Invincible Investment Corporation

Financial Summary for the June 2025 Fiscal Period

(from January 1, 2025 to June 30, 2025)

August 25, 2025

Name	:	Invincible Investment Corporation ("INV")
Representative	:	Naoki Fukuda, Executive Director
Stock Listing	:	Tokyo Stock Exchange
Securities Code	:	8963
URL	:	https://www.invincible-inv.co.jp/en/
Contact	:	Consonant Investment Management Co., Ltd. (Asset Manager of INV) Jun Komo, General Manager of Planning Department Tel. +81-3-5411-2731
Start date for dividend distribution	:	September 24, 2025

(Figures are rounded down to the nearest JPY million)

1. Financial Results for the Fiscal Period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Fiscal period ended June 30, 2025	25,107	(1.8)	16,935	(4.6)	14,366	(5.1)	14,366	(5.1)
Fiscal period ended December 31, 2024	25,555	20.9	17,751	21.3	15,138	17.3	15,138	17.3

	Net Income per Unit	Net Income / Unitholders' Equity	Ordinary Income / Total Assets	Ordinary Income / Operating Revenues
	JPY	%	%	%
Fiscal period ended June 30, 2025	1,878	4.1	2.1	57.2
Fiscal period ended December 31, 2024	1,980	4.7	2.4	59.2

(2) Distributions

	Distribution (Excluding excess profit distribution)		Excess Profit Distribution		Dividend Payout Ratio	Distribution / Net Assets
	Per Unit	Total	Per Unit	Total		
	JPY	JPY million	JPY	JPY million	%	%
Fiscal period ended June 30, 2025	1,895	14,490	-	-	100.9	4.1
Fiscal period ended December 31, 2024	1,982	15,155	-	-	100.1	4.4

(Note 1) Dividend Payout Ratio is calculated in accordance with the following formula and is rounded to the nearest one decimal place:
Dividend Payout Ratio = Distribution Amount (Excluding excess profit distribution) ÷ Net Income × 100

(Note 2) Distribution / Net Assets is calculated based on the figures excluding excess profit distribution.

(3) Financial Position

	Total Assets	Net Assets	Net Assets / Total	Net Assets per Unit
	JPY million	JPY million	%	JPY
Fiscal period ended June 30, 2025	675,146	351,363	52.0	45,951
Fiscal period ended December 31, 2024	680,004	351,388	51.7	45,954

(Note) Net Assets per Unit is calculated based on the number of investment units issued and outstanding at the end of each fiscal period.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investment Activities	Cash Flows from Financing Activities	Closing Balance of Cash and Cash Equivalents
	JPY million	JPY million	JPY million	JPY million
Fiscal period ended June 30, 2025	22,840	(5,038)	(20,280)	42,804
Fiscal period ended December 31, 2024	17,472	(108,505)	93,755	45,283

2. Forecasts for the Fiscal Period ending December 31, 2025 (from July 1, 2025 to December 31, 2025) and the Fiscal Period ending June 30, 2026 (from January 1, 2026 to June 30, 2026)

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (excluding excess profit distribution)	Excess Profit Distribution per Unit
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY
Fiscal period ending December 31, 2025	28,145	12.1	19,051	12.5	16,238	13.0	16,237	13.0	2,127	-
Fiscal period ending June 30, 2026	26,315	(6.5)	17,192	(9.8)	14,315	(11.8)	14,314	(11.8)	1,895	-

(Reference) Estimated net income per unit for the fiscal periods ending December 31, 2025 and the fiscal periods ending June 30, 2026 are JPY 2,123 and JPY 1,872.

※Others

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

(a)	Changes in Accounting Policies due to Revisions to Accounting Standards and Other Regulations	None
(b)	Changes in Accounting Policies due to Other Reasons	None
(c)	Changes in Accounting Estimates	None
(d)	Restatements	None

(2) Number of Investment Units Issued and Outstanding

(a) Number of Units Issued and Outstanding as of the End of the Fiscal Period (Including Treasury Units)	June 30, 2025	7,646,453	December 31, 2024	7,646,453
(b) Number of Treasury Units as of the End of the Fiscal Period	June 30, 2025	0	December 31, 2024	0

(Note) Please refer to "Notes Related to Per Unit Information" regarding the number of investment units which is the basis for the calculation of net income per unit.

- Financial Summary report is not subject to audit procedure by certified public accountants or audit corporations.
- Special Consideration

The forward-looking statements contained in this financial summary report are based on the information currently available to us and certain assumptions which we believe are reasonable. Actual operating performance may differ significantly due to factors we cannot predict as of the date of this document, including gains or losses from the disposition of properties, repayment of borrowings, decreases in rents and changes in operating conditions. Unless otherwise specified herein, amounts less than JPY 1 are rounded down, and ratios are rounded to the nearest one decimal place.

1. Operating Conditions

(1) Operating Conditions

a Overview of the Fiscal Period Ended June 30, 2025

(a) Main Trends of INV

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

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

Ever since the commencement of sponsorship from the Fortress Group (Note 1), INV has been focusing its efforts on improving the profitability of its portfolio and establishing a revenue base in order to secure stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for external growth. With this platform as a base, in June 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets ("CIM") revised the Investment Guidelines for INV, positioned hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecasted to rise going forward, and has expanded its portfolio.

In the Fiscal Period ended June 30, 2025 ("Reporting Period"), INV's portfolio at the end of the Reporting Period comprised of 146 properties (104 hotels (Note 2) (Note 3), 41 residential properties and one retail facility) with a total acquisition price of JPY 653,066 million (Note 4) as there was no acquisition nor disposition of assets during the Reporting Period. INV's hotel portfolio has the largest asset size (Note 5) of JPY 612,281 million (104 properties, 18,871 rooms) among all J-REITs (real estate investment corporations which are listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market, hereinafter the same shall apply) hotel portfolios including Hotel J-REITs (Note 6) with continuous acquisition of assets through sponsor support.

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

(Note 2) The preferred equity interest held by INV is counted as one property. Such preferred equity interest issued by a special purpose company (*tokutei mokuteki kaisha*) refers to 178,458 units of the preferred equity interest issued by Kingdom Special Purpose Company (equivalent to 49.0% of the outstanding preferred equity interest), which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. The property is classified as a hotel, based on the use of Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest, and INV's investment amount of the preferred equity interest is used as the acquisition price of the preferred equity interest, unless otherwise stated. The "underlying asset" refers to the real estate or the real estate related assets owned by a 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 3) From September 28, 2018 (Cayman Island local time; September 29, 2018 in Japan local time), INV owned 100% of the TK interest in Seven Mile Resort Holdings Ltd. (the "Cayman SPC"), a Cayman Islands special purpose company that holds leasehold interests in Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort (collectively, the "Cayman Hotels") and ancillary assets as underlying assets. However, INV implemented the investment structure change (the "Structure Change" in some cases hereinafter) regarding the Cayman Hotels on May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time) and has directly held the Leasehold Interests, etc. of the Cayman Hotels thereafter. Both TK interest and the Cayman Hotels are counted as two properties before and after the Structure Change. In addition, the "Leasehold Interests, etc." means leasehold interests (rights equivalent to long-term real estate leases on land and buildings under the British Cayman laws) and furniture, fixtures, equipment, ornaments, kitchen instrument, and other assets required for hotel operations. Hereinafter the same shall apply.

(Note 4) Due to the Structure Change, the book value of the leasehold interests of the Cayman Hotels recorded by the Cayman SPC as of May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time), when INV succeeded the leasehold interests of the Cayman Hotels from the Cayman SPC via distribution in kind in connection with the termination of TK agreement, is deemed as the acquisition price of the Cayman Hotels. The book value is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts executed on July 26, 2018 and implemented on September 26, 2018 in connection with the investment in the TK interest by INV. Hereinafter the same shall apply.

(Note 5) Hotel J-REIT is defined as the J-REIT whose majority part of portfolio consists of hotel assets.

(Note 6) "The largest asset size … among all J-REIT hotel portfolios" refers to the total acquisition price of 104 hotels owned by INV as compared with the total acquisition price of hotels (including inns and other accommodation facilities) owned by listed investment corporations other than INV as of June 30, 2025.

(b) Operational Performance

The portfolio NOI (Note 1) increased by 16.7% or JPY 3,282 million compared to the same period in the previous year (the June 2024 fiscal period) to JPY 22,916 million. Of which, the hotel portfolio NOI increased by JPY 3,275 million and the residential and retail portfolio NOI increased by JPY 6 million.

Commentary on hotel and residential performance is as described below.

As for the domestic hotel portfolio, all key performance indicators showed growth for the Reporting Period, supported by solid domestic demand, robust and continued growth in inbound demand, along with the increase in demand in the Osaka area driven by the opening of the Expo 2025 Osaka in April. Among the 102 domestic hotels owned by INV at the beginning of the Reporting Period (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV), the GOP (Note 2) of the 91 domestic hotels (Note 3) operated by the major tenant for the Reporting Period increased by 11.8% compared to the same period in the previous year and recorded an occupancy rate (Note 4) of 83.8%, ADR (Note 5) of JPY 13,616, and RevPAR (Note 6) of JPY 11,406. Although inbound demand showed some signed of weakening toward the end of the period due to unfounded rumors suggesting a major disaster would occur in Japan on July 5, 2025, which had no scientific basis, the overall performance remained strong.

The Cayman Hotels recorded an average occupancy rate of 61.7%, ADR of USD 675, and RevPAR of USD 417 for the Reporting Period. Although demand was robust throughout the Period, the large-scale renovation work at Sunshine Suites Resort took longer than expected, extending the partial sales stoppage. As a result, ADR exceeded the level of the same period last year, occupancy rate and RevPAR fell compared to the same period last year.

Regarding the residential portfolio (Note 7), the occupancy rate (Note 8) of 41 residential properties increased to 97.6% at the end of the Reporting Period from 96.9% at the end of the previous period. The average occupancy rate (Note 8) increased by 0.5 points YoY to 97.2%. The NOI (Note 9) for the Reporting Period increased by 0.5% YoY.

In the Reporting Period, INV realized a rent increase for 67.0% (based on the number of contracts) of the new residential lease contracts, and the new rent increased by 2.5% compared to the previous rent across all new leases (Note 10). INV achieved a rent increase for 46.4% (based on the number of contracts) of contract renewals with an average rent increase of 1.3% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate (Note 11) of 76.7%. Combined, new lease and renewal lease rents were signed at 1.8% higher than the previous leases. The average rent per tsubo per month (Note 12) for the Reporting Period increased by 0.7% YoY to JPY 9,302.

The total appraisal value of 145 properties was JPY 775,647 million (one out of the 146 properties owned by INV at the end of the Reporting Period is excluded from the appraisal calculation: Sheraton Grande Tokyo Bay Hotel (preferred equity interest) for which the appraisal value of such interest is not available). The portfolio has an unrealized gain of JPY 180,916 million (Note 13) and an unrealized gain ratio of 30.4% (Note 13). The total appraisal value of the 145 properties which were owned throughout the Reporting Period increased by 1.1% from JPY 767,492 million at the end of the December 2024 fiscal period to JPY 775,647 million at the end of the Reporting Period.

Key Performance Indicators of 91 Domestic Hotel Properties (Note 2)

	June 2025 fiscal period	Year-on-year change
Occupancy Rate (Note 3)	83.8%	+3.8pt
ADR (JPY) (Note 4)	13,616	+10.0%
RevPAR (JPY) (Note 5)	11,406	+15.2%
Gross Revenue (JPY million)	47,019	+11.8%
Room Revenue (JPY million)	32,599	+14.7%
Non-Room Revenue (JPY million)	14,420	+5.8%
GOP (JPY million) (Note 6)	16,941	+15.3%

Key Performance Indicators of Cayman Hotels

	June 2025 fiscal period	Year-on-year change
Occupancy Rate (Note 3)	61.7%	-17.3pt
ADR (USD) (Note 4)	675	+19.7%
RevPAR (USD) (Note 5)	417	-6.5%
Gross Revenue (USD thousand)	61,296	-10.6%
Room Revenue (USD thousand)	35,772	-7.0%
Non-Room Revenue (USD thousand)	25,523	-15.2%
GOP (USD thousand) (Note 6)	27,516	-12.9%

Key Performance Indicators of 41 Residential Properties (Note 7)

	June 2025 fiscal period	Year-on-year change
Average Occupancy Rate (Note 8)	97.2%	+0.5pt
Average Rent per Tsubo per Month (JPY) (Note 12)	9,302	+0.7%
NOI (JPY million) (Note 9)	1,145	+0.5%

(Note 1) "NOI" for the hotel properties is calculated in accordance with the following formula:
NOI= Rental Revenues - Property Related Expenses + Depreciation Expenses + Dividend on the preferred equity interest (TMK dividend) + (Management Contract Revenue of the Cayman Hotels - Management Contract Expense)

(Note 2) "GOP" means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel's revenues. In addition, GOP for the Sheraton Grande Tokyo Bay Hotel has been multiplied by 49%, or INV's ownership ratio of the preferred equity interest. Hereinafter the same shall apply.

(Note 3) Of the 102 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the beginning of the June 2025 fiscal period, this refers to 91 hotels operated by Iconia Hospitality K.K. (MyStays Hotel Management changed its company name to Iconia Hospitality K.K. on July 1, 2025. Hereinafter "ICN") and its subsidiary. In addition, the figures for the properties acquired after January 2024 are calculated on the assumption INV had acquired those properties on January 1, 2024, using the actual figures provided by the sellers of such properties for the period before the acquisition. Hereinafter the same shall apply.

(Note 4) "Occupancy rate" for the hotel properties is calculated in accordance with the following formula:
Occupancy rate = total number of occupied rooms during a certain period ÷ total number of rooms available during the same period (number of rooms x number of days)
Hereinafter the same shall apply.

(Note 5) "ADR" means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period. Hereinafter the same shall apply.

(Note 6) "RevPAR" means revenues per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates. Hereinafter the same shall apply.

(Note 7) Based on the 41 residential properties owned as of the end of June 2025. Hereinafter the same shall apply.

(Note 8) "Occupancy Rate" and "Average Occupancy Rate" for the portfolio or the residential properties are calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month during the relevant period. Hereinafter the same shall apply.

(Note 9) For the comparison of NOI for the residential properties, one-off insurance-related revenues and expenses are excluded. Hereinafter the same shall apply.

(Note 10) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents. Hereinafter the same shall apply.

(Note 11) Renewal rate is calculated by the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period.

(Note 12) "Average Rent per Tsubo per Month" is calculated by dividing the total rental revenue (including common area charges) for each month by the sum of total leased area (tsubo) at the end of each month during the relevant period.

(Note 13) The unrealized gain is calculated using the following formula: the appraisal value as of the end of the Reporting Period – book value as of the end of the Reporting Period.
The unrealized gain ratio is calculated using the following formula: the unrealized gain ÷ book value as of the end of the Reporting Period.

(c) Overview of Fund Raising

As a result of the measures described below, INV's interest-bearing debt outstanding balance was JPY 318,454 million and the Interest-Bearing Debt ratio (Note 1) and LTV (appraisal value basis) (Note 2) were 47.2% and 41.1%, respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 1.17%.

(Note 1) Interest-Bearing Debt ratio uses the calculation formula below:
Interest-Bearing Debt ratio = total outstanding interest-bearing debt (excluding short-term consumption tax loan) / total assets x 100
Short-term consumption tax loan is a loan which is to be repaid before maturity date with refund of consumption taxes and regional consumption taxes on an acquisition of a property.

(Note 2) LTV (appraisal value basis) uses the calculation formula below:
LTV = total outstanding interest-bearing debt (excluding short-term consumption tax loan) / total appraisal value (*) x 100
(*) Since the 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 the appraisal value of Sheraton Grande Tokyo Bay Hotel (preferred equity interest). For the appraisal value of the Cayman Hotels, 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 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 (016) (total amount borrowed: JPY 15,230 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.60000% for a duration of six years, floating interest rate of 1-month JPY TIBOR plus 0.60000% for a duration of six years, 1.65398% for a duration of six years, floating interest rate of 3-month JPY TIBOR plus 0.60000% for a duration of six years, floating interest rate of 1-month JPY TIBOR plus 0.50000% for a duration of five years), which was arranged by Mizuho Bank, Ltd. on January 16, 2025 in order to repay New Syndicate Loan (P) in the amount of JPY 4,491 million due on January 6, 2025, and a tranche of New Syndicate Loan (L) in the amount of JPY 4,943 million as well as a tranche of New Syndicate Loan (M) in the amount of JPY 5,796 million due on January 16, 2025.

Moreover, INV borrowed New Syndicate Loan (017) on March 17, 2025 (total amount borrowed: JPY 10,014 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.60000% for a duration of six years, floating interest rate of 1-month JPY TIBOR plus 0.50000% for a duration of five years), which was arranged by Mizuho Bank, Ltd. in order to repay New Syndicate Loan (Q) in the amount of JPY 10,132 million, and a tranche of New Syndicate Loan (012) in the amount of JPY 1,200 due on March 16, 2025.

Furthermore, INV borrowed Term Loan (025) on April 15, 2025 (total amount borrowed: JPY 1,000 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.60000% for a duration of 6 years) from San ju San Bank, Ltd. in order to repay a tranche of New Syndicate Loan (O) in the amount of JPY 1,000 million due on April 15, 2025.

(ii) Prepayment of Loan

INV's Short-term consumption tax loan of New Syndicate Loan (015) (in the amount of JPY 3,425 million) was prepaid on May 30, 2025 with the refund of consumption taxes and regional consumption taxes on properties acquired on July 31, 2024 and cash on hand.

(d) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period decreased by JPY 447 million from the previous period (-1.8 %) to JPY 25,107 million, resulting in a net income of JPY 14,366 million, a decrease of JPY 771 million from the previous period (-5.1%). Unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 8,610 million) is JPY 22,976 million. INV has decided to set the distribution per unit (excluding excess profit distribution) of JPY 1,895, which is the net income per unit (JPY 1,878) plus the reversal of retained earnings (JPY 17 per unit).

b Outlook for the Fiscal Period Ending December 31, 2025

The Japanese economy has been gradually recovering despite some effects from U.S. trade policies. The recovery is expected to be supported by improvements in the employment and income environment, as well as the effects of various government policies. However, uncertainties remain, including the direction of U.S. trade policy, concerns about heightened trade friction, and the increase in geopolitical risks which may lead companies to restrain capital investment, potentially creating downward pressure on the overall economy.

In the hotel market, demand remains solid across all segments – domestic and inbound, leisure and business – and is expected to continue trending positively.

In the rental housing market, the supply of new properties has been significantly restricted due to the steep rise of construction costs and labor shortages. At the same time, urban migration trends are driving demand recovery, and the supply-demand balance is expected to continue titling strongly in favor of demand. Additionally, increased demand for rentals is anticipated due to more people abandoning home purchases, further fueling the rental market. In the Tokyo metropolitan area, the market remains solid with continued lease signings despite rising rents. However, some regional areas are experiencing sluggish rental demand and rising vacancies, so close monitoring of the supply-demand conditions remains necessary.

In Japan, there has been a significant rise in insurance premiums, and an increase in insurance premiums is also expected for INV's domestic portfolio regardless of asset type.

(a) Future operational policy and issues to be addressed

Since July 2011, INV has focused on improving the profitability of its portfolio and strengthening its financial base in order to enhance unitholder value with the Fortress Group as its sponsor. In addition to access to Fortress' global real estate expertise, INV will actively promote efforts to acquire new demand under the environment of "Post-Covid" and flexibly respond to changes in the external environment while emphasizing customer safety and security. Going forward, INV will continue to implement various strategies for further growth and financial stability, including the following measures.

- Further external growth utilizing sponsor support
- Asset recycling: property acquisitions using the proceeds from sales
- Internal growth at hotels through reducing costs, stimulating existing demand and creating new demand by collaborating with hotel operators
- Further internal growth at residential properties
- Response to the risk of rising interest rates

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

As its basic strategy, INV had moved forward with the acquisition of new properties focusing on hotels, where continued growth in portfolio revenues would be anticipated, and residential properties, especially where rental growth could be achieved, to build a portfolio with a good balance between growth and stability.

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

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

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

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

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

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

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

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

Property Sales

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

(ii) Strategy for internal growth

(Hotels)

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

ICN is one of Japan's leading hotel operators, managing a wide range of properties across the country - including limited-service, full-service, and resort-type hotels—under numerous brands such as "Hotel MyStays", "Flexstay Inn", "Art Hotel", and "Kamenoi Hotel", among others. With a large membership base, ICN has established itself as a major player in the domestic hospitality sector. In May 2025, leveraging its scale and aiming to enhance member convenience, ICN launched a loyalty program called "GoTo Pass", which allows members to earn and redeem points at all facilities operated by the group. This loyalty program is also expected to contribute to increased sales at hotels owned by INV and operated by ICN, thereby potentially boosting rental income for INV.

In the post Covid-19 environment, the ICN Group has reviewed its operational strategy and made efforts to reduce hotel operating expenses and restore profitability. ICN will continue to strive to minimize the impact of rising costs such as labor costs, utility costs and food supplies by means of a thorough review of staffing and work shifts, continuous efforts to reduce fixed costs, and strategies to maximize GOPPAR (GOP per the number of rooms available for sale). As a part of such initiatives, ICN is gradually introducing systems tailored to the operational status of each hotel, such as automated check-in kiosks, mobile check-in systems, and a system for streamlining luggage storage at the reception desk.

For hotels, renovation of rooms and replacement of fixtures and fittings are indispensable to maintain and increase revenues and operate stably in a planned manner.

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

(Residential properties and others)

INV will continue to strengthen its collaborative ties with property managers and brokers to further boost occupancy rates and earning capabilities of its properties. With respect to INV's residential properties, INV will focus on increasing the occupancy rates and rents for both new lease contracts and lease renewals for all its properties as well as formulating net leasing cost reduction policies in order to continue maximizing profits.

Further, the implementation of appropriate maintenance and repair plans is of the utmost importance in maintaining and enhancing the competitiveness and market value of the properties as well as ensuring high tenant satisfaction. Therefore, INV will continue to monitor current strategic plans with flexible implementation as it sees fit.

(iii) Financial strategy

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

By implementing these measures, INV will seek to improve the credit rating (the long-term issuer rating "A+" (Outlook: Positive)) obtained from Japan Credit Rating Agency, Ltd. (JCR).

(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 an asset acquisition from sponsor related parties, prior approvals by the Board of Directors of INV are required to ensure 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.

CIM established on July 1, 2025, the Internal Audit Department in order to strengthen the internal audit system and further enhance governance. INV and CIM intend 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 E missions Reduction Policy”, the “Water Saving Policy” and the “Waste Management Policy” which stipulate efforts to reduce environmental impact as initiatives for environment. In addition, CIM has established the “Sustainable Procurement Policy” in order to promote initiatives for ESG throughout the value chain of INV's real estate portfolio and concluded the “Green Lease” contract with tenants to collaborate with tenants on measures related to the environmental consideration of real estate, such as proactive introductions of energy-saving equipment such as LED lighting.

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

In addition to the acquisition of environmental certifications for its properties, INV issued JPY 3,500 million in green bonds refinanced a total of JPY 40,947 million through green loans as of the date of this document to further promote its sustainability initiatives and to strengthen its fund-raising base by expanding the investor base interested in ESG investment.

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

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

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

c Significant Subsequent Events

(a) Debt Financing

In order to fund a portion of the acquisition price for 10 hotel properties (domestic real estate trust beneficiary interests) later described in "(b) Acquisition of Assets (Properties)", INV resolved the following debt financing at a meeting of the Board of Directors held on August 25, 2025.

(i) New Syndicate Loan (019)

Lenders	Anticipated Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
MUFG Bank, Ltd.	August 27, 2025	2,000	1.65400%	July 16, 2029	Unsecured/ non guarantee
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan Inc. The Shizuoka Bank, Ltd. The Yamagata Bank, Ltd. San ju San Bank, Ltd. The Bank of Fukuoka, Ltd.	August 27, 2025	8,000	Floating interest rate (Note 1)	July 16, 2029	Unsecured/ non guarantee
Mizuho Bank, Ltd.	August 27, 2025	2,000	Floating interest rate (Note 2)	March 14, 2030	Unsecured/ non guarantee
MUFG Bank, Ltd.	August 27, 2025	2,000	1.74900%	March 14, 2030	Unsecured/ non guarantee
Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation The Bank of Fukuoka, Ltd.	August 27, 2025	6,000	Floating interest rate (Note 3)	March 14, 2030	Unsecured/ non guarantee
Mizuho Bank, Ltd. Suruga Bank Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation The Yamaguchi Bank Ltd. Aichi Bank, Ltd. The Tochigi Bank Ltd. The Kagawa Bank Ltd. Development Bank of Japan Inc.	August 27, 2025	10,200	Floating interest rate (Note 4)	July 16, 2030	Unsecured/ non guarantee
Total Debt		30,200			

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.40000%). By the interest swap agreement, it is fixed, in effect, at 1.66400%

(Note 2) 1-month JPY TIBOR (Base Rate) + spread (0.45000%).

(Note 3) 1-month JPY TIBOR (Base Rate) + spread (0.45000%). By the interest swap agreement, it is fixed, in effect, at 1.75900%

(Note 4) 1-month JPY TIBOR (Base Rate) + spread (0.50000%).

(b) Acquisition of Assets (Properties)

INV decided to acquire 10 hotels (domestic real estate trust beneficiary interests) as follows on August 25, 2025.

Property Number	Property Name	Anticipated Acquisition Price (JPY million) (Note 1)	Appraisal Value (JPY million) (Note 2)	Seller
D102	Irago Ocean Resort	6,900	6,970	Nippori Tokutei Mokuteki Kaisha
D103	Kirishima Kokusai Hotel	6,534	6,600	Heijo Tokutei Mokuteki Kaisha
D104	Kamenoi Hotel Toba	4,732	4,780	Yakushima Tokutei Mokuteki Kaisha
D105	Kamenoi Hotel Kusatsu Yubatake	4,682	4,730	Baika Tokutei Mokuteki Kaisha
D106	Atagawa Ocean Resort	4,187	4,230	BaikaTokutei Mokuteki Kaisha
D107	Hotel MyStays Atsugi	3,177	3,210	Nippori Tokutei Mokuteki Kaisha
D108	Kamenoi Hotel Tsukubasan	2,999	3,030	Albula Tokutei Mokuteki Kaisha
D109	Kamenoi Hotel Kochi	446	451	Yakushima Tokutei Mokuteki Kaisha
D110	Kamenoi Hotel Chitamihama	372	376	Yakushima Tokutei Mokuteki Kaisha
D111	Kamenoi Hotel Yanagawa	255	258	Yakushima Tokutei Mokuteki Kaisha
Total		34,284	34,635	

(Note 1) Anticipated Acquisition Prices show purchase prices of the Assets to be Acquired set forth in the purchase and sale agreements for the trust beneficiary interests of each property. They do not include adjustments for property taxes, city planning taxes, or national or local consumption taxes. Hereinafter the same shall apply.

(Note 2) Appraisal Value is based on appraisal value stated in the appraisal report by the Japan Real Estate Institute., JLL Morii Valuation & Advisory K.K., The Tanizawa Sōgō Appraisal Co., Ltd. or Daiwa Real Estate Appraisal Co., Ltd. on the valuation date of June 1, 2025.

(Reference Information)

(a) Debt Financing

INV decided to borrow New Syndicate Loan (018) on July 14, 2025 and borrowed on July 16, 2025 and July 22, 2025 in order to repay New Syndicate Loan (L) in the amount of JPY 4,942 million, New Syndicate Loan (M) in the amount of JPY 5,795 million as well as Term Loan (L) in the amount of JPY 700 million due on July 16, 2025, and Term Loan (005) in the amount of JPY 600 million due on July 20, 2025.

(i) New Syndicate Loan (018)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
【Green loan】 Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Aozora Bank, Ltd. The Nomura Trust and Banking Co., Ltd.	July 16, 2025	7,477	Floating interest rates (Note 1)	July 16, 2029	Unsecured/ non guarantee
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan, Inc. SBI Shinsei Bank, Limited Aozora Bank, Ltd.	July 16, 2025	3,260	Floating interest rates (Note 2)	July 16, 2030	Unsecured/ non guarantee
The Tokyo Star Bank, Limited	July 16, 2025	700	Floating interest rates (Note 3)	July 16, 2031	Unsecured/ non guarantee
The Tokyo Star Bank, Limited	July 22, 2025	600	Floating interest rates (Note 3)	July 16, 2031	Unsecured/ non guarantee
Total		12,037			

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.40000%)
(Note 2) 1-month JPY TIBOR (Base Rate) + spread (0.50000%)
(Note 3) 1-month JPY TIBOR (Base Rate) + spread (0.60000%)

d Operational Outlook

The forecasts of financial results for the fiscal periods ending December 31, 2025 (from July 1, 2025 to December 31, 2025) and June 30, 2026 (from January 1, 2026 to June 30, 2026) are as follows.

	December 2025 Fiscal Period (Anticipated)	June 2026 Fiscal Period (Anticipated)
Operating Revenues	JPY 28,145 million	JPY 26,315 million
Operating Income	JPY 19,051 million	JPY 17,192 million
Ordinary Income	JPY 16,238 million	JPY 14,315 million
Net Income	JPY 16,237 million	JPY 14,314 million
Total Distribution Amount (Including excess profit distribution)	JPY 16,264 million	JPY 14,490 million
Net Income per Unit	JPY 2,123	JPY 1,872
Distribution per Unit (Excluding excess profit distribution)	JPY 2,127	JPY 1,895
Excess Profit Distribution per Unit	-	-
Distribution per Unit (Including excess profit distribution)	JPY 2,127	JPY 1,895

For the assumptions underlying the operational outlook for the fiscal periods ending December 31, 2025 and June 30, 2026, please see "Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending December 31, 2025 and June 30, 2026" as follows.

(Cautionary Note regarding Forward Looking Statements)
Forward looking statements such as the forecasts set forth herein are based on information currently available and certain assumptions that are deemed reasonable. Actual operating performance may vary significantly due to factors not foreseen as of the date of this document, such as the occurrence of gains and losses associated with the sale of properties, repayment of borrowings and a decrease in rent received. Also, this forecast is not a guarantee of distribution amounts.

< Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending December 31, 2025 and June 30, 2026>

Item	Assumptions
Fiscal period	The December 2025 Fiscal Period: from July 1, 2025 to December 31, 2025 (184 days) The June 2026 Fiscal Period: from January 1, 2026 to June 30, 2026 (181 days)
Assets under management	Properties held as of the end of the December 2025 Fiscal Period: 155 properties and preferred equity interests in one TMK Properties held as of the end of the June 2026 Fiscal Period: 155 properties and preferred equity interests in one TMK In addition to the properties held as of today (145 properties and preferred equity interests in one TMK), INV assumes that INV will newly acquire 10 hotels, the Anticipated Acquisitions, as of August 2025 (Note 1) and that there will be no other change in the portfolio through the end of the fiscal period ending June 2026. (Note 1) For details regarding the details of Anticipated Acquisitions, please refer to the press release “Notice concerning Acquisition of Domestic Trust Beneficiary Interests” dated today.
Units outstanding	As of the end of the December 2025 Fiscal Period: 7,646,453 units As of the end of the June 2026 Fiscal Period: 7,646,453 units INV assumes that there will be no change to the current 7,646,453 units issued and outstanding through the end of the fiscal period ending June 2026.
Interest-bearing liabilities	Balance as of the end of the December 2025 Fiscal Period: JPY 348,654 million (borrowing: JPY 324,554 million, investment corporation bonds: JPY 24,100 million) Balance as of the end of the June 2026 Fiscal Period: JPY 348,654 million (borrowing: JPY 324,554 million, investment corporation bonds: JPY 24,100 million) INV assumes that JPY 30,200 million of borrowing is implemented as of August 27, 2025, as mentioned in the press release “Notice concerning Debt Financing and Execution of Interest Rate Swap Agreement” dated today. In addition, INV intends to refinance or issue investment corporation bonds of the same amount of loan and investment corporation bonds due from August 2025 to the end of fiscal period ending June 2026. INV assumes no other new loans, issuance of investment corporation bonds or prepayment of loans through the end of the fiscal period ending June 2026.

Operating revenues

INV expects to record operating revenues for each fiscal period as follows:

With regard to domestic hotel demand, demand is expected to remain generally strong, although the increase in demand due to the Osaka Expo is expected to fade once the Osaka Expo comes to an end.

As for inbound demand, while the current decline in the number of visitors from Hong Kong is considered a one-off, INV expects overall demand to remain strong going forward.

In addition to the demand forecasts above, INV has taken into account various factors including scheduled conferences, concerts and other events in the vicinity of each hotel, situations of competitors and price trends, etc., to forecast hotel rents for the period ending December 31, 2025 and thereafter. The reservations for the period from August to October 2025 that have already been made as of the forecast are also taken into account.

	December 2025 Fiscal Period	June 2026 Fiscal Period
・Rental revenues	JPY 25,488 million	JPY 21,522 million
(of these, hotel rents)	(JPY 23,267 million)	(JPY 19,280 million)
(Fixed hotel rents)	(JPY 8,774 million)	(JPY 6,892 million)
(Variable hotel rents)	(JPY 14,493 million)	(JPY 12,387 million)
・Management contract revenue	JPY 1,984 million	JPY 3,946 million
	(USD 13,862 thousand)	(USD 28,200 thousand)
・TMK dividend amount	JPY 671 million	JPY 847 million
Total operating revenues	JPY 28,145 million	JPY 26,315 million

Of these, INV forecasts the contribution of the Anticipated Acquisitions (10 properties) to the rental revenues as follows: hotel rent of JPY 1,289 million (of which JPY 231 million in fixed rent and JPY 1,058 million in variable rent) for fiscal period ending December 2025, and hotel rent of JPY 1,057 million (of which JPY 312 million in fixed rent and JPY 744 million in variable rent) for the fiscal period ending June 2026.

INV estimates the amount of dividend income from preferred equity interests based on the performance of the underlying asset backing the cash flows and the assumed amount of expenses incurred by the TMK.
Further, while INV had considered a potential sale of Sheraton Grande Tokyo Bay Hotel, the underlying asset of TMK which INV owns its preferred equity (including the scheme of selling beneficiary right of the TMK), currently INV has no plans to sell the property, and the current forecast assumes that INV will continue to hold Sheraton Grande Tokyo Bay Hotel until the end of fiscal period ending June 2026.

INV receives revenue and recognizes management contract revenues from Overseas Hotels. The forecast of management contract revenues is based on the estimated performance of the underlying assets and the assumed amount of expenses incurred by the hotel management company.

Also, as for the USD based management contract revenue, a large portion is hedged through foreign exchange forward contracts. For more details, please refer to the press releases "Notice concerning Execution of Foreign Exchange Forward" dated May 31, 2024 and June 18, 2025.

The management contract revenue for the fiscal periods ending December 2025 and June 2026 is calculated as follows (i) the rate of foreign exchange reserves for the hedged portion, (ii) the exchange rate of USD 1 = JPY 140 for the non-hedged portion.

In addition, INV has undergone major renovation work at Sunshine Suites Resort since summer 2024, and we are incorporating a decline in revenue in the Fiscal Period ending December 2025, due to a temporary suspension of sales for some rooms during such renovation until autumn 2025. Moreover, while INV is considering the expansion and renovation of the Westin Grand Cayman Seven Miles Beach & Resort details are yet to be determined. Therefore, INV does not anticipate or incorporate any particular impact of the expansion and renovation for the purpose of this forecast through the end of the Fiscal Period ending June 2026. On the other hand, a certain level of deterioration in supply and demand due to the opening of new hotels in Grand Cayman is conservatively assumed and included in the forecast.

Rental revenues in the fiscal periods ending December 2025 and ending June 2026 are calculated

	based on estimates as of today. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants.
Operating expenses	INV expects to incur property related expenses and management contract expenses out of operating expenses for each fiscal period as follows: | | December 2025 Fiscal Period | June 2026 Fiscal Period | ・Facility management fees: JPY 914 million / JPY 927 million (of these, repair costs): (JPY 45 million) / (JPY 79 million) ・Taxes and other public charges (Note 1): JPY 1,077 million / JPY 862 million ・Insurance expenses: JPY 344 million / JPY 359 million ・Depreciation expenses: JPY 5,756 million / JPY 5,955 million ・Other expenses: JPY 113 million / JPY 165 million Total property related expenses and management contract expenses: JPY 8,206 million / JPY 8,270 million (Note 1) Property taxes and city planning taxes on the for the anticipated acquisition of assets to be acquired in 2025 are calculated on a pro-rata basis between the previous owner and settled at the time of acquisition. The amount equivalent to such settlement will be included in the acquisition cost, and therefore will not be recognized as an expense until the fiscal period ending December of the year of acquisition, and will be recognized as an expense starting from the fiscal period ending June of the following year. For the Anticipated Acquisitions, INV expects to record the property taxes and city planning taxes of JPY 28 million as part of the total acquisition cost, and an annual amount of JPY 82 million of such taxes as expenses starting from the fiscal period ending June 2026. INV expects to incur other operating expenses besides the property-related expenses or management contract expenses for each fiscal period as follows: | | December 2025 Fiscal Period | June 2026 Fiscal Period | ・Other operating expenses: JPY 887 million / JPY 852 million (of these, asset management fees): (JPY 550 million) / (JPY 550 million)
NOI	INV expects to record net operating income for each fiscal period as follows:: | | December 2025 Fiscal Period | June 2026 Fiscal Period | ・NOI: JPY 25,695 million / JPY 24,001 million (of these, domestic hotel NOI): (JPY 22,787 million) / (JPY 19,128 million) (of these, overseas hotel NOI): (JPY 1,692 million) / (JPY 3,647 million) (of these, residential NOI): (JPY 1,138 million) / (JPY 1,148 million) NOI calculation method in the above table is as follows NOI＝ Rental Revenues ‐ Property Related Expenses + Depreciation Expenses + Dividends on the preferred equity interest (TMK dividend) + Management Contract Revenue ‐ Management Contract Expense
Non-operating expenses	INV expects to incur non-operating expenses for each fiscal period as follows: | | December 2025 Fiscal Period | June 2026 Fiscal Period | ・Interest expense: JPY 1,976 million / JPY 2,100 million ・Finance related costs: JPY 672 million / JPY 611 million ・Interest for investment corporation bonds: JPY 144 million / JPY 145 million ・Depreciation of investment corporation bonds issuance expenses: JPY 19 million / JPY 19 million Total non-operating expenses: JPY 2,813 million / JPY 2,877 million

Distribution per unit	The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation. With respect to the distribution for the fiscal period ending December 2025, INV expects to distribute an aggregate amount of JPY 16,264 million (distribution per unit: JPY 2,127) from the net income for the fiscal period ending December 2025 (JPY 16,237 million) including a JPY 26 million reversal of retained earnings (internal reserves). With respect to the distribution for the fiscal period ending June 2026, INV expects to distribute an aggregate amount of JPY 14,490 million (distribution per unit: JPY 1,895) from the net income for the fiscal period ending June 2026 (JPY 14,314 million), including a JPY 175 million reversal of retained earnings (internal reserve) in an aim to stabilize the level of DPU so that the amount of DPU will be the same level as that of the fiscal period ended June 2025. For the fiscal periods ending December 2025 and June 2026, INV expects to record deferred gains and losses on hedge of the interest rate swaps and the foreign exchange forward as the valuation and conversion adjustments of JPY 1,573 million, which is equal to the amount for the fiscal period ended June 2025. The distribution per unit is calculated based on the assumption that the fluctuation of the market value of the interest rate swap and the foreign exchange forward does not affect the distribution per unit. Distribution per unit may vary due to various factors, including changes in the assets under management, fluctuation of rent income associated with reasons such as the change of tenants and occurrences of unexpected repairs.
Excess profit distribution per unit	INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period. Therefore, INV has adopted a policy of making excess profit distribution, etc. in order to stabilize distributions in cases where dilution of investment units or significant expenses are to be recorded in connection with the acquisition of assets or the raising of capital, or other events leading to a temporary decrease in distribution per unit. When determining excess profit distribution, etc., INV takes into consideration the level of distribution per unit assuming such acquisition of assets, capital raising or other event would had contributed for a full fiscal period. INV may also consider making excess profit distribution, etc. for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on depreciation of fixed term land lease or asset retirement obligation. With respect to the fiscal period ending December 2025, INV plans to distribute the reversal of retained earnings (internal reserve) (JPY 4 per unit) as "distributions in excess of profit, etc. from the amount of difference arising from differences in tax and accounting processing." With respect to the fiscal period ending June 2026, INV plans to pay distributions through the reversal of retained earnings (internal reserve) (JPY 23 per unit) as "excess profit distribution, etc. to stabilize distributions."
Other	INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts.

(2) Investment Risk

Disclosure is omitted because there have been no material changes in the "Investment Risk" section of the latest securities report (filed on March 28, 2025).

2. Financial Statements

(1) Balance Sheet

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
Assets		
Current assets:		
Cash and bank deposits	31,964,082	29,949,793
Cash and bank deposits in trust	13,319,608	12,855,155
Rental receivables	7,508,438	7,722,980
Deposits paid	1,956,046	2,275,778
Prepaid expenses	1,343,561	1,438,177
Income taxes receivable	533	4,803
Consumption tax receivable	2,426,309	-
Others	-	856
Total current assets	58,518,580	54,247,545
Non-current assets:		
Property and equipment		
Buildings at cost	19,535,441	19,967,492
Accumulated depreciation	-2,465,825	-2,686,513
Buildings, net	17,069,615	17,280,978
Buildings and accompanying facilities, at cost	5,364,450	5,611,595
Accumulated depreciation	-1,721,222	-1,875,494
Buildings and accompanying facilities, net	3,643,227	3,736,101
Structures, at cost	15,194	15,194
Accumulated depreciation	-493	-835
Structures, net	14,700	14,358
Tools, furniture and fixtures, at cost	1,824,351	2,692,655
Accumulated depreciation	-736,959	-872,134
Tools, furniture and fixtures, net	1,087,392	1,820,520
Construction in progress	2,534,073	2,233,066
Buildings in trust, at cost	216,673,380	217,753,523
Accumulated depreciation	-36,957,039	-40,090,982
Buildings in trust, net	179,716,341	177,662,540
Buildings and accompanying facilities in trust, at cost	45,182,601	*3 46,218,864
Accumulated depreciation	-16,674,488	-17,850,816
Buildings and accompanying facilities in trust, net	28,508,113	28,368,047
Structures in trust, at cost	349,920	389,172
Accumulated depreciation	-137,792	-147,158
Structures in trust, net	212,128	242,014
Tools, furniture and fixtures in trust, at cost	4,935,442	5,347,534
Accumulated depreciation	-2,682,195	-2,981,225
Tools, furniture and fixtures in trust, net	2,253,247	2,366,309
Land in trust	322,877,727	322,877,727
Construction in progress in trust	383,192	784,938
Total property and equipment, net	558,299,759	557,386,604
Intangible assets		
Leasehold rights	10,637,811	10,637,811
Leasehold rights in trust	29,763,513	29,724,915
Total intangible assets	40,401,325	40,362,727
Investments and other assets		
Investment securities	17,856,387	17,856,387
Guarantee deposits	1,431,014	1,431,014
Long-term prepaid expenses	2,338,693	2,114,611
Derivatives assets	997,866	1,603,889
Other	32,667	32,667

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
Total investments and other assets	22,656,629	23,038,571
Total non-current assets	621,357,714	620,787,903
Deferred assets		
Investment corporation bond issuance costs	128,668	110,578
Total deferred assets	128,668	110,578
Total assets	680,004,964	675,146,027
Liabilities		
Current liabilities:		
Accounts payable	1,456,179	824,238
Short-term loans payable	3,425,000	-
Current portion of investment corporation bonds	-	5,000,000
Current portion of long-term loans payable	40,599,000	25,042,000
Accounts payable-other	10,023	10,321
Accrued expenses	427,817	467,500
Income taxes payable	605	605
Consumption taxes payable	-	1,409,971
Advances received	680,701	315,180
Deposits received	116,710	26,070
Total current liabilities	46,716,036	33,095,888
Non-current liabilities:		
Investment corporation bonds	24,100,000	19,100,000
Long-term loans payable	255,073,000	269,312,000
Tenant leasehold and security deposits in trust	1,592,780	1,594,607
Derivatives liabilities	459,389	-
Asset retirement obligations	675,199	679,929
Total non-current liabilities	281,900,368	290,686,536
Total liabilities	328,616,405	323,782,424
Net assets		
Unitholders' equity:		
Unitholders' capital	326,079,727	326,079,727
Surplus:		
Capital surplus	6,264,432	6,264,432
Deduction of capital surplus		
Allowance for temporary differences adjustment	*2 -6,130	*2 -6,130
Other deduction of capital surplus	-5,524,006	-5,524,006
Total deduction of capital surplus	-5,530,137	-5,530,137
Capital surplus (net)	734,294	734,294
Retained earnings	23,765,358	22,976,459
Total surplus	24,499,653	23,710,754
Total unitholders' equity	350,579,380	349,790,481
Valuation and translation adjustments:		
Deferred gains or losses on hedges	809,178	1,573,121
Total valuation and translation adjustments	809,178	1,573,121
Total net assets	*1 351,388,558	*1 351,363,602
Total liabilities and net assets	680,004,964	675,146,027

(2) Statement of Income and Retained Earnings

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Operating revenue		
Rental revenue—real estate	*1 23,205,026	*1 19,841,850
Management contract revenue	*2 1,657,420	*2 4,172,732
Dividend income	692,711	1,093,248
Total operating revenue	25,555,158	25,107,832
Operating expenses		
Property related expenses	*1 6,325,294	*1 6,575,459
Management contract expenses	*2 768,653	*2 788,087
Asset management fees	450,000	550,000
Directors’ compensation	4,800	4,800
Asset custody fees	32,940	33,752
Administrative service fees	62,429	53,077
Other	159,373	167,206
Total operating expenses	7,803,491	8,172,382
Operating income	17,751,667	16,935,449
Non-operating income		
Interest income	3,483	31,377
Foreign exchange gains	-	3,639
Interest on tax refund	-	67,845
Miscellaneous income	84	311
Total non-operating income	3,568	103,174
Non-operating expenses		
Interest expenses	1,398,268	1,690,058
Foreign exchange losses	167,864	218,907
Interest expenses on investment corporation bonds	135,371	142,392
Amortization of investment corporation bond issuance costs	18,029	18,090
Loan-related costs	718,621	602,080
Derivative losses	8,075	-
Investment unit issuance costs	170,193	-
Others	-	118
Total non-operating expenses	2,616,425	2,671,649
Ordinary income	15,138,810	14,366,975
Extraordinary income		
Subsidy income	-	99,854
Total extraordinary income	-	99,854
Extraordinary losses		
Loss on reduction entry of non-current assets	-	99,854
Total extraordinary losses	-	99,854
Income before income taxes	15,138,810	14,366,975
Income taxes	605	605
Total income taxes	605	605
Net income	15,138,205	14,366,370
Retained earnings carried forward	8,627,153	8,610,089
Unappropriated retained earnings	23,765,358	22,976,459

(3) Statement of Changes in Net Assets

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

(Unit: JPY thousand)

	Unitholders' equity					
		Surplus				
		Capital surplus				
	Unitholders' capital	Capital surplus	Deduction of capital surplus			Capital surplus (net)
			Allowance for temporary differences adjustment	Other deduction of capital surplus	Total deduction of capital surplus	
Balance at the beginning of the period	270,101,249	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294
Changes during the period						
Issuance of new investment units	55,978,477					
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	55,978,477	–	–	–	–	–
Balance at the end of the period	326,079,727	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings (deficit)	Total surplus				
Balance at the beginning of the period	21,542,214	22,276,509	292,377,758	388,975	388,975	292,766,734
Changes during the period						
Issuance of new investment units			55,978,477			55,978,477
Distributions from surplus	(12,915,060)	(12,915,060)	(12,915,060)			(12,915,060)
Net income	15,138,205	15,138,205	15,138,205			15,138,205
Changes other than unitholders' equity (net)				420,202	420,202	420,202
Total changes during the period	2,223,144	2,223,144	58,201,621	420,202	420,202	58,621,824
Balance at the end of the period	23,765,358	24,499,653	350,579,380	809,178	809,178	351,388,558

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(Unit: JPY thousand)

	Unitholders' equity					
		Surplus				
		Capital surplus				
	Unitholders' capital	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	326,079,727	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	326,079,727	6,264,432	(6,130)	(5,524,006)	(5,530,137)	734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings (deficit)	Total surplus				
Balance at the beginning of the period	23,765,358	24,499,653	350,579,380	809,178	809,178	351,388,558
Changes during the period						
Distributions from surplus	(15,155,269)	(15,155,269)	(15,155,269)			(15,155,269)
Net income	14,366,370	14,366,370	14,366,370			14,366,370
Changes other than unitholders' equity (net)				763,942	763,942	763,942
Total changes during the period	(788,899)	(788,899)	(788,899)	763,942	763,942	(24,956)
Balance at the end of the period	22,976,459	23,710,754	349,790,481	1,573,121	1,573,121	351,363,602

(4) Statement of Cash Distribution

(Unit: JPY)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
I Unappropriated retained earnings	23,765,358,874	22,976,459,537
II Distributions	15,155,269,846	14,490,028,435
(Distribution per unit)	(1,982)	(1,895)
III Retained earnings (deficit) carried forward	8,610,089,028	8,486,431,102
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 profit as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 15,155,269,846 which is a total of net income of JPY 15,138,205,027 and retained earnings carried forward of JPY 17,064,819.	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. 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 14,490,028,435 which is a total of net income of JPY 14,366,370,509 and retained earnings carried forward of JPY 123,657,926.

(5) Statement of Cash Flows

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Income before income taxes	15,138,810	14,366,975
Depreciation and amortization	4,990,615	5,172,471
Loss on reduction entry of non-current assets	-	99,854
Investment unit issuance costs	170,193	-
Amortization of investment corporation bond issuance costs	18,029	18,090
Loan-related costs	718,621	602,080
Amortization of tenant leasehold and security deposits in trust	-196	-489
Interest income	-3,483	-31,377
Interest expenses	1,533,640	1,832,451
Foreign exchange losses (gains)	33	88
Loss (gain) of derivatives	8,075	-67,845
Decrease (increase) in rental receivables	-1,467,605	-214,541
Decrease (increase) in deposits paid	458,193	-319,731
Decrease (increase) in receivable income taxes	-508	-4,270
Decrease (increase) in consumption taxes receivable	-2,426,309	2,426,309
Increase (decrease) in accounts payable	251,458	-111,512
Increase (decrease) in consumption taxes payable	-1,023,206	1,409,971
Increase (decrease) in accrued expenses	13,369	50,019
Increase (decrease) in advances received	367,118	-365,521
Increase (decrease) in deposits received	98,120	-92,528
Others, net	139,577	-120,164
Subtotal	18,984,548	24,650,329
Interest income received	3,483	31,377
Interest expenses paid	-1,514,581	-1,840,670
Income taxes paid	-605	-605
Net cash provided by operating activities	17,472,845	22,840,431
Cash flows from investing activities		
Purchases of property and equipment	-1,907,226	-1,260,074
Purchases of property and equipment in trust	-93,993,128	-3,576,196
Purchases of leasehold rights in trust	-12,444,949	-
Repayments of tenant leasehold and security deposits in trust	-21,799	-51,156
Proceeds from tenant leasehold and security deposits in trust	117,075	53,473
Payment of tenant leasehold and security deposits	-40,555	-
Others	-215,250	-204,680
Net cash used in investing activities	-108,505,833	-5,038,634
Cash flows from financing activities		
Increase in short-term loans payable	4,925,000	-
Repayments of short-term loans payable	-10,313,000	-3,425,000
Proceeds from long-term loans payable	71,222,000	26,244,000
Repayments of long-term loans payable	-16,991,000	-27,562,000
Proceeds from issuance of investment corporation bonds	4,173,666	-
Redemption of investment corporation bonds	-1,000,000	-
Borrowing related expenses redemption	-1,156,070	-382,691
Payment of distributions of earnings	-12,913,644	-15,154,760
Proceeds from issuance of investment units	55,808,936	-
Net cash provided by (used in) financing activities	93,755,887	-20,280,451
Effect of exchange rate change on cash and cash equivalents	-33	-88
Net increase (decrease) in cash and cash equivalents	2,722,866	-2,478,742
Cash and cash equivalents at beginning of period	42,560,824	45,283,691
Cash and cash equivalents at end of period	*1 45,283,691	*1 42,804,948

(6) Notes Concerning Going Concerns Assumption

Not applicable

(7) Notes Concerning Significant Accounting Policies

(Notes Concerning Significant Accounting Policies)

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.

2. Method of depreciation of non-current assets

(a) Property and equipment (including assets in trust)

The straight-line method is used.
The useful lives of major property and equipment are as follows.

Buildings	16-50 years
Buildings and accompanying facilities	6-29 years
Structures	20 years
Tools, furniture and fixtures	2-18 years
Buildings in trust	5-67 years
Buildings and accompanying facilities in trust	3-33 years
Structures in trust	7-55 years
Tools, furniture and fixtures in trust	2-20 years

(b) Intangible assets
For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used.

(c) Long-term prepaid expenses
The straight-line method is used.

3. Accounting treatment of deferred assets

Investment corporation bond issuance costs
Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.

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.

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.

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 Reporting Period is accounted for as property related expenses.
Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was capitalized as part of the acquisition cost of real estate during the Reporting Period is zero.

(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.

7. Method of hedge accounting

(a) Method of hedge accounting

Deferred hedge accounting is used.

(b) Hedging instrument and hedged item

(Borrowings)
Hedging instrument: interest rate swap
Hedged item: interest on borrowings

(Scheduled Foreign Currency Transaction)
Hedging instrument: foreign exchange forward
Hedged item: scheduled foreign currency transaction

(c) Hedge policy

INV enters into derivative transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.

(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.

8. 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 not subject to significant risks of changes in value.

9. Other matters which constitute the basis for preparation of financial statements

(a) Accounting treatment of trust beneficiary interests in real estate

As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.

(i) Cash and bank deposits in trust

(ii) Buildings in trust
Buildings and accompanying facilities in trust
Structures in trust
Tools, furniture and fixtures in trust
Land in trust
Construction in progress in trust

(iii) Leasehold rights in trust

(iv) Tenant leasehold and security deposits in trust

(b) Accounting treatment of non-deductible consumption taxes

Non-deductible consumption taxes etc. regarding the acquisition of assets are capitalized as part of acquisition cost of each asset.

(8) Notes on Material Accounting Estimates

Not applicable

(9) Notes to the Financial Statements

(Notes to the Balance Sheet)

*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: JPY thousand)

Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
50,000	50,000

*2. Allowance for temporary differences adjustment

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

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at the beginning of the period	Allowance set aside during period	Reversal during period	Balance at the end of the period
Leasehold rights in trust	Amortization of leasehold rights in trust	-131,332	-6,130	-	-	-6,130
Total		-131,332	-6,130	-	-	-6,130

2. Method of reversal

(1) Leasehold rights in trust

The corresponding amount is scheduled to be reversed upon sale, etc. of the relevant property.

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at the beginning of the period	Allowance set aside during period	Reversal during period	Balance at the end of the period
Leasehold rights in trust	Amortization of leasehold rights in trust	-131,332	-6,130	-	-	-6,130
Total		-131,332	-6,130	-	-	-6,130

2. Method of reversal

(1) Leasehold rights in trust

The corresponding amount is scheduled to be reversed upon sale, etc. of the relevant property.

*3. Reduction entry of Property and equipment acquired with government subsidies, etc.

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
Buildings and accompanying facilities in trust	-	99,854

(Notes to Statement of Income and Retained Earnings)

*1. Real estate rental revenues and expenses

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
A. Real estate rental revenues		
Rental revenue-real estate		
Rent/common area charges (Note)	22,622,304	19,153,841
Other revenues	582,722	688,009
Total	23,205,026	19,841,850
B. Real estate rental expenses		
Property related expenses		
Maintenance costs	816,183	946,563
Taxes and public dues	830,226	766,023
Non-life insurance premium	31,466	33,430
Depreciation expenses	4,529,111	4,697,178
Other expenses	118,307	132,263
Total	6,325,294	6,575,459
C. Real estate rental income (A-B)	16,879,731	13,266,391
(Note) Of which, revenue from variable hotel rents	12,525,783	10,911,456

*2. Management contract income

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
A. Hotel operating revenue	5,545,434	9,181,996
B. Hotel operating expenses	3,888,014	5,029,597
C. Management contract revenue (A-B) (Note)	1,657,420	4,172,732
D. Management contract expenses		
Management contract loss (A-B) (Note)	-	20,333
Non-life insurance premium	220,994	213,443
Depreciation expenses	461,503	475,293
Others	86,155	79,016
Total	768,653	788,087
E. Management contract income (C-D)	888,767	3,384,645

(Note) For each property, when hotel operating revenue exceeds hotel operating expenses, the excess revenue is recorded as management contract revenue. When hotel operating expenses exceed hotel operating revenue, the excess expenses are recorded as management contract loss.

(Notes to Statement of Changes in Net Assets)

Number of issuable investment units authorized and number of investment units issued and outstanding

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Number of issuable investment units	20,000,000 units	20,000,000 units
Number of investment units issued and outstanding	7,646,453 units	7,646,453 units

(Notes to Statement of Cash Flows)

*1. Relationship between cash and cash equivalents in statement of cash flows and amounts in accompanying balance sheet is as follows:

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Cash and bank deposits	31,964,082	29,949,793
Cash and bank deposits in trust	13,319,608	12,855,155
Cash and cash equivalents	45,283,691	42,804,948

(Notes Related to Lease Transactions)

Operating lease transactions (as lessee)
Unexpired lease fees

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
Due within one year	392,195	392,399
Due after one year	8,849,950	8,661,758
Total	9,242,145	9,054,157

Operating lease transactions (as lessor)
Unexpired lease fees

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
Due within one year	14,911,689	13,774,668
Due after one year	56,187,554	51,925,651
Total	71,099,244	65,700,319

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

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, etc. 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.

(2) Nature and extent of risks arising from financial instruments and risk management

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 loans are managed by the finance department of CIM by preparing and updating plans for funds, and monitoring the financial covenants set forth in loan agreements.

(3) Supplemental information regarding fair value of financial instruments

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.

2. Estimated fair value of financial instruments

Book value, fair value and the difference between values 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 it is not material.

Fiscal period ended December 31, 2024 (as of December 31, 2024)

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Investment securities	17,856,387	30,167,614	12,311,226
Total assets	17,856,387	30,167,614	12,311,226
(2) Current portion of Investment Corporation Bonds	-	-	-
(3) Current portion of long-term loans payable	(40,599,000)	(40,599,000)	-
(4) Investment corporation bonds	(24,100,000)	(23,594,450)	505,550
(5) Long-term loans payable	(255,073,000)	(255,073,000)	-
Total liabilities	(319,772,000)	(319,266,450)	505,550
(6) Derivatives	538,477	538,477	-

Fiscal period ended June 30, 2025 (as of June 30, 2025)

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Investment securities	17,856,387	32,447,763	14,591,375
Total assets	17,856,387	32,447,763	14,591,375
(2) Current portion of Investment Corporation Bonds	(5,000,000)	(4,976,000)	24,000
(3) Current portion of long-term loans payable	(25,042,000)	(25,042,000)	-
(4) Investment corporation bonds	(19,100,000)	(18,535,870)	564,130
(5) Long-term loans payable	(269,312,000)	(269,312,000)	-
Total liabilities	(318,454,000)	(317,865,870)	588,130
(6) Derivatives	1,603,889	1,603,889	-

(Note 1) Items recorded in the Liabilities Section are shown in parenthesis.
(Note 2) Receivables and payables arising from derivative transactions are recorded in net amounts, and if the total net amount is a negative amount, such amount is shown in parenthesis.

(Note 1) Methods to calculate fair values of financial instruments

(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.

(2) Current portion of Investment Corporation Bonds (4) Investment corporation bonds

Fair value is calculated using a method based on market price.

(3) Current portion of long-term loans payable (5) Long-term loans payable

Long-term loan 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.

(6) Derivatives

Please refer to the “Notes Related to Derivative Transactions” below.

(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

Fiscal period ended December 31, 2024 (as of December 31, 2024)

(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 after four to five years	Due after five years
Current portion of investment corporation bonds	-	-	-	-	-	-
Current portion of long-term loans payable	40,599,000	-	-	-	-	-
Investment corporation bonds	-	5,000,000	-	5,700,000	12,200,000	1,200,000
Long-term loans payable	-	53,150,200	34,133,750	67,264,050	32,096,000	68,429,000
Total	40,599,000	58,150,200	34,133,750	72,964,050	44,296,000	69,629,000

Fiscal period ended June 30, 2025 (as of June 30, 2025)

(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 after four to five years	Due after five years
Current portion of investment corporation bonds	5,000,000	-	-	-	-	-
Current portion of long-term loans payable	25,042,000	-	-	-	-	-
Investment corporation bonds	-	-	2,200,000	9,500,000	7,400,000	-
Long-term loans payable	-	44,260,200	41,701,750	72,164,050	34,581,000	76,605,000
Total	30,042,000	44,260,200	43,901,750	81,664,050	41,981,000	76,605,000

(Notes Related to Investment Securities)

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

Investment in subsidiaries and affiliates

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
Investment in affiliates	17,856,387	30,167,614	12,311,226
Total	17,856,387	30,167,614	12,311,226

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

Investment in subsidiaries and affiliates

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
Investment in affiliates	17,856,387	32,447,763	14,591,375
Total	17,856,387	32,447,763	14,591,375

(Notes Related to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied
Fiscal period ended December 31, 2024 (as of December 31, 2024)

About derivative transactions for which hedge accounting is not applied, the contract amount or the amount equivalent to the notional principal prescribed in the contracts as of the settlement of accounts are as follows.

(Unit: JPY thousand)

Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (Note 1)	Valuation gains/losses
			Amount due after one year		
OTC transaction	Foreign Exchange Forward, short USD	989,200	-	-270,700	-270,700

(Note 1) Estimation method for fair value
Foreign Exchange Forward Estimated based on the price, etc. presented by the correspondent financial institutions.

Fiscal period ended June 30, 2025 (as of June 30, 2025)

About derivative transactions for which hedge accounting is not applied, the contract amount or the amount equivalent to the notional principal prescribed in the contracts as of the settlement of accounts are as follows.

(Unit: JPY thousand)

Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (Note 1)	Valuation gains/losses
			Amount due after one year		
OTC transaction	Foreign Exchange Forward, short USD	1,121,684	-	30,768	30,768

(Note 1) Estimation method for fair value
Foreign Exchange Forward Estimated based on the price, etc. presented by the correspondent financial institutions.

2. Derivative transactions to which hedge accounting is applied
Fiscal period ended December 31, 2024 (as of December 31, 2024)

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

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	179,016,000	171,314,000	997,866
	Foreign Exchange Forward, short USD	Scheduled Foreign Currency Transaction	4,128,908	952,248	-188,688

(Note 1) The contract amount, etc. for interest rate swap are stated based on a notional principal.
(Note 2) Estimation method for fair value
Interest rate swap Estimated based on the price, etc. presented by the correspondent financial institutions.
Foreign Exchange Forward Estimated based on the price, etc. presented by the correspondent financial institutions

Fiscal period ended June 30, 2025 (as of June 30, 2025)

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

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	171,314,000	162,047,000	1,530,798
	Foreign Exchange Forward, short USD	Scheduled Foreign Currency Transaction	4,691,932	1,765,856	42,322

(Note 1) The contract amount, etc. for interest rate swap are stated based on a notional principal.
(Note 2) Estimation method for fair value

Interest rate swap	Estimated based on the price, etc. presented by the correspondent financial institutions.
Foreign Exchange Forward	Estimated based on the price, etc. presented by the correspondent financial institutions

(Notes Related to Retirements Payments)

Not applicable

(Notes Related to Asset Retirement Obligations)

1. Summary of the asset retirement obligations for the period
   Part of INV's assets has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement and contractual and legal obligation to remove the asbestos.

2. Calculation method for asset retirement obligations for the period
   The amount of the asset retirement obligations has been calculated by estimating the period of use, based on the remaining period until the expiration of the fixed-term land lease agreement (43 years), the useful life of the buildings containing asbestos (seven to 37 years) and by using each discount rate of 1.342%, and 0.783 to 2.330%.

3. Increase/decrease in the total amount of asset retirement obligations

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Balance at the beginning of the period	395,487	675,199
Increase due to the acquisition of property and equipment	275,342	-
Accretion expense	4,369	4,729
Balance at the end of the period	675,199	679,929

(Notes Related to Revenue Recognition)

1. Breakdown of revenue from contracts with customers

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

(Unit: JPY thousand)

	Revenue from contracts with customers (Note 1)	Net sales to external customers
Sale of real estate, etc.	-	-
Other	238,962	25,555,158
Total	238,962	25,555,158

(Note 1) Revenue from the leasing business subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13), dividend income subject to the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and the sale of real estate, etc. subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in "Revenue from contracts with customers" as they are not covered by the Accounting Standard for Revenue Recognition. Major revenue from contracts with customers is proceeds from sale of real estate properties.

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(Unit: JPY thousand)

	Revenue from contracts with customers (Note 1)	Net sales to external customers
Sale of real estate, etc.	-	-
Other	243,769	25,107,832
Total	243,769	25,107,832

(Note 1) Revenue from the leasing business subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13), dividend income subject to the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and the sale of real estate, etc. subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in "Revenue from contracts with customers" as they are not covered by the Accounting Standard for Revenue Recognition. Major revenue from contracts with customers is proceeds from sale of real estate properties.

2. Information utilized as the basis for understanding revenue from contracts with customers
The information is as described in "Notes Concerning Significant Accounting Policies" above.

3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts as well as amount of revenue and period expected to be recognized in the next calculation period or thereafter from contracts with customers existing at the end of the Reporting Period
   (1) Balance of contract assets and contract liabilities, etc.

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Claims generated from contracts with customers (balance at the beginning of the period)	3,113	42,289
Claims generated from contracts with customers (balance at the end of the period)	42,289	50,267
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)	-	-

(2) Transaction value allocated to remaining performance obligations

Not applicable

(Notes Related to Segment and Related Information)

I. Segment Information

Disclosure is omitted because the real estate investment business is INV's sole business and it has no reportable segments.

II. Related Information

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

1. Information about each product and service
Disclosure is omitted because net sales to external customers for a single product/service category accounted for over 90% of the operating revenue on the statement of income.

2. Information about each geographic area
(1) Net sales

(Unit: JPY thousand)

Japan	The Cayman Islands	Total
23,897,738	1,657,420	25,555,158

(Note) Net sales are based on the location of the customer and categorized by country or territory.

(2) Property and equipment
Disclosure is omitted because the amount of property and equipment located in Japan accounted for over 90% of the amount of property and equipment on the balance sheet.

3. Information about each major customer

(Unit: JPY thousand)

Name of customer	Operating revenues	Related segment
MyStays Hotel Management Co., Ltd.	14,428,921	Real Estate Investment

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Information about each product and service
Disclosure is omitted because net sales to external customers for a single product/service category accounted for over 90% of the operating revenue on the statement of income.

2. Information about each geographic area
(1) Net sales

(Unit: JPY thousand)

Japan	The Cayman Islands	Total
20,935,099	4,172,732	25,107,832

(Note) Net sales are based on the location of the customer and categorized by country or territory.

(2) Property and equipment
Disclosure is omitted because the amount of property and equipment located in Japan accounted for over 90% of the amount of property and equipment on the balance sheet.

3. Information about each major customer

(Unit: JPY thousand)

Name of customer	Operating revenues	Related segment
MyStays Hotel Management Co., Ltd.	13,277,126	Real Estate Investment

(Note 1) MyStays Hotel Management Co., Ltd. changed its company name for Iconia Hospitality K.K. as of July 1, 2025. Herein after the same.

(Notes Related to Rental Properties)

INV owns residential properties and hotels as core assets principally in the 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, balance at the end of the period and the fair value are as follows.

(Unit: JPY thousand)

			Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Residences	Book value	Balance at the beginning of the period	33,897,885	33,677,378
		Change during the period	-220,507	18,119
		Balance at the end of the period	33,677,378	33,695,497
	Fair value at the end of the period		49,089,000	49,198,000
Commercial facilities	Book value	Balance at the beginning of the period	1,575,668	1,558,613
		Change during the period	-17,055	-17,055
		Balance at the end of the period	1,558,613	1,541,557
	Fair value at the end of the period		2,380,000	2,380,000
Hotels	Book value	Balance at the beginning of the period	457,767,512	560,547,827
		Change during the period	102,780,314	-1,053,556
		Balance at the end of the period	560,547,827	559,494,270
	Fair value at the end of the period		716,023,756	724,069,651
Total	Book value	Balance at the beginning of the period	493,241,067	595,783,818
		Change during the period	102,542,751	-1,052,491
		Balance at the end of the period	595,783,818	594,731,326
	Fair value at the end of the period		767,492,756	775,647,651

(Note 1) Book value is the figure calculated by subtracting accumulated depreciation from acquisition price (including acquisition-related costs).

(Note 2) The major factors of increase in change during the previous fiscal period were acquisition of hotels and construction work related to capital expenditures, and the major factors of decrease were depreciation. The major factors of increase in change during the Reporting Period were construction work related to capital expenditures, and the major factor of decrease was depreciation.

(Note 3) The fair value as of the end of the period is determined based on the appraisal value or survey value provided by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE, Inc.

For information related to profits and losses from rental properties, please refer to "Notes to Statement of Income and Retained Earnings."

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit: JPY thousand)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
(Deferred tax assets)		
Enterprise tax payable	615	615
Buildings and other (merger)	175,672	172,687
Land (merger)	116,724	116,724
Loss carried forward (Note 1)	1,271,430	1,271,430
Asset retirement obligations	212,417	213,905
Amortization of fixed-term leasehold rights	211,094	223,237
Adjustment of acquisition prices (overseas properties)	433,810	429,896
Excess depreciation	3,490	3,513
Deposits received	6,806	4,126
Subtotal	2,432,063	2,436,138
Valuation allowance for tax loss carried forward	-1,271,430	-1,271,430
Valuation allowance for the total of deductible temporary differences, etc.	-1,160,633	-1,164,708
Subtotal	-2,432,063	-2,436,138
Total	-	-

(Note 1) The amounts of tax loss carried forward and the deferred tax assets by carry-forward period are as follows.

Fiscal period ended December 31, 2024 (as of December 31, 2024)

(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 after four to five years	Due after five years	Total
Tax loss carried forward (a)	-	-	-	-	-	1,271,430	1,271,430
Valuation allowance	-	-	-	-	-	-1,271,430	-1,271,430
Deferred tax assets	-	-	-	-	-	-	-

(a) Tax loss carried forward is multiplied by statutory tax rate.

Fiscal period ended June 30, 2025 (as of June 30, 2025)

(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 after four to five years	Due after five years	Total
Tax loss carried forward (a)	-	-	-	-	-	1,271,430	1,271,430
Valuation allowance	-	-	-	-	-	-1,271,430	-1,271,430
Deferred tax assets	-	-	-	-	-	-	-

(a) Tax loss carried forward is multiplied by statutory tax rate.

2. Significant difference between statutory tax rate and the effective tax rate

(Unit: %)

	Fiscal period ended December 31, 2024 (as of December 31, 2024)	Fiscal period ended June 30, 2025 (as of June 30, 2025)
Statutory tax rate	31.46	31.46
Deductible cash distributions	-31.49	-31.49
Changes in valuation allowance	0.61	0.03
Others	-0.57	0.00
Effective tax rate	0.00	0.00

(Notes Related to Equity-Method Income)

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

Amount of investment in affiliates	JPY 17,856,387 thousand
Amount of investment when accounted for by the equity method	JPY 17,856,387 thousand
Amount of investment profit when accounted for by the equity method	JPY 692,711 thousand

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

Amount of investment in affiliates	JPY 17,856,387 thousand
Amount of investment when accounted for by the equity method	JPY 17,856,387 thousand
Amount of investment profit when accounted for by the equity method	JPY 1,093,248 thousand

(Notes Related to Transactions with Related Parties)

1. Transactions with Parent Company and Major Corporate Unitholders

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

Classification	Name	Address	Stated capital (JPY million)	Business or occupation	Percentage of voting rights owned (%)	Relationship		Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
						Common board member	Business relation-ship				
Interested party of CIM	Ganges Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	31,185,000	-	-
	Hakodate Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	16,830,000	-	-
	Nippori Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	16,335,000	-	-
	Shiretoko Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	14,551,000	-	-

Classification	Name	Address	Stated capital (JPY million)	Business or occupation	Percentage of voting rights owned (%)	Relationship		Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
						Common board member	Business relation-ship				
Interested party of CIM	Rishiri Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	10,652,000	-	-
	Yakushima Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	10,195,000	-	-
	Kawaguchiko Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	4,672,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	1,196,591	Accounts receivable	163,651
	Island Co., Ltd. (Note 3)	Minato-ku, Tokyo	50	Hotel business	-	-	Lessee of hotels	Rental revenues	1,527,152	Accounts receivable	33,880
	Osaka Bay Tower LLC (Note 3)	Osaka-shi, Osaka	0.1	Hotel business	-	-	Lessee of hotels	Rental revenues	1,247,707	Accounts receivable	585,355
	MyStays Hotel Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	14,428,921	Accounts receivable	5,923,325

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

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

(Note 3) Ganges Tokutei Mokuteki Kaisha, Hakodate Tokutei Mokuteki Kaisha, Nippori Tokutei Mokuteki Kaisha, Shiretoko Tokutei Mokuteki Kaisha, Rishiri Tokutei Mokuteki Kaisha, Yakushima Tokutei Mokuteki Kaisha, Kawaguchiko Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with CIM. However, these tenants and operators have received an anonymous partnership investment or investment through funds that are managed by affiliates of FIG (a subsidiary of the parent company which indirectly holds 100% of the issued share of CIM). Accordingly, INV treats Ganges Tokutei Mokuteki Kaisha, Hakodate Tokutei Mokuteki Kaisha, Nippori Tokutei Mokuteki Kaisha, Shiretoko Tokutei Mokuteki Kaisha, Rishiri Tokutei Mokuteki Kaisha, Yakushima Tokutei Mokuteki Kaisha, Kawaguchiko Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

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

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	Ganges Tokutei Mokuteki Kaisha	31,185,000
D91	Hakodate Kokusai Hotel	Hakodate Tokutei Mokuteki Kaisha	16,830,000
D92	Art Hotel Nippori Lungwood	Nippori Tokutei Mokuteki Kaisha	16,335,000
D93	Hotel MyStays Kumamoto Riverside	Rishiri Tokutei Mokuteki Kaisha	6,831,000

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
D94	Art Hotel Aomori	Shiretoko Tokutei Mokuteki Kaisha	5,672,000
D95	Kamenoi Hotel Izukogen	Yakushima Tokutei Mokuteki Kaisha	5,563,000
D96	Art Hotel Oita	Shiretoko Tokutei Mokuteki Kaisha	5,484,000
D97	Art Hotel Kokura New Tagawa	Kawaguchiko Tokutei Mokuteki Kaisha	4,672,000
D98	Art Hotel Miyazaki Sky Tower	Rishiri Tokutei Mokuteki Kaisha	3,821,000
D99	Art Hotel Kagoshima	Shiretoko Tokutei Mokuteki Kaisha	3,395,000
D100	Kamenoi Hotel Hikone	Yakushima Tokutei Mokuteki Kaisha	2,603,000
D101	Kamenoi Hotel Nara	Yakushima Tokutei Mokuteki Kaisha	2,029,000
Total			104,420,000

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

Classification	Name	Address	Stated capital (JPY million)	Business or occupation	Percentage of voting rights owned (%)	Relationship		Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
						Common board member	Business relation-ship				
Interested party of CIM	Naqua Hotel & Resorts Management Co., Ltd. (Note 2)	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	509,987	Accounts receivable	244,325
	Island Co., Ltd. (Note 2)	Minato-ku, Tokyo	50	Hotel business	-	-	Lessee of hotels	Rental revenues	761,455	Accounts receivable	354,255
	Osaka Bay Tower LLC (Note 2)	Osaka-shi, Osaka	0.1	Hotel business	-	-	Lessee of hotels	Rental revenues	1,477,549	Accounts receivable	826,761
	MyStays Hotel Management Co., Ltd. (Note 2)	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	13,016,722	Accounts receivable	5,373,590

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

(Note 2) Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with CIM. However, these tenants and operators have received an anonymous partnership investment or investment through funds that are managed by affiliates of FIG (a subsidiary of the parent company which indirectly holds 100% of the issued share of CIM). Accordingly, INV treats Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

2. Transactions with Affiliates

None for both the fiscal period ended December 31, 2024 and the fiscal period ended June 30, 2025.

3. Transactions with Companies under Common Control

None for both the fiscal period ended December 31, 2024 and the fiscal period ended June 30, 2025.

4. Transactions with Directors and Major Individual Unitholders

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

Classification	Name	Business or occupation	Ratio of voting rights (%)	Details of transaction	Transaction amount (JPY thousand) (Note 3)	Account	Balance at the end of the period (JPY thousand) (Note 3)
Directors and close relatives	Naoki Fukuda	Executive Director of INV and President & CEO of CIM	-	Payment of asset management fees to CIM (Note 1)	972,100	Accrued expenses	247,500
Same as above	Same as above	Same as above	-	Payment of administrative agency fees for organizational management to CIM (Note 2)	1,100	Accrued expenses	880

(Note 1) Naoki Fukuda served as a representative of the third party (CIM), and the fee is as set forth in the Articles of Incorporation of INV.

(Note 2) Naoki Fukuda served as a representative of the third party (CIM), and the fee is as set forth in "Administrative Agency Agreement for Organizational Management," entered into by and between INV and CIM.

(Note 3) Consumption taxes, etc. are not included in the transaction amounts, but are included in the balance at the end of the period.

Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

Classification	Name	Business or occupation	Ratio of voting rights (%)	Details of transaction	Transaction amount (JPY thousand) (Note 3)	Account	Balance at the end of the period (JPY thousand) (Note 3)
Directors and close relatives	Naoki Fukuda	Executive Director of INV and President & CEO of CIM	-	Payment of asset management fees to CIM (Note 1)	550,000	Accrued expenses	302,500
Same as above	Same as above	Same as above	-	Payment of administrative agency fees for organizational management to CIM (Note 2)	600	Accrued expenses	330

(Note 1) Naoki Fukuda served as a representative of the third party (CIM), and the fee is as set forth in the Articles of Incorporation of INV.

(Note 2) Naoki Fukuda served as a representative of the third party (CIM), and the fee is as set forth in "Administrative Agency Agreement for Organizational Management," entered into by and between INV and CIM.

(Note 3) Consumption taxes, etc. are not included in the transaction amounts, but are included in the balance at the end of the period.

(Notes Related to Parent Company or Any Material Affiliated Company)

1. Information of parent company

Not applicable

2. Summarized financial information of material affiliated company

Kingdom Special Purpose Company was the material affiliated company during the Reporting Period, and the summary of financial statements are as below:

(Unit: JPY thousand)

	Kingdom Special Purpose Company	
	From April 1, 2024 to September 30, 2024	From October 1, 2024 to March 31, 2025
Total specified assets	99,687,573	99,559,123
Total other assets	4,264,412	5,360,340
Total current liabilities	65,158,021	65,308,077
Total non-current liabilities	960,166	960,166
Total net assets	37,833,797	38,651,219
Operating revenue	2,258,450	3,242,557
Income before income taxes	1,414,474	2,232,009
Net income	1,413,697	2,231,119

(Notes Related to Per Unit Information)

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Net assets per unit	JPY 45,954	JPY 45,951
Net income per unit	JPY 1,980	JPY 1,878

Net income per unit is calculated by dividing net income for the period by the average number of investment units during the period. Diluted net income per unit is not stated as there are no diluted units.

(Note 1) The basis for calculating net income per unit is as follows.

	Fiscal period ended December 31, 2024 (from July 1, 2024 to December 31, 2024)	Fiscal period ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Net income (JPY thousand)	15,138,205	14,366,370
Amounts not attributable to common unitholders (JPY thousand)	-	-
Net income attributable to common units (JPY thousand)	15,138,205	14,366,370
Average number of investment units during the period (units)	7,644,064	7,646,453

(Notes Related to Significant Subsequent Events)

1. Debt Financing

In order to fund a portion of the acquisition price for 10 hotel properties, refer to the "2. Acquisition of assets (properties)" below, INV decided the following debt financing on August 25, 2025.

New Syndicate Loan (019)

Lender	:	Syndicate of lenders arranged by Mizuho Bank, Ltd.
Outstanding balance	:	JPY 30,200 million
Interest rate, etc.	:	1.654% Base Rate (1-month JPY TIBOR) + 0.400% (By the Interest Rate Swap Agreement, the interest rate of this loan will be fixed, in effect, at 1.664%.) Base Rate (1-month JPY TIBOR) + 0.450% 1.749% Base Rate (1-month JPY TIBOR) + 0.450% (By the Interest Rate Swap Agreement, the interest rate of this loan will be fixed, in effect, at 1.759%.) Base Rate (1-month JPY TIBOR) + 0.500%
Interest payment date	:	The last Japanese business day of each month before the principal maturity date, beginning with September 30, 2025, and the principal maturity date The last Japanese business day of March, June, September, and December before the principal maturity date, beginning with September 30, 2025, and the principal maturity date
Principal repayment method	:	Lump-sum repayment
Borrowing method	:	Unsecured/ non-guarantee
Borrowing date	:	August 27, 2025
Maturity date	:	July 16, 2029, March 14, 2030, July 16, 2030

2. Acquisition of assets (properties)

INV decided the acquisition of the following 10 hotel properties (total acquisition price: JPY 34,284 million) on August 25, 2025.

Property Number: D102 Irago Ocean Resort

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 6,900 million
Location	Tahara-shi, Aichi
Completion Date	May 1968
Legal Form of Asset	Trust beneficiary interest
Seller	Nippori Tokutei Mokuteki Kaisha
Total Floor Area	17,449.59 m²
Total Leasable Area	17,449.59 m²

Property Number: D103 Kirishima Kokusai Hotel

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 6,534 million
Location	Kirishima-shi, Kagoshima
Completion Date	August 1971
Legal Form of Asset	Trust beneficiary interest
Seller	Heijo Tokutei Mokuteki Kaisha
Total Floor Area	21,321.88 m^2
Total Leasable Area	21,321.88 m^2

Property Number: D104 Kamenoi Hotel Toba

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 4,732 million
Location	Toba-shi, Mie
Completion Date	April 1987
Legal Form of Asset	Trust beneficiary interest
Seller	Yakushima Tokutei Mokuteki Kaisha
Total Floor Area (Note 2)	8,183.80 m^2
Total Leasable Area	8,183.80 m^2

Property Number: D105 Kamenoi Hotel Kusatsu Yubatake

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 4,682 million
Location	Agatsuma-gun, Gunma
Completion Date	October 1986
Legal Form of Asset	Trust beneficiary interest
Seller	Baika Tokutei Mokuteki Kaisha
Total Floor Area	6,223.41 m^2
Total Leasable Area	6,223.41 m^2

Property Number: D106 Atagawa Ocean Resort

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 4,187 million
Location	Kamo-gun, Shizuoka
Completion Date	March 1997
Legal Form of Asset	Trust beneficiary interest
Seller	Baika Tokutei Mokuteki Kaisha
Total Floor Area	8,453.14 m^2
Total Leasable Area	8,453.14 m^2

Property Number: D107 Hotel MyStays Atsugi

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 3,177 million
Location	Atsugi-shi, Kanagawa
Completion Date	July 1996
Legal Form of Asset	Trust beneficiary interest
Seller	Nippori Tokutei Mokuteki Kaisha
Total Floor Area	3,750.60 m^2
Total Leasable Area	3,750.60 m^2

Property Number: D108 Kamenoi Hotel Tsukubasan

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 2,999 million
Location	Tsukuba-shi, Ibaraki
Completion Date	August 1972
Legal Form of Asset	Trust beneficiary interest
Seller	Albula Tokutei Mokuteki Kaisha
Total Floor Area	6,480.04 m^2
Total Leasable Area	6,480.04 m^2

Property Number: D109 Kamenoi Hotel Kochi

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 446 million
Location	Agawa-gun, Kochi
Completion Date	March 1997
Legal Form of Asset	Trust beneficiary interest
Seller	Yakushima Tokutei Mokuteki Kaisha
Total Floor Area	7,692.16 m^2
Total Leasable Area	7,692.16 m^2

Property Number: D110 Kamenoi Hotel Chitamihama

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 372 million
Location	Chita-gun, Aichi
Completion Date	May 1977
Legal Form of Asset	Trust beneficiary interest
Seller	Yakushima Tokutei Mokuteki Kaisha
Total Floor Area	4,707.24 m^2
Total Leasable Area	4,707.24 m^2

Property Number: D111 Kamenoi Hotel Yanagawa

Acquisition Date (Planned)	August 27, 2025
Acquisition Price (Note 1)	JPY 255 million
Location	Yanagawa-shi, Fukuoka
Completion Date	October 1969
Legal Form of Asset	Trust beneficiary interest
Seller	Yakushima Tokutei Mokuteki Kaisha
Total Floor Area	6,071.61 m^2
Total Leasable Area	6,071.61 m^2

(Note 1) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition-related expenses, property taxes, city planning taxes or consumption taxes.

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

(Note 1) New investment units were issued in a public offering at a price of JPY 55,566 per unit (JPY 53,726 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties or repairs and capital expenditures to maintain and enhance the asset value of properties in the portfolio.

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

(Note 3) New investment units were issued in a public offering at a price of JPY 63,602 per unit (JPY 61,560 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties or repairs and capital expenditures to maintain and enhance the asset value of properties in the portfolio.

(Note 4) New investment units were issued in a third-party allotment at a price of JPY 61,560 per unit for the purpose of raising a part of the funds for the acquisition of specified assets or repairs and capital expenditures to maintain and enhance the asset value of properties in the portfolio.

3. Reference Information

(1) Composition of INV's Assets

Type of asset	Purpose	Geographic area (Note 1)	Fiscal period ended December 31, 2024 (as of December 31, 2024)		Fiscal period ended June 30, 2025 (as of June 30, 2025)	
			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	-	-	-	-
		Major regional Cities	-	-	-	-
		Overseas (Note 3)	32,248	4.7	33,279	4.9
		Subtotal	32,248	4.7	33,279	4.9
Total real estate			32,248	4.7	33,279	4.9
Real estate in trust	Residences	Greater Tokyo area	28,007	4.1	28,024	4.2
		Major regional cities	5,670	0.8	5,670	0.8
		Subtotal	33,677	5.0	33,695	5.0
	Offices/Commercial facilities	Greater Tokyo area	-	-	-	-
		Major regional cities	1,558	0.2	1,541	0.2
		Subtotal	1,558	0.2	1,541	0.2
	Hotels	Greater Tokyo area	183,595	27.0	183,152	27.1
		Major regional cities	344,702	50.7	343,062	50.8
		Subtotal	528,297	77.7	526,214	77.9
Total real estate in trust			563,533	82.9	561,452	83.2
Preferred equity interest (Note 4)			17,856	2.6	17,856	2.6
Deposits and other assets			66,364	9.8	62,558	9.3
Total assets (Note 5)			680,004 (595,783)	100.0 (87.6)	675,146 (594,731)	100.0 (88.1)

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

(Note 2) "Amount held" is from the balance sheet as of the end of the Reporting Period (book value after depreciation for real estate, leasehold and real estate in trust). The amounts held for hotels are calculated by including book value of accompanying FF&E, in principle. In addition, if the accompanying FF&E is held in kind for hotels held in the form of trust beneficiary interests, the book value of the FF&E is included in the amount of trust beneficiary interests in accordance with the ownership form of the hotel, regardless of the ownership form of the FF&E.

(Note 3) 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 Islands local time), a change from making investments based on the TK agreement to directly owning the Leasehold of the Cayman Hotels, which were the underlying assets of the TK.

(Note 4) 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 5) The figures indicated in parenthesis under "Total assets" show the amounts related to owned real estate (excluding the amount of preferred equity interest).

	Fiscal period ended December 31, 2024 (as of December 31, 2024)		Fiscal period ended June 30, 2025 (as of June 30, 2025)	
	Amount (JPY million)	Percentage of total assets (%)	Amount (JPY million)	Percentage of total assets (%)
Total Liabilities	328,616	48.3	323,782	48.0
Total Net Assets	351,388	51.7	351,363	52.0
Total Liabilities and Net Assets	680,004	100.0	675,146	100.0

(2) Real Estate Properties, Etc.

The following summarizes the real estate assets (real estate or trust beneficiary interest comprised mainly of real estate) as well as preferred equity interest held by INV as of the end of the Reporting Period.

a Price and investment percentage

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests (Note 8)	1,251	1,067	0.2	1,430	A
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	888	812	0.1	1,210	A
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	1,070	918	0.2	1,400	A
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interests	1,505	1,307	0.2	1,570	A
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interests (Note 8)	1,088	1,031	0.2	1,380	A
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests (Note 8)	1,059	916	0.2	1,430	A
A34	Belle Face Ueno-Okachimachi	1-27-10 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests (Note 8)	1,023	878	0.2	1,290	A
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interests (Note 8)	906	743	0.1	1,170	A
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interests (Note 8)	795	712	0.1	935	A
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interests	676	687	0.1	806	A
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interests (Note 8)	651	731	0.1	833	A
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interests	646	702	0.1	709	A

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
A41	Acseeds Tower Kawaguchi-Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interests (Note 8)	620	470	0.1	898	A
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interests (Note 8)	589	543	0.1	534	A
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interests (Note 8)	589	537	0.1	708	A
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests (Note 8)	572	555	0.1	622	A
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interests (Note 8)	566	486	0.1	724	A
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interests (Note 8)	557	601	0.1	604	A
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interests (Note 8)	510	431	0.1	679	A
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	866	782	0.1	1,390	B
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interests	577	581	0.1	835	C
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,110	983	0.2	1,530	B
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	415	426	0.1	606	B
A65	Lexington Square Haginomachi	1-15-18 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interests	330	246	0.1	426	B
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interests	255	222	0.0	291	D
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interests	511	409	0.1	809	D
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,180	841	0.2	1,370	D
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interests	595	458	0.1	877	B
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku-ku, Tokyo, and one other parcel	Trust beneficiary interests	543	472	0.1	879	B
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interests	456	390	0.1	849	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	412	377	0.1	680	B
A93	Siete Minami-Tsukaguchi	3-18-29 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interests	374	324	0.1	586	B
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	373	318	0.1	581	B
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interests	335	277	0.1	550	B
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interests	331	298	0.1	446	B
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interests	297	249	0.0	441	B
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interests	1,683	1,535	0.3	2,380	B
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interests	1,634	1,483	0.3	2,240	B
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,910	2,305	0.4	3,100	C
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interests	5,024	4,283	0.8	6,090	C
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interests	2,683	2,290	0.4	3,310	B
Subtotal (41 properties)				38,465	33,695	5.9	49,198	
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interests	2,320	1,541	0.4	2,380	C
Subtotal (1 property)				2,320	1,541	0.4	2,380	
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interests	2,851	2,694	0.4	5,610	B
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interests	2,584	2,407	0.4	4,980	B
D03	Hotel MyStays Kyoto-Shijo	52, Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interests	6,024	5,228	0.9	9,140	B
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interests	4,930	4,301	0.8	9,360	B
D05	Hotel MyStays Maihama	3-5-1 Tekkodori, Urayasu-shi, Chiba	Trust beneficiary interests	4,870	4,323	0.7	9,000	B
D06	Hotel MyStays Premier Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interests	3,845	3,708	0.6	7,370	B
D07	Hotel MyStays Nagoya-Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	2,958	2,474	0.5	5,670	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
D08	Hotel MyStays Sakaisuji-Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,514	2,145	0.4	3,660	B
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	2,119	1,986	0.3	4,490	B
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,898	2,093	0.3	4,460	B
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	1,570	1,336	0.2	6,730	B
D12	Hotel MyStays Iidabashi (Note 9)	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,381	1,605	0.2	4,450	B
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,331	1,131	0.2	2,390	B
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,242	1,155	0.2	2,070	B
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	1,242	1,173	0.2	2,200	B
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	1,192	1,055	0.2	2,300	B
D17	Hotel MyStays Otemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,192	1,075	0.2	2,910	B
D18	Hotel MyStays Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	749	799	0.1	1,490	B
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	589	533	0.1	958	B
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	283	276	0.0	461	B
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	8,350	7,247	1.3	9,810	B
D22	Hotel MyStays Hakodate-Goryokaku	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interests	2,792	2,545	0.4	4,050	B
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interests	2,119	2,047	0.3	2,520	B
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interests	7,801	6,719	1.2	9,300	B
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	5,594	5,106	0.9	8,540	B
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests	3,821	3,483	0.6	4,630	B
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	3,742	3,353	0.6	5,710	B
D28	Hotel MyStays Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interests	2,198	1,985	0.3	2,580	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
D29	Super Hotel Shinbashi/ Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	1,624	1,538	0.2	1,930	B
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interests	1,277	1,246	0.2	1,450	B
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interests	1,237	1,164	0.2	2,330	B
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	980	830	0.2	1,210	B
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interests	979	832	0.1	1,200	B
D34	Flexstay Inn Kawasaki-Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	906	834	0.1	955	B
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interests	5,069	4,626	0.8	4,950	B
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interests	1,170	1,012	0.2	1,240	E
D37	Super Hotel JR Ueno-iriyaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,130	1,013	0.2	1,240	E
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	3,160	2,853	0.5	2,350	B
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interests	1,148	938	0.2	1,200	E
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interests	1,128	847	0.2	1,080	E
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interests	1,010	845	0.2	1,070	E
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interests	851	681	0.1	884	E
D43	Hotel MyStays Gotanda Station (Note 9)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	26,523	26,029	4.1	25,000	C
D44	Hotel Epinard Nasu (Note 10)	1-10 Kaidoue, Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi (and 59 other parcels)	Trust beneficiary interests	21,002	17,934	3.2	24,100	C
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	8,059	7,436	1.2	8,860	C
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	7,959	7,638	1.2	6,530	C
D47	Hotel MyStays Premier Kanazawa	2-13-5 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interests	13,761	11,833	2.1	12,500	C
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interests	2,139	2,050	0.3	1,750	E
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	8,000	7,850	1.2	12,200	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
D50	Hotel MyStays Shin Osaka Conference Center	6-2-19 Nishinakashima, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interests	13,068	12,684	2.0	13,500	D
D51	Hotel MyStays Premier Omori	6-19-3 Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	9,781	9,592	1.5	13,600	D
D52	Kamenoi Hotel Beppu	5-17 Chuo cho, Beppu-shi, Oita	Trust beneficiary interests	8,870	7,283	1.4	10,400	D
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	7,880	7,509	1.2	9,130	D
D54	Hotel MyStays Yokohama Kannai	5-65, Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa and 3 other lots	Trust beneficiary interests	5,326	4,907	0.8	6,160	D
D55	Art Hotel Joetsu	5-1-11, Hon-cho Joetsu-shi, Niigata	Trust beneficiary interests	2,772	2,648	0.4	2,830	D
D56	Art Hotel Hirosaki City	1-1-2, 1-1-6, 1-1-7, 1-2-1, Omachi, Hirosaki-shi, Aomori	Trust beneficiary interests	2,723	2,510	0.4	2,640	D
D57	Hotel MyStays Oita	1-32, Niagemachi Oita-shi, Oita	Trust beneficiary interests	1,604	1,342	0.2	1,760	D
D58	Hotel MyStays Gotanda	2-5-4, Higashigotanda Shinagawa-ku, Tokyo	Trust beneficiary interests	4,068	4,018	0.6	4,810	D
D59	Hotel MyStays Tachikawa	1-8-14, Nishiki-cho Tachikawa-shi, Tokyo	Trust beneficiary interests	3,257	3,119	0.5	3,680	E
D60	Hotel MyStays Premier Akasaka	2-17-54, Akasaka Minato-ku, Tokyo	Trust beneficiary interests	20,691	19,859	3.2	28,200	B
D61	Hotel MyStays Premier Sapporo Park	2-2-10, Minamikujonishi Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	16,731	15,563	2.6	17,200	D
D62	Hotel MyStays Ueno East	5-5-6, Higashi Ueno Taito-ku, Tokyo	Trust beneficiary interests	5,286	5,095	0.8	5,680	D
D63	Hotel MyStays Midosuji Honmachi	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	5,039	4,633	0.8	3,530	B
D64	Hotel MyStays Sapporo Aspen	5-1 Nishi 4-chome, Kita 8-jo, Kita-ku, Sapporo-shi, Hokkaido, and seven other lots	Trust beneficiary interests	15,543	15,031	2.4	15,600	D
D65	Art Hotel Ishigakijima	554-2 Nishimaji Okawa, Ishigaki-shi, Okinawa, and four other lots	Trust beneficiary interests	9,731	9,258	1.5	9,570	B
D66	Hotel MyStays Fuji Onsen Resort	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots	Trust beneficiary interests	9,405	8,133	1.4	12,900	B
D67	Hotel Sonia Otaru	1-4-20 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interests	5,930	5,300	0.9	7,490	D
D68	Hotel MyStays Kanazawa Castle	10-17 Konohana-machi, Kanazawa-shi, Ishikawa	Trust beneficiary interests	5,682	5,527	0.9	5,600	D
D69	Art Hotel Niigata Station	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interests	5,524	5,029	0.8	6,490	D
D70	Hotel MyStays Nagoya Nishiki	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	5,197	4,946	0.8	5,310	C

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
D71	Hotel Nord Otaru	1-4-16 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interests	4,296	4,138	0.7	4,620	D
D72	Hotel MyStays Kagoshima Tenmonkan	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima	Trust beneficiary interests	3,445	3,233	0.5	3,550	E
D73	Art Hotel Asahikawa	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido	Trust beneficiary interests	3,197	2,763	0.5	3,300	D
D74	Hotel MyStays Matsuyama	1-10-10 Otemachi, Matsuyama-shi, Ehime	Trust beneficiary interests	3,098	2,756	0.5	3,230	E
D75	Hotel MyStays Sapporo Susukino	1-6 Nishi 5-Chome, Minami 7-jo, Chuo-ku, Sapporo-shi, Hokkaido, and one other lot	Trust beneficiary interests	3,059	2,930	0.5	2,840	C
D76	Hotel MyStays Sapporo Nakajima Park	1-20 Nishi 1-chome, Minami 14-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	2,118	2,207	0.3	1,890	C
D77	Hotel MyStays Sapporo Nakajima Park Annex	4-3 Nishi 1-chome, Minami 11-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,584	1,545	0.2	1,590	D
D78	Flexstay Inn Sakuragicho	2-72-2 Hanasaki-cho, Naka-ku, Yokohama-shi, Kanagawa, and four other lot	Trust beneficiary interests	1,425	1,363	0.2	1,580	E
D79	MyCUBE by MYSTAYS Asakusa Kuramae	2-6-7 Kuramae, Taito-ku, Tokyo	Trust beneficiary interests	1,287	1,239	0.2	1,370	E
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interests	1,168	1,128	0.2	1,190	E
D81	Hotel MyStays Nayoro	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot	Trust beneficiary interests	957	810	0.1	877	C
D82	Hotel MyStays Premier Narita	40 Yokomine Oyama, Narita-shi, Chiba	Trust beneficiary interests	10,593	9,456	1.6	9,210	D
D83	Art Hotel Morioka	3-3-18 Odori, Morioka-shi, Iwate	Trust beneficiary interests	5,643	5,036	0.9	5,140	C
D84	Fusaki Beach Resort Hotel & Villas	1625-6 Arakawa Fusaki, Ishigaki-shi, Okinawa, and sixty other lots	Trust beneficiary interests	40,293	39,278	6.2	42,100	B
D85	Tateshina Grand Hotel Takinoyu	4035-187 Minamiyama Kuridaira yori Mimuro Oogaya made, Kitayama, Chino-shi, Nagano, and sixteen other lots	Trust beneficiary interests	8,365	8,069	1.3	8,780	D
D86	Hotel MyStays Okayama	9-16, Honmachi, Kita-ku, Okayama-shi, Okayama	Trust beneficiary interests	2,613	2,637	0.4	2,740	B
D87	Hotel MyStays Aomori Station	1-8-6 Shinmachi, Aomori-shi, Aomori	Trust beneficiary interests	2,445	2,309	0.4	2,520	C
D88	Hotel MyStays Soga	2-7-13 Minamicho, Chuo Ward, Chiba-shi, Chiba	Trust beneficiary interests	2,039	2,036	0.3	2,250	D
D89	Tazawako Lake Resort & Onsen	82-117 Shimotakano, Tazawako Obonai, Senboku-shi, Akita, and forty-one other lots	Trust beneficiary interests	1,475	1,464	0.2	1,490	E
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	1-2-1 Benten, Minato-ku, Osaka-shi, Osaka (Hotel) 1-2-3 Benten, Minato-ku, Osaka-shi, Osaka (Solaniwa Onsen)	Trust beneficiary interests	31,185	30,680	4.8	31,600	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 7)
D91	Hakodate Kokusai Hotel	5-10 Otemachi, Hakodate-shi, Hokkaido	Trust beneficiary interests	16,830	16,753	2.6	17,100	E
D92	Art Hotel Nippori Lungwood	5-50-5 Higashinippori, Arakawa-ku, Tokyo	Trust beneficiary interests	16,335	16,345	2.5	16,500	C
D93	Hotel MyStays Kumamoto Riverside	4-12 Koyaima-machi Chuo-ku, Kumamoto-shi, Kumamoto	Trust beneficiary interests	6,831	6,827	1.0	6,900	C
D94	Art Hotel Aomori	2-1-26 Hon-cho, Aomori-shi, Aomori	Trust beneficiary interests	5,672	5,569	0.9	5,770	E
D95	Kamenoi Hotel Izukogen	1104-5 Futazuka, Yawatano, Ito-shi, Shizuoka, and two other lots	Trust beneficiary interests	5,563	5,592	0.9	5,860	D
D96	Art Hotel Oita	2-7-1 Miyako-machi, Oita-shi, Oita, and two other lots	Trust beneficiary interests	5,484	5,461	0.8	5,540	C
D97	Art Hotel Kokura New Tagawa	3-46 Furusemba-machi, Kokurakita-ku, Kitakyushu-shi, Fukuoka	Trust beneficiary interests	4,672	4,676	0.7	4,750	E
D98	Art Hotel Miyazaki Sky Tower	2-1-26 Takachiho-dori, Miyazaki-shi, Miyazaki	Trust beneficiary interests	3,821	3,759	0.6	3,870	B
D99	Art Hotel Kagoshima	22-1 Kamoike Shin-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interests	3,395	3,425	0.5	3,500	D
D100	Kamenoi Hotel Hikone	3759 Oguro, Matsubara-cho, Hikone-shi, Shiga	Trust beneficiary interests	2,603	2,610	0.4	2,680	D
D101	Kamenoi Hotel Nara	3-9-1 Nijo-cho, Nara-shi, Nara	Trust beneficiary interests	2,029	2,071	0.3	2,110	B
D200	Westin Grand Cayman Seven Mile Beach Resort & SPA	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands	The Leasehold (Note 11)	30,061 (USD 272,171 thousand)	26,962	4.6	70,305 (USD 485,500 thousand) (Note 12)	F
D201	Sunshine Suites Resort	1465 Esterley Tibbetts Highway, Grand Cayman, Cayman Islands	The Leasehold (Note 11)	5,842 (USD 52,898 thousand)	6,316	0.9	10,368 (USD (71,600 thousand) (Note 12)	F
Subtotal (103 properties)				594,435	559,494	91.0	724,069	-
Total (145 properties)				635,220	594,731	97.3	775,647	-
-	Sheraton Grande Tokyo Bay Hotel (preferred equity interest)	-	Preferred equity interest issued by special purpose company (Note 13)	17,845	17,856	2.7	- (Note 5)	
Subtotal of preferred equity interest issued by special purpose company (1 property)				17,845	17,856	2.7	-	-
Total (146 properties)				653,066	612,587	100.0	-	-

(Note 1) "Property number" indicates the use categorization of properties owned by INV, with "A" standing for residence, "B" standing for office and commercial facility, "C" standing for parking lots and "D" standing for hotel, and the number assigned for each property. The number following "A", "B", "C" and "D" is assigned based on how early the acquisition was made, except for acquisitions made at the same time a lower number is assigned to the property with a greater acquisition price.

(Note 2) "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 3) "Acquisition price" is the purchase price indicated in the real estate or trust beneficiary purchase agreement except for Sheraton Grande Tokyo Bay Hotel (preferred equity interest), Westin Grand Cayman Seven Mile Beach Resort & SPA and Sunshine Suites Resort. For Sheraton Grande Tokyo Bay Hotel (preferred equity interest), "Acquisition price" indicates the amount invested by INV for the preferred equity interest, excluding investment in the specified equity interests in the Kingdom Tokutei Mokuteki Kaisha and the acquisition price of the equity interest held by the employees in a G.K., which is a master lease company. For Westin Grand Cayman Seven Mile Beach Resort & SPA and Sunshine Suites Resort, the book value of the Leasehold of each of the Cayman Hotels is stated by the Cayman SPC as of May 9, 2019 (Cayman Islands local time; May 10, 2019 in Japan local time), which is the date when INV succeeded the Leasehold from the Cayman SPC as dividend in kind in line with the agreed termination of the TK agreement. The amounts in USD are converted into JPY as shown. Such price excludes consumption tax and other taxes, and has been rounded down to the nearest million yen.

(Note 4) "Investment percentage" is the ratio of the acquisition price to the aggregate acquisition price of INV's portfolio, and has been rounded to the first decimal place.

(Note 5) "Appraisal value at the end of the period" is the value appraised or determined based on research by the real estate appraiser as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of The Investment Trust Association, Japan. As to appraisal of Westin Grand Cayman Seven Mile Beach Resort & SPA and Sunshine Suites Resort, the local appraiser verification method (Note 6) is adopted. The appraisal value for Sunshine Suites Resort includes the unused land adjacent to the hotel. Appraisal is entrusted to those described in (Note 7) below. For Sheraton Grande Tokyo Bay Hotel (preferred equity interest), there is no appraisal value at the end of the period due to it being preferred equity interest. An appraisal value for the underlying asset as of the closing date of the Reporting Period is as follows.

Name of property	Appraisal value	Appraiser (Note 7)
Sheraton Grande Tokyo Bay Hotel	JPY 126,000 million	D

(Note 6) Under the "local appraiser verification method," a real estate appraiser licensed in Japan determines appraisal value based on the understanding and analyses of basic data and information necessary for real estate appraisal, including appraisal methods employed by local appraisers, and transaction examples and trends in local markets that are used for real estate appraisal, and by verifying the validity of decisions made in appraisal reports and appropriateness of appraisal value prepared by local appraisers. INV appoints CBRE, Inc., a professional appraiser licensed and certified in the Cayman Islands, as a local appraiser to engage in appraisal of the Underlying Asset and prepare a local appraisal report. INV then engages CBRE K.K., a company appointed as a real estate appraiser in Japan, to verify the local appraisal report and then obtains a report on verification of appraisal performed by local appraiser.

(Note 7) "Appraiser" is shown in code in the table above. The code used to represent the appraisers is as follows:

Appraiser
A: Assets Research and Development Inc.
B: Japan Real Estate Institute
C: JLL Morii Valuation & Advisory K.K.
D: The Tanizawa Sogo Appraisal Co., Ltd.
E: Daiwa Real Estate Appraisal Co., Ltd.
F: CBRE K.K.

As to the appraisal of Westin Grand Cayman Seven Mile Beach Resort & SPA and Sunshine Suites Resort, the local appraiser verification method is adopted and CBRE K.K. has entrusted such appraisal to CBRE, Inc. The appraisal value for Sunshine Suites Resort includes the acquisition price of the unused land adjacent to the hotel.

(Note 8) These 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. 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 9) Acquisition price includes the floor expansion portion. Appraisal value at the end of the period indicates appraisal value calculated deeming the owned portion and the floor expansion portion as one.

(Note 10) Acquisition price includes the adjacent land portion. Appraisal value at the end of the period indicates appraisal value calculated deeming the owned portion and the adjacent land portion as one.

(Note 11) 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 Islands local time), a change from making investments based on the TK agreement to directly owning the movable assets such as leasehold and FF&E of the Cayman Hotels (the Leasehold, etc.), which were the underlying assets of the TK.

(Note 12) Appraisal value at the end of the period is converted into JPY using the exchange rate of USD 1 = JPY 144.81, which is the exchange rate on the closing date of the Reporting Period (June 30, 2025).

(Note 13) Preferred equity interest issued by special purpose company refers to 178,458 units of preferred equity interest issued by Kingdom Special Purpose Company (equivalent to 49.0% of preferred equity interest issued and outstanding after the issuance of the said preferred equity interest), with the Sheraton Grande Tokyo Bay Hotel as an underlying asset, and is recorded as one property.

b Capital expenditures for assets under management

(a) 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 assets is as follows.

Name of Property		Location	Purpose	Scheduled Time of Implementation	Estimated Cost (JPY thousand)		
					Total	Payment for the Reporting Period	Advance Payments
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Renovation work	From August 2024 To November 2025	4,012,859	965,826	1,714,969
D69	Art Hotel Niigata Station	Niigata-shi, Niigata	Renovation work	From January 2025 To July 2025	620,115	249,863	-
D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	Renovation work	From July 2025 To November 2025	482,814	-	-
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka-shi, Fukuoka	Renovation work	From March 2025 To August 2025	457,864	150,959	-
D49	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	Renovation work	From May 2025 To September 2025	320,926	41,019	-

(b) 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 4,215,222 thousand, and together with JPY 133,043 thousand in repair costs included in this fiscal period’s expenses, construction work totaling JPY 4,348,265 thousand was implemented.

Name of property		Location	Purpose	Time of implementation	Payment (JPY thousand)
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Renovation work	From August 2024 To June 2025	1,394,514
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Renovation work	From September 2024 To February 2025	387,534
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Renovation of exterior wall	From January 2025 To June 2025	188,400
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Energy-saving facility upgrade	From September 2024 To January 2025	170,068
D53	Hotel MyStays Sapporo Station	Sapporo-shi, Hokkaido	GHP replacement with EHP system work	From May 2025 To April 2025	108,100
Other construction					1,966,604
Total					4,215,222

(3) Tenant Summary

a Summary of lease conditions by property

Disclosure is omitted because the information is described in the presentation material, "June 2025 Fiscal Period Results (January 1, 2025 to June 30, 2025)" separately announced on August 25, 2025.

b Occupancy trend

Disclosure is omitted because the information is described in the presentation material, "June 2025 Fiscal Period Results (January 1, 2025 to June 30, 2025)" separately announced on August 25, 2025.