

**24th Fiscal Period Results**  
**(January 1, 2015 to June 30, 2015)**

August 27, 2015

**Invincible Investment Corporation**



**Invincible** Investment  
Corporation

TSE Code: 8963


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## 1H 2015 Highlights and 2015-16 Forecast

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## Executive Summary

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### ■ **Global Offering and new borrowing facilitated July 2015 acquisition of 14 assets (11 hotels, 3 residential) from Sponsor for JPY 35.2 billion; total AUM will reach JPY 173.8 billion following February acquisition of 3 hotels and August acquisition of 3 hotels (scheduled)**

- ✓ AUM increased to JPY 173.8 billion in August 2015 from JPY 117.9 billion in December 2014, an increase of JPY 55.8 billion (+47.4%). Hotels will represent 55.3% <sup>(1)</sup> of the portfolio, and concentration within the Greater Tokyo area will increase to 73.7% <sup>(1)</sup>
- ✓ A new Memorandum of Understanding (MOU) with Fortress-related entities provides Invincible with preferential negotiation rights for 30 properties in total including 21 hotels (5,041 rooms)
- ✓ The Global offering garnered strong demand from leading overseas/domestic institutional investors due to the growth story despite equity market weakness. New investors accounted for 44% of the total allocation, helping to expand the investor base

### ■ **In conjunction with the offering Invincible refinanced its entire debt with unsecured loans**

- ✓ Refinanced all loans including the Prudential LPS Loan (entrusted loan) with an unsecured syndicate loan
- ✓ Reduced the average borrowing cost to 0.63%
- ✓ REIT appraisal based LTV will decline to 47.7% <sup>(2)</sup> from 52.5% at the end of December 2014
- ✓ Portfolio DSCR will increase to 17.3x from 9.9x. The DSCR excluding the hotel variable rent portion will improve to 10.3x

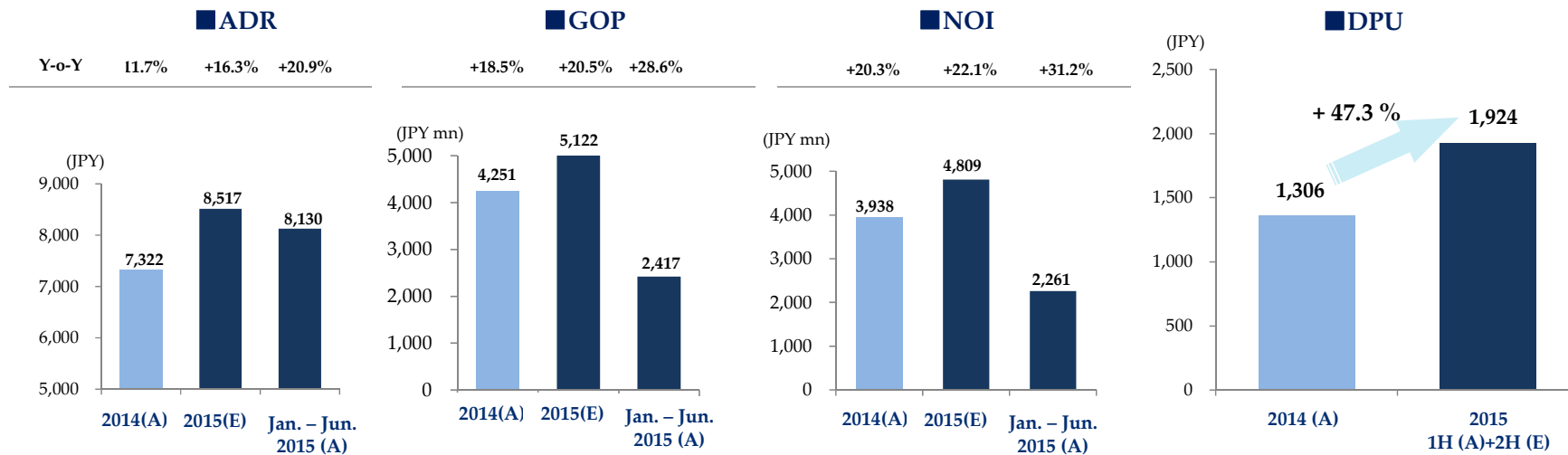
(Note 1) Acquisition price basis

(Note 2) Excluding c-tax loan

# Executive Summary

## ■ Robust Organic Growth Driven by Solid Fundamentals significantly increased DPU

- ✓ Hotel performance of the existing 23 hotels for the January to June 2015 period: ADR, GOP, and NOI increased +20.9%, +28.6% and +31.2% from a year earlier respectively, showing accelerated growth compared to the full year 2014 results (ADR +11.7%, GOP +18.5%, NOI + 20.3%, Y-o-Y)
- ✓ Due to the strong performance of the existing 23 hotels, DPU reached JPY 860 for the June 2015 period, an increase of +17.3% over the previous period and +20.8% higher than the forecast made in February 2015
- ✓ 2015 annual DPU will increase to JPY 1,924 (+47.4% year-on-year) due to continued growth from the existing hotels and the impact from the 17 hotels acquired in February and July and the three hotels to be acquired in August 2015



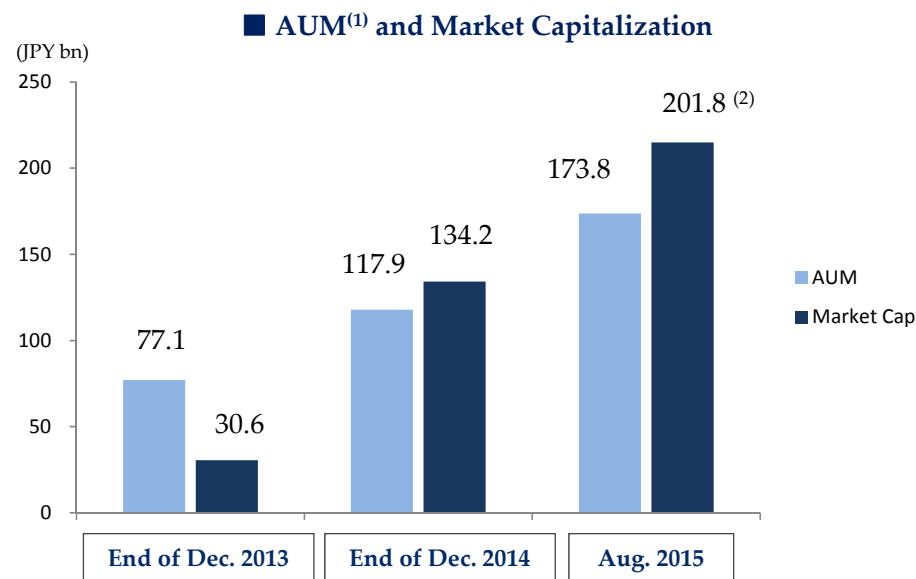
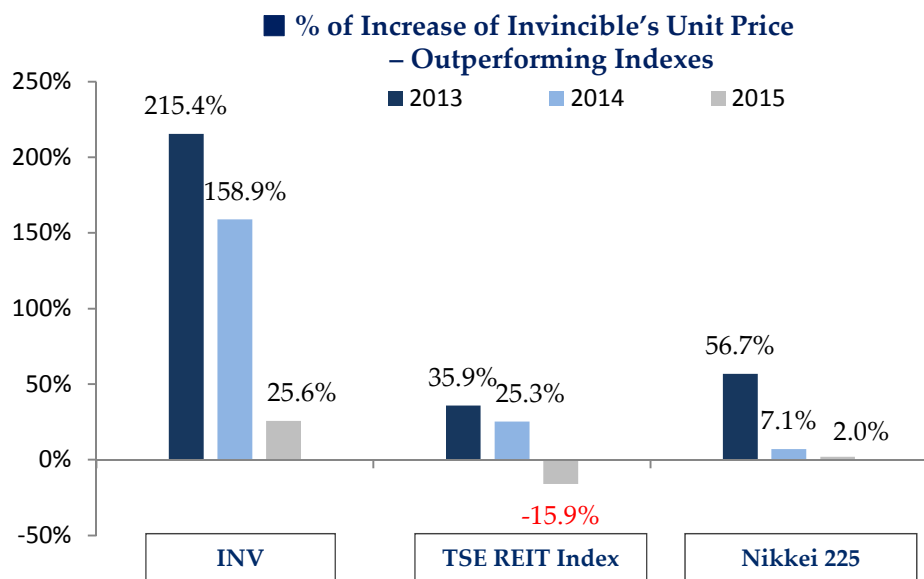
# Executive Summary

## ■ Market awareness and high valuation of Invincible’s external and internal growth lead to continued strength in share price/market capitalization

- ✓ Invincible’s share performance increased 215.4% in 2013, 158.9% in 2014 and 25.6% to date in 2015 and is the number one performing JREIT over the last three years
- ✓ As of August 14, 2015, Invincible’s market capitalization of JPY 201.8 billion ranked 18th among 53 JREITs, a momentous improvement from December 2013 in which Invincible ranked 40th of 43 JREITs with a market capitalization of JPY 30.5 billion

## ■ Further Growth Potential

- ✓ The new MOU with Sponsor-related entities has 5,041 hotel rooms, providing the potential to double the size of the current 5,010 hotel rooms
- ✓ Due to the structural changes in the Japanese hospitality industry coupled with the superb operational capabilities of the operator, both ADR and GOP for the hotel portfolio is forecast to achieve continued strong growth
- ✓ Unsecured loans will facilitate initiatives such as the procurement of a credit rating and the issuance of REIT bonds, further improving Invincible’s financial standing



(Note 1) Includes 3 assets to be acquired on August 28, 2015.  
 (Note 2) As of Aug. 25, 2015

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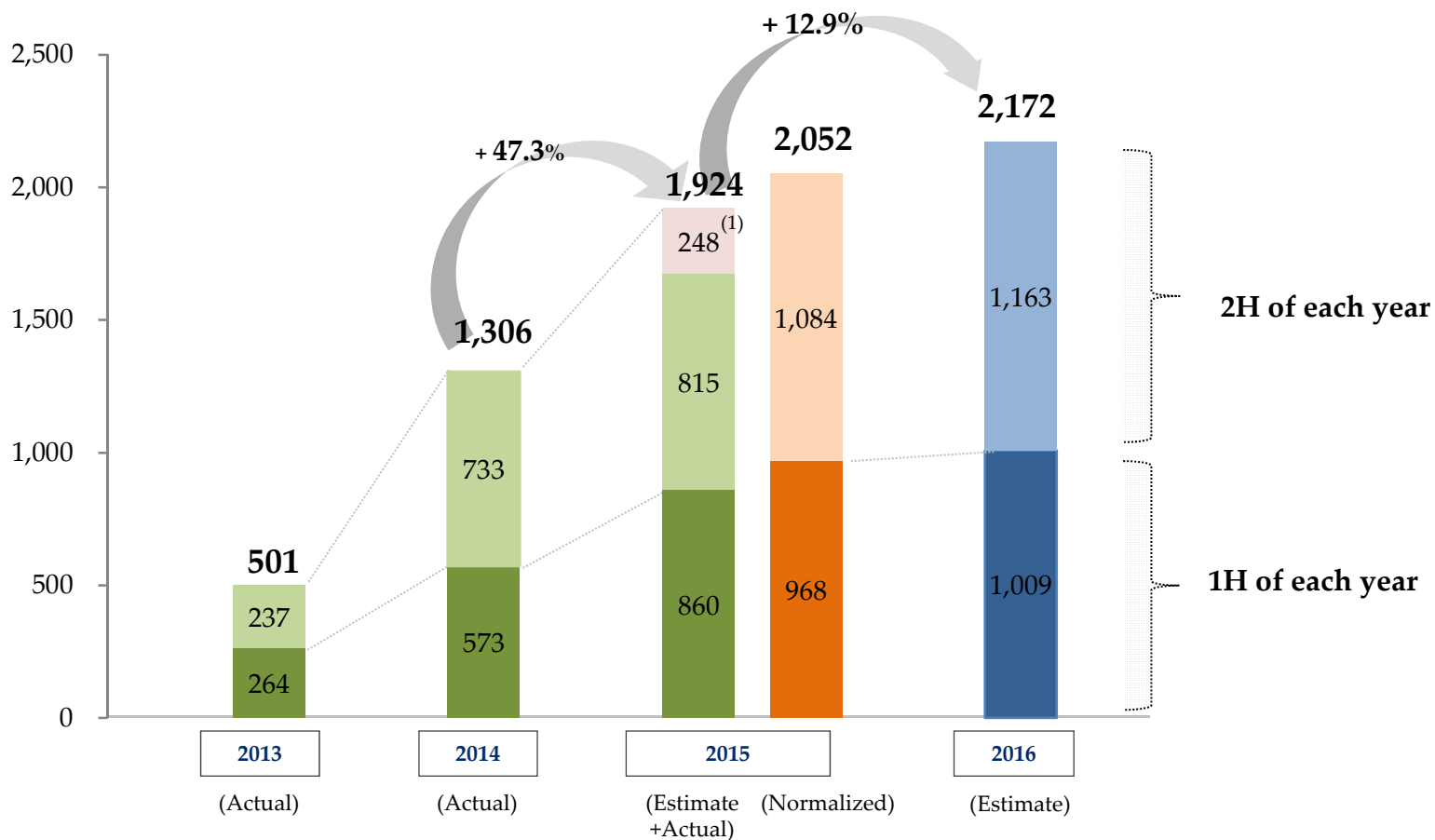
## Continuous and Robust DPU Growth

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# Robust Growth of DPU

- DPU in 2015, 1H actual and 2H estimate, is estimated at JPY 1,924, an increase of 47.3% year-on-year
- DPU in 2016 is forecast to be JPY 2,172, an increase of 12.9% year-on-year

Robust Growth of Annual DPU

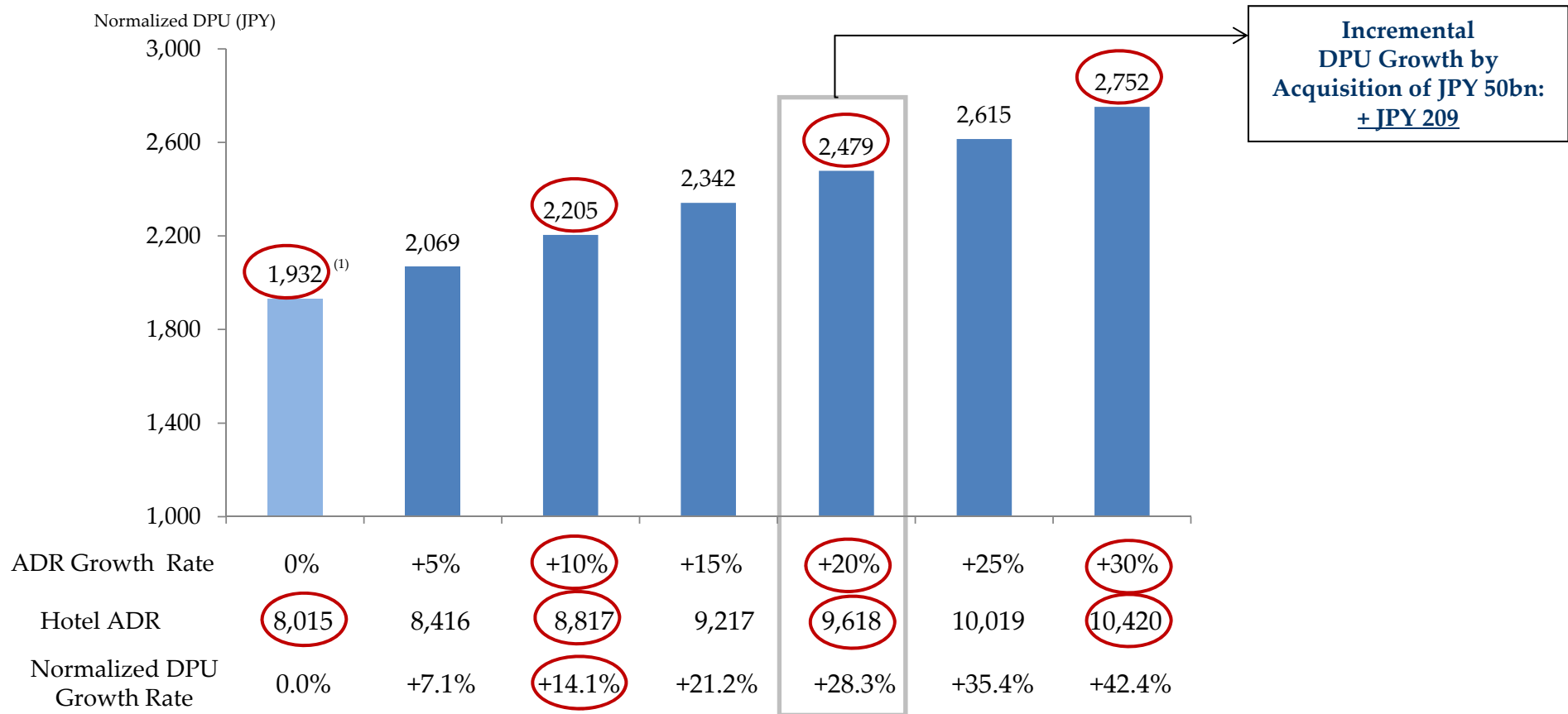


(Note 1) Estimated amount of excess dividend



# ADR/DPU Sensitivity Analysis

- 10% increase of ADR translates to a +14.1% increase in DPU
- Assuming a 20% increase in the estimated ADR in 2015 from JPY 8,015 to JPY 9,618, normalized DPU increases by 28.3% to JPY 2,479
- Additional external growth leads to further DPU growth as well as internal growth



(Note 1) The difference between the normalized DPU of JPY 2,052 in 2015, described on p. 40 is attributed to the difference in the assumption of the asset management fee. The current AM fee of JPY 360mn per annum is applied to calculate the normalized DPU of JPY 2,052, while AM fee of 0.4% to estimated AUM is applied in this sensitivity analysis

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## Global Public Offering (July 16, 2015)

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# Global Public Offering (July 16, 2015)

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## Offering Overview

Offering Size (incl. Over-allotment)	<ul style="list-style-type: none"> <li>• JPY 30.4 billion</li> </ul>
Number of Units (incl. Over-allotment)	<ul style="list-style-type: none"> <li>• Total: 525,000</li> <li>• Japanese Public Offering Units: 237,500</li> <li>• Over-allotment Units: 25,000</li> <li>• International Offering Units: 262,500</li> </ul>
Offering Format	<ul style="list-style-type: none"> <li>• Japan: Public Offering</li> <li>• Overseas: 144A/Regulation S</li> </ul>
Domestic/International Split	<ul style="list-style-type: none"> <li>• 45% : 55%</li> </ul>

- ✓ The July 2015 Global offering was highly evaluated and garnered strong demand from leading institutional investors from both Japan and overseas due to the growth story despite weakness in the equity market at the time of offering. New investors accounted for 44% of the total allocation, helping to expand the investor base
  - 41 domestic institutional investors participated in the offering, of which 18 were new investors<sup>(1)</sup> including 7 regional banks
  - 60 foreign institutional investors participated in the offering, of which 26 were new investors (including 9 long-only funds, 5 property specialist funds)
- ✓ In response to the strong demand from foreign institutional investors, the international tranche was increased by 5% to 55%
- ✓ Invincible's unit price increased by 1.9% from the date of the launch (June 25) to the pricing date (July 8), while the Tokyo Stock Exchange (TSE) REIT Index declined by 7.0% over the same period. Furthermore, Invincible's unit price increased by 12.0% one week after pricing (July 15), while the TSE REIT Index declined by 5.0%

Note 1: Did not participate in the July 2014 offering but participated this offering

# Significant Growth of Portfolio

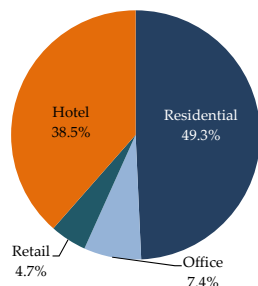
(after anticipated acquisitions)

Increasing hotel concentration to 55.3% and Greater Tokyo<sup>(1)</sup> concentration to 73.7%

✓ No. of Properties: **111**      ✓ No. of Hotels: **34**      ✓ No. of Hotel Rooms: **5,010**      ✓ No. of Apartment Units: **3,713**

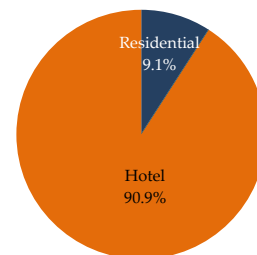
## By Property Type<sup>(3)</sup>

**Hotel: 38.5%** **Residential: 49.3%**



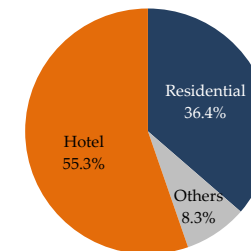
**Existing 91 properties**  
As of end of Dec., 2014

**Hotel: 90.9%** **Residential: 9.1%**



**Newly Acquired**  
**20 Properties<sup>(4)</sup>**

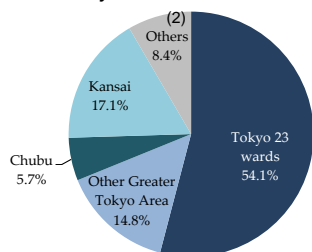
**Hotel: 55.3%** **Residential: 36.4%**



**111 properties**  
as of Aug. 28, 2015

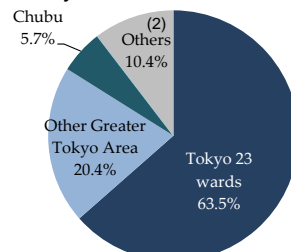
## By Geography<sup>(2)(3)</sup>

**Greater Tokyo: 68.9%**  
**(Tokyo 23 Wards: 54.1%)**



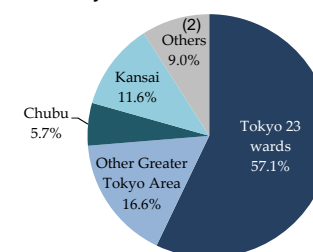
**Existing 91 properties**  
As of end of Dec., 2014

**Greater Tokyo: 83.9%**  
**(Tokyo 23 Wards: 63.5%)**



**Newly Acquired**  
**20 Properties<sup>(4)</sup>**

**Greater Tokyo: 73.7%**  
**(Tokyo 23 Wards: 57.1%)**



**111 properties**  
as of Aug. 28, 2015

(Note 1) "Greater Tokyo" is "Tokyo", "Kanagawa," "Chiba" and "Saitama"

(Note 2) "Others" includes Office, Retail and Parking lot

(Note 3) Based on acquisition price

(Note 4) 3 properties acquired in February, 14 properties acquired in July and 3 properties to be acquired on August 28<sup>th</sup>, 2015

# Overview of Portfolio

## Acquisition Summary

Property Name	Location	# of Rooms / units	Acquisition Timing	Acquisition Value (JPY mn)	Appraisal Value (JPY mn)	2015 Estimated NOI yield <sup>(1)</sup>	Appraisal NOI yield <sup>(1)</sup>
APA Hotel Yokohama-Kannai	Yokohama Kanagawa	451	February 2015	8,350	8,600	5.3%	5.2%
Hotel Nets Hakodate	Hakodate, Hokkaido	202	"	2,792	2,870	5.9%	7.6%
Flexstay Inn Shirogane	Minato-ku, Tokyo	84	"	2,119	2,140	4.9%	6.0%
Hotel Mystays Haneda	Ota-ku, Tokyo	174	July 2015	7,801	7,880	4.6%	5.5%
Hotel Mystays Kameido P1	Koto-ku, Tokyo	265	"	5,594	5,650	5.7%	6.2%
Hotel Mystays Ueno Iriyaguchi	Taito-ku, Tokyo	97	"	3,821	3,860	5.5%	6.2%
Hotel Mystays Kameido P2	Koto-ku, Tokyo	175	"	3,742	3,780	5.7%	6.2%
Hotel Vista Shimizu	Shizuoka, Shizuoka	152	"	2,198	2,220	6.2%	7.2%
Super Hotel Shinbashi/Karasumoriguchi	Minato-ku, Tokyo	74	"	1,624	1,640	4.3%	4.4%
Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	88	"	1,277	1,290	5.8%	7.3%
Hotel Mystays Utsunomiya	Utsunomiya, Tochigi	116	"	1,237	1,250	9.5%	9.5%
Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	64	"	980	990	6.1%	6.9%
Comfort Hotel Toyama	Toyama, Toyama	150	"	979	989	6.5%	6.3%
Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	62	"	906	915	6.1%	6.5%
Flexstay Inn Ekoda	Nerima-ku, Tokyo	210	August 2015	5,069	5,120	4.0%	5.9%
Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa, Tokyo	96	"	1,170	1,180	4.6%	4.6%
Super Hotel JR Ueno-Iriyaguchi	Taito-ku, Tokyo	69	"	1,130	1,140	4.2%	4.2%
<b>Subtotal / Average - Hotel</b>		<b>2,529</b>		<b>50,789</b>	<b>51,514</b>	<b>5.3%</b>	<b>6.0%</b>
City Court Kitaichijo	Sapporo, Hokkaido	127	July 2015	1,782	1,800	5.2%	5.6%
Lieto Court Mukojima	Sumida-ku, Tokyo	82	"	1,683	1,700	4.7%	5.0%
Lieto Court Nishi-Ojima	Koto-ku, Tokyo	91	"	1,634	1,650	4.7%	4.8%
<b>Subtotal / Average - Residential</b>		<b>300</b>		<b>5,099</b>	<b>5,150</b>	<b>4.9%</b>	<b>5.1%</b>
<b>Grand Total / Average</b>		<b>2,829</b>		<b>55,888</b>	<b>56,664</b>	<b>5.3%</b>	<b>5.9%</b>

## Portfolio after Anticipated Acquisition

	Existing Portfolio	Additional Acquisitions (including Scheduled Acquisition)	Pro Forma (After Acquisition)
# of Properties	91	20	111
Acquisition Price (JPY mn)	117,927	55,888	173,815
Appraisal Value (JPY mn) <sup>4</sup>	133,264	56,664	189,928
NOI Yield 2015 (E) / Appraisal <sup>4, 5</sup> (before depreciation)	6.6% / 6.4%	5.3% / 5.9%	6.2% / 6.2%
NOI Yield 2015 (E) / Appraisal <sup>4, 5</sup> (after depreciation)	5.1% / 4.9%	3.7% / 4.3%	4.7% / 4.7%

(Note 1) Estimated 2015 NOI (Jan. to Jun.(Actual) + Jul to Dec.(Estimate)); NOI has been adjusted to reflect trust fee and insurance premiums as well as management services fee, assuming that these properties had been held by Invincible from Jan. 2015

(Note 2) Based on NOI of direct cap method in appraisal reports

(Note 3) Based on acquisition price

(Note 4) For properties held as of June 30, 2015, appraisal value as of Jun. 30, 2015; for 14 properties acquired Jul. 2015, appraisal value as of May 1, 2015; for 3 properties to be acquired, Flexstay Inn Ekoda, appraisal value as of Aug. 10, 2015 and other two properties, appraisal value as of Jul. 31, 2015

(Note 5) Acquisition price basis; Appraisal NOI based on NOI of direct cap method in appraisal reports

# Continuous Improvement of Financial Conditions

## Debt Refinancing Concurrent with the Offerings

Loans	Balance (JPY mn)	Interest Rate
Syndicate Loan (C)	56,100	0.93% <sup>1</sup>
Syndicate Loan (D)	6,241	0.93% <sup>1</sup>
Prudential LPS Loan B	9,960	1.90%
<b>Total / Average Interest Rate</b>	<b>72,301</b>	<b>1.06%</b>

(Note 1) The interest rates applicable for the period of June 30, 2015 to July 30, 2015

De-collateralization

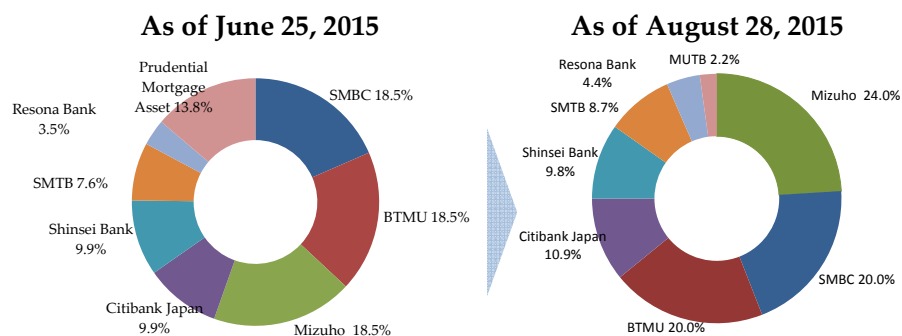


Loans	Term	Balance (JPY mn)	Interest Rate
New Syndicate Loan (E) <sup>2</sup>	3yrs.	28,979	1MT+0.4%
	4yrs.	28,979	1MT+0.5%
	5yrs.	28,979	1MT+0.6%
	10mo.	1,401	1MT+0.2%
Term Loan (A) <sup>2</sup>	4yrs	3,682	1MT+0.5%
<b>Total / Average Interest Rate</b>	<b>4yrs<sup>3</sup></b>	<b>92,020</b>	<b>0.63%<sup>3</sup></b>

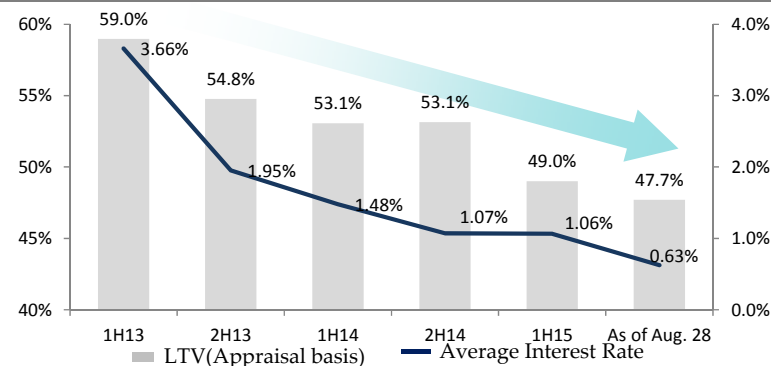
(Note 2) The loan documents of Term Loan (A) are signed on August 26, 2015 and scheduled to be drawn no later than August 28, 2015

(Note 3) C-tax loan isn't included calculation of average loan term. Average interest rate of Term Loan (A); based on 1 month TIBOR as of August 28, 2015, however the first interest calculation period uses two-month JPY TIBOR

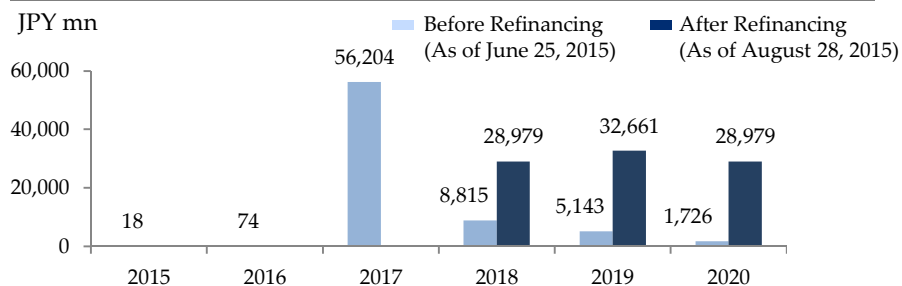
## Bank Formation



## LTV<sup>4,5</sup> and Average Interest Rate<sup>6</sup>



## Maturity Ladder<sup>5</sup>

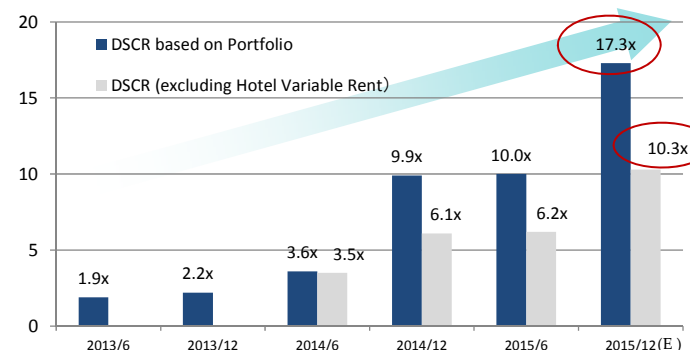


(Note 4) LTV is calculated using the following formula: Interest-bearing Debts / Total Appraisal Value

(Note 5) LTV as of the end of June 2015 and after the refinancing and maturity ladder after the refinancing do not take into account the C-tax loan

(Note 6) The average interest rate is calculated using the following formula: (Total of loan amount outstanding at the end of each fiscal period multiplied by applicable interest rate at the end of each fiscal period for each of loans) / The loan amount outstanding at the end of each fiscal period

## DSCR<sup>7</sup> / DSCR Excluding Hotel Variable Rent Portion<sup>8</sup>



(Note 7) DSCR is calculated by dividing operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property by scheduled prepayments of loans payable and interest expense for the relevant period

(Note 8) Excluding hotel variable rental income portion from operating income in calculating DSCR

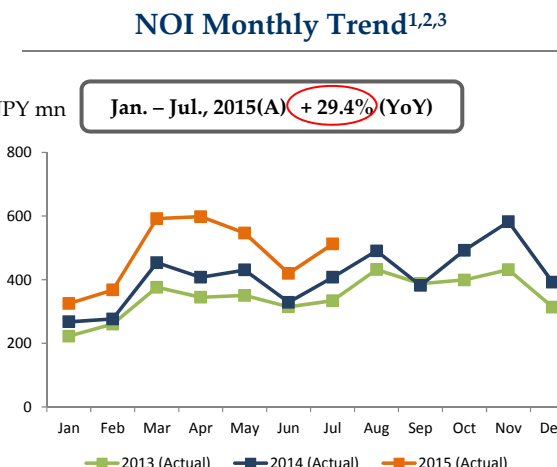
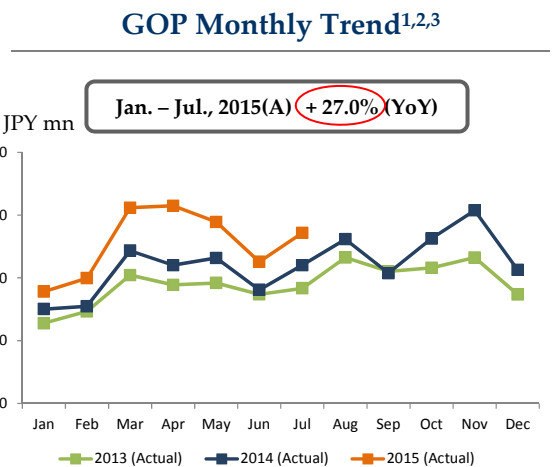
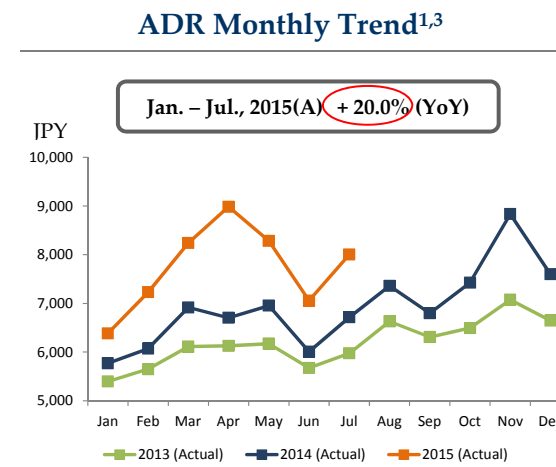
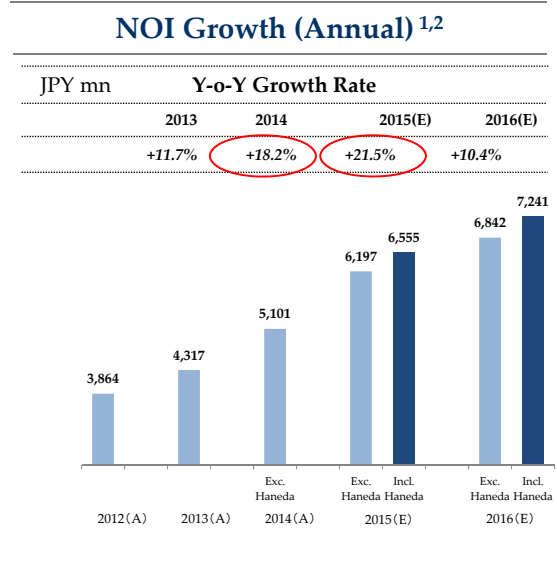
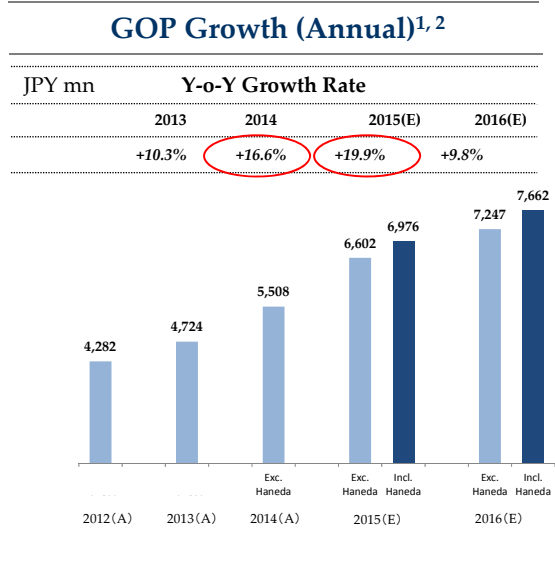
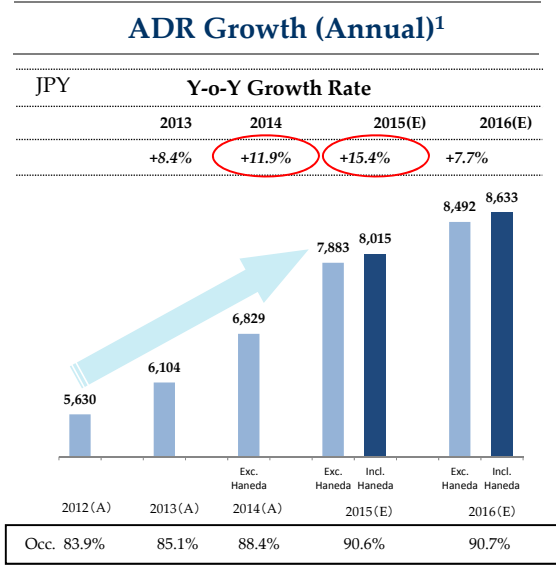
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## Robust Organic Growth of Hotel Assets

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# Robust Performance of Hotel Assets - Strong ADR / GOP Growth

- 2014 ADR, GOP and NOI was up 11.9%, 16.6% and 18.2%, respectively. 2015 year to date, ADR, GOP and NOI growth has been accelerating, and increased by +20.0%, +27.0% and 29.4%, respectively



(Note 1) Based on 33 hotels in our anticipated portfolio, as of Aug. 28, 2015, which include all hotels with variable rent structures except for Hotel MyStays Haneda, which opened in September 2014. Super Hotel Shinbashi/Karasumoriguchi, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Uenoiriyaguchi and Comfort Hotel Toyama are also excluded because their leases have only fixed rent. Year on year figures are based on 32 hotels, excluding Hotel MyStays Haneda

(Note 2) Pre-acquisition GOP and NOI are based on the actual results provided by sellers and adjusted to reflect for trust fees and insurance premiums assuming the properties had been held by Invincible. GOP and NOI include rent income of APA Yokohama-Kannai

(Note 3) Jan. - Jul. 2015 figures are actual



# Key Operational Data for Hotel Properties

	Location	# of rooms	Acquisition Month	Occupancy(%)		ADR (JPY)		RevPar (JPY)		GOP (JPY mn)		Daily ratio (%)		Foreign Sales ratio (%)			
				Jan.2015-Jun.2015		Jan.2015-Jun.2015		Jan.2015-Jun.2015		Jan.2015-Jun.2015		Jan.2015-Jun.2015		Jan.2015-Jun.2015			
				Actual	YoY (points)	Actual	YoY	Actual	YoY	Actual	YoY	Actual	YoY (points)	Actual	YoY (points)		
<b>MHM</b>																	
<b>Hotel Mystays</b>																	
D1	Hotel Mystays Kanda	Tokyo Chiyoda-ku	126	May.2014	94.8%	1.3	8,745	23.3%	8,290	25.1%	111	30.3%	96.7%	19.2	44.1%	39.0	D1
D2	Hotel Mystays Asakusa	Tokyo Sumida-ku	160	May.2014	94.7%	2.5	7,728	45.4%	7,319	49.4%	126	37.7%	94.5%	41.9	61.9%	47.4	D2
D3	Hotel Mystays Kyoto-Shijo	Kyoto Kyoto-city	224	Jul.2014	97.3%	2.6	12,032	37.1%	11,701	40.9%	282	51.2%	98.7%	0.1	57.9%	34.2	D3
D4	Hotel Mystays Shin-Urayasu CC	Chiba Urayasu-city	175	Jul.2014	94.3%	13.8	9,081	-1.0%	8,561	15.9%	164	15.0%	96.1%	-1.4	8.3%	6.1	D4
D5	Hotel Mystays Maihama	Chiba Urayasu-city	90	Jul.2014	95.1%	3.8	15,288	6.5%	14,532	10.9%	142	16.4%	99.7%	-0.3	20.8%	19.4	D5
D7	Hotel Mystays Nagoya-Sakae	Aichi Nagoya-city	270	Jul.2014	96.9%	3.8	6,676	17.1%	6,468	21.9%	155	25.6%	94.2%	-1.7	27.7%	20.5	D7
D8	Hotel Mystays Sakaisuji-Honmachi	Osaka Osaka-city	190	Jul.2014	95.3%	11.1	8,432	43.6%	8,036	62.6%	163	80.3%	95.4%	15.1	54.2%	45.3	D8
D9	Hotel Mystays Yokohama	Kanagawa Yokohama-city	190	Jul.2014	87.0%	-0.7	7,558	20.7%	6,573	19.8%	107	27.6%	96.0%	9.1	10.1%	5.4	D9
D10	Hotel Mystays Nippori	Tokyo Arakawa-ku	93	Jul.2014	92.6%	-1.6	8,750	33.4%	8,104	31.2%	81	31.2%	98.3%	19.6	60.0%	43.3	D10
D11	Hotel Mystays Fukuoka-Tenjin-Minami	Fukuoka Fukuoka-city	177	Jul.2014	93.7%	16.0	6,306	20.8%	5,912	45.6%	95	56.7%	95.1%	17.8	7.2%	6.3	D11
D13	Hotel Mystays Ueno-Inaricho	Tokyo Taito-ku	72	Jul.2014	91.3%	-0.7	9,033	38.5%	8,244	37.4%	57	36.8%	97.7%	20.3	79.1%	48.4	D13
D17	Hotel Mystays Otemae	Osaka Osaka-city	110	Jul.2014	94.4%	6.6	7,207	28.4%	6,833	38.1%	79	53.0%	76.0%	21.8	42.4%	38.3	D17
D24	Hotel Mystays Haneda	Tokyo Ota-ku	174	Jul.2015	94.2%	-	10,567	-	9,952	-	171	-	91.6%	-	18.4%	-	D24
D25	Hotel Mystays Kameido P1	Tokyo Koto-ku	265	Jul.2015	86.4%	0.2	5,930	13.3%	5,121	13.6%	171	19.8%	52.1%	2.5	5.8%	3.9	D25
D26	Hotel Mystays Ueno-Iriyaguchi	Tokyo Taito-ku	97	Jul.2015	93.0%	15.2	11,021	39.8%	10,248	67.2%	105	68.3%	97.5%	10.8	62.0%	24.7	D26
D27	Hotel Mystays Kameido P2	Tokyo Koto-ku	175	Jul.2015	89.7%	0.0	5,650	19.0%	5,068	19.0%	108	21.7%	59.8%	9.6	7.6%	6.6	D27
D31	Hotel Mystays Utsunomiya	Tochigi Utsunomiya-city	116	Jul.2015	93.9%	17.2	6,587	0.9%	6,183	23.6%	69	22.5%	89.8%	0.0	4.2%	2.7	D31
<b>Flexstay Inn</b>																	
D12	Flexstay Inn Iidabashi	Tokyo Shinjuku-ku	59	Jul.2014	96.4%	6.0	9,021	19.4%	8,698	27.3%	54	22.2%	93.2%	14.7	23.1%	22.7	D12
D14	Flexstay Inn Shinagawa	Tokyo Shinagawa-ku	55	Jul.2014	96.4%	0.2	9,234	20.9%	8,898	21.1%	52	24.3%	87.8%	5.8	27.7%	19.2	D14
D15	Flexstay Inn Tokiwadai	Tokyo Itabashi-ku	129	Jul.2014	87.0%	-3.0	4,788	14.4%	4,164	10.5%	62	18.3%	32.7%	2.0	12.1%	10.1	D15
D16	Flexstay Inn Sugamo	Tokyo Toshima-ku	104	Jul.2014	86.6%	-4.4	5,285	19.9%	4,578	14.1%	57	19.4%	29.9%	-4.0	3.8%	3.1	D16
D18	Flexstay Inn Kiyosumi-Shirakawa	Tokyo Koto-ku	55	Jul.2014	92.7%	2.8	6,611	24.2%	6,128	28.1%	36	26.7%	63.4%	22.0	16.9%	16.5	D18
D19	Flexstay Inn Nakano P1	Tokyo Shinagawa-ku	39	Jul.2014	88.6%	1.0	6,071	23.3%	5,376	24.7%	23	22.7%	63.0%	33.3	8.9%	8.9	D19
D20	Flexstay Inn Nakano P2	Tokyo Shinagawa-ku	22	Jul.2014	90.9%	1.4	5,538	15.8%	5,032	17.6%	11	21.4%	57.8%	5.9	5.8%	5.7	D20
D23	Flexstay Inn Shirogane	Tokyo Minato-ku	84	Feb.2015	88.9%	0.1	6,647	19.9%	5,907	20.1%	55	18.2%	45.7%	2.9	4.6%	4.4	D23
D30	Flexstay Inn Higashi-Jujo	Tokyo Kita-ku	88	Jul.2015	90.6%	8.2	5,033	32.4%	4,559	45.6%	39	41.0%	75.0%	40.6	32.1%	31.9	D30
D32	Flexstay Inn Kawasaki-Kaizuka	Kanagawa Kawasaki-city	64	Jul.2015	88.3%	7.1	5,157	16.4%	4,554	26.6%	30	26.3%	24.2%	6.2	0.5%	0.5	D32
D34	Flexstay Inn Kawasaki-Ogawacho	Kanagawa Kawasaki-city	62	Jul.2015	92.1%	12.3	4,519	12.8%	4,163	30.2%	29	60.6%	10.8%	-12.9	2.7%	2.7	D34
D35	Flexstay Inn Ekoda	Tokyo Nerima-ku	210	Aug.2015	85.9%	-4.7	4,911	16.1%	4,219	10.0%	104	6.0%	39.2%	15.4	3.4%	3.4	D35
<b>Non-MHM</b>																	
D6	Hotel Vista Premio Dojima	Osaka Osaka-city	141	Jul.2014	91.3%	4.1	11,292	18.8%	10,315	24.3%	187	24.4%	-	-	28.6%	17.1	D6
D21	Apahotel Yokohama-Kannai	Kanagawa Yokohama-city	451	Feb.2015	93.2%	-0.4	7,591	12.0%	7,076	11.5%	234	1.2%	-	-	-	-	D21
D22	Hotel Nets Hakodate	Hokaido Hakodate-city	202	Feb.2015	72.5%	1.7	6,258	5.0%	4,536	7.6%	76	22.5%	-	-	-	-	D22
D28	Hotel Vista Shimizu	Shizuoka Shizuoka-city	84	Jul.2015	74.9%	-2.6	6,600	8.0%	4,945	4.4%	65	9.8%	-	-	7.0%	2.9	D28
<b>Subtotal</b>																	
<b>MHM</b>																	
Hotel Mystays			3,675		92.1%	4.1	7,684	22.6%	7,075	28.4%	2,751	31.8%	83.4%	10.3	29.5%	22.7	MHM
Flexstay Inn			2,704		93.1%	5.5	8,339	23.0%	7,764	30.6%	2,193	35.1%	90.8%	9.4	33.3%	25.1	Hotel Mystays
Non-MHM			971		89.2%	0.7	5,780	19.4%	5,156	20.4%	557	21.0%	52.1%	11.3	12.8%	11.5	Flexstay Inn
Non-MHM			878		85.6%	0.4	7,800	12.2%	6,674	12.7%	562	11.8%	-	-	21.2%	12.5	Non-MHM
<b>Total (33 properties)</b>			<b>4,553</b>		<b>90.7%</b>	<b>3.3</b>	<b>7,706</b>	<b>20.2%</b>	<b>6,993</b>	<b>24.8%</b>	<b>3,314</b>	<b>27.7%</b>	<b>83.4%</b>	<b>10.3</b>	<b>28.9%</b>	<b>21.8</b>	

(Note 1) Based on 33 hotels in our anticipated portfolio, as of Aug. 28, 2015, which include all hotels with variable rent structures except for Super Hotel Shinbashi/Karasumoriguchi, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Uenoiriyaguchi and Comfort Hotel Toyama are also excluded because their leases have only fixed rent

(Note 2) MHM represents Mystays Hotel Management, the operator of Hotel Mystays and Flexstay Inn

## Key Operational Data for Hotel Properties *(continued)*

Jan. - Jun., 2015 (A)

OCC (%)		ADR (JPY)		RevPAR (JPY)		GOP (JPY mn)	
90.7%	vs 2014 Y-o-Y (points)	7,706	vs 2014 Y-o-Y	6,993	vs 2014 Y-o-Y	3,314	vs 2014 Y-o-Y
	3.3		20.2%		24.8%		27.7%

Jul. - Dec., 2015 (E)

OCC (%)		ADR (JPY)		RevPAR (JPY)		GOP (JPY mn)	
90.7%	vs 2014 Y-o-Y (points)	8,319	vs 2014 Y-o-Y	7,546	vs 2014 Y-o-Y	3,661	vs 2014 Y-o-Y
	1.1		11.6%		13.0%		13.5%

Jul. 2015 (A)

OCC (%)		ADR (JPY)		RevPAR (JPY)		GOP (JPY mn)	
93.3%	vs 2014 Y-o-Y (points)	7,972	vs 2014 Y-o-Y	7,441	vs 2014 Y-o-Y	593	vs 2014 Y-o-Y
	2.3		19.1%		22.1%		24.0%

Jan. - Dec., 2015 (A+E)

OCC (%)		ADR (JPY)		RevPAR (JPY)		GOP (JPY mn)	
90.7%	vs 2014 Y-o-Y (points)	8,015	vs 2014 Y-o-Y	7,272	vs 2014 Y-o-Y	6,976	vs 2014 Y-o-Y
	2.2		15.4%		18.3%		19.9%

Jan. - Dec., 2016 (E)

OCC (%)		ADR (JPY)		RevPAR (JPY)		GOP (JPY mn)	
90.7%	vs 2015 Y-o-Y (points)	8,633	vs 2015 Y-o-Y	7,834	vs 2015 Y-o-Y	7,662	vs 2015 Y-o-Y
	0.0		7.7%		7.7%		9.8%

(Note 1) Based on 33 hotels in our anticipated portfolio, which include all hotels with variable rent structures except for Hotel MyStays Haneda, which opened in September 2014. Super Hotel Shinbashi/Karasumoriguchi, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Uenoiyaguchi and Comfort Hotel Toyama are also excluded because their leases have only fixed rent

# Competitive Advantages over Other Hotel J-REITs

- 77.9%<sup>1,2</sup> of Invincible’s hotel portfolio is located in the top five prefectures for inbound guest nights
- The GOP of existing hotels is expected to grow 19.9% in 2015 and has been maintaining a high GOP margin of 55.8%

2014 Guest Nights of Inbound Visitors and Location Comparison with other Hotel J-REITs

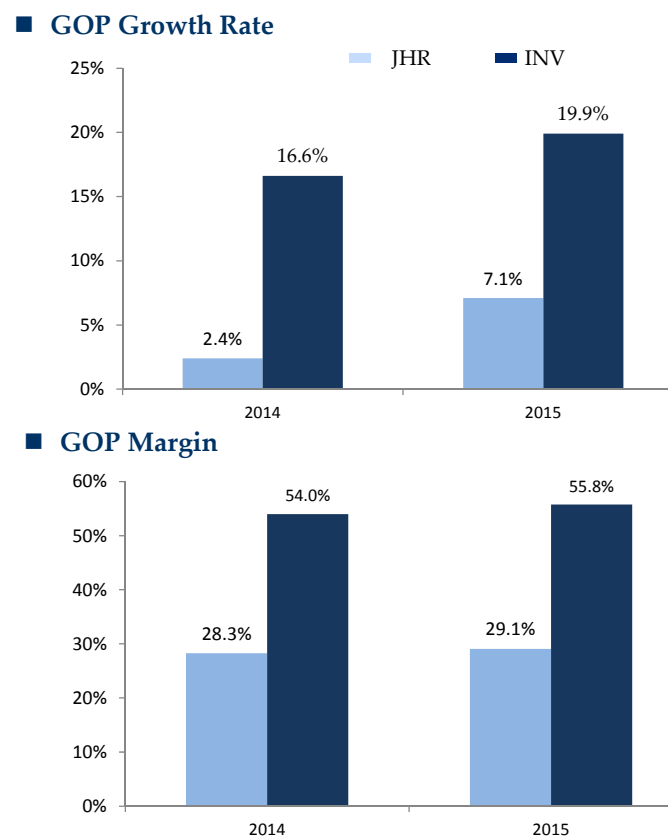
	2014 Guest Nights (mn)	Invincible	Japan Hotel REIT	Hoshino Resorts
1. Tokyo	13.5	50.6%	20.3%	-
2. Osaka	5.8	7.9%	9.9%	-
3. Hokkaido	4.0	2.9%	6.0%	4.5%
4. Kyoto	3.4	6.3%	3.1%	6.5%
5. Chiba	2.8	10.2%	23.0%	1.9%
<b>Subtotal of TOP 5</b>		<b>77.9%</b>	<b>62.3%</b>	<b>12.9%</b>
6. Okinawa	2.3	-	20.9%	-
7. Aichi	1.5	3.1%	-	2.9%
8. Kanagawa	1.3	12.8%	2.7%	2.2%
9. Fukuoka	1.3	1.6%	2.9%	1.2%
10. Yamanashi	0.9	-	-	12.1%
<b>Total of TOP 10</b>		<b>95.4%</b>	<b>88.7%</b>	<b>31.3%</b>

Source: Japan Tourism Agency, Company Disclosure

(Note 1) Pro forma post offering  
 (Note 2) Based on acquisition price

(Note 3) JHR data is for major five hotels which are referred to by JHR as HMJ five hotels, each with variable rent schemes owned by JHR. HMJ means Hotel Management Japan which is the operator of these five JHR hotels (Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivilla and Oriental Hotel Hiroshima). Hoshino Resort REIT does not disclose GOP figures for its hotel properties; Invincible held hotels represent the existing 20 hotels as of December 31, 2014

GOP Growth / Margin Comparison<sup>3</sup>



Source: Japan Hotel REIT (“JHR”)

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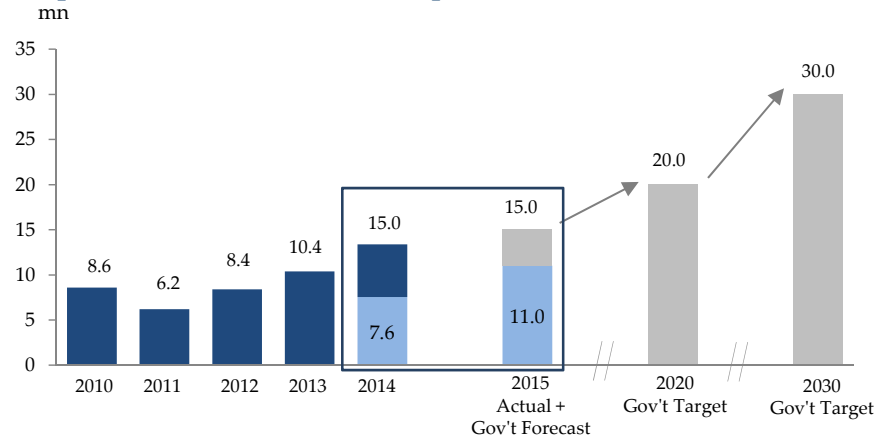
## Stronger Fundamentals for Hospitality Sector

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# Stronger Fundamentals for Hospitality Sector

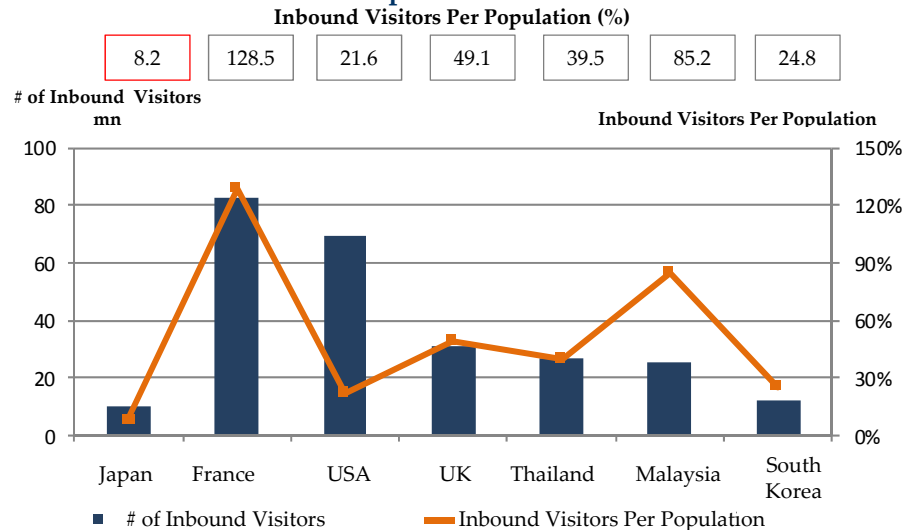
- Inbound visitors to Japan reached 11.0 million, an increase of 46.9% over the same period last year
- Inbound visitors per population is 8.2%, still low among other major countries in 2014. Government initiatives to boost tourism and structural changes in the economy are likely to contribute to an increase in inbound visitors to Japan. Low ADRs also provide ample upside potential

## Expected Inbound Visitors to Japan



Source: Japan National Tourism Organization, Japan Government

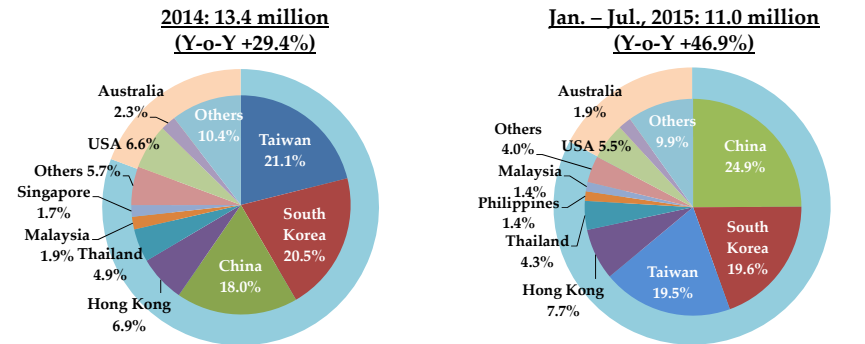
## Inbound Visitors Per Population<sup>2,3</sup>



Source: IHS Global Insight, United Nation and Japan National Tourism Organization

(Note 2) Inbound visitors divided by population of each country

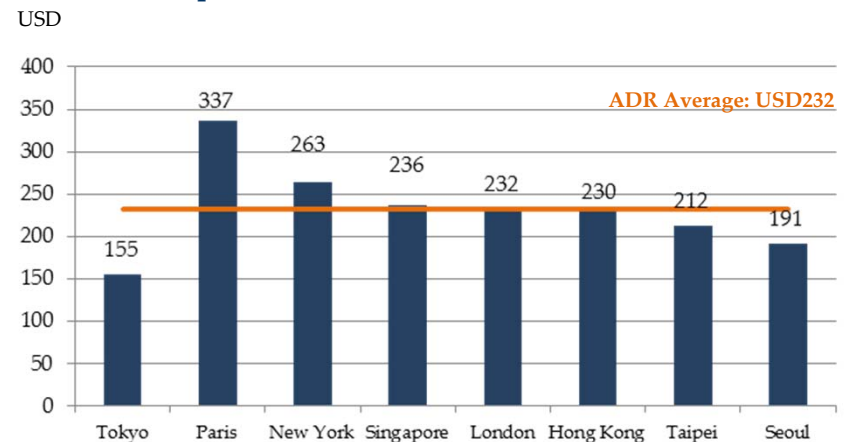
(Note 3) Comparison of G7 countries + South Korea; based on 2013 statistics



Countries	Growth %
1 China	+83.3%
2 Philippines (ASEAN)	+70.0%
3 Vietnam (ASEAN)	+47.1%
4 Thailand (ASEAN)	+45.0%
5 Malaysia (ASEAN)	+41.4%

Countries	Growth %
1 China	+113.8%
2 Hong Kong	+66.0%
3 Vietnam (ASEAN)	+55.5%
4 Philippines (ASEAN)	+50.6%
5 Korea	+41.7%

## Global Comparison of ADR<sup>1</sup>



Source: STR GLOBAL (Asia Pacific Hotel Industry Performance for the Month of December 2014)

(Note 1) 2014 Full year basis

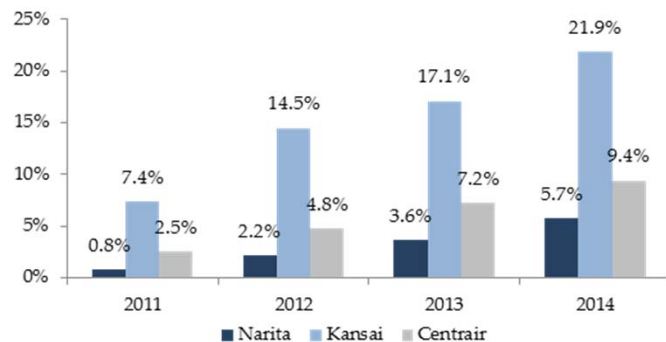
# Stronger Fundamentals for Hospitality Sector

- Government and tourism initiatives have led to an increase in the capacity for foreigners to visit Japan, including the expansion of airport capacity, increase of low cost carriers, relaxation of visa requirements, and more rail capacity

## Government Efforts to Boost Inbound Demand

- Expansion of airport capacity** at Narita and Haneda Airport
  - The landing slots have increased to 747,000 by the end of March 2015; plan to add 79,000 landing slots in the two airports by 2020
  - Construction of additional runways at Narita and Haneda Airports are under consideration
- Dedicated LCC terminals in Narita Airport and Kansai International Airport**
  - One LCC terminal was opened in April 2015 in Narita Airport and the other will be opened in 2H 2016 in Kansai International Airport
- Opening of Hokuriku and Hokkaido Shinkansen** in 2015 and 2016, respectively
- A new railway to link directly** Haneda Airport to Tokyo CBD, planned to be completed around 2025
- New railway planned to connect** Narita and Haneda Airports via Tokyo Station

## LCC Market Share in Major Airports<sup>1</sup>



Source: Narita International Airport, Kansai International Airport and Chubu Centrair International Airport  
(Note 1) Based on the number of flights of summer schedule per week in each year

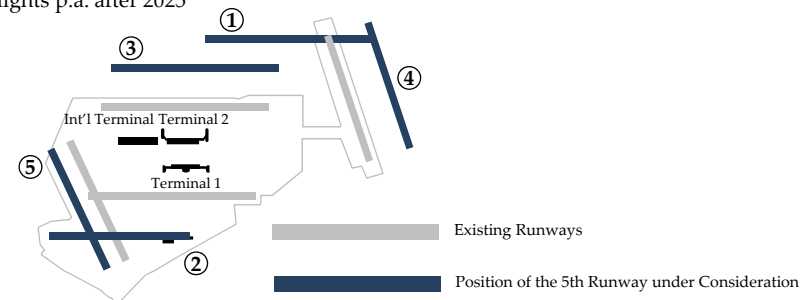
## Relaxation of Visa Requirements

Year	Subject Country	Measures
2015	China	Significant relaxation of visa requirements
	Indonesia	Exemption of visas (Based on prior registration)
2014	Indonesia, Philippines and Vietnam	Significant relaxation of visa requirements
	India	Issuance of multiple visa for short stay
	Myanmar	Issuance of multiple visa for short stay
	Cambodia, Laos	Issuance of multiple visa for short stay
2013	Indonesia, Philippines and Vietnam	Issuance of multiple visa for short stay
	Thailand, Malaysia	Exemption of visas
2012	China	Issuance of multiple visa for short stay (Tohoku and Okinawa region)

Source: Ministry of Foreign Affairs of Japan

## New Railway to and Potential 5th Runway in Haneda Airport

- Potential further increase in demand in Haneda expected with new railway planned to directly link the airport to city center of Tokyo
- MLIT and related parties are considering adding a new runway at Haneda Airport to meet fast growing needs
- If the plan is realized, Haneda capacity is expected to increase by appx. 130,000 flights p.a. after 2025<sup>2</sup>

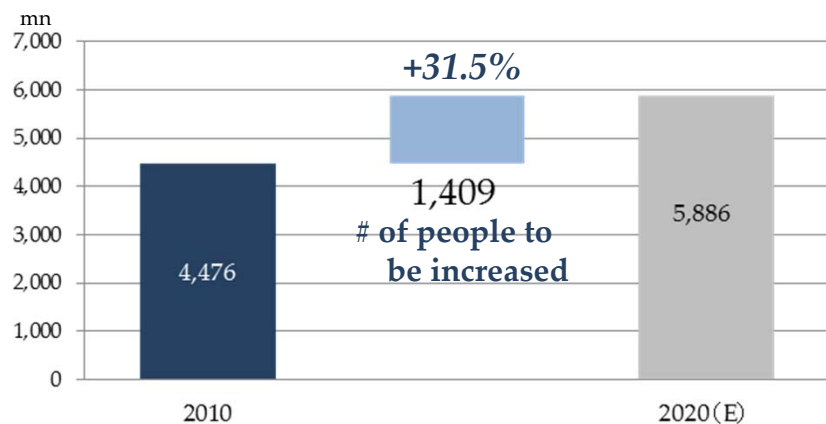


Source: Ministry of Land Infrastructure and Transportation  
(Note 2) Specific timing of the operation of new runway has not been announced by MLIT. Construction period is estimated to be 10 – 15 years.

# Stronger Fundamentals for Hospitality Sector

- Rapidly growing middle/high income classes in Asian countries provide strong growth potential for inbound tourism to Japan

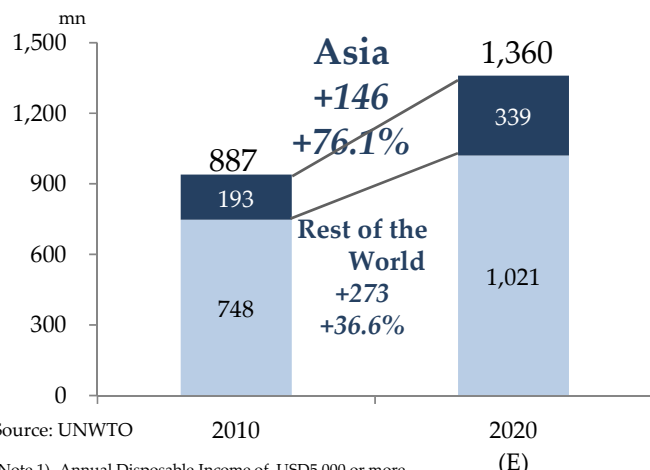
Global Middle and High Income<sup>1</sup> Population Growth



Source: Euromonitor International, UN

Countries / Regions	Growth in Number 2010 – 2020(E)	Growth Rate 2010 – 2020(E)
China	+344 mn	+44.5%
ASEAN <sup>2</sup>	+144 mn	+42.5%
Southwest Asia <sup>3</sup>	+511 mn	+64.7%
<b>Sub Total: Asia</b>	<b>+999 mn</b>	<b>+52.5%</b>
Industrialized Countries <sup>4</sup>	+48 mn	+4.5%
Rest of the World	+360 mn	+24.0%
<b>Total</b>	<b>+1,409 mn</b>	<b>+31.5%</b>

International Tourism by Region of Destination



Source: UNWTO

Countries / Regions	Growth in Number 2010 – 2020(E)	Growth Rate 2010 – 2020(E)
Asia	+146 mn	+76.1%
Rest of the World	+273 mn	+36.6%
<b>Total</b>	<b>+420 mn</b>	<b>+44.7%</b>

(Note 1) Annual Disposable Income of USD5,000 or more

(Note 2) Singapore, Indonesia, Malaysia, Vietnam, Thailand, Laos, Brunei, Myanmar, Philippine, East Timor

(Note 3) India, Bangladesh, Bhutan, Fiji, Kiribati, Maldives, Nepal, Pakistan, Papua New Guinea, Samoa, Solomon Islands, Sri Lanka, Tonga, Tuvalu, Vanuatu, Mongolia, Marshall Islands, Micronesia

(Note 4) Japan, Hong Kong, Macau, Taiwan, South Korea, US, Canada, UK, Germany, France, Italy, Spain, Portugal, Netherlands, Switzerland, Belgium, Finland, Sweden, Norway, Austria, Cyprus, Luxemburg, Malta, San Marino, Denmark, Greece, Iceland, Ireland, Czech Republic, Slovakia, Slovenia, Poland, Hungary, Australia, New Zealand, Albania, Bulgaria, Estonia, Latvia, Serbia, Montenegro, Lithuania, Croatia, Macedonia, Bosnia and Herzegovina, Kosovo, Rumania

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## Future Growth Opportunity

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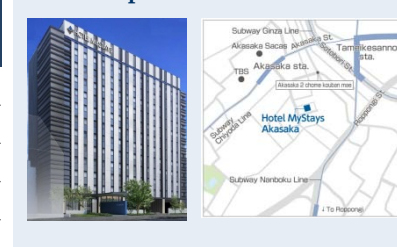
# Seek Potential Opportunities from Sponsor – MOU for Potential Pipeline

MOU<sup>1</sup> with Fortress-related entities includes potential pipeline of 21 hotels<sup>(1)</sup>

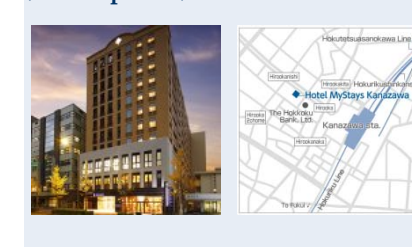
- Well positioned hotel portfolio with 73.6% of the rooms located in top 10 inbound tourist destinations
- Post August acquisition, Invincible’s hotel portfolio to comprise of 5,010 rooms with the MOU covering an additional 5,041 rooms <sup>(2)</sup>

Hotel Name	Asset Type	Location	No. of Rooms	Top 10 Inbound Tourist Destinations
1 Hotel MyStays Gotanda-Ekimae	Limited Service Hotel	Shinagawa-ku, Tokyo	333	✓
2 Hotel MyStays Akasaka	Limited Service Hotel	Minato-ku, Tokyo	327	✓
3 Hotel MyStays Kanazawa	Limited Service Hotel	Kanazawa, Ishikawa	244	
4 Hotel MyStays Fukuoka-Tenjin	Limited Service Hotel	Fukuoka, Fukuoka	217	✓
5 Hotel MyStays Yokohama -Kannai	Limited Service Hotel	Yokohama, Kanagawa	166	✓
6 Hotel MyStays Hamamatsucho	Limited Service Hotel	Minato-ku, Tokyo	105	✓
7 Hotel MyStays Shinsaibashi	Limited Service Hotel	Osaka, Osaka	54	✓
8 Flexstay Inn Ekoda	Limited Service Hotel	Nerima-ku, Tokyo	210	✓
9 Rihga Royal Hotel Kyoto	Full Service Hotel	Kyoto, Kyoto	475	✓
10 Narita Excel Hotel Tokyu	Full Service Hotel	Narita, Chiba	706	✓
11 Art Hotels Sapporo	Full Service Hotel	Sapporo, Hokkaido	412	✓
12 Best Western Hotel Fino Sapporo	Limited Service Hotel	Sapporo, Hokkaido	242	✓
13 Best Western Hotel Fino Oita	Limited Service Hotel	Oita, Oita	145	
14 Takamatsu Tokyu REI Hotel	Limited Service Hotel	Takamatsu, Kagawa	191	
15 Comfort Hotel Maebashi	Limited Service Hotel	Maebashi, Gunma	153	
16 Comfort Hotel Kurosaki	Limited Service Hotel	Kitakyushu, Fukuoka	151	✓
17 Comfort Hotel Tsubame-Sanjo	Limited Service Hotel	Sanjo, Niigata	132	
18 Comfort Hotel Kitami	Limited Service Hotel	Kitami, Hokkaido	127	✓
19 Hotel Naqua City Hirosaki	Full Service Hotel	Hirosaki, Aomori	134	
20 Beppu Kamenoi Hotel	Resort Hotel	Beppu, Oita	322	
21 Fusaki Resort Village	Resort Hotel	Ishigaki, Okinawa	195	✓
<b>Total</b>			<b>5,041</b>	

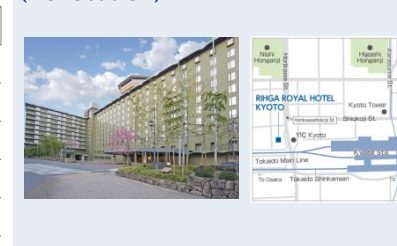
Hotel MyStays Akasaka (Redevelopment)



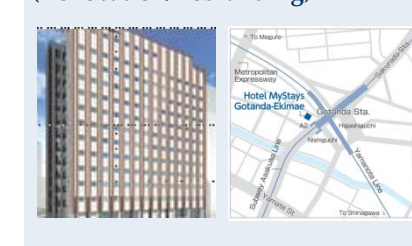
Hotel MyStays Kanazawa (Development)



Rihga Royal Hotel Kyoto (Renovation)



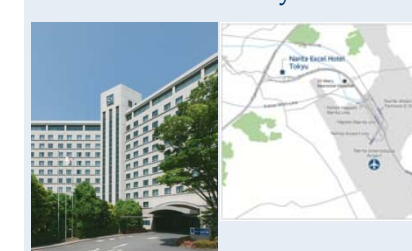
Hotel MyStays Gotanda-Ekimae (Renovation/Rebranding)



Hotel MyStays Hamamatsucho



Narita Excel Hotel Tokyu



(Note 1) Properties covered by MOU. Invincible may elect to acquire only selected assets covered by the MOU or none at all and there is no assurance that Invincible will be able to acquire these assets  
 (Note 2) Including Flexstay Inn Ekoda, scheduled to be acquired on August 28, 2015

# Seek Potential Opportunities from Sponsor

- Following the August 2015 acquisition, Invincible will have acquired 61 assets from Fortress-related entities, and Invincible plans to continue seeking additional opportunities for strategic growth
- Fortress-related entities have acquired 16 hospitality assets since the last offering by Invincible in July 2014. Many of these pipeline assets are currently being renovated, expanded or converted and Invincible will selectively explore attractive opportunities
- Fortress is using its extensive capability to renovate, convert and develop additional hotels, which Invincible believes may create attractive investment opportunities for Invincible to target

## Conversion

- **Hotel MyStays Haneda**  
# of Rooms: 174



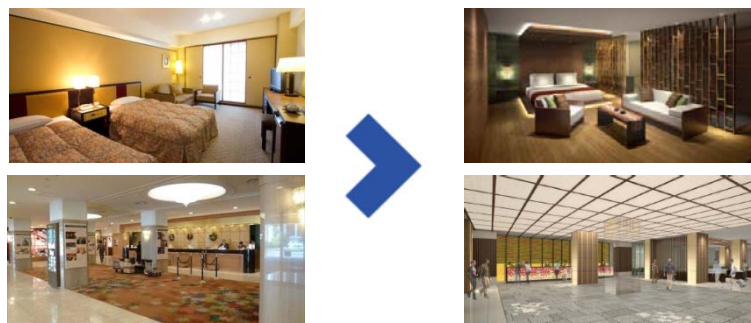
## Development (New Wing Addition)

- **Sheraton Grande Tokyo Bay Hotel Annex<sup>2</sup>**  
# of Rooms: 1,106 (after construction of the new wing)



## Renovation

- **Rihga Royal Kyoto**  
# of Rooms: 475



## Development

- **Hotel MyStays Akasaka<sup>3</sup>**  
# of Rooms: 327



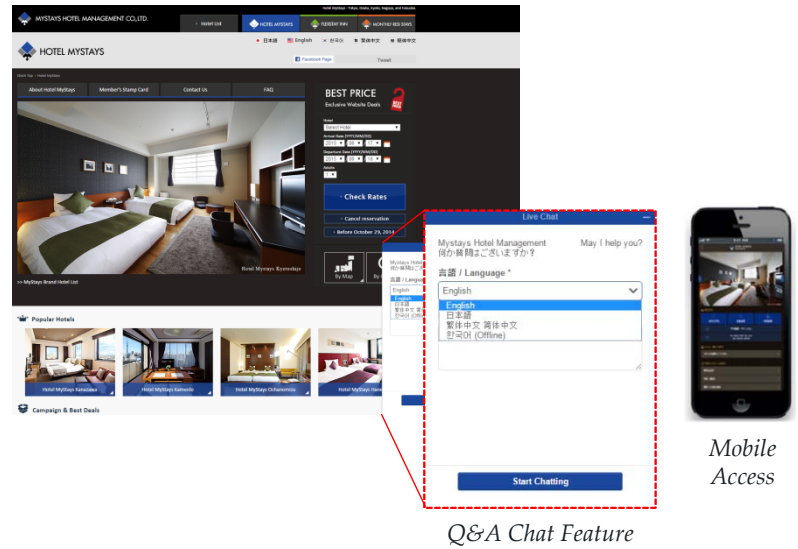
(Note 1) Invincible may elect to acquire only a selected number from the above or none at all and there is no assurance that Invincible can acquire these assets  
 (Note 2) Not owned by Invincible nor is it covered by the MOU  
 (Note 3) Right picture is rendering

# Extensive Expertise of Primary Hotel Operator

- MyStays Hotel Management has significantly improved its website and social media capabilities to increase its customer base and direct bookings

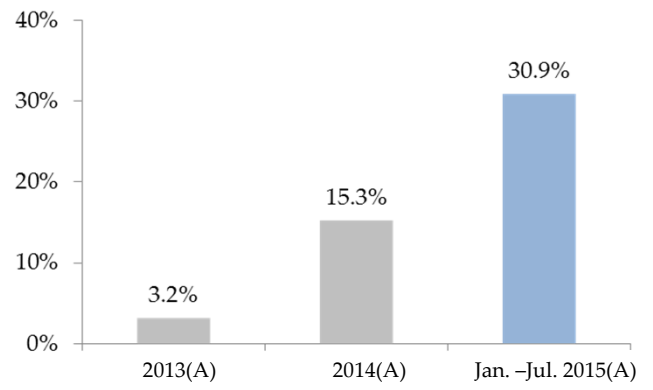
## Revamped Website

- 3-click reservation system for easier bookings
- Cleaner and easier to read interface
- Launched live chat in June 2015 in four languages for live customer Q&A
- Available in the following languages: Japanese, English, Chinese (Traditional and Simplified), and Korean
- Available on mobile (Android and iPhone)



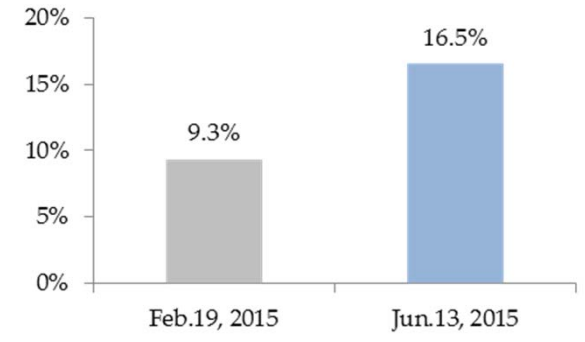
## Results to Date

- Broader International Customer Base  
portion of revenues from foreign guests<sup>1</sup>



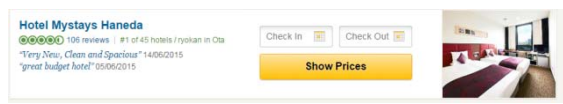
- More Direct Bookings Online

+7.2 points increase<sup>2</sup> in direct online booking since the full implementation in Feb. 2015



## Enhanced Social Media Presence

- Actively monitoring TripAdvisor and other social media
- 10 hotels have awards on TripAdvisor
- Hotel MyStays Haneda ranked #1 on TripAdvisor in Ota-ku, Tokyo



## Search Engine and Advertising

- Optimizing search engine rankings
- Tie-up with Japan Travel.com, one of the largest travel guides in the world, to display banner ads and Hotel MyStays feature pages on their website



(Note1) In our anticipated portfolio (excluding Hotel Mystays Haneda and HotelMystays Utsunomiya)  
 (Note2) Online booking revenue as a percent of total booking revenue for bookings made in each subject week only (ending on the particular date)

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## Portfolio Occupancy Rate and Residential Assets

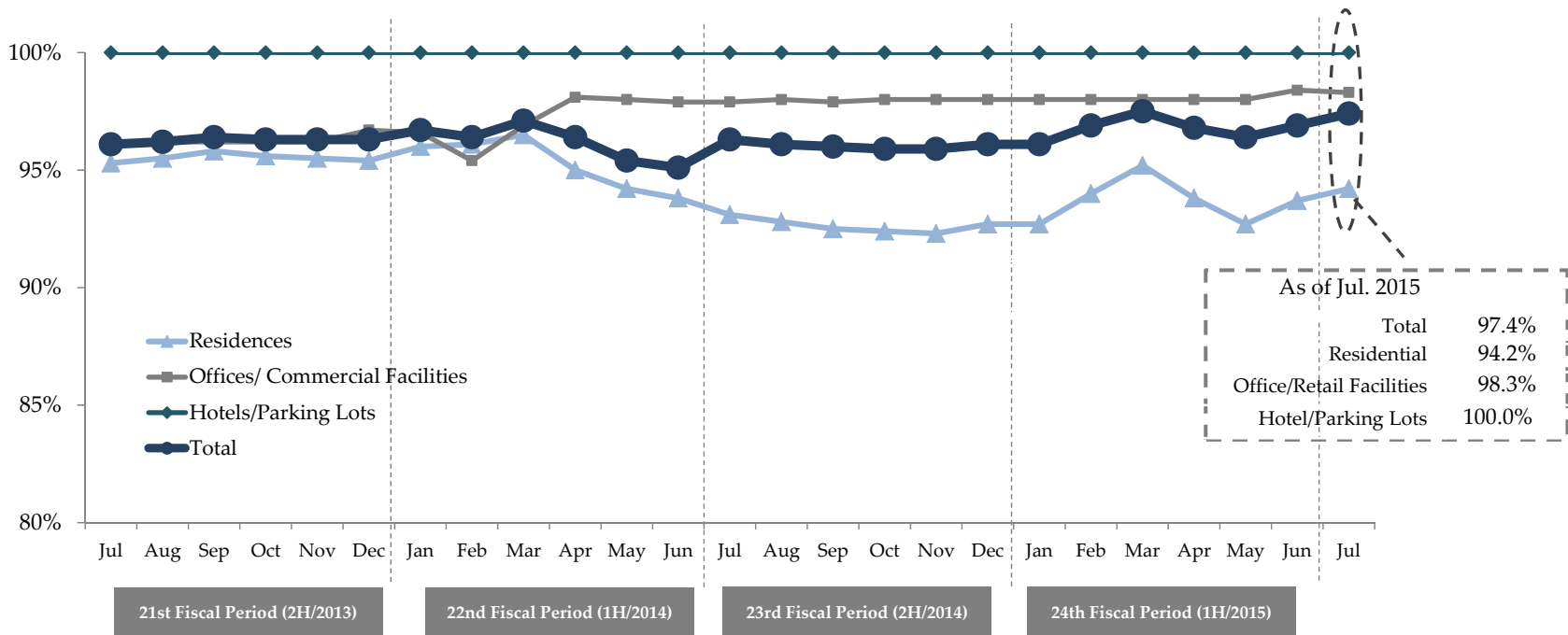
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# Portfolio Occupancy

Period average occupancy rate

21st Fiscal Period (2H/2013) Total <b>95.7%</b> Residential <b>95.5%</b> Office/Retail Facilities <b>96.3%</b>	22nd Fiscal Period (1H/2014) Total <b>95.8%</b> Residential <b>95.3%</b> Office/Retail Facilities <b>97.1%</b>	23rd Fiscal Period (2H/2014) Total <b>96.1%</b> Residential <b>92.6%</b> Office/Retail Facilities <b>98.0%</b>	24th Fiscal Period (1H/2015) Total <b>96.8%</b> Residential <b>93.7%</b> Office/Retail Facilities <b>98.1%</b>
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Monthly occupancy rate

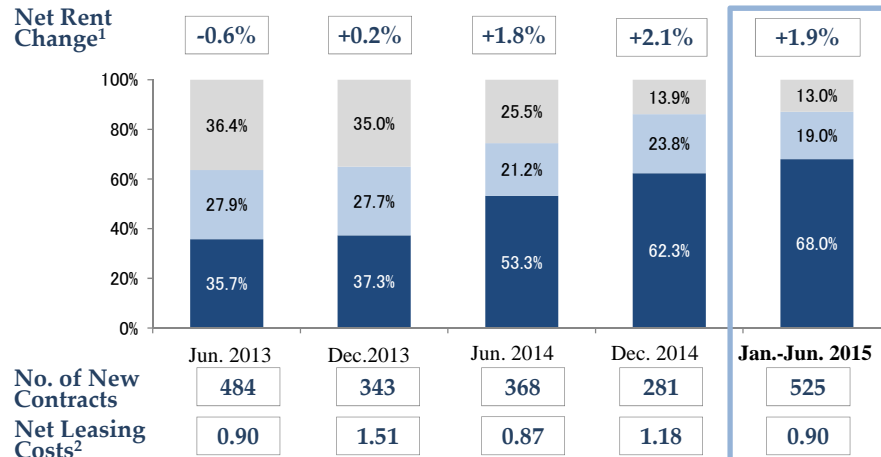


# Stable Residential Portfolio – Measures to Increase Residential Rents

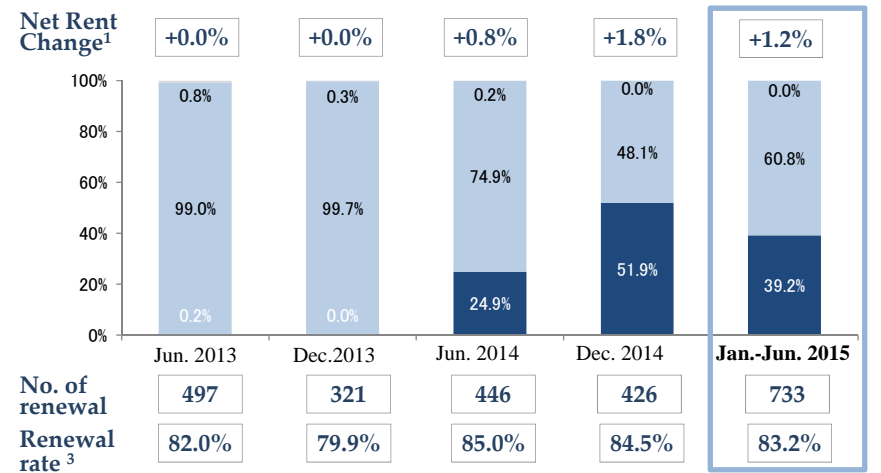
- Steady revenue growth from existing properties achieved through continuous efforts to raise rents and cut costs
- Greater Tokyo and Kansai properties represent 88.3% of the residential portfolio

## Steady Rental Growth from New Leases and Renewals

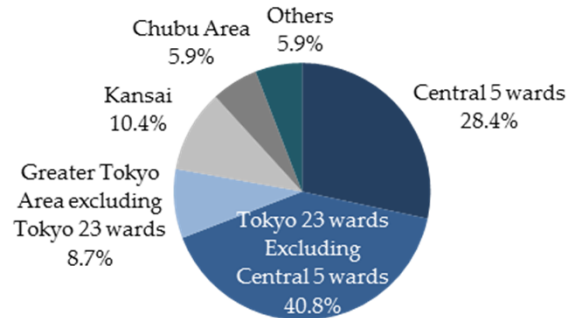
### New Contracts



### Contract Renewals

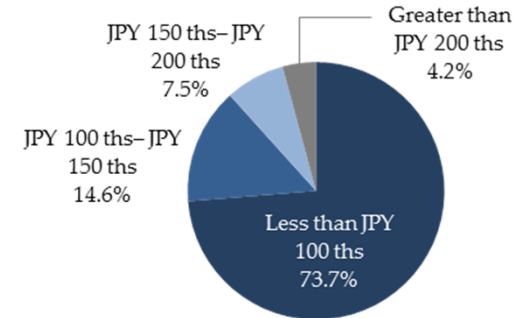


### Residential Property Location<sup>4</sup> in Pro-Forma Residential Properties



#### Anticipated Acquisition Price Basis

### By Monthly Rental Range (2014) in Pro-Forma Residential Properties



#### Number of Unit Basis

- (Note 1) Monthly rent increase (%) of new or renewed contracts compared with previous contracts of existing properties before the acquisition in connection with the offerings
- (Note 2) Net Leasing Cost (Multiple of Monthly Rental) = Advertising Expenses (Multiple of Monthly Rental) + Free Rent (Multiple of Monthly Rental) – Key Money (Multiple of Monthly Rental)
- (Note 3) Renewal rate is calculated by “Number of Renewals during the Period” ÷ “Number of Cases Targeted for Renewal during the Period”

- (Note 4) Central 5 Wards, Greater Tokyo Area excluding Tokyo 23 Wards, Kansai Area, Chubu Area and others defined as follows:  
 Central 5 Wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku and Shinjuku-ku  
 Greater Tokyo Area excl. Tokyo 23 Wards: Tokyo excl. Tokyo 23 Wards, Kanagawa, Chiba and Saitama  
 Kansai Area: Osaka, Hyogo, Kyoto, Shiga and Wakayama  
 Chubu Area: Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui  
 Others: Fukuoka, Miyagi, Fukushima and Hokkaido

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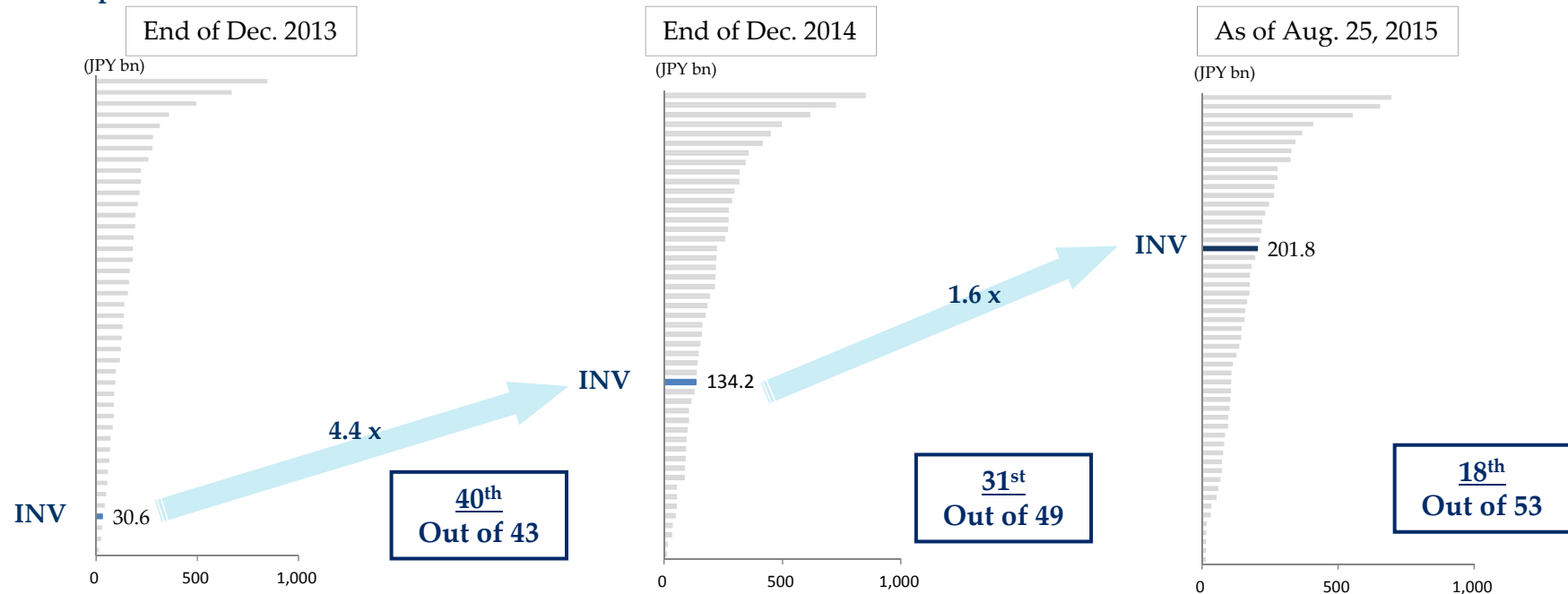
## Significant Improvement of Market Recognition

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# Significant Improvement of Market Presence

- Market capitalization of INV ranks 18<sup>th</sup> out of 53 J-REITs, increased to JPY 201.8bn as of Aug. 25, 2015 from JPY 30.6bn at the end of December 2013. INV exhibits steady AUM expansion supported by Sponsor, further external growth potential from an ample asset pipeline, organic growth of hotel portfolio and continuous improvement of financial conditions. ROE and % of unrealized gain/loss also significantly improved.

## Market Capitalization



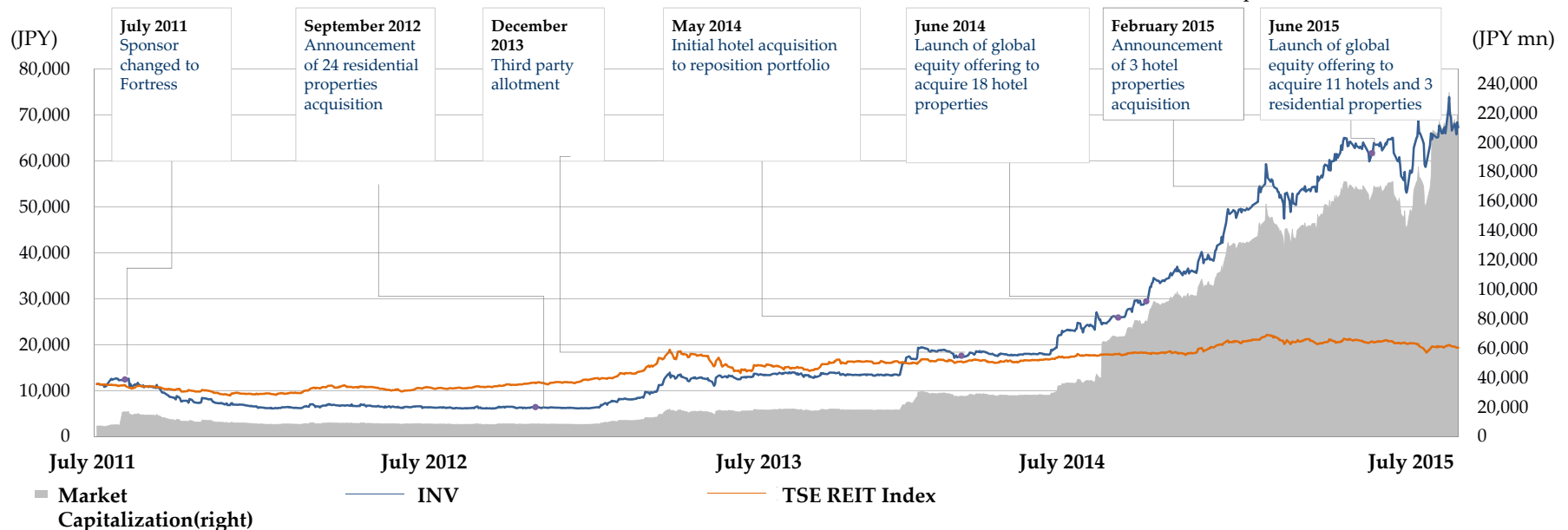
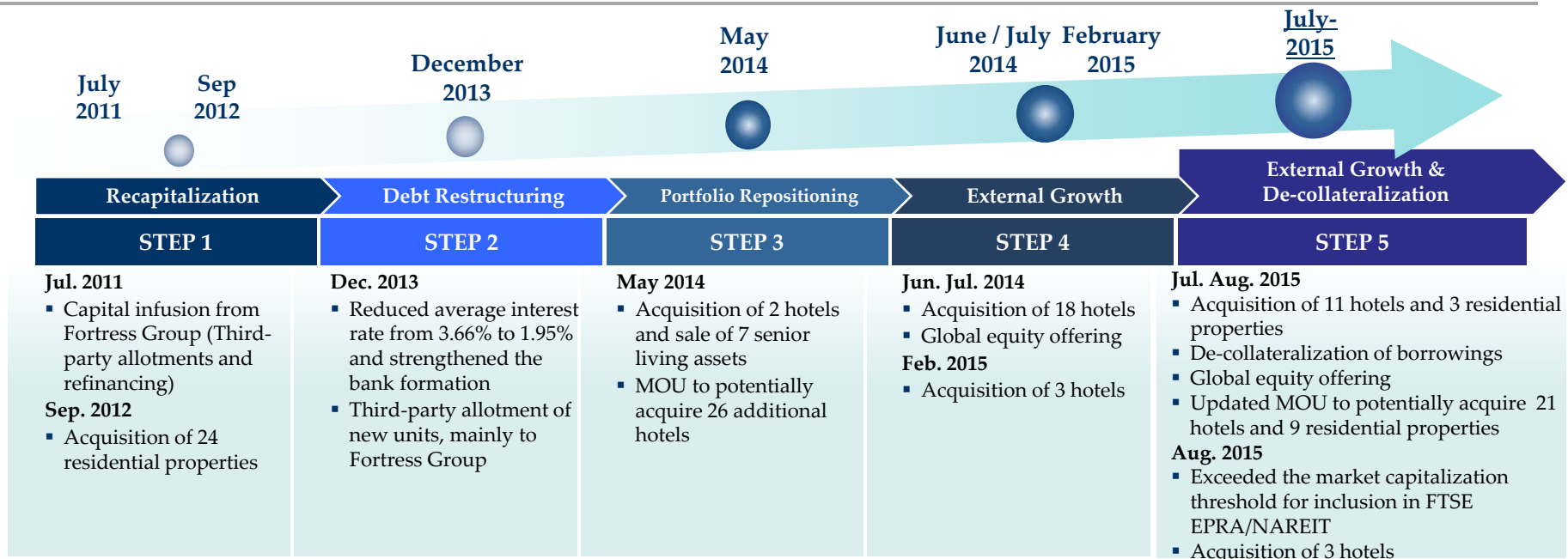
## Other Key Metrics

	AUM		ROE		% of unrealized Gain / Loss			
	Dec.2013	Aug. 2015	Dec.2013	Aug. 2015	Dec.2013	Aug. 2015		
AUM (JPY bn)	77.2	173.8	ROE (%)	1.95	7.53	% of unrealized gain/ loss	1.1	15.4
Ranking	39/43	34/53	Ranking	40/43	2/53	Ranking	21/43	6/53

(Source): Bloomberg



# Value Creation Track Record



Source: TSE and Bloomberg

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## Overview of Properties Acquired in February, July and August 2015

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# Overview of Acquisition

## ■ Overview of 20 Properties acquired in 2015

Type of Property	• Hotels and Residential
# of Properties	• 20 (17 Hotel Properties and 3 Residential Properties)
Acquisition Price	• JPY 55,888 mn (Hotels: JPY 50,789 mn and Residential: JPY 5,099 mn)
Appraisal Value	• JPY 56,664 mn (Hotels: JPY 51,514 mn and Residential: JPY 5,150 mn)
Average NOI Yield <sup>1</sup>	• 5.9% (Hotel: 6.0 %, Residential: 5.1 % )

### < Hotel Overview <sup>2,3,4</sup> >

Type of Hotel	• 16 Limited Service Hotels • 1 Full Service Hotel
# of Properties	• 17
Variable Rent Scheme Hotels	• 13 Hotels
Average Occupancy	• 86.3%
ADR	• JPY 5,987
RevPAR	• JPY 5,168
GOP	• JPY 3,708 mn

### < Residential Overview <sup>3</sup> >

# of Properties	• 3
Average Occupancy	• 96.3%
Average Rentable Floor	• 10,218 sqm
Average Monthly Rent	• JPY 2,624 per sqm

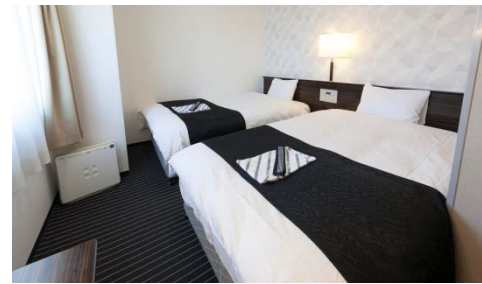
(Note 1) Based on 2015 NOI (actual + forecast)

(Note 2) Based on 2015 estimates for 13 new hotels, with variable rent structures except for Hotel MyStays Haneda, which opened in September 2014 and thus has less than one year of operational track record. Super Hotel Shinbashi/Karasumoriguchi and Comfort Hotel Toyama are excluded because their leases have only fixed rent

(Note 3) Based on 2015 Average Monthly Rent (actual + forecast)

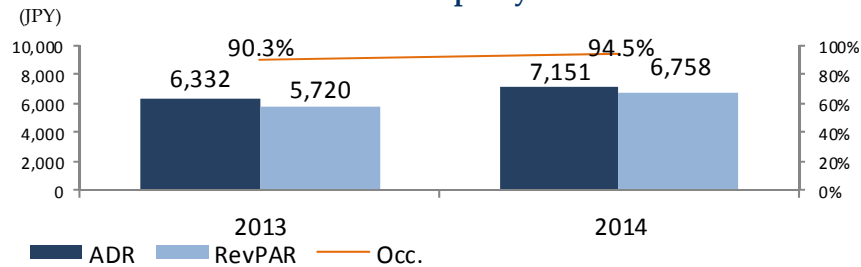
(Note 4) Including 3 properties to be acquired in August 28, 2014

# Acquired in Feb. 2015 (1/3) - APA Hotel Yokohama-Kannai

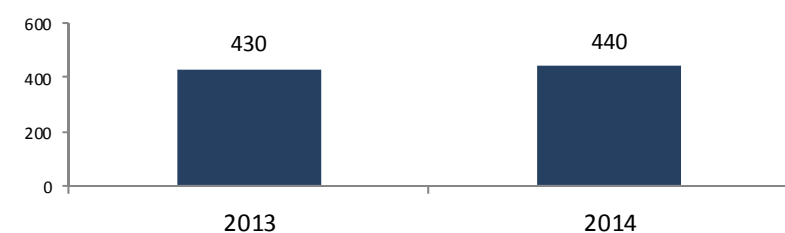


Property Name	APA Hotel Yokohama-Kannai
Location	3-37-2 Sumiyoshi, Naka-ku, Yokohama City, Kanagawa
Transport Access	About 3 minute's walk from JR Line Kannai Station
Date of Construction	April 2005
Number of guest rooms	451
Total Floor Area	6,568.51m <sup>2</sup>
Land Area	831.88m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	JPY 7,151
Occupancy Rate(2014)	94.5%
RevPAR (2014)	JPY 6,758
Gross Revenue (2014)	JPY 1,175 mn
GOP / GOP (2014)	JPY 770 mn / 65.5%
NOI (2014)	JPY 440 mn
Overseas Sales Share(2014)	-
Renovation Date	-
Leasing Contract	Fixed rent plus variable rent type

ADR/RevPAR/Occupancy Rate Trend



NOI Trend

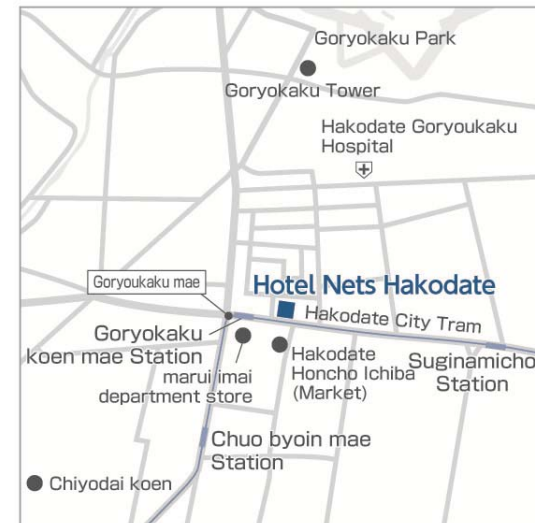
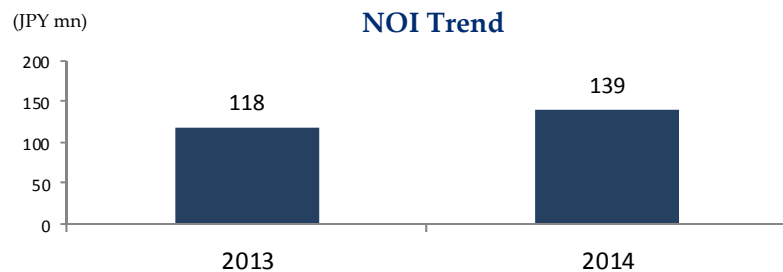
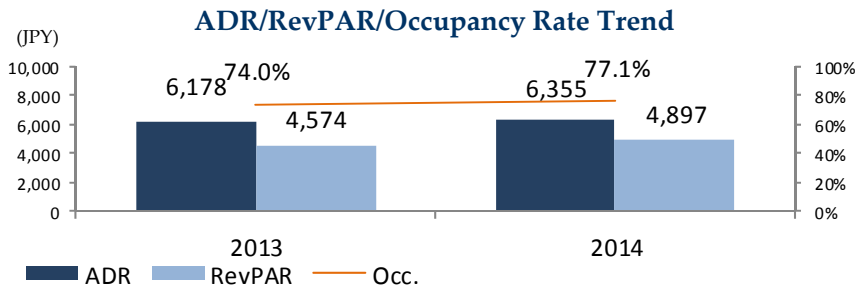


(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Feb. 2015 (2/3) - Hotel Nets Hakodate



Property Name	Hotel Nets Hakodate
Location	26-17 Motomachi Hakodate City, Hokkaido
Transport Access	About 1 minute walk from Goryoukakukouenmae Station
Date of Construction	February 2008
Number of guest rooms	202
Total Floor Area	7,961.26m <sup>2</sup>
Land Area	1,843.03m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	JPY 6,355
Occupancy Rate(2014)	77.1%
RevPAR (2014)	JPY 4,897
Gross Revenue(2014)	JPY 406 mn
GOP / GOP (2014)	JPY 162 mn / 39.9%
NOI (2014)	JPY 139 mn
Overseas Sales Share(2014)	-
Renovation Date	-
Leasing Contract	Fixed rent plus variable rent type



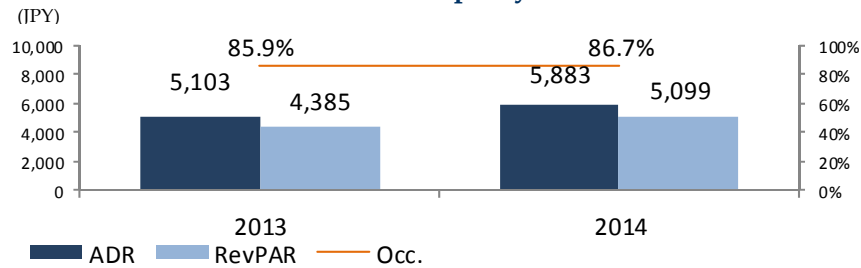
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Feb. 2015 (3/3) - Flexstay Inn Shirogane

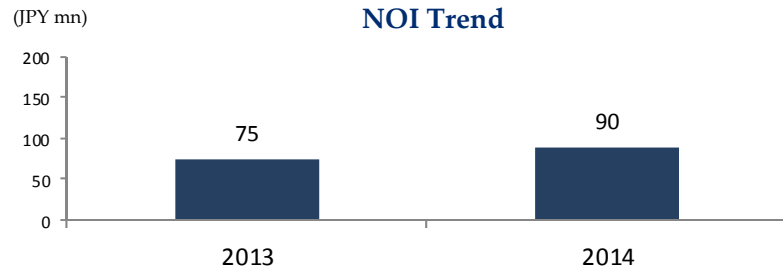


Property Name	Flexstay Inn Shirogane
Location	5-10-15 Shirokane, Minato Ward, Tokyo
Transport Access	About 12 minute's walk from Tokyo Metro Hibiya Line, Hiroo Station
Date of Construction	December 1984
Number of guest rooms	84
Total Floor Area	1,754.06m <sup>2</sup>
Land Area	528.73m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	48.7% / 23.4% / 28.0%
ADR (2014)	JPY 5,883
Occupancy Rate(2014)	86.7%
RevPAR (2014)	JPY 5,099
Gross Revenue(2014)	JPY 163 mn
GOP / GOP (2014)	JPY 95 mn / 58.2%
NOI (2014)	JPY 90 mn
Overseas Sales Share(2014)	3.9%
Renovation Date	March 2013
Leasing Contract	Fixed rent plus variable rent type

ADR/RevPAR/Occupancy Rate Trend



NOI Trend



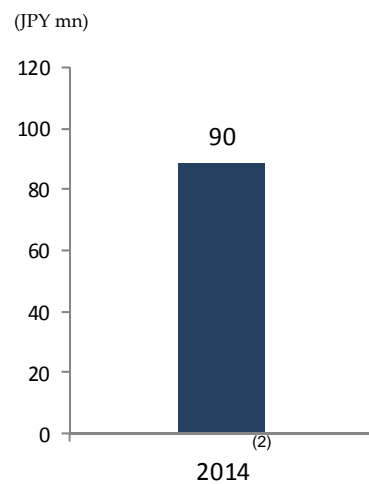
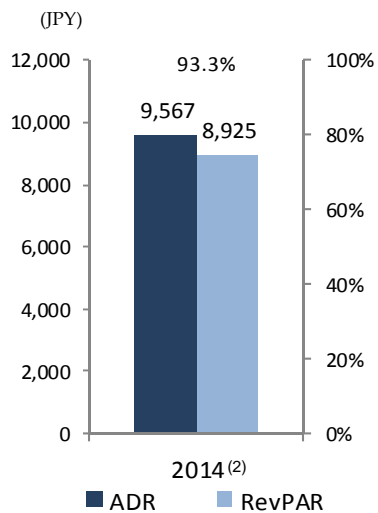
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (1/14) - Hotel MyStays Haneda



Property Name	Hotel MyStays Haneda
Location	5-1-13 Haneda, Ota Ward, Tokyo
Transport Access	About 4 minute's from Anamoriinari station on Keihin-Kyuko Line
Date of Construction	April 2001
Number of guest rooms	174
Total Floor Area	5,400.16m <sup>2</sup>
Land Area	2,226.95m <sup>2</sup>
Daily / Weekly / Monthly % (2014)	94.6% / 3.1% / 2.4%
ADR (2014)	JPY 9,567
Occupancy Rate(2014)	93.3%
RevPAR (2014)	JPY 8,925
Gross Revenue(2014)	JPY 159 mn
GOP / GOP (2014)	JPY 94 mn / 59.3%
NOI (2014)	JPY 90 mn
Overseas Sales Share(2014)	13.6%
Conversion Date	November 2013 - August 2014
Leasing Contract	Fixed rent plus variable rent type

■ ADR/RevPAR/Occupancy Rate Trend    ■ NOI Trend



(Note 1) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.  
 (Note 2) Since this property was opened as of September 26, 2014, figures are based on actual results from October 2014 to December 2014.

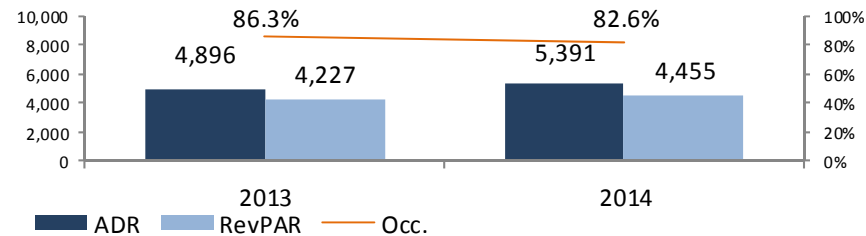
# Acquired in Jul. 2015 (2/14) - Hotel MyStays Kameido P1



Property Name	Hotel MyStays Kameido P1
Location	6-32-1 Kameido, Koto Ward, Tokyo
Transport Access	About 5 minute's from Kameido station on JR Sobu Line
Date of Construction	March 1991
Number of guest rooms	265
Total Floor Area	4,349.67m <sup>2</sup>
Land Area	1,615.30m <sup>2</sup>
Daily / Weekly / Monthly % (2014)	55.9% / 15.9% / 28.2%
ADR (2014)	JPY 5,391
Occupancy Rate(2014)	82.6%
RevPAR (2014)	JPY 4,455
Gross Revenue (2014)	JPY467 mn
GOP / GOP (2014)	JPY 285 mn / 61.0%
NOI (2014)	JPY 270 mn
Overseas Sales Share(2014)	3.7%
Renovation Date	January 2012 - March 2012
Leasing Contract	Fixed rent plus variable rent type

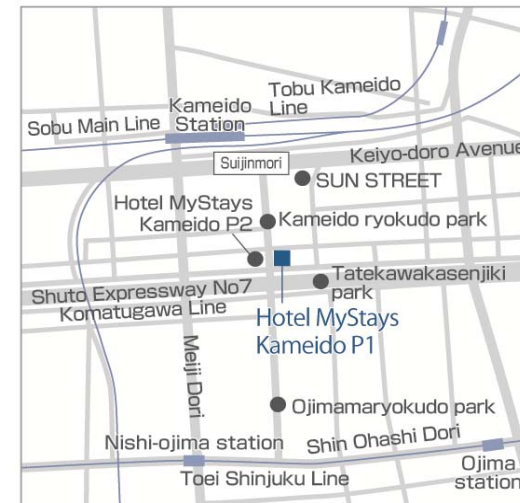
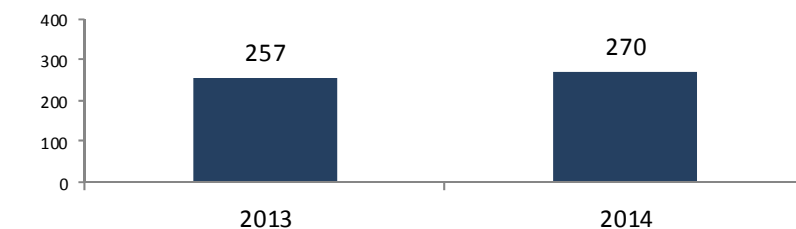
## ADR/RevPAR/Occupancy Rate Trend

(JPY)



## NOI Trend

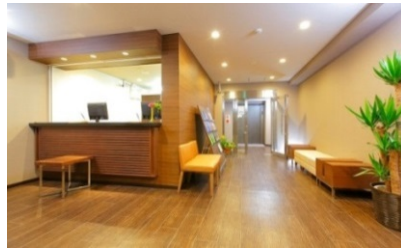
(JPY mn)



(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

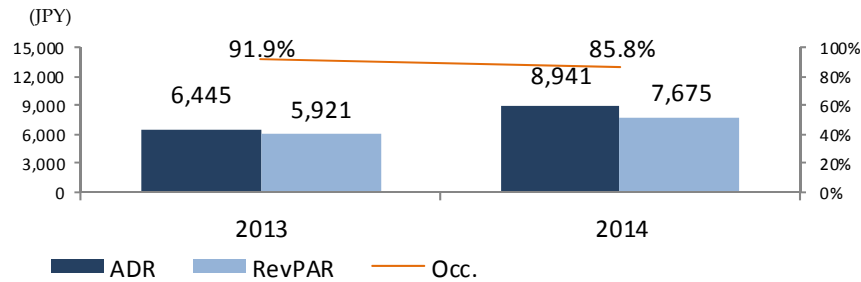


# Acquired in Jul. 2015 (3/14) - Hotel MyStays Ueno Iriyaguchi

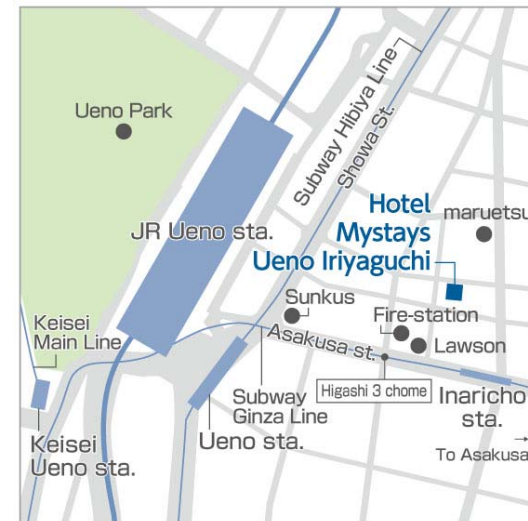
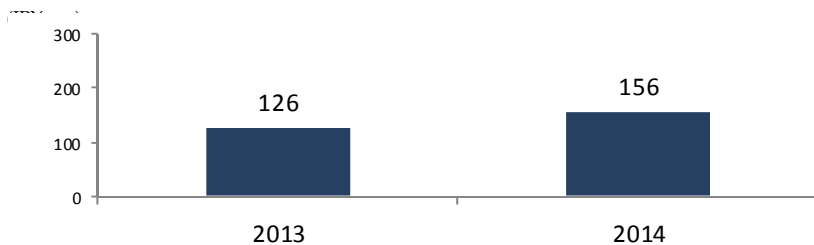


Property Name	Hotel MyStays Ueno Iriyaguchi
Location	5-5-13 Higashi-Ueno, Taito Ward, Tokyo
Transport Access	About 5 minute's from Ueno station on JR Yamanote/Keihin-Tohoku Lines etc.
Date of Construction	November 1985
Number of guest rooms	97
Total Floor Area	2,247.92m <sup>2</sup>
Land Area	402.21m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	92.8%/1.2%/6.0%
ADR (2014)	JPY 8,941
Occupancy Rate(2014)	85.8%
RevPAR (2014)	JPY 7,675
Gross Revenue (2014)	JPY 278 mn
GOP / GOP (2014)	JPY 164 mn / 59.3%
NOI (2014)	JPY 156 mn
Overseas Sales Share(2014)	47.2%
Renovation Date	January 2014 - March 2014
Leasing Contract	Fixed rent plus variable rent type

## ADR/RevPAR/Occupancy Rate Trend

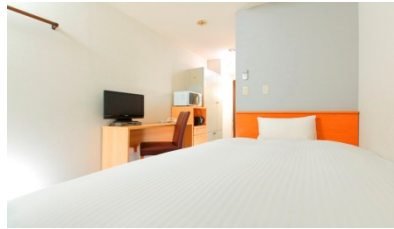


## NOI Trend



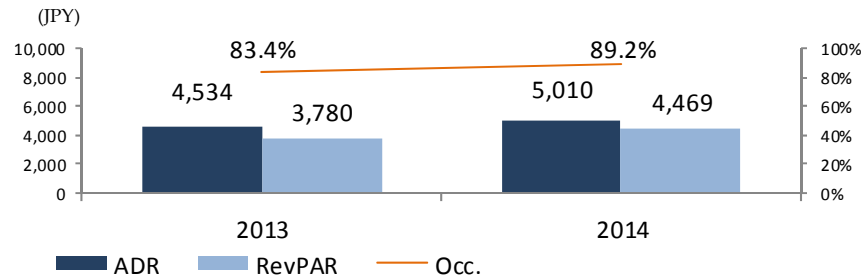
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (4/14) - Hotel MyStays Kameido P2

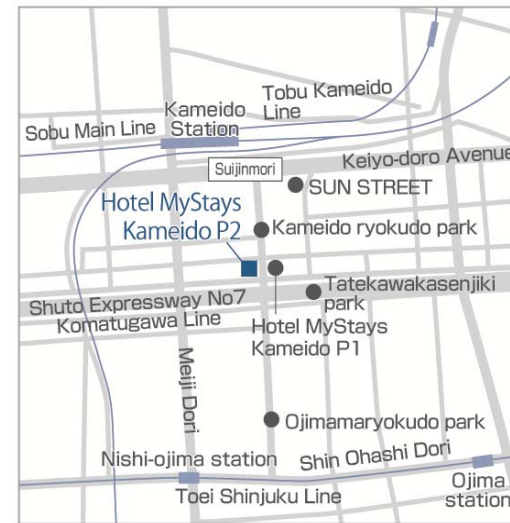
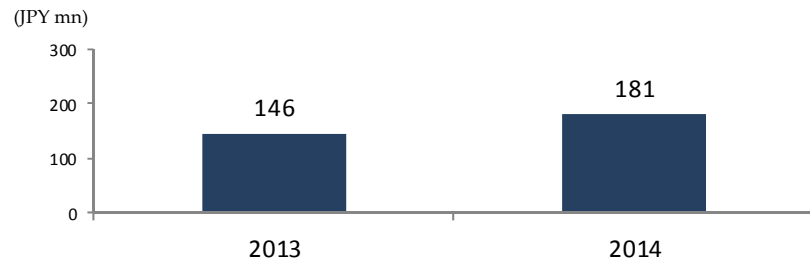


Property Name	Hotel MyStays Kameido P2
Location	6-7-8 Kameido, Koto Ward, Tokyo
Transport Access	About 5 minute's from Kameido station on JR Sobu Line
Date of Construction	March 1991
Number of guest rooms	175
Total Floor Area	2,793.99m <sup>2</sup>
Land Area	652.82m <sup>2</sup>
Daily / Weekly / Monthly % (2014)	59.4% / 10.9% / 29.7%
ADR (2014)	JPY 5,010
Occupancy Rate(2014)	89.2%
RevPAR (2014)	JPY 4,469
Gross Revenue (2014)	JPY 306 mn
GOP / GOP (2014)	JPY 190 mn / 62.3%
NOI (2014)	181 mn
Overseas Sales Share(2014)	6.4%
Renovation Date	January 2013 - March 2013
Leasing Contract	Fixed rent plus variable rent type

■ ADR/RevPAR/Occupancy Rate Trend



■ NOI Trend



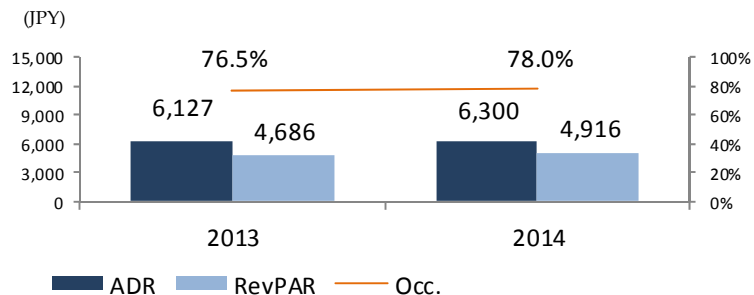
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (5/14) - Hotel Vista Shimizu

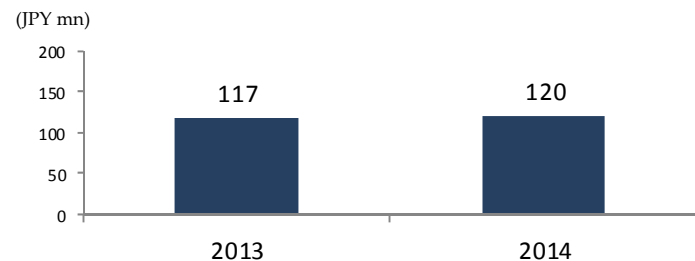


Property Name	Hotel Vista Shimizu
Location	1-23 Masagomachi, Shimizu-Ku, Shizuoka City, Sizuoka Prefecture
Transport Access	About 3 minute's from Shimizu station on JR Tokaido Line
Date of Construction	January 2007
Number of guest rooms	152
Total Floor Area	3,559.81m <sup>2</sup>
Land Area	999.17m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	JPY 6,300
Occupancy Rate(2014)	78.0%
RevPAR (2014)	JPY 4,916
Gross Revenue (2014)	JPY 301 mn
GOP / GOP (2014)	JPY 127 mn / 42.3%
NOI (2014)	JPY 120 mn
Overseas Sales Share(2014)	0.4%
Renovation Date	-
Leasing Contract	Fixed rent plus variable rent type

## ADR/RevPAR/Occupancy Rate Trend

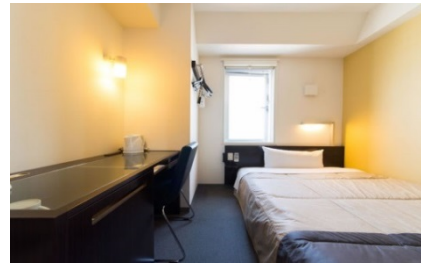


## NOI Trend



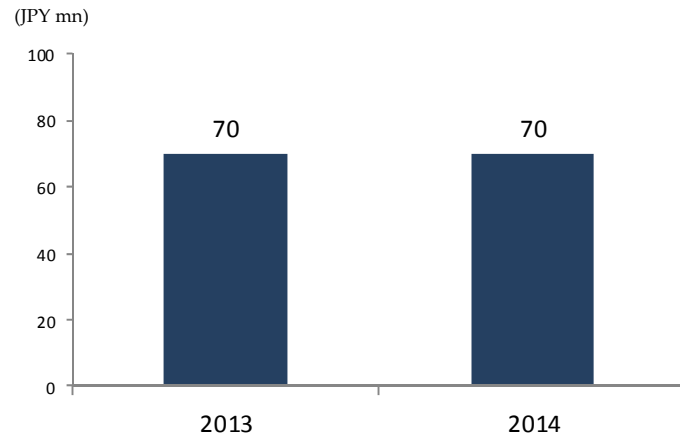
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (6/14) - Super Hotel Shinbashi/Karasumoriguchi



Property Name	Super Hotel Shinbashi/ Karasumoriguchi
Location	5-16-4 Shinbashi, Minato Ward, Tokyo
Transport Access	About 5 minute's from Shinbashi station on JR Yamanote/Keihin-Tohoku Lines etc.
Date of Construction	February 2008
Number of guest rooms	74
Total Floor Area	1,403.89m <sup>2</sup>
Land Area	234.96m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	-
Occupancy Rate(2014)	-
RevPAR (2014)	-
Gross Revenue (2014)	-
GOP / GOP (2014)	- / -
NOI (2014)	JPY 70 mn
Overseas Sales Share(2014)	-
Renovation Date	-
Leasing Contract	Fixed rent

## NOI Trend



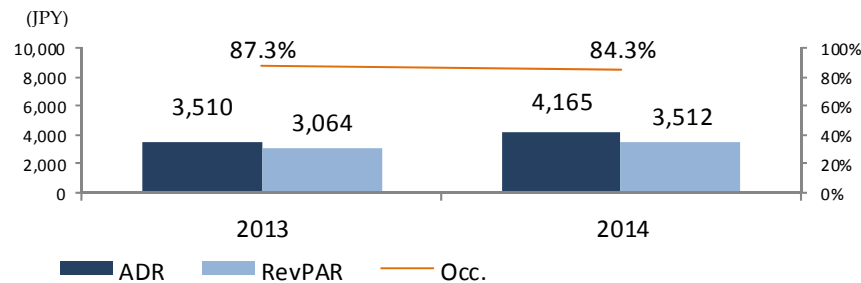
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (7/14) - Flexstay Inn Higashi-Jujo

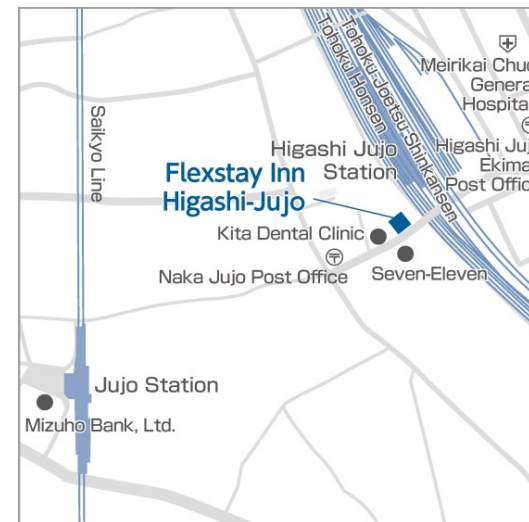
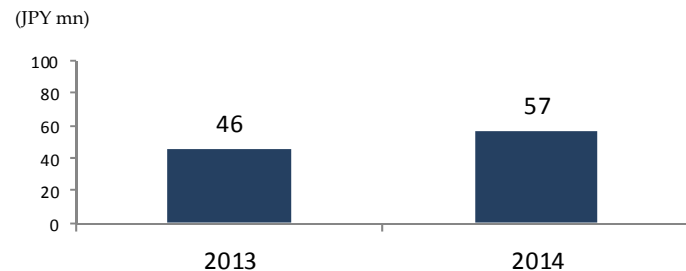


Property Name	Flexstay Inn Higashi-Jujo
Location	2-10-2 nakajujo, Kita Ward, Tokyo
Transport Access	About 2 minute's from Higashijujo station on JR Keihin-Tohoku Line
Date of Construction	June 1986
Number of guest rooms	88
Total Floor Area	1,714.53m <sup>2</sup>
Land Area	826.31m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	52.7%/13.2%/34.1%
ADR (2014)	JPY 4,165
Occupancy Rate(2014)	84.3%
RevPAR (2014)	JPY 3,512
Gross Revenue (2014)	JPY 123 mn
GOP / GOP (2014)	JPY 62 mn / 51.0%
NOI (2014)	JPY 57 mn
Overseas Sales Share(2014)	11.6%
Renovation Date	March 2013
Leasing Contract	Fixed rent plus variable rent type

■ ADR/RevPAR/Occupancy Rate Trend



■ NOI Trend



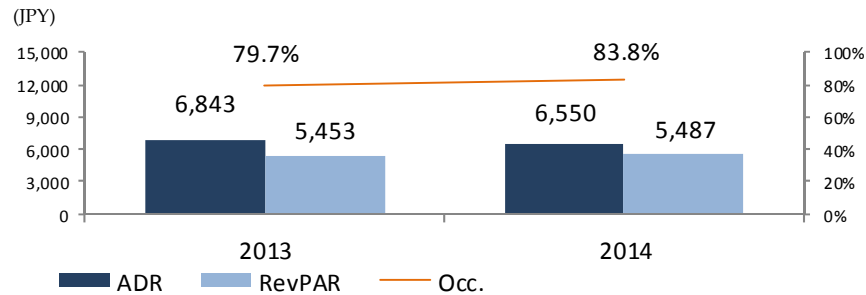
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (8/14) - Hotel MyStays Utsunomiya

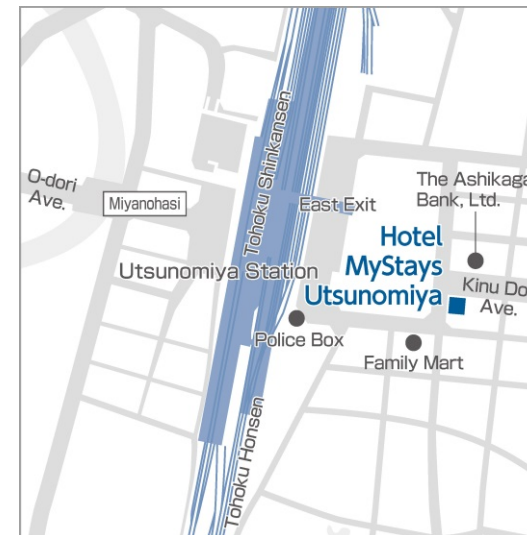
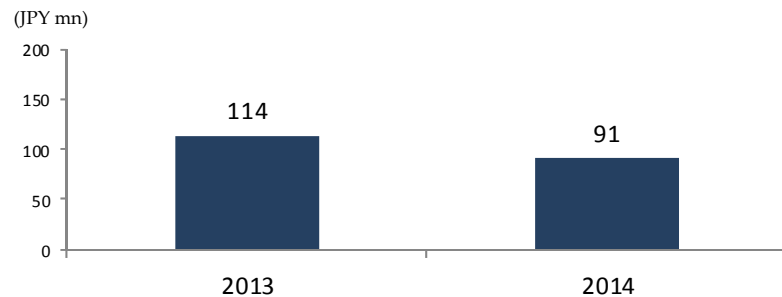


Property Name	Hotel MyStays Utsunomiya
Location	2-4-1 Higashishukugo, Utsunomiya City, Tochigi Prefecture
Transport Access	About 3 minute's from Utsunomiya station JR Tohoku Shinkansen/Tohoku Honsen/Nikko Line
Date of Construction	January 1990
Number of guest rooms	116
Total Floor Area	11,733.23m <sup>2</sup>
Land Area	1,430.78m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	89.5%/6.2%/4.4%
ADR (2014)	JPY 6,550
Occupancy Rate(2014)	83.8%
RevPAR (2014)	JPY 5,487
Gross Revenue (2014)	JPY 459 mn
GOP / GOP (2014)	JPY 122 mn / 26.7%
NOI (2014)	JPY 91 mn
Overseas Sales Share(2014)	1.7%
Renovation Date	November 2013 - January 2014
Leasing Contract	Fixed rent plus variable rent type

## ADR/RevPAR/Occupancy Rate Trend



## NOI Trend

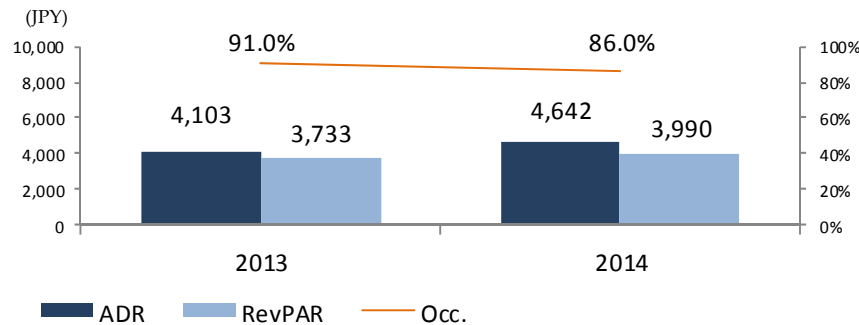


(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

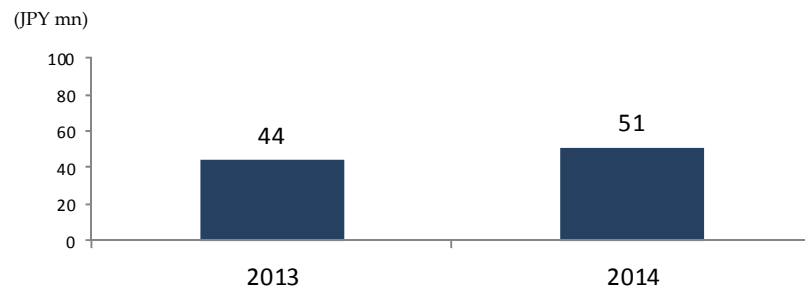
# Acquired in Jul. 2015 (9/14) - Flexstay Inn Kawasaki-Kaizuka



■ ADR/RevPAR/Occupancy Rate Trend



■ NOI Trend



Property Name	Flexstay Inn Kawasaki-Kaizuka
Location	1-13-2 Kaizuka, Kawasaki-Ku, Kawasaki City, Kanagawa Prefecture
Transport Access	About 10 minute's from Kawasaki station on JR Keihin-Tohoku/Nanbu Line
Date of Construction	April 1990
Number of guest rooms	64
Total Floor Area	1,190.57m <sup>2</sup>
Land Area	785.94m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	21.5%/21.5%/57.0%
ADR (2014)	JPY 4,642
Occupancy Rate(2014)	86.0%
RevPAR (2014)	JPY 3,990
Gross Revenue (2014)	JPY 101 mn
GOP / GOP (2014)	JPY 55 mn / 55.4%
NOI (2014)	JPY 51 mn
Overseas Sales Share(2014)	0.1%
Renovation Date	January 2014 - March 2014
Leasing Contract	Fixed rent plus variable rent type



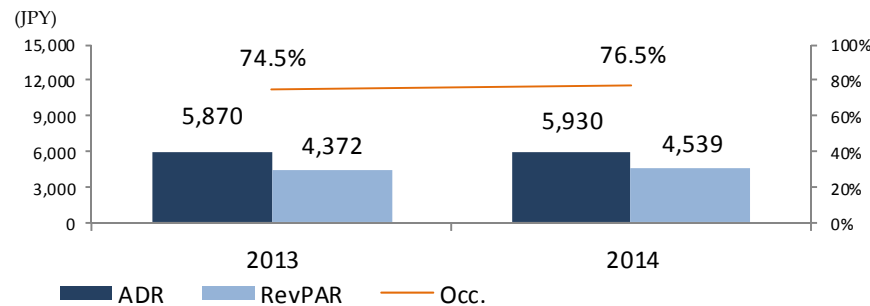
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (10/14) - Comfort Hotel Toyama

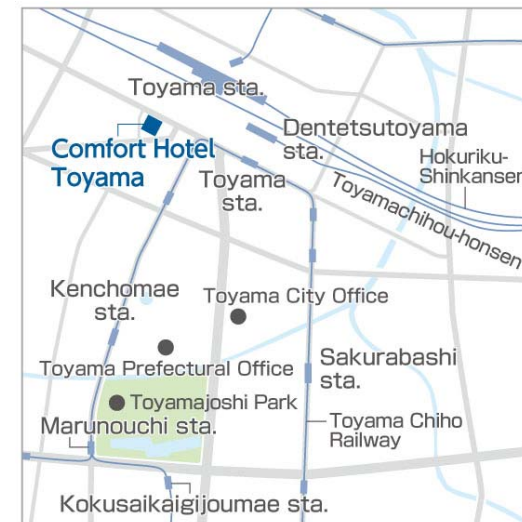
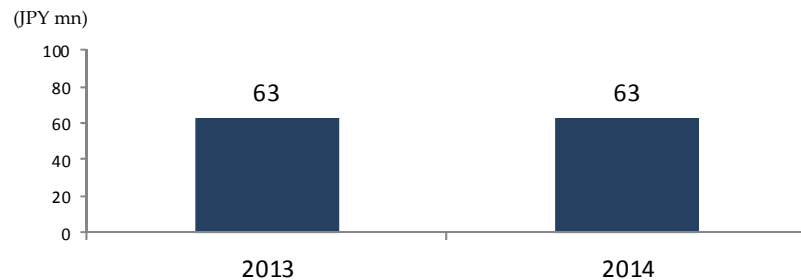


Property Name	Comfort Hotel Toyama
Location	1-3-2 Takara-machi, Toyama City, Toyama Prefecture
Transport Access	About 2 minute's from Toyama station on JR Hokuriku-honsen
Date of Construction	March 2007
Number of guest rooms	150
Total Floor Area	3,305.64m <sup>2</sup>
Land Area	547.81m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	JPY 5,930
Occupancy Rate(2014)	76.5%
RevPAR (2014)	JPY 4,539
Gross Revenue (2014)	-
GOP / GOP (2014)	- / -
NOI (2014)	JPY 63 mn
Overseas Sales Share(2014)	-
Renovation Date	-
Leasing Contract	Fixed rent

■ ADR/RevPAR/Occupancy Rate Trend



■ NOI Trend



(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

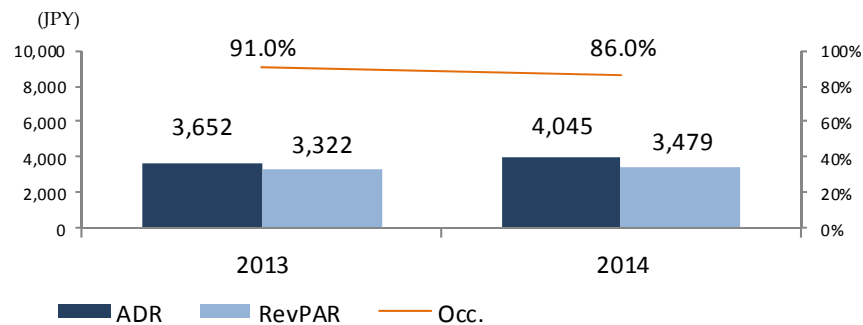


# Acquired in Jul. 2015 (11/14) - Flexstay Inn Kawasaki-Ogawacho

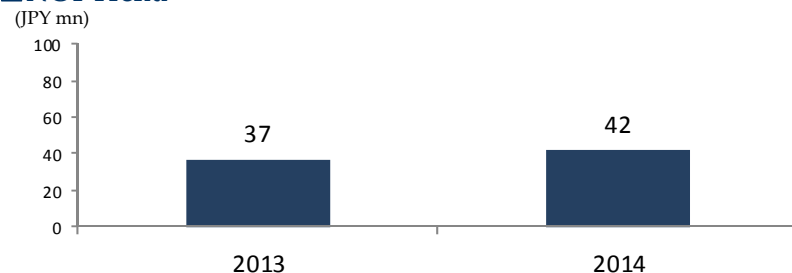


Property Name	Flexstay Inn Kawasaki-Ogawacho
Location	15-9 Ogawa-cho, Kawasaki-Ku, Kawasaki City, Kanagawa Prefecture
Transport Access	About 6 minute's from Kawasaki station on JR Tokaido/Keihin-Tohoku/Nambu Line
Date of Construction	April 1989
Number of guest rooms	62
Total Floor Area	725.60m <sup>2</sup>
Land Area	319.56m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	17.2%/29.7%/53.1%
ADR (2014)	JPY 4,045
Occupancy Rate(2014)	86.0%
RevPAR (2014)	JPY 3,479
Gross Revenue (2014)	JPY 86 mn
GOP / GOP (2014)	JPY 45 mn / 52.2%
NOI (2014)	JPY 42 mn
Overseas Sales Share(2014)	0.8%
Renovation Date	February 2014 - March 2014
Leasing Contract	Fixed rent plus variable rent type

■ ADR/RevPAR/Occupancy Rate Trend



■ NOI Trend



(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# Acquired in Jul. 2015 (12~14/14) - Three Residential Properties

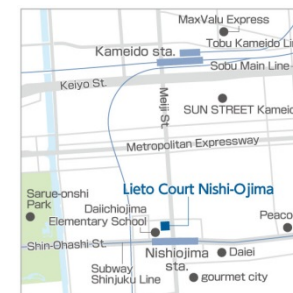
City Court Kitaichijo



Lieto Court Mukojima



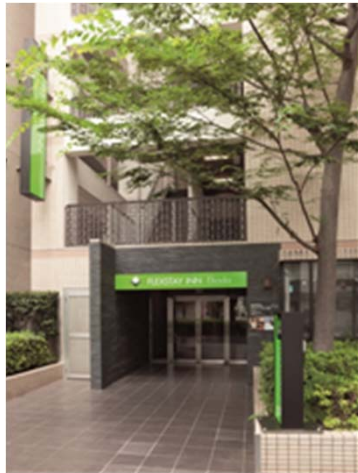
Lieto Court Nishi-Ojima



Location	1-6-3, Kitaichijo Higashi, Chuo-ku, Sapporo City, Hokkaido	5-45-10, Mukojima Sumida-ku, Tokyo	2-41-14, Ojima Koto-ku, Tokyo
Access	5 minutes walk from Bus Center mae Station on Sapporo Metro Line	9 minutes walk from Hikifune Station on Tobu Isesaki Line	1 minute walk from Nishi-Ojima Station on Toei Line
Date of Construction	November 2007	February 2008	February 2008
Structure & Floors	Reinforced concrete, roof deck, 15 stories with basement	Reinforced concrete, roof deck, 8 stories	Steel-reinforced concrete, roof deck, 14 stories
Total Leasable Units	127	82	91
Total Leasable Area	5,230.18 sqm	2,940.20 sqm	2,048.28 sqm
Land Area	920.62 sqm	817.71sqm	440.07 sqm
Occupancy Rate (Apr.30, 2015)	98.1%	94.3%	97.7%
NOI (2014) <sup>1</sup>	JPY93 mn	JPY79 mn	JPY77 mn
JPY per Tsubo (2014) (YoY)	JPY6,304 (+1.20%)	JPY9,693 (+0.54%)	JPY13,041 (+0.03%)
Leasing Contract	Pass through master lease	Pass through master lease	Pass through master lease

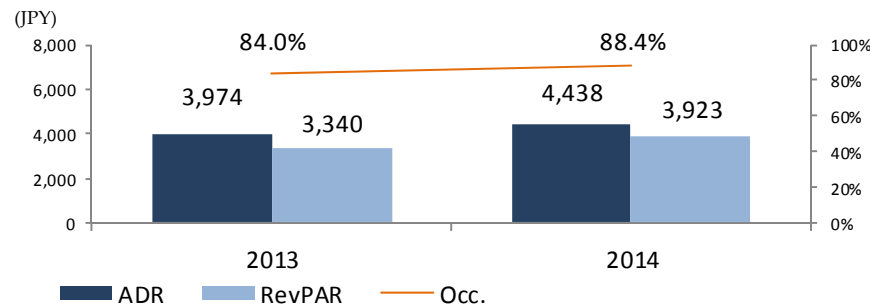
(Note 1) Acquisition NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by Inviolable

# To Be Acquired in Aug.28, 2015 (1/3) - Flexstay Inn Ekoda

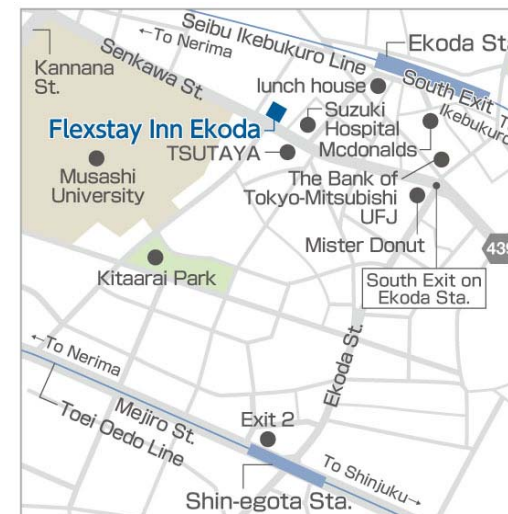
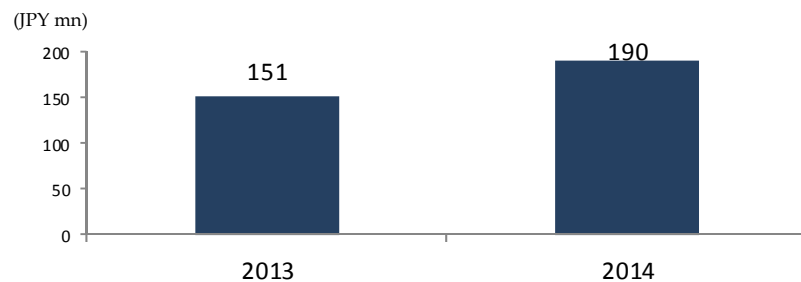


Property Name	Flexstay Inn Ekoda
Location	8-6, Sakaecho, Nerima-ku, Tokyo
Transport Access	About 4 minute's from Seibu-Ikebukuro Line, Ekoda Station
Date of Construction	January 1989
Number of guest rooms	210
Total Floor Area	3,932.93m <sup>2</sup>
Land Area	761.18m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	32.8%/23.3%/43.9%
ADR (2014)	JPY 4,438
Occupancy Rate(2014)	88.4%
RevPAR (2014)	JPY 3,923
Gross Revenue (2014)	JPY 322 mn
GOP / GOP (2014)	JPY 201 mn / 62.3%
NOI (2014)	JPY 190 mn
Overseas Sales Share(2014)	2.0%
Renovation Date	January 2013 - March 2013
Leasing Contract	Fixed rent plus variable rent type

## ADR/RevPAR/Occupancy Rate Trend



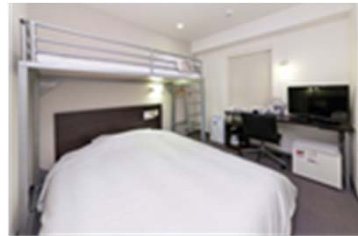
## NOI Trend



(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

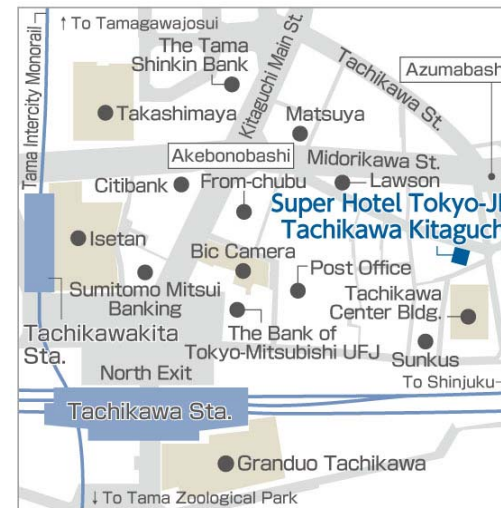
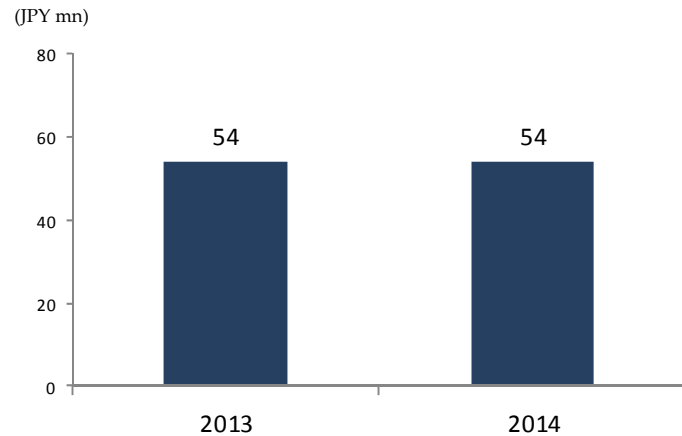
# To Be Acquired in Aug.28, 2015 (2/3)

## - Super Hotel Tokyo-JR Tachikawa Kitaguchi



Property Name	Super Hotel Tokyo-JR Tachikawa Kitaguchi
Location	2-21-9, Akebono, Tachikawa City, Tokyo
Transport Access	About 5 minute's from JR Chuo Line, Tachikawa Station
Date of Construction	January 2007
Number of guest rooms	96
Total Floor Area	1,832.97m <sup>2</sup>
Land Area	379.63m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	-
Occupancy Rate(2014)	-
RevPAR (2014)	-
Gross Revenue (2014)	-
GOP / GOP (2014)	-
NOI (2014)	JPY 54 mn
Overseas Sales Share(2014)	-
Renovation Date	-
Leasing Contract	Fixed rent

### ■ NOI Trend



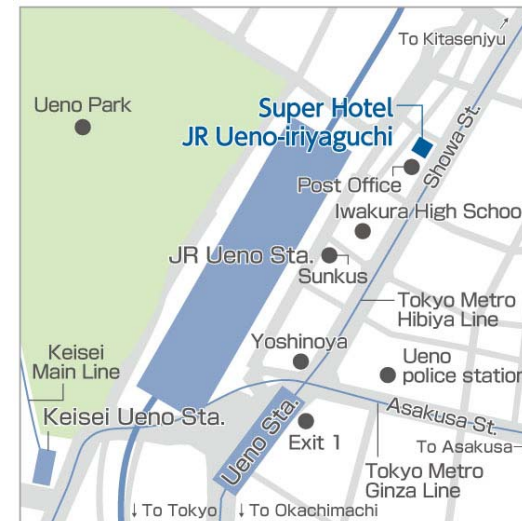
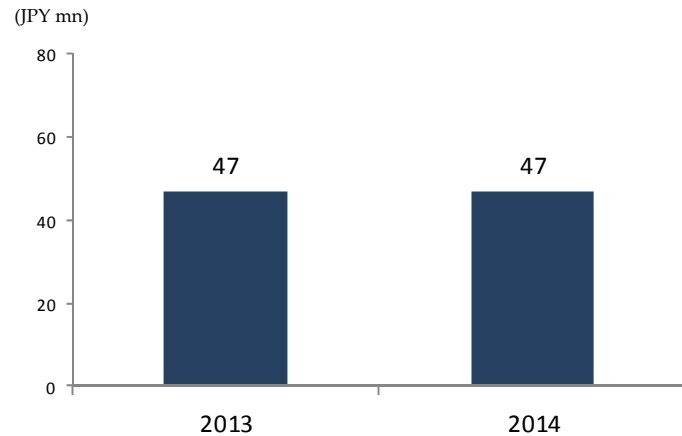
(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

# To Be Acquired in Aug.28, 2015 (3/3) - Super Hotel JR Ueno-iriyaguchi



Property Name	Super Hotel JR Ueno-iriyaguchi
Location	7-9-14, Ueno, Taito-ku, Tokyo
Transport Access	3 minute's from JR Yamanote/Keihin-Tohoku Lines etc, Ueno station
Date of Construction	March 2006
Number of guest rooms	69
Total Floor Area	1,279.16m <sup>2</sup>
Land Area	178.49m <sup>2</sup>
Daily /Weekly / Monthly % (2014)	-
ADR (2014)	-
Occupancy Rate(2014)	-
RevPAR (2014)	-
Gross Revenue (2014)	-
GOP / GOP (2014)	-
NOI (2014)	JPY 47 mn
Overseas Sales Share(2014)	-
Renovation Date	-
Leasing Contract	Fixed Rent

## ■ NOI Trend



(Note) NOI is based on the actual results or forecast provided by seller, and has been adjusted by trust fees and insurance premiums as well as management services fee assuming this property had been held by INV.

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## APPENDIX

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# Income Statement

Items	23rd Fiscal Period 2014/7/1- 2014/12/31-		24th Fiscal Period 2015/1/1- 2015/06/30		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
Operating revenues	4,610,717	100.0	4,974,760	100.0	364,042	7.9
Rental revenues (1)	4,610,717		4,974,760		364,042	
Operating expenses	1,840,796	39.9	2,163,828	43.5	323,031	17.5
Property related expenses (2)	1,586,854		1,834,039		247,185	
Depreciation expenses (3)	837,259		986,765		149,506	
<b>NOI (1)-(2)+(3)</b>	<b>3,861,122</b>		<b>4,127,486</b>		<b>266,363</b>	<b>6.9</b>
Asset management fees	125,000		180,000		55,000	
Directors' compensations	4,800		4,800		-	
Asset custody fees	3,976		6,342		2,366	
Administrative service fees	26,672		22,055		-4,616	
Provision of allowance for doubtful accounts	1,527		467		-1,059	
Other	91,966		116,123		24,157	
Operating income	2,769,920	60.1	2,810,931	56.5	41,010	1.5
Non-operating income	1,021	0.0	4,648	0.1	3,627	355.2
Interest income	537		1,242		704	
Interest on tax refund	-		3,098		3,098	
Other	483		307		-175	
Non-operating expenses	812,334	17.6	519,670	10.4	-292,664	-36.0
Interest expenses	365,480		379,341		13,861	
Loan-related costs	294,738		140,328		-154,410	
Investment unit issuance expenses	152,101		-		-152,101	
Other	14		-		-14	
Ordinary income	1,958,607	42.5	2,295,909	46.2	337,302	17.2
Income before income taxes	1,958,607	42.5	2,295,909	46.2	337,302	17.2
Income taxes	605		605		-	
Net income	1,958,002	42.5	2,295,304	46.1	337,302	17.2
Retained earnings brought forward	73,543		75,399		1,855	
Unappropriated retained earnings / loss at the end of the period	2,031,546		2,370,704		339,157	16.7

# Balance Sheet - Assets

Items	23rd Fiscal Period		24th Fiscal Period		Changes	
	( As of Dec. 31, 2014)		( As of Jun. 30, 2015)			
	Ths JPY	%	Ths JPY	%	Ths JPY	%
<i>Assets</i>						
<b>Current assets</b>						
Cash and bank deposits	9,153,872		2,691,921		-6,461,950	
Cash and bank deposits in trust	4,011,521		4,822,622		811,100	
Accounts receivables	82		190		107	
Rental receivables	644,552		637,813		-6,739	
Prepaid expenses	233,324		260,394		27,069	
Consumption tax receivable	1,319,253		316,413		-1,002,839	
Others	0		0		0	
Allowance for doubtful accounts	-1,968		-2,436		-467	
<b>Total current assets</b>	<b>15,360,637</b>	<b>11.8</b>	<b>8,726,919</b>	<b>6.4</b>	<b>-6,633,718</b>	<b>-43.2</b>
<b>Non-current assets</b>						
<b>Property and equipment</b>						
Buildings	77,589		77,048		-541	
Buildings and accompanying facilities	20,314		19,117		-1,196	
Structures	1,574		1,509		-65	
Land	711,834		711,834		-	
Buildings in trust	42,090,979		45,931,690		3,840,710	
Buildings and accompanying facilities in trust	8,214,804		10,196,539		1,981,734	
Structures in trust	203,054		195,246		-7,807	
Tools, furniture and fixtures in trust	164,502		178,020		13,518	
Land in trust	63,258,940		69,963,823		6,704,883	
<b>Total property and equipment</b>	<b>114,743,593</b>	<b>87.9</b>	<b>127,274,829</b>	<b>93.4</b>	<b>12,531,236</b>	<b>10.9</b>
<b>Intangible assets</b>						
Others	76		45		-30	
<b>Total intangible assets</b>	<b>76</b>	<b>0.0</b>	<b>45</b>	<b>0.0</b>	<b>-30</b>	<b>-39.5</b>
<b>Investment and other assets</b>						
Guarantee deposits	10,000		10,035		35	
Long-term prepaid expenses	328,159		251,697		-76,461	
Others	34,765		36,218		-30	
<b>Total investment and other assets</b>	<b>372,924</b>	<b>0.3</b>	<b>297,951</b>	<b>0.2</b>	<b>-74,973</b>	<b>-20.1</b>
<b>Total non-current assets</b>	<b>115,116,594</b>	<b>88.2</b>	<b>127,572,826</b>	<b>93.6</b>	<b>12,456,232</b>	<b>10.8</b>
<b>Total assets</b>	<b>130,477,232</b>	<b>100.0</b>	<b>136,299,746</b>	<b>100.0</b>	<b>5,822,513</b>	<b>4.5</b>



## Balance Sheet – Liabilities/Net Assets

Items	23rd Fiscal Period		24th Fiscal Period		Changes	
	(As of Dec. 31, 2014)		(As of Jun. 30, 2015)			
	Ths JPY	%	Ths JPY	%	Ths JPY	%
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	141,428		168,742		27,313	
Current portion of long-term loans payable	1,200,000		62,341,000		61,141,000	
Current portion of long-term loans payable in trust	18,167		9,960,000		9,941,832	
Accounts payable-other	22,872		43,752		20,879	
Accrued expenses	127,170		174,711		47,540	
Income taxes payable	578		542		-35	
Advances received	371,084		420,660		49,576	
Deposits received	23,896		10,108		-13,787	
<b>Total current liabilities</b>	<b>1,905,197</b>	<b>1.5</b>	<b>73,119,517</b>	<b>53.6</b>	<b>71,214,320</b>	<b>3,737.9</b>
<b>Non-current liabilities</b>						
Long-term loans payable	56,100,000		-		-56,100,000	
Long-term loans payable in trust	9,941,832		-		-9,941,832	
Tenant leasehold and security deposits in trust	1,109,146		1,420,014		310,868	
Tenant leasehold and security deposits	28,663		28,663		-	
<b>Total non-current liabilities</b>	<b>67,179,642</b>	<b>51.5</b>	<b>1,448,677</b>	<b>1.1</b>	<b>-65,730,964</b>	<b>-97.8</b>
<b>Total liabilities</b>	<b>69,084,839</b>	<b>52.9</b>	<b>74,568,195</b>	<b>54.7</b>	<b>5,483,355</b>	<b>7.9</b>
<b>Net assets</b>						
<b>Unitholders' equity</b>						
Unitholders' capital	53,096,413	40.7	53,096,413	39.0	-	-
Surplus						
Capital surplus	6,264,432		6,264,432		-	
Retained earnings	2,031,546		2,370,704		339,157	
<b>Total surplus</b>	<b>8,295,978</b>	<b>6.4</b>	<b>8,635,136</b>	<b>6.3</b>	<b>339,157</b>	<b>4.1</b>
<b>Total unitholders' equity</b>	<b>61,392,392</b>	<b>47.1</b>	<b>61,731,550</b>	<b>45.3</b>	<b>339,157</b>	<b>0.6</b>
<b>Total net assets</b>	<b>61,392,392</b>	<b>47.1</b>	<b>61,731,550</b>	<b>45.3</b>	<b>339,157</b>	<b>0.6</b>
<b>Total liabilities and net assets</b>	<b>130,477,232</b>	<b>100.0</b>	<b>136,299,746</b>	<b>100.0</b>	<b>5,822,513</b>	<b>4.5</b>

Net assets per unit as of the end of 24th Fiscal Period  
**JPY 23,132** (Issued investment units: 2,668,686 units)

# Cash Flow Statement / Financial Statements pertaining to Distribution of Monies

Items	23rd Fiscal Period	24th Fiscal Period
	2014/7/1- 2014/12/31	2015/1/1- 2015/06/30
	Ths JPY	Ths JPY
<i>Cash flows from operating activities</i>		
Income before income taxes	1,958,607	2,295,909
Depreciation and amortization	837,289	986,795
Investment unit issuance costs	152,101	-
Loan-related costs	294,738	140,328
Amortization of tenant leasehold and security deposits in trust	(378)	-
Interest income	(537)	(1,242)
Interest expenses	365,480	379,341
Increase (decrease) in allowance for doubtful accounts	577	467
Decrease (increase) in rental receivables	(573,359)	6,739
Decrease (increase) in consumption taxes receivable	(1,319,253)	1,002,839
Increase (decrease) in accrued consumption taxes	(143,637)	-
Increase (decrease) in accounts payable	(673)	21,539
Increase (decrease) in accounts payable-other	(10,409)	17,865
Increase (decrease) in accrued expenses	2,933	49,396
Increase (decrease) in advances received	13,561	49,576
Increase (decrease) in deposits received	(9,776)	(13,787)
Others	5,533	(9,953)
<b>Subtotal</b>	<b>1,572,798</b>	<b>4,925,816</b>
Interest income received	537	1,242
Interest expenses paid	(363,177)	(381,197)
Income taxes paid	(547)	(640)
<i>Cash flows from operating activities</i>	<b>1,209,610</b>	<b>4,545,220</b>
<i>Cash flows from investment activities</i>		
Purchases of property and equipment in trust	(40,203,087)	(13,512,228)
Repayments of tenant leasehold and security deposits in trust	(47,787)	(95,186)
Proceeds from tenant leasehold and security deposits in trust	131,585	406,054
Others	(694)	(1,487)
<i>Cash flows from investment activities</i>	<b>(40,119,985)</b>	<b>(13,202,847)</b>
<i>Cash flows from financing activities</i>		
Repayments of short-term loans payable	(13,488,750)	-
Proceeds from long-term loans payable	57,300,000	6,241,000
Repayments of long-term loans payable	(17,552,100)	(1,200,000)
Payments for loan-related costs	(618,099)	(81,398)
Distribution payments	(900,512)	(1,952,824)
Proceeds from issuance of investment units	23,962,024	-
Investment unit issuance expenses	(151,356)	-
<i>Cash flows from financing activities</i>	<b>48,551,206</b>	<b>3,006,776</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<b>9,640,831</b>	<b>(5,650,850)</b>
<i>Cash and cash equivalents at beginning of period</i>	<b>3,524,562</b>	<b>13,165,393</b>
<i>Cash and cash equivalents at end of period</i>	<b>13,165,393</b>	<b>7,514,543</b>

Items		23rd Fiscal Period	24th Fiscal Period
		2014/7/1- 2014/12/31	2015/1/1- 2015/06/30
Unappropriated retained earnings	(Ths JPY)	2,031,546	2,370,704
Distributions	(Ths JPY)	1,956,146	2,295,069
Distribution per Unit	(JPY)	733	860
Retained earnings carried forward	(Ths JPY)	75,399	75,634

## Forecast for 2015 and 2016 (as of Aug. 26, 2015)

Item	Annual (2015)		Annual (2016)		Changes	
	mn JPY	%	mn JPY	%	mn JPY	%
Operating revenues	11,576	100.0	13,508	100.0	1,932	16.7
Rental revenues (1)	11,576	100.0	13,508	100.0	1,932	16.7
Operating expenses	4,778	41.3	5,759	44.1	981	20.5
Property related expenses (2)	4,083	35.3	4,561	35.2	478	11.7
Facilities management fees	972	8.4	988	7.4	16	1.7
of which, repair costs	66	0.6	76	0.5	9	14.5
Taxes and other public charges	458	4.0	642	4.6	184	40.2
Insurance expenses	15	0.1	17	0.1	2	14.0
Depreciation expenses (3)	2,316	20.0	2,722	21.0	406	17.5
Other expenses	320	2.8	342	2.9	22	6.9
<b>NOI(1)-(2)+(3)</b>	<b>9,809</b>	<b>84.7</b>	<b>11,669</b>	<b>85.9</b>	<b>1,859</b>	<b>19.0</b>
Rental income (1)-(2)	7,493	64.7	8,946	64.8	1,453	19.4
Asset management fees	360	3.1	717	5.5	357	99.4
Other operating expenses	335	2.9	327	2.6	-7	-2.3
Operating income	6,797	58.7	7,748	55.9	951	14.0
Non-operating revenues	4	0.0	-	0.0	-4	-100.0
Non-operating expenses	1,977	17.1	806	6.2	-1,171	-59.2
Ordinary income	4,824	41.7	6,942	49.6	2,118	43.9
<b>Net income</b>	<b>4,823</b>	<b>41.7</b>	<b>6,941</b>	<b>49.6</b>	<b>2,118</b>	<b>43.9</b>
Distribution per unit (JPY)	1,924	-	2,172	-	248	12.9

(Note1) If Invincible decides to acquire or dispose a property, Invincible will review and revise the forecast and will disclose the revised forecast in compliance with the rules of Tokyo Stock Exchange.

## 24th Fiscal Period Results - comparison with 23rd Fiscal Period

(unit: mn JPY) (1)	23rd Fiscal Period Results	24th Fiscal Period Results	Change		Reasons for changes
Operating revenues	4,610	4,974	364	+7.9%	<ul style="list-style-type: none"> <li>• Rent, common area fees, etc. +329 (Residence +16, Hotel +313)</li> <li>• Key money income +16</li> <li>• Renewal fee revenue +13</li> <li>• Restoration fee revenue +3</li> </ul>
Rental revenues	4,610	4,974	364	+7.9%	
Operating expenses	1,840	2,163	323	+17.5%	<ul style="list-style-type: none"> <li>• Depreciation +149</li> <li>• Asset management fees +55</li> <li>• Advertising expenses and other fees for new contracts +47</li> <li>• Property tax, etc +38</li> <li>• Administrative service fees +13</li> <li>• Maintenance costs +8 (Restoration costs +15, Utility expenses ▲3, Repair costs ▲5, miscellaneous expenses ▲1)</li> <li>• Other taxes and dues +4</li> <li>• Professional fees +4</li> <li>• Others +5</li> </ul>
Repair costs	29	24	▲5	▲17.8%	
Operating Income	2,769	2,810	41	+1.5%	
Non-operating revenues	1	4	3	+355.2%	
Non-operating expenses	812	519	▲292	▲36.0%	
Interest Expenses	365	379	13	+3.8%	• Increase of additional loan related to acquired three properties as of Feb 6, 2015
Finance-related costs	294	140	▲154	▲52.4%	• Arrangement fees related to loan refinance
Other non-operating expenses	152	0	▲152	▲100.0%	• One time costs related to Global equity offering
Net Income	1,958	2,295	337	+17.2%	
Net Income per Unit	0	0	0	+17.3%	
Reversal of Surplus per Unit	—	—	—	—	
<b>Distribution per Unit</b>	0	0	0	+17.3%	
NOI	3,861	4,127	266	+6.9%	
NOI yield	6.79%	6.47%	▲0.32%	—	

(Note1) Amounts listed are rounded down to the million JPY, however, the figures for “Net Income per Unit”, “Reversal of Surplus per Unit” and “Distribution per Unit” are in a unit of one yen. Furthermore, percentages are rounded to one decimal place.  
 (Note 2) “Net Income per Unit” figures calculated using the number of units outstanding at the end of each period.

# Financial Metrics

Items	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period
	2013/1/1- 2013/6/30	2013/7/1- 2013/12/31	2014/1/1- 2014/6/30	2014/7/1- 2014/12/31	2015/1/1- 2015/6/30
Amount of Total Assets (mn JPY)	80,249	79,176	79,261	130,477	136,299
Amount of Net Assets (mn JPY)	32,848	35,844	36,373	61,392	61,731
Capital-to-Asset Ratio	40.9%	45.3%	45.9%	47.1%	45.3%
Total Amount of Investment (mn JPY)	26,134	29,134	29,134	53,096	53,096
End-of-period total number of units issued	1,348,292	1,573,179	1,573,179	2,668,686	2,668,686
Amount of Net Assets per Unit (JPY)	24,363	22,785	23,121	23,005	23,132
Return on Asset (ROA) (annualized)	0.8%	0.9%	2.3%	3.0%	3.4%
Return on Equity (ROE) (annualized)	2.1%	2.1%	5.0%	6.4%	7.5%
Amount of interest-bearing debts (mn JPY)	43,851	41,310	41,000	67,260	72,301
Weighted average interest rate	3.7%	3.2%	1.8%	1.1%	1.0%
Loan to Value (LTV 1)	57.5%	53.9%	53.7%	53.1%	54.9%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	54.6%	52.2%	51.7%	51.5%	53.0%
Net Operating Income (NOI) (mn JPY)	2,008	2,006	2,018	3,861	4,127
NOI yield (annualized)	5.2%	5.2%	5.3%	6.8%	6.5%
Depreciation Expense (mn JPY)	543	527	527	837	986
Funds From Operations (FFO) (mn JPY)	878	880	426	2,795	3,282
NAV(mn JPY)	31,791	36,245	37,286	71,175	78,960
NAV per Unit (JPY)	23,579	23,039	23,701	26,671	29,588
NAV ratio	0.6	0.6	1.0	1.9	2.2

(Note 1) Financial indicators calculation method in the above table are as follows.

- ROA(annualized)= Ordinary Income / Weighted Average Total Assets during the period x 100/days during the period x 365
- ROE(annualized)= Net Income / Weighted Average Net Assets during the period x 100/days during the period x 365
- LTV(1)= End-of-period Interest-Bearing Debt / (End-of-period Interest-Bearing Debt + Unitholders' Capital + Unitholders' Capital Surplus)x100
- LTV(2)= End-of-period Interest-Bearing Debt / End-of-period Total Assets x 100
- NOI= Rental Revenues - Property-Related Expenses + Depreciation Expenses
- NOI yield (annualized)=((Rental Revenues - Property-Related Expenses + Depreciation Expenses)/ days during the period x 365)/ Acquisition Price
- FFO= Net Income + Depreciation Expenses + Other Amortization - Gain on Sales of Properties + Loss from Sales of Properties
- NAV= End-of-period Amount of Net Assets - Undistributed Profit + End-of-period Appraisal Value - Tangible property
- NAV ratio = period-end unit price/ Amount of Net Assets per Unit

(Note 2) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

In addition "Amount of Net Assets per Unit (JPY)" and "NAV per Unit (JPY)" are rounded to nearest yen.

## Overview of Borrowings (as of the end of Jun. 2015 / Aug. 28, 2015)

Loan	Debtor Bank	Borrowing date	Borrowing amount		Interest rate (annual rate) etc.		Maturity date
			As of the end of Jun. 2015	As of Aug. 28, 2015	As of the end of Jun. 2015	As of Aug. 28, 2015	
New Syndicate Loan(C)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ Mizuho Bank, Citibank Japan Shinsei Bank, Sumitomo Mitsui Trust Bank, Resona Bank	Jul. 17, 2014	JPY 56,100 mn	—	0.93000% <sup>(1)</sup> Variable interest rate 1month JPY TIBOR +0.8%	—	Jul. 14, 2017
New Syndicate Loan(D)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ Mizuho Bank, Citibank Japan Shinsei Bank, Sumitomo Mitsui Trust Bank, Resona Bank	Feb. 6, 2015	JPY 6,241 mn	—	0.93000% <sup>(1)</sup> Variable interest rate 1month JPY TIBOR +0.8%	—	Feb. 6, 2018
New Syndicate Loan(E)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ Mizuho Bank, Shinsei Bank Citibank Japan, Sumitomo Mitsui Trust Bank, Resona Bank	Jul. 16, 2015	—	JPY28,979mn	—	0.53000% <sup>(2)</sup> 1month JPY TIBOR +0.40%	Jul. 16, 2018
		Jul. 16, 2015	—	JPY28,979mn	—	0.63000% <sup>(2)</sup> 1month JPY TIBOR +0.50%	Jul. 16, 2019
		Jul. 16, 2015	—	JPY28,979mn	—	0.73000% <sup>(2)</sup> 1month JPY TIBOR +0.60%	Jul. 16, 2020
		Jul. 16, 2015	—	JPY1,401mn	—	0.33000% <sup>(2)</sup> 1month JPY TIBOR +0.20%	May. 16, 2016
Term Loan(A)	Mizuho Bank	Aug. 28, 2015	—	JPY3,682mn	—	0.63000% <sup>(3)</sup> 1month JPY TIBOR +0.50%	Aug. 28, 2019
Prudential LPS Loan B	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	Sep. 28, 2012	JPY 2,700 mn JPY 2,860 mn JPY 1,830 mn JPY 2,570 mn	—	1.90000% Fixed interest rate	—	Mar. 31, 2018 Mar. 31, 2019 Mar. 31, 2020 Mar. 31, 2019
<b>Total</b>			<b>JPY 72,301 mn</b>	<b>JPY 92,020mn</b>			

(Note 1) The interest rate is applicable for the period from Jun. 30, 2015 through Jul. 30, 2015.

(Note 2) Variable interest rate. The interest rate is applicable for the period from Jul. 31, 2015 through Aug 30, 2015.

(Note 3) Variable interest rate. The interest rate is applicable for the period from Aug. 28, 2015 through Sep. 29, 2015. Furthermore, the interest rate applicable for the first interest calculation period only will be two-month JPY TIBOR (Base Rate) + spread (0.5%).

(Note 4) The outstanding of borrowing is rounded down to the indicated unit.

## LTV based on Appraisal Value by Loans

Loan		Borrowing Amount as of the end of Jun. 2015 (mn JPY)	Appraisal Value as of Jun. 2015 (mn JPY)	LTV based on Appraisal Value	No. of Properties
New Syndicate Loan (C)		56,100	117,458	47.8%	67
<b>Subtotal</b>		<b>56,100</b>	<b>117,458</b>	<b>47.8%</b>	<b>67</b>
New Syndicate Loan (D)		6,241	13,610	45.9%	3
<b>Subtotal</b>		<b>6,241</b>	<b>13,610</b>	<b>45.9%</b>	<b>3</b>
Prudential LPS Loan B	First lending	2,700	4,286	63.0%	5
	Second lending	2,860	4,536	63.1%	6
	Third lending	1,830	2,982	61.4%	5
	Fourth lending	2,570	4,002	64.2%	8
<b>Subtotal</b>		<b>9,960</b>	<b>15,806</b>	<b>63.0%</b>	<b>24</b>
<b>Total</b>		<b>72,301</b>	<b>146,874</b>	<b>49.2%</b>	<b>94</b>

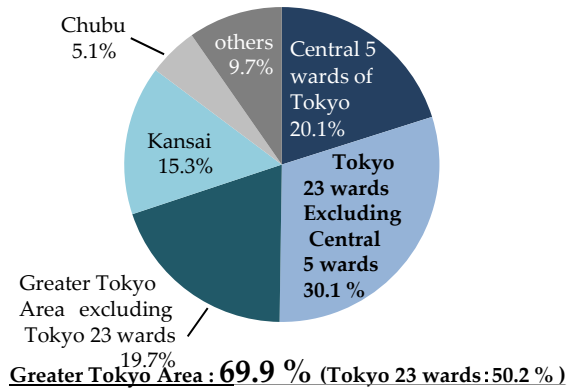
(Note) Borrowing amounts are rounded down to the indicated unit.

# Portfolio Characteristics

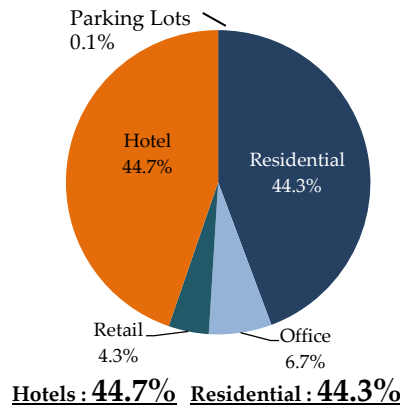
(as of the end of Jun. 2015)

✓ No. of Properties : <b>94</b> (Residential : 63 , Hotels : 23)	(Based on Acquisition Price) ✓ Asset Size : JPY 131.1 billion (Residential : JPY 58.0 billion , Hotels : JPY 58.6 billion)	✓ Total Rentable Units : <b>6,734</b> unit (Residential : 3,413 units , Hotels : 3,218 units)	✓ Total Leasable Area : <b>233,286.54</b> m <sup>2</sup> (Residential : 109,584.45 m <sup>2</sup> Hotels : 91,998.01 m <sup>2</sup> )
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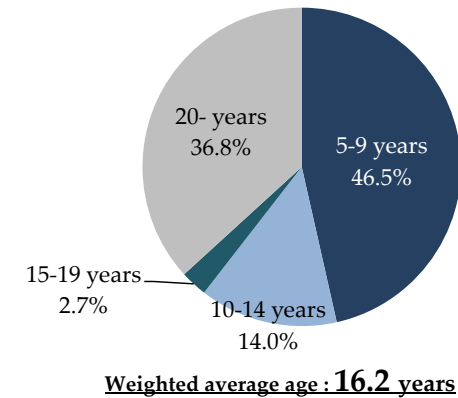
<By Geography>



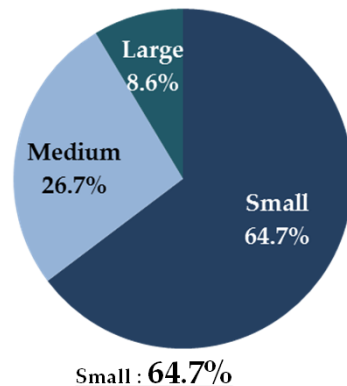
<By Property Type>



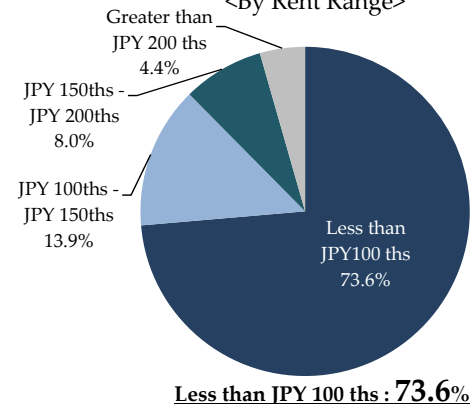
<By Property Age>



<By Room Type>



<By Rent Range>



(Note 1) Central 5 wards, Greater Tokyo Area excluding Tokyo 23 wards, Kansai Area, Chubu Area and other are defined as follows:  
 Central 5 wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku and Shinjuku-ku  
 Greater Tokyo Area excluding Tokyo 23 wards: Tokyo excluding Tokyo 23 wards, Kanagawa, Chiba and Saitama  
 Kansai Area: Osaka, Hyogo, Kyoto, Nara, Shiga and Wakayama  
 Chubu Area: Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui  
 Others: Miyagi, Fukushima and Hokkaido

(Note 2) Invincible defines as "Small" a rentable unit with an area of less than 30m<sup>2</sup>, "Medium" as a rentable unit with an area of 30m<sup>2</sup> to 60m<sup>2</sup> and "Large" as a rentable unit with an area of 60m<sup>2</sup> or more.

(Note 3) <By Age >, <By Geography>, <By property Type> are calculated based on the acquisition price.

(Note 4) Percentages are rounded to one decimal place.



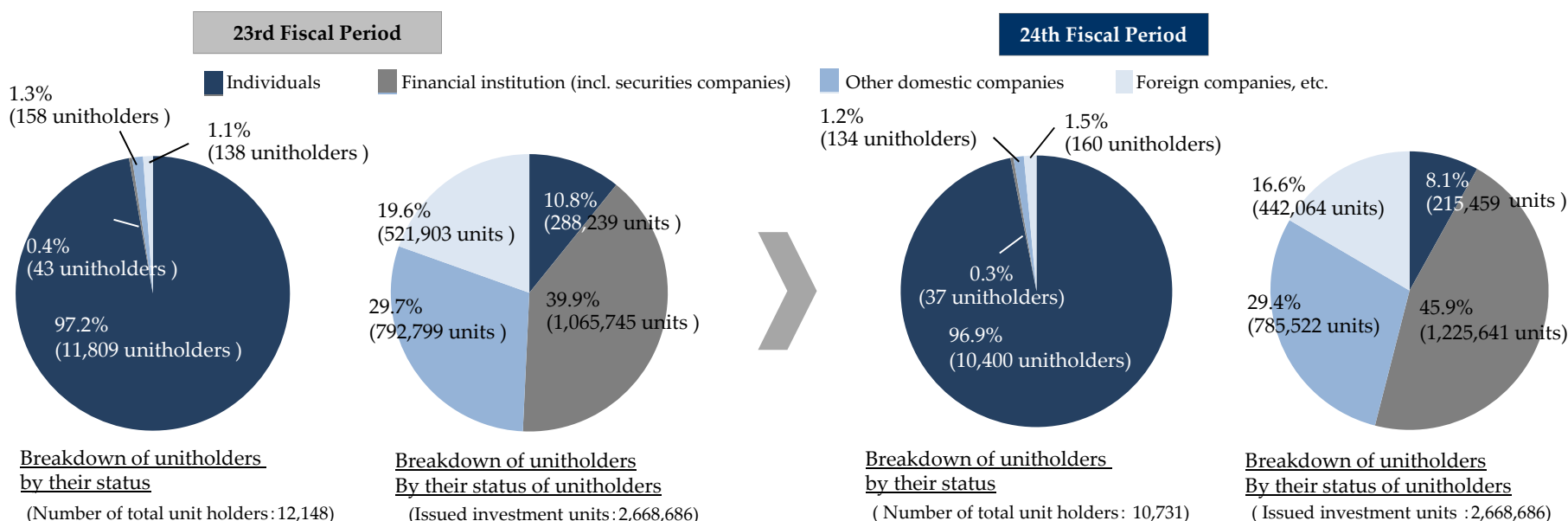
# Overview of Unitholders

## Major Unitholders (TOP10)

23rd Fiscal Period (As of Dec. 31, 2014)			
Name	Number of units held	(%)	
1 Calliope Godo Kaisha	609,942	22.85	
2 The Master Trust Bank of Japan ,Ltd. (trust account)	371,058	13.90	
3 Japan Trustee Services Bank, Ltd. (trust account)	363,836	13.63	
4 Trust & Custody Services Bank, Ltd. (securities investment trust account)	199,554	7.47	
5 Rayo Godo Kaisha	149,925	5.61	
6 The Nomura Trust and Banking Co., Ltd. (investment trust account)	74,985	2.80	
7 MSIP CLIENT SECURITIES	65,337	2.44	
8 INFINITE VALUE INVESTMENT LTD	61,402	2.30	
9 The Nomura Trust and Banking Co., Ltd. (investment trust account)	57,293	2.14	
10 CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	27,034	1.01	
Total	1,980,366	74.20	
	Issued investment units	2,668,686	

24rd Fiscal Period (As of Jun.30, 2015)			
Name	Number of units held	(%)	
1 Calliope Godo Kaisha	609,942	22.85	
2 The Master Trust Bank of Japan ,Ltd. (trust account)	417,709	15.65	
3 Japan Trustee Services Bank, Ltd. (trust account)	393,997	14.76	
4 Trust & Custody Services Bank, Ltd. (securities investment trust account)	261,662	9.80	
5 Rayo Godo Kaisha	149,925	5.61	
6 The Nomura Trust and Banking Co., Ltd. (investment trust account)	85,410	3.20	
7 NORTHEN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	57,474	2.15	
8 STATE STREET BANK AND TRUST COMPANY 505225	42,993	1.61	
9 BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/HENDE	31,048	1.16	
10 STATE STREET BANK AND TRUST COMPANY	26,954	1.01	
Total	2,077,114	77.83	
	Issued investment units	2,668,686	

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



(Note 2) Percentages are rounded down to one decimal place.

Property Number		A26	A27	A28	A29	A30	A31	A32	A33
Property Name		Nisshin Palacestage Daitabashi	Nisshin Palacestage Higashi-Nagasaki	Growth Maison Gotanda	Growth Maison Kameido	Emerald House	Harmonie Ochanomizu	Suncrest Shakuji Koen	Growth Maison Shin-Yokohama
Acquisition Date		July 28, 2005	July 28, 2005	January 30, 2006	March 30, 2006	August 1, 2006	August 3, 2006	August 3, 2006	August 3, 2006
Completion Date		December, 1992	March, 1989	July, 2005	October, 2005	February, 1995	March, 1997	March, 1990	March, 2006
Address		1-31-2 Izumi, Suginami Ward, Tokyo	5-4-1 Nagasaki, Toshima Ward, Tokyo	2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo	6-58-16 Kameido, Koto Ward, Tokyo	3-27-18 Itabashi, Itabashi Ward, Tokyo	2-5-5 Yushima, Bunkyo Ward, Tokyo	3-15-35 Takanodai, Nerima Ward, Tokyo	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture
Transport Access		About 10 minutes walk from Daitabashi Station on Keio Line	About 6 minutes walk from Higashi-Nagasaki Station on Seibu Line	About 5 minutes walk from Gotanda Station on JR Line	About 2 minutes walk from Kameido Station on JR Line	About 8 minutes walk from Shin-Itabashi Station on Toei Line	About 8 minutes walk from Ochanomizu Station on JR Line	About 7 minutes walk from Nerima-Takanodai Station on Seibu Line	About 7 minutes walk from Shin-Yokohama Station on JR Line
Price information	Acquisition Price (JPY mn)	1,251	1,229	888	1,070	1,505	1,428	1,088	1,059
	Investment ratio	1.0%	0.9%	0.7%	0.8%	1.1%	1.1%	0.8%	0.8%
	Book Value (mn JPY)	1,135	1,112	837	1,001	1,401	1,368	1,058	983
	Appraisal Value as of Jun. 2015 (mn JPY)	1,160	1,260	968	1,100	1,280	1,320	1,050	1,160
Leasing information	Total Rentable Units	98	60	48	66	96	65	29	68
	Total Leasable Area (㎡)	1,771.13	2,681.94	1,051.50	1,367.96	2,152.31	1,748.24	3,029.16	1,858.44
	Leased area (㎡)	1,715.56	2,546.14	1,051.50	1,304.98	2,152.31	1,543.60	2,951.61	1,802.86
	Occupancy Rate								
	Jun 30, 2015	96.9%	94.9%	100.0%	95.4%	100.0%	88.3%	97.4%	97.0%
	Dec 31, 2014	90.0%	96.3%	100.0%	86.2%	98.0%	93.5%	97.0%	95.6%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	36,844	44,729	27,343	32,304	49,104	39,126	37,730	35,451
	Rent, common area fees (ths JPY)	33,722	38,579	26,772	30,551	38,933	35,432	33,733	32,707
	Other income (ths JPY)	3,122	6,149	571	1,752	10,171	3,693	3,996	2,744
	(2) Property related expenses (ths JPY)	20,836	27,999	8,388	16,861	24,398	18,500	17,042	14,559
	Facility management fees (ths JPY)	7,496	9,557	2,164	5,212	7,502	6,006	4,651	3,723
	(Repair costs (ths JPY))	269	1,321	171	370	306	806	388	352
	(Utility expenses (ths JPY))	2,005	2,664	281	584	1,072	739	1,188	634
	Tax and other public charges (ths JPY)	1,608	2,696	1,327	1,687	2,566	1,863	3,137	2,406
	Insurance expenses (ths JPY)	66	93	33	46	97	64	95	68
	(3) Depreciation expenses (ths JPY)	8,181	12,529	4,350	5,925	9,724	7,100	7,364	6,107
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	3,482	3,121	512	3,990	4,507	3,465	1,792	2,254
	(4) NOI = (1) - (2) + (3)	24,189	29,259	23,305	21,368	34,430	27,725	28,052	26,999
	NOI yield based on Acquisition price	3.9%	4.8%	5.3%	4.0%	4.6%	3.9%	5.2%	5.1%
NOI yield based on Appraisal value	4.2%	4.7%	4.9%	3.9%	5.4%	4.2%	5.4%	4.7%	
(5) Rental income = (1)-(2) (ths JPY)	16,008	16,729	18,954	15,443	24,706	20,625	20,688	20,892	
(6) Capital expenditure (ths JPY)	4,234	12,484	-	-	1,257	2,182	1,348	230	
(7) NCF = (4) - (6) (ths JPY)	19,955	16,774	23,305	21,368	33,172	25,542	26,704	26,769	
Reference Information	Expense ratio = ((2) - (3)) / (1)	34.3%	34.6%	14.8%	33.9%	29.9%	29.1%	25.6%	23.8%
	Property Tax 2015 (ths JPY)	3,235	5,428	2,660	3,374	5,133	3,749	6,272	4,817
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C

Property Number		A34	A35	A36	A37	A38	A39	A40	A41
Property Name		Belle Face Ueno Okachimachi	Grand Rire Kameido	Growth Maison Ikebukuro	Growth Maison Yoga	Route Tachikawa	Shibuya Honmachi Mansion	City Heights Kinuta	Acseeds Tower Kawaguchi Namiki
Acquisition Date		August 1, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006
Completion Date		February, 2006	March, 2006	January, 2006	March, 2006	March, 1997	December, 1986	March, 1983	February, 2006
Address		1-27-5 Higashi-Ueno, Taito Ward, Tokyo	3-39-12 Kameido, Koto Ward, Tokyo	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	1-15-15 Okamoto, Setagaya Ward, Tokyo	3-7-6 Nishikicho, Tachikawa City, Tokyo	2-35-2 Honmachi, Shibuya Ward, Tokyo	4-13-15 Kinuta, Setagaya Ward, Tokyo	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture
Transport Access		About 3 minutes walk from Shin-Okachimachi Station on Toei Line	About 14 minutes walk from Kameido Station on JR Line	About 5 minutes walk from Ikebukuro Station on JR Line	About 14 minutes walk from Yoga Station on Tokyu Line	About 11 minutes walk from Tachikawa Station on JR Line	About 8 minutes walk from Hatsudai Station on Keio Line	About 9 minutes walk from Soshigayaokura Station on Odakyu Line	About 7 minutes walk from Nishi-Kawaguchi Station on JR Line
Price information	Acquisition Price (JPY mn)	1,023	906	825	795	676	651	646	620
	Investment ratio	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%
	Book Value (mn JPY)	972	844	767	758	646	656	647	561
	Appraisal Value as of Jun. 2015 (mn JPY)	999	949	868	697	616	609	479	707
Leasing information	<b>Total Rentable Units</b>	64	72	42	39	24	25	19	57
	Total Leasable Area (㎡)	1,351.11	1,562.26	952.89	1,015.34	1,368.57	1,167.50	1,235.93	1,210.74
	Leased area (㎡)	1,351.11	1,562.26	839.77	963.33	1,322.13	1,049.14	1,169.33	1,210.74
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	100.0% 98.3%	100.0% 100.0%	88.1% 90.5%	94.9% 94.9%	96.6% 96.6%	89.9% 91.3%	94.6% 100.0%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	32,607	26,619	22,670	21,633	21,399	19,356	17,773	25,008
	Rent, common area fees (ths JPY)	29,856	26,619	21,037	20,451	19,407	18,608	16,740	22,763
	Other income (ths JPY)	2,751	-	1,633	1,182	1,992	747	1,032	2,245
	(2) Property related expenses (ths JPY)	13,868	8,197	13,419	10,417	8,707	6,824	5,328	12,026
	Facility management fees (ths JPY)	4,898	448	4,864	3,187	2,437	2,228	1,893	2,660
	(Repair costs (ths JPY))	69	215	314	37	74	167	33	150
	(Utility expenses (ths JPY))	512	-	622	406	426	243	81	448
	Tax and other public charges (ths JPY)	1,666	1,714	1,055	1,366	1,069	923	980	1,127
	Insurance expenses (ths JPY)	44	47	39	39	40	34	33	38
	(3) Depreciation expenses (ths JPY)	5,355	5,487	5,262	3,978	4,089	2,168	1,610	5,038
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,903	500	2,197	1,845	1,071	1,470	810	3,162
	(4) NOI = (1) - (2) + (3)	24,094	23,909	14,513	15,194	16,781	14,700	14,055	18,020
NOI yield based on Acquisition price	4.7%	5.3%	3.5%	3.8%	5.0%	4.6%	4.4%	5.9%	
NOI yield based on Appraisal value	4.9%	5.1%	3.4%	4.4%	5.5%	4.9%	5.9%	5.1%	
(5) Rental income = (1)-(2) (ths JPY)	18,738	18,422	9,251	11,215	12,691	12,532	12,445	12,982	
(6) Capital expenditure (ths JPY)	-	145	162	1,564	512	3,132	2,920	-	
(7) NCF = (4) - (6) (ths JPY)	24,094	23,764	14,351	13,629	16,268	11,567	11,135	18,020	
Reference Information	Expense ratio = ((2) - (3)) / (1)	26.1%	10.2%	36.0%	29.8%	21.6%	24.1%	20.9%	27.9%
	Property Tax 2015 (ths JPY)	3,331	3,440	2,109	2,740	2,141	1,855	1,967	2,253
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C

Property Number		A42	A43	A44	A45	A46	A47	A48	A51
Property Name		Capital Heights Kagurazaka	College Square Machida	Belair Meguro	Wacore Tsunashima I	Foros Nakamurabashi	Growth Maison Kaijin	College Square Machiya	City House Tokyo Shinbashi
Acquisition Date		August 3, 2006	August 1, 2006	August 1, 2006	August 3, 2006	August 3, 2006	August 1, 2006	August 3, 2006	February 1, 2010
Completion Date		May, 1987	March, 1984	October, 2005	February, 1991	September, 2001	October, 1993	March, 2006	August, 2004
Address		71-1 Enokicho, Shinjuku Ward, Tokyo	3-4-4 Nakamachi, Machida City, Tokyo	1-2-15 Meguro, Meguro Ward, Tokyo	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa Prefecture	1-6-6 Koyama, Nerima Ward, Tokyo	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	7-3-1 Arakawa, Arakawa Ward, Tokyo	6-19-1 Shinbashi, Minato Ward, Tokyo
Transport Access		About 5 minutes walk from Kagurazaka Station on Tokyo Metro Line	About 10 minutes walk from Machida Station on Odakyu Line	About 7 minutes walk from Meguro Station on JR Line	About 9 minutes walk from Tsunashima Station on Tokyu Line	About 7 minutes walk from Nakamurabashi Station on Seibu Line	About 10 minutes walk from Kaijin Station on Keisei Line	About 4 minutes walk from Machiya Station on Keisei Line	About 3 minute walk from Onarimon Station on Toei Line
Price information	Acquisition Price (JPY mn)	604	589	589	572	566	557	510	2,520
	Investment ratio	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	1.9%
	Book Value (mn JPY)	616	567	568	541	529	528	470	2,380
	Appraisal Value as of Jun. 2015 (mn JPY)	556	520	592	511	572	458	519	2,950
Leasing information	Total Rentable Units	26	62	25	50	37	34	43	86
	Total Leasable Area (㎡)	1,126.65	1,047.75	557.05	907.46	815.77	2,040.27	871.35	3,364.00
	Leased area (㎡)	1,063.65	1,047.75	557.05	889.51	738.53	1,781.85	871.35	3,265.43
	Occupancy Rate								
	Jun 30, 2015	94.4%	100.0%	100.0%	98.0%	90.5%	87.3%	100.0%	97.1%
	Dec 31, 2014	91.6%	100.0%	88.1%	89.9%	88.8%	89.0%	100.0%	95.6%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	18,625	17,876	15,914	18,004	17,217	21,007	14,706	90,344
	Rent, common area fees (ths JPY)	17,468	17,876	15,115	17,199	15,054	18,557	14,706	84,410
	Other income (ths JPY)	1,157	-	799	805	2,163	2,450	-	5,934
	(2) Property related expenses (ths JPY)	7,364	3,056	6,526	9,751	11,405	15,241	5,016	40,443
	Facility management fees (ths JPY)	2,678	128	1,893	3,084	3,691	5,319	-	15,271
	(Repair costs (ths JPY))	225	128	277	149	161	387	-	386
	(Utility expenses (ths JPY))	396	-	202	685	352	1,149	-	12
	Tax and other public charges (ths JPY)	1,085	505	866	893	988	2,106	939	4,926
	Insurance expenses (ths JPY)	37	30	22	31	34	81	27	110
	(3) Depreciation expenses (ths JPY)	2,277	1,892	2,320	3,895	4,503	6,425	3,549	13,125
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,285	500	1,423	1,847	2,188	1,308	500	7,009
	(4) NOI = (1) - (2) + (3)	13,538	16,711	11,708	12,148	10,314	12,192	13,238	63,026
	NOI yield based on Acquisition price	4.5%	5.7%	4.0%	4.3%	3.7%	4.4%	5.2%	5.0%
NOI yield based on Appraisal value	4.9%	6.5%	4.0%	4.8%	3.6%	5.4%	5.1%	4.3%	
(5) Rental income = (1)-(2) (ths JPY)	11,260	14,819	9,387	8,253	5,811	5,766	9,689	49,900	
(6) Capital expenditure (ths JPY)	2,115	-	156	1,668	5,393	7,793	-	572	
(7) NCF = (4) - (6) (ths JPY)	11,423	16,711	11,552	10,480	4,920	4,398	13,238	62,453	
Reference Information	Expense ratio = ((2) - (3)) / (1)	27.3%	6.5%	26.4%	32.5%	40.1%	42.0%	10.0%	30.2%
	Property Tax 2015 (ths JPY)	2,183	2,023	1,745	1,784	1,979	4,271	1,876	9,899
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C

Property Number		A52	A53	A54	A56	A59	A61	A62	A63
Property Name		Winbell Kagurazaka	Nishiwaseda Crescent Mansion	Lexington Square Akebonobashi	Casa Eremitaggio	Towa City Coop Shinotsuka II	Bichsel Musashiseki	Lexel Mansion Ueno Matsugaya	Towa City Coop Sengencho
Acquisition Date		February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010
Completion Date		February, 2004	July, 1987	December, 2004	December, 2003	May, 1993	February, 1992	January, 2005	October, 1992
Address		6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	3-18-9 Nishi-Waseda, Shinjuku Ward, Tokyo	3-8 Yochomachi, Shinjuku Ward, Tokyo	1-14-15 Nakane, Meguro Ward, Tokyo	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	1-22-7 Sekimachi-Kita, Nerima Ward, Tokyo	3-10-2 Matsugaya, Taito Ward, Tokyo	4-338-2 Sengencho, Nishi-ku, Yokohama City, Kanagawa Prefecture
Transport Access		About 8 minute walk from Iidabashi Station on JR Line	About 8 minute walk from Takadanobaba Station on Tokyo Metro Line	About 10 minute walk from Akebonobashi Station on Toei Line	About 8 minute walk from Toritsudaigaku Station on Tokyu Line	About 2 minutes walk from Shinotsuka Station on Tokyo Metro Line	About 3 minute walk from Musashi-Seki Station on Seibu Line	About 8 minute walk from Iriya Station on Tokyo Metro Line	About 9 minutes walk from Tennomachi Station on Sotetsu Line
Price information	Acquisition Price (JPY mn)	3,260	1,880	1,450	1,070	866	577	970	1,110
	Investment ratio	2.5%	1.4%	1.1%	0.8%	0.7%	0.4%	0.7%	0.8%
	Book Value (mn JPY)	3,099	1,879	1,360	982	825	557	885	1,033
	Appraisal Value as of Jun. 2015 (mn JPY)	3,730	2,310	1,680	1,040	1,020	681	1,120	1,320
Leasing information	Total Rentable Units	118	69	88	17	58	70	29	154
	Total Leasable Area (㎡)	4,032.70	4,310.77	1,987.88	1,197.19	1,627.13	1,220.24	1,969.45	3,426.36
	Leased area (㎡)	3,846.54	3,970.79	1,858.26	1,007.85	1,567.61	1,202.39	1,969.45	2,843.81
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	95.4% 100.0%	92.1% 90.5%	93.5% 88.8%	84.2% 91.2%	96.3% 91.3%	98.5% 85.8%	100.0% 96.8%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	104,468	70,977	48,581	29,901	34,194	24,505	35,737	52,944
	Rent, common area fees (ths JPY)	95,338	66,251	45,194	27,590	32,748	22,357	31,750	48,004
	Other income (ths JPY)	9,129	4,725	3,387	2,310	1,446	2,147	3,987	4,939
	(2) Property related expenses (ths JPY)	40,179	21,611	21,802	16,025	13,429	10,275	14,134	30,390
	Facility management fees (ths JPY)	11,707	6,906	6,051	3,766	4,699	3,630	2,581	16,151
	(Repair costs (ths JPY))	252	620	449	164	43	513	97	478
	(Utility expenses (ths JPY))	1,948	762	561	1,050	0	604	674	8
	Tax and other public charges (ths JPY)	6,299	3,568	2,194	1,682	1,381	1,173	1,886	3,003
	Insurance expenses (ths JPY)	143	102	57	45	50	46	56	103
	(3) Depreciation expenses (ths JPY)	15,902	7,496	8,634	9,081	4,780	2,638	8,343	7,489
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	6,126	3,537	4,864	1,449	2,517	2,786	1,265	3,642
	(4) NOI = (1) - (2) + (3)	80,191	56,862	35,413	22,957	25,545	16,868	29,947	30,043
	NOI yield based on Acquisition price	5.0%	6.1%	4.9%	4.3%	5.9%	5.9%	6.2%	5.5%
NOI yield based on Appraisal value	4.3%	5.0%	4.3%	4.5%	5.1%	5.0%	5.4%	4.6%	
(5) Rental income = (1)-(2) (ths JPY)	64,288	49,365	26,779	13,875	20,765	14,230	21,603	22,553	
(6) Capital expenditure (ths JPY)	1,993	9,779	464	1,516	2,923	3,700	-	1,651	
(7) NCF = (4) - (6) (ths JPY)	78,198	47,083	34,949	21,440	22,622	13,167	29,947	28,391	
Reference Information	Expense ratio = ((2) - (3)) / (1)	23.2%	19.9%	27.1%	23.2%	25.3%	31.2%	16.2%	43.3%
	Property Tax 2015 (ths JPY)	12,641	7,192	4,409	3,350	2,768	2,348	3,760	6,009
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C

Property Number		A64	A65	A66	A71	A72	A73	A75	A76
Property Name		Royal Park Omachi	Lexington Square Haginomachi	Visconti Kakuozan	Lexington Square Daitabashi	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Spacia Ebisu	Neo Prominence
Acquisition Date		February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	September 28, 2012
Completion Date		February, 1993	August, 2005	September, 2003	November, 2006	October, 2006	February, 2007	February, 2003	April, 1994
Address		2-11-10 Omachi, Aobaku, Sendai City, Miyagi Prefecture	1-15-16 Haginomachi, Miyagino-ku, Sendai City, Miyagi Prefecture	2-44 Otanacho, Chikusa-ku, Nagoya City, Aichi Prefecture	1-33-8 Izumi, Suginami Ward, Tokyo	4-20-6 Higashikomagata, Sumida Ward, Tokyo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City, Hokkaido	3-6-22 Higashi, Shibuya Ward, Tokyo	3-21-5 Shimo, Kita Ward, Tokyo
Transport Access		About 12 minute walk from Hirose-Dori Station on Sendai Subway Nanboku Line	About 9 minute walk from Miyaginohara Station on JR Sengoku Line	About 7 minute walk from Kakuozan Station on Nagoya Subway Higashiyama Line	About 10 minute walk from Daitabashi Station on Keio Line	About 2 minute walk from Honjo-azumabashi Station on Toei Line	Hosui Susukino Station on Sapporo Subway Toho Line	About 8 minute walk from Ebisu Station on JR Line	About 1 minute walk from Shimo Station on Tokyo Metro Line
Price information	Acquisition Price (JPY mn)	415	330	255	977	511	1,180	7,010	1,660
	Investment ratio	0.3%	0.3%	0.2%	0.7%	0.4%	0.9%	5.3%	1.3%
	Book Value (mn JPY)	394	299	237	890	459	1,029	6,631	1,642
	Appraisal Value as of Jun. 2015 (mn JPY)	520	448	258	1,090	576	1,150	7,560	1,820
Leasing information	Total Rentable Units	51	39	8	43	33	120	109	52
	Total Leasable Area (㎡)	1,929.59	1,528.58	705.75	1,430.64	784.74	4,460.56	7,794.91	3,574.70
	Leased area (㎡)	1,897.47	1,412.44	552.79	1,330.08	714.86	3,714.50	7,296.96	3,393.58
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	98.3% 88.1%	92.4% 100.0%	78.3% 89.7%	93.0% 85.1%	91.1% 97.0%	83.3% 83.7%	93.6% 93.6%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	24,471	18,432	9,818	30,511	18,066	44,973	197,748	62,980
	Rent, common area fees (ths JPY)	21,847	16,475	9,178	28,003	16,754	42,767	173,808	54,012
	Other income (ths JPY)	2,624	1,957	640	2,508	1,312	2,205	23,939	8,968
	(2) Property related expenses (ths JPY)	13,646	8,403	6,513	16,997	9,660	28,005	73,307	26,366
	Facility management fees (ths JPY)	5,723	2,714	2,940	3,157	2,359	6,833	15,830	10,754
	(Repair costs (ths JPY))	379	49	48	28	39	881	647	1,859
	(Utility expenses (ths JPY))	1,871	654	190	540	376	1,097	2,373	4,512
	Tax and other public charges (ths JPY)	1,583	1,148	921	1,546	811	2,147	8,743	3,537
	Insurance expenses (ths JPY)	59	37	21	41	30	116	233	118
	(3) Depreciation expenses (ths JPY)	4,272	3,550	1,776	8,002	4,935	14,123	37,089	10,128
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	2,007	952	853	4,248	1,524	4,784	11,410	1,827
	(4) NOI = (1) - (2) + (3)	15,097	13,579	5,081	21,516	13,340	31,091	161,529	46,742
	NOI yield based on Acquisition price	7.3%	8.3%	4.0%	4.4%	5.3%	5.3%	4.6%	5.7%
NOI yield based on Appraisal value	5.9%	6.1%	4.0%	4.0%	4.7%	5.5%	4.3%	5.2%	
(5) Rental income = (1)-(2) (ths JPY)	10,825	10,028	3,304	13,514	8,405	16,968	124,440	36,613	
(6) Capital expenditure (ths JPY)	2,550	-	223	-	-	-	10,965	3,126	
(7) NCF = (4) - (6) (ths JPY)	12,547	13,579	4,858	21,516	13,340	31,091	150,564	43,616	
Reference Information	Expense ratio = ((2) - (3)) / (1)	38.3%	26.3%	48.2%	29.5%	26.2%	30.9%	18.3%	25.8%
	Property Tax 2015 (ths JPY)	3,167	2,296	1,823	3,093	1,624	8,590	17,572	7,109
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	First Lending B

Property Number		A77	A78	A79	A80	A81	A82	A83	A84
Property Name		Invoice Shin-Kobe Residence	Cosmo Court Motomachi	Revest Honjin	Revest Matsubara	Sun Terrace Minami Ikebukuro	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian
Acquisition Date		September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012
Completion Date		January, 2007	March, 2007	March, 2007	March, 2007	February, 1998	November, 2006	February, 2007	November, 2006
Address		3-3-8 Ikutacho Chuo Ward, Kobe City, Hyogo Prefecture	3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo Prefecture	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi Prefecture	3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City, Aichi Prefecture	2-13-33 Meiekinami, Nakamura Ward, Nagoya City, Aichi Prefecture	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture
Transport Access		About 6 minute walk from Shin-Kobe Station on Kobe Municipal Subway Seishin-Yamate Line	About 1 minute walk from Motomachi Station on JR Tokaido Main Line	About 2 minute walk from Honjin Station on Nagoya Municipal Subway Higashiyama Line	About 12 minute walk from Higashi Betsuin Station on Nagoya Municipal Subway Meijo Line	About 4 minute walk from Ikebukuro Station on JR Line	About 6 minute walk from Kamejima Station on Nagoya Municipal Subway Higashiyama Line	About 10 minute walk from Nagoya Station on JR Tokaido Main Line	About 2 minute walk from Heian-dori Station on Nagoya Municipal Subway Meijo Line
Price information	Acquisition Price (JPY mn)	1,260	973	674	657	625	608	597	595
	Investment ratio	1.0%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	Book Value (mn JPY)	1,228	946	656	642	610	593	583	580
	Appraisal Value as of Jun. 2015 (mn JPY)	1,410	1,050	761	761	695	698	695	650
Leasing information	Total Rentable Units	81	82	80	70	38	64	61	40
	Total Leasable Area (㎡)	2,773.71	2,310.49	1,933.80	1,955.40	898.70	1,731.68	1,634.60	1,554.03
	Leased area (㎡)	2,451.34	2,223.53	1,933.80	1,749.46	875.05	1,707.84	1,634.60	1,429.03
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	88.4% 94.0%	96.2% 86.6%	100.0% 92.5%	89.5% 93.7%	97.4% 92.1%	98.6% 94.4%	100.0% 95.4%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	46,339	34,751	31,672	28,540	22,455	26,107	26,205	23,843
	Rent, common area fees (ths JPY)	42,215	33,395	29,191	26,131	20,690	24,319	24,321	23,037
	Other income (ths JPY)	4,124	1,356	2,481	2,408	1,764	1,788	1,884	805
	(2) Property related expenses (ths JPY)	24,848	20,557	15,298	16,004	10,721	13,710	14,469	10,991
	Facility management fees (ths JPY)	6,008	3,898	3,718	4,882	3,376	3,377	3,798	2,485
	(Repair costs (ths JPY))	1,000	200	307	469	918	200	355	214
	(Utility expenses (ths JPY))	608	595	440	385	426	390	589	345
	Tax and other public charges (ths JPY)	2,737	2,306	1,793	1,862	907	1,734	1,656	1,406
	Insurance expenses (ths JPY)	69	67	59	54	28	54	57	40
	(3) Depreciation expenses (ths JPY)	11,451	9,972	7,409	6,985	4,857	6,898	6,889	6,372
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	4,581	4,311	2,316	2,219	1,551	1,644	2,066	686
	(4) NOI = (1) - (2) + (3)	32,942	24,167	23,784	19,521	16,591	19,295	18,625	19,224
NOI yield based on Acquisition price	5.3%	5.0%	7.1%	6.0%	5.4%	6.4%	6.3%	6.5%	
NOI yield based on Appraisal value	4.7%	4.6%	6.3%	5.2%	4.8%	5.6%	5.4%	6.0%	
(5) Rental income = (1)-(2) (ths JPY)	21,491	14,194	16,374	12,535	11,733	12,396	11,736	12,852	
(6) Capital expenditure (ths JPY)	-	-	1,390	3,433	-	1,741	3,273	1,732	
(7) NCF = (4) - (6) (ths JPY)	32,942	24,167	22,393	16,087	16,591	17,553	15,352	17,492	
Reference Information	Expense ratio = ((2) - (3)) / (1)	28.9%	30.5%	24.9%	31.6%	26.1%	26.1%	28.9%	19.4%
	Property Tax 2015 (ths JPY)	5,462	4,614	3,599	3,734	1,819	3,475	3,321	2,811
	Mortgagee*	Second Lending B	Second Lending B	Third Lending B	Third Lending B	Second Lending B	Fourth Lending B	First Lending B	Fourth Lending B

Property Number		A85	A86	A87	A88	A89	A90	A91	A92
Property Name		Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka	Luna Court Edobori	Winntage Kobe Motomachi	Queen's Court Fukuzumi	Corp Higashinotoin	Belair Oimachi
Acquisition Date		September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012
Completion Date		February, 2007	January, 2007	January, 2007	February, 2004	May, 2007	September, 2006	February, 2004	April, 2006
Address		1-2-15 Hama Otsu, Otsu City, Shiga Prefecture	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka Prefecture	128-1 Yamabukicho Shinjuku Ward, Tokyo	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo Prefecture	1-3-10 Fukuzumi, Koto Ward, Tokyo	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudara, Chukyo Ward Kyoto City, Kyoto Prefecture	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo
Transport Access		About 2 minute walk from Hamaotsu Station on Keihan Keishin Line and Ishiyama Sakamoto Line	About 8 minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line	About 5 minutes walk from Edogawabashi Station on Tokyo Metro Line	About 5 minute walk from Awaza Station on Osaka Municipal Subway Chuo Line	About 2 minute walk from Nishi-Motomachi Station on Kobe Kosoku Line	About 5 minute walk from Monzen-Nakacho Station on Tokyo Metro Line	About 5 minute walk from Karasuma Oike Station on Kyoto Municipal Subway Karasuma Line	About 2 minute walk from Oimachi Station on JR Line
Price information	Acquisition Price (JPY mn)	581	544	543	525	512	456	446	412
	Investment ratio	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
	Book Value (mn JPY)	563	532	533	511	497	448	437	406
	Appraisal Value as of Jun. 2015 (mn JPY)	684	619	598	567	585	538	493	477
Leasing information	Total Rentable Units	81	54	33	50	57	25	42	26
	Total Leasable Area (㎡)	2,670.66	1,428.12	701.92	1,185.50	1,433.35	765.18	1,029.05	530.60
	Leased area (㎡)	2,360.56	1,348.61	681.25	1,114.79	1,356.87	765.18	985.17	510.10
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	88.4% 87.3%	94.4% 93.5%	97.1% 88.3%	94.0% 88.1%	94.7% 94.8%	100.0% 92.5%	95.7% 92.9%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	30,148	23,373	17,033	20,055	22,706	16,720	17,199	15,641
	Rent, common area fees (ths JPY)	27,931	21,888	16,125	19,074	22,232	15,650	15,873	14,199
	Other income (ths JPY)	2,216	1,485	908	981	473	1,069	1,326	1,442
	(2) Property related expenses (ths JPY)	16,376	13,543	11,496	12,180	11,988	7,035	9,327	7,090
	Facility management fees (ths JPY)	5,096	4,443	3,265	3,886	2,847	1,692	3,070	2,200
	(Repair costs (ths JPY))	12	264	173	720	88	120	611	217
	(Utility expenses (ths JPY))	2,028	987	302	924	505	201	667	190
	Tax and other public charges (ths JPY)	1,952	1,569	776	1,177	1,587	756	909	666
	Insurance expenses (ths JPY)	64	44	27	35	42	24	30	20
	(3) Depreciation expenses (ths JPY)	6,983	5,444	4,194	5,064	5,805	3,195	3,799	2,675
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	2,278	2,041	3,232	2,017	1,705	1,366	1,517	1,528
	(4) NOI = (1) - (2) + (3)	20,755	15,273	9,731	12,939	16,522	12,879	11,671	11,226
NOI yield based on Acquisition price	7.2%	5.7%	3.6%	5.0%	6.5%	5.7%	5.3%	5.5%	
NOI yield based on Appraisal value	6.1%	5.0%	3.3%	4.6%	5.7%	4.8%	4.8%	4.7%	
(5) Rental income = (1)-(2) (ths JPY)	13,772	9,829	5,536	7,875	10,717	9,684	7,872	8,550	
(6) Capital expenditure (ths JPY)	510	-	-	-	-	-	-	-	
(7) NCF = (4) - (6) (ths JPY)	20,244	15,273	9,731	12,939	16,522	12,879	11,671	11,226	
Reference Information	Expense ratio = ((2) - (3)) / (1)	31.2%	34.7%	42.9%	35.5%	27.2%	23.0%	32.1%	28.2%
	Property Tax 2015 (ths JPY)	3,905	3,131	1,550	2,361	3,176	1,504	1,824	1,341
	Mortgagee*	Fourth Lending B	First Lending B	Second Lending B	First Lending B	First Lending B	Third Lending B	Third Lending B	Fourth Lending B



Property Number		A93	A94	A95	A96	A97	A98	A99	Subtotal of Residential
Property Name		Siete Minami-Tsukaguchi	Prime Life Sannomiya Isogami Koen	HERMITAGE NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachibashi	Prime Life Mikage	
Acquisition Date		September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	—
Completion Date		January, 2007	November, 2006	December, 2006	September, 2001	October, 1991	June, 2007	January, 2007	—
Address		3-18 Minami Tsukaguchimachi, Amagasaki City, Hyogo Prefecture	4-3-23 Isogamidori, Chuo Ward, Kobe City Hyogo Prefecture	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka Prefecture	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi Prefecture	1-5-17 Nishi, Kunitachi City, Tokyo	1-34 Honmachibashi Chuo Ward, Okasa City, Osaka Prefecture	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	—
Transport Access		About 8 minute walk from Tsukaguchi Station on JR Fukuchiyama Line	About 9 minute walk from Sannomiya Station on JR Tokaido Main Line	About 3 minute walk from Sakuragawa Station on Osaka Municipal Subway Sennichimae Line	About 8 minute walk from Tokai-dori Station on Nagoya Municipal Subway Meiko Line	About 12 minute walk from Nishi-Kunitachi Station on JR Line	About 9 minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line	About 5 minute walk from Ishiyagawa Station on Hanshin Main Line	—
Price information	Acquisition Price (JPY mn)	374	373	355	335	331	310	297	58,083
	Investment ratio	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	44.3%
	Book Value (mn JPY)	367	364	349	330	323	306	290	55,269
	Appraisal Value as of Jun. 2015 (mn JPY)	418	429	409	411	331	374	333	62,209
Leasing information	Total Rentable Units	40	32	21	44	40	31	28	3,413
	Total Leasable Area (㎡)	1,020.86	789.12	992.76	1,477.62	794.80	974.81	761.18	109,584.45
	Leased area (㎡)	945.02	739.80	950.43	1,344.66	596.08	944.40	660.68	102,639.12
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	92.6% 97.5%	93.8% 96.9%	95.7% 100.0%	91.0% 95.5%	75.0% 85.0%	96.9% 93.8%	86.8% 93.3%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	—
	(1) Rental revenues (ths JPY)	16,097	14,106	15,596	17,322	11,025	13,698	11,367	2,013,728
	Rent, common area fees (ths JPY)	15,320	13,374	14,437	14,468	10,114	13,363	10,937	1,846,686
	Other income (ths JPY)	777	731	1,159	2,853	911	335	429	167,042
	(2) Property related expenses (ths JPY)	8,904	7,737	8,603	7,512	8,203	7,281	7,144	947,963
	Facility management fees (ths JPY)	3,396	1,948	2,529	1,981	3,423	2,189	1,930	282,259
	(Repair costs (ths JPY))	463	12	191	10	432	379	-	20,676
	(Utility expenses (ths JPY))	380	243	275	255	241	334	154	43,418
	Tax and other public charges (ths JPY)	983	847	1,017	880	563	944	761	110,939
	Insurance expenses (ths JPY)	29	22	26	39	21	24	19	3,434
	(3) Depreciation expenses (ths JPY)	3,240	3,426	3,445	3,878	2,944	2,871	2,960	401,277
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,254	1,492	1,584	733	1,249	1,251	1,472	150,052
	(4) NOI = (1) - (2) + (3)	10,433	9,795	10,438	13,688	5,766	9,288	7,182	1,467,042
NOI yield based on Acquisition price	5.6%	5.3%	5.9%	8.2%	3.5%	6.0%	4.9%	5.1%	
NOI yield based on Appraisal value	5.0%	4.6%	5.1%	6.7%	3.5%	5.0%	4.3%	4.8%	
(5) Rental income = (1)-(2) (ths JPY)	7,193	6,369	6,993	9,810	2,822	6,417	4,222	1,065,764	
(6) Capital expenditure (ths JPY)	-	-	344	897	442	383	-	100,922	
(7) NCF = (4) - (6) (ths JPY)	10,433	9,795	10,093	12,790	5,323	8,905	7,182	1,366,119	
Reference Information	Expense ratio = ((2) - (3)) / (1)	35.2%	30.6%	33.1%	21.0%	47.7%	32.2%	36.8%	27.1%
	Property Tax 2015 (ths JPY)	1,966	1,697	2,032	1,748	1,126	1,893	1,525	227,660
	Mortgagee*	Fourth Lending B	Third Lending B	Second Lending B	Fourth Lending B	Fourth Lending B	Second Lending B	Fourth Lending B	—

Property Number		B8	B9	B14	B15	B16	B17	B18	Subtotal of Offices and Commercial Facilities
Property Name		Kindai Kagaku Sha Building	Shinjuku Island	Lexington Plaza Nishigotanda	Cross Square NAKANO	Ohki Aoba Building	Lexington Plaza Hachiman	AEON TOWN Sukagawa	
Acquisition Date		August 1, 2006	March 26, 2007	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	—
Completion Date		June, 1991	January, 1995	June, 1993	January, 1993	July, 1997	December, 2005	October, 2005	—
Address		2-7-15, Ichigaya Tamachi, Shinjuku Ward, Tokyo	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	5-2-4 Nishigotanda, Shinagawa Ward, Tokyo	5-24-18 Nakano, Nakano Ward, Tokyo	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi Prefecture	3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi Prefecture	105 Furukawa, Sukagawa City, Fukushima Prefecture	—
Transport Access		About 3 minute walk from Ichigaya Station on Tokyo Metro Line	About 3 minute walk from Nishi-Shinjuku Station on Tokyo Metro Line	About 4 minute walk from Fudomae Station on Tokyo Line	About 9 minute walk from Nakano Station on JR Line	About 5 minute walk from Kita-Yobancho Station on Sendai Subway Nanboku Line	—	—	—
Price information	Acquisition Price (JPY mn)	1,301	715	4,880	1,060	816	3,280	2,320	14,372
	Investment ratio	1.0%	0.5%	3.7%	0.8%	0.6%	2.5%	1.8%	11.0%
	Book Value (mn JPY)	1,232	708	4,753	1,069	749	3,145	2,032	13,692
	Appraisal Value as of Jun. 2015 (mn JPY)	1,040	512	4,020	944	665	3,500	2,320	13,001
Leasing information	Total Rentable Units	13	1	11	45	13	18	1	102
	Total Leasable Area (㎡)	1,451.54	526.43	6,033.58	2,145.00	2,178.41	8,419.15	18,440.58	39,194.69
	Leased area (㎡)	1,451.54	526.43	6,033.58	1,518.68	2,178.41	8,419.15	18,440.58	38,568.37
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%	70.8% 64.3%	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	—
	(1) Rental revenues (ths JPY)	38,607	(Note)	141,089	32,032	40,168	165,200	141,739	576,034
	Rent, common area fees (ths JPY)	33,359	(Note)	125,122	26,106	32,159	131,345	141,739	507,029
	Other income (ths JPY)	5,248	(Note)	15,966	5,925	8,009	33,854	-	69,004
	(2) Property related expenses (ths JPY)	22,613	(Note)	70,369	16,455	22,753	81,509	94,106	317,787
	Facility management fees (ths JPY)	6,741	(Note)	27,489	7,178	10,319	47,942	56,124	160,763
	(Repair costs (ths JPY))	153	(Note)	650	629	950	1,349	-	3,732
	(Utility expenses (ths JPY))	3,497	(Note)	17,809	2,790	4,680	35,439	-	64,217
	Tax and other public charges (ths JPY)	4,480	(Note)	12,597	3,854	4,086	11,345	7,719	47,214
	Insurance expenses (ths JPY)	72	(Note)	192	82	101	161	199	890
	(3) Depreciation expenses (ths JPY)	10,482	(Note)	26,440	3,848	7,450	20,857	29,438	100,319
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	836	(Note)	3,649	1,491	795	1,203	624	8,599
	(4) NOI = (1) - (2) + (3)	26,477	(Note)	97,160	19,424	24,865	104,547	77,070	358,566
	NOI yield based on Acquisition price	4.1%	2.5%	4.0%	3.7%	6.1%	6.4%	6.7%	5.0%
NOI yield based on Appraisal value	5.1%	3.6%	4.9%	4.1%	7.5%	6.0%	6.7%	5.6%	
(5) Rental income = (1)-(2) (ths JPY)	15,994	(Note)	70,720	15,576	17,415	83,690	47,632	258,247	
(6) Capital expenditure (ths JPY)	3,788	-	3,370	5,959	-	3,189	-	16,306	
(7) NCF = (4) - (6) (ths JPY)	22,689	(Note)	93,790	13,465	24,865	101,358	77,070	342,260	
Reference Information	Expense ratio = ((2) - (3)) / (1)	31.4%	47.5%	31.1%	39.4%	38.1%	36.7%	45.6%	37.8%
	Property Tax 2015 (ths JPY)	9,114	6,219	24,925	7,715	8,173	22,691	15,121	93,963
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	—

Property Number		CI	Subtotal of Seniors and Parking lots
Property Name		Times Kanda-Sudacho 4th	
Acquisition Date		January 22, 2007	—
Completion Date		-	—
Address		1-22-7, 1-22-15 Kanda sudacho, Chiyoda Ward, Tokyo	—
Transport Access		About 4 minutes walk from Kanda Station on JR Line	—
Price information	Acquisition Price (JPY mn)	97	97
	Investment ratio	0.1%	0.1%
	Book Value (mn JPY)	100	100
	Appraisal Value as of Jun. 2015 (mn JPY)	109	109
Leasing information	Total Rentable Units	1	1
	Total Leasable Area (㎡)	81.04	81.04
	Leased area (㎡)	81.04	81.04
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	100.0% 100.0%
Information on Profits and losses	Days of operation	181 days	—
	(1) Rental revenues (ths JPY)	2,700	2,700
	Rent, common area fees (ths JPY)	2,700	2,700
	Other income (ths JPY)	-	-
	(2) Property related expenses (ths JPY)	258	258
	Facility management fees (ths JPY)	-	-
	(Repair costs (ths JPY))	-	-
	(Utility expenses (ths JPY))	-	-
	Tax and other public charges (ths JPY)	257	257
	Insurance expenses (ths JPY)	-	-
	(3) Depreciation expenses (ths JPY)	1	1
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	-	-
	(4) NOI = (1) - (2) + (3)	2,442	2,442
NOI yield based on Acquisition price	5.0%	5.0%	
NOI yield based on Appraisal value	4.5%	4.5%	
(5) Rental income = (1)-(2) (ths JPY)	2,441	2,441	
(6) Capital expenditure (ths JPY)	-	-	
(7) NCF = (4) - (6) (ths JPY)	2,442	2,442	
Reference Information	Expense ratio = ((2) - (3)) / (1)	9.5%	9.5%
	Property Tax 2015 (ths JPY)	515	515
	Mortgagee*	New Syndicate C	—

Property Number		D1	D2	D3	D4	D5	D6	D7	D8	
Property Name		Hotel MyStays Kanda	Hotel MyStays Asakusa	Hotel MyStays Kyoto-Shijo	MyStays Shin- Urayasu Conference Center	Hotel MyStays Maihama	Hotel Vista Premio Dojima	Hotel MyStays Nagoya-Sakae	Hotel MyStays Sakaisuji-Hon-	
Acquisition Date		May 23, 2014	May 23, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	
Completion Date		December, 2005	January, 1990	January, 2008	March, 2009	June, 2005	August, 1990	November, 1979	July, 2008	
Address		1-2-2 Iwamoto-cho, Chiyoda Ward, Tokyo	1-21-11 Honjo, Sumida Ward, Tokyo	52,Kasaboko-cho, Higashiuru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi, Kyoto	2-1-4, Akemi, Urayasu-shi, Chiba	3-5-1, Tekko-dori, Urayasu-shi, Chiba	2-4-1 Sonezakishinchi, Kitaku, Osaka	2-23-22, Higashisakura, Naka-ku, Nagoya, Aichi	1-4-8, Awaji-machi, Chuoku, Osaka-shi, Osaka	
Transport Access		About 6 minute walk from Kanada Station on JR Yamanote Line and Tokyo Metro Line	About 4 minute walk from Kuramae Station on Toei Oedo Line	6 mins walk from Kyoto Municipal Subway Karasuma Line, Shijo Station	15 mins walk from JR Keiyo/Musashino Lines, Shin-Urayasu Station	12 mins walk from JR Keiyo/Musashino Lines, Maihama Station	5 min from JR Tozai Line, Kitashinchi Station	7 mins from walk Subway Meijou/Higashiyama Lines, Sakae Station	7 mins walk from Subway Sakaisuji/Chuo Lines, Sakaisuji-Honmachi Station	
Price information	Acquisition Price (JPY mn)	2,851	2,584	6,024	4,930	4,870	3,845	2,958	2,514	
	Investment ratio	2.2%	2.0%	4.6%	3.8%	3.7%	2.9%	2.3%	1.9%	
	Book Value (mn JPY)	2,878	2,593	5,949	4,865	4,814	3,792	2,891	2,488	
Leasing information	Appraisal Value as of Jun. 2015 (mn JPY)	3,560	3,480	9,200	5,670	5,220	5,200	3,210	3,870	
	Total Rentable Units	126	160	224	175	90	141	270	190	
	Total Leasable Area (㎡)	2,585.72	3,327.38	7,241.51	6,232.30	2,456.36	9,445.32	9,064.71	4,188.83	
	Leased area (㎡)	2,585.72	3,327.38	7,241.51	6,232.30	2,456.36	9,445.32	9,064.71	4,188.83	
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%	100.0% 100.0%
	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	111,428	126,298	282,858	164,208	142,571	187,248	155,746	163,179	
	GOP (ths JPY)	111,428	126,298	282,858	164,208	142,571	187,248	155,746	163,179	
	Other income (ths JPY)	-	-	-	-	-	-	-	-	
	(2) Property related expenses (ths JPY)	18,409	19,286	54,000	45,728	37,200	61,220	65,087	22,985	
Facility management fees (land rent) (ths JPY) - (a)	-	-	-	-	-	8,208	17,163	-		
(Repair costs (ths JPY))	-	-	-	-	-	-	-	-		
(Utility expenses (ths JPY))	-	-	-	-	-	-	-	-		
Tax and other public charges (ths JPY) - (b)	2,210	1,962	5,261	4,080	1,596	5,927	2,313	3,210		
Insurance expenses (ths JPY) - (c)	76	49	240	213	105	294	254	116		
(3) Depreciation expenses (ths JPY)	15,618	16,755	47,985	40,930	34,995	46,281	44,850	19,155		
Other expenses (Trust fees etc) (ths JPY) - (d)	504	518	513	504	503	508	504	502		
(4) NOI = (1) - (2) + (3)	108,638	123,767	276,843	159,409	140,366	172,309	135,510	159,349		
NOI yield based on Acquisition price	7.7%	9.7%	9.3%	6.5%	5.8%	9.0%	9.2%	12.8%		
NOI yield based on Appraisal value	6.2%	7.2%	6.1%	5.7%	5.4%	6.7%	8.5%	8.3%		
(5) Rental income = (1)-(2) (ths JPY)	93,019	107,012	228,858	118,479	105,370	126,027	90,659	140,194		
(6) Capital expenditure (ths JPY)	2,650	2,280	172	1,288	2,660	4,154	7,003	-		
(7) NCF = (4) - (6) (ths JPY)	105,988	121,487	276,671	158,121	137,706	168,154	128,507	159,349		
Reference information (2014 Jan. - Jun A)	Expense ratio = ((2) - (3)) / (1)	2.5%	2.0%	2.1%	2.9%	1.5%	8.0%	13.0%	2.3%	
	Property Tax 2015 (ths JPY)	8,840	7,851	21,039	16,319	6,385	23,711	9,254	12,841	
	Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	
	(8) Total Revenues (ths JPY)	190,423	217,540	486,406	319,346	246,194	342,898	335,007	280,122	
	Room Income (ths JPY)	189,052	211,951	474,404	271,165	236,725	263,249	316,071	276,357	
	Other Income (ths JPY)	1,370	5,588	12,001	48,181	9,469	79,648	18,936	3,764	
	(9) Operating Costs (not including (a)-(d) above) (ths JPY)	78,995	91,241	203,547	155,138	103,623	155,649	179,261	116,942	
	GOP (8) - (9) (ths JPY)	111,428	126,298	282,858	164,208	142,571	187,248	155,746	163,179	
	ADR (JPY)	8,745	7,728	12,032	9,081	15,288	11,292	6,676	8,432	
	RevPAR (JPY)	8,290	7,319	11,701	8,561	14,532	10,315	6,468	8,036	
	Room Occupancy Rates	94.8%	94.7%	97.3%	94.3%	95.1%	91.3%	96.9%	95.3%	
	GOP Ratio	58.5%	58.1%	58.2%	51.4%	57.9%	54.6%	46.5%	58.3%	
	D	Daily	96.7%	94.5%	98.7%	96.1%	99.7%	-	94.2%	95.4%
	M	Weekly	1.8%	4.8%	1.3%	3.9%	0.3%	-	4.5%	2.7%
	W	Monthly	1.6%	0.7%	0.0%	0.0%	0.0%	-	1.3%	1.9%
Renovation Timing	-	Nov.-Dec., 2012	-	-	-	-	-	Apr.-Jun., 2013	-	

Property Number		D9	D10	D11	D12	D13	D14	D15	D16
Property Name		Hotel MyStays Yokohama	Hotel MyStays Nippori	Hotel MyStays Fukuoka-Tenjin-Minami	Flexstay Inn Iidabashi	Hotel MyStays Ueno Inaricho	Flexstay Inn Shinagawa	Flexstay Inn Tokiwadai	Flexstay Inn Sugamo
Acquisition Date		July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014
Completion Date		October, 1974	April, 1987	February, 2008	December, 1990	December, 1986	October, 1986	December, 1989	January, 1992
Address		4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo	1-5-7, Matsugaya, Taito-ku, Tokyo	1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo	1-52-5, Tokiwadai, Itabashi-ku, Tokyo	3-6-16, Sugamo, Toshima-ku, Tokyo
Transport Access		1 min walk from Keihin Kyuko, Koganecho Station	5 mins walk from JR Yamanote/Keihin Tohoku/Tokiwa/Keisei Electric Railway Lines, Nippori Station	5 mins walk from Subway Nanakuma Line, Tenjin-Minami Station	8 mins walk from JR Chuo-Sobu Line, Iidabashi Station	4 mins walk from Tokyo Metro Ginza Line, Inaricho Station	1 min walk from Keihin Kyuko Line, Kitashinagawa Station	5 mins walk from Tobu Tojo Line, Tokiwadai Station	5 mins walk from JR Yamanote Line/Toei Mita Line, Sugamo Station
Price information	Acquisition Price (JPY mn)	2,119	1,898	1,570	1,381	1,331	1,242	1,242	1,192
	Investment ratio	1.6%	1.4%	1.2%	1.1%	1.0%	0.9%	0.9%	0.9%
	Book Value (mn JPY)	2,082	1,879	1,555	1,375	1,315	1,236	1,241	1,181
	Appraisal Value as of Jun. 2015 (mn JPY)	2,680	2,430	2,100	1,600	1,780	1,540	1,440	1,410
Leasing information	Total Rentable Units	190	93	177	59	72	55	129	104
	Total Leasable Area (㎡)	7,379.43	1,719.29	3,412.71	2,953.38	1,150.76	1,134.52	2,539.75	2,089.86
	Leased area (㎡)	7,379.43	1,719.29	3,412.71	2,953.38	1,150.76	1,134.52	2,539.75	2,089.86
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)	107,111	81,080	95,816	54,096	57,552	52,213	62,141	57,339
	GOP (ths JPY)	107,111	81,080	95,816	54,096	57,552	52,213	62,141	57,339
	Other income (ths JPY)	-	-	-	-	-	-	-	-
	(2) Property related expenses (ths JPY)	31,625	16,230	16,594	13,949	14,623	8,088	9,892	12,543
	Facility management fees (land rent) (ths JPY) -(a)	-	-	-	-	-	-	-	-
	(Repair costs (ths JPY))	-	-	-	-	-	-	-	-
	(Utility expenses (ths JPY))	-	-	-	-	-	-	-	-
	Tax and other public charges (ths JPY)-(b)	2,238	873	2,546	2,251	741	839	1,717	1,447
	Insurance expenses (ths JPY)-(c)	208	64	102	96	47	38	87	70
	(3) Depreciation expenses (ths JPY)	28,675	14,788	13,443	11,096	13,330	6,706	7,583	10,520
	Other expenses (Trust fees etc) (ths JPY) -(d)	503	504	503	504	504	504	504	504
	(4) NOI = (1) - (2) + (3)	104,161	79,638	92,664	51,243	56,259	50,831	59,833	55,316
NOI yield based on Acquisition price	9.9%	8.5%	11.9%	7.5%	8.5%	8.2%	9.7%	9.4%	
NOI yield based on Appraisal value	7.8%	6.6%	8.9%	6.5%	6.4%	6.7%	8.4%	7.9%	
(5) Rental income = (1)-(2) (ths JPY)	75,486	64,849	79,221	40,147	42,928	44,125	52,249	44,796	
(6) Capital expenditure (ths JPY)	2,669	3,680	1,796	3,750	2,297	760	4,950	1,956	
(7) NCF = (4) - (6) (ths JPY)	101,492	75,958	90,867	47,493	53,962	50,071	54,883	53,360	
Reference information (2014 Jan. - Jun. A)	Expense ratio = ((2) - (3)) / (1)	2.8%	1.8%	3.3%	5.3%	2.2%	2.6%	3.7%	3.5%
	Property Tax 2015 (ths JPY)	8,953	3,493	10,184	9,006	2,965	3,356	6,867	5,789
	Mortgage*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C
	(8) Total Revenues (ths JPY)	237,335	137,083	191,166	99,974	108,151	89,368	105,193	93,069
	Room Income (ths JPY)	226,051	136,415	189,389	92,883	107,434	88,577	97,225	86,179
	Other Income (ths JPY)	11,284	667	1,776	7,091	717	791	7,968	6,889
	(9) Operating Costs (not including (a)-(d) above) (ths JPY)	130,223	56,002	95,350	45,877	50,599	37,154	43,051	35,729
	GOP (8) - (9) (ths JPY)	107,111	81,080	95,816	54,096	57,552	52,213	62,141	57,339
	ADR (JPY)	7,558	8,750	6,306	9,021	9,033	9,234	4,788	5,285
	RevPAR (JPY)	6,573	8,104	5,912	8,698	8,244	8,898	4,164	4,578
	Room Occupancy Rates	87.0%	92.6%	93.7%	96.4%	91.3%	96.4%	87.0%	86.6%
	GOP Ratio	45.1%	59.1%	50.1%	54.1%	53.2%	58.4%	59.1%	61.6%
	D	Daily	96.0%	98.3%	95.1%	93.2%	97.7%	87.8%	32.7%
M	Weekly	2.1%	0.8%	1.6%	0.6%	1.3%	3.8%	31.5%	17.6%
W	Monthly	1.9%	1.0%	3.3%	6.2%	1.0%	8.4%	35.8%	52.5%
Renovation Timing		Jun.-Nov., 2006	Feb.-Mar., 2011	-	-	Nov.-Dec., 2012	Nov.-Dec., 2011	Mar.2013	Mar.2013

Property Number		D17	D18	D19	D20	D21	D22	D23
Property Name		Hotel MyStays Otemae	Flexstay Inn Kiyosumi Shirakawa	Flexstay Inn Nakanobu P1	Flexstay Inn Nakanobu P2	APA Hotel Yokohama-Kannai	Hotel Nets Hakodate	Flexstay Inn Shirogane
Acquisition Date		July 17, 2014	July 17, 2014	July 17, 2014	July 17, 2014	February 6, 2015	February 6, 2015	February 6, 2015
Completion Date		December, 1986	May, 1992	September, 1986	March, 1989	April, 2005	February, 2008	December, 1984
Address		1-3-2, Tokui-cho, Chuo-ku, Osaka-shi, Osaka	1-12-16, Tokiwa, Koto-ku, Tokyo	4-27-12, Futaba, Shinagawa-ku, Tokyo	4-27-8, Futaba, Shinagawa-ku, Tokyo	3-37-2 Sumiyoshi, Naka-ku, Yokohama City, Kanagawa	26-17 Motomachi Hakodate City, Hokkaido	5-10-15 Shirokane, Minato Ward, Tokyo
Transport Access		4 mins walk from Osaka Municipal Subway Tanimachi/Chuo Lines, Tanimachi 4-chome Station	5 mins walk from Toei Oedo Line/Tokyo Metro Hanzomon Line, Kiyosumi-Shirakawa Station	5 mins walk from Tokyu Oimachi Line/Toei Asakusa Line, Nakanobu Station	5 mins walk from Tokyu Oimachi Line/Toei Asakusa Line, Nakanobu Station	About 1 minute walk from Yokohama Municipal Subway, Kannai Station, 3 minute's walk from JR Line Kannai Station and 5 minute's walk from Minatomirai Line, Bashamichi Station	About 1 minute walk from Goryoukakuouenmae Station on the City Line, 10 minute's walk from JR Line Hakodate Station and 15 minute's by car from Hakodate Airport	About 12 minute's walk from Tokyo Metro Hibiya Line, Hiroo Station, 15 minute's walk from Tokyo Metro Namboku Line/Toeichikatsumita Line, Shirokanetakanawa Station
Price information	Acquisition Price (JPY mn)	1,192	749	589	283	8,350	2,792	2,119
	Investment ratio	0.9%	0.6%	0.4%	0.2%	6.4%	2.1%	1.6%
	Book Value (mn JPY)	1,187	748	588	285	8,341	2,792	2,122
Appraisal Value as of Jun. 2015 (mn JPY)		1,730	848	659	318	8,600	2,870	2,140
Leasing information	Total Rentable Units	110	55	39	22	451	202	84
	Total Leasable Area (㎡)	4,956.66	2,673.64	770.56	391.49	6,568.51	7,961.26	1,754.06
	Leased area (㎡)	4,956.66	2,673.64	770.56	391.49	6,568.51	7,961.26	1,754.06
	Occupancy Rate	Jun 30, 2015 Dec 31, 2014	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Information on Profits and losses	Days of operation	181 days	181 days	181 days	181 days	145 days	145 days	145 days
	(1) Rental revenues (ths JPY)	79,292	36,131	23,094	11,989	189,256	89,046	52,591
	GOP (ths JPY)	79,292	36,131	23,094	11,989	189,256	89,046	52,591
	Other income (ths JPY)	-	-	-	-	-	-	-
	(2) Property related expenses (ths JPY)	11,940	9,416	5,091	2,381	59,920	25,482	6,328
	Facility management fees (land rent) (ths JPY) - (a)	-	-	-	-	-	-	-
	(Repair costs (ths JPY))	-	-	-	-	-	-	-
	(Utility expenses (ths JPY))	-	-	-	-	-	-	-
	Tax and other public charges (ths JPY) - (b)	1,804	1,691	472	262	-	-	-
	Insurance expenses (ths JPY) - (c)	119	84	26	15	217	157	46
	(3) Depreciation expenses (ths JPY)	9,513	7,137	4,087	1,598	59,304	24,924	5,883
	Other expenses (Trust fees etc) (ths JPY) - (d)	503	503	504	504	398	399	398
	(4) NOI = (1) - (2) + (3)	76,865	33,852	22,090	11,207	188,640	88,488	52,145
	NOI yield based on Acquisition price	13.0%	9.1%	7.6%	8.0%	5.7%	8.0%	6.2%
NOI yield based on Appraisal value	9.0%	8.1%	6.8%	7.1%	5.5%	7.8%	6.1%	
(5) Rental income = (1)-(2) (ths JPY)	67,351	26,715	18,002	9,608	129,336	63,563	46,262	
(6) Capital expenditure (ths JPY)	3,900	4,950	1,580	900	-	695	-	
(7) NCF = (4) - (6) (ths JPY)	72,965	28,902	20,510	10,307	188,640	87,793	52,145	
Expense ratio = ((2) - (3)) / (1)	3.1%	6.3%	4.3%	6.5%	0.3%	0.6%	0.8%	
Property Tax 2015 (ths JPY)	7,216	6,766	1,891	1,048	23,883	20,663	3,847	
Mortgagee*	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate C	New Syndicate D	New Syndicate D	New Syndicate D	
(8) Total Revenues (ths JPY)	140,472	69,122	39,036	20,871	507,307	163,040	78,817	
Room Income (ths JPY)	135,449	61,008	37,947	20,035	492,156	141,674	75,494	
Other Income (ths JPY)	5,022	8,114	1,089	835	15,150	21,366	3,322	
(9) Operating Costs (not including (a)-(d) above) (ths JPY)	61,179	32,990	15,942	8,881	162,829	73,993	26,225	
GOP (8) - (9) (ths JPY)	79,292	36,131	23,094	11,989	189,256	89,046	52,591	
ADR (JPY)	7,207	6,611	6,071	5,538	8,041	6,369	6,784	
RevPAR (JPY)	6,803	6,128	5,376	5,032	7,526	4,837	6,198	
Room Occupancy Rates	94.4%	92.7%	88.6%	90.9%	93.6%	75.9%	91.4%	
GOP Ratio	56.4%	52.3%	59.2%	57.4%	67.9%	54.6%	66.7%	
D M W	Daily	76.0%	63.4%	63.0%	57.8%	-	-	45.1%
	Weekly	8.1%	6.1%	17.7%	18.4%	-	-	26.7%
	Monthly	15.9%	30.5%	19.3%	23.8%	-	-	28.2%
Renovation Timing		Dec.2012-Jan.2013	-	-	-	-	-	Mar. 2013

Property Number				
Property Name		Subtotal of Hotels		
Acquisition Date		-		
Completion Date		-		
Address		-		
Transport Access		-		
Price information	Acquisition Price (JPY mn)	58,634		
	Investment ratio	44.7%		
	Book Value (mn JPY)	58,211		
Appraisal Value as of Jun. 2015 (mn JPY)		71,555		
Leasing information	Total Rentable Units	3,218		
	Total Leasable Area (㎡)	91,998.01		
	Leased area (㎡)	91,998.01		
	Occupancy Rate	Jun 30, 2015	100.0%	
		Dec 31, 2014	100.0%	
Information on Profits and losses	Days of operation			-
	(1) Rental revenues (ths JPY)			2,382,297
	GOP (ths JPY)			2,382,297
	Other income (ths JPY)			-
	(2) Property related expenses (ths JPY)			568,029
	Facility management fees (land rent) (ths JPY) - (a)			25,371
	(Repair costs (ths JPY))			-
	(Utility expenses (ths JPY))			-
	Tax and other public charges (ths JPY) - (b)			43,449
	Insurance expenses (ths JPY) - (c)			2,736
	(3) Depreciation expenses (ths JPY)			485,167
	Other expenses (Trust fees etc) (ths JPY) - (d)			11,305
	(4) NOI = (1) - (2) + (3)			196,603,230
	NOI yield based on Acquisition price			8.2%
	NOI yield based on Appraisal value			6.7%
	(5) Rental income = (1) - (2) (ths JPY)			1,814,268
	(6) Capital expenditure (ths JPY)			54,091
(7) NCF = (4) - (6) (ths JPY)			196,549,138	
Reference information (2014 Jan. - Jun. A)	Expense ratio = ((2) - (3)) / (1)			3.5%
	Property Tax 2015 (ths JPY)			222,176
	Mortgagee*			-
	(8) Total Revenues (ths JPY)			4,497,951
	Room Income (ths JPY)			4,226,901
	Other Income (ths JPY)			231,210
	(9) Operating Costs (not including (a)-(d) above) (ths JPY)			1,960,433
	GOP (8) - (9) (ths JPY)			2,382,297
	ADR (JPY)			8,229
	RevPAR (JPY)			7,603
	Room Occupancy Rates			92.4%
GOP Ratio			56.4%	
	D	Daily	79.3%	
	M	Weekly	8.6%	
	W	Monthly	12.0%	
Renovation Timing				

Property Number				
Property Name		Total		
Acquisition Date		-		
Completion Date		-		
Address		-		
Transport Access		-		
Price information	Acquisition Price (JPY mn)	131,188		
	Investment ratio	100.0%		
	Book Value (mn JPY)	127,274		
Appraisal Value as of Jun. 2015 (mn JPY)		146,874		
Leasing information	Total Rentable Units / Rooms	6,734		
	Total Leasable Area (㎡)	240,858.19		
	Leased area (㎡)	233,286.54		
	Occupancy Rate	Jun. 30, 2015	96.9%	
		Dec. 31, 2014	96.1%	
Information on Profits and losses	Days of operation			-
	(1) Rental revenues (ths JPY)			4,974,760
	Rent, common area fees / GOP (ths JPY)			4,738,713
	Other income (ths JPY)			236,047
	(2) Property related expenses (ths JPY)			1,834,039
	Facility management fees (ths JPY)			468,393
	(Repair costs (ths JPY))			24,408
	(Utility expenses (ths JPY))			107,635
	Tax and other public charges (ths JPY)			201,860
	Insurance expenses (ths JPY)			7,061
	(3) Depreciation expenses (ths JPY)			986,765
	Other expenses (commissions paid, Trust fees, etc.) (ths JPY)			169,957
	(4) NOI = (1) - (2) + (3)			4,127,486
	NOI yield based on Acquisition price			6.5%
	NOI yield based on Appraisal value			5.8%
	(5) Rental income = (1) - (2) (ths JPY)			3,140,721
	(6) Capital expenditure (ths JPY)			171,320
(7) NCF = (4) - (6) (ths JPY)			3,956,166	
Reference information	Expense ratio = ((2) - (3)) / (1)			17.0%
	Property Tax 2015 (ths JPY)			544,315
	Mortgagee*			-

No.	Property Name	Book Value as of Jun. 2015	Appraisal Value						Cap Rate		
			As of Acquisition	As of Jun. 2014	As of Dec. 2014	As of Jun. 2015	Compared to Dec. 2014 (Note)		As of Dec. 2014	As of Jun. 2015	Changes
			(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)
A26	Nisshin Palacestage Daitabashi	1,135,384	1,300,000	1,140,000	1,150,000	1,160,000	10,000	0.9	5.00	4.90	-0.10
A27	Nisshin Palaistage Higashi-Nagasaki	1,112,109	1,300,000	1,240,000	1,250,000	1,260,000	10,000	1	5.10	5.00	-0.10
A28	Growth Maison Gotanda	837,982	991,000	931,000	949,000	968,000	19,000	2.0	4.70	4.60	-0.10
A29	Growth Maison Kameido	1,001,212	1,110,000	1,060,000	1,080,000	1,100,000	20,000	1.9	4.80	4.70	-0.10
A30	Emerald House	1,401,495	1,570,000	1,190,000	1,240,000	1,280,000	40,000	3.2	5.00	4.90	-0.10
A31	Harmonie Ochanomizu	1,368,879	1,710,000	1,250,000	1,310,000	1,320,000	10,000	0.8	4.70	4.60	-0.10
A32	Suncrest Shakujii Koen	1,058,467	1,220,000	1,010,000	1,030,000	1,050,000	20,000	1.9	4.90	4.80	-0.10
A33	Growth Maison Shin Yokohama	983,126	1,110,000	1,080,000	1,140,000	1,160,000	20,000	1.8	4.90	4.80	-0.10
A34	Belle Face Ueno Okachimachi	972,414	1,100,000	924,000	972,000	999,000	27,000	2.8	4.70	4.60	-0.10
A35	Grand Rire Kameido	844,413	930,000	918,000	937,000	949,000	12,000	1.3	4.90	4.80	-0.10
A36	Growth Maison Ikebukuro	767,381	856,000	838,000	859,000	868,000	9,000	1.0	4.70	4.60	-0.10
A37	Growth Maison Yoga	758,631	831,000	682,000	691,000	697,000	6,000	0.9	4.80	4.70	-0.10
A38	Route Tachikawa	646,671	749,000	595,000	606,000	616,000	10,000	1.7	5.00	4.90	-0.10
A39	Shibuya Honmachi Mansion	656,256	678,000	591,000	604,000	609,000	5,000	0.8	4.90	4.80	-0.10
A40	City Heights Kinuta	647,741	707,000	457,000	467,000	479,000	12,000	2.6	4.90	4.80	-0.10
A41	Acseeds Tower Kawaguchi Namiki	561,513	698,000	684,000	699,000	707,000	8,000	1.1	5.60	5.50	-0.10
A42	Capital Heights Kagurazaka	616,450	647,000	540,000	553,000	556,000	3,000	0.5	4.80	4.70	-0.10
A43	College Square Machida	567,696	597,000	529,000	511,000	520,000	9,000	1.8	5.40	5.30	-0.10
A44	Belair Meguro	568,104	608,000	551,000	582,000	592,000	10,000	1.7	4.50	4.40	-0.10
A45	Wacore Tsunashima I	541,379	665,000	499,000	508,000	511,000	3,000	0.6	5.10	5.00	-0.10
A46	Foros Nakamurabashi	529,065	634,000	550,000	565,000	572,000	7,000	1.2	4.80	4.70	-0.10
A47	Growth Maison Kaijin	528,405	603,000	454,000	458,000	458,000	0	0.0	5.50	5.40	-0.10
A48	College Square Machiya	470,476	521,000	500,000	509,000	519,000	10,000	2.0	4.90	4.80	-0.10
A51	City House Tokyo Shinbashi	2,380,280	2,520,000	2,720,000	2,860,000	2,950,000	90,000	3.1	4.70	4.60	-0.10
A52	Winbell Kagurazaka	3,099,292	3,260,000	3,490,000	3,630,000	3,730,000	100,000	2.8	4.40	4.30	-0.10



No.	Property Name	Book Value as of Jun. 2015	Appraisal Value						Cap Rate		
			As of Acquisition	As of Jun. 2014	As of Dec. 2014	As of Jun. 2015	Compared to Dec. 2014 (Note)		As of Dec. 2014	As of Jun. 2015	Changes
			(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)
A53	Nishiwaseda Crescent Mansion	1,879,164	1,880,000	2,180,000	2,280,000	2,310,000	30,000	1.3	4.70	4.60	-0.10
A54	Lexington Square Akebonobashi	1,360,723	1,450,000	1,600,000	1,630,000	1,680,000	50,000	3.1	4.70	4.60	-0.10
A56	Casa Eremitaggio	982,769	1,070,000	996,000	1,020,000	1,040,000	20,000	2.0	4.60	4.50	-0.10
A59	Towa City Coop Shin-otsuka II	825,138	866,000	949,000	985,000	1,020,000	35,000	3.6	5.10	5.00	-0.10
A61	Bichsel Musashiseki	557,941	577,000	634,000	659,000	681,000	22,000	3.3	4.90	4.80	-0.10
A62	Lexel Mansion Ueno Matsugaya	885,428	970,000	1,070,000	1,090,000	1,120,000	30,000	2.8	4.80	4.70	-0.10
A63	Towa City Coop Sengencho	1,033,411	1,110,000	1,250,000	1,300,000	1,320,000	20,000	1.5	5.70	5.60	-0.10
A64	Royal Park Omachi	394,684	415,000	508,000	503,000	520,000	17,000	3.4	6.30	6.10	-0.20
A65	Lexington Square Haginomachi	299,908	330,000	422,000	441,000	448,000	7,000	1.6	6.10	6.00	-0.10
A66	Visconti Kakuozan	237,057	255,000	244,000	252,000	258,000	6,000	2.4	5.70	5.60	-0.10
A71	Lexington Square Daitabashi	890,738	977,000	1,040,000	1,070,000	1,090,000	20,000	1.9	4.70	4.60	-0.10
A72	Lexington Square Honjo-Azumabashi	459,927	511,000	549,000	566,000	576,000	10,000	1.8	4.80	4.70	-0.10
A73	AMS TOWER Minami 6-Jo	1,029,619	1,180,000	1,120,000	1,130,000	1,150,000	20,000	1.8	5.80	5.70	-0.10
A75	Spacia Ebisu	6,631,130	7,010,000	6,930,000	7,230,000	7,560,000	330,000	4.6	4.50	4.40	-0.10
A76	Neo Prominence	1,642,621	1,660,000	1,720,000	1,800,000	1,820,000	20,000	1.1	5.10	5.00	-0.10
A77	Invoice Shin-Kobe Residence	1,228,067	1,260,000	1,300,000	1,340,000	1,410,000	70,000	5	5.40	5.10	-0.30
A78	Cosmo Court Motomachi	946,683	980,000	1,040,000	1,040,000	1,050,000	10,000	1.0	5.30	5.00	-0.30
A79	Revest Honjin	656,834	679,000	718,000	732,000	761,000	29,000	4.0	5.90	5.70	-0.20
A80	Revest Matsubara	642,713	662,000	720,000	743,000	761,000	18,000	2.4	5.50	5.30	-0.20
A81	Sun Terrace Minami Ikebukuro	610,799	625,000	667,000	695,000	695,000	0	0.0	4.70	4.60	-0.10
A82	Alba Noritake Shinmachi	593,358	608,000	644,000	666,000	698,000	32,000	4.8	5.40	5.20	-0.20
A83	Revest Meieki Minami	583,549	597,000	649,000	674,000	695,000	21,000	3.1	5.20	5.00	-0.20
A84	Revest Heian	580,665	599,000	619,000	641,000	650,000	9,000	1.4	5.50	5.40	-0.10
A85	Vendir Hamaotsu Ekimae	563,189	638,000	669,000	674,000	684,000	10,000	1.5	6.20	6.00	-0.20
A86	Salvo Sala	532,005	548,000	577,000	603,000	619,000	16,000	2.7	5.50	5.30	-0.20

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			(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)
A87	Excellente Kagurazaka	533,726	543,000	569,000	593,000	598,000	5,000	0.8	4.50	4.40	-0.10
A88	Luna Court Edobori	511,873	525,000	549,000	565,000	567,000	2,000	0.4	5.40	5.20	-0.20
A89	Winntage Kobe Motomachi	497,024	516,000	553,000	560,000	585,000	25,000	4.5	5.40	5.10	-0.30
A90	Queen's Court Fukuzumi	448,013	456,000	497,000	528,000	538,000	10,000	1.9	4.60	4.50	-0.10
A91	Corp Higashinotoin	437,178	446,000	474,000	491,000	493,000	2,000	0.4	5.30	5.00	-0.30
A92	Belair Oimachi	406,245	412,000	455,000	476,000	477,000	1,000	0.2	4.60	4.50	-0.10
A93	Siete Minami-Tsukaguchi	367,045	377,000	402,000	414,000	418,000	4,000	1.0	5.60	5.30	-0.30
A94	Prime Life Sannomiya Isogami Koen	364,682	373,000	389,000	397,000	429,000	32,000	8.1	5.30	5.00	-0.30
A95	HERMITAGE NANBA WEST	349,895	358,000	382,000	397,000	409,000	12,000	3	5.40	5.20	-0.20
A96	Century Park Shinkawa 1-bankan	330,728	337,000	372,000	399,000	411,000	12,000	3.0	5.90	5.60	-0.30
A97	West Avenue	323,058	333,000	338,000	344,000	331,000	-13,000	-3.8	5.50	5.40	-0.10
A98	Little River Honmachibashi	306,896	312,000	335,000	364,000	374,000	10,000	2.7	5.20	5.00	-0.20
A99	Prime Life Mikage	290,068	299,000	312,000	323,000	333,000	10,000	3.1	5.60	5.30	-0.30
<b>Subtotal of Residences</b>		<b>55,269,403</b>	<b>59,659,000</b>	<b>58,865,000</b>	<b>60,775,000</b>	<b>62,209,000</b>	<b>1,434,000</b>	<b>2.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
B8	Kindai Kagaku Sha Building	1,232,770	1,340,000	1,010,000	1,040,000	1,040,000	0	0.0	4.80	4.70	-0.10
B9	Shinjuku Island	708,686	871,000	556,000	574,000	512,000	-62,000	-10.8	4.90	4.90	-
B14	Lexington Plaza Nishigotanda	4,753,597	4,880,000	4,140,000	4,010,000	4,020,000	10,000	0.2	4.90	4.80	-0.10
B15	Cross Square NAKANO	1,069,699	1,060,000	938,000	944,000	944,000	0	0.0	5.00	4.90	-0.10
B16	Ohki Aoba Building	749,948	816,000	644,000	659,000	665,000	6,000	0.9	6.10	6.00	-0.10
B17	Lexington Plaza Hachiman	3,145,977	3,280,000	3,330,000	3,440,000	3,500,000	60,000	1.7	6.10	5.90	-0.20
B18	AEON TOWN Sukagawa	2,032,311	2,320,000	2,190,000	2,250,000	2,320,000	70,000	3.1	6.70	6.50	-0.20
<b>Subtotal of Offices</b>		<b>13,692,991</b>	<b>14,567,000</b>	<b>12,808,000</b>	<b>12,917,000</b>	<b>13,001,000</b>	<b>84,000</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
C1	Times Kanda-Sudacho 4th	100,822	100,000	105,000	107,000	109,000	2,000	1.9	4.40	4.30	-0.10
<b>Subtotal of Parking lots</b>		<b>100,822</b>	<b>100,000</b>	<b>105,000</b>	<b>107,000</b>	<b>109,000</b>	<b>2,000</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>-</b>
D1	Hotel MyStays Kanda	2,878,730	2,880,000	2,880,000	3,280,000	3,560,000	280,000	8.5	5.00	4.90	-0.10

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			(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)
D2	Hotel MyStays Asakusa	2,593,839	2,610,000	2,610,000	3,290,000	3,480,000	190,000	5.8	5.80	5.50	-0.30
D3	Hotel MyStays Kyoto-Shijo	5,949,936	6,110,000	0	8,010,000	9,200,000	1,190,000	14.9	5.60	5.50	-0.10
D4	MyStays Shin-Urayasu Conference Center	4,865,812	4,980,000	0	5,260,000	5,670,000	410,000	7.8	5.60	5.50	-0.10
D5	Hotel MyStays Maihama	4,814,110	4,920,000	0	5,080,000	5,220,000	140,000	2.8	5.50	5.40	-0.10
D6	Hotel Vista Premio Dojima	3,792,073	3,900,000	0	4,300,000	5,200,000	900,000	20.9	5.70	5.30	-0.40
D7	Hotel MyStays Nagoya-Sakae	2,891,566	3,000,000	0	3,040,000	3,210,000	170,000	5.6	6.50	6.30	-0.20
D8	Hotel MyStays Sakaisuji-Honmachi	2,488,955	2,530,000	0	3,250,000	3,870,000	620,000	19.1	5.60	5.60	-
D9	Hotel MyStays Yokohama	2,082,818	2,150,000	0	2,590,000	2,680,000	90,000	3.5	6.00	5.90	-0.10
D10	Hotel MyStays Nippori	1,879,974	1,910,000	0	2,140,000	2,430,000	290,000	13.6	5.10	5.00	-0.10
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1,555,841	1,580,000	0	1,740,000	2,100,000	360,000	20.7	6.00	6.00	-
D12	Flexstay Inn Iidabashi	1,375,149	1,390,000	0	1,560,000	1,600,000	40,000	2.6	5.20	5.10	-0.10
D13	Hotel MyStays Ueno Inaricho	1,315,490	1,340,000	0	1,540,000	1,780,000	240,000	15.6	4.90	4.80	-0.10
D14	Flexstay Inn Shinagawa	1,236,730	1,250,000	0	1,510,000	1,540,000	30,000	2.0	5.20	5.10	-0.10
D15	Flexstay Inn Tokiwadai	1,241,835	1,250,000	0	1,420,000	1,440,000	20,000	1.4	5.60	5.50	-0.10
D16	Flexstay Inn Sugamo	1,181,384	1,200,000	0	1,370,000	1,410,000	40,000	2.9	5.30	5.20	-0.10
D17	Hotel MyStays Otemae	1,187,068	1,200,000	0	1,600,000	1,730,000	130,000	8.1	6.30	6.30	-
D18	Flexstay Inn Kiyosumi Shirakawa	748,551	754,000	0	821,000	848,000	27,000	3.3	5.80	5.70	-0.10
D19	Flexstay Inn Nakanobu P1	588,554	593,000	0	647,000	659,000	12,000	1.9	5.50	5.40	-0.10
D20	Flexstay Inn Nakanobu P2	285,924	285,000	0	311,000	318,000	7,000	2.3	5.50	5.40	-0.10
D21	APA Hotel Yokohama-Kannai	8,341,990	8,500,000	0	-	8,600,000	100,000	1.2	-	5.00	-
D22	Hotel Nets Hakodate	2,792,631	2,820,000	0	-	2,870,000	50,000	1.8	-	6.60	-
D23	Flexstay Inn Shirogane	2,122,643	2,140,000	0	-	2,140,000	0	0.0	-	5.50	-
<b>Subtotal of Hotels</b>		<b>58,211,612</b>	<b>59,292,000</b>	<b>5,490,000</b>	<b>52,759,000</b>	<b>71,555,000</b>	<b>5,336,000</b>	<b>8.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>127,274,829</b>	<b>133,618,000</b>	<b>77,268,000</b>	<b>126,558,000</b>	<b>146,874,000</b>	<b>6,856,000</b>	<b>4.9</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Note) Regarding 3 hotel properties (D21-D23) acquired on February 6, 2015, the differences between the appraisal values at the acquisition (December 1, 2014) and June 2015.

# Overview of Fortress

## Fortress is a global alternative investment manager with extensive experience in Japanese hospitality and residential assets

- Fortress Investment Group LLC (“FIG”, together with its affiliates, “Fortress” or “Fortress Group”) is listed on the New York Stock Exchange with a \$2.5 billion equity market capitalization<sup>1</sup>
- Fortress has \$72.0 billion in assets under management through private funds as well as REITs and other publicly listed entities (fee paying AUM as of 6/30/2015)
- In the U.S. and Europe, Fortress has a ten year history of investing in real estate through REITs and other publicly listed real estate companies including: Brookdale Senior Living (\$5.3 bn market cap<sup>1</sup>); New Residential Investment Corporation (\$3.3 billion<sup>1</sup>); Newcastle Investment Corporation (\$0.3 bn market cap<sup>1</sup>); Gagfah SA (\$4.2 bn market cap<sup>1</sup>) and Eurocastle Investment Limited (\$0.7 bn market cap<sup>1</sup>)
- Fortress has four dedicated Japan funds, including Fortress Japan Opportunity Funds I and II
  - Over JPY300 billion in committed equity
  - Wide spectrum of Japanese real estate investments, including hotels, residences, office buildings and retail facilities
  - Fortress’s Japan-based portfolio is valued at over JPY400 billion, and includes 108 additional hotels and residential properties worth over JPY300 billion after the proposed sale to Invincible of the 12hotels and three residential properties
- Ownership of MyStays Hotel Management Co., Ltd. by Fortress-managed funds provides a competitive advantage in sourcing and managing hospitality assets
- Invincible is the only J-REIT through which Fortress makes strategic real estate investments in Japan, and Fortress considers Invincible to be an important part of its real estate investment strategy in Japan
- Fortress will still hold a significant equity stake in Invincible and CIM after the completion of the proposed offering

(Note 1) Market capitalization figures as of August 21, 2015

# Extensive Expertise of Primary Hotel Operator

Extensive expertise of the primary hotel operator, MyStays Hotel Management, is one of key drivers for long term growth of our hotel portfolio

## MyStays Hotel Management (MHM) Overview



### Overview:

MYSTAYS HOTEL MANAGEMENT CO.,LTD.

- Established in 1999 (owned by Fortress since 2012)
- 646 employees<sup>1</sup>
- Managing 50 limited service / flexible stay hotels (6,524 rooms)<sup>1</sup>, in core urban locations with a concentration in Tokyo
- Footprint has critical mass capturing foreign and domestic interest in traveling throughout Japan

### Key Competitiveness:

#### Flexible Choice of Stays

- Extensive know-how in selling rooms on a daily, weekly, and monthly basis

#### Strong Client Base

- A corporate client base of over 2,200 corporations<sup>1</sup>

#### Development / Renovation / Rebranding Capability

- Proven track record of conducting development, conversion / renovation and rebranding, led by in-house professionals

#### Operational Improvements

- Implemented aggressive revenue management methods
- Efficient and low cost operations via effective procurement strategies

(Note 1) As of December 31, 2014

## Focus on Revenue Management

- MHM hired experienced revenue managers to focus on maximizing revenue
- In contrast, many operators have fixed rates for certain rooms and do not make flexible adjustments

### Revenue Management Case Study: Hotel MyStays Kyoto-Shijo

- Achieved significant growth in highest room rate and ADR through focused revenue management

Room Rate (in JPY)	Nov, 2012 (Before Rev. Mgmt.)	Nov, 2014 (After Rev. Mgmt.)	Growth Rate
Highest Rate	28,620	75,000	+162.1%
ADR	14,004	24,132	+72.3%
Lowest Rate	5,837	5,001	-14.3%

## Hotels Managed by MHM

Hotel MyStays	30	hotels	/	4,791	rooms
Flexstay Inn	17	hotels	/	1,448	rooms
Monthly ResiStays	3	hotels	/	285	rooms
<b>Total</b>	<b>50</b>	<b>hotels</b>	<b>/</b>	<b>6,524</b>	<b>rooms</b>

### Tokyo Area

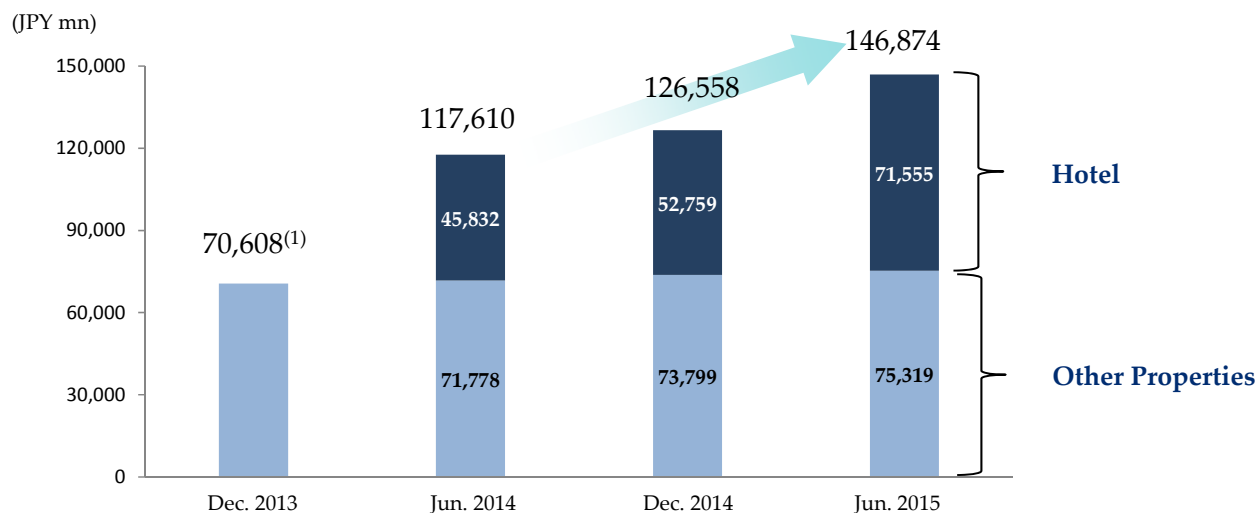
Hotel MyStays Gotanda	Hotel MyStays Gotanda-Ekimae
Hotel MyStays Nihonbashi	Flexstay Inn Shinagawa
Hotel MyStays Kanda	Flexstay Inn Nakanobu P1
Hotel MyStays Higashi-Ikebukuro	Flexstay Inn Nakanobu P2
Hotel MyStays Akasaka	Flexstay Inn Iidabashi
Hotel MyStays Ueno Iriyaguchi	Flexstay Inn Higashi-Jujo
Hotel MyStays Ueno Inaricho	Flexstay Inn Ekoda
Hotel MyStays Nippori	Flexstay Inn Tokiwadai
Hotel MyStays Asakusa	Flexstay Inn Sugamo
Hotel MyStays Kameido P1	Flexstay Inn Shirokane
Hotel MyStays Kameido P2	Flexstay Inn Tamagawa
Hotel MyStays Ochanomizu Conf. Ctr.	Flexstay Inn Machida
Hotel MyStays Hamamatsucho	Flexstay Inn Kiyosumishirakawa
Hotel MyStays Kamata	Monthly ResiStays Nakanobu
Hotel MyStays Asakusabashi	Monthly ResiStays Nakano
Nishi-Shinjuku Hotel MyStays	Monthly ResiStays Takadanobaba
Hotel MyStays Haneda	

### Other Area

Hotel MyStays Yokohama	Hotel MyStays Sakaisuji Honmachi
Hotel MyStays Maihama	Hotel MyStays Fukuoka-Tenjin Minami
Hotel MyStays Shin Urayasu Conf. Ctr.	Hotel MyStays Fukuoka-Tenjin
Hotel MyStays Utsunomiya	Flexstay Inn Yokohama
Hotel MyStays Kanazawa	Flexstay Inn Sakuragicho
Hotel MyStays Nagoya Sakae	Flexstay Inn Kawasaki-Kaizuka
Hotel MyStays Kyoto Shijo	Flexstay Inn Kawasaki-Ogawacho
Hotel MyStays Otemae	Flexstay Inn Shinurayasu
Hotel MyStays Shinsaibashi	

# Growth of Portfolio Appraisal Value

- The appraisal value of hotel portfolio in June 2015 increased 8.1% in June 2015 due to robust organic growth
- % of unrealized gain / loss, 15.4%, ranks 6<sup>th</sup> among all listed J-REITs as of the end of June 2015



- ✓ Total Portfolio: +8,948 (+4.9%)
- ✓ 23 hotel properties: +5,336 (+8.1%)
- ✓ Other 71 properties: +1,520 (+2.1%)

(JPY mn)

Appraisal Value (1)	146,874
Book Value (2)	127,274
(1) / (2)	115.4%
% of unrealized gain / loss	15.4%
Ranking	6 <sup>th</sup>

Category	Number of Properties	Previous Appraisal Value	Current Appraisal Value	Increase/ Decrease	Increase/ Decrease due to Change in Cap Rate	Increase/ Decrease due to Change in Cashflow	
Total Portfolio	94	140,018	146,874	+6,856	+4.9%	+3,340	
Type	Residential	63	60,775	62,209	+1,434	+2.4%	+1,529
	Office/Retail Facilities	7	12,917	13,001	+84	+0.7%	+309
	Hotels	23	66,219	71,555	+5,336	+8.1%	+1,500
	Others	1	107	109	+2	+1.9%	+2
Location	Greater Tokyo Area	62	95,560	98,486	+2,926	+3.1%	+1,916
	Chubu	8	7,147	7,444	+297	+4.2%	+252
	Kansai	16	24,328	27,371	+3,043	+12.5%	+878
	Hokkaido/Tohoku	7	11,243	11,473	+230	+2.0%	+294
	Kyushu	1	1,740	2,100	+360	+20.7%	-

(Note 1) The appraisal values as of Jun. 2013 and as of Dec. 2013 are calculated excluding the appraisal values of 7 senior properties sold on May 22, 2014.

(Note 2) The appraisal value as of Jun. 2014 (JPY 117,610 million) is included the appraisal value of 18 hotel properties as of Apr. 2014 (JPY 40,342 million), acquired in July 17, 2014. The appraisal value as of Jun. 2014 of 73 properties is JPY 77,268 million

# Robust Growth of DPU

- Additional acquisitions and organic growth increased NOI by 66.8% to JPY 9.8 bn in 2015 from JPY 5.9 mn a year earlier. The reduction of property-related expenses contributed to an increase in Net Income and DPU by 68.7% and 43.7%, respectively
- Continuous growth of NOI, Net Income and DPU of +17.4%, +43.9% and 12.9% are expected in 2016

	2014 1H Actual	2014 2H Actual	2014 Annual Actual (1)	2015 1H Actual	2015 2H Forecast	2015 Annual Actual + Forecast (2)	Variance(2015 Annual vs 2014 Annual) (2) - (1)	2015 Normalized Annual	2016 Annual Forecast (3)	Variance(2015 Annual vs 2014 Annual) (3) - (2)
Operating Revenues	3,775	4,610	8,386	4,974	6,601	11,576	3,190	12,811	13,508	1,932
Rental Revenues(1)	2,772	4,610	7,383	4,974	6,601	11,576	4,193	12,811	13,508	1,932
Gain on sales of properties	1,003	0	1,003	0	0	0	(1,003)	0	0	0
Operating Expenses	1,541	1,840	3,381	2,163	2,614	4,778	1,397	5,455	5,759	981
Property related Expenses(2)	1,281	1,586	2,868	1,834	2,249	4,083	1,215	4,746	4,714	631
Depreciation Expenses(3)	527	837	1,365	986	1,329	2,316	951	2,712	2,722	406
<b>NOI (1)-(2)+(3)</b>	<b>2,018</b>	<b>3,861</b>	<b>5,879</b>	<b>4,127</b>	<b>5,681</b>	<b>9,809</b>	<b>3,930</b>	<b>10,777</b>	<b>11,516</b>	<b>1,707</b>
Operating Income	2,234	2,769	5,004	2,810	3,986	6,797	1,793	7,356	7,748	951
Other Operating Expenses	1,334	812	2,146	519	1,458	1,977	(169)	805	806	(1,171)
Finance-related Costs	842	294	1,136	140	1,008	1,148	12	225	232	(916)
One-time Expenses related Debt finance	779	193	972	5	894	899	(73)	0	0	(899)
Interest Expenses	376	365	741	379	307	687	(54)	579	574	(113)
One-time Expenses related Equity finance	115	152	267	-	142	142	(125)	-	-	(142)
Ordinary Income	902	1,958	2,861	2,295	2,528	4,824	1,963	6,556	6,942	2,118
<b>Net Income</b>	<b>901</b>	<b>1,958</b>	<b>2,859</b>	<b>2,295</b>	<b>2,527</b>	<b>4,823</b>	<b>1,964</b>	<b>6,555</b>	<b>6,941</b>	<b>2,118</b>
EPU	573	733	1,306	860	791	1,651	345	2,052	2,172	521
Reversal of Surplus per unit	-	-	-	-	23	23	23	-	-	(23)
Excess profit distribution per unit	-	-	-	-	248	248	248	-	-	(248)
<b>DPU</b>	<b>573</b>	<b>733</b>	<b>1,306</b>	<b>860</b>	<b>1,064</b>	<b>1,924</b>	<b>618</b>	<b>2,052</b>	<b>2,172</b>	<b>248</b>

# Glossary

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- **“Daily / Weekly / Monthly”** is the ratio for each classification of length of stay (i.e.,daily/weekly/monthly), and is calculated by dividing total room sales for the relevant classification during each operational period by the aggregate room sales for the same operational period and then multiplying the figure by 100. Daily, weekly and monthly are classified by the number of days of stays, with daily being 1-6 nights, weekly being 7-29 nights, and monthly being 30 or more nights
- **“ADR”** or Average Daily Rate, is the value of the total room sales for a certain period(excluding service fees) divided by the total number of sold rooms for the same period
- **“Room Occupancy Rate”** is calculated using the following formula: = total number of rooms occupied during the relevant period ÷ (aggregate number of rooms during the relevant period x number of business days during target period)
- **“RevPar”**, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate and ADR
- **“Total Revenues”** is the revenues from Room Income and Other Income such as parking lot use fees, laundry fees, vending machine transaction fees, etc. which do not fall under “Room Income”
- **“GOP”**, or the gross operating profit, is the amount remaining after deducting the personnel, water, electricity and heating and advertising expenses for the hotel operations from the hotel’s sales
- **“GOP Ratio”** is calculated using the following formula:  $\text{GOP ratio} = \text{GOP} \div \text{sales figure}$
- **“NOI”**, or Net Operating Income, is the actual figures as provided by the seller, following the adjustments for the trust fees, administration fees and insurance premiums when held by INV
- **“Overseas sales”** is sales amount through overseas web agents and % of overseas sales is calculated using the following formula:  $\% \text{ of Overseas Sales} = \text{Overseas Sales} \div \text{Room Income}$



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