

This is an English language summary of the original Japanese Asset Management Report available on our Website. However, no assurance or warranties are given with respect to the accuracy or completeness of this English language summary. The Japanese original shall prevail in the case of any discrepancies between this summary and the Japanese original.

Invincible Investment Corporation

Asset Management Report

Fiscal Period ended December 31, 2022 (July 1, 2022 to December 31, 2022)

Content

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

Top Interview

ESG Initiatives

Unitholder Benefit Program

- I. Asset Management Report
- II. Balance Sheet
- III. Statement of Income and Retained Earnings
- IV. Statement of Changes in Net Assets
- V. Notes to Financial Statements
- VI. Statement of Cash Distribution
- VII. Statement of Cash Flows (Reference Information)

Domestic Portfolio Map (As of February 28, 2023)

Financial Conditions

Overview of Unitholders/Investment Units

Information for Unitholders

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

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

We hereby provide you with a report on INV's asset management and financial results for the 39th fiscal period (from July 1, 2022 to December 31, 2022) (the "Reporting Period").

In the Reporting Period, Japan was hit by the seventh wave of COVID-19 infections from July onwards. However, there were no restrictions on movement during the Reporting Period and accommodation demand was solid. The government's travel subsidy program "National Travel Discount Campaign" which started in October 2022 is helping to boost domestic accommodation demand. As a result, the total number of overnight stays by domestic guests exceeded the same month of 2019 from October to December 2022. Moreover, in response to the substantial relaxation of border measures in October 2022, inbound demand was on a recovery trend especially towards the end of the year. Consequently, RevPAR for domestic hotels owned by INV in December 2022 exceeded the level in the same month of 2019, and MyStays Hotel Management Co., Ltd., the major tenant and hotel operator of domestic hotels owned by INV, was able to pay the total original fixed rent with the total excess rent being paid as variable rent to INV in the 4th quarter (October to December 2022).

On the other hand, in the Cayman Islands, the operating conditions of the two Cayman hotels owned by INV have improved significantly since the February 2022 resumption of commercial flights to and from the U.S. by major U.S. airlines. Further, lifting of the travel-related restrictions in August has also contributed to improving the operating conditions. Favorable conditions continued and ADR has exceeded the same month in 2019 consistently since May 2022. GOP and NOI of the two Cayman hotels in 4th quarter 2022 have also exceeded that of 4th quarter 2019.

Overall, INV announced a distribution per unit of JPY 832 by recording operating revenues of JPY 11,929 million, with operating income of JPY 6,257 million, and net income of JPY 5,075 million in the Reporting Period. The distribution per unit for the full year 2022, combined with the previous fiscal period, was JPY 998, which is about five times larger than that of the previous year.

This year, the earnings forecast was announced in February 2023, and the forecasted distribution per unit for the full year 2023, combining the June 2023 fiscal period and the December 2023 fiscal period, is expected to be JPY 1,800. This is just over half of the full year 2019 results before the COVID-19 pandemic, but we believe there is plenty of room for internal growth in the future. In particular, the number of visitors from China, which accounted for about 30% of all inbound tourists to Japan in 2019, continued to be at a low level due to restrictive border measures upon entering Japan. However, from March 1, 2023, border measures were relaxed, measures that limited flights from China to the four airports (Narita, Haneda, Kansai, and

Chubu) were abolished, and permitting began to increase the number of flights by airlines. The positive impact of the increase in inbound visitors on hotel market will be significant.

The government decided to move COVID-19 to category 5 under the Infectious Diseases Law from May 8, 2023, and the end of the pandemic, which lasted about three years, is in sight. Although there are issues that need to be addressed, such as rising global energy prices and overall inflation, we will continue to work diligently in order to meet our unitholders' expectations.

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, 2020 to December 31, 2020	Period from January 1, 2021 to June 30, 2021	Period from July 1, 2021 to December 31, 2021	Period from January 1, 2022 to June 30, 2022	Period from July 1, 2022 to December 31, 2022
Operating Revenues (JPY million)	8,340	3,806	8,406	7,680	11,929
Ordinary Income (JPY million)	624	-3,599	1,014	1,015	5,075
Net Income (JPY million)	623	-3,599	1,014	1,015	5,075
Net Assets (JPY million)	249,641	245,113	246,130	246,211	250,321
Total Assets (JPY million)	516,490	497,899	494,819	490,118	494,237
Net Assets per Unit (JPY)	40,946	40,203	40,370	40,383	41,058
Net Assets/Total Assets (%)	48.3	49.2	49.7	50.2	50.6
Distribution per Unit (JPY)	167	15	166	166	832
Number of Units Issued (Unit)	6,096,840	6,096,840	6,096,840	6,096,840	6,096,840

Distribution per unit for the 39th fiscal period
(the fiscal period ended December 2022)

JPY 832

(Note) The forward-looking statements, forecasts and goals described in this report are based on available information, assumptions and estimates as of February 28, 2023. These assumptions and estimates are unavoidably uncertain, and could be affected by various risks and factors beyond INV's control. Thus, no guarantee can be made regarding the realization of such future forecasts and targets, and actual results may vary significantly.

■ Top Interview

Q: DPU are recovering rapidly. How far will DPU recover when hotel performance returns to pre-pandemic levels?

A: DPU of about JPY 3,000 per year will be one guide. Just before the start of the COVID-19, in the "Summary of Financial Results for the December 2019 fiscal period " released on February 20, 2020, INV had forecast an annual distribution of JPY 3,459 per unit for 2020 (a total of JPY 1,812 for the June fiscal period and JPY 1,647 for the December fiscal period). This earnings forecast was withdrawn on April 24, 2020, in response to the subsequent spread of the COVID-19 and the decision to cancel the Tokyo Olympics. However, based on the figures in this earnings forecast, an annual distribution will be JPY 2,975 per unit after deducting (1) the gain on the sale of properties (JPY 334 per unit), which was factored in as a one-off profit, and (2) net income (JPY 150 per unit) from 19 residential properties and 1 commercial property that do not currently exist in the portfolio due to subsequent transfers. Although there are some major differences in the environment between 2020 and now, about JPY 3,000 will be a guideline derived from the above calculations. We do not consider this level to be a ceiling and will do our best to exceed it as much as possible.

Q: TMK dividends from Sheraton Grande Tokyo Bay Hotel (SGTB) have not been recorded for a while. When will the TMK resume dividend payments?

A: We expect SGTB's dividends will resume from the June 2024 fiscal period.

INV receives dividend income on the preferred equity interest of Kingdom Special Purpose Company (Kingdom TMK) that owns SGTB as an underlying asset. In principle, the amount of the dividend is linked to SGTB's performance; however, since it is paid through Kingdom TMK's financial results, SGTB's performance is not directly reflected in the amount of dividends INV receives.

Now that the end of the COVID-19 is in sight, SGTB's performance has recovered considerably, but due to the prolonged sluggish business performance, including the period when operations were suspended due to the closure of Tokyo Disney Resort, Kingdom TMK has a cumulative loss, and dividends will not be paid to INV while this cumulative loss exists.

Although SGTB's performance recovery is expected to continue and Kingdom TMK's cumulative loss is expected to gradually be eliminated, at this point in time, we expect that Kingdom TMK's cumulative loss will be completely resolved, and dividends will be received from the June 2024 fiscal period.

Q: Labor shortage in the accommodation industry has become a hot topic. Will this affect hotels owned by INV?

A: Staff shortages are not a major problem since most of INV's hotels are limited service. Staff shortages are mainly a problem for full-service hotels and resort hotels in remote areas, and newly opened hotels. As for MyStays Hotel Management Co., Ltd. (MyStays), the major tenant of domestic hotels owned by INV, employees were seconded to our sponsor's group companies during the pandemic to keep employment as

a support from the sponsor group. All secondments were terminated as hotel demand bottomed out, and hotel professionals with working experience at MyStays were quickly redeployed to their hotels. Similarly, all employees who had been on leave due to employment adjustment subsidies went back to their hotels. Thus, there are no staff shortages at the hotel frontlines.

Two Cayman hotels owned by INV also maintained employment of their key employees as much as possible during the pandemic, and hotels have been able to respond to the significant recovery in demand since last year without any problems. There are no problems with staff shortages either.

Q: Some of the unitholder benefit program (the “Benefit Program”) has changed, how has it changed?

A: INV has expanded the available period by two months, making it easier to use than before.

INV introduced the Benefit Program in the December 2017 fiscal period with an aim to improve the satisfaction of its unitholders and expand the unitholder base. INV removed the eligibility requirement of "holding 10 or more units" to enable all INV unitholders to utilize the Benefit Program from the June 2020 fiscal period and onwards. Thankfully, the actual usage has also steadily been increasing.

Under this Benefit Program, the available period had been set at six months to match the accounting period of INV. Reservations can be made after the reservation code is delivered to unitholders in late March and late September every year. However, there was a problem that reservations for stays in early April and early October, which are immediately after the arrival of the reservation code, could be made only at the last minute. In order to solve this problem, INV extended the available period by two months so that unitholders can make a reservation with plenty of time. With the end of the COVID-19 in sight, we hope that unitholders will be able to take advantage of this special offer further.









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. MyStays Hotel Management Co., Ltd. (MHM), the main operator of INV’s domestic hotel portfolio, is also actively promoting and continuing ESG-related initiatives at its hotels.

Initiatives by INV

Acquisition of BELS¹ Certification

Acquired BELS (Building-Housing Energy-efficiency Labeling System) Certification for INV’s eight hotels. Hotel MyStays Premier Akasaka, Hotel MyStays Yokohama Kannai, and Hotel MyStays Fukuoka Tenjin have been rated five stars “★★★★★”, and Hotel MyStays Premier Kanazawa and Hotel MyStays Fuji Onsen Resort have been rated four stars “★★★★”, Hotel MyStays Sekaisuji-Honmachi has been rated three stars “★★★”, and Hotel MyStays Fukuoka-Tenjin-Minami and Hotel MyStays Midouji Honmachi have been rated two stars “★★”.

★★★★★	 Hotel MyStays Premier Akasaka	 Hotel MyStays Yokohama Kannai	 Hotel MyStays Fukuoka Tenjin
★★★★	 Hotel MyStays Premier Kanazawa	 Hotel MyStays Fuji Onsen Resort	
★★★	 Hotel MyStays Sekaisuji-Honmachi		
★★	 Hotel MyStays Fukuoka-Tenjin-Minami	 Hotel MyStays Midouji Honmachi	



(Note 1) 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

INV in 2022 GRESB Real Estate Assessment²

GRESB Real Estate Assessment

In the 2022 GRESB Real Estate Assessment, INV received a “2-Star” GRESB Rating, which is based on overall GRESB scores and its quintile position among participants. 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. We will consider preparations for acquiring evaluation by other external organizations, such as green building certification, to strengthen our ESG initiatives.

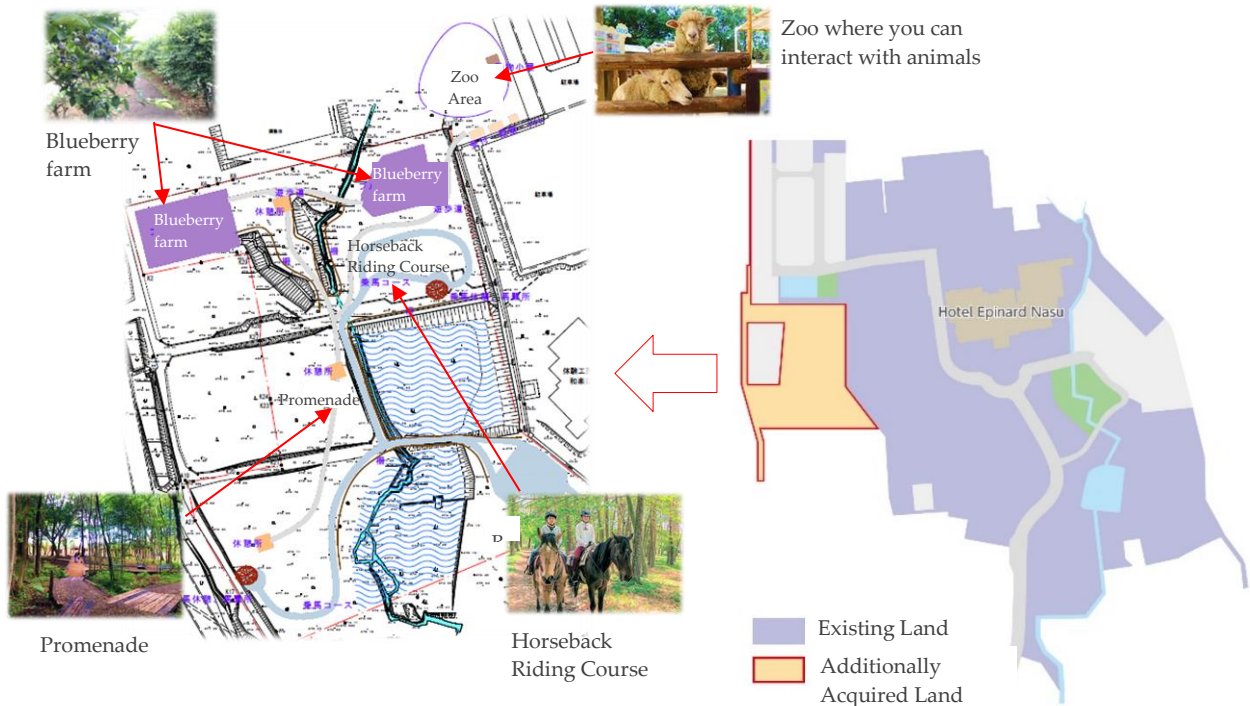
(Note 2) GRESB is an annual benchmarking program to evaluate ESG considerations of property companies and real estate funds. The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of initiatives for sustainability of property companies, REITs and real estate funds, not of individual properties. GRESB rating is a relative evaluation based on comprehensive scores and the highest being "5-stars".



Development of land adjacent to Hotel Epinard Nasu

“Forest Area” is scheduled to open around the Golden Week holidays starting at the end of April. This development is socially significant as it will further enhance the appeal and profitability of Hotel Epinard Nasu, one of INV's flagship hotels, while preserving Nasu's rich natural environment.

<Outline of the plan to utilize the land adjacent to Hotel Epinard Nasu³>

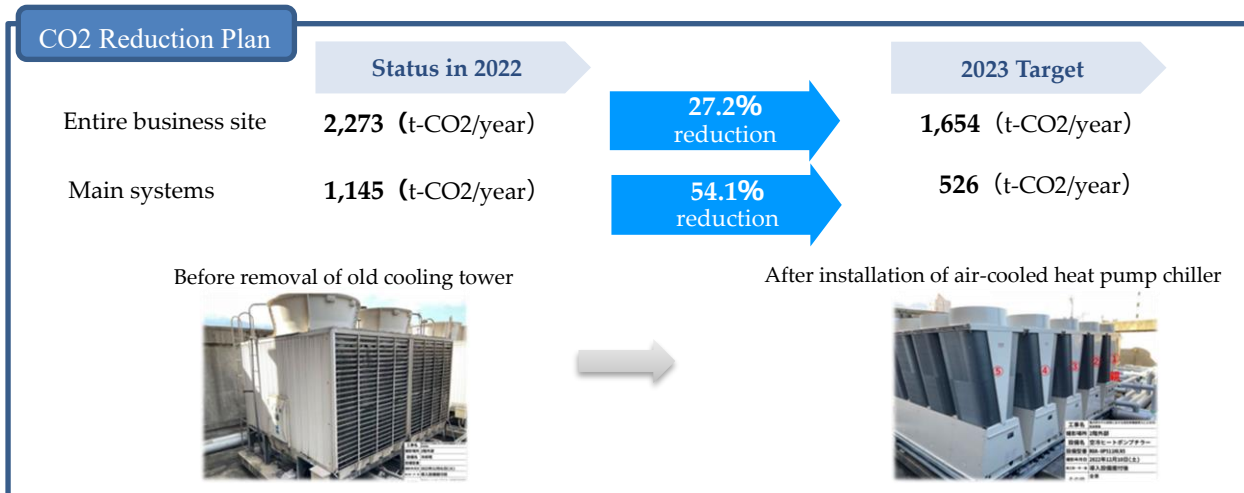


(Note 3) The photographs on this page are general images related to each of the facilities currently under consideration and are not intended to be a final rendering of this construction

Initiatives by MHM

Energy-saving construction using Ministry of the Environment subsidy (SHIFT Project⁴)

Kamenoi Hotel Beppu received a subsidy of JPY 36.5 million (about one-third of the total investment) from the Ministry of the Environment’s “Project for Promotion of Leading Decarbonization Initiatives in Factories and Business Sites (SHIFT Project)” to remove a heavy oil-fired hot water boiler that was due for renewal and install a hybrid hot water/heating system and high-efficiency air conditioning system. The hotel aims to reduce CO2 emissions and energy costs (approx. JPY 9 million per year) by removing and installing the above.



(Note 4) Projects that support initiatives that serve as role models for decarbonization (setting reduction targets, formulating reduction plans, and implementing facility upgrades, electrification, fuel conversion, and operational improvements) at factories and business sites to achieve Japan's 2030 GHG reduction targets and achieve carbon neutrality in 2050

■ 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.

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

Overview of the Unitholder Benefit Program^(Note 1)

Applicable Hotels	<ul style="list-style-type: none"> ■ Sheraton Grande Tokyo Bay Hotel ■ All 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 Reservation via phone or Email ■ All MyStays hotels and Kamenoi Hotels Reservation via official website or phone
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



Hotel Epinard Nasu



Fusaki Beach Resort Hotel & Villas



Hotel MyStays Premier Kanazawa



Hotel MyStays Premier Akasaka



(Note 1) The details of the unitholder benefit program described above are as planned by Invincible as of February 28, 2023, and the program may be changed or abolished even after it has been introduced

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

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

I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		35th fiscal period	36th fiscal period	37th fiscal period	38th fiscal period	39th fiscal period	
Reporting period		Jul. 1, 2020 to Dec. 31, 2020	Jan. 1, 2021 to Jun. 30, 2021	Jul. 1, 2021 to Dec. 31, 2021	Jan. 1, 2022 to Jun. 30, 2022	Jul. 1, 2022 to Dec. 31, 2022	
Operating Results	Operating revenue	(JPY thousand)	8,340,593	3,806,176	8,406,334	7,680,227	11,929,599
	(Rental revenue – real estate)	(JPY thousand)	5,738,249	3,806,176	5,837,847	5,198,229	10,182,751
	Operating expenses	(JPY thousand)	6,649,749	6,147,595	6,113,994	5,565,846	5,672,588
	(Property-related expenses)	(JPY thousand)	5,044,533	4,720,815	4,777,042	4,498,723	4,606,538
	Operating income (loss)	(JPY thousand)	1,690,843	(2,341,419)	2,292,339	2,114,380	6,257,011
	Ordinary income (loss)	(JPY thousand)	624,333	(3,599,083)	1,014,799	1,015,760	5,075,941
	Net income (loss)	(JPY thousand)	623,728	(3,599,688)	1,014,194	1,015,155	5,075,336
Assets	Total assets (change from last period)	(a) (JPY thousand) (%)	516,490,350 (0.0)	497,899,915 (3.6)	494,819,805 (0.6)	490,118,752 (1.0)	494,237,781 0.8
	Interest-bearing debt	(JPY thousand)	262,588,000	249,198,000	244,945,000	241,372,000	240,797,000
	Net assets (change from last period)	(b) (JPY thousand) (%)	249,641,218 0.0	245,113,891 (1.8)	246,130,354 0.4	246,211,129 0.0	250,321,091 1.7
	Unitholders' capital	(JPY thousand)	235,701,512	235,701,512	235,701,512	235,701,512	235,701,512
Dividend Status	Total distributions	(c) (JPY thousand)	1,018,172	91,452	1,012,075	1,012,075	5,072,570
	Dividend payout ratio	(Note 1) (%)	163.2	-	99.8	99.7	99.9
Information per Unit	Number of investment units issued and outstanding	(d) (Units)	6,096,840	6,096,840	6,096,840	6,096,840	6,096,840
	Net assets per unit	(b) / (d) (Note 2) (JPY)	40,946	40,203	40,370	40,383	41,058
	Distributions per unit (Distributions of earnings per unit)	(c) / (d) (JPY) (JPY)	167 167	15 15	166 166	166 166	832 832
	(Distributions in excess of retained earnings per unit)	(JPY)	-	-	-	-	-
Financial Measures	Return on assets (annualized)	(Note 3) (%)	0.1 0.2	(0.7) (1.4)	0.2 0.4	0.2 0.4	1.0 2.0
	Return on equity (annualized)	(Note 3) (%)	0.2 0.5	(1.5) (2.9)	0.4 0.8	0.4 0.8	2.0 4.1
	Capital ratio (change from last period)	(b) / (a) (Note 3) (%) (%)	48.3 0.0	49.2 0.9	49.7 0.5	50.2 0.5	50.6 0.4
	NOI (Net Operating Income)	(Note 3) (JPY thousand)	3,703,215	2,090,413	4,201,550	4,936,210	10,509,695

(Note 1) Dividend payout ratio is calculated in accordance with the following formula and rounded to one decimal place:

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

(Note 2) Net assets per unit are rounded to the nearest unit.

(Note 3) Figures above are calculated as below, and ratios are rounded to one decimal place. Figures annualized according to the number of days are also shown.

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

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

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

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

2 Overview of Asset Management for the Fiscal Period Ended December 2022

(a) Main Trends of INV

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

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

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

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

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

In the Fiscal Period ended December 31, 2022 (“Reporting Period”), INV additionally acquired the land adjacent to Hotel Epinard Nasu (the “Adjacent Land”) on September 9, 2022. Since the Adjacent Land is positioned as an integral portion of the existing hotel, the number of INV’s properties remained unchanged. INV’s portfolio at the end of the Reporting Period comprised of 128 properties (86 hotels (Note 3) (Note 4), 41 residential properties and one retail facility) with a total acquisition price of JPY 491,416 million (Note 5) that increased by the additional acquisition of the Adjacent Land. Furthermore, INV’s hotel portfolio has the largest asset size (Note 6) of JPY 450,631 million (86 properties, 15,597 rooms) among all J-REIT hotel portfolios including hotel-and-inn-specific type investment corporations.

(Note 1) US Eastern Standard Time

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

SoftBank Group owns 100% of issued shares of CIM directly and indirectly.

- (Note 3) The preferred equity interest held by INV is counted as one property. Such preferred equity interest issued by a special purpose company (tokutei mokuteki kaisha) refers to 178,458 units of the preferred equity interest issued by Kingdom Special Purpose Company (the “TMK”) (equivalent to 49.0% of the total issued and outstanding preferred equity interest), which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. The property is classified as a hotel, based on the use of Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest, and INV’s investment amount of the preferred equity interest is used as the acquisition price of the preferred equity interest, unless otherwise stated. The “underlying asset” refers to the real estate or the real estate related assets owned by a TK operator of TK interest or a TMK relating to the preferred equity interest which INV owns, thus the real estate or the real estate related assets which will be the revenue source of INV. Hereinafter the same shall apply.
- (Note 4) From September 28, 2018 (Cayman Island local time; September 29, 2018 in Japan local time), INV owned 100% of the TK interest in Seven Mile Resort Holdings Ltd. (the “Cayman SPC”), a Cayman Islands special purpose company that holds leasehold interests in the Cayman Hotels and ancillary assets as underlying assets. However, INV implemented the investment structure change (the “Structure Change” in some cases hereinafter) regarding the Cayman Hotels on May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time) and has directly held the Leasehold Interests, etc. of the Cayman Hotels thereafter. Both of the TK interest and the Cayman Hotels are counted as two properties before and after the Structure Change. In addition, the “Leasehold Interests, etc.” means leasehold interests (rights equivalent to long-term real estate leases on land and buildings under the British Cayman laws) and furniture, fixtures, equipment, ornaments, kitchen instrument, and other assets required for hotel operations. Hereinafter the same shall apply.
- (Note 5) Due to the Structure Change, the book value of the leasehold interests of the Cayman Hotels recorded by the Cayman SPC as of May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time), when INV succeeded the leasehold interests of the Cayman Hotels from the Cayman SPC via distribution in kind in connection with the termination of TK agreement, is deemed as the acquisition price of the Cayman Hotels. The book value is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts concluded on July 26, 2018 and executed on September 26, 2018 in connection with the investment in the TK interest by INV. Hereinafter the same shall apply.
- (Note 6) “The largest asset size ... among all J-REIT hotel portfolios” refers to the total acquisition price of 86 hotels owned by INV as compared with the total acquisition price of hotels (including inns and other accommodation facilities) owned by listed investment corporations other than INV as of December 31, 2022.

(b) Operational Environment and Performance

Given the enormous impact of COVID-19 on the economy as a whole, especially in the hotel sector, on September 9, 2022 and December 9, 2022, INV entered into Memorandum of Understanding (the “MOU”) to amend each fixed-term building lease and property management agreement (“MLPM Agreements”) pertaining to the rent conditions for the periods from July 1, 2022 to September 30, 2022 and from October 1, 2022 to December 31, 2022 for domestic hotels owned by INV and operated by INV’s main tenant, MyStays Hotel Management Co., Ltd. (“MHM”) and its affiliates (collectively the “MHM Group” along with MHM). Pursuant to the MOU, we have changed the rent payment conditions of MLPM Agreements in terms of the amount of fixed rent payment, the variable rent calculation method, payment method of rent and payment date. With the recovery in hotel portfolio performance, the total fixed rent for the properties operated by the MHM Group from October 1, 2022 to December 31, 2022 was the same as the total fixed rent amount stipulated in the original MLPM Agreements.

For the December 2022 fiscal period, the portfolio NOI (Note 1) increased by 150.1% or JPY 6,308 million compared to the same period in the previous year (the December 2021 fiscal period) to JPY 10,509 million. The hotel portfolio NOI increased by JPY 6,528 million. The residential and retail portfolio NOI decreased by JPY 220 million due to asset sales. Compared to the December 2019 fiscal period prior to the COVID-19 pandemic, the portfolio NOI decreased by 30.7% or JPY 4,654 million, of which the hotel portfolio NOI decreased by JPY 3,861 million and the residential and retail portfolio NOI decreased by JPY 792 million due to asset sales.

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

The NOI for the Reporting Period of the 75 domestic hotels (Note 2) owned by INV increased by 171.8% compared to the same period in the previous year (figures exclude nine domestic hotels with fixed-rent lease agreements among the 84 domestic hotels owned by INV as of the end of the Reporting Period, including Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV). The 75 domestic hotels recorded an occupancy rate (Note 3) of 75.9% (+23.5 points YoY), ADR (Note 4) of JPY 10,199 (+33.0% YoY), and RevPAR (Note 5) of JPY 7,744 (+92.6% YoY). Compared to the December 2019 fiscal period prior to the COVID-19 pandemic, the NOI decreased by 36.8%, the occupancy rate decreased by 12.4pt, ADR decreased by 3.9%, and RevPAR decreased by 17.4%.

Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort recorded an average occupancy rate of 56.2% (+41.3 points YoY), ADR of USD 403 (+108.9% YoY), and RevPAR of USD 226 (+687.6% YoY) for the Reporting Period. Compared to the December 2019 fiscal period prior to the COVID-19 pandemic, the occupancy rate decreased by 16.1pt, ADR increased by 22.9%, and RevPAR decreased by 4.5%.

Regarding the hotel sector in Japan, Japan was hit by the seventh wave of COVID-19 infections from summer to early autumn. However, there were no restrictions on movement during this period. Tourism and accommodation demand were solid, partly because events such as fireworks festivals and summer festivals resumed in various places for the first time in three years. The government's travel subsidy program "National Travel Discount Campaign" which started in October 2022 helped to boost domestic accommodation demand. As a result, the total number of domestic guests in the market exceeded the 2019 levels each month from October to December 2022 according to the "Stay-over Travel Statistical Survey" released by the Japan Tourism Agency on January 31, 2023. Moreover, in response to the substantial relaxation of border measures in October 2022 and the depreciation of the yen, inbound demand also recovered significantly.

As for the Cayman Hotels, demand has been on a recovery trend, as all travel-related restrictions to the Cayman Islands have been lifted on August 24, 2022 and the total number of seats on commercial flights to and from the United States by major airlines has recovered to the 2019 levels. Visitors are more willing to pay a premium for their long-delayed vacations, and the ADR in 2022 consistently exceeded the ADR of the same month in 2019 since May 2022. Further, RevPAR in 2022 consistently exceeded the RevPAR of the same month in 2019 since October 2022. Moreover, GOP and NOI of the Cayman hotels in the 4th quarter of 2022 exceeded those of 4th quarter 2019, both in USD and in JPY.

Regarding the residential portfolio (Note 6), the occupancy rate (Note 7) of 41 residential properties increased by 0.4 points from 96.0% at the end of the previous fiscal period to 96.4% at the end of the Reporting Period. The average occupancy rate (Note 7) increased by 0.5 points YoY at 96.3%. The NOI (Note 8) for the Reporting Period increased by 0.8% YoY.

In the Reporting Period, INV realized a rent increase for 31.4% (based on the number of contracts) of the new residential lease contracts, however the new rent decreased by 1.3% compared to the previous rent across all new leases (Note 9). INV achieved a rent increase for 49.8% (based on the number of contracts) of contract renewals with an average rent increase of 1.6% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate (Note 10) of 79.7%. Combined, new lease and renewal lease rents were signed at 0.5% higher than the previous leases. The average rent per tsubo per month (Note 11) for the Reporting Period increased by 0.3% YoY at JPY 9,172.

The total appraisal value of 127 properties was JPY 532,570 million (one out of the 128 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 89,278 million (Note 12) and an unrealized gain ratio of 20.1% (Note 12). The total appraisal value of 127 properties which were owned throughout the Reporting Period increased by 0.4% from JPY 530,212 million at the end of the June 2022 fiscal period to JPY 532,570 million at the end of the Reporting Period.

Key Performance Indicators of 75 Domestic Hotel Properties (Note 2)

	December 2022 fiscal period	Year-on-year change	vs 2H 2019
Occupancy Rate (Note 3)	75.9%	+23.5pt	-12.4pt
ADR (JPY) (Note 4)	10,199	+33.0%	-3.9%
RevPAR (JPY) (Note 5)	7,744	+92.6%	-17.4%
GOP (JPY million) (Note 13)	8,855	+165.5%	-31.3%

Key Performance Indicators of Cayman Hotels

	December 2022 fiscal period	Year-on-year change	vs 2H 2019
Occupancy Rate (Note 3)	56.2%	+41.3pt	-16.1pt
ADR (USD) (Note 4)	403	+108.9%	+22.9%
RevPAR (USD) (Note 5)	226	+687.6%	-4.5%
GOP (USD) (Note 13)	13,177,397	- (Note 14)	-0.8%

Key Performance Indicators of 41 Residential Properties (Note 6)

	December 2022 fiscal period	Year-on-year change
Occupancy Rate (Note 7)	96.4%	+0.8pt
Average Rent per Tsubo per Month (JPY) (Note 11)	9,172	+0.3%
NOI (JPY million) (Note 8)	1,118	+0.8%

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

$$\text{NOI} = \text{Rental Revenues} - \text{Property Related Expenses} + \text{Depreciation Expenses} + \text{Dividend on the preferred equity interest (TMK dividend)} + (\text{Management Contract Revenue of the Cayman Hotels} - \text{Management Contract Expense})$$
- (Note 2) Of the 84 hotels held as of the end of December 2022 (including the Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV), the following nine hotels with fixed-rent lease agreements are excluded: Super Hotel Shinbashi/Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel. In addition, the figures for the properties acquired after July 2019 are calculated on the assumption INV had acquired those properties on July 1, 2019, using the actual figures provided by the sellers of such properties for the period before the acquisition. Hereinafter the same shall apply.
- (Note 3) “Occupancy rate” for the hotel properties is calculated in accordance with the following formula:

$$\text{Occupancy rate} = \frac{\text{total number of occupied rooms during a certain period}}{\text{total number of rooms available during the same period (number of rooms x number of days)}}$$
 Hereinafter the same shall apply.
- (Note 4) “ADR” means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period. Hereinafter the same shall apply.
- (Note 5) “RevPAR” means revenues per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates. Hereinafter the same shall

apply.

- (Note 6) Based on the 41 residential properties owned as of the end of December 2022. Hereinafter the same shall apply.
- (Note 7) “Occupancy Rate” and “Average Occupancy Rate” for the portfolio or the residential properties are calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month during the relevant period. Hereinafter the same shall apply.
- (Note 8) For the comparison of NOI for the residential properties, one-off insurance-related revenues and expenses are excluded. Hereinafter the same shall apply.
- (Note 9) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents. Hereinafter the same shall apply.
- (Note 10) Renewal rate is calculated by the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period.
- (Note 11) “Average Rent per Tsubo per Month” is calculated by dividing the total rental revenue (including common area charges) for each month by the sum of total leased area (tsubo) at the end of each month during the relevant period.
- (Note 12) The unrealized gain is calculated using the following formula: the appraisal value as of the end of the Reporting Period - book value as of the end of the Reporting Period.
The unrealized gain ratio is calculated using the following formula: the unrealized gain ÷ book value as of the end of the Reporting Period.
- (Note 13) “GOP” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel’s revenues. GOP for each fiscal period ended June 2020 and onwards includes the amount of employment adjustment subsidies received by the hotel operators for the respective fiscal periods. In addition, GOP for the Sheraton Grande Tokyo Bay Hotel has been multiplied by 49%, or INV’s ownership ratio of the preferred equity interest. Hereinafter the same shall apply.
- (Note 14) GOP of the Cayman Hotels was USD -1,151,126 in the same period of 2021.

(c) Overview of Fund Raising

As a result of the measures described below, INV’s interest-bearing debt outstanding balance was JPY 240,797 million and the Interest-Bearing Debt ratio (Note 1) and LTV (appraisal value basis) (Note 2) were 48.7% and 44.5% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.45%.

- (Note 1) Interest-Bearing Debt ratio uses the calculation formula below:
$$\text{Interest-Bearing Debt ratio} = \frac{\text{total outstanding interest-bearing debt (excluding short-term consumption tax loans)}}{\text{total assets}} \times 100$$
- (Note 2) LTV (appraisal value basis) uses the calculation formula below:
$$\text{LTV} = \frac{\text{total outstanding interest-bearing debt (excluding short-term consumption tax loans)}}{\text{total appraisal value (*)}} \times 100$$
- (*) Since appraisal value for Sheraton Grande Tokyo Bay Hotel (preferred equity interest) is not available, the acquisition price of the preferred equity interest (JPY 17,845 million) is deemed as appraisal value of Sheraton Grande Tokyo Bay Hotel (preferred equity interest). The appraisal value of the Cayman Hotels is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts concluded on July 26, 2018 and executed on September 26, 2018.
- (Note 3) The average interest rate (annual rate) is calculated by the weighted average based on the outstanding balance of borrowings and rounded to two decimal places.

(i) Borrowing of Funds

INV borrowed New Syndicate Loan (003) on July 19, 2022 (total amount borrowed: JPY 49,684 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year), which was arranged by Mizuho Bank, Ltd. and Term Loan (005) on July 20, 2022 (total amount borrowed: JPY 600 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.35000% for a duration of three years), which was arranged by The Tokyo Star Bank, Limited in order to repay New Syndicate Loan (V) in the amount of JPY 40,024 million due on July 16, 2022, one of the

tranches of New Syndicate Loan (I) in the amount of JPY 9,660 million due on July 17, 2022, and Term Loan (N) in the amount of JPY 600 million due on July 20, 2022.

Moreover, INV borrowed Term Loan (006) on September 14, 2022 (total amount borrowed: JPY 3,000 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year), which was arranged by Sumitomo Mitsui Banking Corporation in order to repay Term Loan (X) in the amount of JPY 3,000 million due on September 14, 2022.

Furthermore, INV borrowed New Syndicate Loan (004) on September 26, 2022, September 27, 2022 and October 13, 2022 (total amount borrowed: JPY 28,571 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year) and New Syndicate Loan (005) on September 27, 2022 (total amount borrowed: JPY 639 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year), which were arranged by Mizuho Bank, Ltd., and Term Loan (007) on September 27, 2022 (total amount borrowed: JPY 1,256 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year), which was arranged by Citibank, N.A., Tokyo Branch, and Term Loan (008) on October 13, 2022 (total amount borrowed: JPY 1,190 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.50000% for a duration of five years), which was arranged by The Tokyo Star Bank, Limited in order to repay one of the tranches of New Syndicate Loan (J) in the amount of JPY 13,120 million due on September 26, 2022, and New Syndicate Loan (W) in the amount of JPY 11,851 million, New Syndicate Loan (X) in the amount of JPY 639 million and Term Loan (Y) in the amount of JPY 1,256 million due on September 27, 2022, and one of the tranches of New Syndicate Loan (H) in the amount of JPY 5,365 million due on October 13, 2022.

In addition, INV borrowed Term Loan (009) on November 29, 2022 (total amount borrowed: JPY 4,321 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year), which was arranged by Mizuho Bank, Ltd. in order to repay Term Loan (Z) in the amount of JPY 4,321 million due on November 29, 2022.

As described in “6 Significant Subsequent Events, (Reference Information), (a) Debt Financing” below, INV decided to borrow Term Loan (010) on December 22, 2022 and borrowed on January 6, 2023 (total amount borrowed: JPY 1,550 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.25000% for a duration of one year), which was arranged by Sumitomo Mitsui Trust Bank, Limited in order to repay one of the tranches of New Syndicate Loan (P) in the amount of JPY 1,550 million due on January 6, 2023.

(d) Overview of Acquisition of Assets

INV completed the additional acquisition of real estate (Note 1) pertaining to one hotel on September 9, 2022 as follows.

Property Number	Property Name	Acquisition Price (JPY million) (Note 2)	Appraisal Value (JPY million) (Note 3)	Seller
D44	Hotel Epinard Nasu (Additional acquisition of adjacent land)	21	27	Nasu Estate Co., Ltd.

(Note 1) The acquired asset is actual real estate. We established an additional trust on the real estate management and disposal trust pertaining to Hotel Epinard Nasu with Sumitomo Mitsui Trust Bank, Limited as the trustee on the acquisition date.

(Note 2) Acquisition Price does not include adjustments for property taxes, city planning taxes, or national or local consumption taxes. Hereinafter the same shall apply.

(Note 3) Appraisal Value is based on appraisal value stated in the appraisal report by JLL Morii Valuation & Advisory K.K. on the valuation date of June 21, 2022.

(Note 4) Amounts are rounded down to the nearest million yen.

(e) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 4,249 million from the previous period (+55.3%) to JPY 11,929 million, resulting in a net income of JPY 5,075 million, an increase of JPY 4,060 million from the previous period (+400.0%). Unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 8,667 million) is JPY 13,742 million. INV has decided to set the distribution per unit (excluding excess profit distribution) of JPY 832 without reversing retained earnings.

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 and outstanding		Unitholders' capital (JPY)		Reference
		Increase	Total	Increase	Total	
August 1, 2018	Public offering	909,524	5,702,705	40,280,089,388	209,078,544,702	(Note 1)
August 21, 2018	Third-party allotment	45,476	5,748,181	2,013,995,612	211,092,540,314	(Note 2)
December 28, 2018	Retirement	(81,341)	5,666,840	-	211,092,540,314	(Note 3)
July 18, 2019	Public offering	409,524	6,076,364	23,317,887,036	234,410,427,350	(Note 4)
August 15, 2019	Third-party allotment	20,476	6,096,840	1,165,882,964	235,576,310,314	(Note 5)
August 22, 2019	Reversal of allowance for temporary differences adjustment	-	6,096,840	125,201,855	235,701,512,169	(Note 6)

(Note 1) New investment units were issued in a public offering at a price of JPY 45,776 per unit (JPY 44,287 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.

(Note 2) New investment units were issued in a third-party allotment at a price of JPY 44,287 per unit for the purpose of raising a part of the funds for the acquisition of new properties.

(Note 3) INV acquired own investment units from December 13, 2018 to December 18, 2018 (on a trade date basis) through the market purchase at Tokyo Stock Exchange based on a discretionary transaction contract with a securities company.

INV resolved the retirement of all the acquired own investment units at the Board of Directors' Meeting held on December 25, 2018 and the acquired own investment units were retired on December 28, 2018.

The acquisition of own investment units was conducted using capital surplus, and thus there is no change to unitholders' capital.

(Note 4) New investment units were issued in a public offering at a price of JPY 58,898 per unit (JPY 56,939 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.

(Note 5) New investment units were issued in a third-party allotment at a price of JPY 56,939 per unit for the purpose of raising a part of the funds for the acquisition of specified assets.

(Note 6) INV decided at the Board of Directors' Meeting held on August 22, 2019, the reversal of allowance for temporary difference adjustments for incorporation into unitholders' capital.

Trends in Trading Prices of Investment Securities

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

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: JPY)

Period	35th fiscal period	36th fiscal period	37th fiscal period	38th fiscal period	39th fiscal period
Closing month	December 2020	June 2021	December 2021	June 2022	December 2022
Highest	39,800	47,650	45,800	45,800	52,500
Lowest	23,500	31,400	34,450	34,000	36,250

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 832 without reversing retained earnings.

Period	35th fiscal period	36th fiscal period	37th fiscal period	38th fiscal period	39th fiscal period
Calculated Period	Jul. 1, 2020 to Dec. 31, 2020	Jan. 1, 2021 to Jun. 30, 2021	Jul. 1, 2021 to Dec. 31, 2021	Jan. 1, 2022 to Jun. 30, 2022	Jul. 1, 2022 to Dec. 31, 2022
Unappropriated retained earnings (JPY thousand)	13,371,340	8,753,480	9,676,221	9,679,301	13,742,562
Reserved profit (JPY thousand)	12,353,168	8,662,027	8,664,146	8,667,226	8,669,991
Total cash distribution (JPY thousand)	1,018,172	91,452	1,012,075	1,012,075	5,072,570
(Distribution per unit) (JPY)	167	15	166	166	832
Total profit distribution (JPY thousand)	1,018,172	91,452	1,012,075	1,012,075	5,072,570
(Profit distribution per unit) (JPY)	167	15	166	166	832
Total refund of investment (JPY thousand)	-	-	-	-	-
(Refund of investment per unit) (JPY)	-	-	-	-	-
Total distribution from the allowance for temporary differences adjustment out of total refund of investment (JPY thousand)	-	-	-	-	-
(Distribution from the allowance for temporary differences adjustment per unit out of refund of investment per unit) (JPY)	-	-	-	-	-
Total distribution from unitholders' equity under the tax laws out of the total refund of investment (JPY thousand)	-	-	-	-	-
Distribution from unitholders' equity under the tax laws out of refund of investment per unit (JPY)	-	-	-	-	-

5 Future operational policy and issues to be addressed

Outlook for the Fiscal Periods Ending June 30, 2023

The Japanese economy is gradually recovering due to the resumption of economic activity through the spread of the “With Corona” lifestyle, which aims to coexist with COVID-19, and the recovery of inbound consumption, which is supported by the depreciation of the yen along with the pent-up demand for travel. On the other hand, there is a risk that a further slowdown in overseas economies may trigger a temporary slowdown in domestic economic growth, so it is necessary to pay close attention to the impact of fluctuations in the financial and capital markets and international affairs. In the hotel market, the recovery trend is expected to continue for domestic and inbound demand in both leisure and business segments. However, it may take some time for the number of Chinese tourists to return to pre-2019 levels since border measures are again being implemented upon entry into Japan as of the date of this document, due to the rapid spread of COVID-19 infections in China after the change in its zero-Corona policy. Travelers from China accounted for about 30% of all inbound travelers to Japan in 2019.

In the rental housing market, lifestyle changes due to the impact of COVID-19 infections are expected to affect tenant trends, and INV will keep an eye on such trends.

(a) Future operational policy and issues to be addressed

Since July 2011, INV has focused on improving the profitability of its portfolio and strengthening its financial base in order to enhance unitholder value with the Fortress Group as its sponsor. Fortress Group became a member of SoftBank Group in December 2017 and SoftBank Group has owned 100% of issued shares of CIM directly and indirectly since March 29, 2018. In addition to access to Fortress’ global real estate expertise, INV will collaborate with SoftBank Group affiliates that have cutting-edge expertise in various technology fields.

INV will actively promote efforts to acquire new demand under the environment of "With 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.

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

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

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

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

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

Property Sales

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

(ii) Strategy for internal growth

(Hotels)

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

In response to the reduction in hotel demand, the MHM Group is taking steps to reduce hotel operating expenses and recover revenues by reviewing its operational strategy. GOP significantly recovered in the fourth quarter of 2022 due to 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). In particular, both GOP and GOP ratio (Note 2) for December 2022 exceeded the levels in the same month of 2019. In order to minimize the impact of rising costs such as utility costs and foodstuffs, we set detailed rates for each hotel based on factors such as occupancy rates and costs.

The MHM Group is vigorously working to stimulate demand from domestic customers by providing corporate customers with diverse options including a new lineup of meeting options highlighting strict measures to reduce the spread of COVID-19 and various options including educational tours and employee training while grasping changes in customer demand under the “With Corona” environment. In addition, the MHM Group is focusing on creating demand, including continuation of delivery and take-out services and the development of new menus through directly managed restaurants in the hotel.

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).

(Note 2) An indicator of hotel profitability, calculated as GOP divided by sales.

(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

The long-term issuer rating from Japan Credit Rating Agency, Ltd. (JCR) is “A” (Outlook: Stable) as of the date of this document.

INV has implemented initiatives that restrict an increase in interest payments upon refinancing of existing borrowings and ensure continued refinancing. From now on INV will implement financial strategies such as the extension of average interest-bearing debt repayment periods as well as diversification of loan maturity dates and financing measures in the “With Corona” environment.

(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 with 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, Eight hotels owned by INV acquired the certification of Building-Housing Energy-efficiency Labeling System ("BELS"). In particular, Hotel MyStays Premier Akasaka, Hotel MyStays Yokohama Kannai, and Hotel MyStays Fukuoka Tenjin have been rated five stars "★★★★★", and Hotel MyStays Premier Kanazawa and Hotel MyStays Fuji Onsen Resort have been rated four stars "★★★★" due to high energy conservation performance.

As initiatives for society, CIM is working on various measures for tenants and 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 conducts an employee satisfaction survey once every three years with the aim of improving its working environment, provides paid vaccine leave so that officers and employees can receive COVID-19 vaccines and deal with any potential side-effects, and gives full subsidy for a comprehensive medical checkup without age restrictions.

As the spread of COVID-19 continues, some hotels owned by INV (APA Hotel Yokohama-Kannai, Hotel MyStays Oita and Comfort Hotel Kitami) have been used as accommodation and medical facilities for patients with mild symptoms or quarantine facilities for returnees from overseas in terms of social contributions. Also, meeting rooms at Hotel MyStays

Shin Osaka Conference Center were provided as a vaccination venue.

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 borrow Term Loan (010) on December 22, 2022 and borrowed on January 6, 2023 in order to repay one of the tranches of New Syndicate Loan (P) in the amount of JPY 1,550 million due on January 6, 2023.

Moreover, INV decided to borrow New Syndicate Loan (006), Term Loan (011), and Term Loan (012) on January 12, 2023 and borrowed on January 16 and January 24, 2023 in order to repay (i) one of the tranches of New Syndicate Loan (L) in the amount of JPY 4,943 million due on January 16, 2023, (ii) one of the tranches of New Syndicate Loan (M) in the amount of JPY 5,796 million due on January 16, 2023, (iii) Term Loan (001) in the amount of JPY 1,700 million due on January 24, 2023, and (iv) Term Loan (002) in the amount of JPY 6,800 million due on January 24, 2023.

(i) Term Loan (010)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
Sumitomo Mitsui Trust Bank, Limited	January 6, 2023	1,550	Floating interest rates (Note 1)	January 24, 2024	Unsecured/non guarantee

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

(ii) New Syndicate Loan (006)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch SBI Shinsei Bank, Limited Development Bank of Japan, Inc. Resona Bank, Limited The Nomura Trust and Banking Co., Ltd.	January 16, 2023	10,408	Floating interest rates (Note 1)	January 16, 2024	Unsecured/non guarantee

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

(iii) Term Loan (011)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
MUFG Bank, Ltd.	January 24, 2023	1,700	Floating interest rates (Note 1)	January 24, 2024	Unsecured/ non guarantee

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

(iv) Term Loan (012)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
Sumitomo Mitsui Trust Bank, Limited	January 24, 2023	6,800	Floating interest rates (Note 1)	January 24, 2024	Unsecured/ non guarantee

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

Overview of the Investment Corporation

1 Overview of Investment

By Period	35th fiscal period	36th fiscal period	37th fiscal period	38th fiscal period	39th fiscal period
Results Dates	As of Dec. 31, 2020	As of Jun. 30, 2021	As of Dec. 31, 2021	As of Jun. 30, 2022	As of Dec. 31, 2022
Number of issuable investment units (Unit)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Number of investment units issued and outstanding (Unit)	6,096,840	6,096,840	6,096,840	6,096,840	6,096,840
Unitholders' capital (JPY million)	235,701	235,701	235,701	235,701	235,701
Number of total unitholders	38,074	33,747	31,238	30,005	27,005

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)	1,314,270	21.55
Custody BANK of Japan, Ltd. (trust account)	998,933	16.38
The Nomura Trust and Banking Co., Ltd. (investment trust account)	309,821	5.08
DEUTSCHE BANK AG, SINGAPORE A/C CLIENTS (TREATY)	195,692	3.20
STICHTING PENSIOENFONDS ZORG EN WELZIJN	153,784	2.52
SSBTC CLIENT OMNIBUS ACCOUNT	128,746	2.11
JP MORGAN CHASE BANK 380055	122,453	2.00
FJODF GP INV HOLDINGS LLC	115,931	1.90
STATE STREET BANK AND TRUST COMPANY 505223	101,124	1.65
STATE STREET BANK WEST CLIENT - TREATY 505234	97,923	1.60
Total	3,538,677	58.04

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

3 Notes regarding Directors

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

Position	Name	Concurrent responsibilities	Directors' remuneration for operating period (JPY thousand)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co., Ltd. (current position)	-
Supervisory Director	Yoshihiro Tamura	Attorney, Shiba-Daimon Law Office Statutory Auditor, BEQONE PARTNERS, Inc. (current position)	2,400
	Hiroyuki Fujimoto	Certified Public Accountant, CPA Fujimoto Office Outside Auditor, BRYCEN Co., Ltd. (current position) Outside Director, the Audit & Supervisory Committee Member, NEO MARKETING INC. (current position)	2,400
Auditor	Ernst & Young ShinNihon LLC	-	18,500

(Note1) Executive and supervisory directors do not hold INV's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with INV.

Determination policy for dismissal or non-reappointment of Auditor

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

Notes regarding indemnification agreement between Directors and INV

Not applicable.

4 Notes regarding Directors Liability Insurance

Directors Liability Insurance concluded by INV is as below.

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

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

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

Delegation category	Name
Asset management company	Consonant Investment Management Co., Ltd.
Asset custody company	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (administration of unitholders' registry, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 1))	Consonant Investment Management Co., Ltd.
General administrative agent (accounting operations, etc.)	Sumitomo Mitsui Trust Bank, Limited
Special account management company	Mitsubishi UFJ Trust and Banking Corporation Limited (Note 2) / Sumitomo Mitsui Trust Bank, Limited (Note 3)
General administrative agent (Fiscal agent pertaining to investment corporation bonds, etc.)	Mizuho Bank, Ltd. / Sumitomo Mitsui Banking Corporation

(Note 1) (i) Tasks related to the running of general unitholders' meetings for INV (excluding tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms), (ii) tasks related to the running of the meetings of the Board of Directors of INV, and (iii) or tasks incidental or related to that mentioned in (i) or (ii) are delegated.

(Note 2) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the INV before the merger (former Tokyo Growth REIT Investment Inc.) as well as tasks related to other transfer savings account registers.

(Note 3) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the former LCP as well as tasks related to other transfer savings account registers.

Status of Investment Corporation's Assets under Management

1 Composition of INV's Assets

Type of asset	Purpose	Geographic area (Note 1)	Fiscal period ended June 30, 2022 (as of June 30, 2022)		Fiscal period ended December 31, 2022 (as of December 31, 2022)	
			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	2	0.0
		Major regional cities	-	-	-	-
		Overseas (Note 4)	33,892	6.9	33,546	6.8
		Subtotal	33,893	6.9	33,549	6.8
Total real estate			33,893	6.9	33,549	6.8
Real estate in trust	Residences	Greater Tokyo area	28,597	5.8	28,483	5.8
		Major regional cities	5,969	1.2	5,900	1.2
		Subtotal	34,567	7.1	34,383	7.0
	Offices/Commercial Facilities	Greater Tokyo area	-	-	-	-
		Major regional cities	1,621	0.3	1,605	0.3
		Subtotal	1,621	0.3	1,605	0.3
	Hotels	Greater Tokyo area	167,689	34.2	167,035	33.8
		Major regional cities	208,004	42.4	206,718	41.8
		Subtotal	375,693	76.7	373,753	75.6
	Total real estate in trust			411,882	84.0	409,741
Preferred equity interest (Note 5)			17,856	3.6	17,856	3.6
Deposits and other assets			26,485	5.4	33,089	6.7
Total assets (Note 6)			490,118 (445,776)	100.0 (91.0)	494,237 (443,291)	100.0 (89.7)

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

(Note 2) "Amount held" is from the balance sheet as of the end of the Reporting Period (book value after depreciation for real estate, leasehold and real estate in trust). The amounts held for hotels are calculated by including book value of accompanying FF&E, in principle.

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

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

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

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

2 Major Properties

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

	Name of property	Book value (JPY million)	Leasable area (m ²) (Note 2)	Leased area (m ²)	Occupancy rate (%) (Note 3)	Ratio of rental revenue (%) (Note 4)	Main use
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	28,170	21,528.23	21,528.23	100.0	-	Hotel
D43	Hotel MyStays Gotanda Station	26,157	10,137.88	10,137.88	100.0	3.0	Hotel
D60	Hotel MyStays Premier Akasaka	20,159	8,620.69	8,620.69	100.0	2.0	Hotel
D44	Hotel Epinard Nasu	18,421	37,702.33	37,702.33	100.0	11.3	Hotel
D61	Hotel MyStays Premier Sapporo Park	15,857	21,670.64	21,670.64	100.0	2.3	Hotel
D64	Hotel MyStays Sapporo Aspen	15,167	15,313.17	15,313.17	100.0	2.1	Hotel
D50	Hotel MyStays Shin Osaka Conference Center	12,770	13,026.99	13,026.99	100.0	1.7	Hotel
D47	Hotel MyStays Premier Kanazawa	12,360	13,250.03	13,250.03	100.0	2.0	Hotel
D82	Hotel MyStays Premier Narita	9,929	36,519.70	36,519.70	100.0	2.1	Hotel
D51	Hotel MyStays Premier Omori	9,745	11,849.61	11,849.61	100.0	1.3	Hotel
	Total	168,739	189,619.27	189,619.27	100.0	27.8	

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

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

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

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

3 Asset Portfolio of Real Estate, etc.

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

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interest (Note 4)	1,771.13	1,260	1,065
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,051.50	1,100	813
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	1,367.96	1,240	932
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interest	2,152.31	1,430	1,302
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	3,029.16	1,210	1,044
A33	Growth Maison Shin- Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	1,858.44	1,250	914
A34	Belle Face Ueno- Okachimachi	1-27-10 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest (Note 4)	1,351.11	1,120	901
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interest (Note 4)	1,562.26	1,070	767
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,015.34	823	708
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,368.57	696	637
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,167.50	706	713
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interest	1,235.93	605	658
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interest (Note 4)	1,210.74	789	496
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interest (Note 4)	1,047.75	517	552
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interest (Note 4)	557.05	630	543
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	907.46	550	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)
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	815.77	620	494
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interest (Note 4)	2,040.27	546	521
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interest (Note 4)	871.35	600	427
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest	1,627.13	1,390	788
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interest	1,220.24	856	568
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	3,426.36	1,570	994
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,929.59	715	381
A65	Lexington Square Haginomachi	1-15-18 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,528.58	464	256
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya- shi, Aichi	Trust beneficiary interest	705.75	310	227
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashi-Komagata, Sumida-ku, Tokyo	Trust beneficiary interest	784.74	736	401
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	4,460.56	1,270	850
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,554.03	877	490
A87	Excellente Kagurazaka	128-1 Yamabukicho, Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interest	701.92	859	487
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	765.18	814	407
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	530.60	686	376
A93	Siete Minami-Tsukaguchi	3-18-29 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interest	1,020.86	571	329
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe- shi, Hyogo	Trust beneficiary interest	789.12	578	323
A96	Century Park Shinkawa 1- bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,477.62	549	290
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interest	794.80	426	306
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interest	761.18	434	257
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interest	2,940.20	2,310	1,586

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	1,536
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interest	8,776.26	3,280	2,492
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interest	15,797.29	6,360	4,520
A106	Royal Parks Seasir Minami- Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interest	6,496.86	3,300	2,463
Subtotal				86,518.75	47,357	34,383
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interest	18,440.58	2,380	1,605
Subtotal				18,440.58	2,380	1,605
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,585.72	4,900	2,803
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interest	3,327.38	4,410	2,454
D03	Hotel MyStays Kyoto-Shijo	52 Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo- ku, Kyoto-shi, Kyoto	Trust beneficiary interest	7,241.51	8,160	5,496
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interest	6,232.30	7,200	4,382
D05	Hotel MyStays Maihama	3-5-1 Tekkadori, Urayasu-shi, Chiba	Trust beneficiary interest	2,456.36	6,820	4,499
D06	Hotel MyStays Premier Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	9,445.32	6,420	3,588
D07	Hotel MyStays Nagoya- Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	9,064.71	5,520	2,498
D08	Hotel MyStays Sakaisuji- Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka- shi, Osaka	Trust beneficiary interest	4,188.83	3,210	2,240
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	7,379.43	3,940	2,118
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interest	1,719.29	2,510	1,732
D11	Hotel MyStays Fukuoka- Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	3,412.71	5,560	1,388
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,953.38	2,090	1,313
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interest	1,150.76	2,010	1,179
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa- ku, Tokyo	Trust beneficiary interest	1,134.52	1,980	1,166
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interest	2,539.75	2,120	1,174

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	2,200	1,068
D17	Hotel MyStays Otetamae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,956.66	2,410	1,107
D18	Hotel MyStays Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interest	2,673.64	1,460	835
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	770.56	803	544
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	391.49	387	277
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	6,568.51	9,930	7,228
D22	Hotel MyStays Hakodate-Goryokaku	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interest	7,961.26	3,910	2,594
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interest	1,754.06	2,430	2,054
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interest	5,400.16	8,320	6,964
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	4,349.67	7,540	5,206
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest	2,247.92	3,940	3,568
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	2,793.99	5,060	3,447
D28	Hotel MyStays Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interest	3,559.81	2,460	2,001
D29	Super Hotel Shinbashi/ Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interest	1,403.89	1,880	1,561
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interest	1,714.53	1,380	1,253
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya- shi, Tochigi	Trust beneficiary interest	11,733.23	2,090	1,164
D32	Flexstay Inn Kawasaki- Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,190.57	1,160	861
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interest	3,305.64	1,170	875
D34	Flexstay Inn Kawasaki- Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	725.60	902	851
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interest	3,932.93	4,650	4,715
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,832.97	1,190	1,054
D37	Super Hotel JR Ueno- Iriyaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interest	1,279.16	1,180	1,045

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	2,110	2,933
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interest	3,207.60	1,250	992
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interest	3,660.96	1,110	934
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interest	3,099.90	1,080	888
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interest	3,009.50	907	736
D43	Hotel MyStays Gotanda Station (Note 5)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	10,137.88	23,800	26,157
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	22,900	18,421
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	5,083.06	8,020	7,649
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	1,951.90	6,140	7,755
D47	Hotel MyStays Premier Kanazawa	2-13-5 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interest	13,250.03	12,800	12,360
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interest	7,148.17	2,240	2,115
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	6,151.93	10,300	7,911
D50	Hotel MyStays Shin Osaka Conference Center	6-2-19 Nishinakashima, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	13,026.99	12,800	12,770
D51	Hotel MyStays Premier Omori	6-19-3 Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	11,849.61	9,660	9,745
D52	Kamenoi Hotel Beppu	5-17 Chuochi, Beppu-shi, Oita	Trust beneficiary interest	19,422.08	8,720	7,701
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	7,267.88	8,220	7,438
D54	Hotel MyStays Yokohama Kannai	5-65, Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa and 3 other lots	Trust beneficiary interest	4,501.18	5,280	5,056
D55	Art Hotel Joetsu	5-1-11, Hon-cho Joetsu-shi, Niigata	Trust beneficiary interest	7,563.60	2,690	2,566
D56	Art Hotel Hirosaki City	1-1-2, 1-6, 1-7, 2-1, Omachi, Hirosaki-shi, Aomori	Trust beneficiary interest	14,826.30	2,740	2,550
D57	Hotel MyStays Oita	1-32, Niagemachi Oita-shi, Oita	Trust beneficiary interest	3,254.69	1,600	1,431
D58	Hotel MyStays Gotanda	2-5-4, Higashigotanda Shinagawa-ku, Tokyo	Trust beneficiary interest	1,839.77	3,960	4,033
D59	Hotel MyStays Tachikawa	1-8-14, Nishiki-cho Tachikawa-shi, Tokyo	Trust beneficiary interest	3,844.64	3,330	3,160

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	23,100	20,159
D61	Hotel MyStays Premier Sapporo Park	2-2-10, Minamikujo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	21,670.64	15,800	15,857
D62	Hotel MyStays Ueno East	5-5-6, Higashi Ueno, Taito-ku, Tokyo	Trust beneficiary interest	4,396.02	5,120	5,120
D63	Hotel MyStays Midosuji Honmachi	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,429.43	3,130	4,779
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	15,000	15,167
D65	Art Hotel Ishigakijima	554-2 Nishimaji Okawa, Ishigaki - shi, Okinawa, and four other lots	Trust beneficiary interest	17,247.54	9,330	9,424
D66	Hotel MyStays Fuji Onsen Resort	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots	Trust beneficiary interest	5,498.49	9,770	8,663
D67	Hotel Sonia Otaru	1-4-20 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,509.41	5,780	5,533
D68	Hotel MyStays Kanazawa Castle	10-17 Konohana-machi, Kanazawa-shi, Ishikawa	Trust beneficiary interest	5,931.84	5,440	5,600
D69	Art Hotel Niigata Station	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interest	10,403.01	5,350	5,250
D70	Hotel MyStays Nagoya Nishiki	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	6,077.99	5,020	5,046
D71	Hotel Nord Otaru	1-4-16 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,047.43	4,080	4,118
D72	Hotel MyStays Kagoshima Tenmonkan	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima	Trust beneficiary interest	7,659.55	3,420	3,324
D73	Art Hotel Asahikawa	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido	Trust beneficiary interest	25,131.84	3,110	2,883
D74	Hotel MyStays Matsuyama	1-10-10 Otemachi, Matsuyama-shi, Ehime	Trust beneficiary interest	8,274.37	3,180	2,820
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	2,920	2,969
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	1,980	2,019
D77	Hotel MyStays Sapporo Nakajima Park Annex	4-3 Nishi 1-chome, Minami 11-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	1,775.21	1,520	1,516
D78	Flexstay Inn Sakuragicho	2-72-2 Hanasaki-cho, Naka-ku, Yokohama-shi, Kanagawa, and four other lots	Trust beneficiary interest	1,308.61	1,420	1,386
D79	MyCUBE by MYSTAYS Asakusa Kuramae	2-6-7 Kuramae, Taito-ku, Tokyo	Trust beneficiary interest	2,156.70	1,250	1,257
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interest	2,047.70	1,190	1,144
D81	Hotel MyStays Nayoro	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot	Trust beneficiary interest	1,985.27	951	866

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	10,200	9,929
D83	Art Hotel Morioka	3-3-18 Odori, Morioka-shi, Iwate	Trust beneficiary interest	16,727.08	5,420	5,285
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands	The Leasehold	21,528.23	46,166 (USD 347,900 thousand) (Note 7)	28,170
D201	Sunshine Suites Resort	1465 Esterley Tibbetts Highway, Grand Cayman, Cayman Islands	The Leasehold	6,723.11	8,227 (USD 62,000 thousand) (Note 7)	5,376
Subtotal				572,519.79	482,833	407,302
Total				677,479.12	532,570	443,291

(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 132.70, which is the exchange rate on the closing date of the fiscal period (December 31, 2022).

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

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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	90.4	33,594	0.6	1	89.2	35,413	0.3
A28	Growth Maison Gotanda	1	100.0	28,491	0.5	1	100.0	28,486	0.3
A29	Growth Maison Kameido	1	95.4	34,968	0.7	1	98.4	34,559	0.3
A30	Emerald House	1	100.0	46,349	0.9	1	96.9	40,383	0.4
A32	Suncrest Shakujji-Koen	1	97.3	39,038	0.8	1	100.0	39,384	0.4
A33	Growth Maison Shin-Yokohama	1	94.0	38,247	0.7	1	92.7	37,798	0.4
A34	Belle Face Ueno-Okachimachi	1	100.0	33,227	0.6	1	98.3	32,062	0.3
A35	Grand Rire Kameido	1	100.0	26,619	0.5	1	100.0	26,619	0.3
A37	Growth Maison Yoga	1	94.9	23,131	0.4	1	100.0	22,781	0.2
A38	Route Tachikawa	1	100.0	21,357	0.4	1	96.6	21,574	0.2
A39	Shibuya-Honmachi Mansion	1	95.4	20,812	0.4	1	100.0	21,331	0.2
A40	City Heights Kinuta	1	94.6	18,646	0.4	1	100.0	19,339	0.2
A41	Acseeds Tower Kawaguchi-Namiki	1	94.7	25,652	0.5	1	91.2	25,376	0.2
A43	College Square Machida	1	100.0	16,609	0.3	1	100.0	16,609	0.2
A44	Belair Meguro	1	96.0	14,494	0.3	1	87.9	14,844	0.1
A45	Wacore Tsunashima I	1	90.0	18,537	0.4	1	86.1	16,993	0.2
A46	Foros Nakamurabashi	1	92.2	18,979	0.4	1	97.2	18,873	0.2
A47	Growth Maison Kaijin	1	97.7	23,282	0.4	1	96.7	24,338	0.2
A48	College Square Machiya	1	100.0	14,924	0.3	1	100.0	14,924	0.1
A59	Towa City Coop Shinotsuka II	1	96.1	36,806	0.7	1	100.0	36,301	0.4
A61	Bichsel Musashiseki	1	94.4	23,810	0.5	1	87.1	22,014	0.2
A63	Towa City Coop Sengencho	1	92.4	59,968	1.2	1	92.4	59,514	0.6
A64	Royal Park Omachi	1	95.6	26,755	0.5	1	97.3	26,034	0.3
A65	Lexington Square Haginomachi	1	100.0	18,131	0.3	1	100.0	18,319	0.2
A66	Visconti Kakuozan	1	78.3	9,273	0.2	1	78.3	9,680	0.1

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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	93.9	18,717	0.4	1	91.1	18,641	0.2
A73	AMS TOWER Minami 6-Jo	1	86.8	43,592	0.8	1	95.4	44,093	0.4
A79	Revest Honjin (Note 4)	-	-	1,170	0.0	-	-	-	-
A80	Revest Matsubara (Note 4)	-	-	1,407	0.0	-	-	-	-
A82	Alba Noritake Shinmachi (Note 4)	-	-	1,510	0.0	-	-	-	-
A83	Revest Meieki Minami (Note 4)	-	-	1,324	0.0	-	-	-	-
A84	Revest Heian	1	98.4	23,757	0.5	1	95.2	23,794	0.2
A87	Excellente Kagurazaka	1	100.0	19,500	0.4	1	97.1	18,771	0.2
A88	Luna Court Edobori (Note 4)	-	-	961	0.0	-	-	-	-
A90	Queen's Court Fukuzumi	1	93.1	17,138	0.3	1	100.0	17,747	0.2
A92	Belair Oimachi	1	100.0	14,770	0.3	1	96.1	15,467	0.2
A93	Siete Minami-Tsukaguchi	1	100.0	17,522	0.3	1	92.5	17,234	0.2
A94	Prime Life Sannomiya Isogami Koen	1	100.0	15,451	0.3	1	100.0	15,176	0.1
A96	Century Park Shinkawa 1-bankan	1	95.5	17,752	0.3	1	86.4	18,177	0.2
A97	West Avenue	1	87.5	13,516	0.3	1	100.0	13,413	0.1
A98	Little River Honmachibashi (Note 4)	-	-	674	0.0	-	-	-	-
A99	Prime Life Mikage	1	100.0	12,134	0.2	1	93.4	12,579	0.1
A101	Lieto Court Mukojima	1	95.8	57,507	1.1	1	98.5	57,357	0.6
A102	Lieto Court Nishi-Ojima	1	100.0	50,394	1.0	1	97.8	50,538	0.5
A103	Royal Parks Momozaka	1	93.1	161,720	3.1	1	92.7	158,579	1.6
A104	Royal Parks Shinden	1	100.0	220,978	4.3	1	100.0	223,656	2.2
A106	Royal Parks Seasir Minami-Senju	1	94.7	119,314	2.3	1	96.8	123,069	1.2
Subtotal		41	96.0	1,502,530	28.9	41	96.4	1,491,858	14.7
B18	AEON TOWN Sukagawa	1	100.0	141,082	2.7	1	100.0	141,330	1.4
Subtotal		1	100.0	141,082	2.7	1	100.0	141,330	1.4
D01	Hotel MyStays Kanda	1	100.0	14,740	0.3	1	100.0	49,416	0.5

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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)
D02	Hotel MyStays Asakusa	1	100.0	9,041	0.2	1	100.0	34,566	0.3
D03	Hotel MyStays Kyoto-Shijo	1	100.0	2,168	0.0	1	100.0	69,428	0.7
D04	MyStays Shin-Urayasu Conference Center	1	100.0	49,817	1.0	1	100.0	158,751	1.6
D05	Hotel MyStays Maihama	1	100.0	53,952	1.0	1	100.0	155,282	1.5
D06	Hotel MyStays Premier Dojima	1	100.0	40,196	0.8	1	100.0	127,230	1.2
D07	Hotel MyStays Nagoya-Sakae	1	100.0	58,850	1.1	1	100.0	105,283	1.0
D08	Hotel MyStays Sakaisuji-Honmachi	1	100.0	15,948	0.3	1	100.0	64,123	0.6
D09	Hotel MyStays Yokohama	1	100.0	60,541	1.2	1	100.0	132,187	1.3
D10	Hotel MyStays Nippori	1	100.0	13,350	0.3	1	100.0	25,511	0.3
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	16,654	0.3	1	100.0	82,035	0.8
D12	Flexstay Inn Iidabashi	1	100.0	12,638	0.2	1	100.0	27,532	0.3
D13	Hotel MyStays Ueno Inaricho	1	100.0	1,558	0.0	1	100.0	10,711	0.1
D14	Flexstay Inn Shinagawa	1	100.0	8,740	0.2	1	100.0	22,367	0.2
D15	Flexstay Inn Tokiwadai	1	100.0	16,894	0.3	1	100.0	23,986	0.2
D16	Flexstay Inn Sugamo	1	100.0	8,350	0.2	1	100.0	13,103	0.1
D17	Hotel MyStays Otemae	1	100.0	11,611	0.2	1	100.0	49,389	0.5
D18	Hotel MyStays Kiyosumi Shirakawa	1	100.0	5,744	0.1	1	100.0	18,256	0.2
D19	Flexstay Inn Nakanobu P1	1	100.0	4,216	0.1	1	100.0	7,312	0.1
D20	Flexstay Inn Nakanobu P2	1	100.0	1,925	0.0	1	100.0	2,699	0.0
D21	APA Hotel Yokohama-Kannai	1	100.0	254,812	4.9	1	100.0	256,241	2.5
D22	Hotel MyStays Hakodate-Goryokaku	1	100.0	43,381	0.8	1	100.0	95,875	0.9
D23	Flexstay Inn Shirogane	1	100.0	8,871	0.2	1	100.0	19,136	0.2
D24	Hotel MyStays Haneda	1	100.0	60,337	1.2	1	100.0	106,316	1.0
D25	Hotel MyStays Kameido P1	1	100.0	41,299	0.8	1	100.0	84,079	0.8
D26	Hotel MyStays Ueno Iriyaguchi	1	100.0	1,589	0.0	1	100.0	23,823	0.2

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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)
D27	Hotel MyStays Kameido P2	1	100.0	27,150	0.5	1	100.0	53,451	0.5
D28	Hotel MyStays Shimizu	1	100.0	31,833	0.6	1	100.0	58,062	0.6
D29	Super Hotel Shinbashi/Karasumoriguchi	1	100.0	39,426	0.8	1	100.0	39,426	0.4
D30	Flexstay Inn Higashi-Jujo	1	100.0	1,599	0.0	1	100.0	10,386	0.1
D31	Hotel MyStays Utsunomiya	1	100.0	58,471	1.1	1	100.0	85,424	0.8
D32	Flexstay Inn Kawasaki-Kaizuka	1	100.0	10,698	0.2	1	100.0	14,659	0.1
D33	Comfort Hotel Toyama	1	100.0	35,928	0.7	1	100.0	35,928	0.4
D34	Flexstay Inn Kawasaki-Ogawacho	1	100.0	11,475	0.2	1	100.0	11,326	0.1
D35	Flexstay Inn Ekoda	1	100.0	34,314	0.7	1	100.0	55,446	0.5
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1	100.0	31,787	0.6	1	100.0	31,787	0.3
D37	Super Hotel JR Ueno-iriyaguchi	1	100.0	27,275	0.5	1	100.0	27,275	0.3
D38	Hotel MyStays Shinsaibashi	1	100.0	0	0.0	1	100.0	22,642	0.2
D39	Comfort Hotel Kurosaki	1	100.0	35,271	0.7	1	100.0	35,271	0.3
D40	Comfort Hotel Maebashi	2	100.0	44,231	0.9	2	100.0	44,171	0.4
D41	Comfort Hotel Tsubame-Sanjo	2	100.0	34,949	0.7	2	100.0	34,949	0.3
D42	Comfort Hotel Kitami	1	100.0	26,103	0.5	1	100.0	26,323	0.3
D43	Hotel MyStays Gotanda Station	1	100.0	117,103	2.3	1	100.0	310,452	3.0
D44	Hotel Epinard Nasu	1	100.0	422,206	8.1	1	100.0	1,152,194	11.3
D45	Hotel MyStays Fukuoka Tenjin	1	100.0	34,300	0.7	1	100.0	132,560	1.3
D46	Hotel MyStays Hamamatsucho	1	100.0	22,662	0.4	1	100.0	76,368	0.7
D47	Hotel MyStays Premier Kanazawa	1	100.0	93,875	1.8	1	100.0	198,640	2.0
D48	Takamatsu Tokyu REI Hotel	2	95.8	98,336	1.9	2	95.8	109,273	1.1
D49	Hotel MyStays Premier Hamamatsucho	1	100.0	36,244	0.7	1	100.0	148,767	1.5
D50	Hotel MyStays Shin Osaka Conference Center	1	100.0	79,332	1.5	1	100.0	173,130	1.7
D51	Hotel MyStays Premier Omori	1	100.0	65,505	1.3	1	100.0	133,688	1.3

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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)
D52	Kamenoi Hotel Beppu	1	100.0	148,299	2.9	1	100.0	312,823	3.1
D53	Hotel MyStays Sapporo Station	1	100.0	41,159	0.8	1	100.0	147,968	1.5
D54	Hotel MyStays Yokohama Kannai	1	100.0	60,617	1.2	1	100.0	135,673	1.3
D55	Art Hotel Joetsu	1	100.0	25,633	0.5	1	100.0	52,101	0.5
D56	Art Hotel Hirosaki City	1	100.0	74,119	1.4	1	100.0	116,776	1.1
D57	Hotel MyStays Oita	1	100.0	86,434	1.7	1	100.0	100,900	1.0
D58	Hotel MyStays Gotanda	1	100.0	22,355	0.4	1	100.0	65,093	0.6
D59	Hotel MyStays Tachikawa	1	100.0	45,776	0.9	1	100.0	90,214	0.9
D60	Hotel MyStays Premier Akasaka	1	100.0	67,178	1.3	1	100.0	201,521	2.0
D61	Hotel MyStays Premier Sapporo Park	1	100.0	33,135	0.6	1	100.0	229,699	2.3
D62	Hotel MyStays Ueno East	1	100.0	2,525	0.0	1	100.0	36,932	0.4
D63	Hotel MyStays Midosuji Honmachi	1	100.0	4,955	0.1	1	100.0	33,286	0.3
D64	Hotel MyStays Sapporo Aspen	1	100.0	36,559	0.7	1	100.0	217,658	2.1
D65	Art Hotel Ishigakijima	1	100.0	71,158	1.4	1	100.0	324,249	3.2
D66	Hotel MyStays Fuji Onsen Resort	1	100.0	64,519	1.2	1	100.0	255,162	2.5
D67	Hotel Sonia Otaru	1	100.0	54,463	1.0	1	100.0	191,787	1.9
D68	Hotel MyStays Kanazawa Castle	1	100.0	13,745	0.3	1	100.0	87,429	0.9
D69	Art Hotel Niigata Station	1	100.0	66,547	1.3	1	100.0	150,178	1.5
D70	Hotel MyStays Nagoya Nishiki	1	100.0	35,795	0.7	1	100.0	74,668	0.7
D71	Hotel Nord Otaru	1	100.0	26,630	0.5	1	100.0	127,461	1.3
D72	Hotel MyStays Kagoshima Tenmonkan	2	100.0	53,343	1.0	2	100.0	145,757	1.4
D73	Art Hotel Asahikawa	1	100.0	0	0.0	1	100.0	129,289	1.3
D74	Hotel MyStays Matsuyama	1	100.0	16,291	0.3	1	100.0	72,427	0.7
D75	Hotel MyStays Sapporo Susukino	1	100.0	792	0.0	1	100.0	26,347	0.3
D76	Hotel MyStays Sapporo Nakajima Park	1	100.0	0	0.0	1	100.0	15,191	0.1
D77	Hotel MyStays Sapporo Nakajima Park Annex	1	100.0	0	0.0	1	100.0	6,336	0.1
D78	Flexstay Inn Sakuragicho	1	100.0	19,610	0.4	1	100.0	33,084	0.3

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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)
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1	100.0	0	0.0	1	100.0	2,504	0.0
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1	100.0	18,998	0.4	1	100.0	49,331	0.5
D81	Hotel MyStays Nayoro	1	100.0	25,649	0.5	1	100.0	35,963	0.4
D82	Hotel MyStays Premier Narita	1	100.0	171,085	3.3	1	100.0	215,985	2.1
D83	Art Hotel Morioka	1	100.0	29,916	0.6	1	100.0	79,493	0.8
Subtotal		87	99.9	3,554,617	68.4	87	99.9	8,549,562	84.0
Total		129	99.4	5,198,229	100.0	129	99.5	10,182,751	100.0

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

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

(Note 3) "Rental revenue (during period)" indicates leasing operation revenues during the fiscal period for each property and has been rounded down to the nearest thousand yen.

(Note 4) The trust beneficiary interests of Revest Honjin, Revest Matsubara, Alba Noritake Shinmachi, Revest Meieki Minami, Luna Court Edobori and Little River Honmachibashi were sold on January 12, 2022.

Name of property		38th fiscal period (January 1, 2022 to June 30, 2022)				39th fiscal period (July 1, 2022 to December 31, 2022)			
		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	826,355	81.5	1	100.0	1,584,958	90.7
D201	Sunshine Suites Resort	1	100.0	187,435	18.5	1	100.0	161,889	9.3
Total		2	100.0	1,013,790	100.0	2	100.0	1,746,848	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	-	17,553	(303)	(Note 1) (Note 2)
Total			-	17,856	-	17,553	(303)	

(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	50,476,000	36,687,000	142,721

(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.

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	427,601	496,022	90.1	126
The Cayman Islands	33,546	54,393	9.9	2
Total	461,148	550,416	100.0	128

(Note 1) “Amount held” is from the balance sheet (book value after depreciation for real estate and trust beneficiary interest in real estate; and book value for preferred equity securities with real estate as underlying assets) as of December 31, 2022.

(Note 2) “Appraisal value as of the end of the Reporting Period” indicates the real estate appraisal value as of December 31, 2022, 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 132.70, which is the exchange rate on the closing date of the fiscal period (December 31, 2022).

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	
D21	APA Hotel Yokohama-Kannai	Yokohama-shi, Kanagawa	All air conditioning facility renovation work	From January 2023 To June 2023	355,000	-	-
D61	Hotel MyStays Premier Sapporo Park	Sapporo-shi, Hokkaido	Air conditioning facility renovation work	From January 2023 To June 2023	82,700	-	-
D50	Hotel MyStays Shin Osaka Conference Center	Osaka-shi, Osaka	Automatic fire alarm system renovation work	From January 2023 To June 2023	65,000	-	-
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Stair construction	From January 2023 To June 2023	52,076	-	-
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Power generator renovation work	From January 2023 To June 2023	41,661	-	-

(Note) The estimated cost for overseas real estate is converted at USD 1 = JPY 110.

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 1,244,738 thousand, and together with JPY 16,747 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 1,261,486 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D52	Kamenoi Hotel Beppu	Beppu-shi, Oita	Renovation work for energy saving	From July 2022 To December 2022	114,251
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Automatic fire alarm system renovation work	From July 2022 To December 2022	85,000
D56	Art Hotel Hirosaki City	Hirosaki-shi, Aomori	Exterior wall renovation work	From July 2022 To December 2022	79,507
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Roof renovation work	From July 2022 To December 2022	47,652
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Air conditioning facility renovation work	From July 2022 To December 2022	40,673
Other construction					877,654
Total					1,244,738

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	35th fiscal period	36th fiscal period	37th fiscal period	38th fiscal period	39th fiscal period
	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022	From July 1, 2022 to December 31, 2022
Reserved funds at beginning of period	5,485,363	2,610,671	2,749,724	2,791,578	3,025,792
Amount reserved (Note 1)	565,299	546,287	645,507	737,881	968,000
Amount reversed (Note 1)	3,439,991	407,235	603,652	503,667	896,843
Amount carried over for next fiscal period	2,610,671	2,749,724	2,791,578	3,025,792	3,096,949

(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	38th fiscal period January 1, 2022 to June 30, 2022	39th fiscal period July 1, 2022 to December 31, 2022
(a) Asset management fees	300,000	300,000
(b) Asset custody fees	24,556	24,475
(c) Administrative services fees	42,618	50,047
(d) Directors' compensation	4,800	4,800
(e) Other	152,051	117,057
Total	524,026	496,380

2 Borrowing Conditions

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

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Mizuho Bank, Ltd.	Jul. 16, 2021	5,992,000	-	0.332	Jul. 16, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		6,660,000	-					
	Sumitomo Mitsui Banking Corporation		4,442,000	-					
	Sumitomo Mitsui Trust Bank, Limited		2,670,000	-					
	Citibank, N.A., Tokyo Branch		3,000,000	-					
	Shinsei Bank, Limited (Note 5)		3,330,000	-					
	Resona Bank, Limited		1,335,000	-					
	Mizuho Bank, Ltd.	Jul. 19, 2021	2,442,000	-	0.332	Jul. 16, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,220,000	-					
	Sumitomo Mitsui Banking Corporation		1,998,000	-					
	Sumitomo Mitsui Trust Bank, Limited		890,000	-					
	Citibank, N.A., Tokyo Branch		1,000,000	-					
	Shinsei Bank, Limited (Note 5)		1,110,000	-					
	Development Bank of Japan, Inc.	Jul. 20, 2021	666,000	-	0.332	Jul. 16, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Aug. 2, 2021	766,000	-	0.332	Jul. 16, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		467,000	-					
	Sumitomo Mitsui Banking Corporation		766,000	-					
	Citibank, N.A., Tokyo Branch		120,000	-					
Shinsei Bank, Limited (Note 5)	150,000		-						
Sumitomo Mitsui Banking Corporation	Sep. 14, 2021	3,000,000	-	0.321	Sep. 14, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee	

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Mizuho Bank, Ltd.	Sep. 27, 2021	2,521,500	-	0.321	Sep. 27, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,133,000	-					
	Sumitomo Mitsui Banking Corporation		2,521,500	-					
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	-					
	Shinsei Bank, Limited (Note 5)		684,000	-					
	Development Bank of Japan, Inc.		500,000	-					
	The Nomura Trust and Banking Co., Limited		137,000	-					
	Mizuho Bank, Ltd.	Oct. 13, 2021	328,500	-	0.321	Sep. 27, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		328,500	-					
	Shinsei Bank, Limited (Note 5)		560,000	-					
	Resona Bank, Limited		667,000	-					
	The Nomura Trust and Banking Co., Limited		320,000	-					
	The Bank of Fukuoka, Ltd.		150,000	-					
	Mizuho Bank, Ltd.	Oct. 13, 2021	190,000	-	0.321	Sep. 27, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		146,000	-					
	Sumitomo Mitsui Banking Corporation		143,000	-					
	Sumitomo Mitsui Trust Bank, Limited		130,000	-					
	Development Bank of Japan, Inc.		30,000	-					
	Citibank, N.A., Tokyo Branch	Oct. 13, 2021	1,256,000	-	0.321	Sep. 27, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Nov. 29, 2021	4,321,000	-	0.306	Nov. 29, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.	Jan. 24, 2022	1,700,000	1,700,000	0.318	Jan. 24, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Jan. 24, 2022	6,800,000	6,800,000	0.318	Jan. 24, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 14, 2022	1,733,000	1,733,000	0.318	Mar. 14, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Shizuoka Bank, Ltd.		200,000	200,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	Mizuho Bank, Ltd.	Mar. 29, 2022	386,000	386,000	0.318	Mar. 14, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,275,000	1,275,000					
	Sumitomo Mitsui Trust Bank, Limited		2,100,000	2,100,000					
	Shinsei Bank, Limited (Note 5)		297,000	297,000					
	Development Bank of Japan, Inc.		1,000,000	1,000,000					
The Shizuoka Bank, Ltd.	1,270,000		1,270,000						
Mizuho Bank, Ltd.	Mar. 30, 2022	1,215,500	1,215,500	0.318	Mar. 14, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee	
MUFG Bank, Ltd.		199,000	199,000						
Sumitomo Mitsui Trust Bank, Limited		447,500	447,500						
The Nomura Trust and Banking Co., Limited		800,000	800,000						
The Shizuoka Bank, Ltd.		375,000	375,000						
The Bank of Fukuoka, Ltd.		525,000	525,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Mizuho Bank, Ltd.	Mar. 30, 2022	902,000	902,000	0.318	Mar. 14, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		692,000	692,000					
	Sumitomo Mitsui Banking Corporation		681,000	681,000					
	Sumitomo Mitsui Trust Bank, Limited		617,000	617,000					
	Development Bank of Japan, Inc.		147,000	147,000					
	Citibank, N.A., Tokyo Branch	Jun. 17, 2022	2,349,000	2,349,000	0.318	Jun. 17, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Development Bank of Japan, Inc.	Jun. 17, 2022	1,000,000	1,000,000	0.318	Jun. 17, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 19, 2022	-	11,643,000	0.318	Jul. 19, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	11,567,000					
	Sumitomo Mitsui Banking Corporation		-	9,203,000					
	Sumitomo Mitsui Trust Bank, Limited		-	4,450,000					
	Citibank, N.A., Tokyo Branch		-	5,120,000					
	Shinsei Bank, Limited (Note 5)		-	5,513,000					
	Development Bank of Japan, Inc.		-	666,000					
	Resona Bank, Limited		-	1,335,000					
	The Ogaki Kyoritsu Bank, Ltd.		-	187,000					
	Sumitomo Mitsui Banking Corporation		Sep. 14, 2022	-					
	Mizuho Bank, Ltd.	Sep. 26, 2022	-	3,287,000	0.318	Sep. 26, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	2,600,000					
	Sumitomo Mitsui Banking Corporation		-	3,287,000					
	Sumitomo Mitsui Trust Bank, Limited		-	1,000,000					
	Citibank, N.A., Tokyo Branch		-	667,000					
	Shinsei Bank, Limited (Note 5)		-	833,000					
	Development Bank of Japan, Inc.		-	500,000					
	Resona Bank, Limited		-	445,000					
	The Nomura Trust and Banking Co., Limited		-	590,000					
	Mizuho Bank, Ltd.		Sep. 27, 2022	-					
	MUFG Bank, Ltd.	-		2,133,000					
Sumitomo Mitsui Banking Corporation	-	2,521,500							
Sumitomo Mitsui Trust Bank, Limited	-	1,328,500							
Shinsei Bank, Limited (Note 5)	-	1,244,000							
Development Bank of Japan, Inc.	-	500,000							
Resona Bank, Limited	-	442,000							

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Mizuho Bank, Ltd.	Oct. 13, 2022	-	500,000	0.318	Sep. 26, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		-	500,000					
	Sumitomo Mitsui Trust Bank, Limited		-	500,000					
	Citibank, N.A., Tokyo Branch		-	355,000					
	Shinsei Bank, Limited (Note 5)		-	355,000					
	Development Bank of Japan, Inc.		-	1,500,000					
	Resona Bank, Limited		-	333,000					
	The Bank of Fukuoka, Ltd.	-	300,000						
	Mizuho Bank, Ltd.	Sep. 27, 2022	-	190,000	0.318	Sep. 26, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	146,000					
	Sumitomo Mitsui Banking Corporation		-	143,000					
	Sumitomo Mitsui Trust Bank, Limited		-	130,000					
	Development Bank of Japan, Inc.	-	30,000						
	Citibank, N.A., Tokyo Branch	Sep. 27, 2022	-	1,256,000	0.318	Sep. 26, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
Mizuho Bank, Ltd.	Nov. 29, 2022	-	4,321,000	0.318	Nov. 29, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Subtotal			88,135,000	114,515,000					
Long-term loans (Note 4)	Mizuho Bank, Ltd.	Oct. 13, 2017	500,000	-	0.670	Oct. 13, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		500,000	-					
	Sumitomo Mitsui Banking Corporation		500,000	-					
	Shinsei Bank, Limited (Note 5)		355,000	-					
	Citibank, N.A., Tokyo Branch		355,000	-					
	Resona Bank, Limited		333,000	-					
	Development Bank of Japan, Inc.		1,500,000	-					
	The Bank of Fukuoka, Ltd.		300,000	-					
	AEON Bank, Ltd.		190,000	-					
	The Nomura Trust and Banking Co., Limited		166,000	-					
	The Hiroshima Bank, Ltd.	166,000	-						
	The Daiichi Life Insurance Co., Ltd.	500,000	-						
	Mizuho Bank, Ltd.	Oct. 13, 2017	1,250,000	1,250,000	0.768	Oct. 13, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,065,000	1,065,000					
	Sumitomo Mitsui Banking Corporation		1,250,000	1,250,000					
	Mizuho Bank, Ltd.	Oct. 13, 2017	1,250,000	1,250,000	0.868	Oct. 11, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,060,000	1,060,000					
	Sumitomo Mitsui Banking Corporation		1,250,000	1,250,000					
Shinsei Bank, Limited (Note 5)	Jun. 27, 2018	1,000,000	1,000,000	0.750	Jun. 27, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee	
MUFG Bank, Ltd.		500,000	500,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 4)	Mizuho Bank, Ltd.	Jul. 17, 2018	2,443,000	-	0.482	Jul. 17, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,220,000	-					
	Sumitomo Mitsui Banking Corporation		1,997,000	-					
	Shinsei Bank, Limited (Note 5)		1,110,000	-					
	Citibank, N.A., Tokyo Branch		1,000,000	-					
	Sumitomo Mitsui Trust Bank, Limited		890,000	-					
	Mizuho Bank, Ltd.	Jul. 17, 2018	2,442,000	2,442,000	0.568	Jul. 14, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,220,000	2,220,000					
	Sumitomo Mitsui Banking Corporation		1,997,000	1,997,000					
	Shinsei Bank, Limited (Note 5)		1,110,000	1,110,000					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited		890,000	890,000					
	Mizuho Bank, Ltd.	Sep. 26, 2018	3,287,500	-	0.471	Sep. 26, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		3,287,000	-					
	MUFG Bank, Ltd.		2,600,000	-					
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	-					
	Shinsei Bank, Limited (Note 5)		833,000	-					
	Citibank, N.A., Tokyo Branch		667,000	-					
	Development Bank of Japan, Inc.		500,000	-					
	Resona Bank, Limited		445,000	-					
	The Nomura Trust and Banking Co., Limited		167,000	-					
	AEON Bank, Ltd.		334,000	-					
	Mizuho Bank, Ltd.	Sep. 26, 2018	3,287,500	3,287,500	0.568	Sep. 26, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		3,287,500	3,287,500					
	MUFG Bank, Ltd.		2,600,000	2,600,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
	Shinsei Bank, Limited (Note 5)		833,000	833,000					
	Citibank, N.A., Tokyo Branch		667,000	667,000					
	Development Bank of Japan, Inc.		500,000	500,000					
	Resona Bank, Limited		445,000	445,000					
	The Nomura Trust and Banking Co., Limited		166,000	166,000					
	AEON Bank, Ltd.		333,000	333,000					
Aozora Bank, Ltd	Mar. 29, 2019	1,000,000	1,000,000	0.594	Mar. 29, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee	
The Nishi-Nippon City Bank, Ltd.		921,000	921,000						
The Tochigi Bank, Ltd.		480,000	480,000						
Kiraboshi Bank, Ltd.	Mar. 29, 2019	961,000	961,000	0.868	Mar. 29, 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 4)	Mizuho Bank, Ltd.	Jul. 16, 2019	571,400	571,400	0.400	Jan. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Shinsei Bank, Limited (Note 5)		200,000	200,000					
	Resona Bank, Limited		600,000	600,000					
	Mizuho Bank, Ltd.	Jul. 16, 2019	571,400	571,400	0.499	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Shinsei Bank, Limited (Note 5)		200,000	200,000					
	Resona Bank, Limited		600,000	600,000					
	Mizuho Bank, Ltd.	Jul. 16, 2019	1,171,400	1,171,400	0.563	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	Shinsei Bank, Limited (Note 5)	200,000	200,000						
	Mizuho Bank, Ltd.	Jul. 16, 2019	2,171,400	2,171,400	0.618	Jan. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Shinsei Bank, Limited (Note 5)		200,000	200,000					
	Mizuho Bank, Ltd.	Jul. 16, 2019	2,170,400	2,170,400	0.768	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
Sumitomo Mitsui Trust Bank, Limited	628,600		628,600						
Shinsei Bank, Limited (Note 5)	200,000		200,000						
Mizuho Bank, Ltd.	Jul. 19, 2019	1,085,000	1,085,000	0.413	Jan. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee	
MUFG Bank, Ltd.		987,000	987,000						
Sumitomo Mitsui Banking Corporation		987,000	987,000						
Sumitomo Mitsui Trust Bank, Limited		684,000	684,000						
Citibank, N.A., Tokyo Branch		500,000	500,000						
Development Bank of Japan, Inc.		300,000	300,000						
AEON Bank, Ltd.		300,000	300,000						
The Nomura Trust and Banking Co., Limited		100,000	100,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes				
Long-term loans (Note 4)	Mizuho Bank, Ltd.	Jul. 19, 2019	712,000	712,000	0.525	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee				
	MUFG Bank, Ltd.		986,000	986,000									
	Sumitomo Mitsui Banking Corporation		986,000	986,000									
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000									
	Citibank, N.A., Tokyo Branch		500,000	500,000									
	Development Bank of Japan, Inc.		300,000	300,000									
	AEON Bank, Ltd.		300,000	300,000									
	The Nomura Trust and Banking Co., Limited		100,000	100,000									
	Aozora Bank, Ltd.		237,000	237,000									
	Mizuho Bank, Ltd.		712,000	712,000									
	MUFG Bank, Ltd.	986,000	986,000	0.580	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee					
	Sumitomo Mitsui Banking Corporation	986,000	986,000										
	Sumitomo Mitsui Trust Bank, Limited	684,000	684,000										
	Citibank, N.A., Tokyo Branch	500,000	500,000										
	Development Bank of Japan, Inc.	300,000	300,000										
	AEON Bank, Ltd.	300,000	300,000										
	The Nomura Trust and Banking Co., Limited	100,000	100,000										
	Aozora Bank, Ltd.,	375,000	375,000										
	Mizuho Bank, Ltd.	1,212,000	1,212,000						0.618	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.	1,211,000	1,211,000	0.768	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee					
	MUFG Bank, Ltd.	986,000	986,000										
	Sumitomo Mitsui Banking Corporation	986,000	986,000										
	Sumitomo Mitsui Trust Bank, Limited	684,000	684,000										
	Development Bank of Japan, Inc.	300,000	300,000										
	AEON Bank, Ltd.	300,000	300,000										
	The Nomura Trust and Banking Co., Limited	100,000	100,000										
Aozora Bank, Ltd.	375,000	375,000											
Tokyo Star Bank, Limited	Jul. 22, 2019	700,000	700,000	0.768	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee					
Mizuho Bank, Ltd.	Aug. 28, 2019	2,882,000	2,882,000	0.462	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee					
San ju San Bank, Ltd.		662,000	662,000										
San ju San Bank, Ltd.	Oct. 15, 2019	1,700,000	1,700,000	0.486	Apr. 15, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee					
San ju San Bank, Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.618	Apr. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee					
The Nishi-Nippon City Bank, Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.768	Oct. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 4)	Sumitomo Mitsui Trust Bank, Limited	Jan. 6, 2020	1,550,000	1,550,000	0.417	Jan. 6, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Jan. 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					
	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					
	MUFG Bank, Ltd.	Mar. 30, 2020	850,000	850,000	0.368	Mar. 16, 2023	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,090,000	1,090,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	Mizuho Bank, Ltd.	Mar. 30, 2020	582,000	582,000	0.568	Mar. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		628,000	628,000					
	Sumitomo Mitsui Trust Bank, Limited		1,090,000	1,090,000					
	Shinsei Bank, Limited (Note 5)		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.	961,000	961,000						
	Tokyo Star Bank, Limited	Jul. 20, 2020	600,000	-	0.332	Jul. 20, 2022	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2021	1,582,000	1,582,000	0.418	Jul. 20, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2022	-	600,000	0.418	Jul. 20, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
Tokyo Star Bank, Limited	Oct. 13, 2022	-	1,190,000	0.568	Oct. 13, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Subtotal			145,037,000	118,082,000					
Total			233,172,000	232,597,000					

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

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

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

(Note 4) Long-term loans includes current portion of long-term loans payable

(Note 5) Shinsei Bank, Limited changed its trade name to SBI Shinsei Bank, Limited on January 4, 2023.

3 Investment Corporation Bonds

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

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

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

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

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

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

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

4 Short-Term Investment Corporation Bonds

Not applicable

5 Investment Unit Options

Not applicable

Acquisitions and Sales for the 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)
Real estate	D44	Hotel Epinarad Nasu (Additional acquisition of adjacent land)	September 9, 2022	21	-	-	-	-
Total				21		-	-	-

(Note 1) Acquisition price does not include various costs (brokerage commissions, taxes and other public dues) required for acquisition of the real estate, and is the acquisition price indicated in the purchase agreement.

(Note 2) Amounts are rounded down to the nearest million yen.

2 Acquisitions and Sales of Other Assets

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

3 Transaction Price Verification of Specified Assets

Acquisition or sale	Name of property		Category of specified asset	Transaction date	Sales price (JPY million) (Note 1)	Appraisal value (JPY million) (Note 2)	Appraiser	Appraisal date
Acquisition	D44	Hotel Epinarad Nasu (Additional acquisition of adjacent land)	Real estate (Note 3)	September 9, 2022	21	27	JLL Morii Valuation & Advisory K.K.	June 21, 2022

(Note 1) Acquisition price does not include various costs (brokerage commissions, taxes and other public dues) required for sale of the real estate, and is the sales price indicated in the 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.”

(Note 3) The acquired asset is actual real estate. While a trust has not been established at the time of the acquisition by INV, we established an additional trust on the real estate management and disposal trust pertaining to the property with Sumitomo Mitsui Trust Bank, Limited as the trustee on the acquisition date.

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 20, 2022.

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 line with that the Articles of Incorporation are deemed to have been amended to include provisions stating that it shall take measures to electronically deliver general unitholders meeting reference documents, etc., new provisions shall be established to set forth such amendments for confirmatory purpose and also limit the scope of items to be included in documents to be provided to unitholders who have requested delivery of hard copies.2. With the consent of the asset management company, the asset management fees for the period from January 2013 to December 2022 had been reduced. INV has further obtained the consent of the asset management company to reduce the amount of asset management fees for the period from January 2023 to December 2023 to an amount which is lower than the amount that would be applicable if such reduction were not made, and which is at the same level as the amount applied for the period from January 2022 to December 2022. Accordingly, INV amended the standards concerning the amount and payment of the asset management fees for the period from January 2023 to December 2023, effective January 1, 2023.
Proposal No. 2	Appointment of One (1) Executive Director	Naoki Fukuda was appointed.
Proposal No. 3	Appointment of One (1) Substitute Executive Director	Naoto Ichiki was appointed.
Proposal No. 4	Appointment of Two (2) Supervisory Directors	Yoshihiro Tamura and Hiroyuki Fujimoto 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
August 25, 2022	Conclusion of MOU to amend the administration agreement with the unitholders' registry administrative agent	INV concluded a MOU to partially revise the contents of the "Unitholders' Register Administrative Agency Agreement" concluded on January 19, 2010 with Sumitomo Mitsui Trust Bank, Limited to stipulate the administrative service related to the electronic provision for unitholders' meeting materials.
	Partial Amendment to agreements with special account administrator	INV accepted a letter of offer to review a part of the "Special Accounts Administration Agreement" dated August 31, 2011 with Mitsubishi UFJ Trust and Banking Corporation, and has partially amended the agreement to stipulate the administrative service related to the electronic provision for unitholders' meeting materials.
September 9, 2022	Conclusion of MOU to amend the MLPM Agreements with MHM Group	On September 9, 2022, INV entered into a MOU to amend respective MLPM Agreements for domestic hotels owned by INV and operated by INV's main tenant, MHM Group. Pursuant to the MOU, we have partially changed the rent payment conditions and changed the fixed rent payment amount, the variable rent calculation method, rent payment method and payment date.
December 9, 2022	Conclusion of MOU to amend the MLPM Agreements with MHM Group	On December 9, 2022, INV entered into a MOU to amend respective MLPM Agreements for domestic hotels owned by INV and operated by INV's main tenant, MHM Group. Pursuant to the MOU, we have partially changed the rent payment conditions and changed the variable rent calculation method, rent payment method and payment date.

2 Disclosure of Companies Owning Real Estate Overseas

Not applicable

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

Not applicable

4 Other

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

II. Balance Sheet

(Unit: JPY thousand)

	(Reference) Fiscal period ended June 30, 2022 (as of June 30, 2022)	Fiscal period ended December 31, 2022 (as of December 31, 2022)
Assets		
Current assets:		
Cash and bank deposits	13,794,814	15,553,174
Cash and bank deposits in trust	6,028,407	7,768,621
Rental receivables	3,396,197	4,845,162
Deposits paid	332,876	1,703,315
Prepaid expenses	411,977	651,469
Income taxes receivable	11	13
Other	-	5,060
Total current assets	23,964,286	30,526,816
Non-current assets:		
Property and equipment		
Buildings	19,429,981	19,479,753
Accumulated depreciation	(1,369,148)	(1,588,329)
Buildings, net	18,060,833	17,891,423
Buildings and accompanying facilities	5,303,078	5,308,557
Accumulated depreciation	(953,381)	(1,106,696)
Buildings and accompanying facilities, net	4,349,696	4,201,860
Structures, at cost	1,458	1,458
Accumulated depreciation	(150)	(183)
Structures, net	1,308	1,275
Tools, furniture and fixtures	1,195,031	1,228,513
Accumulated depreciation	(350,708)	(411,059)
Tools, furniture and fixtures, net	844,322	817,453
Construction in progress	701,230	714,997
Buildings in trust	158,812,478	159,079,641
Accumulated depreciation	(24,417,810)	(26,638,315)
Buildings in trust, net	134,394,668	132,441,325
Buildings and accompanying facilities in trust	32,062,171	32,688,012
Accumulated depreciation	(11,735,097)	(12,614,111)
Buildings and accompanying facilities in trust, net	20,327,073	20,073,900
Structures in trust, at cost	204,879	212,818
Accumulated depreciation	(104,096)	(109,514)
Structures in trust, net	100,783	103,304
Tools, furniture and fixtures in trust	2,942,196	3,195,160
Accumulated depreciation	(1,631,561)	(1,810,584)
Tools, furniture and fixtures in trust, net	1,310,634	1,384,575
Land in trust	241,290,860	241,319,447
Construction in progress in trust	26,237	-
Total property and equipment, net	421,407,648	418,949,564
Intangible assets		
Leasehold rights	10,637,811	10,637,811
Leasehold rights in trust	14,458,659	14,419,422
Total intangible assets	25,096,471	25,057,234
Investment and other assets		
Investment securities	17,856,387	17,856,387
Guarantee deposits	1,372,719	1,372,719
Long-term prepaid expenses	257,854	271,704
Derivatives assets	96,567	142,841
Others	22,667	22,667
Total investments and other assets	19,606,196	19,666,320
Total non-current assets	466,110,317	463,673,119
Deferred assets		
Investment corporation bond issuance costs	44,148	37,844
Total deferred assets	44,148	37,844
Total assets	490,118,752	494,237,781

(Unit: JPY thousand)

	(Reference) Fiscal period ended June 30, 2022 (as of June 30, 2022)	Fiscal period ended December 31, 2022 (as of December 31, 2022)
Liabilities		
Current liabilities:		
Accounts payable	349,844	629,231
Short-term loans payable	88,135,000	114,515,000
Current portion of investment corporation bonds	1,000,000	3,000,000
Current portion of long-term loans payable	44,807,000	42,405,000
Accounts payable-other	31,175	3,366
Accrued expenses	240,333	264,276
Income taxes payable	605	605
Consumption taxes payable	50,190	371,675
Advances received	317,935	317,350
Deposits received	10,397	13,490
Total current liabilities	134,942,482	161,519,996
Non-current liabilities:		
Investment corporation bonds	7,200,000	5,200,000
Long-term loans payable	100,230,000	75,677,000
Tenant leasehold and security deposits in trust	1,500,948	1,485,701
Derivatives liabilities	546	119
Asset retirement obligations	33,644	33,872
Total non-current liabilities	108,965,140	82,396,693
Total liabilities	243,907,622	243,916,689
Net assets		
Unitholders' equity:		
Unitholders' capital	235,701,512	235,701,512
Surplus:		
Capital surplus	6,264,432	6,264,432
Deduction of unitholders' capital surplus		
Allowance for temporary differences adjustment *2	(6,130)	(6,130)
Other deduction of capital surplus	(5,524,006)	(5,524,006)
Total deduction of unitholders' capital surplus	(5,530,137)	(5,530,137)
Capital surplus, net	734,294	734,294
Retained earnings	9,679,301	13,742,562
Total surplus	10,413,596	14,476,857
Total unitholders' equity	246,115,108	250,178,369
Valuation and translation adjustments:		
Deferred gains or losses on hedges	96,020	142,721
Total valuation and translation adjustments	96,020	142,721
Total net assets *1	246,211,129	250,321,091
Total liabilities and net assets	490,118,752	494,237,781

III. Statement of Income and Retained Earnings

(Unit: JPY thousand)			
		(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
Operating revenue			
Rental revenue – real estate	*1	5,198,229	10,182,751
Management contract revenue	*2	1,013,790	1,746,848
Gain on sales of properties	*3	1,468,206	-
Total operating revenue		7,680,227	11,929,599
Operating expenses			
Property-related expenses	*1	4,498,723	4,606,538
Management contract expenses	*2	543,095	569,669
Asset management fees		300,000	300,000
Directors' compensation		4,800	4,800
Asset custody fees		24,556	24,475
Administrative service fees		42,618	50,047
Other		152,051	117,057
Total operating expenses		5,565,846	5,672,588
Operating income		2,114,380	6,257,011
Non-operating income			
Interest income		78	90
Foreign exchange gains		1,316	-
Interest on tax refund		-	92
Miscellaneous income		2,606	17,657
Total non-operating income		4,000	17,840
Non-operating expenses			
Interest expenses		562,607	542,104
Foreign exchange losses		-	68,859
Interest expenses on investment corporation bonds		27,769	28,230
Amortization of investment corporation bond issuance costs		6,200	6,303
Loan-related costs		505,414	553,412
Other		629	-
Total non-operating expenses		1,102,621	1,198,910
Ordinary income		1,015,760	5,075,941
Income before income taxes		1,015,760	5,075,941
Income taxes		605	605
Total income taxes		605	605
Net income		1,015,155	5,075,336
Retained earnings brought forward		8,664,146	8,667,226
Unappropriated retained earnings		9,679,301	13,742,562

IV. Statement of Changes in Net Assets

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)

(Unit: JPY thousand)

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

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings (deficit)	Total surplus				
Balance at the beginning of the period	9,676,221	10,410,516	246,112,028	18,325	18,325	246,130,354
Changes during the period						
Distributions from surplus	(1,012,075)	(1,012,075)	(1,012,075)			(1,012,075)
Net income	1,015,155	1,015,155	1,015,155			1,015,155
Changes other than unitholders' equity (net)				77,695	77,695	77,695
Total changes during the period	3,080	3,080	3,080	77,695	77,695	80,775
Balance at the end of the period	9,679,301	10,413,596	246,115,108	96,020	96,020	246,211,129

Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)

(Unit: JPY thousand)

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

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings (deficit)	Total surplus				
Balance at the beginning of the period	9,679,301	10,413,596	246,115,108	96,020	96,020	246,211,129
Changes during the period						
Distributions from surplus	(1,012,075)	(1,012,075)	(1,012,075)			(1,012,075)
Net income	5,075,336	5,075,336	5,075,336			5,075,336
Changes other than unitholders' equity (net)				46,701	46,701	46,701
Total changes during the period	4,063,260	4,063,260	4,063,260	46,701	46,701	4,109,962
Balance at the end of the period	13,742,562	14,476,857	250,178,369	142,721	142,721	250,321,091

V. Notes to Financial Statements

[Notes Concerning Significant Accounting Policies]

By Period Item	(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
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 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.
3. Accounting treatment of deferred assets	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.
4. Method of calculating allowances	Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.	Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.
5. Conversion of assets and liabilities in foreign currency into Japanese yen	Receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate at the end of the fiscal period date, and differences arising from the translation are treated as a profit or loss.	Receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate at the end of the fiscal period date, and differences arising from the translation are treated as a profit or loss.
6. Revenue and expense recognition	(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.	(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

	<p>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>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 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>
7. Method of hedge accounting	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item Hedging instrument: interest rate swap Hedged item: interest on borrowings</p> <p>(c) Hedge policy INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.</p> <p>(d) Method of evaluating hedge effectiveness Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.</p>	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item Hedging instrument: interest rate swap Hedged item: interest on borrowings</p> <p>(c) Hedge policy INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.</p> <p>(d) Method of evaluating hedge effectiveness Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.</p>
8. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment policy of trust beneficiary interests in real estate As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.</p> <p>(a) Cash and bank deposits in trust (b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in</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</p>

	trust Ind in trust Construction in progress in trust (c) Leasehold rights in trust (d) Tenant leasehold and security deposits in trust (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.	Land in trust (c) Leasehold rights in trust (d) Tenant leasehold and security deposits in trust (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.
--	---	--

[Notes on Material Accounting Estimates]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)								
<p>1. Valuation of non-current assets</p> <p>(1) Amount recorded in the financial statements for the previous fiscal period</p> <p style="text-align: right;">(JPY thousand)</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Impairment loss</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Non-current assets (Rental properties)</td> <td style="text-align: right;">445,776,652</td> </tr> </table> <p>Although no impairment loss was recorded in the fiscal period ended June 30, 2022, we recognize it as a disclosure item in view of the risk of having a significant impact on the financial statements for the next fiscal period.</p> <p>(2) Information about the content of material accounting estimates for the identified item</p> <p>We determine whether or not there are any signs of possible impairment pertaining to rental properties owned by INV. If there are any signs, we determine whether or not INV should recognize the impairment loss. No impairment loss was recognized for INV's rental properties, since future cash flows before discounting exceed the book value of rental properties.</p> <p>In estimating future cash flows, it is assumed that the adverse effect by the spread of COVID-19 infections will continue in the second half of 2022, but the pandemic will be gradually contained and the business environment will recover in 2023 onwards. However, it is difficult to accurately predict when the spread of COVID-19 infections will be contained and how much the impact will be. Changes in the infection status may affect the above estimates and INV may incur impairment losses.</p>	Impairment loss	-	Non-current assets (Rental properties)	445,776,652	<p>1. Valuation of non-current assets</p> <p>(1) Amount recorded in the financial statements for the Reporting Period</p> <p style="text-align: right;">(JPY thousand)</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Impairment loss</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Non-current assets (Rental properties)</td> <td style="text-align: right;">443,291,801</td> </tr> </table> <p>Although no impairment loss was recorded in the Reporting Period, we recognize it as a disclosure item in view of the risk of having a significant impact on the financial statements for the next fiscal period.</p> <p>(2) Information about the content of material accounting estimates for the identified item</p> <p>We determine whether or not there are any signs of possible impairment pertaining to rental properties owned by INV. If there are any signs, we determine whether or not INV should recognize the impairment loss. No impairment loss was recognized for INV's rental properties, since future cash flows before discounting exceed the book value of rental properties.</p> <p>In estimating future cash flows, we assume that the business environment will recover in earnest from 2023 onwards, since the adverse effect by the COVID-19 infection is gradually showing signs of abating. However, it is difficult to accurately predict when the business environment will recover and how much the impacts will be. Changes in the infection status may affect the above estimates and INV may incur impairment loss.</p>	Impairment loss	-	Non-current assets (Rental properties)	443,291,801
Impairment loss	-								
Non-current assets (Rental properties)	445,776,652								
Impairment loss	-								
Non-current assets (Rental properties)	443,291,801								

[Notes to the Balance Sheet]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)																																										
<p>*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations</p> <p style="text-align: right;">JPY 50,000 thousand</p>	<p>*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations</p> <p style="text-align: right;">JPY 50,000 thousand</p>																																										
<p>*2. Allowance for temporary differences adjustment</p> <p>(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)</p> <p>1. Reasons, related assets and amounts</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th>Related assets, etc.</th> <th>Reason</th> <th>Initial amount</th> <th>Balance at the beginning of period</th> <th>Allowance set aside during period</th> <th>Reversal during period</th> <th>Balance at the end of period</th> </tr> </thead> <tbody> <tr> <td>Leasehold rights in trust</td> <td>Amortization of leasehold rights</td> <td style="text-align: right;">(131,332)</td> <td style="text-align: right;">(6,130)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(6,130)</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">(131,332)</td> <td style="text-align: right;">(6,130)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(6,130)</td> </tr> </tbody> </table> <p>2. Method of reversal</p> <p>(1) Leasehold rights in trust</p> <p>The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.</p> <p>Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)</p> <p>1. Reasons, related assets and amounts</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th>Related assets, etc.</th> <th>Reason</th> <th>Initial amount</th> <th>Balance at the beginning of period</th> <th>Allowance set aside during period</th> <th>Reversal during period</th> <th>Balance at the end of period</th> </tr> </thead> <tbody> <tr> <td>Leasehold rights in trust</td> <td>Amortization of leasehold rights</td> <td style="text-align: right;">(131,332)</td> <td style="text-align: right;">(6,130)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(6,130)</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">(131,332)</td> <td style="text-align: right;">(6,130)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(6,130)</td> </tr> </tbody> </table> <p>2. Method of reversal</p> <p>(1) Leasehold rights in trust</p> <p>The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.</p>		Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period	Leasehold rights in trust	Amortization of leasehold rights	(131,332)	(6,130)	-	-	(6,130)	Total		(131,332)	(6,130)	-	-	(6,130)	Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period	Leasehold rights in trust	Amortization of leasehold rights	(131,332)	(6,130)	-	-	(6,130)	Total		(131,332)	(6,130)	-	-	(6,130)
Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period																																					
Leasehold rights in trust	Amortization of leasehold rights	(131,332)	(6,130)	-	-	(6,130)																																					
Total		(131,332)	(6,130)	-	-	(6,130)																																					
Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period																																					
Leasehold rights in trust	Amortization of leasehold rights	(131,332)	(6,130)	-	-	(6,130)																																					
Total		(131,332)	(6,130)	-	-	(6,130)																																					

[Notes to Statement of Income and Retained Earnings]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate</p> <p>(Rent/common area charges) (Note) 5,046,284</p> <p>(Other revenues) 151,944</p> <p style="text-align: right;">Total 5,198,229</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 439,577</p> <p>(Taxes and public dues) 588,582</p> <p>(Insurance expenses) 19,867</p> <p>(Depreciation expenses) 3,335,739</p> <p>(Other expenses) 114,957</p> <p style="text-align: right;">Total 4,498,723</p> <p>C. Real estate rental income</p> <p>(A-B) 699,505</p> <p>(Note) Of which, revenue from variable hotel rents 2,038,648</p>	<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate</p> <p>(Rent/common area charges) (Note) 10,037,349</p> <p>(Other revenues) 145,401</p> <p style="text-align: right;">Total 10,182,751</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 426,784</p> <p>(Taxes and public dues) 739,194</p> <p>(Insurance expenses) 20,233</p> <p>(Depreciation expenses) 3,323,690</p> <p>(Other expenses) 96,634</p> <p style="text-align: right;">Total 4,606,538</p> <p>C. Real estate rental income</p> <p>(A-B) 5,576,212</p> <p>(Note) Of which, revenue from variable hotel rents 3,118,811</p>
<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 3,180,828</p> <p>B. Hotel operating expenses 2,167,037</p> <p style="text-align: right;">C. Management contract revenue (A-B) 1,013,790</p> <p>D. Management contract expenses</p> <p>Non-life insurance expenses 112,825</p> <p>Depreciation expenses 430,270</p> <p style="text-align: right;">Total 543,095</p> <p>E. Management contract revenue and expenses (C-D) 470,695</p>	<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 5,096,139</p> <p>B. Hotel operating expenses 3,349,290</p> <p style="text-align: right;">C. Management contract revenue (A-B) 1,746,848</p> <p>D. Management contract expenses</p> <p>Non-life insurance expenses 136,505</p> <p>Depreciation expenses 432,613</p> <p>Other 550</p> <p style="text-align: right;">Total 569,669</p> <p>E. Management contract revenue and expenses (C-D) 1,177,179</p>

<p>*3. Gain on sales of properties (Unit: JPY thousand)</p> <p>Revest Honjin, Revest Matsubara, Alba Noritake Shinmachi, Revest Meieki Minami, Luna Court Edobori and Little River Honmachibashi (Note)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Proceeds from sales of property</td> <td style="text-align: right;">4,450,000</td> </tr> <tr> <td>Cost of sales of property</td> <td style="text-align: right;">2,867,202</td> </tr> <tr> <td>Other expenses on sales of property</td> <td style="text-align: right;">114,591</td> </tr> <tr> <td>Gain on sales of property</td> <td style="text-align: right;">1,468,206</td> </tr> </table> <p>(Note) The sale prices of individual properties are not disclosed as the transferees' consent has not been obtained for disclosure.</p>	Proceeds from sales of property	4,450,000	Cost of sales of property	2,867,202	Other expenses on sales of property	114,591	Gain on sales of property	1,468,206	<p>Not applicable</p>
Proceeds from sales of property	4,450,000								
Cost of sales of property	2,867,202								
Other expenses on sales of property	114,591								
Gain on sales of property	1,468,206								

[Notes to Statement of Changes in Net Assets]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
<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 6,096,840 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 10,000,000 units</p> <p>Total number of investment units issued and outstanding 6,096,840 units</p>

[Notes Related to Tax Accounting]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)						Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)					
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	615					Enterprise tax payable	615				
Buildings and other (merger)	187,068					Buildings and other (merger)	186,398				
Land (merger)	116,724					Land (merger)	116,724				
Loss carried forward (Note 1)	1,799,777					Loss carried forward (Note 1)	1,609,063				
Asset retirement obligations	10,584					Asset retirement obligations	10,656				
Amortization of leasehold right	149,710					Amortization of leasehold right	162,054				
Adjustment of acquisition prices (overseas properties)	453,535					Adjustment of acquisition prices (overseas properties)	449,589				
Subtotal	2,718,017					Subtotal	2,535,101				
Valuation allowance for tax loss carried forward	(1,799,777)					Valuation allowance for tax loss carried forward	(1,609,063)				
Valuation allowance for the total of deductible temporary differences, etc.	(918,239)					Valuation allowance for the total of deductible temporary differences, etc.	(926,038)				
Subtotal	(2,718,017)					Subtotal (Note 2)	(2,535,101)				
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)	511,182	-	-	-		Tax loss carried forward (a)	330,700	-	-	-	
Valuation allowance	(511,182)	-	-	-		Valuation allowance	(330,700)	-	-	-	
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)	-	1,288,595	1,799,777			Tax loss carried forward (a)	-	1,278,362	1,609,063		
Valuation allowance	-	(1,288,595)	(1,799,777)			Valuation allowance	-	(1,278,362)	(1,609,063)		
Deferred tax assets	-	-	-			Deferred tax assets	-	-	-		
(a) Tax loss carried forward is multiplied by statutory tax rate.						(a) Tax loss carried forward is multiplied by statutory tax rate. (Note 2) Valuation allowance decreased by JPY 182,915 thousand mainly due to a decrease in tax loss carried forward.					
2. Significant difference between statutory tax rate and the effective tax rate						2. Significant difference between statutory tax rate and the effective tax rate					
Statutory tax rate	31.46%					Statutory tax rate	31.46%				
Deductible cash distributions	(31.35)%					Deductible cash distributions	(31.44)%				
Changes in valuation allowance	(0.11)%					Changes in valuation allowance	(3.60)%				
Others	0.06%					Expiration of loss carried forward	3.58%				
Effective tax rate	0.06%					Others	0.01%				
						Effective tax rate	0.01%				

[Notes Related to Financial Instruments]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
<p>1. Status of financial instruments</p> <p>(1) Policy for financial instruments</p> <p>INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term. The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans. Derivative transactions are to be entered into for the purpose of hedging against the risks of future interest rate fluctuations, exchange rate fluctuations, etc. and not for speculation. Surplus funds are managed after carefully taking into account safety, liquidity, the interest rate environment and financing.</p> <p>(2) Nature and extent of risks arising from financial instruments and risk management.</p> <p>The funds raised through borrowings and issuing investment corporation bonds are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loans. Liquidity risks relating to loan are managed by the finance department of CIM by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</p> <p>(3) Supplemental information regarding 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. The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans. Derivative transactions are to be entered into for the purpose of hedging against the risks of future interest rate fluctuations, exchange rate fluctuations, etc. and not for speculation. Surplus funds are managed after carefully taking into account safety, liquidity, the interest rate environment and financing.</p> <p>(2) Nature and extent of risks arising from financial instruments and risk management.</p> <p>The funds raised through borrowings and issuing investment corporation bonds are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loans. Liquidity risks relating to loan are managed by the finance department of CIM by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.</p> <p>(3) Supplemental information regarding 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>2. Estimated fair value of financial instruments. Book value, fair value and the difference between value as of June 30, 2022 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: center;">(Unit: JPY thousand)</p> <table border="1" data-bbox="240 544 839 999"> <thead> <tr> <th></th> <th>Book Value</th> <th>Fair Value</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>(1) Investment securities</td> <td>17,856,387</td> <td>17,521,928</td> <td>(334,458)</td> </tr> <tr> <td>Total assets</td> <td>17,856,387</td> <td>17,521,928</td> <td>(334,458)</td> </tr> <tr> <td>(2) Current portion of Investment Corporation Bonds</td> <td>(1,000,000)</td> <td>(985,500)</td> <td>14,500</td> </tr> <tr> <td>(3) Current portion of long-term loans payable</td> <td>(44,807,000)</td> <td>(44,807,000)</td> <td>-</td> </tr> <tr> <td>(4) Investment corporation bonds</td> <td>(7,200,000)</td> <td>(6,689,440)</td> <td>510,560</td> </tr> <tr> <td>(5) Long-term loans</td> <td>(100,230,000)</td> <td>(100,230,000)</td> <td>-</td> </tr> <tr> <td>Total liabilities</td> <td>(153,237,000)</td> <td>(152,711,940)</td> <td>525,060</td> </tr> <tr> <td>(6) Derivatives</td> <td>96,020</td> <td>96,020</td> <td>-</td> </tr> </tbody> </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>		Book Value	Fair Value	Difference	(1) Investment securities	17,856,387	17,521,928	(334,458)	Total assets	17,856,387	17,521,928	(334,458)	(2) Current portion of Investment Corporation Bonds	(1,000,000)	(985,500)	14,500	(3) Current portion of long-term loans payable	(44,807,000)	(44,807,000)	-	(4) Investment corporation bonds	(7,200,000)	(6,689,440)	510,560	(5) Long-term loans	(100,230,000)	(100,230,000)	-	Total liabilities	(153,237,000)	(152,711,940)	525,060	(6) Derivatives	96,020	96,020	-	<p>2. Estimated fair value of financial instruments. Book value, fair value and the difference between value as of December 31, 2022 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: center;">(Unit: JPY thousand)</p> <table border="1" data-bbox="868 544 1466 999"> <thead> <tr> <th></th> <th>Book Value</th> <th>Fair Value</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>(1) Investment securities</td> <td>17,856,387</td> <td>17,553,373</td> <td>(303,014)</td> </tr> <tr> <td>Total assets</td> <td>17,856,387</td> <td>17,553,373</td> <td>(303,014)</td> </tr> <tr> <td>(2) Current portion of Investment Corporation Bonds</td> <td>(3,000,000)</td> <td>(2,970,200)</td> <td>29,800</td> </tr> <tr> <td>(3) Current portion of long-term loans payable</td> <td>(42,405,000)</td> <td>(42,405,000)</td> <td>-</td> </tr> <tr> <td>(4) Investment corporation bonds</td> <td>(5,200,000)</td> <td>(4,734,340)</td> <td>465,660</td> </tr> <tr> <td>(5) Long-term loans</td> <td>(75,677,000)</td> <td>(75,677,000)</td> <td>-</td> </tr> <tr> <td>Total liabilities</td> <td>(126,282,000)</td> <td>(125,786,540)</td> <td>495,460</td> </tr> <tr> <td>(6) Derivatives</td> <td>142,721</td> <td>142,721</td> <td>-</td> </tr> </tbody> </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>		Book Value	Fair Value	Difference	(1) Investment securities	17,856,387	17,553,373	(303,014)	Total assets	17,856,387	17,553,373	(303,014)	(2) Current portion of Investment Corporation Bonds	(3,000,000)	(2,970,200)	29,800	(3) Current portion of long-term loans payable	(42,405,000)	(42,405,000)	-	(4) Investment corporation bonds	(5,200,000)	(4,734,340)	465,660	(5) Long-term loans	(75,677,000)	(75,677,000)	-	Total liabilities	(126,282,000)	(125,786,540)	495,460	(6) Derivatives	142,721	142,721	-
	Book Value	Fair Value	Difference																																																																						
(1) Investment securities	17,856,387	17,521,928	(334,458)																																																																						
Total assets	17,856,387	17,521,928	(334,458)																																																																						
(2) Current portion of Investment Corporation Bonds	(1,000,000)	(985,500)	14,500																																																																						
(3) Current portion of long-term loans payable	(44,807,000)	(44,807,000)	-																																																																						
(4) Investment corporation bonds	(7,200,000)	(6,689,440)	510,560																																																																						
(5) Long-term loans	(100,230,000)	(100,230,000)	-																																																																						
Total liabilities	(153,237,000)	(152,711,940)	525,060																																																																						
(6) Derivatives	96,020	96,020	-																																																																						
	Book Value	Fair Value	Difference																																																																						
(1) Investment securities	17,856,387	17,553,373	(303,014)																																																																						
Total assets	17,856,387	17,553,373	(303,014)																																																																						
(2) Current portion of Investment Corporation Bonds	(3,000,000)	(2,970,200)	29,800																																																																						
(3) Current portion of long-term loans payable	(42,405,000)	(42,405,000)	-																																																																						
(4) Investment corporation bonds	(5,200,000)	(4,734,340)	465,660																																																																						
(5) Long-term loans	(75,677,000)	(75,677,000)	-																																																																						
Total liabilities	(126,282,000)	(125,786,540)	495,460																																																																						
(6) Derivatives	142,721	142,721	-																																																																						
<p>(Note 1) Methods to calculate fair value of financial instruments.</p> <p>(1) Investment securities 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 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 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> <p>(6) Derivatives (a) Derivatives transactions to which hedge accounting is not applied Not applicable</p>	<p>(Note 1) Methods to calculate fair value of financial instruments.</p> <p>(1) Investment securities 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 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 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> <p>(6) Derivatives (a) Derivatives transactions to which hedge accounting is not applied Not applicable</p>																																																																								

(b) Derivatives transactions to which hedge accounting is applied

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

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	50,476,000	36,687,000	96,020

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

(*2) Estimation method for fair value

Interest rate swap:

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

(Note 2) 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)

	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	44,807,000	-	-
Investment corporation bonds	-	2,000,000	1,000,000
Long-term loans payable	-	44,589,000	42,243,000
Total	45,807,000	46,589,000	43,243,000

	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	-	-	-
Investment corporation bonds	-	-	4,200,000
Long-term loans payable	12,437,000	-	961,000
Total	12,437,000	-	5,161,000

(b) Derivatives transactions to which hedge accounting is applied

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

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	50,476,000	36,687,000	142,721

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

(*2) Estimation method for fair value

Interest rate swap:

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

(Note 2) 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)

	Due within one year	Due after one to two years	Due after two to three years
Current portion of Investment Corporation Bonds	3,000,000	-	-
Current portion of long-term loans payable	42,405,000	-	-
Investment corporation bonds	-	1,000,000	-
Long-term loans payable	-	34,127,000	39,399,000
Total	45,405,000	35,127,000	39,399,000

	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	-	-	-
Investment corporation bonds	-	-	4,200,000
Long-term loans payable	-	1,190,000	961,000
Total	-	1,190,000	5,161,000

[Notes Related to Asset Retirement Obligations]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)																
<p>1. Summary of the asset retirement obligations for the period INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of Comfort Hotel Maebashi held by INV.</p> <p>2. Calculation method for asset retirement obligations for the period The amount of the asset retirement obligations has been calculated by fixing the estimated period of use at 43 years, based on the period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the end of the period (Unit: JPY thousand)</p> <table border="1" style="width: 100%;"> <tr> <td>Balance at the beginning of the period</td> <td style="text-align: right;">33,422</td> </tr> <tr> <td>Increase due to the acquisition of properties</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Accretion expense</td> <td style="text-align: right;">222</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">33,644</td> </tr> </table>	Balance at the beginning of the period	33,422	Increase due to the acquisition of properties	-	Accretion expense	222	Balance at the end of the period	33,644	<p>1. Summary of the asset retirement obligations for the period INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of Comfort Hotel Maebashi held by INV.</p> <p>2. Calculation method for asset retirement obligations for the period The amount of the asset retirement obligations has been calculated by fixing the estimated period of use at 43 years, based on the period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the end of the period (Unit: JPY thousand)</p> <table border="1" style="width: 100%;"> <tr> <td>Balance at the beginning of the period</td> <td style="text-align: right;">33,644</td> </tr> <tr> <td>Increase due to the acquisition of properties</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Accretion expense</td> <td style="text-align: right;">227</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">33,872</td> </tr> </table>	Balance at the beginning of the period	33,644	Increase due to the acquisition of properties	-	Accretion expense	227	Balance at the end of the period	33,872
Balance at the beginning of the period	33,422																
Increase due to the acquisition of properties	-																
Accretion expense	222																
Balance at the end of the period	33,644																
Balance at the beginning of the period	33,644																
Increase due to the acquisition of properties	-																
Accretion expense	227																
Balance at the end of the period	33,872																

[Notes Related to Rental Properties]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)					Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)				
<p>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.</p> <p style="text-align: right;">(Unit: JPY thousand)</p>					<p>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.</p> <p style="text-align: right;">(Unit: JPY thousand)</p>				
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	37,693,472	(3,125,906)	34,567,566	46,074,000	Residences	34,567,566	(184,066)	34,383,500	47,357,000
Commercial facilities	1,649,608	(27,624)	1,621,984	2,380,000	Commercial facilities	1,621,984	(16,661)	1,605,322	2,380,000
Hotels	412,461,201	(2,874,099)	409,587,102	481,758,260	Hotels	409,587,102	(2,284,122)	407,302,979	482,833,730
Total	451,804,282	(6,027,630)	445,776,652	530,212,260	Total	445,776,652	(2,484,850)	443,291,801	532,570,730
<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 previous fiscal period were construction work related to capital expenditures.</p> <p>(Note 3) The major factors of the decrease were sale of residences and 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 were construction work related to capital expenditures.</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, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
Not applicable.	Not applicable.

[Notes Related to Transactions with Related Parties]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)

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	422,206	Rental receivables	464,466
	MyStays Hotel Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	2,190,756	Rental receivables	2,407,825

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

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

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	9,964,500	Short-term loans payable	14,983,000
				Repayment of short-term loan	4,464,500		
				Repayment of long-term loan	5,500,000	Long-term loans payable	19,748,000
				Finance-related fees (Note 2)	29,893	Prepaid expenses	61,173
						Long-term prepaid expenses	43,131
Interest expenses (Note 2)	80,984	Accrued expenses	449				

(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, 2022 (from July 1, 2022 to December 31, 2022)

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	1,152,194	Accounts receivable	404,531
	MyStays Hotel Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	5,771,441	Accounts receivable	3,864,932

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

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

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	7,408,500	Short-term loans payable	17,373,000
				Repayment of short-term loan	5,018,500		
				Repayment of long-term loan	2,390,000	Long-term loans payable	17,358,000
				Finance-related fees (Note 2)	22,264	Prepaid expenses	51,418
						Long-term prepaid expenses	27,152
Interest expenses (Note 2)	79,062	Accrued expenses	847				

(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, 2022 (from January 1, 2022 to June 30, 2022)		Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)	
Net assets per unit	JPY 40,383	Net assets per unit	JPY 41,058
Net income per unit	JPY 167	Net income per unit	JPY 832
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, 2022 (from January 1, 2022 to June 30, 2022)		Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)	
Net income for the period (JPY thousand)	1,015,155	Net income for the period (JPY thousand)	5,075,336
Amounts not attributable to common unitholders (JPY thousand)	-	Amounts not attributable to common unitholders (JPY thousand)	-
Net income attributable to common units (JPY thousand)	1,015,155	Net income attributable to common units (JPY thousand)	5,075,336
Average number of investment units during the period (units)	6,096,840	Average number of investment units during the period (units)	6,096,840

[Notes Related to Revenue Recognition]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)																																																				
<p>1. Breakdown of revenue from contracts with customers (Unit: JPY thousand)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%;">Revenue from contracts with customers (Note 1)</th> <th style="width: 35%;">Net sales to external customers</th> </tr> </thead> <tbody> <tr> <td>Sale of real estate, etc.</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">21,281</td> <td style="text-align: right;">7,680,227</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">21,281</td> <td style="text-align: right;">7,680,227</td> </tr> </tbody> </table> <p>(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.</p> <p>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.</p> <p>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</p> <p>(1) Balance of contract assets and contract liabilities, etc. (Unit: JPY thousand)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 30%;">Fiscal period ended June 30, 2022</th> </tr> </thead> <tbody> <tr> <td>Claims generated from contracts with customers (balance at the beginning of the period)</td> <td style="text-align: right;">2,114</td> </tr> <tr> <td>Claims generated from contracts with customers (balance at the end of the period)</td> <td style="text-align: right;">2,250</td> </tr> <tr> <td>Contract assets (balance at the beginning of the period)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Contract assets (balance at the end of the period)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Contract liabilities (balance at the beginning of the period)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Contract liabilities (balance at the end of the period)</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>(2) Transaction value allocated to remaining performance obligations Not applicable</p>		Revenue from contracts with customers (Note 1)	Net sales to external customers	Sale of real estate, etc.	-	-	Other	21,281	7,680,227	Total	21,281	7,680,227		Fiscal period ended June 30, 2022	Claims generated from contracts with customers (balance at the beginning of the period)	2,114	Claims generated from contracts with customers (balance at the end of the period)	2,250	Contract assets (balance at the beginning 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 end of the period)	-	<p>1. Breakdown of revenue from contracts with customers (Unit: JPY thousand)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%;">Revenue from contracts with customers (Note 1)</th> <th style="width: 35%;">Net sales to external customers</th> </tr> </thead> <tbody> <tr> <td>Sale of real estate, etc.</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">31,966</td> <td style="text-align: right;">11,929,599</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">31,966</td> <td style="text-align: right;">11,929,599</td> </tr> </tbody> </table> <p>(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.</p> <p>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.</p> <p>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</p> <p>(1) Balance of contract assets and contract liabilities, etc. (Unit: JPY thousand)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 30%;">Fiscal period ended December 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Claims generated from contracts with customers (balance at the beginning of the period)</td> <td style="text-align: right;">2,250</td> </tr> <tr> <td>Claims generated from contracts with customers (balance at the end of the period)</td> <td style="text-align: right;">4,231</td> </tr> <tr> <td>Contract assets (balance at the beginning of the period)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Contract assets (balance at the end of the period)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Contract liabilities (balance at the beginning of the period)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Contract liabilities (balance at the end of the period)</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>(2) Transaction value allocated to remaining performance obligations Not applicable</p>		Revenue from contracts with customers (Note 1)	Net sales to external customers	Sale of real estate, etc.	-	-	Other	31,966	11,929,599	Total	31,966	11,929,599		Fiscal period ended December 31, 2022	Claims generated from contracts with customers (balance at the beginning of the period)	2,250	Claims generated from contracts with customers (balance at the end of the period)	4,231	Contract assets (balance at the beginning 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 end of the period)	-
	Revenue from contracts with customers (Note 1)	Net sales to external customers																																																			
Sale of real estate, etc.	-	-																																																			
Other	21,281	7,680,227																																																			
Total	21,281	7,680,227																																																			
	Fiscal period ended June 30, 2022																																																				
Claims generated from contracts with customers (balance at the beginning of the period)	2,114																																																				
Claims generated from contracts with customers (balance at the end of the period)	2,250																																																				
Contract assets (balance at the beginning 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 end of the period)	-																																																				
	Revenue from contracts with customers (Note 1)	Net sales to external customers																																																			
Sale of real estate, etc.	-	-																																																			
Other	31,966	11,929,599																																																			
Total	31,966	11,929,599																																																			
	Fiscal period ended December 31, 2022																																																				
Claims generated from contracts with customers (balance at the beginning of the period)	2,250																																																				
Claims generated from contracts with customers (balance at the end of the period)	4,231																																																				
Contract assets (balance at the beginning 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 end of the period)	-																																																				

[Notes Related to Significant Subsequent Events]

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
Not applicable	Not applicable

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

(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
Not applicable	Not applicable

VI. Statement of Cash Distribution

	(Reference) Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
I. Unappropriated retained earnings	JPY 9,679,301,911	JPY 13,742,562,778
II. Distributions (Distribution per unit)	JPY 1,012,075,440 JPY 166	JPY 5,072,570,880 JPY 832
III. Retained earnings (deficit) carried forward	JPY 8,667,226,471	JPY 8,669,991,898
Calculation method of distribution amount	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable income as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 1,012,075,440 out of net income of JPY 1,015,155,471. Moreover, INV does not make excess profit distribution set forth in Article 17, Paragraph 4 of the Articles of Incorporation.	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable income as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 5,072,570,880 out of net income of JPY 5,075,336,307. Moreover, INV does not make excess profit distribution set forth in Article 17, Paragraph 4 of the Articles of Incorporation.

Note

Accompanying English financial information, comprising Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution, have been translated from the Japanese financial statements of INV prepared in accordance with the Act on Investment Trusts and Investment Corporations of Japan.

Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended December 31, 2022 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, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
Cash flows from operating activities		
Net income before taxes	1,015,760	5,075,941
Depreciation and amortization	3,766,009	3,756,303
Amortization of investment corporation bond issuance costs	6,200	6,303
Loan-related costs	505,414	553,412
Interest income	(78)	(90)
Interest expenses	590,377	570,334
Foreign exchange losses (gains)	158	(29)
Decrease (increase) in rental receivables	(1,102,461)	(1,448,964)
Decrease (Increase) in deposits paid	(179,359)	(1,370,438)
Decrease (increase) in receivable income taxes	(1)	(1)
Increase (decrease) in accounts payable	(511,128)	(3,505)
Increase (decrease) in consumption taxes payable	(490,678)	321,485
Increase (decrease) in accounts payable-other	26,469	(26,469)
Increase (decrease) in accrued expenses	(48,167)	20,843
Increase (decrease) in advances received	(240,841)	(585)
Increase (decrease) in deposits received	1,583	3,093
Decrease in property and equipment in trust due to sale	2,867,202	-
Others, net	116,612	(219,196)
Subtotal	6,323,071	7,238,437
Interest income received	78	90
Interest expenses paid	(593,962)	(567,445)
Income taxes paid	(605)	(605)
Net cash provided by operating activities	5,728,582	6,670,476
Cash flows from investing activities		
Payment into time deposits	(2,000,000)	(800,000)
Proceeds from time deposits	2,000,000	800,000
Purchases of property and equipment	(24,384)	(102,499)
Purchases of property and equipment in trust	(531,563)	(875,748)
Repayments of tenant leasehold and security deposits in trust	(35,672)	(27,487)
Proceeds from tenant leasehold and security deposits in trust	16,777	12,239
Net cash used in investing activities	(574,843)	(993,494)
Cash flows from financing activities		
Proceeds from short-term loans payable	27,044,000	87,471,000
Repayments of short-term loans payable	(10,695,000)	(61,091,000)
Proceeds from long-term loans payable	-	1,790,000
Repayments of long-term loans payable	(19,922,000)	(28,745,000)
Borrowing related expenses	(271,524)	(591,633)
Payment of distributions of earnings	(1,011,974)	(1,011,803)
Net cash provided by (used in) financing activities	(4,856,498)	(2,178,436)
Effect of exchange rate change on cash and cash equivalents	(158)	29
Net increase (decrease) in cash and cash equivalents	297,081	3,498,574
Cash and cash equivalents at beginning of period	16,726,139	17,023,221
Cash and cash equivalents at end of period	*1 17,023,221	20,521,796

(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)

By Period Item	Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
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)

By Period Item	Fiscal period ended June 30, 2022 (from January 1, 2022 to June 30, 2022)	Fiscal period ended December 31, 2022 (from July 1, 2022 to December 31, 2022)
*1. Relationship between cash and cash equivalents in Statement of Cash Flows and amounts in accompanying balance sheet	(As of June 30, 2022) (Unit: JPY thousand)	(As of December 31, 2022) (Unit: JPY thousand)
	Cash and bank deposits 13,794,814	Cash and bank deposits 15,553,174
	Cash and bank deposits in trust 6,028,407	Cash and bank deposits in trust 7,768,621
	Time deposits with over three months deposit period (2,800,000)	Time deposits with over three months deposit period (2,800,000)
	Cash and cash equivalents 17,023,221	Cash and cash equivalents 20,521,796

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

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

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

Major payment record *Payment record regarding cash distribution

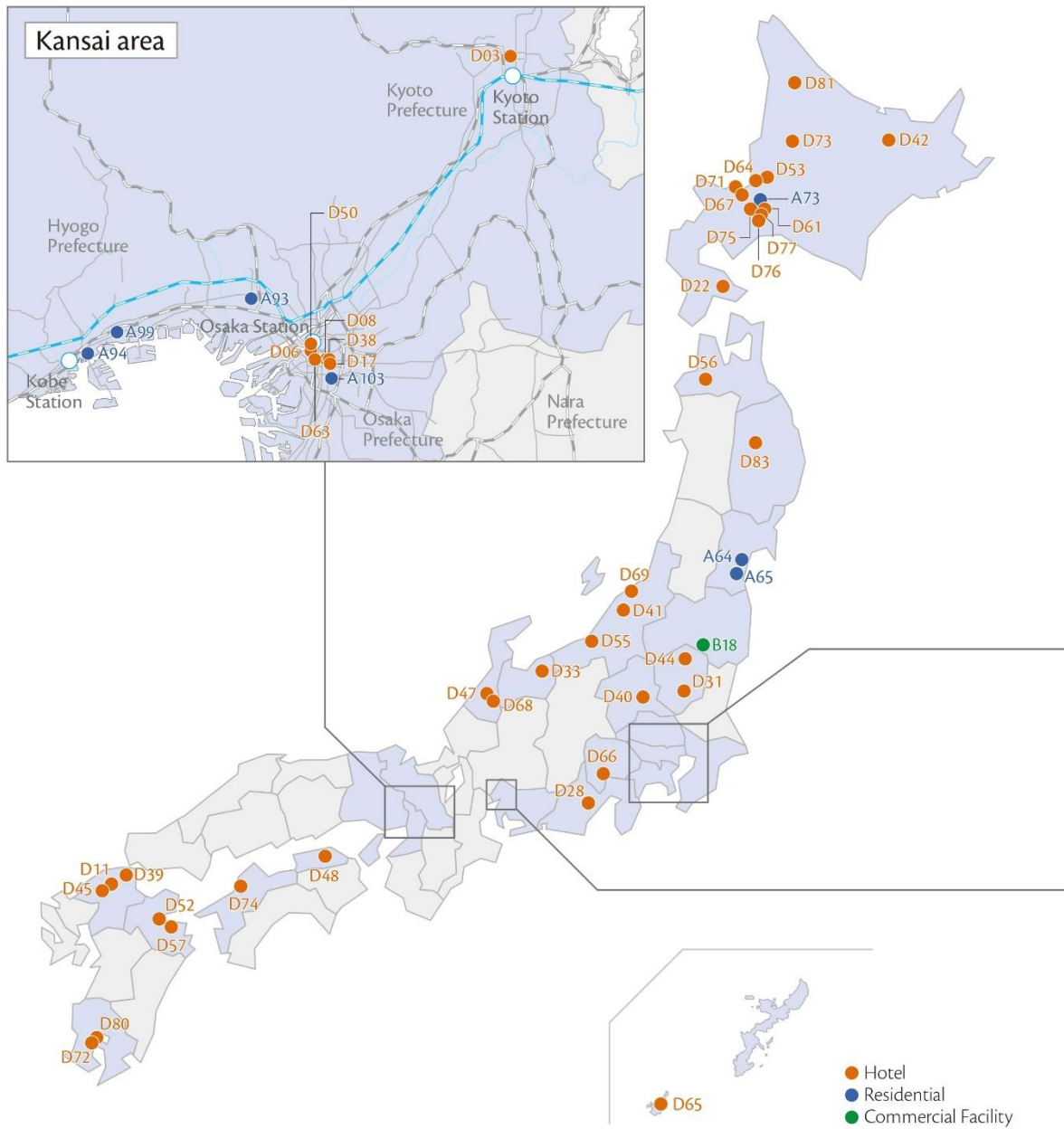
Usage of “My Number” also includes taxation-related procedures on investment units. It is necessary for unitholders to notify your “My Number” to your brokerage, etc.

Inquiries regarding notifying “My Number”

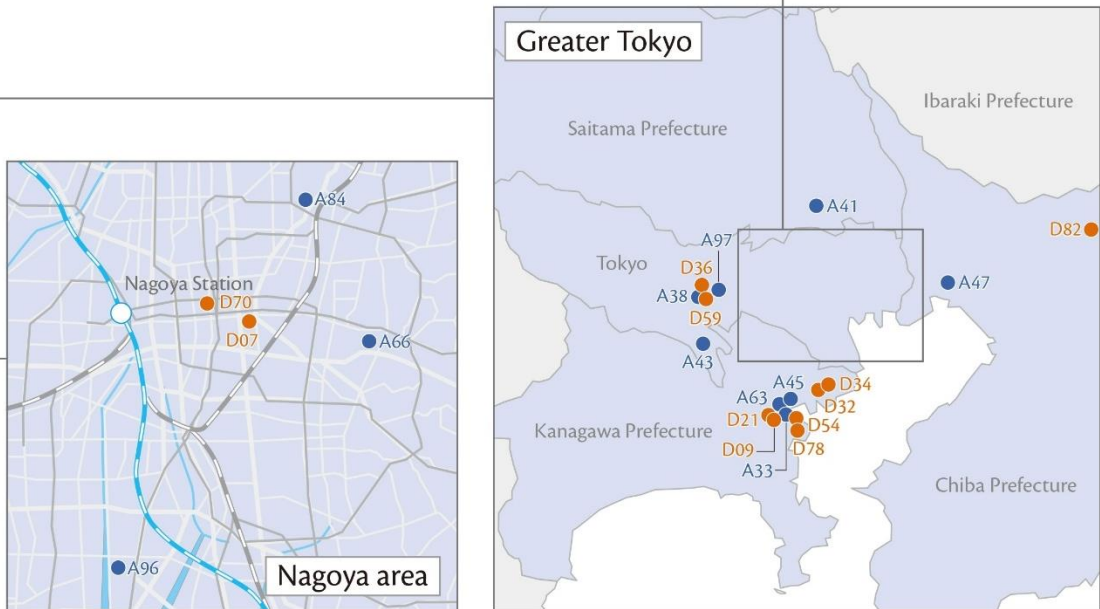
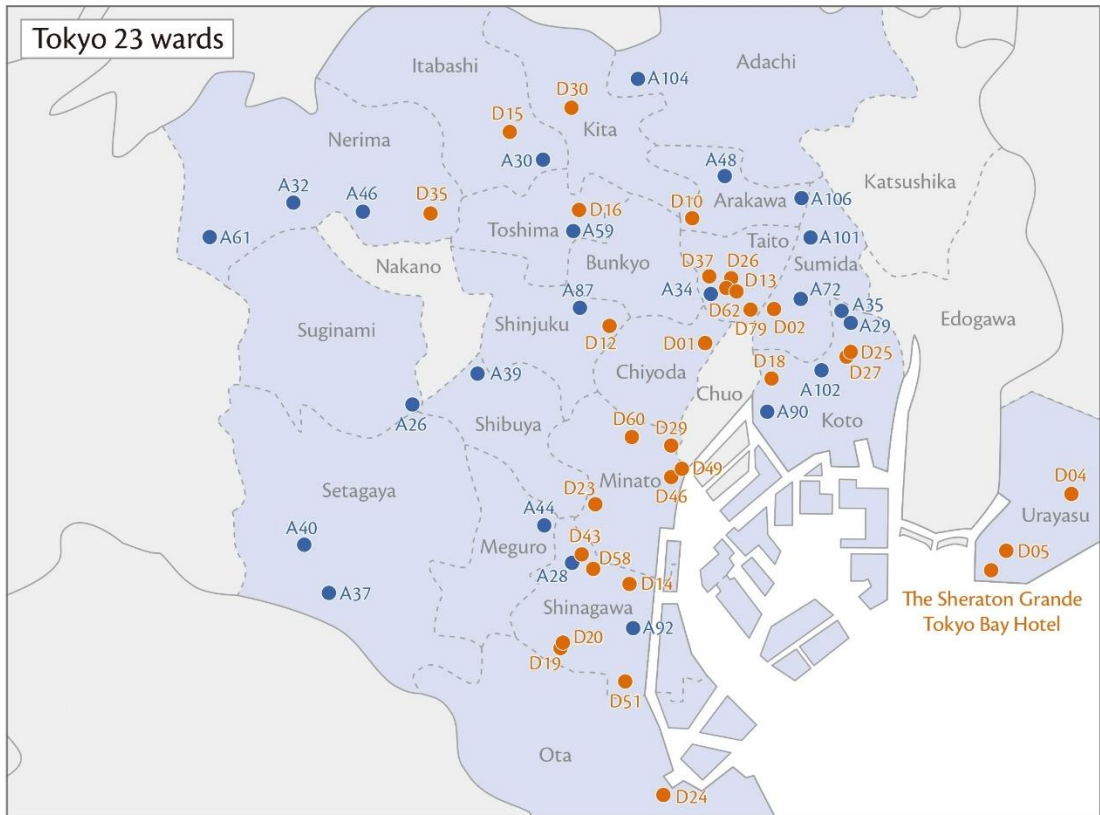
- Unitholders whose investment units are managed in brokerage accounts
Each brokerage
- Unitholders who have no brokerage account
Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited
Toll-free Telephone Number 0120-782-031

Domestic Portfolio Map (As of February 28, 2023)

No. of Properties (Note 1)	No. of Hotels (Note 1)	No. of Residential Properties	Others
126	84	41	1



(Note 1) Including Sheraton Grande Tokyo Bay Hotel, underlying assets of TMK investment
 (Note 2) For properties corresponding to the number and their overview, please refer to pages 31-37.



Financial Conditions

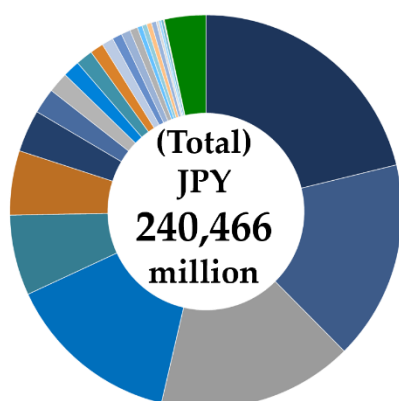
INV refinanced bank loans of JPY 89.2 billion in total during the December 2022 fiscal period, and refinanced JPY 20.4 billion of bank loans in January 2023.

INV has JPY 17.0 billion in cash on hand at the end of January 2023, which is more than enough to pay interest expenses and other payments.

Investment Corporation Bonds

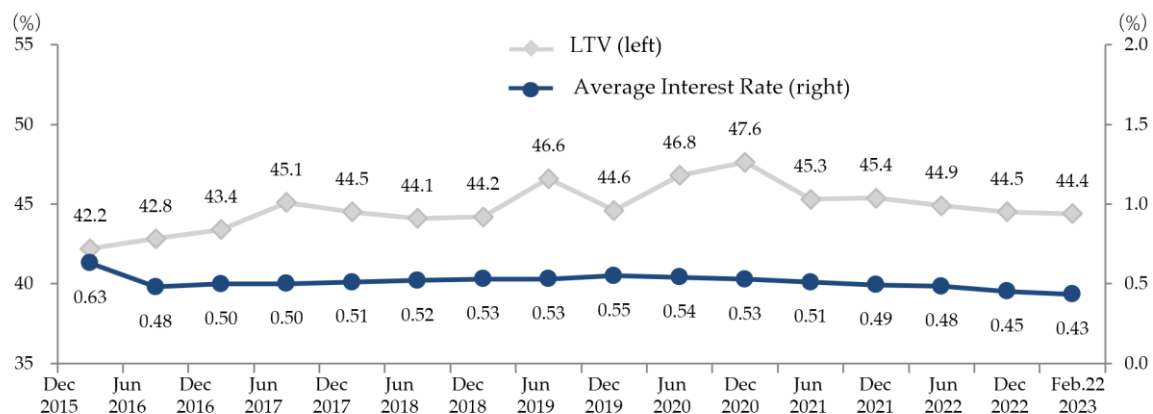
Bonds name	Issued Date	Term (years)	Balance (JPY mn)	Annual Interest Rate	Rating
1st Series Investment Corporation Bonds	May 25, 2018	5.0	1,000	0.40%	A (JCR)
2nd Series Investment Corporation Bonds	May 25, 2018	10.0	1,000	0.80%	A (JCR)
3rd Series Investment Corporation Bonds	Oct. 12, 2018	5.0	2,000	0.55%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

Lender Formation (as of February 28, 2023)

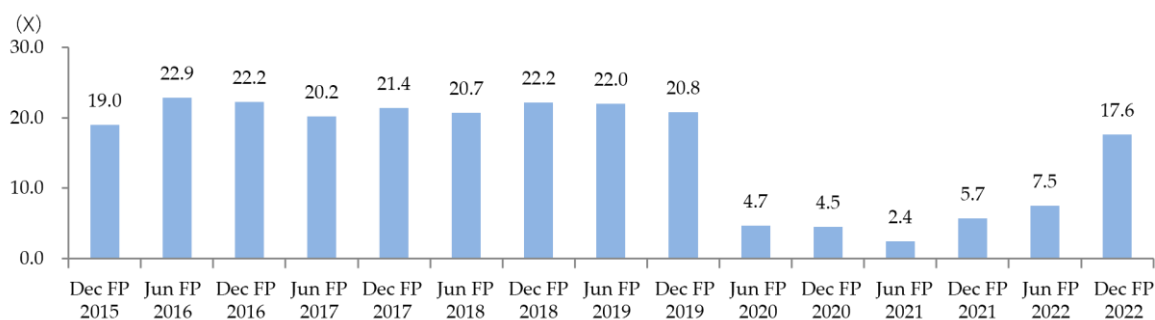


Mizuho Bank	21.2%	Nishi-Nippon City Bank	0.8%
MUFG	16.4%	Fukuoka Bank	0.8%
SMBC	16.1%	Aeon Bank	0.6%
SMTB	14.4%	Kiraboshi Bank	0.4%
Citibank	6.6%	Momiji Bank	0.4%
SBI Shinsei Bank	5.3%	Yamaguchi Bank	0.4%
DBJ	3.5%	The Chukyo Bank	0.4%
Resona Bank	2.1%	Kagawa Bank	0.2%
Tokyo Star Bank	1.7%	Tochigi Bank	0.2%
San ju San Bank	1.4%	Kiyo Bank	0.2%
Aozora Bank	1.4%	Ogaki Kyoritsu Bank	0.1%
Nomura TB	1.1%	REIT Bond	3.4%
Shizuoka Bank	1.0%		

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



■ DSCR^(Note 3)



■ Rating

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

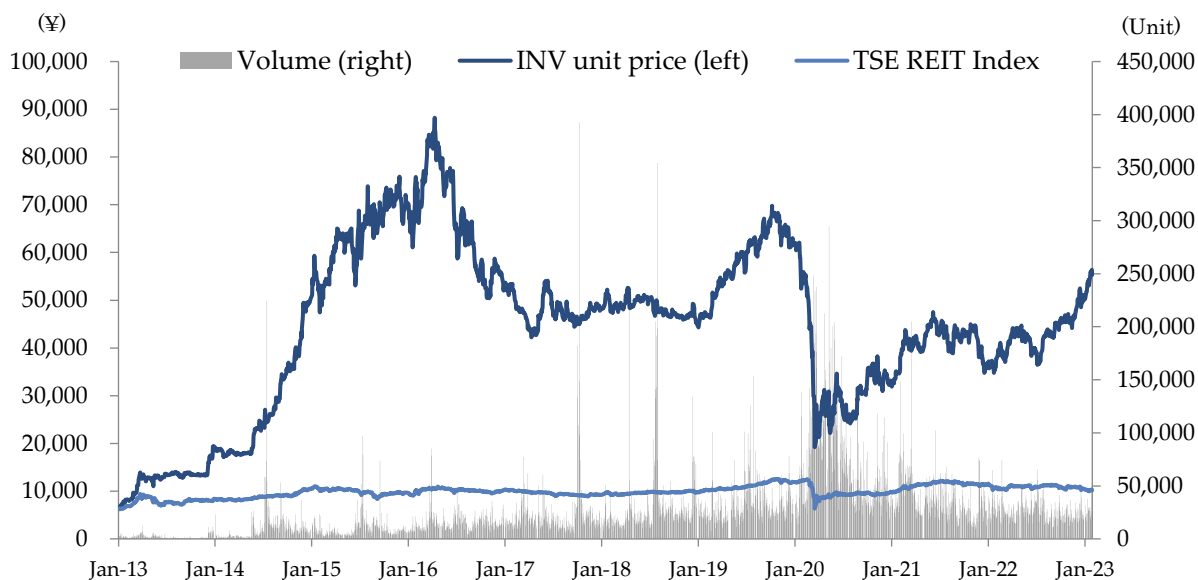
(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel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

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

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

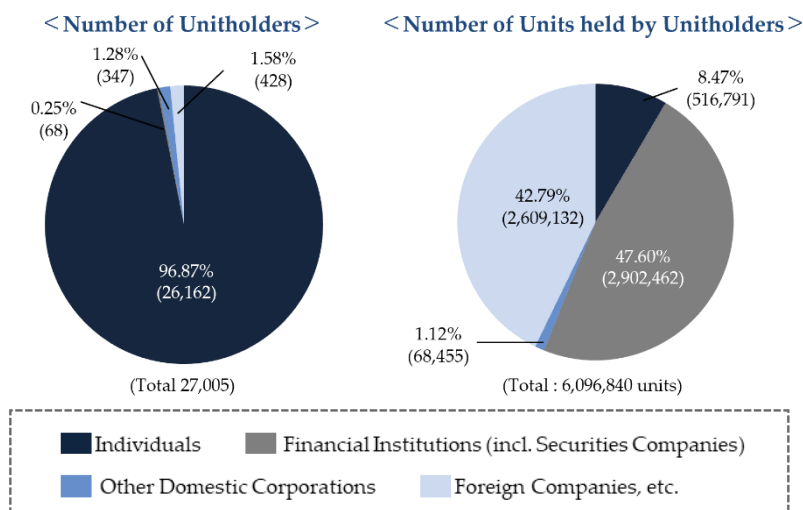
Overview of Unitholders/Investment Units

Historical Unit Price



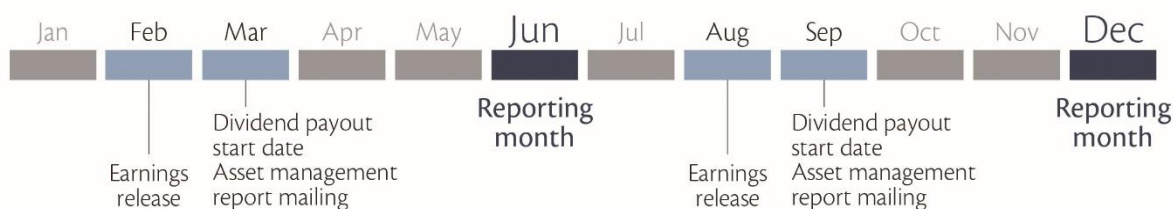
(Note) Unit prices indicate the closing price on the TSE market. TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013, as the same as the closing price of INV's unit on the same day.

Distribution of Unitholders



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

Annual Schedule



Information for Unitholders

For Unitholders

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

Notification Process for Address Changes

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

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

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

Dividends

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

(Bank Transfers)

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

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

■ Notification

(Notice of Dividend Payment)

The 2008 amendment of the Special Taxation Measures Law (Act No. 23 of April 30, 2008) mandated the sending to unitholders a “Notice of Dividend Payment” stating the dividend amount, amount of taxes withheld, and the like for dividends payable in and after January 2009. If you collect dividends via a “Dividends Receipt,” please view the “Notice of Dividend Payment” sent alongside it. If you have specified a wire transfer, the “Dividend Statement” delivered with the dividend payment is the “Notice of Dividend Payment.”

(Characters for Addresses and Names of Unitholders)

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

■ Inquiries

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

TEL: 03-5411-2731 (Main)

Weekdays 9:00-17:00