPY 769 million due to asset sales.

Commentary on hotel and residential performance is as described below.

As for the domestic hotel portfolio, all hotel indices for the period under review exceeded those for the same period of the previous year due to solid domestic demand coupled with strong growth in inbound demand. The GOP (Note 2) for the Reporting Period increased by 14.3% compared to the same period in the previous year (figures exclude nine domestic hotels with fixed-rent lease agreements among the 90 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 81 domestic hotels (Note 3) recorded an occupancy rate (Note 4) of 85.6%, ADR (Note 5) of JPY 15,030, and RevPAR (Note 6) of JPY 12,863. The Cayman Hotels recorded an average occupancy rate of 52.6%, ADR of USD 438, and RevPAR of USD 231 for the Reporting Period. Although demand was robust throughout the Period, the impact of hurricanes and storms including "Hurricane Beryl", a Category 5 hurricane, as well as the impact of the partial sales stoppage

resulting from the large-scale renovation work at Sunshine Suites Resort, caused ADR to increase but occupancy rate and RevPAR to decrease compared to the same period last year.

Regarding the residential portfolio (Note 7), the occupancy rate (Note 8) of 41 residential properties remained at 96.9% at the end of the Reporting Period, with slight changes during the Reporting Period. The average occupancy rate (Note 8) increased by 0.9 points YoY to 96.9%. The NOI (Note 9) for the Reporting Period increased by 1.9% YoY.

In the Reporting Period, INV realized a rent increase for 68.8% (based on the number of contracts) of the new residential lease contracts, and the new rent increased by 2.6% compared to the previous rent across all new leases (Note 10). INV achieved a rent increase for 61.6% (based on the number of contracts) of contract renewals with an average rent increase of 1.9% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate (Note 11) of 76.5%. Combined, new lease and renewal lease rents were signed at 2.1% higher than the previous leases. The average rent per tsubo per month (Note 12) for the Reporting Period increased by 0.8% YoY to JPY 9,291.

The total appraisal value of 145 properties was JPY 767,492 million (one out of the 146 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 171,708 million (Note 13) and an unrealized gain ratio of 28.8% (Note 13). The total appraisal value of the 133 properties which were owned throughout the Reporting Period increased by 0.5% from JPY 657,902 million at the end of the June 2024 fiscal period to JPY 661,382 million at the end of the Reporting Period.

Key Performance Indicators of 81 Domestic Hotel Properties (Note 3)

	December 2024 fiscal period	Year-on-year change	vs 2H 2019
Occupancy Rate (Note 4)	85.6%	+3.1pt	-1.9pt
ADR (JPY) (Note 5)	15,030	+10.0%	+34.7%
RevPAR (JPY) (Note 6)	12,863	+14.0%	+31.9%
GOP (JPY million) (Note 2)	18,562	+14.3%	+33.3%

Key Performance Indicators of Cayman Hotels

	December 2024 fiscal period	Year-on-year change	vs 2H 2019
Occupancy Rate (Note 4)	52.6%	-12.2pt	-19.7pt
ADR (USD) (Note 5)	438	+4.0%	+33.8%
RevPAR (USD) (Note 6)	231	-15.6%	-2.6%
GOP (USD) (Note 2)	10,678,157	-26.9%	-19.6%

Key Performance Indicators of 41 Residential Properties (Note 7)

	December 2024 fiscal period	Year-on-year change
Average Occupancy Rate (Note 8)	96.9%	+0.9pt
Average Rent per Tsubo per Month (JPY) (Note 12)	9,291	+0.8%
NOI (JPY million) (Note 9)	1,140	+1.9%

(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) "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. 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 3) Of the 90 hotels held as of the end of December 2024 (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 etc. 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. "D48 Takamatsu Tokyu REI Hotel" changed its contract with its major tenant, TOKYU HOTELS & RESORTS CO., LTD., to fixed-rent with variable rent lease from April 25, 2023. However, in view of the continuity of disclosed data and other factors, this hotel will continue to be excluded. Hereinafter the same shall apply.
- (Note 4) "Occupancy rate" for the hotel properties is calculated in accordance with the following formula:

$$\text{Occupancy rate} = \frac{\text{total number of occupied rooms during a certain period}}{\text{total number of rooms available during the same period (number of rooms} \times \text{number of days)}}$$
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 \times 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) Based on the 41 residential properties owned as of the end of December 2024. Hereinafter the same shall apply.
- (Note 8) "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 9) For the comparison of NOI for the residential properties, one-off insurance-related revenues and expenses are excluded. Hereinafter the same shall apply.
- (Note 10) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents. Hereinafter the same shall apply.
- (Note 11) Renewal rate is calculated by the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period.
- (Note 12) "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 13) 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 \div book value as of the end of the Reporting Period.

(c) Overview of Fund Raising

As a result of the measures described below, INV's interest-bearing debt outstanding balance was JPY 323,197 million and the Interest-Bearing Debt ratio (Note 1) and LTV (appraisal value basis) (Note 2) were 47.0% and 42.1%, respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 1.07%.

(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 × 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 (*) × 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 the weighted average based on the outstanding balance of borrowings and rounded to two decimal places.

(i) Equity Financing

INV implemented a global public offering which closed on July 30, 2024 (the number of new investment units issued: 895,000; total issue value: JPY 55,096 million), and a third party allotment which closed on August 27, 2024 (the number of new investment units issued: 14,332; total issue value: JPY 882 million) in order to procure part of the funds for the acquisition of 12 domestic hotels described in “(d) Overview of Acquisition of Assets”.

(ii) Debt Finance

(a) Borrowing of Funds

INV borrowed New Syndicate Loan (014) (total amount borrowed: JPY 15,862 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.70000% for a duration of seven years, floating interest rate of 3-month JPY TIBOR plus 0.60000% for a duration of six years, floating interest rate of 3-month JPY TIBOR plus 0.50000% (by the interest swap agreement on October 21, 2024, it is fixed, in effect, at 1.37500%) for a duration of five years, floating interest rate of 3-month JPY TIBOR plus 0.40000% (by the interest swap agreement on October 21, 2024, it is fixed, in effect, at 1.23000%) for a duration of four years, which was arranged by Mizuho Bank, Ltd. on July 16, 2024 in order to repay a tranche of New Syndicate Loan (L) in the amount of JPY 4,943 million, a tranche of New Syndicate Loan (M) in the amount of JPY 5,796 million, two tranches of New Syndicate Loan (009) in the amount of JPY 7,958 million, a tranche of New Syndicate Loan (011) in the amount of JPY 1,965 million due on July 16, 2024 and Term Loan (W) in the amount of JPY 1,582 million due on July 20, 2024.

Moreover, INV borrowed New Syndicate Loan (015) on July 31, 2024 (total amount borrowed: JPY 56,725 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.70000% for a duration of seven years, floating interest rate of 3-month JPY TIBOR plus 0.60000% for a duration of six years, 1.59750% for a duration of six years, floating interest rate of 3-month JPY TIBOR plus 0.50000% (by the interest swap agreement on October 21, 2024, it is fixed, in effect, at 1.37500%) for a duration of five years, floating interest rate of 1-month JPY TIBOR plus 0.20000% for a duration of one year, and floating interest rate of 1-month JPY TIBOR plus 0.20000% for a duration of one year), which was arranged by Mizuho Bank, Ltd. in order to pay a portion of the acquisition price and related expenses for the acquisition of the 12 domestic hotels described in “(d) Overview of Acquisition of Assets” with the equity financing described in the said (i).

Furthermore, INV borrowed Term Loan (022) on October 11, 2024 (total amount borrowed: JPY 1,250 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.65000% for a duration of 6.5 years) from Mizuho Bank, Ltd., Term Loan (023) (total amount borrowed: JPY 1,250 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.65000% for a duration of 6.5 years) from Sumitomo Mitsui Banking Corporation, and Term Loan (024) (total amount borrowed: JPY 1,060 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.65000% for a duration of 6.5 years) from Sumitomo Mitsui Trust Bank,

Limited in order to repay New Syndicate Loan (H) in the amount of JPY 3,560 million due on October 11, 2024.

(b) Prepayment of Loan

INV prepaid its bridge loan of New Syndicate Loan (015) (in the amount of JPY 1,500 million; for a duration of one year) on September 30, 2024, with a portion of funds procured from the issuance of Twelfth Series Unsecured Investment Corporation Bonds as described in “(iii) Issuance of Investment Corporation Bonds” below on September 12, 2024.

(c) Issuance of Investment Corporation Bonds

INV issued investment corporation bonds as follows for the purpose of raising a portion of funds for repayment of existing borrowings while at the same time lengthening the average maturity period of its debt and further diversifying repayment dates for interest-bearing debt.

Bond Series	Issue Date	Issue Amount (JPY million)	Interest Rate (annual rate)	Redemption Date	Abstract
Twelfth Series Unsecured Investment Corporation Bonds (with pari passu conditions among specified corporate bonds)	September 12, 2024	4,200	1.300%	September 12, 2029	Unsecured / Unguaranteed Rating: A+ (JCR)

(d) Overview of Acquisition of Assets

CIM decided on the acquisition of trust beneficiary interests in 12 domestic hotels as follows on July 18, 2024, and the acquisition of the assets was closed on July 31, 2024.

Property Number	Property Name	Acquisition Price (JPY million yen) (Note 1)	Appraisal Value (JPY million yen) (Note2)	Seller
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	31,185	31,500	Ganges Tokutei Mokuteki Kaisha
D91	Hakodate Kokusai Hotel	16,830	17,000	Hakodate Tokutei Mokuteki Kaisha
D92	Art Hotel Nippori Lungwood	16,335	16,500	Nippori Tokutei Mokuteki Kaisha
D93	Hotel MyStays Kumamoto Riverside	6,831	6,900	Rishiri Tokutei Mokuteki Kaisha
D94	Art Hotel Aomori	5,672	5,730	Shiretoko Tokutei Mokuteki Kaisha
D95	Kamenoi Hotel Izukogen	5,563	5,620	Yakushima Tokutei Mokuteki Kaisha
D96	Art Hotel Oita	5,484	5,540	Shiretoko Tokutei Mokuteki Kaisha
D97	Art Hotel Kokura New Tagawa	4,672	4,720	Kawaguchiko Tokutei Mokuteki Kaisha
D98	Art Hotel Miyazaki Sky Tower	3,821	3,860	Rishiri Tokutei Mokuteki Kaisha

Property Number	Property Name	Acquisition Price (JPY million yen) (Note 1)	Appraisal Value (JPY million yen) (Note2)	Seller
D99	Art Hotel Kagoshima	3,395	3,430	Shiretoko Tokutei Mokuteki Kaisha
D100	Kamenoi Hotel Hikone	2,603	2,630	Yakushima Tokutei Mokuteki Kaisha
D101	Kamenoi Hotel Nara	2,029	2,050	Yakushima Tokutei Mokuteki Kaisha
Total		104,420	105,480	

(Note 1) Acquisition Price does not include adjustments for property taxes, city planning taxes, or national or local consumption taxes. Hereinafter the same shall apply.

(Note 2) Appraisal Value is based on appraisal value stated in the appraisal report by the Japan Real Estate Institute., JLL Morii Valuation & Advisory K.K., The Tanizawa Sōgō Appraisal Co., Ltd. or Daiwa Real Estate Appraisal Co., Ltd. on the valuation date of June 1, 2024.

(e) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 4,419 million from the previous period (+20.9 %) to JPY 25,555 million, resulting in a net income of JPY 15,138 million, an increase of JPY 2,237 million from the previous period (+17.3%). Unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 8,627 million) is JPY 23,765 million. INV has decided to set the distribution per unit (excluding excess profit distribution) of JPY 1,982, which is the net income per unit (JPY 1,980) plus the reversal of retained earnings (JPY 3 per unit).

3 Changes in Total Number of Investment Units Issued and Outstanding

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

Date	Type of issue	Total number of investment units issued		Unitholders' capital (JPY)		Reference
		Increase	Total	Increase	Total	
July 31, 2023	Public offering	609,792	6,706,632	32,761,684,992	268,463,197,161	(Note 1)
August 28, 2023	Third-party allotment	30,489	6,737,121	1,638,052,014	270,101,249,175	(Note 2)
July 30, 2024	Public offering	895,000	7,632,121	55,096,200,000	325,197,449,175	(Note 3)
August 27, 2024	Third-party allotment	14,332	7,646,453	882,277,920	326,079,727,095	(Note 4)

(Note 1) New investment units were issued in a public offering at a price of JPY 55,566 per unit (JPY 53,726 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.

(Note 2) New investment units were issued in a third-party allotment at a price of JPY 53,726 per unit for the purpose of raising a part of the funds for the acquisition of specified assets.

(Note 3) New investment units were issued in a public offering at a price of JPY 63,602 per unit (JPY 61,560 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 61,560 per unit for the purpose of raising a part of the funds for the acquisition of specified assets or repairs and capital expenditures to maintain and enhance the asset value of properties in the portfolio.

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	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period	43rd fiscal period
Closing month	December 2022	June 2023	December 2023	June 2024	December 2024
Highest	52,500	59,600	65,200	73,100	69,800
Lowest	36,250	48,250	53,800	58,700	57,600

4 Distribution Performance

With respect to distribution of earnings for the Reporting Period, INV decided that distribution per unit (excluding excess profit distribution) is JPY 1,982 and does not make distributions in excess of profits.

Period	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period	43rd fiscal period
Calculated Period	Jul. 1, 2022 to Dec. 31, 2022	Jan. 1, 2023 to Jun. 30, 2023	Jul. 1, 2023 to Dec. 31, 2023	Jan. 1, 2024 to Jun. 30, 2024	Jul. 1, 2024 to Dec. 31, 2024
Unappropriated retained earnings (JPY thousand)	13,742,562	17,583,734	19,690,532	21,542,214	23,765,358
Reserved profit (JPY thousand)	8,669,991	8,657,960	8,641,653	8,627,153	8,610,089
Total cash distribution (JPY thousand)	5,072,570	8,925,773	11,048,878	12,915,060	15,155,269
(Distribution per unit) (JPY)	(832)	(1,464)	(1,640)	(1,917)	(1,982)
Total profit distribution (JPY thousand)	5,072,570	8,925,773	11,048,878	12,915,060	15,155,269
(Profit distribution per unit) (JPY)	(832)	(1,464)	(1,640)	(1,917)	(1,982)
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 Period Ending June 30, 2025

The Japanese economy has been gradually recovering and is expected to continue to grow steadily, mainly driven by domestic demand. Against the backdrop of strong corporate earnings, consideration of high prices, and a serious labor shortage, personal consumption is expected to recover moderately due to a recovery in real wages and an easing of household saving habits as a high rate of wage increases is expected in the labor negotiations (Shunto). Furthermore, the increase in the inflation rate in Japan is expected to slow down as upward pressure on import prices has been settling down. Corporate capital investment is also expected to continue to expand with digitalization, decarbonization, and enhancement of supply chain resilience, as well as actions to address labor shortages. In addition to the recovery in domestic demand, the economy is expected to benefit from the continued growth in inbound demand. On the other hand, there are various uncertainties such as the direction of U.S. trade policy under the second Trump administration, concerns about the rekindling of trade friction between the United States and China, and the increase in geopolitical risks. Concerns about an economic slowdown may grow if negative factors such as a decline in exports along with a slowdown in overseas economies emerge.

In the hotel market, demand in both the domestic/inbound and leisure/business segments is expected to remain robust.

In the rental housing market, the trend of population outflow from urban areas caused by the impact of the COVID-19 pandemic has turned to a trend of population inflow again, and demand in rental apartments has been increasing with the tightening of supply in condominiums due to high land prices and the increase in construction costs. These factors are expected to lead to higher occupancy rates and higher unit rents in the future.

(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. In addition to access to Fortress' global real estate expertise, INV will actively promote efforts to acquire new demand under the environment of "Post-Corona" and flexibly respond to changes in the external environment while emphasizing customer safety and security. Going forward, INV will continue to implement various strategies for further growth and financial stability, including the following measures.

- Further external growth utilizing sponsor support
- 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
- Response to the risk of rising interest rates

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.

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.

Properties Acquired from affiliates of the Fortress Group (as of the date of this document)

Year	Properties acquired	Total acquisition price
2012	24 residential properties (Note 1)	JPY 14,043 million (Note 1)
2014	20 hotels	JPY 45,373 million
2015	14 hotels and three residential properties (Note 2)	JPY 45,238 million (Note 2)
2016	11 hotels and two residential properties	JPY 92,804 million
2017	six hotels and two residential properties (Note 3)	JPY 90,006 million (Note 3)
2018	12 hotels (Note 4)	JPY 104,280 million (Note 4)
2019	18 hotels	JPY 82,646 million
2020	Two hotels	JPY 16,236 million
2023	Six hotels	JPY 57,230 million
2024	12 hotels	JPY 104,420 million
Total	132 properties (of which 101 are hotels and 31 are residential properties)	JPY 652,278 million (of which hotels: JPY 600,640 million; residential: JPY 51,638 million)

(Note 1) Of the properties acquired from affiliates of the Fortress Group, 15 residential properties have been sold.

(Note 2) Of the properties acquired from affiliates of the Fortress Group, one residential property has been sold.

(Note 3) Of the properties acquired from affiliates of the Fortress Group, one residential property has been sold. Sheraton Grande Tokyo Bay Hotel was acquired through a special purpose company, of which INV owns the preferred equity interest, and is counted as one property and INV's investment amount of the preferred equity interest is counted as the acquisition price of the preferred equity interest.

(Note 4) The Cayman Hotels acquired by the Cayman SPC, of which INV owned the TK interest, are counted as two properties and INV's investment amount of the TK interest is used as the acquisition price of the TK interest. After the Structure Change, INV currently has direct ownership of the Leasehold of the Cayman Hotels.

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.

(ii) Strategy for internal growth
(Hotels)

Of the 102 domestic hotels (Note 1) owned by INV as of the end of the Reporting Period, 94 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives all of the gross operating profit (GOP) after deducting payment of management fees for the hotel operator as rents. For 91 hotels of the 94 hotels, MHM and subsidiaries of MHM have implemented sophisticated revenue management initiatives seeking to maximize revenue through effectively capturing accommodation demand. As a result, INV can directly enjoy the hotel revenue upside through this variable rent scheme.

During the COVID-19 pandemic and post COVID-19 periods, the MHM Group has taken steps to reduce hotel operating expenses and recover revenues by reviewing its operational strategy. INV will continue to strive to minimize the impact of rising costs such as labor costs, utility costs and foodstuffs by means of a thorough review of staffing and work shifts, continuous efforts to reduce fixed costs, and strategies to maximize GOPPAR (GOP per the number of rooms available for sale).

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.

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

(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 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.

(iii) Financial strategy

INV will continue to extend the average interest-bearing debt repayment periods, diversify the loan maturity dates and diversify financing measures while paying attention to fund procurement costs, as well as maintaining an appropriate fixed interest rate ratio to mitigate the risk of rising interest rates.

In addition, INV will seek to improve the credit rating (the long-term issuer rating "A+" (Outlook: Stable)) obtained from Japan Credit Rating Agency, Ltd. (JCR) by proceeding with these measures.

(iv) Compliance risk management

While the executive director of INV concurrently serves as the representative director at CIM, two supervisory directors (an external attorney and an external certified public account) oversee the execution of the executive director's duties via the Board of Directors of INV.

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. No resolution will be adopted unless the outside expert agrees.

When INV conducts certain transactions such as asset acquisition from sponsor related parties, prior approvals by the Board of Directors of INV are required to ensure an objectivity in deliberation regarding conflicts of interests. In such agenda, only two supervisory directors (a lawyer and a certified public accountant) will participate in the vote, and the executive director who concurrently serves as the representative director of CIM will not participate in the vote as he is a special interested party.

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", the "Greenhouse Gas Emissions Reduction Policy", the "Water Saving Policy" and the "Waste Management Policy" which stipulate efforts to reduce environmental impact as initiatives for environment. In addition, CIM has established the

“Sustainable Procurement Policy” in order to promote initiatives for ESG throughout the value chain of INV’s real estate portfolio and concluded the “Green Lease” contract with tenants to collaborate with tenants on measures related to the environmental consideration of real estate, such as proactive introductions of energy-saving equipment such as LED lighting.

Furthermore, as of the date of this document, INV acquired CASBEE Certification for Buildings (Existing Buildings) for two hotels, and Certification for CASBEE for Real Estate for two residential properties. CASBEE is a method that comprehensively assesses the quality of a building, and evaluates features such as interior comfort and scenic aesthetics, in consideration of environment practices including use of materials and equipment that save energy or achieve smaller environmental loads. Also, as of the date of this document, 19 hotels owned by INV acquired the certification of Building-Housing Energy-efficiency Labeling System (“BELS”). In particular, Hotel MyStays Premier Akasaka, Hotel MyStays Fukuoka Tenjin, Hotel MyStays Yokohama Kannai Hotel MyStays Oita, Hotel MyStays Haneda and Hotel MyStays Matsuyama have been rated five stars “★★★★★” due to high energy conservation performance.

In addition to the acquisition of environmental certifications for its properties, INV issued green bonds in total amount of JPY 3,500 million and executed refinancing with green loans in total amount of JPY 22,456 million as of the date of this document to further promote its sustainability initiatives and to strengthen its fund-raising base by expanding the investor base interested in ESG investment.

As initiatives for society, CIM is working on various measures for tenants, CIM’s officers, and employees. CIM conducts the “Tenant Satisfaction Survey” for residents of INV’s residential properties to collect opinions and requests of residents and utilize them for asset management, and provides sustainability-focused training for all officers and employees at least once a year to help officers and employees acquire knowledge and raise awareness of sustainability considerations in line with business practices. Moreover, as initiatives for CIM’s employees, CIM executes various initiatives such as the establishment of a DEI (Diversity, Equity and Inclusion) policy to nourish an inclusive organizational culture and to establish an inclusive value chain, as well as the introduction of a “Qualification Acquisition Support Program” to cover a certain amount of expenses required to acquire and maintain qualifications for employees to develop and maintain competitive human resources and support employees skill and productivity improvement. Furthermore, INV conducts an employee satisfaction survey once every three years with the aim of improving its working environment, and provides a full subsidy for a comprehensive medical checkup without age restrictions.

As a result of other sustainability promotion activities, INV received a “3-Star” rating for the second consecutive year in the 2024 GRESB Real Estate Assessment, an international benchmark assessment that measures ESG integration of real estate companies and funds on a five-level rating scale, and an “A level” in the GRESB Public Disclosure assessment, the highest rating for the fourth consecutive year.

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

6 Significant Subsequent Events

Not applicable. Reference information is stated below.

(Reference Information)

(a) Debt Financing

INV decided to execute new borrowings (New Syndicate Loan (016)) on December 25, 2024 and borrowed on January 16, 2025 in order to repay New Syndicate Loan (P) in the amount of JPY 4,491 million, a tranche of New Syndicate Loan (L) in the amount of JPY 4,943 million and a tranche of New Syndicate Loan (M) in the amount of JPY 5,796 million due on January 6, 2025.

(i) New Syndicate Loan (016)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
The Nomura Trust and Banking Co., Ltd.	January 16, 2025	100	Floating interest rate (Note 1)	March 14, 2030	Unsecured/non guarantee
Development Bank of Japan, Inc.	January 16, 2025	300	Floating interest rate (Note 2)	March 14, 2031	Unsecured/non guarantee
MUFG Bank, Ltd.	January 16, 2025	2,590.8	Fixed interest rate 1.65398%	March 14, 2031	Unsecured/non guarantee
Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation The Kiyo Bank, Ltd. The Yamaguchi Bank, Ltd. Aozora Bank, Ltd. SBI Shinsei Bank, Limited	January 16, 2025	3,342.2	Floating interest rate (Note 3)	March 14, 2031	Unsecured/non guarantee
【Green loan】 Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation The Yamaguchi Bank Ltd. Aozora Bank, Ltd. SBI Shinsei Bank, Limited	January 16, 2025	8,897	Floating interest rate (Note 3)	March 14, 2031	Unsecured/non guarantee
Total		15,230			

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.50000%).

(Note 2) 3-month JPY TIBOR (Base Rate) + spread (0.60000%).

(Note 3) 1-month JPY TIBOR (Base Rate) + spread (0.60000%).

Overview of the Investment Corporation

1 Overview of Investment

By Period	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period	43rd fiscal period
Results Dates	As of Dec. 31, 2022	As of Jun. 30, 2023	As of Dec. 31, 2023	As of Jun. 30, 2024	As of Dec. 31, 2024
Number of issuable investment units (Unit)	10,000,000	10,000,000	10,000,000	10,000,000	20,000,000
Number of investment units issued and outstanding (Unit)	6,096,840	6,096,840	6,737,121	6,737,121	7,646,453
Unitholders' capital (JPY million)	235,701	235,701	270,101	270,101	326,079
Number of total unitholders	27,005	25,829	26,611	31,658	34,999

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)	1,417,170	18.53
Custody Bank of Japan, Ltd. (trust account)	1,395,081	18.24
The Nomura Trust and Banking Co., Ltd. (investment trust account)	401,578	5.25
STATE STREET BANK AND TRUST COMPANY 505001	182,246	2.38
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AG FUND 2024-09 (LIMITED OT FINANC IN RESALE RSTRCT)	149,852	1.95
GOLDMAN SACHS INTERNATIONAL	143,933	1.88
FJODF GP INV HOLDINGS LLC	115,931	1.51
STATE STREET BANKWEST CLIENT - TREATY 505234	112,772	1.47
STATE STREET BANK AND TRUST COMPANY 505103	109,958	1.43
STATE STREET BANK AND TRUST COMPANY 505325	108,983	1.42
Total	4,137,504	54.11

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

3 Notes regarding Directors

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

Position	Name	Concurrent responsibilities	Directors' remuneration for operating period (JPY thousand)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co., Ltd. (current position)	-
Supervisory Director	Yoshihiro Tamura	Attorney, Shiba-Daimon Law Office Statutory Auditor, BEQONE PARTNERS, Inc. (current position)	2,400
	Marika Nagasawa	Certified Public Accountant, Avantia GP Marika Nagasawa Accounting Firm	2,400
Auditor	Ernst & Young ShinNihon LLC (Note 1)	-	40,200

(Note 1) The auditor's remuneration includes JPY 1,200 thousand for auditing English financial statements and JPY 2,130 thousand for the preparation of a comfort letter. In addition, non-audit remuneration to a person belonging to the same network as the accounting auditor is JPY 7,854 thousand.

(Note 2) 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 and administrative duties pertaining to investment corporation bonds, etc.)	Mizuho Bank, Ltd.

(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

Composition of Real Estate Assets						
Type of asset	Purpose	Geographic area (Note 1)	Fiscal period ended June 30, 2024 (as of June 30, 2024)		Fiscal period ended December 31, 2024 (as of December 31, 2024)	
			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)	1	0.0	1	0.0
		Major regional cities	-	-	-	-
		Overseas (Note 4)	32,496	5.7	32,248	4.7
		Subtotal	32,498	5.7	32,249	4.7
Total real estate			32,498	5.7	32,249	4.7
Real estate in trust	Residences	Greater Tokyo area	28,164	4.9	28,007	4.1
		Major regional cities	5,733	1.0	5,670	0.8
		Subtotal	33,897	6.0	33,677	5.0
	Offices /Commercial Facilities	Greater Tokyo area	-	-	—	—
		Major regional cities	1,575	0.3	1,558	0.2
		Subtotal	1,575	0.3	1,558	0.2
	Hotels	Greater Tokyo area	167,379	29.4	183,595	27.0
		Major regional cities	257,890	45.3	344,702	50.7
		Subtotal	425,269	74.7	528,297	77.7
	Total real estate in trust			460,742	81.0	563,533
Preferred equity interest (Note 5)			17,856	3.1	17,856	2.6
Deposits and other assets			57,919	10.2	66,364	9.8
Total assets (Note 6)			569,016 (493,241)	100.0 (86.7)	680,004 (595,783)	100.0 (87.6)

(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 (m2) (Note 2)	Leased area (m2)	Occupancy rate (%) (Note 3)	Ratio of rental revenue (%) (Note 4)	Main use
D84	Fusaki Beach Resort Hotel & Villas	39,544	23,573.57	23,573.57	100.0	6.6	Hotel
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	30,545	44,759.49	44,759.49	100.0	5.4	Hotel
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	27,221	21,528.23	21,528.23	100.0	-	Hotel
D43	Hotel MyStays Gotanda Station	26,078	10,137.88	10,137.88	100.0	2.7	Hotel
D60	Hotel MyStays Premier Akasaka	19,922	8,620.69	8,620.69	100.0	3.4	Hotel
D44	Hotel Epinard Nasu	17,700	37,702.33	37,702.33	100.0	5.2	Hotel
D91	Hakodate Kokusai Hotel	16,874	34,511.60	34,511.60	100.0	3.4	Hotel
D92	Art Hotel Nippori Lungwood	16,399	10,984.28	10,984.28	100.0	1.5	Hotel
D61	Hotel MyStays Premier Sapporo Park	15,644	21,670.64	21,670.64	100.0	2.3	Hotel
D64	Hotel MyStays Sapporo Aspen	15,089	15,313.17	15,313.17	100.0	2.1	Hotel
Total		225,021	228,801.88	228,801.88	100.0	34.0	

(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	1,400	1,070
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa- ku, Tokyo	Trust beneficiary interest	1,051.50	1,210	809
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	1,367.96	1,400	917
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interest	2,152.31	1,590	1,306
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	3,029.16	1,370	1,038
A33	Growth Maison Shin- Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	1,858.44	1,390	912
A34	Belle Face Ueno- Okachimachi	1-27-10 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest (Note 4)	1,351.11	1,250	883
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interest (Note 4)	1,562.26	1,170	746
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,015.34	918	705
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,368.57	772	688
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,167.50	788	718
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interest	1,235.93	674	657
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interest (Note 4)	1,210.74	877	475
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interest (Note 4)	1,047.75	551	545
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interest (Note 4)	557.05	710	539
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	907.46	603	555

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	696	488
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interest (Note 4)	2,040.27	612	511
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interest (Note 4)	871.35	660	435
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest	1,627.13	1,400	787
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interest	1,220.24	866	576
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	3,426.36	1,560	988
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai- shi, Miyagi	Trust beneficiary interest	1,929.59	716	366
A65	Lexington Square Haginomachi	1-15-18 Haginomachi, Miyagino- ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,528.58	464	248
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interest	705.75	298	224
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashi-Komagata, Sumida- ku, Tokyo	Trust beneficiary interest	784.74	812	406
A73	AMS TOWER Minami 6- Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	4,460.56	1,360	848
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,554.03	877	464
A87	Excellente Kagurazaka	128-1 Yamabukicho, Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interest	701.92	878	476
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	765.18	838	394
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	530.60	679	371
A93	Siete Minami-Tsukaguchi	3-18-29 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interest	1,020.86	585	327
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	789.12	581	320
A96	Century Park Shinkawa 1- bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,477.62	551	278
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interest	794.80	433	299
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interest	761.18	440	252
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interest	2,940.20	2,340	1,549

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)
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interest	2,048.28	2,240	1,492
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interest	8,776.26	3,160	2,337
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interest	15,797.29	6,080	4,331
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interest	6,496.86	3,290	2,325
Subtotal				86,518.75	49,089	33,677
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interest	18,440.58	2,380	1,558
Subtotal				18,440.58	2,380	1,558
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,585.72	5,200	2,714
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interest	3,327.38	4,730	2,417
D03	Hotel MyStays Kyoto- Shijo	52 Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interest	7,145.53	8,630	5,286
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interest	6,232.30	8,850	4,306
D05	Hotel MyStays Maihama	3-5-1 Tekkadori, Urayasu-shi, Chiba	Trust beneficiary interest	2,456.36	8,580	4,363
D06	Hotel MyStays Premier Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	9,445.32	6,990	3,650
D07	Hotel MyStays Nagoya- Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	9,064.71	5,650	2,503
D08	Hotel MyStays Sakaisuji- Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,188.83	3,420	2,166
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	7,379.43	4,510	2,029
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa- ku, Tokyo	Trust beneficiary interest	1,719.29	2,690	1,700
D11	Hotel MyStays Fukuoka- Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	3,412.71	6,370	1,346
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku- ku, Tokyo	Trust beneficiary interest	2,953.38	3,760	1,619
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interest	1,150.76	2,260	1,140
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,134.52	2,060	1,154
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interest	2,539.75	2,200	1,172

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)
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interest	2,089.86	2,290	1,057
D17	Hotel MyStays Otemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,956.66	2,730	1,078
D18	Hotel MyStays Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interest	2,673.64	1,390	809
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	770.56	891	537
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	391.49	429	276
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	6,462.48	10,000	7,332
D22	Hotel MyStays Hakodate-Goryokaku	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interest	7,830.62	4,160	2,585
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interest	1,754.06	2,530	2,044
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interest	5,400.16	8,820	6,765
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	4,338.47	8,090	5,132
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest	2,247.92	4,290	3,495
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	2,793.99	5,410	3,375
D28	Hotel MyStays Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interest	3,559.81	2,580	1,912
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interest	1,403.89	1,930	1,542
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interest	1,714.53	1,440	1,242
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interest	11,733.23	2,170	1,173
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,190.57	1,210	836
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interest	3,305.64	1,200	838
D34	Flexstay Inn Kawasaki-Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	725.60	952	837
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interest	3,932.93	4,880	4,644
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,832.97	1,240	1,021
D37	Super Hotel JR Ueno-iriaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interest	1,279.16	1,240	1,020

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)
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,942.01	2,180	2,872
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interest	3,207.60	1,200	953
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interest	3,653.96	1,090	865
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interest	3,098.07	1,070	855
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interest	3,009.50	884	692
D43	Hotel MyStays Gotanda Station (Note 5)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	10,137.88	25,000	26,078
D44	Hotel Epinard Nasu (Note 6)	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi	Trust beneficiary interest	37,702.33	24,100	17,700
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	5,083.06	8,860	7,477
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	1,951.90	6,530	7,670
D47	Hotel MyStays Premier Kanazawa	2-13-5 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interest	13,121.00	12,500	11,938
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interest	7,148.17	1,750	2,060
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	6,151.93	11,600	7,859
D50	Hotel MyStays Shin Osaka Conference Center	6-2-19 Nishinakashima, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	13,026.99	13,500	12,709
D51	Hotel MyStays Premier Omori	6-19-3 Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	11,849.61	12,400	9,631
D52	Kamenoi Hotel Beppu	5-17 Chuochi, Beppu-shi, Oita	Trust beneficiary interest	19,422.08	10,100	7,382
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	7,267.88	9,210	7,455
D54	Hotel MyStays Yokohama Kannai	5-65, Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa and 3 other lots	Trust beneficiary interest	4,501.18	5,990	4,936
D55	Art Hotel Joetsu	5-1-11, Hon-cho Joetsu-shi, Niigata	Trust beneficiary interest	7,563.60	2,820	2,668
D56	Art Hotel Hirosaki City	1-1-2, 1-6, 1-7, 2-1, Omachi, Hirosaki-shi, Aomori	Trust beneficiary interest	14,806.73	2,630	2,545
D57	Hotel MyStays Oita	1-32, Niagemachi Oita-shi, Oita	Trust beneficiary interest	3,216.01	1,750	1,363
D58	Hotel MyStays Gotanda	2-5-4, Higashigotanda Shinagawa-ku, Tokyo	Trust beneficiary interest	1,839.77	4,720	4,024
D59	Hotel MyStays Tachikawa	1-8-14, Nishiki-cho Tachikawa-shi, Tokyo	Trust beneficiary interest	3,844.64	3,420	3,135

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)
D60	Hotel MyStays Premier Akasaka	2-17-54, Akasaka Minato-ku, Tokyo	Trust beneficiary interest	8,620.69	27,400	19,922
D61	Hotel MyStays Premier Sapporo Park	2-2-10, Minamikujo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	21,670.64	17,100	15,644
D62	Hotel MyStays Ueno East	5-5-6, Higashi Ueno, Taito-ku, Tokyo	Trust beneficiary interest	4,396.02	5,550	5,134
D63	Hotel MyStays Midotsuji Honmachi	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,429.43	3,240	4,663
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	15,500	15,089
D65	Art Hotel Ishigakijima	554-2 Nishimaji Okawa, Ishigaki -shi, Okinawa, and four other lots	Trust beneficiary interest	17,247.54	9,570	9,294
D66	Hotel MyStays Fuji Onsen Resort	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots	Trust beneficiary interest	5,498.49	12,000	8,241
D67	Hotel Sonia Otaru	1-4-20 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,509.41	7,290	5,348
D68	Hotel MyStays Kanazawa Castle	10-17 Konohana-machi, Kanazawa-shi, Ishikawa	Trust beneficiary interest	5,931.84	5,740	5,541
D69	Art Hotel Niigata Station	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interest	10,403.01	5,990	5,059
D70	Hotel MyStays Nagoya Nishiki	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	6,077.99	5,300	4,967
D71	Hotel Nord Otaru	1-4-16 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,047.43	4,570	4,169
D72	Hotel MyStays Kagoshima Tenmonkan	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima	Trust beneficiary interest	7,659.55	3,550	3,255
D73	Art Hotel Asahikawa	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido	Trust beneficiary interest	25,131.84	3,280	2,832
D74	Hotel MyStays Matsuyama	1-10-10 Otemachi, Matsuyama-shi, Ehime	Trust beneficiary interest	8,274.37	3,230	2,779
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	2,840	2,924
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	1,890	2,231
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	1,590	1,559
D78	Flexstay Inn Sakuragicho	2-72-2 Hanasaki-cho, Naka-ku, Yokohama-shi, Kanagawa, and four other lots	Trust beneficiary interest	1,308.61	1,510	1,367
D79	MyCUBE by MYSTAYS Asakusa Kuramae	2-6-7 Kuramae, Taito-ku, Tokyo	Trust beneficiary interest	2,156.70	1,290	1,242
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interest	2,047.70	1,190	1,131
D81	Hotel MyStays Nayoro	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot	Trust beneficiary interest	1,985.27	878	824

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)
D82	Hotel MyStays Premier Narita	40 Yokomine Oyama, Narita-shi, Chiba, and 14 other lots	Trust beneficiary interest	36,519.70	10,700	9,554
D83	Art Hotel Morioka	3-3-18 Odori, Morioka-shi, Iwate	Trust beneficiary interest	16,727.08	5,380	5,109
D84	Fusaki Beach Resort Hotel & Villas	1625-6 Arakawa Fusaki, Ishigaki-shi, Okinawa, and sixty other lots	Trust beneficiary interest	23,573.57	42,000	39,544
D85	Tateshina Grand Hotel Takinoyu	4035-187 Minamiyama Kuridaira yori Mimuro Oogaya made, Kitayama, Chino-shi, Nagano, and sixteen other lots	Trust beneficiary interest	20,577.41	8,780	8,207
D86	Hotel MyStays Okayama	9-16, Honmachi, Kita-ku, Okayama-shi, Okayama	Trust beneficiary interest	3,023.27	2,740	2,651
D87	Hotel MyStays Aomori Station	1-8-6 Shinmachi, Aomori-shi, Aomori	Trust beneficiary interest	3,963.86	2,510	2,345
D88	Hotel MyStays Soga	2-7-13 Minamicho, Chuo Ward, Chiba-shi, Chiba	Trust beneficiary interest	3,398.18	2,240	2,047
D89	Tazawako Lake Resort & Onsen	82-117 Shimotakano, Tazawako Obonai, Senboku-shi, Akita, and forty-one other lots	Trust beneficiary interest	7,289.75	1,490	1,477
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	1-2-1 Benten, Minato-ku, Osaka-shi, Osaka (Hotel) 1-2-3 Benten, Minato-ku, Osaka-shi, Osaka (Solaniwa Onsen)	Trust beneficiary interest	44,759.49	31,600	30,545
D91	Hakodate Kokusai Hotel	5-10 Otemachi, Hakodate-shi, Hokkaido	Trust beneficiary interest	34,511.60	17,100	16,874
D92	Art Hotel Nippori Lungwood	5-50-5 Higashinippori, Arakawa-ku, Tokyo	Trust beneficiary interest	10,984.28	16,500	16,399
D93	Hotel MyStays Kumamoto Riverside	4-12 Koyaima-machi Chuo-ku, Kumamoto-shi, Kumamoto	Trust beneficiary interest	6,347.65	6,900	6,876
D94	Art Hotel Aomori	2-1-26 Hon-cho, Aomori-shi, Aomori	Trust beneficiary interest	9,176.79	5,750	5,651
D95	Kamenoi Hotel Izukogen	1104-5 Futazuka, Yawatano, Ito-shi, Shizuoka, and two other lots	Trust beneficiary interest	8,891.36	5,860	5,622
D96	Art Hotel Oita	2-7-1 Miyako-machi, Oita-shi, Oita, and two other lots	Trust beneficiary interest	8,782.34	5,540	5,499
D97	Art Hotel Kokura New Tagawa	3-46 Furusembe-machi, Kokurakita-ku, Kitakyushu-shi, Fukuoka	Trust beneficiary interest	14,055.23	4,750	4,701
D98	Art Hotel Miyazaki Sky Tower	2-1-26 Takachiho-dori, Miyazaki-shi, Miyazaki	Trust beneficiary interest	8,766.25	3,870	3,810
D99	Art Hotel Kagoshima	22-1 Kamoike Shin-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interest	14,854.67	3,500	3,427
D100	Kamenoi Hotel Hikone	3759 Oguro, Matsubara-cho, Hikone-shi, Shiga	Trust beneficiary interest	6,060.87	2,680	2,631
D101	Kamenoi Hotel Nara	3-9-1 Nijo-cho, Nara-shi, Nara	Trust beneficiary interest	5,041.02	2,060	2,082
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands	The Leasehold	21,528.23	73,205 (USD 462,800 thousand) (Note 7)	27,221

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)
D201	Sunshine Suites Resort	1465 Esterley Tibbetts Highway, Grand Cayman, Cayman Islands	The Leasehold	6,723.11	11,294 (USD 71,400 thousand) (Note 7)	5,026
Subtotal				806,037.42	716,023	560,547
Total				910,996.75	767,492	595,783

(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" indicates appraisal value calculated deeming the owned portion and the adjacent land portion as one.

(Note 7) "Appraisal value as of the end of the Reporting Period" is converted into JPY using the exchange rate of USD 1 = JPY 158.18, which is the exchange rate on the closing date of the fiscal period (December 31, 2024).

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

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
		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	97.0	39,262	0.3	1	94.1	39,726	0.2
A28	Growth Maison Gotanda	1	100.0	28,880	0.2	1	100.0	28,884	0.1
A29	Growth Maison Kameido	1	98.5	36,117	0.2	1	95.5	35,855	0.2
A30	Emerald House	1	100.0	47,598	0.3	1	97.9	41,703	0.2
A32	Suncrest Shakujii-Koen	1	94.4	40,175	0.3	1	100.0	40,507	0.2
A33	Growth Maison Shin- Yokohama	1	100.0	39,624	0.3	1	98.5	39,883	0.2
A34	Belle Face Ueno- Okachimachi	1	96.8	34,442	0.2	1	93.6	30,794	0.1
A35	Grand Rire Kameido	1	100.0	26,619	0.2	1	100.0	26,619	0.1
A37	Growth Maison Yoga	1	100.0	23,521	0.2	1	94.9	24,337	0.1
A38	Route Tachikawa	1	96.6	21,643	0.1	1	100.0	22,403	0.1
A39	Shibuya-Honmachi Mansion	1	95.8	21,324	0.1	1	94.4	20,999	0.1
A40	City Heights Kinuta	1	100.0	19,778	0.1	1	100.0	20,541	0.1
A41	Acseeds Tower Kawaguchi- Namiki	1	94.7	25,894	0.2	1	98.3	26,840	0.1
A43	College Square Machida	1	100.0	16,609	0.1	1	100.0	16,609	0.1
A44	Belair Meguro	1	100.0	16,689	0.1	1	100.0	16,817	0.1
A45	Wacore Tsunashima I	1	91.9	18,227	0.1	1	86.1	17,687	0.1
A46	Foros Nakamurabashi	1	94.2	20,366	0.1	1	95.1	18,825	0.1
A47	Growth Maison Kaijin	1	100.0	23,391	0.2	1	96.7	24,104	0.1
A48	College Square Machiya	1	100.0	14,986	0.1	1	100.0	14,970	0.1
A59	Towa City Coop Shinotsuka II	1	97.3	36,553	0.2	1	98.8	37,120	0.2
A61	Bichsel Musashiseki	1	95.7	23,960	0.2	1	94.3	23,302	0.1
A63	Towa City Coop Sengencho	1	94.6	62,242	0.4	1	92.9	60,614	0.3
A64	Royal Park Omachi	1	93.9	26,061	0.2	1	90.3	26,061	0.1
A65	Lexington Square Haginomachi	1	92.2	17,422	0.1	1	84.3	16,961	0.1
A66	Visconti Kakuozan	1	100.0	9,643	0.1	1	86.3	9,745	0.0

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
		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)
A72	Lexington Square Honjo Azumabashi	1	100.0	19,233	0.1	1	100.0	19,136	0.1
A73	AMS TOWER Minami 6-Jo	1	91.8	46,243	0.3	1	96.4	47,706	0.2
A84	Revest Heian	1	100.0	24,209	0.2	1	92.0	23,798	0.1
A87	Excellente Kagurazaka	1	100.0	19,307	0.1	1	100.0	19,344	0.1
A90	Queen's Court Fukuzumi	1	100.0	17,974	0.1	1	100.0	18,758	0.1
A92	Belair Oimachi	1	100.0	16,071	0.1	1	88.7	15,040	0.1
A93	Siete Minami-Tsukaguchi	1	97.5	17,226	0.1	1	95.0	17,270	0.1
A94	Prime Life Sannomiya Isogami Koen	1	100.0	15,031	0.1	1	100.0	15,586	0.1
A96	Century Park Shinkawa 1-bankan	1	86.4	16,805	0.1	1	86.3	16,652	0.1
A97	West Avenue	1	92.5	13,156	0.1	1	95.0	13,336	0.1
A99	Prime Life Mikage	1	96.6	12,911	0.1	1	96.7	12,439	0.1
A101	Lieto Court Mukojima	1	100.0	58,831	0.4	1	100.0	58,501	0.3
A102	Lieto Court Nishi-Ojima	1	100.0	51,099	0.3	1	100.0	51,686	0.2
A103	Royal Parks Momozaka	1	94.5	160,851	1.1	1	95.6	161,102	0.7
A104	Royal Parks Shinden	1	100.0	223,962	1.5	1	100.0	224,243	1.0
A106	Royal Parks Seasir Minami-Senju	1	92.8	125,512	0.8	1	99.0	131,841	0.6
Subtotal		41	96.9	1,529,470	10.2	41	96.9	1,528,363	6.6
B18	AEON TOWN Sukagawa	1	100.0	141,279	0.9	1	100.0	141,198	0.6
Subtotal		1	100.0	141,279	0.9	1	100.0	141,198	0.6
D01	Hotel MyStays Kanda	1	100.0	126,759	0.8	1	100.0	153,933	0.7
D02	Hotel MyStays Asakusa	1	100.0	114,939	0.8	1	100.0	140,449	0.6
D03	Hotel MyStays Kyoto-Shijo	1	100.0	199,439	1.3	1	100.0	262,654	1.1
D04	MyStays Shin-Urayasu Conference Center	1	100.0	234,535	1.6	1	100.0	267,457	1.2
D05	Hotel MyStays Maihama	1	100.0	230,119	1.5	1	100.0	274,855	1.2
D06	Hotel MyStays Premier Dojima	1	100.0	216,639	1.5	1	100.0	214,122	0.9
D07	Hotel MyStays Nagoya-Sakae	1	100.0	152,357	1.0	1	100.0	181,934	0.8
D08	Hotel MyStays Sakaisuji-Honmachi	1	100.0	97,926	0.7	1	100.0	134,781	0.6
D09	Hotel MyStays Yokohama	1	100.0	161,066	1.1	1	100.0	178,878	0.8

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
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D10	Hotel MyStays Nippori	1	100.0	77,637	0.5	1	100.0	65,965	0.3
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	147,393	1.0	1	100.0	235,709	1.0
D12	Flexstay Inn Iidabashi	1	100.0	64,969	0.4	1	100.0	95,530	0.4
D13	Hotel MyStays Ueno Inaricho	1	100.0	59,937	0.4	1	100.0	63,905	0.3
D14	Flexstay Inn Shinagawa	1	100.0	47,661	0.3	1	100.0	51,113	0.2
D15	Flexstay Inn Tokiwadai	1	100.0	57,902	0.4	1	100.0	58,272	0.3
D16	Flexstay Inn Sugamo	1	100.0	44,409	0.3	1	100.0	46,370	0.2
D17	Hotel MyStays Otemae	1	100.0	74,349	0.5	1	100.0	101,279	0.4
D18	Hotel MyStays Kiyosumi Shirakawa	1	100.0	74,545	0.5	1	100.0	81,021	0.3
D19	Flexstay Inn Nakanobu P1	1	100.0	17,389	0.1	1	100.0	17,249	0.1
D20	Flexstay Inn Nakanobu P2	1	100.0	8,237	0.1	1	100.0	7,472	0.0
D21	APA Hotel Yokohama-Kannai	1	100.0	219,885	1.5	1	100.0	237,371	1.0
D22	Hotel MyStays Hakodate-Goryokaku	1	100.0	95,829	0.6	1	100.0	160,595	0.7
D23	Flexstay Inn Shirogane	1	100.0	48,029	0.3	1	100.0	50,390	0.2
D24	Hotel MyStays Haneda	1	100.0	198,848	1.3	1	100.0	209,777	0.9
D25	Hotel MyStays Kameido P1	1	100.0	206,003	1.4	1	100.0	220,789	1.0
D26	Hotel MyStays Ueno Iriyaguchi	1	100.0	123,440	0.8	1	100.0	135,513	0.6
D27	Hotel MyStays Kameido P2	1	100.0	130,327	0.9	1	100.0	148,864	0.6
D28	Hotel MyStays Shimizu	1	100.0	72,407	0.5	1	100.0	80,513	0.3
D29	Super Hotel Shinbashi/Karasumoriguchi	1	100.0	39,426	0.3	1	100.0	39,426	0.2
D30	Flexstay Inn Higashi-Jujo	1	100.0	31,754	0.2	1	100.0	31,239	0.1
D31	Hotel MyStays Utsunomiya	1	100.0	101,759	0.7	1	100.0	126,874	0.5
D32	Flexstay Inn Kawasaki-Kaizuka	1	100.0	26,775	0.2	1	100.0	29,302	0.1
D33	Comfort Hotel Toyama	1	100.0	35,928	0.2	1	100.0	35,928	0.2
D34	Flexstay Inn Kawasaki-Ogawacho	1	100.0	25,848	0.2	1	100.0	23,008	0.1
D35	Flexstay Inn Ekoda	1	100.0	115,648	0.8	1	100.0	112,735	0.5

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
		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)
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1	100.0	31,787	0.2	1	100.0	31,787	0.1
D37	Super Hotel JR Ueno-iriyaguchi	1	100.0	27,275	0.2	1	100.0	27,275	0.1
D38	Hotel MyStays Shinsaibashi	1	100.0	61,710	0.4	1	100.0	76,788	0.3
D39	Comfort Hotel Kurosaki	1	100.0	37,894	0.3	1	100.0	37,894	0.2
D40	Comfort Hotel Maebashi	2	100.0	44,171	0.3	2	100.0	44,171	0.2
D41	Comfort Hotel Tsubame-Sanjo	2	100.0	34,949	0.2	2	100.0	34,949	0.2
D42	Comfort Hotel Kitami	1	100.0	30,300	0.2	1	100.0	30,300	0.1
D43	Hotel MyStays Gotanda Station	1	100.0	607,460	4.1	1	100.0	635,132	2.7
D44	Hotel Epinard Nasu	1	100.0	615,343	4.1	1	100.0	1,196,591	5.2
D45	Hotel MyStays Fukuoka Tenjin	1	100.0	246,259	1.6	1	100.0	367,780	1.6
D46	Hotel MyStays Hamamatsucho	1	100.0	158,461	1.1	1	100.0	167,141	0.7
D47	Hotel MyStays Premier Kanazawa	1	100.0	295,409	2.0	1	100.0	287,096	1.2
D48	Takamatsu Tokyu REI Hotel	2	95.8	95,236	0.6	2	95.8	106,419	0.5
D49	Hotel MyStays Premier Hamamatsucho	1	100.0	361,375	2.4	1	100.0	370,447	1.6
D50	Hotel MyStays Shin Osaka Conference Center	1	100.0	302,456	2.0	1	100.0	374,096	1.6
D51	Hotel MyStays Premier Omori	1	100.0	390,656	2.6	1	100.0	421,439	1.8
D52	Kamenoi Hotel Beppu	1	100.0	442,696	3.0	1	100.0	446,725	1.9
D53	Hotel MyStays Sapporo Station	1	100.0	185,603	1.2	1	100.0	303,322	1.3
D54	Hotel MyStays Yokohama Kannai	1	100.0	157,498	1.1	1	100.0	183,694	0.8
D55	Art Hotel Joetsu	1	100.0	87,143	0.6	1	100.0	118,511	0.5
D56	Art Hotel Hirosaki City	1	100.0	169,122	1.1	1	100.0	175,966	0.8
D57	Hotel MyStays Oita	1	100.0	86,501	0.6	1	100.0	94,738	0.4
D58	Hotel MyStays Gotanda	1	100.0	140,444	0.9	1	100.0	148,839	0.6
D59	Hotel MyStays Tachikawa	1	100.0	130,033	0.9	1	100.0	148,091	0.6
D60	Hotel MyStays Premier Akasaka	1	100.0	679,444	4.5	1	100.0	788,924	3.4
D61	Hotel MyStays Premier Sapporo Park	1	100.0	288,072	1.9	1	100.0	543,178	2.3

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
		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)
D62	Hotel MyStays Ueno East	1	100.0	165,284	1.1	1	100.0	178,459	0.8
D63	Hotel MyStays Midosuji Honmachi	1	100.0	86,155	0.6	1	100.0	115,021	0.5
D64	Hotel MyStays Sapporo Aspen	1	100.0	309,665	2.1	1	100.0	498,457	2.1
D65	Art Hotel Ishigakijima	1	100.0	112,519	0.8	1	100.0	249,964	1.1
D66	Hotel MyStays Fuji Onsen Resort	1	100.0	476,973	3.2	1	100.0	542,715	2.3
D67	Hotel Sonia Otaru	1	100.0	185,540	1.2	1	100.0	284,357	1.2
D68	Hotel MyStays Kanazawa Castle	1	100.0	160,537	1.1	1	100.0	139,643	0.6
D69	Art Hotel Niigata Station	1	100.0	190,509	1.3	1	100.0	271,405	1.2
D70	Hotel MyStays Nagoya Nishiki	1	100.0	130,561	0.9	1	100.0	148,400	0.6
D71	Hotel Nord Otaru	1	100.0	114,412	0.8	1	100.0	197,200	0.8
D72	Hotel MyStays Kagoshima Tenmonkan	2	100.0	89,705	0.6	2	100.0	109,935	0.5
D73	Art Hotel Asahikawa	1	100.0	115,574	0.8	1	100.0	264,505	1.1
D74	Hotel MyStays Matsuyama	1	100.0	98,597	0.7	1	100.0	114,549	0.5
D75	Hotel MyStays Sapporo Susukino	1	100.0	42,566	0.3	1	100.0	87,182	0.4
D76	Hotel MyStays Sapporo Nakajima Park	1	100.0	29,921	0.2	1	100.0	64,055	0.3
D77	Hotel MyStays Sapporo Nakajima Park Annex	1	100.0	18,745	0.1	1	100.0	47,842	0.2
D78	Flexstay Inn Sakuragicho	1	100.0	46,724	0.3	1	100.0	54,326	0.2
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1	100.0	43,153	0.3	1	100.0	55,742	0.2
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1	100.0	26,101	0.2	1	100.0	28,184	0.1
D81	Hotel MyStays Nayoro	1	100.0	26,703	0.2	1	100.0	35,429	0.2
D82	Hotel MyStays Premier Narita	1	100.0	215,420	1.4	1	100.0	265,561	1.1
D83	Art Hotel Morioka	1	100.0	109,853	0.7	1	100.0	152,349	0.7
D84	Fusaki Beach Resort Hotel & Villas	1	100.0	627,322	4.2	1	100.0	1,527,152	6.6
D85	Tateshina Grand Hotel Takinoyu	1	100.0	194,891	1.3	1	100.0	482,205	2.1
D86	Hotel MyStays Okayama	1	100.0	64,595	0.4	1	100.0	87,558	0.4
D87	Hotel MyStays Aomori Station	1	100.0	85,848	0.6	1	100.0	141,455	0.6
D88	Hotel MyStays Soga	1	100.0	78,379	0.5	1	100.0	79,436	0.3
D89	Tazawako Lake Resort & Onsen	1	100.0	28,574	0.2	1	100.0	69,451	0.3
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	-	-	-	-	1	100.0	1,257,069	5.4

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
		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)
D91	Hakodate Kokusai Hotel	-	-	-	-	1	100.0	781,435	3.4
D92	Art Hotel Nippori Lungwood	-	-	-	-	1	100.0	345,425	1.5
D93	Hotel MyStays Kumamoto Riverside	-	-	-	-	1	100.0	195,698	0.8
D94	Art Hotel Aomori	-	-	-	-	1	100.0	236,774	1.0
D95	Kamenoi Hotel Izukogen	-	-	-	-	1	100.0	166,939	0.7
D96	Art Hotel Oita	-	-	-	-	1	100.0	190,339	0.8
D97	Art Hotel Kokura New Tagawa	-	-	-	-	1	100.0	181,609	0.8
D98	Art Hotel Miyazaki Sky Tower	-	-	-	-	1	100.0	115,597	0.5
D99	Art Hotel Kagoshima	-	-	-	-	1	100.0	119,613	0.5
D100	Kamenoi Hotel Hikone	-	-	-	-	1	100.0	129,221	0.6
D101	Kamenoi Hotel Nara	-	-	-	-	1	100.0	86,593	0.4
Subtotal		93	100.0	13,262,282	88.8	105	100.0	21,535,464	92.8
Total		135	99.6	14,933,032	100.0	147	99.7	23,205,026	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.

Name of property		42nd fiscal period (January 1, 2024 to June 30, 2024)				43rd fiscal period (July 1, 2024 to December 31, 2024)			
		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)	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)	Ratio of management contract revenue (%) (Note 2)
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	1	100.0	4,234,691	88.7	1	100.0	1,568,783	94.7
D201	Sunshine Suites Resort	1	100.0	539,581	11.3	1	100.0	88,636	5.3
Total		2	100.0	4,774,272	100.0	2	100.0	1,657,420	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.

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	-	30,167	12,311	(Note 1) (Note 2)
Total			-	17,856	-	30,167	12,311	

(Note 1) Book value of the preferred equity securities that is classified as investment in affiliates 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	179,016,000	171,314,000	997,866
	Foreign Exchange Forward, Short USD	5,118,108	952,248	-459,389

(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.

Foreign Exchange Forward: 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	581,391	700,838	89.2	144
The Cayman Islands	32,248	84,499	10.8	2
Total	613,640	785,338	100.0	146

(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 the end of the Reporting Period.

(Note 2) "Appraisal value as of the end of the Reporting Period" indicates the real estate appraisal value as of the end of the Reporting Period, 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 158.18, which is the exchange rate on the closing date of the fiscal period (December 31, 2024).

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
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Renovation work	From August 2024 To October 2025	4,031,149	1,392,883	322,085
D69	Art Hotel Niigata Station	Niigata-shi, Niigata	Renovation work	From January 2025 To July 2025	651,342	-	-
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Renovation work	From September 2024 To February 2025	419,913	179,601	-
D200	Westin Grand Cayman Seven Mile Beach Resort & SPA	Grand Cayman, Cayman Islands	Chiller update and others	From June 2025 To June 2025	354,005	-	-
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka-shi, Fukuoka	Renovation work	From March 2025 To June 2025	339,473	-	-

2 Capital Expenditures for the Reporting Period

The principal construction work constituting capital expenditures for the real estate assets for the Reporting Period is as follows. Capital expenditures for the Reporting Period totaled JPY 2,920,218 thousand, and together with JPY 30,300 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 2,950,518 thousand was implemented.

Name of property		Location	Purpose	Time of implementation	Payment (JPY thousand)
D12	Hotel MyStays Iidabashi	Shinjuku-ku, Tokyo	Renovation work	From May 2024 To September 2024	342,903
D53	Hotel MyStays Sapporo Station	Sapporo-shi, Hokkaido	Renewal of gas heat pump and electric heat pump facilities	From September 2024 To December 2024	167,744
D55	Art Hotel Joetsu	Joetsu-shi, Niigata	Renovation of exterior wall	From May 2024 To November 2024	147,250
D07	Hotel MyStays Nagoya-Sakae	Nagoya-shi, Aichi	Energy-saving work of hot water supply facilities	From October 2024 To November 2024	84,403
D76	Hotel MyStays Sapporo Nakajima Park	Sapporo-shi, Hokkaido	Renewal of multi-story parking lot facilities	From October 2024 To November 2024	77,463
Other construction					2,100,453
Total					2,920,218

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	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period	43rd fiscal period
	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024
Reserved funds at beginning of period	3,025,792	3,096,949	3,457,311	3,441,568	4,170,374
Amount reserved (Note 1)	968,000	1,027,418	1,152,988	2,481,954	4,337,201
Amount reversed (Note 1)	896,843	667,056	1,168,731	1,753,148	3,553,879
Amount carried over for next fiscal period	3,096,949	3,457,311	3,441,568	4,170,374	4,953,696

(Note 1) 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	42nd fiscal period January 1, 2024 to June 30, 2024	43rd fiscal period July 1, 2024 to December 31, 2024
(a) Asset management fees	450,000	450,000
(b) Asset custody fees	28,235	32,940
(c) Administrative services fees	41,077	62,429
(d) Directors' compensation	4,800	4,800
(e) Other	132,787	159,373
Total	656,900	709,543

2 Borrowing Conditions

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

Type		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
	Lender								
Short-term loans	SBI Shinsei Bank, Limited	Jul. 19, 2023	5,513,000	-	0.395	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited		1,335,000	-					
	Resona Bank, Limited	Sep. 26, 2023	1,665,000	-	0.395	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Bank of Fukuoka, Ltd.		300,000	-					
	Mizuho Bank, Ltd.	Jul 31, 2024	-	-	0.606	Jul 31, 2025 (Note 4)	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.		-	1,075,000					
	MUFG Bank, Ltd.		-	826,000					
	Sumitomo Mitsui Banking Corporation		-	813,000					
	Sumitomo Mitsui Trust Bank, Limited		-	711,000					
Subtotal			8,813,000	3,425,000					
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Oct. 13, 2017	1,250,000	-	1.152	Oct. 11, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,060,000	-					
	Sumitomo Mitsui Banking Corporation		1,250,000	-					
	Kiraboshi Bank, Ltd.	Mar. 29, 2019	961,000	961,000	1.206	Mar. 29, 2029	(Note 3)		Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 16, 2019	1,171,400	-	0.563	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	-					
	Sumitomo Mitsui Banking Corporation		1,331,200	-					
	Sumitomo Mitsui Trust Bank, Limited		628,600	-					
	Citibank, N.A., Tokyo Branch		1,000,000	-					
	SBI Shinsei Bank, Limited		200,000	-					
	Mizuho Bank, Ltd.	Jul. 16, 2019	2,171,400	2,171,400	0.956	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					
	SBI Shinsei Bank, Limited		200,000	200,000					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 16, 2019	2,170,400	2,170,400	1.106	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					
	SBI Shinsei Bank, Limited		200,000	200,000					
	Mizuho Bank, Ltd.	Jul. 19, 2019	712,000	-	0.580	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	-					
	Sumitomo Mitsui Banking Corporation		986,000	-					
	Sumitomo Mitsui Trust Bank, Limited		684,000	-					
	Citibank, N.A., Tokyo Branch		500,000	-					
	Development Bank of Japan, Inc.		300,000	-					
	AEON Bank, Ltd.		300,000	-					
	The Nomura Trust and Banking Co., Limited		100,000	-					
	Aozora Bank, Ltd.,		375,000	-					
	Mizuho Bank, Ltd.	Jul. 19, 2019	1,212,000	1,212,000	0.956	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	1.106	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	1.106	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	San ju San Bank,Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.956	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	1.106	Oct. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	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.		961,000	961,000					
	The Kiyo Bank		480,000	480,000					

Type		Borrowing date	Balance at beginning of Reporting Period	Balance at end of Reporting Period	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
	Lender		(JPY thousand)	(JPY thousand)					
Long-term loans (Note 5)	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.		411,000	411,000					
	Mizuho Bank, Ltd.	Mar. 30, 2020	582,000	582,000	0.906	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					
	SBI 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. (Note 6)		961,000	961,000					
	Tokyo Star Bank, Limited	Jul. 20, 2021	1,582,000	-	0.545	Jul. 20, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2022	600,000	600,000	0.756	Jul. 20, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Oct. 13, 2022	1,190,000	1,190,000	0.906	Oct. 13, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 14, 2023	3,001,500	3,001,500	0.712	Mar. 14, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,326,000	1,326,000					
	Sumitomo Mitsui Trust Bank, Limited		2,293,500	2,293,500					
	Development Bank of Japan, Inc.		900,000	900,000					
	MUFG Bank, Ltd.	Mar. 16, 2023	765,000	765,000	0.707	Mar. 14, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Chiba Bank, Ltd.		981,000	981,000					
	Development Bank of Japan, Inc.	Jun. 19, 2023	1,000,000	1,000,000	0.905	Jun. 19, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.	Jun. 27, 2023	500,000	500,000	0.905	Jun. 27, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited	Jul. 14, 2023	1,110,000	-	0.395	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 14, 2023	1,221,000	1,221,000	0.691	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,110,000	1,110,000					
	Sumitomo Mitsui Banking Corporation		998,500	998,500					
	Sumitomo Mitsui Trust Bank, Limited		445,000	445,000					
	Mizuho Bank, Ltd.	Jul. 19, 2023	5,821,500	5,821,500	0.696	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,783,500	5,783,500					
	Sumitomo Mitsui Banking Corporation		4,601,500	4,601,500					
	Sumitomo Mitsui Trust Bank, Limited		2,225,000	2,225,000					
	Development Bank of Japan, Inc.		333,000	333,000					
	The Ogaki Kyoritsu Bank, Ltd.		93,500	93,500					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 14, 2023	1,221,000	1,221,000	1.395	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,110,000	1,110,000					
	Sumitomo Mitsui Banking Corporation		998,500	998,500					
	Sumitomo Mitsui Trust Bank, Limited		445,000	445,000					
	Mizuho Bank, Ltd.	Jul. 19, 2023	5,821,500	5,821,500	1.395	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,783,500	5,783,500					
	Sumitomo Mitsui Banking Corporation		4,601,500	4,601,500					
	Sumitomo Mitsui Trust Bank, Limited		2,225,000	2,225,000					
	Development Bank of Japan, Inc.		333,000	333,000					
	The Ogaki Kyoritsu Bank, Ltd.		93,500	93,500					
	Mizuho Bank, Ltd.	Jul. 14, 2023	296,800	296,800	0.706	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		227,700	227,700					
	Sumitomo Mitsui Banking Corporation		224,100	224,100					
	Sumitomo Mitsui Trust Bank, Limited		203,000	203,000					
	Mizuho Bank, Ltd.	Jul. 19, 2023	1,519,600	1,519,600	0.706	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,165,900	1,165,900					
	Sumitomo Mitsui Banking Corporation		1,147,300	1,147,300					
	Sumitomo Mitsui Trust Bank, Limited		1,039,500	1,039,500					
	Development Bank of Japan, Inc.		296,100	296,100					
	Mizuho Bank, Ltd.	Aug. 1, 2023	2,454,000	2,454,000	0.691	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,784,600	1,784,600					
	Sumitomo Mitsui Banking Corporation		1,784,600	1,784,600					
	Sumitomo Mitsui Trust Bank, Limited		1,586,300	1,586,300					
	Tokyo Star Bank, Limited		793,100	793,100					
	Aozora Bank, Ltd.		793,100	793,100					
	Mizuho Bank, Ltd.	Aug. 1, 2023	3,681,000	3,681,000	1.069	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,677,000	2,677,000					
	Sumitomo Mitsui Banking Corporation		2,677,000	2,677,000					
	Sumitomo Mitsui Trust Bank, Limited		2,379,500	2,379,500					
	Development Bank of Japan, Inc.		2,974,400	2,974,400					
	Tokyo Star Bank, Limited		1,189,700	1,189,700					
	Aozora Bank, Ltd.		1,189,700	1,189,700					
	The Ogaki Kyoritsu Bank, Ltd.		806,000	806,000					
	Sumitomo Mitsui Banking Corporation	Sep. 14, 2023	3,000,000	3,000,000	0.879	Jul. 16, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Sep. 26, 2023	6,947,000	6,947,000	0.894	Jul. 16, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,133,100	5,133,100					
	Sumitomo Mitsui Banking Corporation		6,717,200	6,717,200					
	Sumitomo Mitsui Trust Bank, Limited		2,679,950	2,679,950					
	Development Bank of Japan, Inc.		2,100,000	2,100,000					
	The Nomura Trust and Banking Co., Limited		756,000	756,000					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Oct. 13, 2023	875,000	875,000	0.879	Jul. 16, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		875,000	875,000					
	Sumitomo Mitsui Trust Bank, Limited		745,500	745,500					
	Mizuho Bank, Ltd.	Sep. 26, 2023	2,977,500	2,977,500	1.327	Jul. 16, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,199,900	2,199,900					
	Sumitomo Mitsui Banking Corporation		2,878,800	2,878,800					
	Sumitomo Mitsui Trust Bank, Limited		1,148,550	1,148,550					
	Development Bank of Japan, Inc.		900,000	900,000					
	Mizuho Bank, Ltd.	Oct. 13, 2023	375,000	375,000	1.327	Jul. 16, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		375,000	375,000					
	Sumitomo Mitsui Trust Bank, Limited		319,500	319,500					
	SBI Shinsei Bank, Limited	Sep. 26, 2023	3,197,000	3,197,000	0.691	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Sep. 26, 2023	1,900,000	1,900,000	1.054	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Nov. 29, 2023	4,321,000	4,321,000	1.205	Nov. 29, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jan. 16, 2024	1,622,900	1,622,900	1.265	Mar. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,367,300	1,367,300					
	Sumitomo Mitsui Banking Corporation		1,292,700	1,292,700					
	Sumitomo Mitsui Trust Bank, Limited		732,100	732,100					
	Aozora Bank, Ltd.		237,000	237,000					
	The Nomura Trust and Banking Co., Limited		56,000	56,000					
	MUFG Bank, Ltd.	Jan. 24, 2024	850,000	850,000	1.265	Mar. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		4,175,000	4,175,000					
	Mizuho Bank, Ltd.	Jan. 16, 2024	1,622,900	1,622,900	1.359	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,367,300	1,367,300					
	Sumitomo Mitsui Banking Corporation		1,292,700	1,292,700					
	Sumitomo Mitsui Trust Bank, Limited		732,100	732,100					
	Development Bank of Japan, Inc.		335,000	335,000					
	The Nomura Trust and Banking Co., Limited		56,000	56,000					
	MUFG Bank, Ltd.	Jan. 24, 2024	850,000	850,000	1.359	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		4,175,000	4,175,000					
	Mizuho Bank, Ltd.	Jan. 16, 2024	2,576,000	2,576,000	1.205	Mar. 14, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,168,000	2,168,000					
	Sumitomo Mitsui Banking Corporation		2,050,000	2,050,000					
	Sumitomo Mitsui Trust Bank, Limited		1,161,000	1,161,000					
	Development Bank of Japan, Inc.		265,000	265,000					
	San ju San Bank, Ltd.		662,000	662,000					
	The Nomura Trust and Banking Co., Limited		88,000	88,000					
	Resona Bank, Limited	Jan. 16, 2024	1,200,000	1,200,000	0.606	Mar. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited	Jan. 16, 2024	369,000	369,000	1.052	Mar. 14, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jan. 16, 2024	2,440,000	2,440,000	1.359	Mar. 14, 2029	(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 5)	Mizuho Bank, Ltd.	Mar. 14, 2024	333,000	333,000	1.205	Mar. 14, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		233,000	233,000					
	Sumitomo Mitsui Trust Bank, Limited		363,000	363,000					
	Development Bank of Japan, Inc.		100,000	100,000					
	The Nomura Trust and Banking Co., Limited	Mar. 14, 2024	350,000	350,000	1.359	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Aozora Bank, Ltd.	Mar. 29, 2024	500,000	500,000	1.359	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Tochigi Bank Ltd.		901,000	901,000					
	The Nomura Trust and Banking Co., Limited	Mar. 14, 2024	350,000	350,000	1.212	Mar. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited	Mar. 14, 2024	281,000	281,000	1.052	Mar. 14, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Shizuoka Bank Ltd.		1,000,000	1,000,000					
	The Bank of Fukuoka, Ltd.		465,000	465,000					
	Aozora Bank, Ltd.	Mar. 29, 2024	500,000	500,000	1.052	Mar. 14, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Nishi-Nippon City Bank, Ltd.		500,000	500,000					
	The Shizuoka Bank Ltd.	Mar. 14, 2024	845,000	845,000	0.805	Mar. 14, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Bank of Fukuoka, Ltd.		393,000	393,000					
	San ju San Bank, Ltd.	Apr. 15, 2024	1,700,000	1,700,000	1.205	Mar. 14, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited	Jun. 27, 2024	1,000,000	1,000,000	1.375	Jul. 16, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 16, 2024	-	1,131,000	1.305	Jul. 16, 2031	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	1,470,000					
	Sumitomo Mitsui Banking Corporation		-	1,390,000					
	Sumitomo Mitsui Trust Bank, Limited		-	788,000					
	Development Bank of Japan, Inc.		-	300,000					
	Mizuho Bank, Ltd.	Jul. 16, 2024	-	377,000	1.205	Jul. 16, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited		-	823,000					
	MUFG Bank, Ltd.		-	490,000					
	Sumitomo Mitsui Banking Corporation		-	463,000					
	Aozora Bank, Ltd.		-	375,000					
	Sumitomo Mitsui Trust Bank, Limited		-	263,000					
	Mizuho Bank, Ltd.	Jul. 16, 2024	-	375,400	1.375	Jul. 16, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited		-	3,000,000					
	MUFG Bank, Ltd.		-	490,800					
	Sumitomo Mitsui Banking Corporation		-	464,200					
	Sumitomo Mitsui Trust Bank, Limited		-	261,600					
	The Nomura Trust and Banking Co., Limited		-	100,000					
	SBI Shinsei Bank, Limited	Jul. 16, 2024	-	3,000,000	1.230	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Bank of Fukuoka, Ltd.		-	300,000					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 31, 2024	-	5,900,000	1.305	Jul. 16, 2031	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		-	5,400,000					
	MUFG Bank, Ltd.		-	5,067,000					
	Sumitomo Mitsui Trust Bank, Limited		-	2,700,000					
	Development Bank of Japan, Inc.		-	1,500,000					
	The Yamaguchi Bank, Ltd.		-	1,000,000					
	The Tochigi Bank Ltd.		-	1,000,000					
	The Kagawa Bank Ltd.		-	500,000					
	Mizuho Bank, Ltd.	Jul. 31, 2024	-	5,866,000	1.025	Jul. 16, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		-	5,400,000					
	MUFG Bank, Ltd.		-	3,567,000					
	Sumitomo Mitsui Trust Bank, Limited		-	2,700,000					
	Development Bank of Japan, Inc.		-	1,500,000					
	San ju San Bank, Ltd.		-	700,000					
	The Chiba Bank, Ltd.		-	500,000					
	The Kiyo Bank, Ltd.		-	500,000					
	Suruga Bank Ltd.	Jul. 31, 2024	-	2,000,000	1.375	Jul. 16, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Bank of Fukuoka, Ltd.		-	1,000,000					
	The Chukyo Bank, Ltd. (Note 6)		-	1,000,000					
	The San-In Godo Bank, Ltd.		-	1,000,000					
	SBI Shinsei Bank, Limited		-	500,000					
	The Chiba Bank, Ltd.		-	500,000					
	The Kiyo Bank, Ltd.		-	500,000					
	MUFG Bank, Ltd.	Jul. 31, 2024	-	1,500,000	1.598	Jul. 16, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Oct. 11, 2024	-	1,250,000	1.056	Mar. 14, 2031	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation	Oct. 11, 2024	-	1,250,000	1.056	Mar. 14, 2031	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Oct. 11, 2024	-	1,060,000	1.056	Mar. 14, 2031	(Note 3)	(Note 2)	Unsecured / with no guarantee
Subtotal			241,441,000	295,672,000					
Total			250,254,000	299,097,000					

(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) The loans were prepaid on September 12, 2024.

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

(Note 6) The Chukyo Bank, Ltd. changed its trade name to Aichi Bank, Ltd. on January 1, 2025.

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
Second Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2018	1,000,000	1,000,000	0.800	May 25, 2028	(Note 3)	(Note 4)	Unsecured / with no guarantee
Forth Series Unsecured Investment Corporation Bonds (Note 1)	October 28, 2019	1,000,000	1,000,000	0.480	October 28, 2024	(Note 3)	(Note 6)	
Fifth Series Unsecured Investment Corporation Bonds (Note 1)	October 28, 2019	2,000,000	2,000,000	0.900	October 26, 2029	(Note 3)	(Note 6)	
Sixth Series Unsecured Investment Corporation Bonds (Note 1)	March 13, 2020	1,200,000	1,200,000	0.850	March 13, 2030	(Note 3)	(Note 5)	
Seventh Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2023	5,000,000	5,000,000	1.000	May 25, 2026	(Note 3)	(Note 7)	
Eighth Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2023	1,200,000	1,200,000	1.200	May 25, 2028	(Note 3)	(Note 7)	
Ninth Series Unsecured Investment Corporation Bonds (Note 1)	September 21, 2023	1,700,000	1,700,000	1.200	September 21, 2028	(Note 3)	(Note 5)	
Tenth Series Unsecured Investment Corporation Bonds (Note 1)	December 14, 2023	1,800,000	1,800,000	1.297	December 14, 2028	(Note 3)	(Note 5)	
Eleventh Series Unsecured Investment Corporation Bonds (Note 2)	February 9, 2024	6,000,000	6,000,000	1.470	February 9, 2029	(Note 3)	(Note 7)	
Twelfth Series Unsecured Investment Corporation Bonds (Note 1)	September 12, 2024	-	4,200,000	1.300	September 12, 2029	(Note 3)	(Note 7)	
Total		20,900,000	24,100,000	—	—	—	—	—

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

(Note 2) This is with pari passu conditions among investment corporate bonds.

(Note 3) 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 4) The funds will be used to acquire trust beneficiary interest in real estate.

(Note 5) The funds will be used to repay borrowings.

(Note 6) The funds will be used in strategic capital expenditure.

(Note 7) The funds will be used to redeem investment corporation bonds and repay borrowings.

4 Short-Term Investment Corporation Bonds

Not applicable

5 Investment Unit Options

Not applicable

Acquisitions and Sales for the Reporting Period

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

Type of asset	Name of property		Acquisition		Sale			
			Acquisition date	Acquisition price (JPY million) (Note 1)	Sales date	Sales price (JPY million)	Book value (JPY million)	Gain/loss on sales (JPY million)
Trust beneficiary interest	D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	Jul. 31, 2024	31,185	—	—	—	—
Trust beneficiary interest	D91	Hakodate Kokusai Hotel	Jul. 31, 2024	16,830	—	—	—	—
Trust beneficiary interest	D92	Art Hotel Nippori Lungwood	Jul. 31, 2024	16,335	—	—	—	—
Trust beneficiary interest	D93	Hotel MyStays Kumamoto Riverside	Jul. 31, 2024	6,831	—	—	—	—
Trust beneficiary interest	D94	Art Hotel Aomori	Jul. 31, 2024	5,672	—	—	—	—
Trust beneficiary interest	D95	Kamenoi Hotel Izukogen	Jul. 31, 2024	5,563	—	—	—	—
Trust beneficiary interest	D96	Art Hotel Oita	Jul. 31, 2024	5,484	—	—	—	—
Trust beneficiary interest	D97	Art Hotel Kokura New Tagawa	Jul. 31, 2024	4,672	—	—	—	—
Trust beneficiary interest	D98	Art Hotel Miyazaki Sky Tower	Jul. 31, 2024	3,821	—	—	—	—
Trust beneficiary interest	D99	Art Hotel Kagoshima	Jul. 31, 2024	3,395	—	—	—	—
Trust beneficiary interest	D100	Kamenoi Hotel Hikone	Jul. 31, 2024	2,603	—	—	—	—
Trust beneficiary interest	D101	Kamenoi Hotel Nara	Jul. 31, 2024	2,029	—	—	—	—
Total				104,420	—	—	—	—

(Note 1) Acquisition prices do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes.

2 Acquisitions and Sales of Other Assets

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

3 Transaction Price Verification of Specified Assets

Real Estate Transactions

Acquisition or sale	Name of property		Category of specified asset	Transaction date	Sales price (JPY million) (Note 1)	Appraisal value (JPY million)	Appraiser	Appraisal date
Acquisition	D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	Real estate Trust beneficiary interest	Jul. 31, 2024	31,185	31,500	Japan Real Estate Institute	June 1, 2024
Acquisition	D91	Hakodate Kokusai Hotel	Real estate Trust beneficiary interest	Jul. 31, 2024	16,830	17,000	Daiwa Real Estate Appraisal Co., Ltd.	June 1, 2024
Acquisition	D92	Art Hotel Nippori Lungwood	Real estate Trust beneficiary interest	Jul. 31, 2024	16,335	16,500	JLL Morii Valuation & Advisory K.K.	June 1, 2024
Acquisition	D93	Hotel MyStays Kumamoto Riverside	Real estate Trust beneficiary interest	Jul. 31, 2024	6,831	6,900	JLL Morii Valuation & Advisory K.K.	June 1, 2024
Acquisition	D94	Art Hotel Aomori	Real estate Trust beneficiary interest	Jul. 31, 2024	5,672	5,730	Daiwa Real Estate Appraisal Co., Ltd.	June 1, 2024
Acquisition	D95	Kamenoi Hotel Izukogen	Real estate Trust beneficiary interest	Jul. 31, 2024	5,563	5,620	Tanizawa Sogo Appraisal Co., Ltd.	June 1, 2024
Acquisition	D96	Art Hotel Oita	Real estate Trust beneficiary interest	Jul. 31, 2024	5,484	5,540	JLL Morii Valuation & Advisory K.K.	June 1, 2024
Acquisition	D97	Art Hotel Kokura New Tagawa	Real estate Trust beneficiary interest	Jul. 31, 2024	4,672	4,720	Daiwa Real Estate Appraisal Co., Ltd.	June 1, 2024
Acquisition	D98	Art Hotel Miyazaki Sky Tower	Real estate Trust beneficiary interest	Jul. 31, 2024	3,821	3,860	Japan Real Estate Institute	June 1, 2024
Acquisition	D99	Art Hotel Kagoshima	Real estate Trust beneficiary interest	Jul. 31, 2024	3,395	3,430	Tanizawa Sogo Appraisal Co., Ltd.	June 1, 2024
Acquisition	D100	Kamenoi Hotel Hikone	Real estate Trust beneficiary interest	Jul. 31, 2024	2,603	2,630	Tanizawa Sogo Appraisal Co., Ltd.	June 1, 2024
Acquisition	D101	Kamenoi Hotel Nara	Real estate Trust beneficiary interest	Jul. 31, 2024	2,029	2,050	Japan Real Estate Institute	June 1, 2024

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

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

4 Transactions with Interested Parties

(1) Transactions

Not applicable

(2) Commissions Paid

Not applicable

5 Transactions between 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" later in this document.

The information of previous fiscal period in Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Net Assets, Notes to Financial Statements, and Statement of Cash Distribution is for reference only. It is not subject to audit by an auditor pursuant to the Article 130 of the Investment Trust Act for the Reporting Period.

2 Changes in the Calculation Method of Depreciation

Not applicable

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

Not applicable

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

Not applicable

Other

1 Notice

(1) General Meeting of Unitholders

INV's General Meeting of Unitholders was held on December 19, 2024.

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

Agenda		Summary
Proposal No. 1	Partial Amendment to Articles of Incorporation	<ol style="list-style-type: none">1. In light of the fact that the total number of investment units issued and outstanding is approaching the total number of investment units authorized to be issued, the total number of investment units authorized to be issued is to be increased in advance in case the total number of investment units issued and outstanding further increases as a result of future issuance of new investment units.2. The minutes of general unitholders meetings and the minutes of the board of directors' meetings will be made available as electromagnetic records, and the minutes of the board of directors' meetings will be made available for electronic signatures, for the purpose of streamlining and improving administrative efficiency, and establishing a flexible management system.3. With the consent of Consonant Investment Management Co., Ltd, the asset management company (the "Asset Manager"), the asset management fees for the period from January 2013 to December 2024 have been reduced. The Investment Corporation has further obtained the consent of the Asset Manager to reduce the amount of asset management fees for the period from January 2025 to December 2025 to an amount which is lower than the amount that would be applicable if such reduction were not made, but higher than the amount that was applied for the period from January 2024 to December 2024 so that the amount of asset management fees are appropriate considering the expansion of the Investment Corporation's asset size, profit level and other factors resulting from its internal and external growth. Accordingly, the Investment Corporation amended the standards concerning the amount and payment of the asset management fees for the period from January 2025 to December 2025.4. The change is intended to clarify the scope of assets subject to acquisition fees paid by the Investment Corporation to its asset manager.5. The change is intended to clarify the scope of assets subject to disposition fees and the payment terms of disposition fees. The Investment Corporation invests in the specified assets stipulated in Article 11 of the current Articles of Incorporation. In the event that the Investment Corporation disposes the specified assets, works that its asset manager conducts are not limited to those relevant to the disposition of the specified assets, but might involve those relevant to the disposition of the assets underlying the specified assets (hereinafter referred to as "Underlying Assets") and the assets invested accompanying or in conjunction with the specified assets (hereinafter referred to as "Relevant Assets"). As such, income to the Investment Corporation is generated by the disposition not only of the

		<p>specified assets but also of the Underlying Assets or the Relevant Assets. Thus, the change is to stipulate that not only the principal amount of the investment but also the income from the disposition of the Underlying Assets or the Relevant Assets are included in the amount subject to the calculation of the disposition fees.</p> <p>6. The change is to stipulate that, in the event of a merger between the Investment Corporation and another investment corporation, where its asset manager conducts services such as investigation and evaluation of the assets held by such other investment corporation, the Investment Corporation pays its asset manager a merger fee calculated based on the appraisal value of the real estate and the real estate-backed securities held by such other investment corporation.</p> <p>7. In addition to the above, there will be some formal changes such as corrections of wording and clarification of references to provisions.</p>
Proposal No. 2	Appointment of One (1) Executive Director	Naoki Fukuda was appointed.
Proposal No. 3	Appointment of Two (2) Substitute Executive Director	Naoto Ichiki and Christopher Reed were appointed.
Proposal No. 4	Appointment of Two (2) Supervisory Directors	Hiroyuki Fujimoto and Marika Nagasawa were appointed.

(2) 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
July 18, 2024	Conclusion of the underwriting agreement related to the issuance of new investment units, etc.	Board of Directors of INV approved that INV would entrust underwriters (Note 1) with the service related to the issuance of new investment units through public offering and secondary offering of investment units, which were approved at the meeting of the Board of Directors of INV held on July 18, 2024.
August 29, 2024	Comprehensive resolution on issuance of investment corporation bonds	Board of Directors passed a comprehensive resolution on issuance of investment corporation bonds with a maximum total issue amount of JPY 5.0 billion and an issuance period from September 2, 2024 to October 30, 2024; and entrustment of administrative duties concerning offering of investment corporation bonds and general administrative duties as an issuing agent, fiscal agent, paying agent, etc. to a prescribed general administrative agent.
November 19, 2024	Conclusion of the amendment to the asset management entrustment contract due to the change in the standards for the amount and payment of the asset management fees to the asset management company	Board of Directors of INV approved that the content be changed to the details outlined in Proposal No. 1 of the above "(1) General Meeting of Unitholders", regarding the standards for the amount and payment of the asset management fees to the asset management company, subject to the condition that the changes described in Proposal No. 1 is approved.

(Note 1) The underwriters for the domestic public offering are Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and Nomura Securities Co., Ltd. The underwriters for the global offering mainly in the U.S., Europe and Asia are SMBC Nikko Capital Markets Limited, Morgan Stanley & Co. International plc, Mizuho International plc, and Nomura International plc.

2 Disclosure of Companies Owning Real Estate Overseas

Not applicable

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

Not applicable

4 Other

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

II. Balance Sheet

(Unit: JPY thousand)

	(Reference) Fiscal period ended June 30, 2024 (as of June 30, 2024)	Fiscal period ended December 31, 2024 (as of December 31, 2024)
Assets		
Current assets:		
Cash and bank deposits	30,213,929	31,964,082
Cash and bank deposits in trust	12,346,894	13,319,608
Rental receivables	6,040,833	7,508,438
Deposits paid	2,414,240	1,956,046
Prepaid expenses	1,428,542	1,343,561
Income taxes receivable	24	533
Consumption tax receivable	-	2,426,309
Total current assets	52,444,465	58,518,580
Non-current assets:		
Property and equipment		
Buildings at cost	19,487,456	19,535,441
Accumulated depreciation	-2,246,260	-2,465,825
Buildings, net	17,241,196	17,069,615
Buildings and accompanying facilities, at cost	5,311,876	5,364,450
Accumulated depreciation	-1,567,255	-1,721,222
Buildings and accompanying facilities, net	3,744,620	3,643,227
Structures, at cost	1,458	15,194
Accumulated depreciation	-282	-493
Structures, net	1,176	14,700
Tools, furniture and fixtures, at cost	1,495,664	1,824,351
Accumulated depreciation	-622,265	-736,959
Tools, furniture and fixtures, net	873,398	1,087,392
Construction in progress, at cost	1,055,651	2,534,073
Buildings in trust, at cost	184,336,400	216,673,380
Accumulated depreciation	-33,929,448	-36,957,039
Buildings in trust, net	150,406,952	179,716,341
Buildings and accompanying facilities in trust, at cost	42,057,231	45,182,601
Accumulated depreciation	-15,555,045	-16,674,488
Buildings and accompanying facilities in trust, net	26,502,186	28,508,113
Structures in trust, at cost	302,742	349,920
Accumulated depreciation	-129,191	-137,792
Structures in trust, net	173,551	212,128
Tools, furniture and fixtures in trust, at cost	4,049,883	4,935,442
Accumulated depreciation	-2,413,909	-2,682,195
Tools, furniture and fixtures in trust, net	1,635,974	2,253,247
Land in trust	264,666,397	322,877,727
Construction in progress in trust	240,499	383,192
Total property and equipment, net	466,541,605	558,299,759
Intangible assets		
Leasehold rights	10,637,811	10,637,811
Leasehold rights in trust	17,357,800	29,763,513
Total intangible assets	27,995,612	40,401,325
Investment and other assets		
Investment securities	17,856,387	17,856,387
Guarantee deposits	1,390,459	1,431,014
Long-term prepaid expenses	2,007,275	2,338,693
Derivatives assets	627,676	997,866
Others	32,667	32,667
Total investments and other assets	21,914,466	22,656,629
Total non-current assets	516,451,684	621,357,714
Deferred assets		
Investment corporation bond issuance costs	120,364	128,668
Total deferred assets	120,364	128,668
Total assets	569,016,514	680,004,964

(Unit: JPY thousand)

	(Reference) Fiscal period ended June 30, 2024 (as of June 30, 2024)	Fiscal period ended December 31, 2024 (as of December 31, 2024)
Liabilities		
Current liabilities:		
Accounts payable	709,906	1,456,179
Short-term loans payable	8,813,000	3,425,000
Current portion of investment corporation bonds	1,000,000	-
Current portion of long-term loans payable	44,553,000	40,599,000
Accounts payable-other	8,691	10,023
Accrued expenses	393,151	427,817
Income taxes payable	605	605
Consumption taxes payable	1,023,206	—
Advances received	313,582	680,701
Deposits received	18,589	116,710
Total current liabilities	56,833,732	46,716,036
Non-current liabilities:		
Investment corporation bonds	19,900,000	24,100,000
Long-term loans payable	196,888,000	255,073,000
Tenant leasehold and security deposits in trust	1,497,699	1,592,780
Derivatives liabilities	734,860	459,389
Asset retirement obligations	395,487	675,199
Total non-current liabilities	219,416,047	281,900,368
Total liabilities	276,249,780	328,616,405
Net assets		
Unitholders' equity:		
Unitholders' capital	270,101,249	326,079,727
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	21,542,214	23,765,358
Total surplus	22,276,509	24,499,653
Total unitholders' equity	292,377,758	350,579,380
Valuation and translation adjustments:		
Deferred gains or losses on hedges	388,975	809,178
Total valuation and translation adjustments	388,975	809,178
Total net assets	*1 292,766,734	351,388,558
Total liabilities and net assets	569,016,514	680,004,964

III. Statement of Income and Retained Earnings

(Unit: JPY thousand)			
		(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
Operating revenue			
Rental revenue – real estate	*1	14,933,032	23,205,026
Management contract revenue	*2	4,774,272	1,657,420
Dividend income		1,428,702	692,711
Total operating revenue		21,136,007	25,555,158
Operating expenses			
Property-related expenses	*1	5,107,042	6,325,294
Management contract expenses	*2	736,333	768,653
Asset management fees		450,000	450,000
Directors' compensation		4,800	4,800
Asset custody fees		28,235	32,940
Administrative service fees		41,077	62,429
Other		132,787	159,373
Total operating expenses		6,500,276	7,803,491
Operating income		14,635,731	17,751,667
Non-operating income			
Interest income		163	3,483
Foreign exchange gains		423,972	-
Interest on tax refund		2,615	-
Miscellaneous income		891	84
Total non-operating income		427,643	3,568
Non-operating expenses			
Interest expenses		893,218	1,398,268
Foreign exchange losses		-	167,864
Interest expenses on investment corporation bonds		108,923	135,371
Amortization of investment corporation bond issuance costs		15,608	18,029
Loan-related costs		583,615	718,621
Derivative losses		560,841	8,075
Investment unit issuance costs		-	170,193
Total non-operating expenses		2,162,208	2,616,425
Ordinary income		12,901,166	15,138,810
Extraordinary income			
Subsidy income		24,991	-
Total extraordinary income		24,991	-
Extraordinary losses			
Loss on reduction entry of non-current assets		24,991	-
Total extraordinary losses		24,991	-
Income before income taxes		12,901,166	15,138,810
Income taxes		605	605
Total income taxes		605	605
Net income		12,900,561	15,138,205
Retained earnings brought forward		8,641,653	8,627,153
Unappropriated retained earnings		21,542,214	23,765,358

IV. Statement of Changes in Net Assets

(Reference)

Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(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	270,101,249	6,264,432	-6,130	-5,524,006	-5,530,137	734,294
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	—	—	—	—	—	—
Balance at the end of the period	270,101,249	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 (deficit)	Total surplus				
Balance at the beginning of the period	19,690,532	20,424,826	290,526,075	-221,054	-221,054	290,305,021
Changes during the period						
Distributions from surplus	-11,048,878	-11,048,878	-11,048,878			-11,048,878
Net income	12,900,561	12,900,561	12,900,561			12,900,561
Changes other than unitholders' equity (net)				610,029	610,029	610,029
Total changes during the period	1,851,682	1,851,682	1,851,682	610,029	610,029	2,461,712
Balance at the end of the period	21,542,214	22,276,509	292,377,758	388,975	388,975	292,766,734

Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)

(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	270,101,249	6,264,432	-6,130	-5,524,006	-5,530,137	734,294
Changes during the period						
Issuance of new investment units	55,978,477					
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	55,978,477	—	—	—	—	—
Balance at the end of the period	326,079,727	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 (deficit)	Total surplus				
Balance at the beginning of the period	21,542,214	22,276,509	292,377,758	388,975	388,975	292,766,734
Changes during the period						
Issuance of new investment units			55,978,477			55,978,477
Distributions from surplus	-12,915,060	-12,915,060	-12,915,060			-12,915,060
Net income	15,138,205	15,138,205	15,138,205			15,138,205
Changes other than unitholders' equity (net)				420,202	420,202	420,202
Total changes during the period	2,223,144	2,223,144	58,201,621	420,202	420,202	58,621,824
Balance at the end of the period	23,765,358	24,499,653	350,579,380	809,178	809,178	351,388,558

V. Notes to Financial Statements

[Notes Concerning Significant Accounting Policies]

By Period Item	(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
1. Evaluation standards and evaluation method of assets	(a) Investment in affiliates Cost method through moving-average method is used. (b) Claims generated and debt incurred through derivative transactions Market value method is used.	(a) Investment in affiliates Cost method through moving-average method is used. (b) Claims generated and debt incurred through derivative transactions Market value method is used.
2. Method of depreciation of non-current assets	(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 5-67 years Buildings and accompanying facilities in trust 3-33 years Structures in trust 7-55 years Tools, furniture and fixtures in trust 2-20 years (b) Intangible assets For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used. (c) Long-term prepaid expenses The straight-line method is used.	(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 6-29 years Structures 20 years Tools, furniture and fixtures 2-18 years Buildings in trust 5-67 years Buildings and accompanying facilities in trust 3-33 years Structures in trust 7-55 years Tools, furniture and fixtures in trust 2-20 years (b) Intangible assets For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used. (c) Long-term prepaid expenses The straight-line method is used.
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.

By Period Item	(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
6. Revenue and expense recognition	<p>(a) Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was capitalized as part of the acquisition cost of real estate during the previous fiscal period is zero.</p> <p>(b) Recognition of revenue The following is the content of principal performance obligations related to revenue from contracts with INV's customers and the normal timing for the satisfaction of such obligations (normal timing for revenue recognition). Sale of real estate, etc. For the sale of real estate, etc., revenue will be recognized at the time the control of such real estate, etc. is obtained by the purchaser, who is the customer, as the transfer obligation will be fulfilled pursuant to the contract pertaining to the sale of real estate.</p>	<p>(a) Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was capitalized as part of the acquisition cost of real estate during the Reporting Period is JPY 180,676 thousand.</p> <p>(b) Recognition of revenue The following is the content of principal performance obligations related to revenue from contracts with INV's customers and the normal timing for the satisfaction of such obligations (normal timing for revenue recognition). Sale of real estate, etc. For the sale of real estate, etc., revenue will be recognized at the time the control of such real estate, etc. is obtained by the purchaser, who is the customer, as the transfer obligation will be fulfilled pursuant to the contract pertaining to the sale of real estate.</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 (Borrowings) Hedging instrument: interest rate swap Hedged item: interest on borrowings (Scheduled Foreign Currency Transaction) Hedging instrument: foreign exchange forward Hedged item: scheduled foreign currency transaction</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</p>	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item (Borrowings) Hedging instrument: interest rate swap Hedged item: interest on borrowings (Scheduled Foreign Currency Transaction) Hedging instrument: foreign exchange forward Hedged item: scheduled foreign currency transaction</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</p>

By Period Item	(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
	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.	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.
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 (b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in trust Land in trust Construction in progress in trust (c) Leasehold rights in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of non-deductible consumption taxes Non-deductible consumption taxes etc. regarding the acquisition of assets are capitalized at amounts of acquisition cost of each asset.</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 (b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in trust Land in trust Construction in progress in trust (c) Leasehold rights in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of non-deductible consumption taxes Non-deductible consumption taxes etc. regarding the acquisition of assets are capitalized at amounts of acquisition cost of each asset.</p>

[Notes to the Balance Sheet]

(Reference) Fiscal period ended June 30, 2024 (as of June 30, 2024)		Fiscal period ended December 31, 2024 (as of December 31, 2024)				
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations JPY 50,000 thousand		*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations JPY 50,000 thousand				
*2. Allowance for temporary differences adjustment						
(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)						
1. Reasons, related assets and amounts (Unit: JPY thousand)						
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
2. Method of reversal						
(1) Leasehold rights in trust						
The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.						
(Reference) Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)						
1. Reasons, related assets and amounts (Unit: JPY thousand)						
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
2. Method of reversal						
(1) Leasehold rights in trust						
The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.						
*3. Reduction entry of property and equipment acquired with government subsidies, etc. (Unit: JPY thousand)			Not applicable.			
Buildings and accompanying facilities in trust			24,991			

[Notes to Statement of Income and Retained Earnings]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate (Rent/common area charges) (Note) 14,560,812</p> <p>(Other revenues) 372,220</p> <p>Total 14,933,032</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 435,871</p> <p>(Taxes and public dues) 623,898</p> <p>(Insurance expenses) 24,541</p> <p>(Depreciation expenses) 3,889,859</p> <p>(Other expenses) 132,870</p> <p>Total 5,107,042</p> <p>C. Real estate rental income (A-B) 9,825,990</p> <p>(Note) Of which, revenue from variable hotel rents 7,074,645</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 (Rent/common area charges) (Note) 22,622,304</p> <p>(Other revenues) 582,722</p> <p>Total 23,205,026</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 816,183</p> <p>(Taxes and public dues) 830,226</p> <p>(Insurance expenses) 31,466</p> <p>(Depreciation expenses) 4,529,111</p> <p>(Other expenses) 118,307</p> <p>Total 6,325,294</p> <p>C. Real estate rental income (A-B) 16,879,731</p> <p>(Note) Of which, revenue from variable hotel rents 12,525,783</p>
<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 10,383,590</p> <p>B. Hotel operating expenses 5,609,317</p> <p>C. Management contract revenue (A-B) 4,774,272</p> <p>D. Management contract expenses</p> <p>Non-life insurance expenses 213,122</p> <p>Depreciation expenses 451,610</p> <p>Other 71,600</p> <p>Total 736,333</p> <p>E. Management contract revenue and expenses (C-D) 4,037,939</p>	<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 5,545,434</p> <p>B. Hotel operating expenses 3,888,014</p> <p>C. Management contract revenue (A-B) 1,657,420</p> <p>D. Management contract expenses</p> <p>Non-life insurance expenses 220,994</p> <p>Depreciation expenses 461,503</p> <p>Other 86,155</p> <p>Total 768,653</p> <p>E. Management contract revenue and expenses (C-D) 888,767</p>

[Notes to Statement of Changes in Net Assets]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
<p>Total number of issuable investment units and number of investment units issued and outstanding</p> <p>Total number of investment units authorized 10,000,000 units</p> <p>Total number of investment units issued and outstanding 6,737,121 units</p>	<p>Total number of issuable investment units and number of investment units issued and outstanding</p> <p>Total number of investment units authorized 20,000,000 units</p> <p>Total number of investment units issued and outstanding 7,646,453 units</p>

[Notes Related to Tax Accounting]

(Reference) Fiscal period ended June 30, 2024 (as of June 30, 2024)					Fiscal period ended December 31, 2024 (as of December 31, 2024)				
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					Enterprise tax payable				
Buildings and other (merger)					Buildings and other (merger)				
Land (merger)					Land (merger)				
Loss carried forward (Note 1)					Loss carried forward (Note 1)				
Asset retirement obligations					Asset retirement obligations				
Amortization of leasehold right					Amortization of leasehold right				
Adjustment of acquisition prices (overseas properties)					Adjustment of acquisition prices (overseas properties)				
Excess depreciation					Excess depreciation				
Deposit					Deposit				
Subtotal					Subtotal				
Valuation allowance for tax loss carried forward					Valuation allowance for tax loss carried forward				
Valuation allowance for the total of deductible temporary differences, etc.					Valuation allowance for the total of deductible temporary differences, etc.				
Subtotal (Note 2)					Subtotal (Note 2)				
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)	-	-	-	-	Tax loss carried forward (a)	-	-	-	-
Valuation allowance	-	-	-	-	Valuation allowance	-	-	-	-
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)	-	1,277,967	1,277,967		Tax loss carried forward (a)	-	1,271,430	1,271,430	
Valuation allowance	-	-1,277,967	-1,277,967		Valuation allowance	-	-1,271,430	-1,271,430	
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.				

(Reference) Fiscal period ended June 30, 2024 (as of June 30, 2024)	Fiscal period ended December 31, 2024 (as of December 31, 2024)
2. Significant difference between statutory tax rate and the effective tax rate	2. Significant difference between statutory tax rate and the effective tax rate
Statutory tax rate 31.46%	Statutory tax rate 31.46%
Deductible cash distributions -31.44%	Deductible cash distributions -31.49%
Changes in valuation allowance -0.02%	Changes in valuation allowance 0.61%
Others 0.00%	Others -0.57%
Effective tax rate 0.00%	Effective tax rate 0.00%

[Notes Related to Financial Instruments]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
<p>1. Status of financial instruments</p> <p>(1) Policy for financial instruments</p> <p>INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term.</p> <p>The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans.</p> <p>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.</p> <p>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 fair value, etc. for financial instruments.</p> <p>Since certain assumptions, etc. are used in estimating the fair value of financial instruments, 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.</p> <p>The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans.</p> <p>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.</p> <p>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 fair value, etc. for financial instruments.</p> <p>Since certain assumptions, etc. are used in estimating the fair value of financial instruments, different assumptions, etc. may result in the variance of such value.</p>

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)																																																																								
<p>2. Estimated fair value of financial instruments.</p> <p>Book value, fair value and the difference between value as of June 30, 2024 are as follows. “Cash and bank deposits”, “Cash and bank deposits in trust” and “Short-term loans payable” are omitted because their fair values are close to their book values since they are settled in cash and in a short period of time. Moreover, “Tenant leasehold and security deposits in trust” is omitted because they are not material.</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table><tr><th></th><th>Book Value</th><th>Fair Value</th><th>Difference</th></tr><tr><td>(1) Investment securities</td><td>17,856,387</td><td>24,420,215</td><td>6,563,828</td></tr><tr><td>Total assets</td><td>17,856,387</td><td>24,420,215</td><td>6,563,828</td></tr><tr><td>(2) Current portion of Investment Corporation Bonds</td><td>(1,000,000)</td><td>(997,500)</td><td>2,500</td></tr><tr><td>(3) Current portion of long-term loans payable</td><td>(44,553,000)</td><td>(44,553,000)</td><td>-</td></tr><tr><td>(4) Investment corporation bonds</td><td>(19,900,000)</td><td>(19,415,660)</td><td>484,340</td></tr><tr><td>(5) Long-term loans</td><td>(196,888,000)</td><td>(196,888,000)</td><td>-</td></tr><tr><td>Total liabilities</td><td>(262,341,000)</td><td>(261,854,160)</td><td>486,840</td></tr><tr><td>(6) Derivatives</td><td>(107,184)</td><td>(107,184)</td><td>-</td></tr></table> <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>(Note 1) Methods to calculate fair value of financial instruments.</p> <p>(1) Investment securities</p> <p>For preferred equity interest, the assets and liabilities of the investee are valued at fair value, and the equity equivalent in the obtained net asset value is deemed as the fair value of the preferred equity interest.</p> <p>(2) Current portion of Investment Corporation Bonds (4) Investment corporation bonds</p> <p>Fair value is calculated using a method based on market price.</p> <p>(3) Current portion of long-term loans payable (5) Long-term loans payable</p> <p>Long-term loans with floating interest rates reflecting changes in market rates within a short-term period are stated at their book value as their book value approximate their fair value.</p>		Book Value	Fair Value	Difference	(1) Investment securities	17,856,387	24,420,215	6,563,828	Total assets	17,856,387	24,420,215	6,563,828	(2) Current portion of Investment Corporation Bonds	(1,000,000)	(997,500)	2,500	(3) Current portion of long-term loans payable	(44,553,000)	(44,553,000)	-	(4) Investment corporation bonds	(19,900,000)	(19,415,660)	484,340	(5) Long-term loans	(196,888,000)	(196,888,000)	-	Total liabilities	(262,341,000)	(261,854,160)	486,840	(6) Derivatives	(107,184)	(107,184)	-	<p>2. Estimated fair value of financial instruments.</p> <p>Book value, fair value and the difference between value as of December 31, 2024 are as follows. “Cash and bank deposits”, “Cash and bank deposits in trust” and “Short-term loans payable” are omitted because their fair values are close to their book values since they are settled in cash and in a short period of time. Moreover, “Tenant leasehold and security deposits in trust” is omitted because they are not material.</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table><tr><th></th><th>Book Value</th><th>Fair Value</th><th>Difference</th></tr><tr><td>(1) Investment securities</td><td>17,856,387</td><td>30,167,614</td><td>12,311,226</td></tr><tr><td>Total assets</td><td>17,856,387</td><td>30,167,614</td><td>12,311,226</td></tr><tr><td>(2) Current portion of Investment Corporation Bonds</td><td>-</td><td>-</td><td>-</td></tr><tr><td>(3) Current portion of long-term loans payable</td><td>(40,599,000)</td><td>(40,599,000)</td><td>-</td></tr><tr><td>(4) Investment corporation bonds</td><td>(24,100,000)</td><td>(23,594,450)</td><td>505,550</td></tr><tr><td>(5) Long-term loans</td><td>(255,073,000)</td><td>(255,073,000)</td><td>-</td></tr><tr><td>Total liabilities</td><td>(319,772,000)</td><td>(319,266,450)</td><td>505,550</td></tr><tr><td>(6) Derivatives</td><td>538,477</td><td>538,477</td><td>-</td></tr></table> <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>(Note 1) Methods to calculate fair value of financial instruments.</p> <p>(1) Investment securities</p> <p>For preferred equity interest, the assets and liabilities of the investee are valued at fair value, and the equity equivalent in the obtained net asset value is deemed as the fair value of the preferred equity interest.</p> <p>(2) Current portion of Investment Corporation Bonds (4) Investment corporation bonds</p> <p>Fair value is calculated using a method based on market price.</p> <p>(3) Current portion of long-term loans payable (5) Long-term loans payable</p> <p>Long-term loans with floating interest rates reflecting changes in market rates within a short-term period are stated at their book value as their book value approximate their fair value.</p>		Book Value	Fair Value	Difference	(1) Investment securities	17,856,387	30,167,614	12,311,226	Total assets	17,856,387	30,167,614	12,311,226	(2) Current portion of Investment Corporation Bonds	-	-	-	(3) Current portion of long-term loans payable	(40,599,000)	(40,599,000)	-	(4) Investment corporation bonds	(24,100,000)	(23,594,450)	505,550	(5) Long-term loans	(255,073,000)	(255,073,000)	-	Total liabilities	(319,772,000)	(319,266,450)	505,550	(6) Derivatives	538,477	538,477	-
	Book Value	Fair Value	Difference																																																																						
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(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)						Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)					
(6) 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)						(6) 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	Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (*1)	Valuation gains/losses
			Amount due after one year						Amount due after one year		
OTC transaction	Currency forward transaction short USD	758,400	-	-204,039	-204,039	OTC transaction	Currency forward transaction short USD	989,200	-	-270,700	-270,700
(*1) Estimation method for fair value Currency option: Indicates fair values of option fees, etc. presented by the correspondent financial institutions. (b) Derivatives transactions to which hedge accounting is applied The contract amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below. (Unit: JPY thousand)						(*1) Estimation method for fair value Currency option: Indicates fair values of option fees, etc. presented by the correspondent financial institutions. (b) Derivatives transactions to which hedge accounting is applied The contract amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below. (Unit: JPY thousand)					
Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)	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	145,001,750	126,560,750	526,904	Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	179,016,000	171,314,000	997,866
	Foreign Exchange Forward, short USD	Scheduled Foreign Currency Transaction	5,243,108 (*3)	2,336,588	-430,048 (*3)		Foreign Exchange Forward, short USD	Scheduled Foreign Currency Transaction	4,128,908	952,248	-188,688
(*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, Foreign Exchange Forward: Estimated based on the price, etc. presented by the correspondent financial institutions. (*3) Of which, hedge accounting is partially applied to JPY 1,114,200 thousand of the contract amount, etc. and JPY -292,119 thousand of fair value is partially deferred.						(*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, Foreign Exchange Forward: Estimated based on the price, etc. presented by the correspondent financial institutions.					

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)				Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)			
(Note 2) Repayment schedule of investment corporation bonds, long-term loans payable and other interest-bearing debts after the closing date of the fiscal period				(Note 2) Repayment schedule of investment corporation bonds, long-term loans payable and other interest-bearing debts after the closing date of the fiscal period			
(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
Current portion of Investment Corporation Bonds	1,000,000	-	-	Current portion of long-term loans payable	40,599,000	-	-
Current portion of long-term loans payable	44,553,000	-	-	Investment corporation bonds	-	5,000,000	-
Investment corporation bonds	-	5,000,000	-	Long-term loans payable	-	53,150,200	34,133,750
Long-term loans payable	-	25,042,000	44,260,200	Total	40,599,000	58,150,200	34,133,750
Total	45,553,000	30,042,000	44,260,200				
	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
Current portion of Investment Corporation Bonds	-	-	-	Current portion of long-term loans payable	-	-	-
Current portion of long-term loans payable	-	-	-	Investment corporation bonds	5,700,000	12,200,000	1,200,000
Investment corporation bonds	2,200,000	9,500,000	3,200,000	Long-term loans payable	67,264,050	32,096,000	68,429,000
Long-term loans payable	41,701,750	68,864,050	17,020,000	Total	72,964,050	44,296,000	69,629,000
Total	43,901,750	78,364,050	20,220,000				

[Notes Related to Asset Retirement Obligations]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)		Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	
<p>1. Summary of the asset retirement obligations for the period Part of INV's assets 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 and contractual and legal obligation to remove the asbestos.</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, based on the period until the expiration of the fixed-term land lease agreement (43 years) and the useful life of the buildings containing asbestos (15 to 31 years), and by using a discount rate of 1.342% and of 0.963 to 1.505%, respectively.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the end of the period (Unit: JPY thousand)</p>		<p>1. Summary of the asset retirement obligations for the period Part of INV's assets 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 and contractual and legal obligation to remove the asbestos.</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, based on the period until the expiration of the fixed-term land lease agreement (43 years) and the useful life of the buildings containing asbestos (7 to 37 years), and by using a discount rate of 1.342% and of 0.783 to 2.330%, respectively.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the end of the period (Unit: JPY thousand)</p>	
Balance at the beginning of the period	393,202	Balance at the beginning of the period	395,487
Increase due to the acquisition of properties	-	Increase due to the acquisition of properties	275,342
Accretion expense	2,285	Accretion expense	4,369
Balance at the end of the period	395,487	Balance at the end of the period	675,199

[Notes Related to Rental Properties]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)					Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)				
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	34,086,080	-188,194	33,897,885	48,546,000	Residences	33,897,885	-220,507	33,677,378	49,089,000
Commercial facilities	1,592,723	-17,055	1,575,668	2,380,000	Commercial facilities	1,575,668	-17,055	1,558,613	2,380,000
Hotels	460,103,406	-2,335,894	457,767,512	606,976,797	Hotels	457,767,512	102,780,314	560,547,827	716,023,756
Total	495,782,211	-2,541,143	493,241,067	657,902,797	Total	493,241,067	102,542,751	595,783,818	767,492,756
<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 factor for the increase for the previous fiscal period were construction work related to capital expenditure.</p> <p>(Note 3) The major factor of the decrease was depreciation.</p> <p>(Note 4) The fair value at the end of the previous fiscal 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., 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 previous fiscal period, 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 was construction work related to capital expenditure and acquisition of hotels.</p> <p>(Note 3) The major factor of the decrease was depreciation.</p> <p>(Note 4) The fair value at 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., 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 Reporting Period, please refer to "Notes to Statement of Income and Retained Earnings."</p>				

[Notes Related to Restriction on Asset Management]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
Not applicable.	Not applicable.

[Notes Related to Transactions with Related Parties]

Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

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	614,990	Rental receivables	265,387
	Island Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	627,322	Rental receivables	265,933
	MyStays Hotel Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	10,584,789	Rental receivables	3,952,343

(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., Island 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 was a parent company of CIM directly/indirectly owning 100% of its issued shares until May 15, 2024 (Eastern Standard Time); a subsidiary of the parent company which indirectly holds 100% of the issued share of CIM on and after May 15, 2024 (Eastern Standard Time)). Accordingly, INV treats Naqua Hotel & Resorts Management Co., Ltd., Island 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	-	Short-term loans payable	-
				Repayment of short-term loan	9,130,300		
				Borrowing of long-term loan	11,338,200	Long-term loans payable	38,211,300
				Repayment of long-term loan	2,862,600		
				Finance-related fees (Note 2)	211,053	Prepaid expenses	152,054
						Long-term prepaid expenses	320,708
				Interest expenses (Note 2)	116,299	Accrued expenses	2,295

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

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

Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)

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	Ganges Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	31,185,000	-	-
	Hakodate Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	16,830,000	-	-
	Nippori Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	16,335,000	-	-
	Shiretoko Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	14,551,000	-	-
	Rishiri Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	10,652,000	-	-
	Yakushima Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	10,195,000	-	-
	Kawaguchiko Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	4,672,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	1,196,591	Accounts receivable	163,651
	Island Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	1,527,152	Accounts receivable	33,880
	Osaka Bay Tower LLC (Note 3)	Hotel business	-	Rental revenues	1,247,707	Accounts receivable	585,355
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	14,428,921	Accounts receivable	5,923,325

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

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

(Note 3) Ganges Tokutei Mokuteki Kaisha, Hakodate Tokutei Mokuteki Kaisha, Nippori Tokutei Mokuteki Kaisha, Shiretoko Tokutei Mokuteki Kaisha, Rishiri Tokutei Mokuteki Kaisha, Yakushima Tokutei Mokuteki Kaisha, Kawaguchiko Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC 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 was a parent company of CIM directly/indirectly owning 100% of its issued shares until May 15, 2024 (Eastern Standard Time)); a subsidiary of the parent company which indirectly holds 100% of the issued share of CIM on and after May 15, 2024 (Eastern Standard Time)). Accordingly, INV treats Ganges Tokutei Mokuteki Kaisha, Hakodate Tokutei Mokuteki Kaisha, Nippori Tokutei Mokuteki Kaisha, Shiretoko Tokutei Mokuteki Kaisha, Rishiri Tokutei Mokuteki Kaisha, Yakushima Tokutei Mokuteki Kaisha, Kawaguchiko Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

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

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	Ganges Tokutei Mokuteki Kaisha	31,185,000
D91	Hakodate Kokusai Hotel	Hakodate Tokutei Mokuteki Kaisha	16,830,000
D92	Art Hotel Nippori Lungwood	Nippori Tokutei Mokuteki Kaisha	16,335,000
D93	Hotel MyStays Kumamoto Riverside	Rishiri Tokutei Mokuteki Kaisha	6,831,000
D94	Art Hotel Aomori	Shiretoko Tokutei Mokuteki Kaisha	5,672,000
D95	Kamenoi Hotel Izukogen	Yakushima Tokutei Mokuteki Kaisha	5,563,000
D96	Art Hotel Oita	Shiretoko Tokutei Mokuteki Kaisha	5,484,000
D97	Art Hotel Kokura New Tagawa	Kawaguchiko Tokutei Mokuteki Kaisha	4,672,000
D98	Art Hotel Miyazaki Sky Tower	Rishiri Tokutei Mokuteki Kaisha	3,821,000
D99	Art Hotel Kagoshima	Shiretoko Tokutei Mokuteki Kaisha	3,395,000
D100	Kamenoi Hotel Hikone	Yakushima Tokutei Mokuteki Kaisha	2,603,000
D101	Kamenoi Hotel Nara	Yakushima Tokutei Mokuteki Kaisha	2,029,000
Total			104,420,000

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	711,000	Short-term loans payable	711,000
				Borrowing of long-term loan	7,772,600	Long-term loans payable	43,611,300
				Repayment of long-term loan	2,372,600		
				Finance-related fees (Note 2)	112,937	Prepaid expenses	160,366
				Interest expenses (Note 2)	182,328	Long-term prepaid expenses	337,865
						Accrued expenses	2,493

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

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

[Notes Related to Per Unit Information]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)		Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	
Net assets per unit	JPY 43,455	Net assets per unit	JPY 45,954
Net income per unit	JPY 1,914	Net income per unit	JPY 1,980
Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated, as there are no diluted units.		Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated, as there are no diluted units.	

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

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)		Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	
Net income for the period (JPY thousand)	12,900,561	Net income for the period (JPY thousand)	15,138,205
Amounts not attributable to common unitholders (JPY thousand)	-	Amounts not attributable to common unitholders (JPY thousand)	-
Net income attributable to common units (JPY thousand)	12,900,561	Net income attributable to common units (JPY thousand)	15,138,205
Average number of investment units during the period (units)	6,737,121	Average number of investment units during the period (units)	7,644,064

[Notes Related to Revenue Recognition]

Notes Related to Revenue Recognition					
(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)			Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)		
1. Breakdown of revenue from contracts with customers (Unit: JPY thousand)			1. Breakdown of revenue from contracts with customers (Unit: JPY thousand)		
	Revenue from contracts with customers (Note 1)	Net sales to external customers		Revenue from contracts with customers (Note 1)	Net sales to external customers
Sale of real estate, etc.	-	-	Sale of real estate, etc.	-	-
Other	26,509	21,136,007	Other	238,962	25,555,158
Total	26,509	21,136,007	Total	238,962	25,555,158
(Note 1) Revenue from the leasing business subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), dividend income subject to the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10) and the sale of real estate, etc. subject to the “Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies” (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in “Revenue from contracts with customers” as they are not covered by the Accounting Standard for Revenue Recognition. Major revenue from contracts with customers is proceeds from sale of real estate properties.			(Note 1) Revenue from the leasing business subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), dividend income subject to the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10) and the sale of real estate, etc. subject to the “Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies” (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in “Revenue from contracts with customers” as they are not covered by the Accounting Standard for Revenue Recognition. Major revenue from contracts with customers is proceeds from sale of real estate properties.		
2. Information utilized as the basis for understanding revenue from contracts with customers The information is as described in “Notes Concerning Significant Accounting Policies” above.			2. Information utilized as the basis for understanding revenue from contracts with customers The information is as described in “Notes Concerning Significant Accounting Policies” above.		
3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts as well as amount of revenue and period expected to be recognized in the next calculation period or thereafter from contracts with customers existing at the end of the previous fiscal period			3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts as well as amount of revenue and period expected to be recognized in the next calculation period or thereafter from contracts with customers existing at the end of the Reporting Period		
(1) Balance of contract assets and contract liabilities, etc. (Unit: JPY thousand)			(1) Balance of contract assets and contract liabilities, etc. (Unit: JPY thousand)		
		Fiscal period ended June 30, 2024			Fiscal period ended December 31, 2024
Claims generated from contracts with customers (balance at the beginning of the period)		2,876	Claims generated from contracts with customers (balance at the beginning of the period)		3,113
Claims generated from contracts with customers (balance at the end of the period)		3,113	Claims generated from contracts with customers (balance at the end of the period)		42,289
Contract assets (balance at the beginning of the period)		-	Contract assets (balance at the beginning of the period)		-
Contract assets (balance at the end of the period)		-	Contract assets (balance at the end of the period)		-
Contract liabilities (balance at the beginning of the period)		-	Contract liabilities (balance at the beginning of the period)		-
Contract liabilities (balance at the end of the period)		-	Contract liabilities (balance at the end of the period)		-
(2) Transaction value allocated to remaining performance obligations Not applicable			(2) Transaction value allocated to remaining performance obligations Not applicable		

[Notes Related to Significant Subsequent Events]

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
<p>1. Issuance of new investment units</p> <p>INV resolved at its meetings of the Board of Directors held on July 18, 2024 and July 24, 2024 respectively to conduct the issuance of new investment units and secondary offering of investment units. Payment for the new investment units issued through the public offering was completed on July 30, 2024, in accordance with the following terms and conditions. Payment for the third-party allotment in connection with over-allotment will be completed on August 27, 2024. The unitholders' capital of INV will be JPY 326,079 million and the number of investment units issued and outstanding of INV will increase to 7,646,453 when the payment for 14,332 investment units subscribed for the third-party allotment is completed.</p> <p>(1) Issuance of new investment units through public offering</p> <p>Number of investment units : 895,000 investment units offered</p> <p>Of which : 472,113 investment units domestic public offering overseas offering : 422,887 investment units</p> <p>Issue price (offer price) : JPY 61,560 per unit</p> <p>Total issue price (total offer price) : JPY 55,096,200,000</p> <p>Paid amount (issue value) : JPY 63,602 per unit</p> <p>Total paid amount : JPY 56,923,790,000 (total issue value)</p> <p>Payment date : July 30, 2024</p> <p>(2) Issuance of new investment units through third-party allotment</p> <p>Number of investment units : 14,332 investment units offered</p> <p>Amount to be paid : JPY 61,560 per unit (issue value)</p> <p>Total paid amount : JPY 882,277,920 (total issue value)</p> <p>Payment date : August 27, 2024</p> <p>Allottee : Mizuho Securities Co., Ltd.</p> <p>2. Debt Financing</p> <p>In order to fund a portion of the acquisition price for 12 hotel properties (domestic real estate trust beneficiary interests) acquired on July 31, 2024, INV resolved the following debt financing at a meeting of the Board of Directors held on July 18, 2024, and entered into a loan agreement on the same day.</p> <p>New Syndicate Loan (015)</p> <p>Lender : Syndicate of lenders arranged by Mizuho Bank, Ltd.</p> <p>Outstanding balance : JPY 56,725 million</p>	<p>Not applicable</p>

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
<p>Interest rate, etc. : Base Rate (3-month JPY TIBOR) + 0.700%, 0.600%, 0.500% 1.5975% Base Rate (1-month JPY TIBOR) + 0.200%</p> <p>Interest payment date : The last Japanese business day of March, June, September, and December before the principal maturity date, beginning with September 30, 2024, and the principal maturity date The last Japanese business day of each month before the principal maturity date, beginning with August 31, 2024, and the principal maturity date</p> <p>Principal repayment method : Lump-sum repayment</p> <p>Borrowing method : Unsecured/ non-guarantee</p> <p>Borrowing date : July 31, 2024</p> <p>Maturity date : July 16, 2031, July 16, 2030, July 16, 2029, July 31, 2025</p> <p>3. Acquisition of assets (properties) INV resolved acquisition of the following 12 hotel properties (total acquisition price: JPY 104,420 million) on July 18, 2024 and completed the acquisition on July 31, 2024.</p> <p>Property Number: D90 Art Hotel Osaka Bay Tower & Solaniwa Onsen</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 31,185 million</p> <p>Location : Osaka-shi, Osaka</p> <p>Completion Date : June 1990</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Ganges Tokutei Mokuteki Kaisha</p> <p>Total Floor Area (Note 2) : 44,759.49 m²</p> <p>Total Leasable Area : 44,759.49 m²</p> <p>Property Number: D91 Hakodate Kokusai Hotel</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 16,830 million</p> <p>Location : Hakodate-shi, Hokkaido</p> <p>Completion Date : March 1972 March 1994 November 2018</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Hakodate Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 34,511.60 m²</p> <p>Total Leasable Area : 34,511.60 m²</p>	

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
<p>Property Number: D92 Art Hotel Nippori Lungwood</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 16,335 million</p> <p>Location : Arakawa-ku, Tokyo</p> <p>Completion Date : November 1988</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Nippori Tokutei Mokuteki Kaisha</p> <p>Total Floor Area (Note 3) : 10,984.28 m²</p> <p>Total Leasable Area : 10,984.28 m²</p> <p>Property Number: D93 Hotel MyStays Kumamoto Riverside</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 6,831 million</p> <p>Location : Kumamoto-shi, Kumamoto</p> <p>Completion Date : November 1984 February 1995</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Rishiri Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 6,347.65 m²</p> <p>Total Leasable Area : 6,347.65 m²</p> <p>Property Number: D94 Art Hotel Aomori</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 5,672 million</p> <p>Location : Aomori-shi, Aomori</p> <p>Completion Date : June 1996</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Shiretoko Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 9,176.79 m²</p> <p>Total Leasable Area : 9,176.79 m²</p> <p>Property Number: D95 Kamenoi Hotel Izukogen</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 5,563 million</p> <p>Location : Ito-shi, Shizuoka</p> <p>Completion Date : June 1988</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Yakushima Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 8,891.36 m²</p> <p>Total Leasable Area : 8,891.36 m²</p> <p>Property Number: D96 Art Hotel Oita</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 5,484 million</p> <p>Location : Oita-shi, Oita</p> <p>Completion Date : November 1987</p>	

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
Legal Form of Asset : Trust beneficiary interest Seller : Shiretoko Tokutei Mokuteki Kaisha Total Floor Area : 8,782.34 m ² Total Leasable Area : 8,782.34 m ² Property Number: D97 Art Hotel Kokura New Tagawa Acquisition Date : July 31, 2024 Acquisition Price (Note 1) : JPY 4,672 million Location : Kitakyushu-shi, Fukuoka Completion Date : April 1973 November 1997 Legal Form of Asset : Trust beneficiary interest Seller : Kawaguchiko Tokutei Mokuteki Kaisha Total Floor Area : 14,055.23 m ² Total Leasable Area : 14,055.23 m ² Property Number: D98 Art Hotel Miyazaki Sky Tower Acquisition Date : July 31, 2024 Acquisition Price (Note 1) : JPY 3,821 million Location : Miyazaki-shi, Miyazaki Completion Date : September 1991 Legal Form of Asset : Trust beneficiary interest Seller : Rishiri Tokutei Mokuteki Kaisha Total Floor Area : 8,766.25 m ² Total Leasable Area : 8,766.25 m ² Property Number: D99 Art Hotel Kagoshima Acquisition Date : July 31, 2024 Acquisition Price (Note 1) : JPY 3,395 million Location : Kagoshima-shi, Kagoshima Completion Date : September 1981 Legal Form of Asset : Trust beneficiary interest Seller : Shiretoko Tokutei Mokuteki Kaisha Total Floor Area : 14,854.67 m ² Total Leasable Area : 14,854.67 m ² Property Number: D100 Kamenoi Hotel Hikone Acquisition Date : July 31, 2024 Acquisition Price (Note 1) : JPY 2,603 million Location : Hikone-shi, Shiga Completion Date : December 1969 Legal Form of Asset : Trust beneficiary interest Seller : Yakushima Tokutei Mokuteki Kaisha Total Floor Area : 6,060.87 m ² Total Leasable Area : 6,060.87 m ²	

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
Property Number: D101 Kamenoi Hotel Nara Acquisition Date : July 31, 2024 Acquisition Price (Note 1) : JPY 2,029 million Location : Nara-shi, Nara Completion Date : September 1966 Legal Form of Asset : Trust beneficiary interest Seller : Yakushima Tokutei Mokuteki Kaisha Total Floor Area : 5,041.02 m ² Total Leasable Area : 5,041.02 m ² (Note 1) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition-related expenses, property taxes, city planning taxes or consumption taxes. (Note 2) "Total Floor Area" of exclusively-owned area acquired by INV on July 31, 2024. The total floor area of the entire building is 175,604.98 m ² . (Note 3) "Total Floor Area" of exclusively-owned area acquired by INV (excluding parking area) on July 31, 2024. The total floor area of the entire building is 21,601.47 m ² .	

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

(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
Not applicable	Not applicable

VI. Statement of Cash Distribution

	(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
I. Unappropriated retained earnings	JPY 21,542,214,804	JPY 23,765,358,874
II. Distributions (Distribution per unit)	JPY 12,915,060,957 (JPY 1,917)	JPY 15,155,269,846 (JPY 1,982)
III. Retained earnings (deficit) carried forward	JPY 8,627,153,847	JPY 8,610,089,028
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 12,915,060,957 out of net income of JPY 12,900,561,195 and retained earnings carried forward of JPY 14,499,762.	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 15,155,269,846 out of net income of JPY 15,138,205,027 and retained earnings carried forward of JPY 17,064,819.

Note

Accompanying English financial information, comprising Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution, have been translated from the Japanese financial statements of INV prepared in accordance with the Act on Investment Trusts and Investment Corporations of Japan. Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended December 31, 2024 have been audited by Ernst & Young ShinNihon LLC, in accordance with auditing standards generally accepted in Japan. However, English translation of the Japanese language report of independent auditors is not attached herein since the accompanying English translation of Balance Sheet, Statement of Income and Retained Earnings, Statements of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution is unaudited.

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

VII. Statement of Cash Flows (Reference Information)

	(Unit: JPY thousand)	
	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Net income before taxes	12,901,166	15,138,810
Depreciation and amortization	4,341,470	4,990,615
Loss on reduction entry of non-current assets	24,991	-
Investment unit issuance costs	-	170,193
Amortization of investment corporation bond issuance costs	15,608	18,029
Loan-related costs	583,615	718,621
		-196
Interest income	-163	-3,483
Interest expenses	1,002,142	1,533,640
Foreign exchange losses (gains)	-142	33
Loss (gain) of derivatives	560,841	8,075
Decrease (increase) in rental receivables	-1,206,749	-1,467,605
Decrease (Increase) in deposits paid	-438,055	458,193
Decrease (increase) in receivable income taxes	-3	-508
Decrease (increase) in consumption taxes receivable	2,615,543	-2,426,309
Increase (decrease) in accounts payable	-4,478	251,458
Increase (decrease) in consumption taxes payable	1,023,206	-1,023,206
Increase (decrease) in accrued expenses	85,639	13,369
Increase (decrease) in advances received	7,905	367,118
Increase (decrease) in deposits received	-36,518	98,120
Others, net	-176,618	139,577
Subtotal	21,299,400	18,984,548
Interest income received	163	3,483
Interest expenses paid	-973,357	-1,514,581
Income taxes paid	-605	-605
Net cash provided by operating activities	20,325,601	17,472,845
Cash flows from investing activities		
Purchases of property and equipment	-434,456	-1,907,226
Purchases of property and equipment in trust	-1,818,446	-93,993,128
Purchases of leasehold rights in trust	-	-12,444,949
Repayments of tenant leasehold and security deposits in trust	-22,016	-21,799
Proceeds from tenant leasehold and security deposits in trust	28,659	117,075
Payment of tenant leasehold and security deposits	-8,100	-40,555
Others	-500,120	-215,250
Net cash used in investing activities	-2,754,478	-108,505,833

Cash flows from financing activities		
Proceeds from short-term loans payable	-	4,925,000
Repayments of short-term loans payable	-27,707,000	-10,313,000
Proceeds from long-term loans payable	43,557,000	71,222,000
Repayments of long-term loans payable	-19,796,000	-16,991,000
Proceeds from issuance of investment corporation bonds	5,950,508	4,173,666
Redemption of investment corporation bonds	-	-1,000,000
Borrowing related expenses	-861,343	-1,156,070
Payment of distributions of earnings	-11,046,120	-12,913,644
Proceeds from issuance of investment units	-	55,808,936
Net cash provided by (used in) financing activities	-9,902,955	93,755,887
Effect of exchange rate change on cash and cash equivalents	142	-33
Net increase (decrease) in cash and cash equivalents	7,668,309	2,722,866
Cash and cash equivalents at beginning of period	34,892,514	42,560,824
Cash and cash equivalents at end of period	*1 42,560,824	45,283,691

(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	(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
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	(Reference) Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)
*1. Relationship between cash and cash equivalents in Statement of Cash Flows and amounts in accompanying balance sheet	(As of June 30, 2024) (Unit: JPY thousand) Cash and bank deposits 30,213,929 Cash and bank deposits in trust 12,346,894 Cash and cash equivalents 42,560,824	(As of December 31, 2024) (Unit: JPY thousand) Cash and bank deposits 31,964,082 Cash and bank deposits in trust 13,319,608 Cash and cash equivalents 45,283,691

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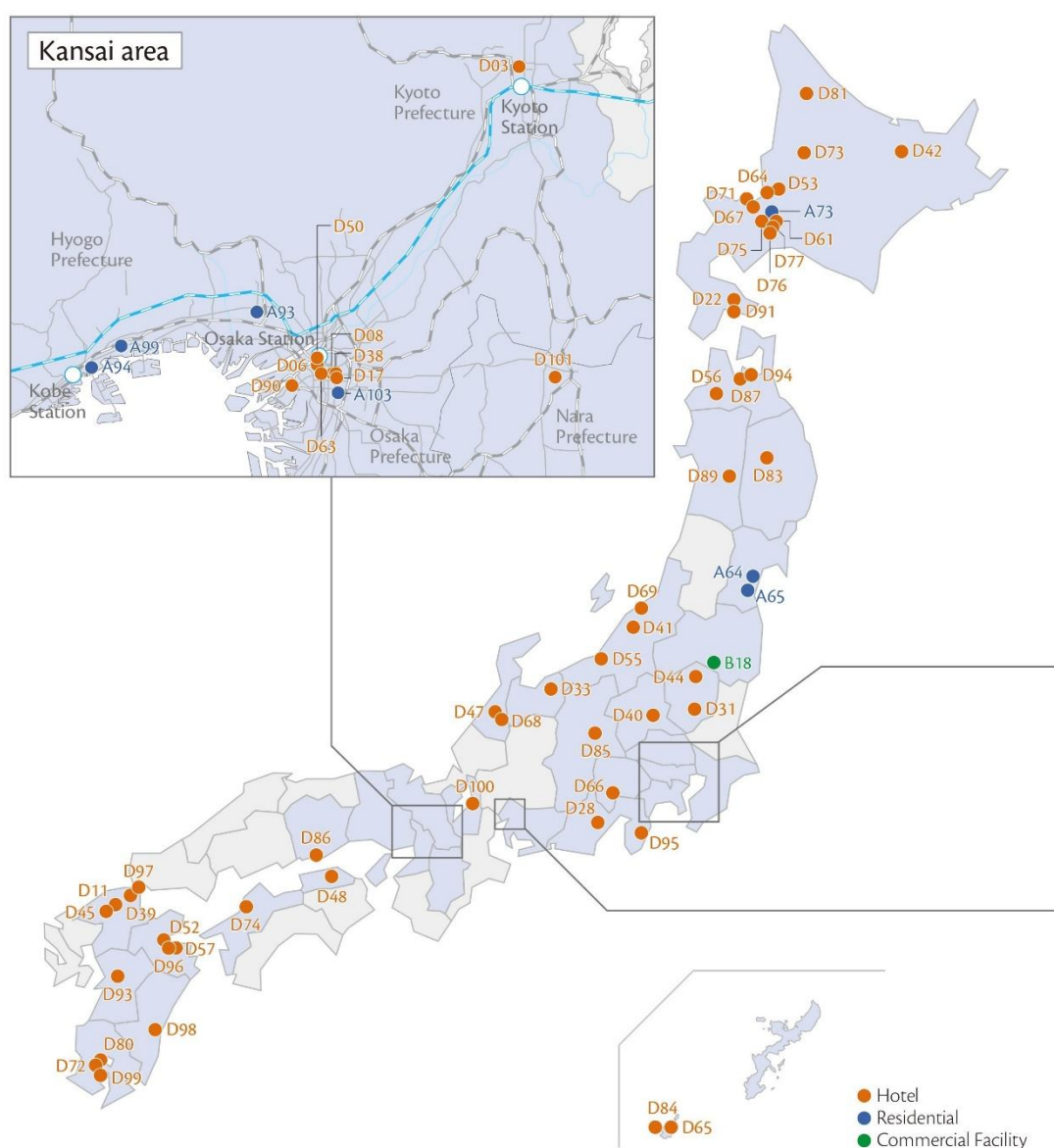
Usage of “My Number” also includes taxation-related procedures on investment units. It is necessary for unitholders to notify your “My Number” to your brokerage, etc.

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 February 28, 2025)

No. of Properties (Note 1)	No. of Hotels (Note 1)	No. of Residential Properties	Others
146	104	41	1

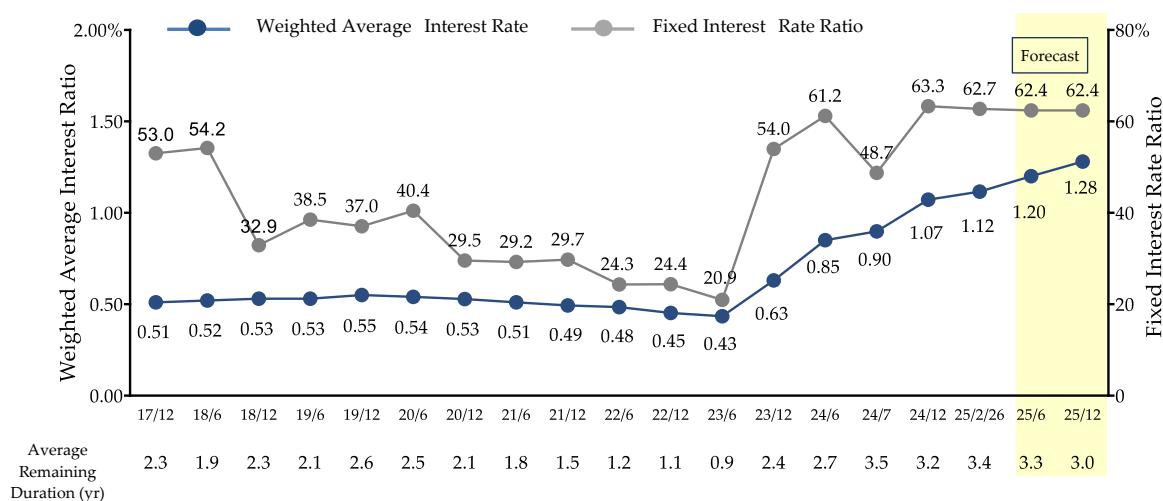


(Note 1) Includes Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort & Spa.
 (Note 2) For properties corresponding to the number and their overview, please refer to pages 28-35.

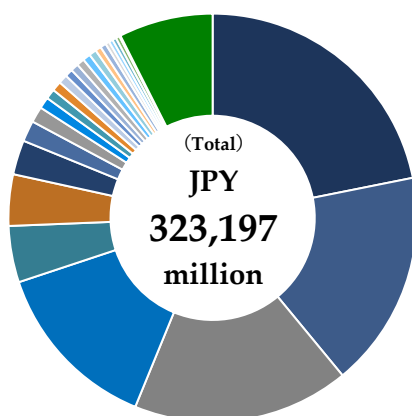
Financial Conditions

INV borrowed JPY 56.7 billion with a weighted average loan term of 5.9 years for the acquisition of 12 hotels in July 2024, lengthening the average remaining duration of interest-bearing-debt from 2.7 years (as of the end of the previous period) to 3.4 years (as of February 26, 2025), diversifying the repayment dates. In addition, INV hedged the risk of interest rate fluctuation with interest rate swaps and borrowings with fixed interest rates. The fixed interest rate ratio of INV's overall interest-bearing debt increased from 48.7% after the borrowing for the property acquisition in July 2024 to 62.7% as of February 26, 2025.

Weighted Average Interest Rate¹, Fixed Interest Rate Ratio, and Average Remaining Duration of Interest-bearing Debt



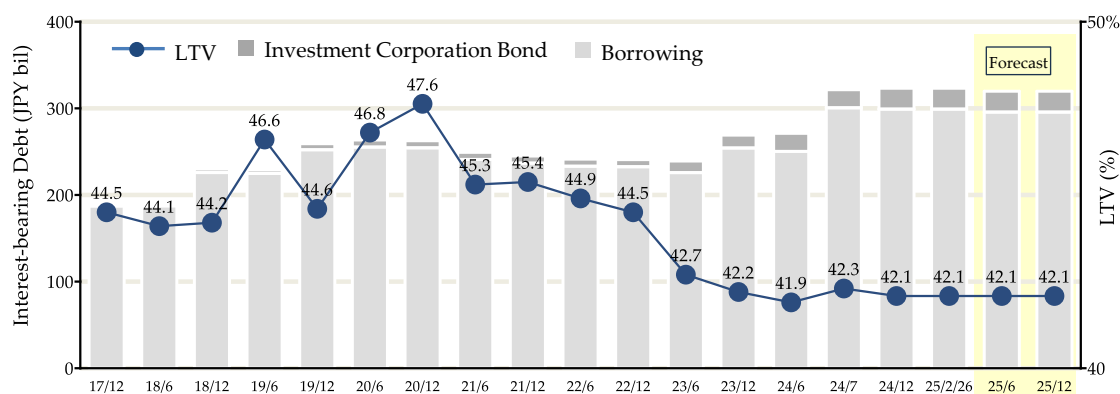
Lender Formation (as of the end of February, 2025)



Mizuho Bank	21.9%	Suruga Bank	0.6%
MUFG	17.2%	The Chiba Bank	0.6%
SMBC	17.2%	Aichi Bank	0.6%
SMTB	13.7%	Tochigi Bank	0.6%
DBJ	4.5%	Nishi-Nippon City Bank	0.5%
SBI Shinsei Bank	4.1%	Kiyo Bank	0.5%
Tokyo Star Bank	2.7%	Kagawa Bank	0.3%
Aozora Bank	1.7%	The San-in Godo Bank	0.3%
San ju San Bank	1.3%	Ogaki Kyoritsu Bank	0.3%
Yamaguchi Bank	0.9%	Kiraboshi Bank	0.3%
Nomura TB	0.8%	Aeon Bank	0.1%
Fukuoka Bank	0.8%		
Shizuoka Bank	0.7%		
Resona Bank	0.6%	REIT Bond	7.5%

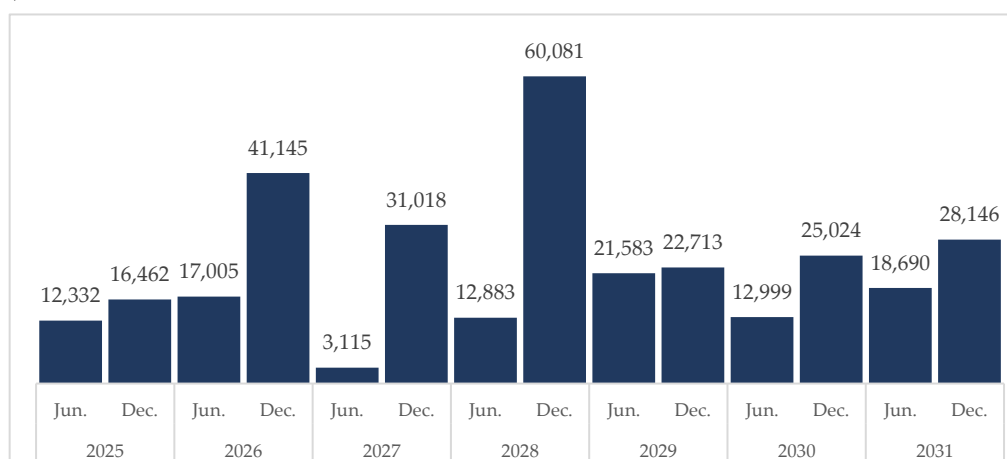
(Note 1) Calculated by the following formula: (Total loan amount outstanding at the relevant time multiplied by applicable interest rate at the relevant time for each loans) / (The loan amount outstanding at the relevant time).

■ LTV (based on appraisal value)^(Note 2) and Interest-bearing Debt



■ Maturity Ladder (as of February 26, 2025)

(JPY million)



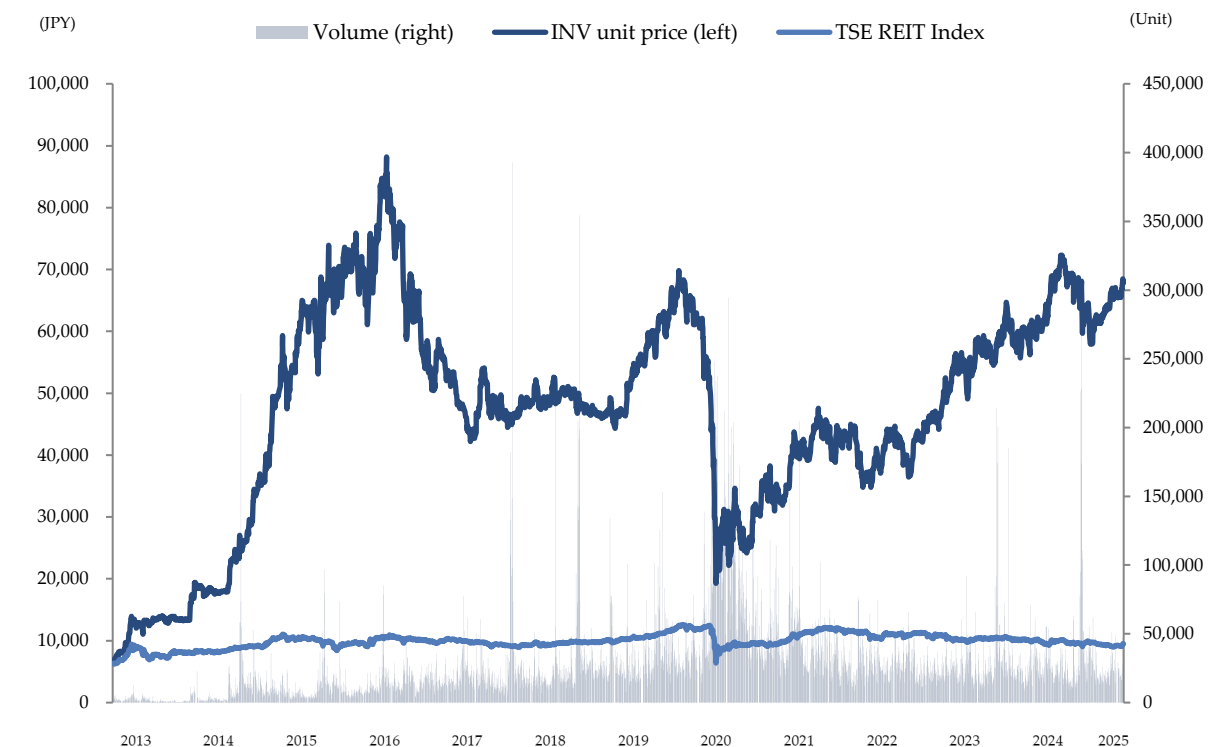
■ Rating

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

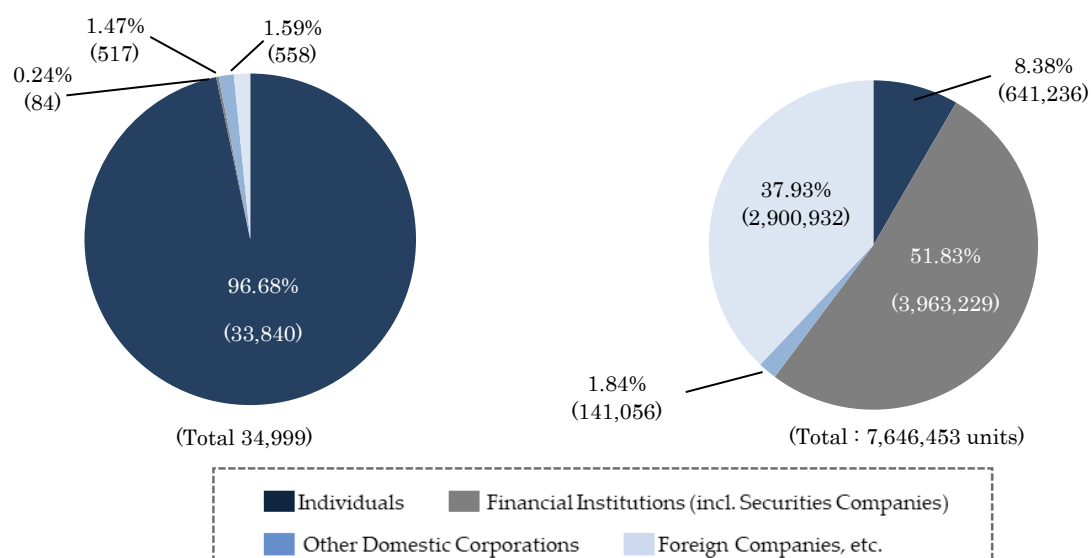
(Note 2) LTV at the end of fiscal period is calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which 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.

Overview of Unitholders/Investment Units

Historical Unit Price

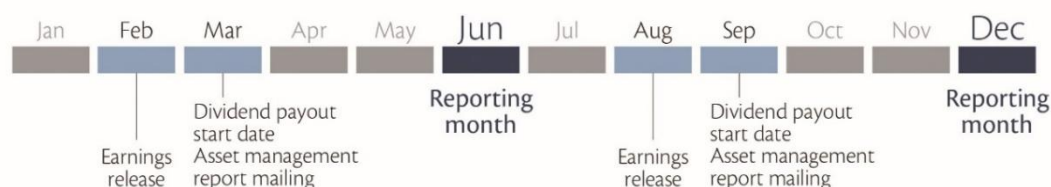


Distribution of Unitholders



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

Annual Schedule



Information for Unitholders

For Unitholders

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

Notification Process for Address Changes

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

Unitholders of the pre-merger Investment Corporation (former Tokyo Growth REIT Investment Inc.)

Mitsubishi UFJ Trust and Banking Corporation Toll-free Number: 0120-255-100

Unitholders of the former LCP Investment Corporation

Sumitomo Mitsui Trust Bank, Limited

Toll-free Number: 0120-782-031

Dividends

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

(Bank Transfers)

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

(Note) Please collect dividends within three years of distribution. Please note that payments cannot be made after three 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: +81-(0)3-5411-2731 (Main)

Weekdays 9:00-17:00