

Translation

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**Summary of Financial Results (REIT)
for the Fiscal Period Ended December 31, 2016**

February 22, 2017

| | | | |
|--|--|---|---|
| Name of Issuer: | Invincible Investment Corporation | Stock Exchange Listing: | Tokyo Stock Exchange |
| Securities Code: | 8963 | URL | http://www.invincible-inv.co.jp/ |
| Representative: | Naoki Fukuda, Executive Director | | |
| Name of Asset Manager: | Consonant Investment Management Co., Ltd. | | |
| Representative: | Naoki Fukuda, President & CEO | | |
| Contact: | Jun Komo, General Manager of Planning Department | TEL. | +81-3-5411-2731 |
| Scheduled Date of Filing of Securities Report: | March 27, 2017 | Scheduled Date of Commencement for Distribution Payments: | March 28, 2017 |
| Supplementary Materials for Financial Results: | Yes | | |
| Presentation Meeting: | Yes (for analysts and investors) | | |

(values are rounded down to the nearest JPY million)

1. Financial Results for the Fiscal Period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

| | Operating Revenues | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------------------|--------------------|------|------------------|------|-----------------|------|-------------|------|
| | JPY million | % | JPY million | % | JPY million | % | JPY million | % |
| Fiscal period ended December 31, 2016 | 9,511 | 16.6 | 5,934 | 17.0 | 5,431 | 24.5 | 5,431 | 24.5 |
| Fiscal period ended June 30, 2016 | 8,158 | 18.9 | 5,073 | 16.1 | 4,364 | 47.8 | 4,363 | 47.8 |

| | Net Income per Unit | Net Income/ Unitholders' Equity | Ordinary Income/ Total Assets | Ordinary Income/ Operating Revenues |
|---------------------------------------|---------------------|------------------------------------|----------------------------------|--|
| | JPY | % | % | % |
| Fiscal period ended December 31, 2016 | 1,477 | 4.2 | 1.9 | 57.1 |
| Fiscal period ended June 30, 2016 | 1,270 | 3.9 | 1.9 | 53.5 |

(Note) "Net Income per Unit" is calculated based on the average number of investment units during the period and is rounded to the nearest yen. Net income per unit calculated based on the number of investment units issued and outstanding at the end of the fiscal period ended June 30, 2016 (3,675,824 units) and rounded down to the nearest yen is JPY 1,187.

(2) Distributions

| | Distribution (Excluding excess profit) | | Excess Profit | | Distribution | | Dividend Payout Ratio | Distribution / Net Assets |
|---------------------------------------|---|----------------------|---------------|------------------|--------------|----------------------|-----------------------------|---------------------------------|
| | Per Unit | Total | Per Unit | Total | Per Unit | Total | | |
| Fiscal period ended December 31, 2016 | JPY 1,477 | JPY million 5,429 | JPY 0 | JPY million 0 | JPY 1,477 | JPY million 5,429 | % 100.0 | % 4.2 |
| Fiscal period ended June 30, 2016 | 1,125 | 4,135 | 61 | 224 | 1,186 | 4,359 | 94.8 | 3.5 |

(Note 1) The distribution per unit in excess of profit for the fiscal period ended June 30, 2016 is JPY 61, of which JPY 61 is the allowance for temporary differences adjustments.

(Note 2) The "Dividend Payout Ratio" is calculated in accordance with the following formula:

$$\text{Dividend Payout Ratio} = \text{Distribution Amount (Excluding excess profit distribution)} \div \text{Net Income} \times 100$$
"Dividend Payout Ratio" is rounded to the nearest one decimal place.

(Note 3) "Distribution/ Net Assets" are calculated based on the figures excluding excess profit distribution.

(3) Financial Position

| | Total Assets | Net Assets | Net Assets / Total Assets | Net Assets per Unit |
|---------------------------------------|--------------|-------------|---------------------------|---------------------|
| | JPY million | JPY million | % | JPY |
| Fiscal period ended December 31, 2016 | 277,361 | 131,455 | 47.4 | 35,762 |
| Fiscal period ended June 30, 2016 | 284,106 | 130,005 | 45.8 | 35,368 |

(Note) "Net Assets per Unit" is calculated based on the number of investment units issued and outstanding at the end of each period, and is rounded to the nearest yen.

(4) Cash Flows

| | Cash Flows from Operating Activities | Cash Flows from Investment Activities | Cash Flows from Financing Activities | Closing Balance of Cash and Cash Equivalents |
|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|
| | JPY million | JPY million | JPY million | JPY million |
| Fiscal period ended December 31, 2016 | 9,818 | (8,457) | (3,910) | 14,214 |
| Fiscal period ended June 30, 2016 | 5,319 | (86,000) | 83,626 | 16,764 |

2. Forecasts for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017)

(Percentages indicate percentage change from the preceding period)

| | Operating Revenues | | Operating Income | | Ordinary Income | | Net Income | | Distribution per Unit (excluding excess profit distribution) | Excess Profit Distribution per Unit | Distribution per Unit (including excess profit distribution) |
|--|--------------------|-------|------------------|--------|-----------------|--------|-------------|--------|--|-------------------------------------|--|
| | JPY million | % | JPY million | % | JPY million | % | JPY million | % | JPY | JPY | JPY |
| Fiscal Period ending June 30, 2017 | 9,285 | (2.4) | 5,268 | (11.2) | 4,590 | (15.7) | 4,589 | (15.5) | 1,185 | 55 | 1,240 |
| Fiscal Period ending December 31, 2017 | 10,498 | 13.1 | 6,245 | 18.5 | 5,652 | 23.1 | 5,651 | 23.1 | 1,460 | 21 | 1,481 |

(Reference) Estimated net income per unit for the fiscal period ending June 30, 2017 is JPY 1,185.
Estimated net income per unit for the fiscal period ending December 31, 2017 is JPY 1,460.

* Others

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

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

(2) Number of Investment Units Issued and Outstanding

- (a) Number of Units Issued and Outstanding as of the End of the Fiscal Period (Including Treasury Units) December 31, 2016 3,675,824 June 30, 2016 3,675,824
(b) Number of Treasury Units as of the End of the Fiscal Period December 31, 2016 0 June 30, 2016 0

(Note) Please refer to "Notes Related to Per Unit Information" on page 49 regarding the number of investment units which is the basis for the calculation of net income per unit.

The Implementation Status of Statutory Audit

At the time of this financial report, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act are yet to be completed.

Explanation on the Appropriate Use of the Forecast of Results and Other Matters of Special Consideration

(Explanation on the Appropriate Use of the Forecast of Results)

The forward-looking statements in this financial report are based on the information currently available to us and certain assumptions which we believe are reasonable. Actual operating performance may differ significantly due to factors we cannot predict as of this date, including gains or losses from the disposition of properties, repayment of borrowings, decreases in rents and changes in operating conditions. Further, there is no guarantee of the payment of the forecast distribution amount.

Please refer to “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017)”, on page 19 for assumptions used in the forecasts and precautions regarding the use of such forecasts.

Unless otherwise specified herein, amounts less than JPY 1 are rounded down, and ratios are rounded to the nearest one decimal place.

1. Related Companies of the Investment Corporation

Disclosure is omitted because there have been no material changes in the “Structure of the Investment Corporation” section of the latest securities report (filed on September 26, 2016).

2. Management Policy and Operating Conditions

(1) Management Policy

Disclosure of “Investment Policies,” “Investment Targets,” “Distribution Policies” and the “Investment Restriction” is omitted because there have been no material changes from the relevant sections of the latest securities report (filed on September 26, 2016)

(2) Operating Conditions

a Overview of the Fiscal Period Ended December 2016 (“Reporting Period”)

(a) Main Trends of INV

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

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

Ever since the commencement of sponsorship from the Fortress Group, INV has been focusing its efforts on improving the profitability of its portfolio and establishing a revenue base in order to implement stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for external growth. With this platform as a base, in June 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (the “Asset Manager”) revised the Investment Guidelines for INV, and positioned hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecasted to rise going forward. As a result of the external growth efforts, INV’s portfolio at the end of the previous period ended June 2016 composed of 124 properties (48 hotels, 68 residential properties and eight others) with a total acquisition value of JPY 266,619 million, and market capitalization at such date of JPY 238,193 million. When compared to the period as of May 22, 2014, which is the time immediately prior to INV’s initial investment in hotels, the total acquisition value and market capitalization increased significantly by 3.7x and 8.0x, respectively.

In the Reporting Period, INV obtained an initial credit rating of “A” from Japan Credit Rating with a “Positive” outlook on September 27, 2016.

INV expanded the pipeline for future growth by adding two residential properties to the properties subject to a Memorandum of Understanding (the “MOU”) with affiliates of Fortress Group with respect to preferential negotiating rights regarding the acquisitions of hotels and residential properties on December 22, 2016. As of the end of the Reporting Period, there are 22 hotels (6,116 rooms) and 11 residential properties (1,413 units) in the MOU, which will continue to provide INV with considerable opportunities for external growth.

(b) Operational Environment and Performance

For the December 2016 period, NOI increased by 41.2% or JPY 2,453 million compared to the same period in the previous year (the December 2015 period), of which 35.7% came from the hotel portfolio and 5.7% from the residential portfolio.

As a result, INV maintained a high average occupancy rate (Note 1) of 98.2% across the entire portfolio, and the NOI of entire portfolio increased by 17.9% from the previous period (the June 2016 period) to JPY 8,414 million. Below is commentary on each of these sectors and their performance in the second half of 2016.

In the hotel segment, improvements in travel infrastructure, the penetration of LCC's into the Japanese market, and the Japanese government's promotion of tourism initiatives at the national and local level, coupled with macro structural changes such as a sharp increase in the number of cross-border travelers due to the global rise of the middle-income bracket, have led to a continued increase in the number of international visitors to Japan from China and Southeast Asian countries such as Thailand, Malaysia, the Philippines, Indonesia and Vietnam. This robust combination helped Japan log a record high of 24.039 million inbound visitors in 2016, (a 21.8% increase compared to 19.737 million in the previous year).

However, for the Reporting Period, the hotel segment was impacted by poor weather such as typhoons, day formation (reduced number of weekday holidays) of the Silver Week holiday in September 2016, an increase in hotel supply in Tokyo in the limited-service-hotel segment, an increase in the number of hotel rooms listed on websites of online travel agents and increased cancellations.

Under the circumstances above, INV is working closely with the operators of the hotels, primarily MyStays Hotel Management Co., Ltd. ("MyStays"), a hotel operator in the sponsor group, to proactively address the issues at hand. Specifically, MyStays continues to improve the web experience and the service function such as its online chat function and strengthen its user content and engagement to drive more direct bookings through the MyStays website as well as increase brand awareness. MyStays is increasing the over-bookings ratio to achieve higher occupancy rates and to offset vacancies caused by cancellations. As the result of the initiatives, 39 of the hotels owned by INV (Note 2) recorded ADR (Note 3) of JPY 9,935, RevPAR (Note 4) of JPY 9,049, and an occupancy rate (Note 5) of 91.1%. Among the 36 hotels (Note 6) in which a comparison can be made for the same period in the previous year, ADR was JPY 9,877 (+0.0%), RevPAR was JPY 8,973 (-0.8%), with an occupancy rate of 90.8% (-0.7 points). The ratio of overseas sales (Note 7) at the 36 hotels (Note 8) increased to 27.9% (+2.0 points compared to the same period in the previous year).

With respect to the residential portfolio, market rent trends for small-type city-center properties maintain moderate increase. Under the positive circumstances in the macro environment, INV implemented a rent increase program for new leases and renewals as well as an initiative to reduce residential leasing costs based on a market analysis of each unit and property. As a result, in the Reporting Period, INV realized a rent increase for 54.2% of the new residential lease contracts for an average rent increase of 1.5% compared to the previous rent across all new leases, and a rent increase for 33.6% of contract renewals for an average rent increase of 1.0% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate of 83.7%. The average occupancy rate achieved a stable 95.6% and the average occupancy rate for 63 properties that can be compared to the same period in the previous year (Note 9) was 94.4% (a decrease of 0.9 points). The NOI (Note 10) for the 63 properties (Note 9) in which previous year comparisons can be made increased 3.8% compared to the same period in the previous year. Furthermore, INV determined on November 21, 2016 to change the master lessee ("ML") and the property manager ("PM") for 16 properties effective December 1, 2016 and for one property effective January 1, 2017 (Note 11) respectively in order to further improve its operational efficiency as well as property performance by consolidating the number of ML/PM from 19 to 10 for its residential portfolio.

Due to the internal growth for the Reporting Period, and trends in the real estate investment and rental market, the total appraisal value at the end of the Reporting Period was JPY 328,192 million, an increase of JPY 4,901 million (+1.5%) over the previous period. The portfolio has an unrealized gain of JPY 68,253 million (Note 12) and an unrealized gain ratio of 26.3% (Note 12).

Key Performance Indicators of 36 Hotel Properties (Note 6)

| | Y2016 | | |
|-----------------------------|--------------------|------------------------|-----------|
| | June fiscal period | December fiscal period | Full-Year |
| Occupancy Rate | 89.6% | 90.8% | 90.2% |
| ADR (JPY) | 9,008 | 9,877 | 9,448 |
| RevPAR (JPY) | 8,068 | 8,973 | 8,523 |
| GOP (Note 13) (JPY million) | 4,516 | 5,373 | 9,889 |

Year-on-Year Changes

| | Y2016 | | |
|-----------------------------|--------------------|------------------------|-----------|
| | June fiscal period | December fiscal period | Full-Year |
| Occupancy Rate | +0.1pt | -0.7pt | -0.3pt |
| ADR (JPY) | +8.4% | -0.0% | +3.7% |
| RevPAR (JPY) | +8.5% | -0.8% | +3.3% |
| GOP (Note 13) (JPY million) | +12.3% | -2.3% | +3.8% |

Key Performance Indicators of 63 Residential Properties (Note 9)

| | Y2016 | | |
|---|--------------------|------------------------|-----------|
| | June fiscal period | December fiscal period | Full-Year |
| Occupancy Rate (Note 1) | 95.5% | 94.4% | 95.0% |
| Average Rent per Tsubo (JPY) (Note 14) | 10,040 | 10,123 | 10,082 |
| NOI (JPY million) | 1,540 | 1,553 | 3,093 |

Year-on-Year Changes

| | Y2016 | | |
|---|--------------------|------------------------|-----------|
| | June fiscal period | December fiscal period | Full-Year |
| Occupancy Rate (Note 1) | +1.8pt | -0.9pt | +0.5pt |
| Average Rent per Tsubo (JPY) (Note 14) | +1.3% | +1.7% | +1.5% |
| NOI (JPY million) | +5.1% | +3.8% | +4.4% |

(Note 1) “Occupancy Rate” for the entire portfolio and for the residential properties is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month during the relevant period.

(Note 2) Of the 48 acquired hotels, the following nine hotels with fixed-rent lease agreements are excluded: Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR Tachikawa Kitaguchi, Super Hotel JR Ueno-Iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel.

(Note 3) “ADR” means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period. Hereinafter the same shall apply.

(Note 4) “RevPAR” means revenue per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates. Hereinafter the same shall apply.

(Note 5) “Occupancy rate” for the hotel properties is calculated in accordance with the following formula:

Occupancy rate = total number of occupied rooms during a certain period ÷ total number of rooms available during the same period (number of rooms x number of days)

Hereinafter the same shall apply.

- (Note 6) Of the 48 acquired hotels, two hotels which were not operating for a certain period due to renovation in 2015, Hotel MyStays Shinsaibashi (renovation period: from January 25, 2015 through March 31, 2015) and Hotel MyStays Gotanda Station (renovation period: from March 1, 2015 through November 24, 2015) and one hotel which was not fully operating for a certain period due to renovation in 2016, Hotel MyStays Kanda (renovation period: from May 20, 2016 through August 22, 2016) are excluded, in addition to the nine hotels with fixed-rent lease agreements excluded per Note 2.
- (Note 7) “Overseas sales ratio” is the ratio of sales amount through overseas web agents to revenues.
- (Note 8) Of the 48 acquired hotels, 12 hotels, APA Hotel Yokohama-Kannai, Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR Tachikawa Kitaguchi, Super Hotel JR Ueno-Iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel, the tenants of which do not disclose the ratio of overseas sales; Hotel MyStays Gotanda Station, which was not operating for a certain period due to renovation in 2015 (renovation period: from March 1, 2015 through November 24, 2015); and Hotel MyStays Kanda, which was not fully operating for a certain period due to renovation in 2016 (renovation period: from May 20, 2016 through August 22, 2016), are excluded.
- (Note 9) Of the 68 acquired residential properties, five properties, City Court Kitaichijo, Lieto Court Mukojima, Lieto Court Nishi-Ojima, Royal Parks Momozaka and Royal Parks Shinden, which were not held by INV in the same period in the beginning of the previous year, are excluded.
- (Note 10) For the comparison of NOI of the 63 properties, insurance income and related repair expenses, which are temporary items, are excluded.
- (Note 11) 16 properties for which ML/PM were changed on December 1, 2016 are Royal Park Omachi, Lexington Square Haginomachi, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, Invoice Shin-Kobe Residence, Cosmo Court Motomachi, Salvo Sala, Luna Court Edobori, Winntage Kobe Motomachi, Corp Higashinotoin, Prime Life Sannomiya Isogami Koen, HERMITAGE NANBA WEST, West Avenue, Prime Life Mikage, Lieto Court Mukojima and Lieto Court Nishi-Ojima. One property for which ML/PM were changed on January 1, 2017 is Acseeds Tower Kawaguchi-Namiki.
- (Note 12) The unrealized gain is calculated using the following formula: the appraisal value as of the end of the Reporting Period - book value as of the end of the Reporting Period.
The unrealized gain ratio is calculated using the following formula: the unrealized gain ÷ book value as of the end of the Reporting Period.
- (Note 13) “GOP,” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, material, water, electricity and heating and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel’s revenues . Hereinafter the same shall apply.
- (Note 14) “Average rent per tsubo” is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leasable area at the end of each month during the relevant period.

(c) Overview of Fund Raising

During the Reported period, INV obtained a credit rating of A from the Japan Credit Rating Agency and also increased its bank group from 13 financial institutions to 19 including Japan Post Bank Co., Ltd. Below are details of the initial credit rating which was obtained on September 27, 2016:

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

As a result of the measures described below, INV's interest-bearing debt outstanding balance was JPY 142,419 million and the Interest-Bearing Debt ratio (Note 1) and LTV (Note 2) were 51.3% and 43.4% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.50%.

INV implemented the borrowing of Term Loan (E) (amount borrowed: JPY 4,000 million; interest rate: variable interest rate of 1-month JPY TIBOR (Note 4) plus 0.4%, 0.5% and 0.6% for durations of three, four and five years) from The Tokyo Star Bank, Limited on July 20, 2016 for use as a portion of the funds and related expenses for the two hotels acquired on June 15, 2016.

On November 30, 2016, INV repaid the portion of Term Loan (B), New Syndicate Loan (F), and Term Loan (C) in the amount of JPY 3,498 million in total that corresponds to the borrowings equivalent to the expected consumption tax refund (Note 5), using the consumption tax refunds from the five hotels acquired on January 22, 2016, the four hotels acquired on March 31, 2016, and the two hotels acquired on June 15, 2016.

In addition, a portion of INV's existing loans from Mizuho Bank, Ltd. was transferred to Japan Post Bank Co., Ltd. in the amount of JPY 4,000 million on July 15, 2016, The Kagawa Bank, Ltd., The Shizuoka Bank, Ltd., The Hyakugo Bank, Ltd., and The Bank of Fukuoka, Ltd. in the amount of JPY 1,000 million each on July 29, 2016, The Daishi Bank, Ltd. and The Hiroshima Bank, Ltd. in the amount of JPY 1,000 each on December 20, 2016.

(Note 1) Interest-Bearing Debt ratio uses the calculation formula below:

$$\text{Interest-Bearing Debt ratio} = \text{total outstanding interest-bearing debt} / \text{total assets} \times 100$$

(Note 2) LTV uses the calculation formula below:

$$\text{LTV} = \text{total outstanding interest-bearing debt} / \text{total appraisal value} \times 100$$

(Note 3) The average borrowing interest rate (annual rate) is calculated by the weighted average based on the outstanding balance of borrowings and rounded to two decimal places.

(Note 4) With respect to only the first interest calculation period, the 2-month JPY TIBOR.

(Note 5) Borrowings corresponding to the expected consumption tax refund mean the borrowings which will be prepaid in the amount equivalent to the refund of consumption tax and local tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings executed at the same time, in the case where the above-mentioned consumption tax refunds are received. The same shall apply hereinafter.

(d) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 1,353 million from the previous period (+16.6%) to JPY 9,511 million, and net income increased by JPY 1,067 million from the previous period (+24.5%) to JPY 5,431 million. DPU for the Reporting Period was JPY 1,477, an increase of JPY 291 (+24.5%) compared to the previous period.

INV aims to include maximum profit distributions (excluding excess profit distribution) in deductible expenses in accordance with Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (Act No. 15 of 1957; as amended), and decided to distribute all of the amount by deducting reversal of allowance for temporary differences adjustment from profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, except for fractional distribution per unit less than JPY 1. As a result, the distribution per unit (excluding excess profit distribution) for the Reporting Period is JPY 1,477. On the other hand, excess profit distribution will not be made.

b Outlook for the Fiscal Periods Ending June 30, 2017 and December 31, 2017

The DPU (including excess profit distribution) for the June 2017 period is forecast to be JPY 1,240 (+4.6% YoY) and the DPU (including excess profit distribution) for the December 2017 period is forecast to be JPY 1,481 (+0.3% YoY); the full year DPU (including excess profit distribution) for calendar year 2017 is forecast to be a modest growth of JPY 2,721 (+2.2% YoY).

Future operational policy and issues to be addressed

Since July 2011, INV has enhanced unitholder value by significantly increasing DPU with the Fortress Group as its sponsor. Going forward, INV will implement various strategies to maintain further growth, including the following measures.

- Continuous acquisition of properties from sponsor and third parties
- Further internal growth at hotel and residential properties
- Diversification of financing measures including the issuance of invest corporation bonds and extension and diversification of maturities

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

As its basic strategy, INV will move forward with the acquisition of new properties focusing on hotels, where continued growth in portfolio revenues is anticipated, and residential properties especially where rental growth can be achieved. Rent revenue from residential assets and other assets as well as the fixed rent portion from hotels will also contribute to more stable revenue, which was 67.4% of total revenue for 2016. This acquisition strategy will enable INV to build a portfolio with a good balance between growth and stability.

In regards to hotels, INV will take into consideration the trends in foreign travelers visiting Japan, demands of business and leisure customers, the competitive hotel environment, and leasing contract types when making investment decisions, with the aim of acquiring properties where growth and stability of GOP and rental revenue are forecasted to increase.

In regards to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties among other factors, and consider acquiring mainly small-type properties in large cities with strong competitiveness in which it believes it can achieve increases in rent. INV decided today to acquire two high quality family-type properties in Tokyo, taking into consideration of the rent growth potential for Royal Parks Tower Minami-Senju and the stability from the fixed-term lease for Royal Parks Seasir Minami-Senju, which will be beneficial to the diversification of the residential portfolio, as announced in the release “Notice concerning Acquisition of Assets and Entering into Leasing Contract” as of today.

These two residential properties are to be acquired from the pipeline of the sponsor, the Fortress Group, which has helped INV to achieve steady external growth as follows.

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

| Date | Properties acquired | Total acquisition price |
|----------------|---|---|
| September 2012 | 24 residential properties | JPY 14,043 million |
| May 2014 | Two hotels | JPY 5,435 million |
| July 2014 | 18 hotels | JPY 39,938 million |
| February 2015 | Two hotels | JPY 4,911 million |
| July 2015 | 11 hotels and three residential properties | JPY 35,258 million |
| August 2015 | One hotel | JPY 5,069 million |
| January 2016 | Five hotels and one residential property | JPY 10,207 million |
| March 2016 | Four hotels and one residential property | JPY 66,697 million |
| June 2016 | Two hotels | JPY 15,900 million |
| Total | 74 properties (of which 45 are hotels and 29 are residential properties) | JPY 197,458 million (of which hotels: JPY 170,382 million; residential: JPY 27,076 million) |

The Fortress Group manages four dedicated Japanese real estate funds, including the Fortress Japan Opportunity Funds I, II, and III. The Fortress Group's committed equity is over JPY 300 billion and the number of properties that the Fortress Group is invested in exceeds 1,400. In order to ensure future growth options for the portfolio, INV entered into an updated MOU with affiliates of the Fortress Group that provides preferential negotiation rights with respect to the acquisition of 22 hotels and nine residential properties (excluding two residential properties anticipated to be acquired) (see the table below) (Note 1). In addition, by utilizing the property transaction information available through the Fortress Group and INV's own network, INV will continuously consider and implement the acquisitions of properties from third parties that will contribute to stability and growth in revenue and cash flow and an increase in DPU.

| No. | Asset name | Asset type (Note 2) | Location | No. of rooms |
|-----|--|-----------------------|-------------------------|--------------|
| 1 | Hotel MyStays Premier Akasaka | Limited Service Hotel | Minato-ku, Tokyo | 327 |
| 2 | Hotel MyStays Yokohama Kannai | Limited Service Hotel | Yokohama-shi, Kanagawa | 166 |
| 3 | RIHGA Royal Hotel Kyoto | Full Service Hotel | Kyoto-shi, Kyoto | 489 |
| 4 | Narita Excel Hotel Tokyu | Full Service Hotel | Narita-shi, Chiba | 706 |
| 5 | Hotel MyStays Premier Sapporo Park | Full Service Hotel | Sapporo-shi, Hokkaido | 418 |
| 6 | Hotel MyStays Sapporo Station | Limited Service Hotel | Sapporo-shi, Hokkaido | 242 |
| 7 | Hotel MyStays Oita | Limited Service Hotel | Oita-shi, Oita | 145 |
| 8 | Art Hotel Hirosaki City | Full Service Hotel | Hirosaki-shi, Aomori | 134 |
| 9 | Beppu Kamenoi Hotel | Resort Hotel | Beppu-shi, Oita | 322 |
| 10 | Fusaki Resort Village | Resort Hotel | Ishigaki-shi, Okinawa | 195 |
| 11 | Sheraton Grande Tokyo Bay Hotel | Full Service Hotel | Urayasu-shi, Chiba | 1,016 |
| 12 | Hotel MyStays Shin Osaka Conference Center | Limited Service Hotel | Osaka-shi, Osaka | 397 |
| 13 | Art Hotel Asahikawa | Full Service Hotel | Asahikawa-shi, Hokkaido | 265 |
| 14 | Hotel MyStays Kanazawa Castle | Limited Service Hotel | Kanazawa-shi, Ishikawa | 206 |
| 15 | Hotel JAL City Matsuyama | Full Service Hotel | Matsuyama-shi, Ehime | 161 |

| No. | Asset name | Asset type (Note 2) | Location | No. of rooms |
|-------------------------------|---|------------------------|------------------------|--------------|
| 16 | Hotel MyStays Ueno East | Limited Service Hotel | Taito-ku, Tokyo | 150 |
| 17 | (tentative) Hotel MyStays Honmachi 3-chome (Note 3) | Limited Service Hotel | Osaka-shi, Osaka | 120 |
| 18 | Hotel MyStays Sapporo Nakajima Park | Limited Service Hotel | Sapporo-shi, Hokkaido | 86 |
| 19 | Flexstay Inn Sakuragicho | Limited Service Hotel | Yokohama-shi, Kanagawa | 70 |
| 20 | MyCUBE by MYSTAYS Asakusa Kuramae | Limited Service Hotel | Taito-ku, Tokyo | 161 |
| 21 | Hotel MyStays Premier Hamamatsucho | Limited Service Hotel | Minato-ku, Tokyo | 120 |
| 22 | Hotel MyStays Premier Omori | Limited Service Hotel | Shinagawa-ku, Tokyo | 220 |
| Hotel subtotal | | | | 6,116 |
| 23 | Gran Charm Hiroo | Residential/Small Type | Shibuya-ku, Tokyo | 121 |
| 24 | Plestay Win Kinshicho | Residential/Small Type | Sumida-ku, Tokyo | 92 |
| 25 | Gran Charm Kichijoji | Residential/Small Type | Musashino-shi, Tokyo | 28 |
| 26 | Green Patio Noda | Residential/Small Type | Noda-shi, Chiba | 240 |
| 27 | Dainichi F-45 | Residential/Small Type | Urayasu-shi, Chiba | 54 |
| 28 | Gran Charm Urayasu | Residential/Small Type | Urayasu-shi, Chiba | 54 |
| 29 | Gran Charm Urayasu 5 | Residential/Small Type | Urayasu-shi, Chiba | 54 |
| 30 | Gran Charm Minami Gyotoku I | Residential/Small Type | Ichikawa-shi, Chiba | 52 |
| 31 | Gran Charm Minami Gyotoku II | Residential/Small Type | Ichikawa-shi, Chiba | 48 |
| Residential property subtotal | | | | 743 |

(Note 1) The term of validity of the MOU is from December 22, 2016, the date of execution of the updated MOU, to December 21, 2017. The above 31 properties does not include two residential properties anticipated to be acquired upon the exercise of preferential negotiation rights under the MOU. Regarding the 31 properties listed above, there is no guarantee that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties.

(Note 2) Each “Asset Type” above is as follows:

“Limited Service Hotel” refers to a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities.

“Full Service Hotel” refers to a hotel having segments of stay, foods and beverages, and banquet.

“Resort Hotel” refers to a hotel located at tourist destinations or recreational lots, having segments of stay, foods and beverages, and incidental facilities.

“Small Type” refers to a residential property in which the majority of dwelling units are less than 30 m².

(Note 3) (Tentative) Hotel MyStays Honmachi 3-chome is scheduled to be completed in November 2017 and open in December 2017.

Property Sales

While INV places priority on increasing unitholders' value through external growth by taking into account the increased level of activity in the real estate trading market, it also plans to consider the possibility of property sale and replacement upon consideration of the portfolio sector composition, geographic distribution and competitiveness of each property, as appropriate.

(ii) Strategy for internal growth

(Hotels)

Of the 48 hotels owned by INV as at the end of the Reporting Period, 39 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives all of gross operating profit (GOP) after deducting management fees for the hotel operator as rents, and INV can directly enjoy the hotel revenue upside. In the case where GOP enters into a downward trend, INV could take advantage from the fixed rent portion or downside floor to protect itself from further loss. For 33 hotels, MyStays has implemented strict revenue management seeking to maximize revenue. INV will continue to accurately ascertain and analyze operating conditions of its hotels, the conditions of nearby hotels, market trends and other factors through operation meetings and other contact with hotel operators and will focus on operations that maximize rent income.

(Residential properties and others)

INV will continue to strengthen its collaborative ties with Property Management (PM) companies and brokers to further boost occupancy rates and earning capabilities of its properties. With respect to INV's residential properties, while keeping in mind the high-season in the residential rental market that occurs during the fiscal period ending June 2017, INV will focus on increasing the occupancy rate and rent for both new lease contracts and lease renewals for each of its properties as well as formulating net leasing cost reduction policies in order to continue maximizing profits.

Further, the implementation of appropriate maintenance and repair plans is of the utmost importance in maintaining and enhancing the competitiveness and market value of the properties as well as ensuring stable operations and high tenant satisfaction. Therefore, INV will continue to monitor current strategic plans with flexible implementation as it sees fit. Especially for hotels, INV will carefully execute the plans for renovations and replacement of fixtures and fittings in order to maintain and increase revenues.

(iii) Financial strategy

INV has obtained its initial credit rating, strengthened its relationship with existing lenders and enhanced its lender formation via adding six new lenders including Japan Post Bank Co., Ltd. in order to further stabilize its financial base. Going forward, INV will work on diversifying financing measures including issuing investment corporation bonds. Also, INV seeks to maximize unitholders' value by way of extension and diversification of its borrowing terms, further reduction of borrowing costs, solicitation of new financial institutions and further strengthening of its lender formation.

(iv) Compliance risk management

While the executive officer of INV concurrently serves as the representative director at the Asset Manager, two supervisory directors (an attorney and a certified public account) oversee the execution of the executive officer's duties via the Board of Directors of INV. In addition, the compliance officer of the Asset Manager attends each meeting of the Board of Directors in the capacity of an observer.

The Asset Manager has a compliance officer who is responsible for compliance with laws, regulations and other relevant matters as well as overall management of transactions with sponsor related parties. Moreover, it has in place a compliance committee which, chaired by such compliance officer, is in charge of deliberating on compliance with laws, regulations and other relevant matters as well as transactions with sponsor related parties. Compliance committee meetings are attended by an outside expert (an attorney) who, sitting in as a compliance committee member, conducts rigorous deliberations on the existence of conflicts of interest in transactions with sponsor related parties as well as strict examinations with respect to INV's compliance with laws and regulations.

INV intends to continually take steps to strengthen its compliance structure.

c Significant Subsequent Events

(a) Issuance of New Investment Units

INV has resolved at its Board of Directors Meeting to issue new investment units (“Public Offering”) and conduct secondary offering of investment units per the below.

The details including issue price per unit will be determined at its Board of Directors Meeting to be held hereafter.

(i) Issuance of new investment units through Public Offering

| | |
|--|--|
| Number of investment units to be offered | : 185,000 investment units |
| Use of proceeds | : INV will use the proceeds from the Public Offering for the acquisitions of “Royal Parks Tower Minami-Senju” and “Royal Parks Seair Minami-Senju” as described in “(c) Property Acquisition” below. |

(ii) Secondary offering of investment units (overallotment secondary offering)

| | |
|--|--------------------------|
| Number of investment units to be offered in the secondary offering | : 9,250 investment units |
|--|--------------------------|

(iii) Issuance of new investment units through third-party allotment (Note)

| | |
|--|--|
| Number of investment units to be offered (maximum) | : 9,250 investment units |
| Allottee | : Mizuho Securities Co., Ltd. |
| Use of proceeds | : INV will keep the proceeds as cash-on-hand and use for future asset acquisition. The procured funds will be deposited at banks until disbursement. |

(Note) There may be cases where there will be no subscription for whole or part of the investment units to be issued through the third-party allotment, resulting in a commensurate shortfall in the ultimate number of investment units to be issued through the third-party allotment, due to forfeiture, or there may be cases where such issuance itself will not take place at all.

(b) Borrowing of Funds

INV has decided today to obtain new loans (“Borrowings”) in order to acquire properties described in “(c) Property Acquisition” below and related expenses. The details of loans are as follows:

(i) New Syndicate Loan (G)

| Lender | Borrowing date | Borrowing amount (JPY million) | Interest rate (per annum) | Principal maturity date | Borrowing method |
|--|----------------|--------------------------------|---------------------------------|-------------------------|-------------------------------|
| Mizuho Bank, Ltd. Development Bank of Japan, Inc. Resona Bank, Limited The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. | March 14, 2017 | 3,250 | Variable interest rate (Note 1) | March 14, 2020 | Unsecured / with no guarantee |
| The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd. The Dai-ichi Life Insurance Company, Limited | March 14, 2017 | 3,250 | Variable interest rate (Note 2) | March 14, 2021 | Unsecured / with no guarantee |
| The Gunma Bank, Ltd. The Towa Bank, Ltd. | March 14, 2017 | 4,750 | Variable interest rate (Note 3) | March 14, 2022 | Unsecured / with no guarantee |
| Total | | 11,250 | | | |

(Note 1)1-month JPY TIBOR (Base Rate) + spread (0.40%)

(Note 2)1-month JPY TIBOR (Base Rate) + spread (0.50%)

(Note 3)1-month JPY TIBOR (Base Rate) + spread (0.60%)

(ii) Term Loan (F)

| Lender | Borrowing date | Borrowing amount (JPY million) | Interest rate (per annum) | Principal maturity date | Borrowing method |
|--------------------------------------|----------------|--------------------------------|-------------------------------|-------------------------|-------------------------------|
| Sumitomo Mitsui Banking Corporation. | March 14, 2017 | 3,000 | Variable interest rate (Note) | September 14, 2020 | Unsecured / with no guarantee |
| Total | | 3,000 | | | |

(Note)1-month JPY TIBOR (Base Rate) + spread (0.45%)

(c) Property Acquisition

The Asset Manager has decided today to acquire the two residential properties (“Acquisition”) as follows:

| Use | Property number | Property name | Location | Acquisition price (JPY million) (Note 1) | Appraisal value (JPY million) (Note 2) | Seller | Legal form of asset |
|-------------|-----------------|---------------------------------|-------------------|--|--|--------------------------------|----------------------------|
| Residential | A105 | Royal Parks Tower Minami-Senju | Arakawa-ku, Tokyo | 21,879 | 22,100 | Sakura Tokutei Mokuteki Kaisha | Trust beneficiary interest |
| | A106 | Royal Parks Seasir Minami-Senju | Arakawa-ku, Tokyo | 2,683 | 2,710 | Momo Tokutei Mokuteki Kaisha | |
| Total | | | | 24,562 | 24,810 | | |

(Note 1) Acquisition price does not include property taxes, city planning taxes, national or local consumption taxes; hereinafter the same.

(Note 2) The appraisal value is as of December 1, 2016 based on the appraisal reports by Japan Real Estate Institute.

(Note 3) Figures are rounded down to the nearest million yen.

d Operational Outlook

The forecasts of financial results for the fiscal periods ending June 30, 2017 and December 31, 2017 are as follows.

Fiscal period ending June 30, 2017 (from January 1, 2017 to June 30, 2017)

| | |
|---|-------------------|
| Operating Revenues | JPY 9,285 million |
| Operating Income | JPY 5,268 million |
| Ordinary Income | JPY 4,590 million |
| Net Income | JPY 4,589 million |
| Total Distribution Amount (Including excess profit distribution) | JPY 4,798 million |
| Earnings per Unit | JPY 1,185 |
| Distribution per Unit (Excluding excess profit distribution per unit) | JPY 1,185 |
| Excess Profit Distribution per Unit | JPY 55 |
| Distribution per Unit (Including excess profit distribution per unit) | JPY 1,240 |

Fiscal period ending December 31, 2017 (from July 1, 2017 to December 31, 2017)

| | |
|---|--------------------|
| Operating Revenues | JPY 10,498 million |
| Operating Income | JPY 6,245 million |
| Ordinary Income | JPY 5,652 million |
| Net Income | JPY 5,651 million |
| Total Distribution Amount (Including excess profit distribution) | JPY 5,731 million |
| Earnings per Unit | JPY 1,460 |
| Distribution per Unit (Excluding excess profit distribution per unit) | JPY 1,460 |
| Excess Profit Distribution per Unit | JPY 21 |
| Distribution per Unit (Including excess profit distribution per unit) | JPY 1,481 |

For reference purposes, full-year forecasts are provided below, since hotel revenues are influenced by seasonal effects.

(Reference) Full-year 2017 (Aggregate of the fiscal periods ending in June 2017 and December 2017)

| | |
|---|--------------------|
| Operating Revenues | JPY 19,783 million |
| Operating Income | JPY 11,513 million |
| Ordinary Income | JPY 10,242 million |
| Net Income | JPY 10,241 million |
| Total Distribution Amount (Including excess profit distribution) | JPY 10,530 million |
| Earnings per Unit | JPY 2,645 |
| Distribution per Unit (Excluding excess profit distribution per unit) | JPY 2,645 |
| Excess Profit Distribution per Unit | JPY 76 |
| Distribution per Unit (Including excess profit distribution per unit) | JPY 2,721 |

For the assumptions underlying the operational outlook for the fiscal periods ending June 30, 2017 and December 31, 2017, please see “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017.”

(Cautionary Note regarding Forward Looking Statements)

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

<Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017)>

| Item | Assumptions | | | | | | | | | | | | | | | |
|------------------------------|--|-----------------------------|-------------------------|-----------------------------|-------------------|--------------|---------------|-------------------------|----------------|----------------|---------------------|----------------|----------------|------------------------|----------------|----------------|
| Fiscal period | The 28 th fiscal period: from January 1, 2017 to June 30, 2017 (181 days) The 29 th fiscal period: from July 1, 2017 to December 31, 2017 (184 days) | | | | | | | | | | | | | | | |
| Assets under management | Properties held as of the end of the 28 th fiscal period: 126 properties Properties held as of the end of the 29 th fiscal period: 126 properties INV assumes that INV will newly acquire two residential properties (Note) as of March 14, 2017 in addition to existing 124 properties, and there will be no change through the end of the fiscal period ending December 2017. (Note) Regarding the acquisition of properties as of March 14, 2017, please refer to “Notice concerning Acquisition and of Assets and Entering into Leasing Contract” dated as of today. | | | | | | | | | | | | | | | |
| Units outstanding | As of the end of the 28 th fiscal period: 3,870,074 units As of the end of the 29 th fiscal period: 3,870,074 units INV assumes that a total of 194,250 new investment units will be issued through the Public Offering (185,000 new investment units) and the Third Party Allotment (up to 9,250 new investment units), that the expected number of investment units issued and outstanding following the Public Offering as well as the Third Party Allotment will be 3,870,074 units, and that there will be no additional issuance of units thereafter through the end of the fiscal period ending December 2017. | | | | | | | | | | | | | | | |
| Interest-bearing liabilities | Balance as of the end of the 28 th fiscal period: JPY 156,669 mn Balance as of the end of the 29 th fiscal period: JPY 156,669 mn INV assumes that New Syndicate Loan (G) and Term Loan (F) are implemented as of March 14, 2017, as mentioned in today’s release “Notice concerning Debt Financing” and no other loan is implemented. | | | | | | | | | | | | | | | |
| Operating revenues | INV expects to record rental revenues for each fiscal period as follows: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>June 2017 Fiscal Period</th> <th>December 2017 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Rental revenues</td> <td>JPY 9,285 mn</td> <td>JPY 10,498 mn</td> </tr> <tr> <td>(of these, hotel rents)</td> <td>(JPY 5,539 mn)</td> <td>(JPY 6,425 mn)</td> </tr> <tr> <td>(fixed hotel rents)</td> <td>(JPY 2,644 mn)</td> <td>(JPY 3,232 mn)</td> </tr> <tr> <td>(variable hotel rents)</td> <td>(JPY 2,895 mn)</td> <td>(JPY 3,192 mn)</td> </tr> </tbody> </table> Rental revenues in the fiscal period ending June 2017 and the fiscal period ending December 2017 are calculated based on estimates as of today from January 2017 to December 2017. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants. The majority of INV’s owned hotels use a variable rent scheme linked to performance of the relevant hotel. Hotel demand is affected by seasonal factors and the December ending fiscal periods (from July to December) which include summer holiday and autumn outing seasons tend to record higher revenue than the June ending fiscal periods (from January to June). Accordingly, rental revenue of INV tends to be higher in the December ending fiscal periods than in the June ending fiscal periods | | June 2017 Fiscal Period | December 2017 Fiscal Period | • Rental revenues | JPY 9,285 mn | JPY 10,498 mn | (of these, hotel rents) | (JPY 5,539 mn) | (JPY 6,425 mn) | (fixed hotel rents) | (JPY 2,644 mn) | (JPY 3,232 mn) | (variable hotel rents) | (JPY 2,895 mn) | (JPY 3,192 mn) |
| | June 2017 Fiscal Period | December 2017 Fiscal Period | | | | | | | | | | | | | | |
| • Rental revenues | JPY 9,285 mn | JPY 10,498 mn | | | | | | | | | | | | | | |
| (of these, hotel rents) | (JPY 5,539 mn) | (JPY 6,425 mn) | | | | | | | | | | | | | | |
| (fixed hotel rents) | (JPY 2,644 mn) | (JPY 3,232 mn) | | | | | | | | | | | | | | |
| (variable hotel rents) | (JPY 2,895 mn) | (JPY 3,192 mn) | | | | | | | | | | | | | | |

| Item | Assumptions | | |
|------------------------|---|----------------------------|--------------------------------|
| Operating expenses | INV expects to incur property related expenses for each fiscal period as follows: | | |
| | | June 2017 fiscal period | December 2017 fiscal period |
| | • Facility management fees (of these, repair costs) | JPY 504 mn (JPY 33 mn) | JPY 537 mn (JPY 36 mn) |
| | • Taxes and other public charges | JPY 386 mn | JPY 470 mn |
| | • Insurance expenses | JPY 9 mn | JPY 9 mn |
| | • Depreciation expenses | JPY 2,277 mn | JPY 2,407 mn |
| | • Other expenses | JPY 403 mn | JPY 382 mn |
| | Total property related expenses | JPY 3,582 mn | JPY 3,807 mn |
| | INV expects to incur other operating expenses than the property related expenses for each fiscal period as follows: | | |
| | | June 2017 fiscal period | December 2017 fiscal period |
| | • Other operating expenses (of these, asset management fees) | JPY 434 mn (JPY 250 mn) | JPY 445 mn (JPY 250 mn) |
| NOI | INV expects to record net operating income for each fiscal period as follows: | | |
| | | June 2017 fiscal period | December 2017 fiscal period |
| | • NOI | JPY 7,980 mn | JPY 9,097 mn |
| | (of these, hotel NOI) | (JPY 5,259 mn) | (JPY 6,083 mn) |
| | (of these, residential NOI) | (JPY 2,347 mn) | (JPY 2,630 mn) |
| | NOI calculation method in the above table is as follows | | |
| | • NOI = Rental Revenues - Property Related Expenses + Depreciation Expenses | | |
| Non-operating expenses | INV expects to incur non-operating expenses for each fiscal period as follows: | | |
| | | June 2017 fiscal period | December 2017 fiscal period |
| | • Interest expense | JPY 378 mn | JPY 400 mn |
| | • Finance related costs | JPY 220 mn | JPY 192 mn |
| | • Other non-operating expenses (expenses relating to the issuance of new units for the public offering) | JPY 80 mn (JPY 80 mn) | - (-) |
| | Total non-operating expenses | JPY 678 mn | JPY 592 mn |

| Item | Assumptions |
|-----------------------|---|
| Distribution per unit | <p>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.</p> <p>With respect to the distribution for the fiscal period ending June 2017, INV expects to distribute an aggregate amount of JPY 4,798 million (distribution per unit: JPY 1,240) based on the assumption that excess profit distribution will be paid (JPY 209 million), in addition to net income for the fiscal period ending June 2017 (JPY 4,589 million) which will be used as funds.</p> <p>With respect to the distribution for the fiscal period ending December 2017, INV expects to distribute an aggregate amount of JPY 5,731 million (distribution per unit: JPY 1,481) based on the assumption that excess profit distribution will be paid (JPY 80 million), in addition to net income for the fiscal period ending December 2017 (JPY 5,651 million) which will be used as funds.</p> <p>For the fiscal periods ending June 2017 and December 2017, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 151 million, which is equal to the amount for the fiscal period ended December 2016. The distribution per unit is calculated based on the assumption that fluctuation of the market value of the interest rate swap does not affect the distribution per unit.</p> <p>Distribution per unit may vary due to various factors, including changes of the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.</p> |

| Item | Assumptions | | | | | | |
|--|--|--------------------------------|----------------------------|--------------------------------|-------------------------------------|--------|--------|
| <p>Excess profit distribution per unit</p> | <p>INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period, and therefore, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period.</p> <p>INV may also consider making distributions in excess of profits for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on depreciation of fixed term land lease or asset retirement obligation.</p> <p>With respect to the fiscal period ending June 2017, due to one-off expenses in connection with Public Offering, Acquisition and Borrowings, earnings per unit is expected to decrease. Therefore, from the perspective of maintaining stable distributions, INV intends to make distributions in excess of profits (JPY 43 per unit) within the scope of the expected shortfall between actual earnings per unit and the simulated earnings per unit after the transactions.</p> <p>In addition, INV also intends to make distributions in excess of profits (JPY 12 per unit for the fiscal period ending June 2017, JPY 21 per unit for the fiscal period ending December 2017) in order to cope with the discrepancy between tax and accounting treatment for the fiscal period ending June 2017 and the fiscal period ending December 2017.</p> <table data-bbox="478 1052 1404 1164" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">June 2017 fiscal period</td> <td style="text-align: center;">December 2017 fiscal period</td> </tr> <tr> <td style="text-align: right;">Excess profit distribution per unit</td> <td style="text-align: center;">JPY 55</td> <td style="text-align: center;">JPY 21</td> </tr> </table> | | June 2017 fiscal period | December 2017 fiscal period | Excess profit distribution per unit | JPY 55 | JPY 21 |
| | June 2017 fiscal period | December 2017 fiscal period | | | | | |
| Excess profit distribution per unit | JPY 55 | JPY 21 | | | | | |
| <p>Other</p> | <p>INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts. In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.</p> | | | | | | |

3. Financial Statements

(1) Balance Sheet

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (as of June 30, 2016) | Fiscal period ended December 31, 2016 (as of December 31, 2016) |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash and bank deposits | 11,322,762 | 8,714,907 |
| Cash and bank deposits in trust | 5,441,316 | 5,499,826 |
| Accounts receivable | 201 | 19 |
| Rental receivables | 1,375,846 | 1,398,433 |
| Prepaid expenses | 394,524 | 387,328 |
| Consumption taxes receivable | 2,672,787 | - |
| Other | 35 | 32 |
| Allowance for doubtful accounts | (2,764) | (1,334) |
| Total current assets | 21,204,709 | 15,999,214 |
| Non-current assets: | | |
| Property and equipment | | |
| Buildings, at cost | 85,914 | 85,914 |
| Accumulated depreciation | (9,948) | (10,489) |
| Buildings, net | 75,965 | 75,424 |
| Buildings and accompanying facilities, at cost | 38,862 | 38,862 |
| Accumulated depreciation | (21,375) | (22,150) |
| Buildings and accompanying facilities, net | 17,487 | 16,712 |
| Structures, at cost | 2,779 | 2,779 |
| Accumulated depreciation | (1,401) | (1,467) |
| Structures, net | 1,377 | 1,311 |
| Land | 711,834 | 711,834 |
| Buildings in trust, at cost | 101,837,752 | 102,029,376 |
| Accumulated depreciation | (5,539,382) | (6,800,686) |
| Buildings in trust, net | 96,298,370 | 95,228,689 |
| Buildings and accompanying facilities in trust, at cost | 23,193,164 | 23,379,828 |
| Accumulated depreciation | (3,592,722) | (4,312,055) |
| Buildings and accompanying facilities in trust, net | 19,600,442 | 19,067,773 |
| Structures in trust, at cost | 336,691 | 340,005 |
| Accumulated depreciation | (147,949) | (158,426) |
| Structures in trust, net | 188,742 | 181,579 |
| Tools, furniture and fixtures in trust, at cost | 500,608 | 651,007 |
| Accumulated depreciation | (179,738) | (221,184) |
| Tools, furniture and fixtures in trust, net | 320,869 | 429,823 |
| Land in trust | 135,384,518 | 135,384,518 |
| Construction in progress in trust | 46,368 | - |
| Total property and equipment, net | 252,645,976 | 251,097,667 |
| Intangible assets | | |
| Leasehold rights in trust | 8,871,542 | 8,840,627 |
| Total intangible assets | 8,871,542 | 8,840,627 |
| Investment and other assets | | |
| Guarantee deposits | 613,914 | 613,914 |
| Long-term prepaid expenses | 729,351 | 616,340 |
| Derivatives assets | - | 151,259 |
| Other | 40,640 | 42,851 |
| Total investments and other assets | 1,383,905 | 1,424,366 |
| Total non-current assets | 262,901,424 | 261,362,660 |
| Total assets | 284,106,133 | 277,361,874 |

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (as of June 30, 2016) | Fiscal period ended December 31, 2016 (as of December 31, 2016) |
|--|---|---|
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 188,362 | 182,601 |
| Short-term loans payable | 3,498,000 | - |
| Accounts payable-other | 8,957,286 | 51,825 |
| Accrued expenses | 186,571 | 166,066 |
| Income taxes payable | 605 | 605 |
| Consumption taxes payable | - | 460,521 |
| Advances received | 507,135 | 522,072 |
| Deposits received | 21,072 | 13,583 |
| Total current liabilities | 13,359,034 | 1,397,276 |
| Non-current liabilities: | | |
| Long-term loans payable | 138,419,000 | 142,419,000 |
| Tenant leasehold and security deposits in trust | 2,035,843 | 2,030,396 |
| Tenant leasehold and security deposits | 28,663 | 28,663 |
| Derivatives liabilities | 227,532 | - |
| Asset retirement obligations | 31,050 | 31,260 |
| Total non-current liabilities | 140,742,089 | 144,509,319 |
| Total liabilities | 154,101,123 | 145,906,596 |
| Net assets | | |
| Unitholders' equity: | | |
| Unitholders' capital | 120,367,271 | 120,367,271 |
| Surplus: | | |
| Capital surplus | 6,264,432 | 6,264,432 |
| Deduction of capital surplus | | |
| Allowance for temporary differences adjustment | *3 - | *3 (224,225) |
| Other deduction of capital surplus | (763,290) | (763,290) |
| Total deduction of capital surplus | (763,290) | (987,516) |
| Capital surplus (net) | 5,501,141 | 5,276,915 |
| Voluntary reserve: | | |
| Reserve for temporary differences adjustment | *1 708 | *1 - |
| Voluntary reserve | 708 | - |
| Retained earnings | 4,363,420 | 5,659,831 |
| Total surplus | 9,865,270 | 10,936,747 |
| Total unitholders' equity | 130,232,542 | 131,304,019 |
| Valuation and translation adjustments: | | |
| Deferred gains or losses on hedges | (227,532) | 151,259 |
| Total valuation and translation adjustments | (227,532) | 151,259 |
| Total net assets | *2 130,005,009 | *2 131,455,278 |
| Total liabilities and net assets | 284,106,133 | 277,361,874 |

(2) Statement of Income and Retained Earnings

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|--|--|---|
| Operating revenue | | |
| Rental revenue—real estate | *1 8,158,220 | *1 9,511,466 |
| Total operating revenue | 8,158,220 | 9,511,466 |
| Operating expenses | | |
| Property related expenses | *1 2,697,986 | *1 3,162,067 |
| Asset management fees | 250,000 | 250,000 |
| Directors' compensation | 4,800 | 4,800 |
| Asset custody fees | 9,128 | 14,026 |
| Administrative service fees | 24,010 | 27,890 |
| Provision of allowance for doubtful accounts | 269 | 1,123 |
| Other | 98,120 | 117,347 |
| Total operating expenses | 3,084,315 | 3,577,255 |
| Operating income | 5,073,905 | 5,934,211 |
| Non-operating income | | |
| Interest income | 1,316 | 129 |
| Interest on tax refund | 1,372 | 6,722 |
| Refund of consumption taxes | | 35,949 |
| Other | 213 | 385 |
| Total non-operating income | 2,902 | 43,186 |
| Non-operating expenses | | |
| Interest expenses | 295,185 | 359,540 |
| Loan-related costs | 280,326 | 186,249 |
| Investment unit issuance costs | 137,270 | - |
| Total non-operating expenses | 712,782 | 545,789 |
| Ordinary income | 4,364,025 | 5,431,608 |
| Income before income taxes | 4,364,025 | 5,431,608 |
| Income taxes | | |
| Current | 605 | 605 |
| Deferred | - | - |
| Total income taxes | 605 | 605 |
| Net income | 4,363,420 | 5,431,003 |
| Retained earnings brought forward | - | 228,827 |
| Unappropriated retained earnings | 4,363,420 | 5,659,831 |

(3) Statement of Changes in Net Assets

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

(Unit: JPY thousand)

| | Unitholders' equity | | | | | | | |
|--|------------------------------------|-----------------|------------------------------|-----------|-----------|-----------------------|--|-------------------|
| | Unitholders' capital | Surplus | | | | | | |
| | | Capital surplus | | | | | Voluntary reserve | |
| | | Capital surplus | Deduction of capital surplus | | | Capital surplus (net) | Reserve for temporary differences adjustment | Voluntary reserve |
| Allowance for temporary differences adjustment | Other deduction of capital surplus | | Deduction of capital surplus | | | | | |
| Balance at the beginning of the period | 82,465,438 | 6,264,432 | - | - | - | 6,264,432 | - | - |
| Changes during the period | | | | | | | | |
| Issuance of new investment units | 37,901,832 | | | | | | | |
| Other distributions in excess of retained earnings | | | | (763,290) | (763,290) | (763,290) | | |
| Reserve for temporary differences adjustment | | | | | | | 708 | 708 |
| Distributions from surplus | | | | | | | | |
| Net income | | | | | | | | |
| Changes other than unitholders' equity (net) | | | | | | | | |
| Total changes during the period | 37,901,832 | - | - | (763,290) | (763,290) | (763,290) | 708 | 708 |
| Balance at the end of the period | 120,367,271 | 6,264,432 | - | (763,290) | (763,290) | 5,501,141 | 708 | 708 |

| | Unitholders' equity | | | Valuation and translation adjustments | | Total net assets |
|--|---------------------|---------------|---------------------------|---------------------------------------|---|------------------|
| | Surplus | | Total unitholders' equity | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| | Retained earnings | Total surplus | | | | |
| Balance at the beginning of the period | 3,028,323 | 9,292,755 | 91,758,194 | - | - | 91,758,194 |
| Changes during the period | | | | | | |
| Issuance of new investment units | | | 37,901,832 | | | 37,901,832 |
| Other distributions in excess of retained earnings | | (763,290) | (763,290) | | | (763,290) |
| Reserve for temporary differences adjustment | (708) | - | - | | | - |
| Distributions from surplus | (3,027,614) | (3,027,614) | (3,027,614) | | | (3,027,614) |
| Net income | 4,363,420 | 4,363,420 | 4,363,420 | | | 4,363,420 |
| Changes other than unitholders' equity (net) | | | | (227,532) | (227,532) | (227,532) |
| Total changes during the period | 1,335,097 | 572,515 | 38,474,348 | (227,532) | (227,532) | 38,246,815 |
| Balance at the end of the period | 4,363,420 | 9,865,270 | 130,232,542 | (227,532) | (227,532) | 130,005,009 |

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

(Unit: JPY thousand)

| | Unitholders' equity | | | | | | | |
|--|------------------------------------|-----------------|------------------------------|-----------|-----------|-----------------------|--|-------------------|
| | Unitholders' capital | Surplus | | | | | | |
| | | Capital surplus | | | | | Voluntary reserve | |
| | | Capital surplus | Deduction of capital surplus | | | Capital surplus (net) | Reserve for temporary differences adjustment | Voluntary reserve |
| Allowance for temporary differences adjustment | Other deduction of capital surplus | | Deduction of capital surplus | | | | | |
| Balance at the beginning of the period | 120,367,271 | 6,264,432 | - | (763,290) | (763,290) | 5,501,141 | 708 | 708 |
| Changes during the period | | | | | | | | |
| Reversal of reserve for temporary differences adjustment | | | | | | | (708) | (708) |
| Distributions from surplus | | | | | | | | |
| Distributions in excess of retained earnings from allowance for temporary differences adjustment | | | (224,225) | | (224,225) | (224,225) | | |
| Net income | | | | | | | | |
| Changes other than unitholders' equity (net) | | | | | | | | |
| Total changes during the period | - | - | (224,225) | - | (224,225) | (224,225) | (708) | (708) |
| Balance at the end of the period | 120,367,271 | 6,264,432 | (224,225) | (763,290) | (987,516) | 5,276,915 | - | - |

| | Unitholders' equity | | | Valuation and translation adjustments | | Total net assets |
|--|---------------------|---------------|---------------------------|---------------------------------------|---|------------------|
| | Surplus | | Total unitholders' equity | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| | Retained earnings | Total surplus | | | | |
| Balance at the beginning of the period | 4,363,420 | 9,865,270 | 130,232,542 | (227,532) | (227,532) | 130,005,009 |
| Changes during the period | | | | | | |
| Reversal of reserve for temporary differences adjustment | 708 | - | - | | | - |
| Distributions from surplus | (4,135,302) | (4,135,302) | (4,135,302) | | | (4,135,302) |
| Distributions in excess of retained earnings from allowance for temporary differences adjustment | | (224,225) | (224,225) | | | (224,225) |
| Net income | 5,431,003 | 5,431,003 | 5,431,003 | | | 5,431,003 |
| Changes other than unitholders' equity (net) | | | | 378,792 | 378,792 | 378,792 |
| Total changes during the period | 1,296,410 | 1,071,476 | 1,071,476 | 378,792 | 378,792 | 1,450,268 |
| Balance at the end of the period | 5,659,831 | 10,936,747 | 131,304,019 | 151,259 | 151,259 | 131,455,278 |

(4) Statement of Cash Distribution

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|--|--|---|
| I Unappropriated retained earnings | JPY 4,363,420,951 | JPY 5,659,831,868 |
| II Reversal of voluntary retained earnings | | |
| Reversal of reserve for temporary differences adjustment | JPY 708,942 | - |
| III Incorporation into unitholders' equity | | |
| Of which, reversal of allowance for temporary differences adjustment | - | JPY 224,225,264 |
| IV Distribution in excess of retained earnings | | |
| Allowance for temporary differences adjustment | JPY 224,225,264 | - |
| V Distributions | JPY 4,359,527,264 | JPY 5,429,192,048 |
| (Distribution per unit) | JPY 1,186 | JPY 1,477 |
| Of which, distributions of earnings | JPY 4,135,302,000 | JPY 5,429,192,048 |
| (Distributions of earnings per unit) | JPY 1,125 | JPY 1,477 |
| Of which, allowance for temporary differences adjustment | JPY 224,225,264 | - |
| (Distributions in excess of retained earnings per unit | | |
| (Allowance for temporary differences adjustment)) | JPY 61 | - |
| VI Retained earnings carried forward | JPY 228,827,893 | JPY 6,414,556 |
| Calculation method of distribution amount | <p>As shown above, the distribution per unit for the Reporting Period is JPY 1,186.</p> <p>With respect to profit distributions (not including distributions in excess of profit), INV decided to distribute almost all of its profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, other than fractional amount per unit less than JPY 1, aiming to include the maximum amount of profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures (Act No. 26, 1957). As a result, the distribution of earnings per unit (not including distributions in excess of profit per unit) is JPY 1,125.</p> <p>In addition, in accordance with the distribution policy as set forth in the Articles of Incorporation, INV makes distributions in excess of earnings of the amount that it determines as the amount equivalent to items deducted from net assets (as set forth in Article 2, Paragraph 2, Item 30 (b) of the</p> | <p>As shown above, the distribution per unit for the Reporting Period is JPY 1,477.</p> <p>With respect to profit distributions (not including Excess Profit Distribution), INV decided to distribute almost all of its profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, remaining after deducting the reversal of allowance for temporary differences adjustments, other than fractional amount per unit less than JPY 1, aiming to include the maximum amount of profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures (Act No. 26, 1957). As a result, the distribution of earnings per unit (not including Excess Profit Distribution per unit) is JPY 1,477.</p> <p>Furthermore, INV has decided not to make Distribution in excess of profit.</p> |

| | | |
|--|---|--|
| | <p>Ordinance on Accountings of Investment Corporations), taking into consideration the effect of the items deducted from net assets on the distributions (the “Excess Profit Distribution”). For the Reporting Period, INV makes Distribution in excess of earnings of JPY 227 million, corresponding to deferred losses on hedges, of which, the distribution of allowance for temporary differences adjustment is JPY 224 million, and the distribution per unit of the allowance for temporary differences adjustment is JPY 61.</p> | |
|--|---|--|

(5) Statement of Cash Flows

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|--|--|---|
| Cash flows from operating activities | | |
| Income before income taxes | 4,364,025 | 5,431,608 |
| Depreciation and amortization | 1,676,751 | 2,065,066 |
| Investment unit issuance costs | 137,270 | - |
| Loan-related costs | 280,326 | 186,249 |
| Interest income | (1,316) | (129) |
| Interest expenses | 295,185 | 359,540 |
| Increase (decrease) in allowance for doubtful accounts | 269 | (1,430) |
| Decrease (increase) in rental receivable | (306,493) | (22,587) |
| Decrease (increase) in consumption taxes receivable | (1,744,762) | 2,672,787 |
| Increase (decrease) in accounts payable | 7,056 | (66,883) |
| Increase (decrease) in consumption taxes payable | - | 460,521 |
| Increase (decrease) in accounts payable-other | 884,265 | (881,047) |
| Increase (decrease) in accrued expenses | 38,577 | (5,946) |
| Increase (decrease) in advances received | 33,971 | 14,936 |
| Increase (decrease) in deposits received | (14,615) | (23,418) |
| Others, net | (34,907) | (12,451) |
| Subtotal | 5,615,604 | 10,176,817 |
| Interest income received | 1,316 | 129 |
| Interest expenses paid | (297,081) | (358,219) |
| Income taxes paid | (564) | (605) |
| Net cash provided by operating activities | 5,319,276 | 9,818,122 |
| Cash flows from investing activities | | |
| Purchases of property and equipment in trust | (82,786,898) | (8,449,701) |
| Purchases of leasehold rights in trust | (3,055,031) | - |
| Repayments of tenant leasehold and security deposits in trust | (56,280) | (53,815) |
| Proceeds from tenant leasehold and security deposits in trust | 474,368 | 48,371 |
| Payments of tenant leasehold and security deposits | (574,396) | - |
| Other, net | (2,211) | (2,211) |
| Net cash used in investing activities | (86,000,448) | (8,457,356) |
| Cash flows from financing activities | | |
| Proceeds from short-term loans payable | 3,498,000 | - |
| Repayment of short-term loans payable | (1,080,000) | (3,498,000) |
| Proceeds from long-term loans payable | 47,800,000 | 4,000,000 |
| Payments for loan-related costs | (594,356) | (53,775) |
| Payment of distributions of earnings | (3,014,523) | (4,118,229) |
| Payment of distribution in excess of retained earnings from allowance for temporary differences adjustment | - | (224,225) |
| Payment of other distributions in excess of retained earnings | (763,290) | - |
| Proceeds from issuance of investment units | 37,780,441 | - |
| Other, net | - | (15,879) |
| Net cash provided by (used in) financing activities | 83,626,270 | (3,910,109) |
| Net increase (decrease) in cash and cash equivalents | 2,945,097 | (2,549,344) |
| Cash and cash equivalents at beginning of period | 13,818,981 | 16,764,078 |
| Cash and cash equivalents at end of period | *1 16,764,078 | *1 14,214,734 |

- (6) Notes to Concerning Going Concerns Assumption
Not applicable
- (7) Notes to Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets

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

The straight-line method is used.

The useful lives of major property, plant and equipment are as follows.

| | |
|--|------------|
| Buildings | 77 years |
| Buildings and accompanying facilities | 8-24 years |
| Structures | 7-18 years |
| Buildings in trust | 2-67 years |
| Buildings and accompanying facilities in trust | 2-33 years |
| Structures in trust | 3-55 years |
| Tools, furniture and fixtures in trust | 2-19 years |

(b) Intangible assets

The straight-line method is used. For leasehold rights in trust (fixed-term land lease for business purposes), the straight-line method based on the lease period is used.

(c) Long-term prepaid expenses

The straight-line method is used.

2. Method of calculating allowances

Allowance for doubtful accounts

To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.

3. Revenue and expense recognition

Accounting treatment of property taxes and other taxes

With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses.

Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate or trust beneficiary interests in real estate instead of being charged as expense. There is no amount equivalent to property taxes that was included as part of the acquisition of real estate during the fiscal period ended December 31, 2016.

4. Method of hedge accounting

(a) Method of hedge accounting

Deferred hedge accounting is used.

(b) Hedging instrument and hedged item

Hedging instrument: interest rate swap

Hedged item: interest on borrowings

(c) Hedge policy

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

(d) Method of evaluating hedge effectiveness

Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.

5. Cash and cash equivalents as stated in Statement of Cash Flows

Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are not subject to significant risks of changes in value.

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

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

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

(a) Cash and bank deposits in trust

(b) Buildings in trust

Buildings and accompanying facilities in trust

Structures in trust

Tools, furniture and fixtures in trust

Land in trust

Construction in progress in trust

(c) Leasehold rights in trust

(d) Tenant leasehold and security deposits in trust

(ii) Accounting treatment of deferred assets

Investment unit issuance costs

The full amount is recorded as expense at the time of expenditure.

(iii) Accounting treatment of consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(8) Notes to the Financial Statements

(Notes to the Balance Sheet)

*1. Matters concerning treatment of reversal of reserve for temporary differences adjustment.

Fiscal period ended June 30, 2016 (as of June 30, 2016)

INV plans to reverse all of the reserve for temporary differences adjustment in the amount of JPY 708 thousand, and use the funds as part of the profit distributions to be made in the next fiscal period.

Fiscal period ended December 31, 2016 (as of December 31, 2016)

INV reversed all of the reserve for temporary differences adjustment in the amount of JPY 708 thousand, and used the funds as part of the profit distributions.

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

| (Unit: JPY thousand) | |
|---|---|
| Fiscal period ended June 30, 2016 (as of June 30, 2016) | Fiscal period ended December 31, 2016 (as of December 31, 2016) |
| 50,000 | 50,000 |

*3. Allowance for temporary differences adjustment

Fiscal period ended June 30, 2016 (as of June 30, 2016)

Not applicable

Fiscal period ended December 31, 2016 (as of December 31, 2016)

1. Reasons, related assets and amounts

(Unit: JPY thousand)

| Related assets, etc. | Reason | Initial amount | Balance at the end of previous period | Allowance set aside during period | Reversal during period | Balance at the end of current period | Reason for reversal |
|------------------------------------|--|----------------|---------------------------------------|-----------------------------------|------------------------|--------------------------------------|---------------------|
| Deferred gains or losses on hedges | Loss on interest-rate swaps recognized | (224,225) | - | (224,225) | - | (224,225) | - |
| Total | | (224,225) | - | (224,225) | - | (224,225) | - |

2. Method of reversal

(1) Deferred gains or losses on hedges

Based on changes in the fair value of derivatives used as hedging instruments, the corresponding amount is scheduled to be reversed.

(Notes to Statement of Income and Retained Earnings)

*1. Real estate rental revenues and expenses

| | (Unit: JPY thousands) | |
|------------------------------------|--|---|
| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
| A. Real estate rental revenues | | |
| Rental revenue-real estate | | |
| Rent/common area charges | 7,889,877 | 9,237,784 |
| Other revenues | 268,342 | 273,682 |
| Total | 8,158,220 | 9,511,466 |
| B. Real estate rental expenses | | |
| Property related expenses | | |
| Maintenance costs | 554,149 | 580,896 |
| Taxes and public dues | 281,065 | 356,372 |
| Insurance expenses | 12,669 | 11,807 |
| Depreciation expenses | 1,676,736 | 2,065,066 |
| Other expenses | 173,364 | 147,924 |
| Total | 2,697,986 | 3,162,067 |
| C. Real estate rental income (A-B) | 5,460,234 | 6,349,399 |

(Notes to Statement of Changes in Net Assets)

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

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|---|--|---|
| Number of issuable investment units | 10,000,000 units | 10,000,000 units |
| Number of investment units issued and outstanding | 3,675,824 units | 3,675,824 units |

(Notes to Statement of Cash Flows)

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

| | (Unit: JPY thousands) | |
|---------------------------------|--|---|
| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
| Cash and bank deposits | 11,322,762 | 8,714,907 |
| Cash and bank deposits in trust | 5,441,316 | 5,499,826 |
| Cash and cash equivalents | 16,764,078 | 14,214,734 |

(Notes Related to Lease Transactions)

Operating lease transactions (as lessee)
Unexpired lease fees

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (as of June 30, 2016) | Fiscal period ended December 31, 2016 (as of December 31, 2016) |
|---------------------|---|---|
| Due within one year | 244,619 | 244,619 |
| Due after one year | 7,490,299 | 7,367,989 |
| Total | 7,734,918 | 7,612,609 |

Operating lease transactions (as lessor)
Unexpired lease fees

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (as of June 30, 2016) | Fiscal period ended December 31, 2016 (as of December 31, 2016) |
|---------------------|---|---|
| Due within one year | 5,988,176 | 5,988,176 |
| Due after one year | 50,718,568 | 47,412,300 |
| Total | 56,706,745 | 53,400,477 |

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term.

The policy for raising funds is principally through issuing new investment units or borrowing loans.

Derivative transactions are to be entered into for the purpose of hedging against the risk of future interest rate increases, etc. and not for speculation.

Surplus funds are managed after carefully taking into account safety, liquidity, the interest rate environment and financing.

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

The funds raised through borrowings are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loan. Liquidity risks relating to loan are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.

(3) Supplemental information regarding market value, etc. for financial instruments

The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is determined through a reasonable estimate. Since certain assumptions, etc. are used in estimating the fair value, different assumptions, etc. may result in the variance of such value.

2. Estimated fair value of financial instruments

Fiscal period ended June 30, 2016 (As of June 30, 2016)

Book value, fair value and the difference between values as of June 30, 2016 are as follows.

(Unit: JPY thousand)

| | Book Value | Fair Value | Difference |
|-------------------------------------|---------------|---------------|------------|
| (1) Cash and bank deposits | 11,322,762 | 11,322,762 | - |
| (2) Cash and bank deposits in trust | 5,441,316 | 5,441,316 | - |
| Total assets | 16,764,078 | 16,764,078 | - |
| (3) Short-term loans | (3,498,000) | (3,498,000) | - |
| (4) Accounts payable | (8,957,286) | (8,957,286) | - |
| (5) Long-term loans | (138,419,000) | (138,419,000) | - |
| Total liabilities | (150,874,286) | (150,874,286) | - |
| (6) Derivatives | (227,532) | (227,532) | - |

Fiscal period ended December 31, 2016 (As of December 31, 2016)

Book value, fair value and the difference between values as of December 31, 2016 are as follows.

(Unit: JPY thousand)

| | Book Value | Fair Value | Difference |
|-------------------------------------|---------------|---------------|------------|
| (1) Cash and bank deposits | 8,714,907 | 8,714,907 | - |
| (2) Cash and bank deposits in trust | 5,499,826 | 5,499,826 | - |
| Total assets | 14,214,734 | 14,214,734 | - |
| (3) Short-term loans | - | - | - |
| (5) Long-term loans | (142,419,000) | (142,419,000) | - |
| Total liabilities | (142,419,000) | (142,419,000) | - |
| (6) Derivatives | 151,259 | 151,259 | - |

(Note 1) Items recorded in the Liabilities Section are shown in parenthesis.

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

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

- (1) Cash and bank deposits (2) Cash and bank deposits in trust (3) Short-term loans (4) Accounts payable
 Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.
- (5) Long-term loans
 Long-term loan with floating interest rates reflecting changes in market rates within a short term period are stated at their book value as their book value approximate their fair value.
- (6) Derivatives
 Please refer to the “Notes Related to Derivative Transactions” below.

(Note 2) Financial instruments for which fair value is extremely difficult to value

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (as of June 30, 2016) | Fiscal period ended December 31, 2016 (as of December 31, 2016) |
|---|---|---|
| Tenant leasehold and security deposits | 28,663 | 28,663 |
| Tenant leasehold and security deposits in trust | 2,035,843 | 2,030,396 |

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust have no observable market price, and it is impracticable to reasonably estimate their future cash flows because the repayment dates of those deposits and the timing of the lessee's exit from the property are not certain. Thus, their fair value is not disclosed.

(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period

Fiscal period ended June 30, 2016 (As of June 30, 2016)

(Unit: JPY thousand)

| | Due within one year | Due after one to two years | Due after two to three years | Due after three to four years | Due after four to five years | Due after five years |
|---------------------------------|------------------------|-------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------------|
| Cash and bank deposits | 11,322,762 | - | - | - | - | - |
| Cash and bank deposits in trust | 5,441,316 | - | - | - | - | - |
| Total | 16,764,078 | - | - | - | - | - |

Fiscal period ended December 31, 2016 (As of December 31, 2016)

(Unit: JPY thousand)

| | Due within one year | Due after one to two years | Due after two to three years | Due after three to four years | Due after four to five years | Due after five years |
|---------------------------------|------------------------|-------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------------|
| Cash and bank deposits | 8,714,907 | - | - | - | - | - |
| Cash and bank deposits in trust | 5,499,826 | - | - | - | - | - |
| Total | 14,214,734 | - | - | - | - | - |

(Note 4) Repayment schedule of long-term loans and other interest-bearing debts after the closing date of the fiscal period

Fiscal period ended June 30, 2016 (As of June 30, 2016)

(Unit: JPY thousand)

| | Due within one year | Due after one to two years | Due after two to three years | Due after three to four years | Due after four to five years | Due after five years |
|------------------|------------------------|-------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------------|
| Short-term loans | 3,498,000 | - | - | - | - | - |
| Long-term loans | - | - | 46,663,000 | 44,094,000 | 47,662,000 | - |
| Total | 3,498,000 | - | 46,663,000 | 44,094,000 | 47,662,000 | - |

Fiscal period ended December 31, 2016 (As of December 31, 2016)

(Unit: JPY thousand)

| | Due within one year | Due after one to two years | Due after two to three years | Due after three to four years | Due after four to five years | Due after five years |
|------------------|------------------------|-------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------------|
| Short-term loans | - | - | - | - | - | - |
| Long-term loans | - | 28,979,000 | 51,045,000 | 42,012,000 | 20,383,000 | - |
| Total | - | 28,979,000 | 51,045,000 | 42,012,000 | 20,383,000 | - |

(Notes Related to Investment Securities)
Not applicable

(Notes Related to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied

Fiscal period ended June 30, 2016 (As of June 30, 2016)

Not applicable

Fiscal period ended December 31, 2016 (As of December 31, 2016)

Not applicable

2. Derivative transactions to which hedge accounting is applied

Fiscal period ended June 30, 2016 (As of June 30, 2016)

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

(Unit: JPY thousand)

| Method of hedge accounting | Derivative transaction type, etc. | Primary hedged item | Contract amount, etc. (*1) | | Fair value (*2) |
|-----------------------------|--|---------------------|----------------------------|---------------------------|-----------------|
| | | | | Amount due after one year | |
| Principle accounting method | Interest rate swap Receive floating rate/pay fixed rate | Long-term loans | 99,119,000 | 99,119,000 | (227,532) |

(Note 1) The contract amount, etc. is stated based on a notional principal.

(Note 2) The fair value is estimated based on the price, etc. presented by the correspondent financial institutions.

Fiscal period ended December 31, 2016 (As of December 31, 2016)

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

(Unit: JPY thousand)

| Method of hedge accounting | Derivative transaction type, etc. | Primary hedged item | Contract amount, etc. (*1) | | Fair value (*2) |
|-----------------------------|--|---------------------|----------------------------|---------------------------|-----------------|
| | | | | Amount due after one year | |
| Principle accounting method | Interest rate swap Receive floating rate/pay fixed rate | Long-term loans | 99,119,000 | 99,119,000 | 151,259 |

(Note 1) The contract amount, etc. is stated based on a notional principal.

(Note 2) The fair value is estimated based on the price, etc. presented by the correspondent financial institutions.

(Notes Related to Retirements Payments)

Not applicable

(Notes Related to Asset Retirement Obligations)

1. Summary of the asset retirement obligations for the period
INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of Comfort Hotel Maebashi held by INV.
2. Calculation method for asset retirement obligations for the period
The amount of the asset retirement obligations has been calculated by estimating the period of use at 43 years, based on the remaining period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.

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

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|---|--|---|
| Balance at the beginning of the period | - | 31,050 |
| Increase due to the acquisition of properties | 30,868 | - |
| Accretion expense | 182 | 209 |
| Balance at the end of the period | 31,050 | 31,260 |

(Notes Related to Segment and Related Information)

I. Segment Information

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

II. Related Information

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

1. Information about each product and service

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

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan accounted for over 90% of the operating revenue on the statement of income.

(2) Property and equipment

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

3. Information about each major customer

(Unit: JPY thousand)

| Name of customer | Operating revenues | Related segment |
|------------------------------------|--------------------|------------------------|
| MyStays Hotel Management Co., Ltd. | 3,389,166 | Real Estate Investment |

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

1. Information about each product and service

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

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan accounted for over 90% of the operating revenue on the statement of income.

(2) Property and equipment

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

3. Information about each major customer

(Unit: JPY thousand)

| Name of customer | Operating revenues | Related segment |
|--|--------------------|------------------------|
| MyStays Hotel Management Co., Ltd. | 4,043,845 | Real Estate Investment |
| Naqua Hotel & Resorts Management Co., Ltd. | 1,040,790 | Real Estate Investment |

(Notes Related to Rental Properties)

INV owns residential properties and hotels as core assets as well as other various properties including offices and commercial facilities principally in the Tokyo area and major regional cities in order to establish a portfolio which focuses on both stability and growth potential. The book value changed during the period and balance at the end of the period are as follows.

(Unit: JPY thousand)

| | | | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|-----------------------|-------------------------------------|--|--|---|
| Residences | Book value | Balance at the beginning of the period | 60,305,706 | 68,274,496 |
| | | Change during the period | 7,968,789 | (438,657) |
| | | Balance at the end of the period | 68,274,496 | 67,835,839 |
| | Fair value at the end of the period | | 77,214,000 | 77,843,000 |
| Offices | Book value | Balance at the beginning of the period | 8,487,876 | 8,470,387 |
| | | Change during the period | (17,489) | (29,405) |
| | | Balance at the end of the period | 8,470,387 | 8,440,981 |
| | Fair value at the end of the period | | 7,219,000 | 7,406,000 |
| Commercial facilities | Book value | Balance at the beginning of the period | 5,134,083 | 5,087,525 |
| | | Change during the period | (46,557) | (38,298) |
| | | Balance at the end of the period | 5,087,525 | 5,049,226 |
| | Fair value at the end of the period | | 5,840,000 | 5,890,000 |
| Parking lots | Book value | Balance at the beginning of the period | 100,821 | 100,820 |
| | | Change during the period | (1) | (1) |
| | | Balance at the end of the period | 100,820 | 100,819 |
| | Fair value at the end of the period | | 113,000 | 113,000 |
| Hotels | Book value | Balance at the beginning of the period | 95,223,054 | 179,537,920 |
| | | Change during the period | 84,314,865 | (1,026,493) |
| | | Balance at the end of the period | 179,537,920 | 178,511,427 |
| | Fair value at the end of the period | | 232,905,000 | 236,940,000 |
| Total | Book value | Balance at the beginning of the period | 169,251,542 | 261,471,150 |
| | | Change during the period | 92,219,607 | (1,532,855) |
| | | Balance at the end of the period | 261,471,150 | 259,938,294 |
| | Fair value at the end of the period | | 323,291,000 | 328,192,000 |

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

- (Note 2) The major factors for the increase for the fiscal period ended June 30, 2016 were acquisition of residential properties/hotels, capital expenditures related to construction work, and the major factor of the decrease was depreciation. The major factors for the increase for the fiscal period ended December 31, 2016 was capital expenditures related to construction work, and the major factor for the decrease was depreciation.
- (Note 3) The fair value as of the end of the reporting period is determined based on the appraisal value provided by Asset Research and Development Inc., Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc., Tanizawa Sogo Appraisal Co., Ltd., and Daiwa Real Estate Appraisal Co., Ltd.

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

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit: JPY thousand)

| | Fiscal period ended June 30, 2016 | Fiscal period ended December 31, 2016 |
|---|--------------------------------------|--|
| (Deferred tax assets - current assets) | | |
| Enterprise tax payable | 481 | 661 |
| Accounts receivable (merger) | 183 | — |
| Allowance for doubtful accounts | 877 | 423 |
| Subtotal | 1,542 | 1,084 |
| Valuation allowance | 1,542 | 1,084 |
| Total | — | — |
| (Deferred tax assets, net) | — | — |
| (Deferred tax assets - non-current assets) | | |
| Buildings and other (merger) | 711,143 | 700,210 |
| Land (merger) | 2,092,087 | 2,092,087 |
| Deferred gains/losses on hedges | 72,218 | — |
| Loss carried forward | 7,200,289 | 7,200,289 |
| Asset retirement obligations | 9,855 | 9,921 |
| Depreciation of fixed-term leasehold rights | — | 16,248 |
| Subtotal | 10,085,594 | 10,018,757 |
| (Deferred tax liabilities – non-current liabilities) | | |
| Removal expenses included in asset retirement obligations | 9,797 | 9,797 |
| Deferred gains or losses on hedges | — | 48,009 |
| Subtotal | 9,797 | 57,807 |
| Valuation allowance | 10,075,797 | 9,960,950 |
| Total | — | — |
| (Deferred tax assets, net) | — | — |

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

(Unit: %)

| | Fiscal period ended June 30, 2016 | Fiscal period ended December 31, 2016 |
|--------------------------------|--------------------------------------|--|
| Statutory tax rate | 32.31 | 31.74 |
| Deductible cash distributions | (32.21) | (31.71) |
| Changes in valuation allowance | (2.72) | (0.09) |
| Others | 2.63 | 0.08 |
| Effective tax rate | 0.01 | 0.01 |

(Notes Related to Equity-Method Income)

Not applicable

(Notes Related to Transactions with Related Parties)

1. Transactions with Parent Company and Major Unitholders

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

| Classification | Name | Address | Stated capital (JPY million) | Business or occupation | Percentage of voting rights owned (%) | Relationship | | Type of transaction | Transaction amount (JPY thousand) (Note 1) | Account | Balance at the end of the period (JPY thousand) (Note 1) |
|---------------------------------------|--|------------------|------------------------------|--------------------------------|---------------------------------------|-------------------------------|--|--|--|---------------------|--|
| | | | | | | Common board member | Business relationship | | | | |
| Interested party of the Asset Manager | Aki Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 3,160,000 | - | - |
| | Navaro Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 20,155,000 | - | - |
| | Momo Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 7,934,000 | - | - |
| | Tsuki Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 24,674,000 | - | - |
| | Septentrio Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 12,588,600 | - | - |
| | Septentrio 2 Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 4,196,199 | - | - |
| | Septentrio 3 Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 4,196,199 | - | - |
| | Ginga Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 13,761,000 | Accounts payable | 8,800,548 |
| | Wakusei Tokutei Mokuteki Kaisha | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 2,139,000 | - | - |
| | Naqua Hotel & Resorts Management Co., Ltd. | Minato-ku, Tokyo | 10 | Hotel business | - | - | Lessee and operator of hotels | Rental revenues | 627,563 | Accounts receivable | 220,811 |
| MyStays Hotel Management Co., Ltd. | Minato-ku, Tokyo | 100 | Hotel business | - | - | Lessee and operator of hotels | Rental revenues | 3,389,166 | Accounts receivable | 990,543 | |

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

- (Note 2) The terms and conditions have been determined based on the Asset Manager’s internal rules and manual regarding transactions with the sponsor company.
- (Note 3) Aki Tokutei Mokuteki Kaisha, Navaro Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Tsuki Tokutei Mokuteki Kaisha, Septentrio Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Septentrio 3 Tokutei Mokuteki Kaisha, Ginga Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by affiliates of Fortress Investment Group LLC (“FIG”), an affiliate of Calliope. Accordingly, INV treats Aki Tokutei Mokuteki Kaisha, Navaro Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Tsuki Tokutei Mokuteki Kaisha, Septentrio Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Septentrio 3 Tokutei Mokuteki Kaisha, Ginga Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.
- (Note 4) Calliope holds 609,942 units (holding percentage: 16.6%) of the issued investment units of INV.
- (Note 5) The purchase of trust beneficiary interests pertains to the following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, to which other expenses for acquisition, property taxes, city planning taxes and consumption taxes are not included.

| Property Number | Name of Property | Counterparty | Purchase Price (JPY thousand) |
|-----------------|--|---|-------------------------------|
| A103 | Royal Parks Momozaka | Momo Tokutei Mokuteki Kaisha | 2,910,000 |
| A104 | Royal Parks Shinden | Momo Tokutei Mokuteki Kaisha | 5,024,000 |
| D38 | Hotel MyStays Shinsaibashi | Aki Tokutei Mokuteki Kaisha | 3,160,000 |
| D39 | Comfort Hotel Kurosaki | Navaro Tokutei Mokuteki Kaisha | 1,148,000 |
| D40 | Comfort Hotel Maebashi | Navaro Tokutei Mokuteki Kaisha | 1,128,000 |
| D41 | Comfort Hotel Tsubame-Sanjo | Navaro Tokutei Mokuteki Kaisha | 1,010,000 |
| D42 | Comfort Hotel Kitami | Navaro Tokutei Mokuteki Kaisha | 851,000 |
| D43 | Hotel MyStays Gotanda Station | Tsuki Tokutei Mokuteki Kaisha | 24,674,000 |
| D44 | Hotel Epinard Nasu | Sepentrio Tokutei Mokuteki Kaisha Sepentrio 2 Tokutei Mokuteki Kaisha Sepentrio 3 Tokutei Mokuteki Kaisha | 20,981,000 |
| D45 | Hotel MyStays Fukuoka Tenjin | Navaro Tokutei Mokuteki Kaisha | 8,059,000 |
| D46 | Hotel MyStays Hamamatsucho | Navaro Tokutei Mokuteki Kaisha | 7,959,000 |
| D47 | Hotel MyStays Premier Kanazawa (Note) | Ginga Tokutei Mokuteki Kaisha | 13,761,000 |
| D48 | Takamatsu Tokyo REI Hotel | Wakusei Tokutei Mokuteki Kaisha | 2,139,000 |
| Total | | | 92,804,000 |

(Note) The property name was changed from Hotel MyStays Kanazawa on October 1, 2016.

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

| Classification | Name | Address | Stated capital (JPY million) | Business or occupation | Percentage of voting rights owned (%) | Relationship | | Type of transaction | Transaction amount (JPY thousand) (Note 1) | Account | Balance at the end of the period (JPY thousand) (Note 1) |
|---------------------------------------|---|------------------|------------------------------|--------------------------------|---------------------------------------|---------------------|--|-----------------------------|--|---------------------|--|
| | | | | | | Common board member | Business relationship | | | | |
| Interested party of the Asset Manager | Ginga Tokutei Mokuteki Kaisha (Note 2) | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Payment of accounts payable | 8,800,548 | Accounts payable | - |
| | Naqua Hotel & Resorts Management Co., Ltd. (Note 2) | Minato-ku, Tokyo | 10 | Hotel business | - | - | Lessee and operator of hotels | Rental revenues | 1,040,790 | Accounts receivable | 92,474 |
| | MyStays Hotel Management Co., Ltd. (Note 2) | Minato-ku, Tokyo | 100 | Hotel business | - | - | Lessee and operator of hotels | Rental revenues | 4,043,845 | Accounts receivable | 1,146,414 |

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

(Note 2) Ginga Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. The tenant and operator have received an anonymous partnership investment or investment through funds that are managed by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope. Accordingly, INV treats Ginga Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

(Note 3) Calliope holds 609,942 units (holding percentage: 16.6%) of the issued investment units of INV.

2. Transactions with Affiliates

None for both the fiscal period ended June 30, 2016 and the fiscal period ended December 31, 2016

3. Transactions with Companies under Common Control

None for both the fiscal period ended June 30, 2016 and the fiscal period ended December 31, 2016.

4. Transactions with Directors and Major Unitholders

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

| Classification | Name | Business or occupation | Ratio of voting rights (%) | Details of transaction | Transaction amount (JPY thousand) (Note 3) | Account | Balance at the end of the period (JPY thousand) (Note 3) |
|-------------------------------|---------------|--|----------------------------|---|--|------------------|--|
| Directors and close relatives | Naoki Fukuda | Executive Director of INV and President & CEO of Consonant Investment Management Co., Ltd. | - | Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1) | 259,280 | Accrued expenses | 135,000 |
| Same as above | Same as above | Same as above | - | Payment of administrative agency fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2) | 600 | Accrued expenses | 324 |

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

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

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

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

| Classification | Name | Business or occupation | Ratio of voting rights (%) | Details of transaction | Transaction amount (JPY thousand) (Note 3) | Account | Balance at the end of the period (JPY thousand) (Note 3) |
|-------------------------------|---------------|--|----------------------------|---|--|------------------|--|
| Directors and close relatives | Naoki Fukuda | Executive Director of INV and President & CEO of Consonant Investment Management Co., Ltd. | - | Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1) | 250,000 | Accrued expenses | 135,000 |
| Same as above | Same as above | Same as above | - | Payment of administrative agency fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2) | 600 | Accrued expenses | 324 |

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

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

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

(Notes Related to Per Unit Information)

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|---------------------|--|---|
| Net assets per unit | JPY 35,368 | JPY 35,762 |
| Net income per unit | JPY 1,270 | JPY 1,477 |

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

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

| | Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016) | Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016) |
|---|--|---|
| Net income for the fiscal period ended December 31, 2016 (JPY thousand) | 4,363,420 | 5,431,003 |
| Amounts not attributable to common unitholders (JPY thousand) | - | - |
| Net income attributable to common units (JPY thousand) | 4,363,420 | 5,431,003 |
| Average number of investment units during the period (units) | 3,436,572 | 3,675,824 |

(Notes Related to Significant Subsequent Events)

1. Issuance of New Investment Units

INV decided on the issuance of new investment units and secondary offering of investment units at its board of directors' meeting on February 22, 2017. Issue price per unit and other details are scheduled to be determined at future board of directors' meeting.

(1) Issuance of new investment units through Public Offering

Number of new investment units to be issued: 185,000 units

(2) Secondary offering of Investment Units (by way of over allotment)

Number of investment units to be offered: 9,250 units

2. Borrowing of Funds

In order to raise a part of the funds to be used for the acquisition of trust beneficiary interests for the two residential properties to be acquired on March 14, 2017 (see "3. Acquisition of Assets" below), INV decided on the implementation of the following borrowings at its board of directors' meeting held on February 22, 2017.

Term Loan (G)

| | |
|----------------------------|--|
| Lender | : Syndicate formed by Mizuho Bank, Ltd. |
| Borrowing amount | : JPY 11,250 million |
| Interest rate, etc. | : Base Rate (1-month JPY TIBOR) + 0.40%, 0.50%, 0.60% |
| Interest payment date | : (i) The last Japanese business day of each month before the principal maturity date, beginning with March 31, 2017, and (ii) the principal maturity date |
| Principal repayment method | : Lump-sum repayment |
| Borrowing method | : Unsecured / with no guarantee |
| Borrowing date | : March 14, 2017 |
| Maturity date | : March 14, 2020, March 14, 2021, March 14, 2022 |

Term Loan (F)

| | |
|----------------------------|--|
| Lender | : Sumitomo Mitsui Banking Corporation |
| Borrowing amount | : JPY 3,000 million |
| Interest rate, etc. | : Base Rate (1-month JPY TIBOR) + 0.45% |
| Interest payment date | : (i) The last Japanese business day of each month before the principal maturity date, beginning with March 31, 2017, and (ii) the principal maturity date |
| Principal repayment method | : Lump-sum repayment |
| Borrowing method | : Unsecured / with no guarantee |
| Borrowing date | : March 14, 2017 |
| Maturity date | : September 14, 2020 |

3. Acquisition of Assets

INV decided to acquire the following two properties (total acquisition price of JPY 24,562 million) on February 22, 2017.

Property Number: A105 Property Name: Royal Park Tower Minami-Senju

| | |
|------------------------------|---|
| Anticipated Acquisition Date | March 14, 2017 |
| Acquisition Price (Note) | JPY 21,879 million |
| Location | Minami-Senju 4-chome, Arakawa-ku, Tokyo |
| Completion Date | May 2008 |
| Legal Form of Asset | Trust beneficiary interest |
| Seller | Sakura Tokutei Mokuteki Kaisha |
| Total Floor Area | 47,424.89m ² |
| Leasable Area | 39,113.46m ² |

Property Number: A106 Property Name: Royal Park Seasir Minami-Senju

| | |
|------------------------------|---|
| Anticipated Acquisition Date | March 14, 2017 |
| Acquisition Price (Note) | JPY 2,683 million |
| Location | Minami-Senju 3-chome, Arakawa-ku, Tokyo |
| Completion Date | August 2006 |
| Legal Form of Asset | Trust beneficiary interest |
| Seller | Momo Tokutei Mokuteki Kaisha |
| Total Floor Area | 7,248.10m ² |
| Leasable Area | 6,496.86m ² |

(Note) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition costs, property taxes, city planning taxes and consumption taxes, etc.

(10) Changes in Total Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity from the date of establishment to the end of the Reporting Period are as follows.

| Date | Type of Issue | Total Number of Investment Units Issued and Outstanding | | Unitholders' Equity (JPY) | | Reference |
|-------------------|-------------------------------------|---|-----------|---------------------------|-----------------|-----------|
| | | Increase | Total | Increase | Total | |
| January 18, 2002 | Private placement for incorporation | 400 | 400 | 200,000,000 | 200,000,000 | (Note 1) |
| December 26, 2003 | Private placement | 2,700 | 3,100 | 1,012,500,000 | 1,212,500,000 | (Note 2) |
| January 9, 2004 | Private Placement | 1,350 | 4,450 | 506,250,000 | 1,718,750,000 | (Note 2) |
| January 21, 2004 | Private placement | 1,333 | 5,783 | 499,875,000 | 2,218,625,000 | (Note 2) |
| January 27, 2004 | Private placement | 267 | 6,050 | 100,125,000 | 2,318,750,000 | (Note 2) |
| January 28, 2004 | Private placement | 800 | 6,850 | 300,000,000 | 2,618,750,000 | (Note 2) |
| January 31, 2004 | Private placement | 266 | 7,116 | 99,750,000 | 2,718,500,000 | (Note 2) |
| February 5, 2004 | Private placement | 800 | 7,916 | 300,000,000 | 3,018,500,000 | (Note 2) |
| February 7, 2004 | Private placement | 1,333 | 9,249 | 499,875,000 | 3,518,375,000 | (Note 2) |
| May 17, 2004 | Public offering | 9,000 | 18,249 | 3,377,250,000 | 6,895,625,000 | (Note 3) |
| February 7, 2005 | Public offering | 10,650 | 28,899 | 3,937,667,100 | 10,833,292,100 | (Note 4) |
| July 31, 2006 | Public offering | 25,000 | 53,899 | 8,301,125,000 | 19,134,417,100 | (Note 5) |
| February 1, 2010 | Unit split | 215,596 | 269,495 | - | 19,134,417,100 | (Note 6) |
| February 1, 2010 | Merger | 367,200 | 636,695 | - | 19,134,417,100 | (Note 7) |
| July 29, 2011 | Third-party allotment | 711,597 | 1,348,292 | 6,999,979,689 | 26,134,396,789 | (Note 8) |
| December 20, 2013 | Third-party allotment | 224,887 | 1,573,179 | 2,999,992,580 | 29,134,389,369 | (Note 9) |
| July 16, 2014 | Public offering | 1,040,000 | 2,613,179 | 22,747,920,000 | 51,882,309,369 | (Note 10) |
| August 13, 2014 | Third-party allotment | 55,507 | 2,668,686 | 1,214,104,611 | 53,096,413,980 | (Note 11) |
| July 15, 2015 | Public offering | 500,000 | 3,168,686 | 27,970,500,000 | 81,066,913,980 | (Note 12) |
| August 12, 2015 | Third-party allotment | 25,000 | 3,193,686 | 1,398,525,000 | 82,465,438,980 | (Note 13) |
| March 30, 2016 | Public offering | 459,512 | 3,653,198 | 36,123,157,344 | 118,588,596,324 | (Note 14) |
| April 27, 2016 | Third-party allotment | 22,626 | 3,675,824 | 1,778,675,112 | 120,367,271,436 | (Note 15) |

(Note 1) INV was incorporated through a private placement at a price of JPY 500,000 per unit.

(Note 2) New investment units were issued in a private placement at a price of JPY 375,000 per unit to raise funds for the acquisition of new properties.

(Note 3) New investment units were issued in a public offering at a price of JPY 395,000 per unit (JPY 375,250 after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 4) New investment units were issued in a public offering at a price of JPY 385,140 per unit (JPY 369,734 after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 5) New investment units were issued in a public offering at a price of JPY 348,740 per unit (JPY 332,045 after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 6) An investment unit split of 5 units per 1 unit was conducted.

(Note 7) A merger by absorption pursuant to Article 147 of the Act on Investment Trusts and Investment Corporations was conducted with LCP, with INV as the surviving entity. As a result of the merger by absorption, 4 investment units of INV (after the investment unit split) were allotted for each LCP investment unit. The number of LCP investment units issued as of the time of the merger by absorption was 91,800 units.

- (Note 8) New investment units were issued in a third party allotment at a price of JPY 9,837 per unit to make repayment of existing loan, etc.
- (Note 9) New investment units were issued in a third party allotment at a price of JPY 13,340 per unit to make repayment of existing loan, etc.
- (Note 10) New investment units were issued in a public offering at a price of JPY 22,688 per unit (JPY 21,873 after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 11) New investment units were issued in a third party allotment at a price of JPY 21,873 per unit for the purpose of cash reserve to appropriate to repayment in future borrowings.
- (Note 12) New investment units were issued in a public offering at a price of JPY 57,817 per unit (JPY 55,941 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 13) New investment units were issued in a third party allotment at a price of JPY 55,941 per unit for the purpose of allocation to cash reserves to be used as part of the funds for future acquisition of properties.
- (Note 14) New investment units were issued in a public offering at a price of JPY 81,217 per unit (JPY 78,612 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 15) New investment units were issued in a third party allotment at a price of JPY 78,612 per unit for the purpose of allocation to cash reserves to be used as a part of the funds for future acquisition of properties.

4. Change in Directors

Changes in directors are disclosed in a timely manner upon the determination of such changes.

5. Reference Information

(1) Composition of INV's Assets

| Type of asset | Purpose | Geographic area (Note 1) | Fiscal period ended June 30, 2016 (as of June 30, 2016) | | Fiscal period ended December 31, 2016 (as of December 31, 2016) | |
|----------------------------|-------------------------------|-----------------------------|--|--------------------------------------|--|--------------------------------------|
| | | | Amount held (JPY million) (Note 2) | Percentage of total assets (%) | Amount held (JPY million) (Note 2) | Percentage of total assets (%) |
| Real estate | Residences | Greater Tokyo area | - | - | - | - |
| | | Major regional cities | - | - | - | - |
| | | Subtotal | - | - | - | - |
| | Offices/Commercial Facilities | Greater Tokyo area | 705 | 0.2 | 704 | 0.3 |
| | | Major regional cities | - | - | - | - |
| | | Subtotal | 705 | 0.2 | 704 | 0.3 |
| | Parking lots, etc. | Greater Tokyo area | 100 | 0.0 | 100 | 0.0 |
| | | Major regional cities | - | - | - | - |
| | | Subtotal | 100 | 0.0 | 100 | 0.0 |
| | Hotels | Greater Tokyo area | - | - | - | - |
| | | Major regional cities | - | - | - | - |
| | | Subtotal | - | - | - | - |
| Total real estate | | | 806 | 0.3 | 805 | 0.3 |
| Real estate in trust | Residences | Greater Tokyo area | 51,860 | 18.3 | 51,610 | 18.6 |
| | | Major regional cities | 16,413 | 5.8 | 16,225 | 5.8 |
| | | Subtotal | 68,274 | 24.0 | 67,835 | 24.5 |
| | Offices/Commercial Facilities | Greater Tokyo area | 7,023 | 2.5 | 7,002 | 2.5 |
| | | Major regional cities | 5,828 | 2.1 | 5,782 | 2.1 |
| | | Subtotal | 12,852 | 4.5 | 12,785 | 4.6 |
| | Parking lots, etc. | Greater Tokyo area | - | - | - | - |
| | | Major regional cities | - | - | - | - |
| | | Subtotal | - | - | - | - |
| | Hotels | Greater Tokyo area | 102,445 | 36.1 | 102,297 | 36.8 |
| | | Major regional cities | 77,092 | 27.1 | 76,214 | 27.5 |
| | | Subtotal | 179,537 | 63.2 | 178,511 | 64.4 |
| Total real estate in trust | | | 260,664 | 91.7 | 259,133 | 93.4 |
| Deposits and other assets | | | 22,634 | 8.0 | 17,423 | 6.3 |
| Total assets (Note 3) | | | 284,106 (261,471) | 100.0 (92.0) | 277,361 (259,938) | 100.0 (93.7) |

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

(Note 2) "Amount held" is from the balance sheet as of the end of the reporting period and is calculated by deducting accumulated depreciation from the acquisition price (including acquisition related costs).

(Note 3) The figures indicated in parenthesis under "Total assets" show the amounts related to owned real estate.

| | Fiscal period ended June 30, 2016 (as of June 30, 2016) | | Fiscal period ended December 31, 2016 (as of December 31, 2016) | |
|-------------------------------------|--|-----------------------------------|--|-----------------------------------|
| | Amount (JPY million) | Percentage of total assets (%) | Amount (JPY million) | Percentage of total assets (%) |
| Total Liabilities | 154,101 | 54.2 | 145,906 | 52.6 |
| Total Net Assets | 130,005 | 45.8 | 131,455 | 47.4 |
| Total Liabilities and Net Assets | 284,106 | 100.0 | 277,361 | 100.0 |

(2) Real Estate Properties

The following summarizes the real estate and real estate held in trust that INV held as of December 31, 2016.

a Price and investment percentage

| Property number (Note 1) | Name of property | Location (Note 2) | Legal form of asset | Acquisition price (JPY million) (Note 3) | Balance sheet carrying value (JPY million) | Investment percentage (%) (Note 4) | Appraisal value as of December 31, 2016 (JPY million) (Note 5) | |
|--------------------------|--------------------------------------|---|-----------------------------|--|--|------------------------------------|--|----------|
| A26 | Nisshin Palacestage Daitabashi | 1-31-2 Izumi, Sugunami-ku, Tokyo | Trust beneficiary interests | 1,251 | 1,123 | 0.5 | 1,150 | (Note 6) |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 5-4-1 Nagasaki, Toshima-ku, Tokyo | Trust beneficiary interests | 1,229 | 1,092 | 0.5 | 1,270 | (Note 6) |
| A28 | Growth Maison Gotanda | 2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo | Trust beneficiary interests | 888 | 827 | 0.3 | 994 | (Note 6) |
| A29 | Growth Maison Kameido | 6-58-16 Kameido, Koto-ku, Tokyo | Trust beneficiary interests | 1,070 | 984 | 0.4 | 1,110 | (Note 6) |
| A30 | Emerald House | 3-27-18 Itabashi, Itabashi-ku, Tokyo | Trust beneficiary interests | 1,505 | 1,374 | 0.6 | 1,380 | (Note 6) |
| A31 | Harmonie Ochanomizu | 2-5-5 Yushima, Bunkyo-ku, Tokyo | Trust beneficiary interests | 1,428 | 1,355 | 0.5 | 1,330 | (Note 6) |
| A32 | Suncrest Shakujii-Koen | 3-15-35 Takanodai, Nerima-ku, Tokyo | Trust beneficiary interests | 1,088 | 1,090 | 0.4 | 1,070 | (Note 6) |
| A33 | Growth Maison Shin-Yokohama | 3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa | Trust beneficiary interests | 1,059 | 966 | 0.4 | 1,180 | (Note 6) |
| A34 | Belle Face Ueno-Okachimachi | 1-27-5 Higashi-Ueno, Taito-ku, Tokyo | Trust beneficiary interests | 1,023 | 956 | 0.4 | 1,040 | (Note 6) |
| A35 | Grand Rire Kameido | 3-39-12 Kameido, Koto-ku, Tokyo | Trust beneficiary interests | 906 | 829 | 0.3 | 979 | (Note 6) |
| A36 | Growth Maison Ikebukuro | 3-31-14 Nishi-Ikebukuro, Toshima-ku, Tokyo | Trust beneficiary interests | 825 | 752 | 0.3 | 882 | (Note 6) |
| A37 | Growth Maison Yoga | 1-15-15 Okamoto, Setagaya-ku, Tokyo | Trust beneficiary interests | 795 | 750 | 0.3 | 703 | (Note 6) |
| A38 | Route Tachikawa | 3-7-6 Nishikicho, Tachikawa-shi, Tokyo | Trust beneficiary interests | 676 | 641 | 0.3 | 641 | (Note 6) |
| A39 | Shibuya-Honmachi Mansion | 2-35-2 Honmachi, Shibuya-ku, Tokyo | Trust beneficiary interests | 651 | 655 | 0.2 | 624 | (Note 6) |
| A40 | City Heights Kinuta | 4-13-15 Kinuta, Setagaya-ku, Tokyo | Trust beneficiary interests | 646 | 650 | 0.2 | 492 | (Note 6) |
| A41 | Acseeds Tower Kawaguchi-Namiki | 2-5-13 Namiki, Kawaguchi-shi, Saitama | Trust beneficiary interests | 620 | 546 | 0.2 | 716 | (Note 6) |
| A42 | Capital Heights Kagurazaka | 71-1 Enokicho, Shinjuku-ku, Tokyo | Trust beneficiary interests | 604 | 621 | 0.2 | 567 | (Note 6) |
| A43 | College Square Machida | 3-4-4 Nakamachi, Machida-shi, Tokyo | Trust beneficiary interests | 589 | 562 | 0.2 | 534 | (Note 6) |
| A44 | Belair Meguro | 1-2-15 Meguro, Meguro-ku, Tokyo | Trust beneficiary interests | 589 | 561 | 0.2 | 601 | (Note 6) |
| A45 | Wacore Tsunashima I | 2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa | Trust beneficiary interests | 572 | 531 | 0.2 | 515 | (Note 6) |
| A46 | Foros Nakamurabashi | 1-6-6 Kouyama, Nerima-ku, Tokyo | Trust beneficiary interests | 566 | 524 | 0.2 | 566 | (Note 6) |
| A47 | Growth Maison Kaijin | 5-29-51 Kaijin, Funabashi-shi, Chiba | Trust beneficiary interests | 557 | 523 | 0.2 | 449 | (Note 6) |

| Property number (Note 1) | Name of property | Location (Note 2) | Legal form of asset | Acquisition price (JPY million) (Note 3) | Balance sheet carrying value (JPY million) | Investment percentage (%) (Note 4) | Appraisal value as of December 31, 2016 (JPY million) (Note 5) | |
|-----------------------------|--------------------------------------|---|-----------------------------------|---|--|---|---|----------|
| A48 | College Square Machiya | 7-3-1 Arakawa, Arakawa-ku, Tokyo | Trust beneficiary interests | 510 | 460 | 0.2 | 536 | (Note 6) |
| A51 | City House Tokyo Shinbashi | 6-19-1 Shinbashi, Minato-ku, Tokyo | Trust beneficiary interests | 2,520 | 2,342 | 0.9 | 3,160 | (Note 7) |
| A52 | Winbell Kagurazaka | 6-15 Shin-Ogawacho, Shinjuku-ku, Tokyo | Trust beneficiary interests | 3,260 | 3,063 | 1.2 | 3,850 | (Note 8) |
| A53 | Nishiwaseda Crescent Mansion | 3-18-9 Nishi-Waseda, Shinjuku-ku, Tokyo | Trust beneficiary interests | 1,880 | 1,883 | 0.7 | 2,400 | (Note 8) |
| A54 | Lexington Square Akebonobashi | 3-8 Yochomachi, Shinjuku-ku, Tokyo | Trust beneficiary interests | 1,450 | 1,338 | 0.5 | 1,780 | (Note 9) |
| A56 | Casa Eremitaggio | 1-14-15 Nakane, Meguro-ku, Tokyo | Trust beneficiary interests | 1,070 | 961 | 0.4 | 1,090 | (Note 7) |
| A59 | Towa City Coop Shinotsuka II | 5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo | Trust beneficiary interests | 866 | 824 | 0.3 | 1,070 | (Note 7) |
| A61 | Bichsel Musashiseki | 1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo | Trust beneficiary interests | 577 | 556 | 0.2 | 705 | (Note 8) |
| A62 | Lexel Mansion Ueno Matsugaya | 3-10-2 Matsugaya, Taito-ku, Tokyo | Trust beneficiary interests | 970 | 864 | 0.4 | 1,180 | (Note 9) |
| A63 | Towa City Coop Sengencho | 4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa | Trust beneficiary interests | 1,110 | 1,022 | 0.4 | 1,350 | (Note 7) |
| A64 | Royal Park Omachi | 2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi | Trust beneficiary interests | 415 | 398 | 0.2 | 556 | (Note 7) |
| A65 | Lexington Square Haginomachi | 1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi | Trust beneficiary interests | 330 | 289 | 0.1 | 446 | (Note 7) |
| A66 | Visconti Kakuozan | 2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 255 | 232 | 0.1 | 266 | (Note 9) |
| A71 | Lexington Square Daitabashi | 1-33-18 Izumi, Suginami-ku, Tokyo | Trust beneficiary interests | 977 | 867 | 0.4 | 1,150 | (Note 9) |
| A72 | Lexington Square Honjo Azumabashi | 4-20-6 Higashikomagata, Sumida-ku, Tokyo | Trust beneficiary interests | 511 | 446 | 0.2 | 594 | (Note 9) |
| A73 | AMS TOWER Minami 6-Jo | 2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido | Trust beneficiary interests | 1,180 | 987 | 0.4 | 1,230 | (Note 9) |
| A75 | Spacia Ebisu | 3-6-22 Higashi, Shibuya-ku, Tokyo | Trust beneficiary interests | 7,010 | 6,550 | 2.6 | 7,900 | (Note 7) |
| A76 | Neo Prominence | 3-21-5 Shimo, Kita-ku, Tokyo | Trust beneficiary interests | 1,660 | 1,622 | 0.6 | 1,920 | (Note 7) |
| A77 | Invoice Shin-Kobe Residence | 3-3-8 Ikutacho Chuo-ku, Kobe-shi, Hyogo | Trust beneficiary interests | 1,260 | 1,194 | 0.5 | 1,420 | (Note 7) |
| A78 | Cosmo Court Motomachi | 3-12-20 Motomachidori Chuo-ku, Kobe-shi, Hyogo | Trust beneficiary interests | 973 | 918 | 0.4 | 1,080 | (Note 7) |
| A79 | Revest Honjin | 2-13 Toriidoru Nakamura-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 674 | 635 | 0.3 | 790 | (Note 7) |
| A80 | Revest Matsubara | 3-13-12 Matsubara Naka-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 657 | 622 | 0.2 | 787 | (Note 7) |
| A81 | Sun Terrace Minami Ikebukuro | 2-22-6 Minami-Ikebukuro, Toshima-ku, Tokyo | Trust beneficiary interests | 625 | 600 | 0.2 | 724 | (Note 7) |
| A82 | Alba Noritake Shinmachi | 3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 608 | 573 | 0.2 | 721 | (Note 7) |
| A83 | Revest Meieki Minami | 2-13-33 Meieki-Minami, Nakamura-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 597 | 564 | 0.2 | 728 | (Note 7) |

| Property number (Note 1) | Name of property | Location (Note 2) | Legal form of asset | Acquisition price (JPY million) (Note 3) | Balance sheet carrying value (JPY million) | Investment percentage (%) (Note 4) | Appraisal value as of December 31, 2016 (JPY million) (Note 5) | |
|--------------------------|-----------------------------------|---|-----------------------------|--|--|------------------------------------|--|----------|
| A84 | Revest Heian | 2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 595 | 561 | 0.2 | 678 | (Note 7) |
| A85 | Vendir Hamaotsu Ekimae | 1-2-15 Hamaotsu, Otsu-shi, Shiga | Trust beneficiary interests | 581 | 542 | 0.2 | 713 | (Note 7) |
| A86 | Salvo Sala | 2-6-21 Shimanouchi Chuo-ku, Osaka-shi, Osaka | Trust beneficiary interests | 544 | 515 | 0.2 | 625 | (Note 7) |
| A87 | Excellente Kagurazaka | 128-1 Yamabukicho Shinjuku-ku, Tokyo, and other one parcel | Trust beneficiary interests | 543 | 521 | 0.2 | 615 | (Note 7) |
| A88 | Luna Court Edobori | 3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka | Trust beneficiary interests | 525 | 496 | 0.2 | 570 | (Note 7) |
| A89 | Winntage Kobe Motomachi | 7-2-2 Motomachidori, Chuo-ku, Kobe-shi, Hyogo | Trust beneficiary interests | 512 | 481 | 0.2 | 606 | (Note 7) |
| A90 | Queen's Court Fukuzumi | 1-3-10 Fukuzumi, Koto-ku, Tokyo | Trust beneficiary interests | 456 | 439 | 0.2 | 584 | (Note 7) |
| A91 | Corp Higashinotoin | 380-1 Kawaranomachi, Higashinotoindori Nijo Kudara, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels | Trust beneficiary interests | 446 | 425 | 0.2 | 513 | (Note 7) |
| A92 | Belair Oimachi | 5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo | Trust beneficiary interests | 412 | 398 | 0.2 | 491 | (Note 7) |
| A93 | Siete Minami-Tsukaguchi | 3-18 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo | Trust beneficiary interests | 374 | 357 | 0.1 | 433 | (Note 7) |
| A94 | Prime Life Sannomiya Isogami Koen | 4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo | Trust beneficiary interests | 373 | 354 | 0.1 | 434 | (Note 7) |
| A95 | HERMITAGE NANBA WEST | 4-10-3 Sakuragawa, Naniwa-ku, Osaka-shi, Osaka | Trust beneficiary interests | 355 | 339 | 0.1 | 421 | (Note 7) |
| A96 | Century Park Shinkawa 1-bankan | 4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 335 | 323 | 0.1 | 424 | (Note 7) |
| A97 | West Avenue | 1-5-17 Nishi, Kunitachi-shi, Tokyo | Trust beneficiary interests | 331 | 316 | 0.1 | 322 | (Note 7) |
| A98 | Little River Honmachibashi | 1-34 Honmachibashi, Chuo-ku, Osaka-shi, Osaka | Trust beneficiary interests | 310 | 298 | 0.1 | 391 | (Note 7) |
| A99 | Prime Life Mikage | 2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo | Trust beneficiary interests | 297 | 281 | 0.1 | 337 | (Note 7) |
| A100 | City Court Kitaichijo | 1-6-3 Kita 1-jo Higashi, Chuo-ku, Sapporo-shi, Hokkaido | Trust beneficiary interests | 1,782 | 1,835 | 0.7 | 1,920 | (Note 7) |
| A101 | Lieto Court Mukojima | 5-45-10 Mukojima, Sumida-ku, Tokyo | Trust beneficiary interests | 1,683 | 1,731 | 0.6 | 1,720 | (Note 7) |
| A102 | Lieto Court Nishi-Ojima | 2-41-14 Ojima, Koto-ku, Tokyo | Trust beneficiary interests | 1,634 | 1,673 | 0.6 | 1,710 | (Note 7) |
| A103 | Royal Parks Momozaka | 5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka | Trust beneficiary interests | 2,910 | 2,995 | 1.1 | 3,000 | (Note 8) |
| A104 | Royal Parks Shinden | 3-35-20 Shinden, Adachi-ku, Tokyo | Trust beneficiary interests | 5,024 | 5,203 | 1.9 | 5,110 | (Note 8) |
| Subtotal (68 properties) | | | | 71,116 | 67,835 | 26.7 | 77,843 | - |
| B08 | Kindai Kagakusha Building | 2-7-15 Ichigaya-Tamachi, Shinjuku-ku, Tokyo | Trust beneficiary interests | 1,301 | 1,207 | 0.5 | 1,040 | (Note 6) |
| B09 | Shinjuku Island | 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo | Real estate | 715 | 704 | 0.3 | 541 | (Note 8) |
| B14 | Lexington Plaza Nishigotanda | 5-2-4 Nishi-Gotanda, Shinagawa-ku, Tokyo | Trust beneficiary interests | 4,880 | 4,684 | 1.8 | 4,100 | (Note 7) |

| Property number (Note 1) | Name of property | Location (Note 2) | Legal form of asset | Acquisition price (JPY million) (Note 3) | Balance sheet carrying value (JPY million) | Investment percentage (%) (Note 4) | Appraisal value as of December 31, 2016 (JPY million) (Note 5) | |
|--------------------------|--|--|-----------------------------|--|--|------------------------------------|--|----------|
| B15 | Cross Square NAKANO | 5-24-18 Nakano, Nakano-ku, Tokyo | Trust beneficiary interests | 1,060 | 1,111 | 0.4 | 1,050 | (Note 7) |
| B16 | Ohki Aoba Building | 9-7 Futsukamachi, Aoba-ku, Sendai-shi, Miyagi | Trust beneficiary interests | 816 | 733 | 0.3 | 675 | (Note 9) |
| B17 | Lexington Plaza Hachiman | 3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi | Trust beneficiary interests | 3,280 | 3,105 | 1.2 | 3,550 | (Note 8) |
| B18 | AEON TOWN Sukagawa | 105 Furukawa, Sukagawa-shi, Fukushima | Trust beneficiary interests | 2,320 | 1,943 | 0.9 | 2,340 | (Note 8) |
| Subtotal (7 properties) | | | | 14,372 | 13,490 | 5.4 | 13,296 | - |
| C01 | Times Kanda-Sudacho 4th | 1-22-7, 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo | Real estate | 97 | 100 | 0.0 | 113 | (Note 6) |
| Subtotal (1 property) | | | | 97 | 100 | 0.0 | 113 | - |
| D01 | Hotel MyStays Kanda | 1-2-2 Iwamotocho, Chiyoda-ku, Tokyo | Trust beneficiary interests | 2,851 | 3,066 | 1.1 | 5,260 | (Note 7) |
| D02 | Hotel MyStays Asakusa | 1-21-11 Honjo, Sumida-ku, Tokyo | Trust beneficiary interests | 2,584 | 2,561 | 1.0 | 5,530 | (Note 7) |
| D03 | Hotel MyStays Kyoto-Shijo | 52, Kasabokochi, Higashiiru, Aburanokoji, Shijiyodori, Shimogyo-ku, Kyoto-shi, Kyoto | Trust beneficiary interests | 6,024 | 5,818 | 2.3 | 15,600 | (Note 7) |
| D04 | MyStays Shin-Urayasu Conference Center | 2-1-4 Akemi, Urayasu-shi, Chiba | Trust beneficiary interests | 4,930 | 4,760 | 1.8 | 7,140 | (Note 7) |
| D05 | Hotel MyStays Maihama | 3-5-1 Tekkodori, Urayasu-shi, Chiba | Trust beneficiary interests | 4,870 | 4,722 | 1.8 | 6,690 | (Note 7) |
| D06 | Hotel Vista Premio Dojima | 2-4-1 Sonezakishinchi, Kita-ku, Osaka | Trust beneficiary interests | 3,845 | 3,706 | 1.4 | 7,370 | (Note 7) |
| D07 | Hotel MyStays Nagoya-Sakae | 2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi | Trust beneficiary interests | 2,958 | 2,792 | 1.1 | 5,850 | (Note 7) |
| D08 | Hotel MyStays Sakaisuji-Honmachi | 1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka | Trust beneficiary interests | 2,514 | 2,441 | 0.9 | 8,580 | (Note 7) |
| D09 | Hotel MyStays Yokohama | 4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa | Trust beneficiary interests | 2,119 | 2,039 | 0.8 | 3,500 | (Note 7) |
| D10 | Hotel MyStays Nippori | 5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo | Trust beneficiary interests | 1,898 | 1,838 | 0.7 | 3,630 | (Note 7) |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | 3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka | Trust beneficiary interests | 1,570 | 1,526 | 0.6 | 4,390 | (Note 7) |
| D12 | Flexstay Inn Iidabashi | 3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo | Trust beneficiary interests | 1,381 | 1,366 | 0.5 | 2,180 | (Note 7) |
| D13 | Hotel MyStays Ueno Inaricho | 1-5-7 Matsugaya, Taito-ku, Tokyo | Trust beneficiary interests | 1,331 | 1,280 | 0.5 | 2,580 | (Note 7) |
| D14 | Flexstay Inn Shinagawa | 1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo | Trust beneficiary interests | 1,242 | 1,221 | 0.5 | 2,130 | (Note 7) |
| D15 | Flexstay Inn Tokiwadai | 1-52-5 Tokiwadai, Itabashi-ku, Tokyo | Trust beneficiary interests | 1,242 | 1,230 | 0.5 | 2,300 | (Note 7) |
| D16 | Flexstay Inn Sugamo | 3-6-16 Sugamo, Toshima-ku, Tokyo | Trust beneficiary interests | 1,192 | 1,157 | 0.4 | 2,170 | (Note 7) |
| D17 | Hotel MyStays Ottemae | 1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka | Trust beneficiary interests | 1,192 | 1,169 | 0.4 | 4,720 | (Note 7) |
| D18 | Flexstay Inn Kiyosumi Shirakawa | 1-12-16 Tokiwa, Koto-ku, Tokyo | Trust beneficiary interests | 749 | 737 | 0.3 | 1,320 | (Note 7) |
| D19 | Flexstay Inn Nakanobu P1 | 4-27-12 Futaba, Shinagawa-ku, Tokyo | Trust beneficiary interests | 589 | 578 | 0.2 | 837 | (Note 7) |

| Property number (Note 1) | Name of property | Location (Note 2) | Legal form of asset | Acquisition price (JPY million) (Note 3) | Balance sheet carrying value (JPY million) | Investment percentage (%) (Note 4) | Appraisal value as of December 31, 2016 (JPY million) (Note 5) | |
|--------------------------|--|---|-----------------------------|--|--|------------------------------------|--|-----------|
| D20 | Flexstay Inn Nakanobu P2 | 4-27-8 Futaba, Shinagawa-ku, Tokyo | Trust beneficiary interests | 283 | 284 | 0.1 | 403 | (Note 7) |
| D21 | APA Hotel Yokohama-Kannai | 3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa | Trust beneficiary interests | 8,350 | 8,117 | 3.1 | 9,660 | (Note 7) |
| D22 | Hotel Nets Hakodate | 26-17 Honcho, Hakodate-shi, Hokkaido | Trust beneficiary interests | 2,792 | 2,707 | 1.0 | 3,580 | (Note 7) |
| D23 | Flexstay Inn Shirogane | 5-10-15 Shirokane, Minato-ku, Tokyo | Trust beneficiary interests | 2,119 | 2,108 | 0.8 | 2,310 | (Note 7) |
| D24 | Hotel MyStays Haneda | 5-1-13 Haneda, Ota-ku, Tokyo | Trust beneficiary interests | 7,801 | 7,641 | 2.9 | 8,490 | (Note 7) |
| D25 | Hotel MyStays Kameido P1 | 6-32-1 Kameido, Koto-ku, Tokyo | Trust beneficiary interests | 5,594 | 5,514 | 2.1 | 7,150 | (Note 7) |
| D26 | Hotel MyStays Ueno Iriyaguchi | 5-5-13 Higashi-Ueno, Taito-ku, Tokyo | Trust beneficiary interests | 3,821 | 3,770 | 1.4 | 4,520 | (Note 7) |
| D27 | Hotel MyStays Kameido P2 | 6-7-8 Kameido, Koto-ku, Tokyo | Trust beneficiary interests | 3,742 | 3,681 | 1.4 | 4,840 | (Note 7) |
| D28 | Hotel Vista Shimizu | 1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka | Trust beneficiary interests | 2,198 | 2,144 | 0.8 | 2,400 | (Note 7) |
| D29 | Super Hotel Shinbashi/Karasumoriguchi | 5-16-4 Shinbashi, Minato-ku, Tokyo | Trust beneficiary interests | 1,624 | 1,618 | 0.6 | 1,800 | (Note 7) |
| D30 | Flexstay Inn Higashi-Jujo | 2-10-2 Nakajujo, Kita-ku, Tokyo | Trust beneficiary interests | 1,277 | 1,271 | 0.5 | 1,430 | (Note 7) |
| D31 | Hotel MyStays Utsunomiya | 2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi | Trust beneficiary interests | 1,237 | 1,238 | 0.5 | 1,280 | (Note 7) |
| D32 | Flexstay Inn Kawasaki-Kaizuka | 1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa | Trust beneficiary interests | 980 | 962 | 0.4 | 1,180 | (Note 7) |
| D33 | Comfort Hotel Toyama | 1-3-2 Takara-machi, Toyama-shi, Toyama | Trust beneficiary interests | 979 | 963 | 0.4 | 1,090 | (Note 7) |
| D34 | Flexstay Inn Kawasaki-Ogawacho | 15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa | Trust beneficiary interests | 906 | 896 | 0.3 | 1,060 | (Note 7) |
| D35 | Flexstay Inn Ekoda | 8-6 Sakaecho, Nerima-ku, Tokyo | Trust beneficiary interests | 5,069 | 5,001 | 1.9 | 5,040 | (Note 7) |
| D36 | Super Hotel Tokyo-JR Tachikawa Kitaguchi | 2-21-9 Akebonocho, Tachikawa-shi, Tokyo | Trust beneficiary interests | 1,170 | 1,156 | 0.4 | 1,230 | (Note 10) |
| D37 | Super Hotel JR Ueno-iriyauchi | 7-9-14 Ueno, Taito-ku, Tokyo | Trust beneficiary interests | 1,130 | 1,121 | 0.4 | 1,220 | (Note 10) |
| D38 | Hotel MyStays Shinsaibashi | 1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka | Trust beneficiary interests | 3,160 | 3,137 | 1.2 | 3,410 | (Note 7) |
| D39 | Comfort Hotel Kurosaki | 3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka | Trust beneficiary interests | 1,148 | 1,134 | 0.4 | 1,200 | (Note 10) |
| D40 | Comfort Hotel Maebashi | 2-18-14 Omotecho, Maebashi-shi, Gunma | Trust beneficiary interests | 1,128 | 1,136 | 0.4 | 1,160 | (Note 10) |
| D41 | Comfort Hotel Tsubame-Sanjo | 2-115 Sugoro, Sanjo-shi, Niigata | Trust beneficiary interests | 1,010 | 1,006 | 0.4 | 1,060 | (Note 10) |
| D42 | Comfort Hotel Kitami | 3-4 Ohdori-Nishi, Kitami-shi, Hokkaido | Trust beneficiary interests | 851 | 843 | 0.3 | 890 | (Note 10) |
| D43 | Hotel MyStays Gotanda Station | 2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo | Trust beneficiary interests | 24,674 | 24,652 | 9.3 | 24,800 | (Note 8) |
| D44 | Hotel Epinard Nasu | 1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi | Trust beneficiary interests | 20,981 | 20,620 | 7.9 | 21,600 | (Note 8) |

| Property number (Note 1) | Name of property | Location (Note 2) | Legal form of asset | Acquisition price (JPY million) (Note 3) | Balance sheet carrying value (JPY million) | Investment percentage (%) (Note 4) | Appraisal value as of December 31, 2016 (JPY million) (Note 5) | |
|--------------------------|--|---|-----------------------------|--|--|------------------------------------|--|-----------|
| D45 | Hotel MyStays Fukuoka Tenjin | 3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka | Trust beneficiary interests | 8,059 | 8,022 | 3.0 | 8,280 | (Note 8) |
| D46 | Hotel MyStays Hamamatsucho | 1-18-14 Hamamatsucho, Minato-ku, Tokyo | Trust beneficiary interests | 7,959 | 7,935 | 3.0 | 8,010 | (Note 8) |
| D47 | Hotel MyStays Premier Kanazawa (Note 11) | 2-13-1 Hirooka, Kanazawa-shi, Ishikawa | Trust beneficiary interests | 13,761 | 13,667 | 5.2 | 13,900 | (Note 8) |
| D48 | Takamatsu Tokyu REI Hotel | 9-9 Hyogomachi, Takamatsu-shi, Kagawa | Trust beneficiary interests | 2,139 | 2,135 | 0.8 | 2,170 | (Note 10) |
| Subtotal (48 properties) | | | | 181,032 | 178,511 | 67.9 | 236,940 | - |
| Total (124 properties) | | | | 266,619 | 259,938 | 100.0 | 328,192 | - |

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

(Note 2) “Location” is, in principle, based on the indicated address (*kyukyohoyoji*), except that if the *kyukyohoyoji* system has not been implemented for such property, the location is based on the land number (*chiban*).

(Note 3) “Acquisition price” is the purchase price indicated in the real estate or trust beneficiary purchase agreement. Such price excludes consumption tax and other taxes, and has been rounded down to the nearest million yen.

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

(Note 5) “Appraisal value as of December 31, 2016” is the value appraised or determined based on research by the real estate appraiser as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of The Investment Trust Association, Japan. The real estate appraisers are as follows.

| Real estate appraiser | |
|-----------------------|--|
| (Note 6) | Assets Research and Development Inc. |
| (Note 7) | Japan Real Estate Institute |
| (Note 8) | Morii Appraisal & Investment Consulting Inc. |
| (Note 9) | The Tanizawa Sogo Appraisal Co., Ltd. |
| (Note 10) | Daiwa Real Estate Appraisal Co., Ltd. |

(Note 11) The property name was changed from Hotel MyStays Kanazawa on October 1, 2016. The same shall apply hereinafter in this document.

b Capital expenditures for assets under management

(a) Schedule for capital expenditures

The schedule for the principal capital expenditures for property maintenance construction, etc., as of the end of the fiscal period for the real estate assets is as follows.

| Name of Property | Location | Purpose | Scheduled Time of Implementation | Estimated Cost (JPY thousand) | | | |
|------------------|---------------------|--------------------|--|-----------------------------------|---|------------------|---|
| | | | | Total | Payment for the Fiscal Period ended December 31, 2016 | Advance Payments | |
| D44 | Hotel Epinard Nasu | Nasu-gun, Tochigi | Renovation work | From January 2017 To June 2017 | 450,000 | - | - |
| B15 | Cross Square NAKANO | Nakano-ku, Tokyo | Parking lots equipment repair work | From January 2017 To June 2017 | 17,000 | - | - |
| A52 | Winbell Kagurazaka | Shinjuku-ku, Tokyo | Repair work of deteriorated rooftop waterproof/Partial repair and paint work of outer wall | From January 2017 To June 2017 | 15,330 | - | - |

(b) Capital expenditures for the fiscal period ended December 31, 2016

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended December 31, 2016 is as follows. Capital expenditures for the fiscal period totaled JPY 532,163 thousand, and together with JPY 24,069 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 556,232 thousand was implemented.

| Name of property | Location | Purpose | Time of implementation | Payment (JPY thousand) | |
|--------------------|---------------------------|--------------------|--|------------------------------------|---------|
| D01 | Hotel MyStays Kanda | Chiyoda-ku, Tokyo | Renovation work | From July 2016 To December 2016 | 154,601 |
| D44 | Hotel Epinard Nasu | Nasu-gun, Tochigi | Hotel interior renovation work | From July 2016 To December 2016 | 14,325 |
| B17 | Lexington Plaza Hachiman | Sendai-shi, Miyagi | Rooftop parking lot repair work | From July 2016 To December 2016 | 10,564 |
| D06 | Hotel Vista Premio Dojima | Osaka-shi, Osaka | Repair work of multistory car parking equipment | From July 2016 To December 2016 | 8,410 |
| D06 | Hotel Vista Premio Dojima | Osaka-shi, Osaka | Replacement work of thyristor based battery chargers | From July 2016 To December 2016 | 7,500 |
| Other construction | | | | | 360,831 |
| Total | | | | | 556,232 |

(c) Reserved funds for long-term maintenance plan (repair reserves)

INV has reserved funds from the cash flow of the fiscal period, as shown below, towards large-scale maintenance repairs in the medium- to long-term in accordance with the long-term maintenance plan for each property.

(Unit: JPY thousand)

| Fiscal period | 23rd fiscal period | 24th fiscal period | 25th fiscal period | 26th fiscal period | 27th fiscal period |
|--|--|---------------------------------------|--|---------------------------------------|--|
| | From July 1, 2014 to December 31, 2014 | From January 1, 2015 to June 30, 2015 | From July 1, 2015 to December 31, 2015 | From January 1, 2016 to June 30, 2016 | From July 1, 2016 to December 31, 2016 |
| Reserved funds at beginning of period | 579,682 | 738,365 | 852,699 | 982,750 | 1,303,685 |
| Amount reserved (Note) | 268,495 | 283,147 | 352,490 | 543,275 | 446,066 |
| Amount reversed (Note) | 109,812 | 168,813 | 222,439 | 222,339 | 352,464 |
| Amount carried over for next fiscal period | 738,365 | 852,699 | 982,750 | 1,303,685 | 1,397,286 |

(Note) The amount reserved for the relevant fiscal period includes the reserves for acquired properties, and the amount reversed includes the reserves for disposed properties.

c Condition of income, etc. (From July 1, 2016 to December 31, 2016)

(Unit: JPY thousand)

| Property No. | Property Name | Total of rental revenue (i) | Total of rental-related expenses (ii) | | Profit and Loss ((i)-(ii)) | NOI ((i)-(ii)+(iii)) | | | | | | |
|--------------|--------------------------------------|-----------------------------|---------------------------------------|--------------|----------------------------|----------------------|-------|-----|--------|--------|---------|---------|
| | | | Rent, common area fees | Other income | | | | | | | | |
| A26 | Nisshin Palacestage Daitabashi | 39,494 | 36,658 | 2,835 | 17,422 | 4,889 | 1,615 | 56 | 8,891 | 1,969 | 22,071 | 30,963 |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 43,857 | 39,804 | 4,052 | 25,912 | 6,561 | 2,688 | 86 | 13,064 | 3,510 | 17,945 | 31,009 |
| A28 | Growth Maison Gotanda | 27,345 | 26,772 | 573 | 8,279 | 2,049 | 1,326 | 34 | 4,369 | 500 | 19,065 | 23,435 |
| A29 | Growth Maison Kameido | 33,416 | 31,406 | 2,009 | 14,498 | 4,592 | 1,684 | 48 | 5,933 | 2,238 | 18,918 | 24,851 |
| A30 | Emerald House | 43,288 | 40,688 | 2,600 | 17,537 | 4,790 | 2,556 | 91 | 9,410 | 688 | 25,751 | 35,161 |
| A31 | Harmonie Ochanomizu | 41,703 | 39,125 | 2,578 | 13,933 | 3,347 | 1,883 | 50 | 7,270 | 1,381 | 27,769 | 35,039 |
| A32 | Suncrest Shakujii-Koen | 34,586 | 30,483 | 4,103 | 21,125 | 7,119 | 3,124 | 83 | 8,618 | 2,179 | 13,461 | 22,080 |
| A33 | Growth Maison Shin-Yokohama | 34,347 | 31,628 | 2,718 | 16,755 | 4,617 | 2,415 | 62 | 6,186 | 3,473 | 17,591 | 23,778 |
| A34 | Belle Face Ueno-Okachimachi | 30,471 | 30,132 | 338 | 12,883 | 5,134 | 1,661 | 44 | 5,355 | 687 | 17,588 | 22,943 |
| A35 | Grand Rire Kameido | 26,619 | 26,619 | - | 7,948 | 169 | 1,722 | 50 | 5,506 | 500 | 18,670 | 24,177 |
| A36 | Growth Maison Ikebukuro | 26,733 | 25,404 | 1,328 | 10,126 | 2,912 | 1,047 | 33 | 5,312 | 819 | 16,606 | 21,919 |
| A37 | Growth Maison Yōga | 22,092 | 21,164 | 928 | 9,615 | 2,798 | 1,369 | 33 | 4,125 | 1,288 | 12,477 | 16,603 |
| A38 | Route Tachikawa | 20,282 | 18,551 | 1,730 | 8,978 | 2,263 | 1,070 | 36 | 4,282 | 1,325 | 11,303 | 15,585 |
| A39 | Shibuya-Honmachi Mansion | 19,621 | 18,655 | 966 | 6,690 | 2,290 | 938 | 29 | 2,265 | 1,166 | 12,931 | 15,196 |
| A40 | City Heights Kinuta | 16,158 | 15,382 | 776 | 7,601 | 3,281 | 982 | 27 | 1,829 | 1,480 | 8,557 | 10,386 |
| A41 | Acseeds Tower Kawaguchi-Namiki | 24,556 | 23,083 | 1,473 | 11,183 | 3,365 | 1,125 | 36 | 5,038 | 1,616 | 13,373 | 18,411 |
| A42 | Capital Heights Kagurazaka | 18,565 | 17,824 | 741 | 7,233 | 2,266 | 1,088 | 32 | 2,529 | 1,316 | 11,331 | 13,861 |
| A43 | College Square Machida | 17,484 | 17,484 | - | 3,983 | 33 | 1,520 | 31 | 1,898 | 500 | 13,500 | 15,398 |
| A44 | Belair Meguro | 16,259 | 15,266 | 993 | 5,928 | 1,746 | 877 | 22 | 2,328 | 954 | 10,331 | 12,659 |
| A45 | Wacore Tsunashima I | 18,690 | 17,652 | 1,038 | 8,631 | 2,808 | 887 | 30 | 3,986 | 919 | 10,059 | 14,045 |
| A46 | Foros Nakamurabashi | 17,597 | 16,279 | 1,318 | 9,265 | 2,507 | 990 | 28 | 4,896 | 842 | 8,331 | 13,228 |
| A47 | Growth Maison Kaijin | 22,145 | 20,284 | 1,861 | 14,841 | 4,584 | 2,116 | 70 | 6,856 | 1,213 | 7,304 | 14,161 |
| A48 | College Square Machiya | 14,706 | 14,706 | - | 5,084 | 76 | 933 | 23 | 3,551 | 500 | 9,621 | 13,172 |
| A51 | City House Tokyo Shinbashi | 92,285 | 86,557 | 5,728 | 37,528 | 14,182 | 4,952 | 105 | 13,264 | 5,023 | 54,756 | 68,021 |
| A52 | Winbell Kagurazaka | 101,878 | 95,642 | 6,236 | 40,418 | 11,308 | 6,361 | 190 | 16,318 | 6,238 | 61,459 | 77,778 |
| A53 | Nishiwaseda Crescent Mansion | 73,724 | 69,704 | 4,019 | 20,799 | 6,409 | 3,610 | 133 | 8,568 | 2,076 | 52,925 | 61,493 |
| A54 | Lexington Square Akebonobashi | 49,405 | 47,502 | 1,902 | 20,390 | 6,425 | 2,214 | 53 | 8,745 | 2,951 | 29,014 | 37,760 |
| A56 | Casa Eremitaggio | 34,594 | 29,888 | 4,706 | 14,790 | 3,206 | 1,665 | 41 | 9,169 | 707 | 19,804 | 28,973 |
| A59 | Towa City Coop Shinotsuka II | 35,150 | 33,884 | 1,266 | 13,849 | 4,733 | 1,404 | 48 | 5,290 | 2,373 | 21,301 | 26,591 |
| A61 | Bichsel Musashiseki | 22,918 | 22,255 | 663 | 9,439 | 4,061 | 1,193 | 42 | 2,823 | 1,318 | 13,478 | 16,302 |
| A62 | Lexel Mansion Ueno Matsugaya | 34,740 | 32,138 | 2,602 | 14,060 | 2,689 | 1,872 | 52 | 8,451 | 993 | 20,680 | 29,132 |
| A63 | Towa City Coop Sengencho | 56,386 | 50,951 | 5,435 | 29,024 | 14,377 | 3,003 | 95 | 7,547 | 4,000 | 27,362 | 34,909 |
| A64 | Royal Park Omachi | 25,432 | 21,923 | 3,509 | 15,915 | 6,910 | 2,371 | 54 | 4,762 | 1,816 | 9,517 | 14,279 |
| A65 | Lexington Square Haginomachi | 17,590 | 15,990 | 1,600 | 8,289 | 2,177 | 1,718 | 34 | 3,550 | 808 | 9,300 | 12,851 |
| A66 | Visconti Kakuzan | 11,857 | 10,650 | 1,206 | 6,153 | 2,720 | 902 | 20 | 1,767 | 742 | 5,704 | 7,472 |
| A71 | Lexington Square Daitabashi | 32,254 | 30,676 | 1,577 | 14,899 | 3,391 | 1,544 | 38 | 8,039 | 1,885 | 17,354 | 25,393 |
| A72 | Lexington Square Honjo Azumabashi | 19,035 | 17,875 | 1,159 | 8,797 | 1,701 | 810 | 27 | 5,034 | 1,223 | 10,237 | 15,271 |
| A73 | AMS TOWER Minami 6-Jo | 45,686 | 43,038 | 2,648 | 31,738 | 6,397 | 6,433 | 109 | 14,123 | 4,673 | 13,948 | 28,071 |
| A75 | Spacia Ebisu | 205,456 | 184,250 | 21,206 | 73,052 | 12,935 | 8,809 | 214 | 37,649 | 13,443 | 132,403 | 170,053 |
| A76 | Neo Prominence | 64,271 | 54,893 | 9,377 | 29,083 | 12,676 | 3,554 | 140 | 10,388 | 2,324 | 35,187 | 45,576 |
| A77 | Invoice Shin-Kobe Residence | 46,782 | 42,581 | 4,201 | 21,028 | 4,662 | 2,714 | 81 | 11,490 | 2,079 | 25,753 | 37,244 |
| A78 | Cosmo Court Motomachi | 35,528 | 34,825 | 703 | 17,065 | 3,766 | 2,305 | 82 | 9,984 | 925 | 18,463 | 28,447 |
| A79 | Revest Honjin | 31,699 | 29,810 | 1,888 | 13,274 | 3,107 | 1,803 | 59 | 7,441 | 862 | 18,424 | 25,866 |
| A80 | Revest Matsubara | 28,164 | 26,185 | 1,978 | 14,820 | 4,228 | 1,870 | 55 | 7,045 | 1,622 | 13,343 | 20,388 |
| A81 | Sun Terrace Minami Ikebukuro | 23,830 | 21,429 | 2,401 | 10,275 | 2,903 | 907 | 33 | 5,212 | 1,218 | 13,555 | 18,768 |
| A82 | Alba Noritake Shinmachi | 25,917 | 24,314 | 1,603 | 13,693 | 3,529 | 1,736 | 56 | 6,934 | 1,436 | 12,224 | 19,158 |
| A83 | Revest Meieki Minami | 25,956 | 24,490 | 1,465 | 12,620 | 2,981 | 1,664 | 56 | 6,968 | 949 | 13,336 | 20,304 |
| A84 | Revest Heian | 23,023 | 22,323 | 700 | 11,045 | 2,474 | 1,400 | 41 | 6,410 | 718 | 11,978 | 18,388 |
| A85 | Vēndir Hamaotsu Ekimae | 32,640 | 30,375 | 2,265 | 16,093 | 5,589 | 1,961 | 76 | 7,013 | 1,452 | 16,547 | 23,560 |
| A86 | Salvo Sala | 24,657 | 23,869 | 788 | 10,495 | 2,628 | 1,556 | 47 | 5,444 | 818 | 14,162 | 19,607 |
| A87 | Excellente Kagurazaka | 18,252 | 17,802 | 449 | 7,776 | 2,110 | 771 | 29 | 4,194 | 670 | 10,475 | 14,670 |
| A88 | Luna Court Edobori | 21,451 | 20,541 | 909 | 10,763 | 3,194 | 1,185 | 40 | 5,073 | 1,269 | 10,687 | 15,761 |
| A89 | Winntage Kobe Motomachi | 19,673 | 19,380 | 293 | 11,294 | 2,549 | 1,587 | 49 | 5,824 | 1,283 | 8,379 | 14,203 |
| A90 | Queen's Court Fukuzumi | 16,843 | 16,119 | 724 | 6,792 | 1,616 | 750 | 28 | 3,205 | 1,191 | 10,051 | 13,256 |
| A91 | Corp Higashinotoin | 17,203 | 16,567 | 635 | 8,630 | 2,332 | 921 | 36 | 3,799 | 1,541 | 8,572 | 12,372 |

| Property No. | Property Name | Total of rental revenue (i) | | | Total of rental-related expenses (ii) | Facility management fee | Taxes and public dues | Insurance expenses | Depreciation expenses (iii) | Other expenses | Profit and Loss ((i)-(ii)) | NOI ((i)-(ii)+(iii)) |
|--------------|--|-----------------------------|------------------------|--------------|---------------------------------------|-------------------------|-----------------------|--------------------|-----------------------------|----------------|----------------------------|----------------------|
| | | | Rent, common area fees | Other income | | | | | | | | |
| A92 | Belair Oimachi | 14,448 | 13,572 | 875 | 7,005 | 2,080 | 672 | 22 | 2,675 | 1,554 | 7,442 | 10,117 |
| A93 | Siete Minami-Tsukaguchi | 16,605 | 15,788 | 816 | 7,739 | 2,594 | 982 | 35 | 3,240 | 886 | 8,865 | 12,105 |
| A94 | Prime Life Sannomiya Isogami Koen | 13,769 | 13,359 | 409 | 6,354 | 1,446 | 848 | 25 | 3,426 | 607 | 7,414 | 10,840 |
| A95 | HERMITAGE NANBA WEST | 15,516 | 14,070 | 1,445 | 8,066 | 2,386 | 1,009 | 30 | 3,446 | 1,193 | 7,449 | 10,896 |
| A96 | Century Park Shinkawa 1-bankan | 17,409 | 14,432 | 2,976 | 8,580 | 2,229 | 872 | 41 | 4,017 | 1,418 | 8,828 | 12,846 |
| A97 | West Avenue | 12,254 | 11,730 | 524 | 7,395 | 2,037 | 563 | 22 | 3,070 | 1,700 | 4,859 | 7,930 |
| A98 | Little River Honmachibashi | 13,795 | 13,771 | 24 | 5,962 | 1,609 | 952 | 28 | 2,874 | 496 | 7,832 | 10,707 |
| A99 | Prime Life Mikage | 11,566 | 11,461 | 105 | 6,009 | 1,482 | 762 | 23 | 2,960 | 781 | 5,556 | 8,516 |
| A100 | City Court Kitaichijo | 65,467 | 60,162 | 5,304 | 39,782 | 7,234 | 7,741 | 164 | 22,587 | 2,054 | 25,684 | 48,272 |
| A101 | Lieto Court Mukojima | 53,665 | 51,370 | 2,295 | 26,953 | 7,048 | 2,511 | 88 | 15,293 | 2,010 | 26,712 | 42,006 |
| A102 | Lieto Court Nishi-Ojima | 48,105 | 47,324 | 780 | 21,176 | 4,921 | 2,177 | 69 | 12,272 | 1,734 | 26,929 | 39,201 |
| A103 | Royal Parks Momozaka | 139,988 | 129,478 | 10,510 | 85,664 | 39,877 | - | 248 | 45,130 | 407 | 54,324 | 99,454 |
| A104 | Royal Parks Shinden | 215,643 | 200,266 | 15,377 | 105,097 | 33,898 | - | 493 | 70,295 | 410 | 110,546 | 180,842 |
| B08 | Kindai Kagakusha Building | 38,162 | 34,265 | 3,897 | 22,362 | 6,224 | 4,523 | 67 | 10,750 | 797 | 15,799 | 26,549 |
| B09 | Shinjuku Island | Not disclosed (Note1) | | | | | | | | | | |
| B14 | Lexington Plaza Nishigotanda | 140,640 | 124,083 | 16,556 | 67,094 | 24,460 | 12,324 | 177 | 26,543 | 3,589 | 73,545 | 100,088 |
| B15 | Cross Square NAKANO | 44,623 | 37,438 | 7,184 | 17,191 | 6,416 | 3,867 | 76 | 4,647 | 2,183 | 27,431 | 32,079 |
| B16 | Ohki Aoba Building | 34,522 | 27,245 | 7,277 | 23,484 | 9,223 | 6,076 | 94 | 7,356 | 732 | 11,038 | 18,395 |
| B17 | Lexington Plaza Hachiman | 163,789 | 131,105 | 32,684 | 84,488 | 45,110 | 16,953 | 183 | 21,276 | 964 | 79,301 | 100,577 |
| B18 | AEON TOWN Sukagawa | 142,027 | 142,027 | - | 93,864 | 56,124 | 7,436 | 250 | 29,438 | 614 | 48,163 | 77,601 |
| C01 | Times Kanda-Sudacho 4th | 2,700 | 2,700 | - | 257 | - | 256 | - | 1 | - | 2,442 | 2,444 |
| D01 | Hotel MyStays Kanda | 95,222 | 95,222 | - | 28,088 | - | 4,417 | 76 | 23,082 | 511 | 67,133 | 90,216 |
| D02 | Hotel MyStays Asakusa | 115,200 | 115,200 | - | 20,677 | - | 3,888 | 98 | 16,174 | 516 | 94,522 | 110,696 |
| D03 | Hotel MyStays Kyoto-Shijo | 367,441 | 367,441 | - | 59,770 | - | 10,432 | 274 | 48,547 | 515 | 307,670 | 356,218 |
| D04 | MyStays Shin-Urayasu Conference Center | 212,187 | 212,187 | - | 50,220 | - | 8,161 | 174 | 41,376 | 509 | 161,966 | 203,342 |
| D05 | Hotel MyStays Maihama | 183,694 | 183,694 | - | 39,180 | - | 3,195 | 88 | 35,386 | 510 | 144,513 | 179,899 |
| D06 | Hotel Vista Premio Dojima | 215,896 | 215,224 | 672 | 60,485 | 8,208 | 11,716 | 240 | 39,807 | 512 | 155,410 | 195,218 |
| D07 | Hotel MyStays Nagoya-Sakae | 197,906 | 197,906 | - | 68,586 | 17,163 | 4,602 | 209 | 46,104 | 507 | 129,319 | 175,424 |
| D08 | Hotel MyStays Sakaisuji-Honmachi | 201,529 | 201,529 | - | 26,676 | - | 6,399 | 113 | 19,655 | 507 | 174,853 | 194,509 |
| D09 | Hotel MyStays Yokohama | 118,878 | 118,878 | - | 30,597 | - | 4,476 | 172 | 25,434 | 513 | 88,281 | 113,715 |
| D10 | Hotel MyStays Nippori | 65,615 | 65,615 | - | 17,313 | - | 1,764 | 57 | 14,986 | 505 | 48,301 | 63,287 |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | 137,361 | 137,361 | - | 19,548 | - | 5,076 | 90 | 13,876 | 505 | 117,812 | 131,688 |
| D12 | Flexstay Inn Iidabashi | 52,029 | 52,029 | - | 14,903 | - | 4,504 | 78 | 9,813 | 507 | 37,125 | 46,939 |
| D13 | Hotel MyStays Ueno Inaricho | 51,818 | 51,818 | - | 14,719 | - | 1,474 | 40 | 12,696 | 507 | 37,099 | 49,795 |
| D14 | Flexstay Inn Shinagawa | 50,600 | 50,600 | - | 8,794 | - | 1,663 | 33 | 6,591 | 506 | 41,805 | 48,397 |
| D15 | Flexstay Inn Tokiwadai | 60,368 | 60,368 | - | 11,378 | - | 3,414 | 71 | 7,387 | 505 | 48,989 | 56,377 |
| D16 | Flexstay Inn Sugamo | 54,852 | 54,852 | - | 14,384 | - | 2,871 | 58 | 10,949 | 505 | 40,467 | 51,416 |
| D17 | Hotel MyStays Otemae | 144,286 | 144,286 | - | 13,852 | - | 3,616 | 103 | 9,626 | 506 | 130,434 | 140,060 |
| D18 | Flexstay Inn Kiyosumi Shirakawa | 39,669 | 39,669 | - | 11,549 | - | 3,394 | 68 | 7,581 | 505 | 28,120 | 35,701 |
| D19 | Flexstay Inn Nakanobu P1 | 21,653 | 21,653 | - | 5,417 | - | 954 | 21 | 3,935 | 505 | 16,235 | 20,171 |
| D20 | Flexstay Inn Nakanobu P2 | 11,371 | 11,371 | - | 2,758 | - | 528 | 12 | 1,710 | 506 | 8,613 | 10,323 |
| D21 | APA Hotel Yokohama-Kannai | 234,973 | 234,973 | - | 88,657 | - | 11,856 | 260 | 76,035 | 505 | 146,316 | 222,351 |
| D22 | Hotel Nets Hakodate | 160,872 | 160,872 | - | 47,624 | - | 15,493 | 164 | 31,457 | 508 | 113,248 | 144,706 |
| D23 | Flexstay Inn Shirogane | 54,444 | 54,444 | - | 9,813 | - | 1,918 | 48 | 7,340 | 506 | 44,631 | 51,971 |
| D24 | Hotel MyStays Haneda | 178,271 | 178,267 | 4 | 67,937 | - | 8,162 | 194 | 59,171 | 410 | 110,334 | 169,505 |
| D25 | Hotel MyStays Kameido P1 | 186,026 | 186,026 | - | 40,435 | - | 6,390 | 162 | 33,476 | 406 | 145,590 | 179,067 |
| D26 | Hotel MyStays Ueno Iriyaguchi | 98,762 | 98,762 | - | 24,595 | 2,455 | 1,248 | 80 | 20,403 | 407 | 74,167 | 94,571 |
| D27 | Hotel MyStays Kameido P2 | 130,259 | 130,259 | - | 30,201 | - | 3,842 | 101 | 25,852 | 404 | 100,058 | 125,910 |
| D28 | Hotel Vista Shimizu | 83,319 | 83,319 | - | 24,773 | 480 | 2,055 | 87 | 21,747 | 404 | 58,545 | 80,293 |
| D29 | Super Hotel Shinbashi/ Karasumoriguchi | 39,426 | 39,426 | - | 8,978 | 706 | 3,109 | 36 | 4,717 | 407 | 30,448 | 35,166 |
| D30 | Flexstay Inn Higashi-Jujo | 40,126 | 40,126 | - | 7,915 | - | 1,945 | 46 | 5,517 | 405 | 32,210 | 37,727 |
| D31 | Hotel MyStays Utsunomiya | 64,742 | 64,742 | - | 31,473 | - | 13,720 | 306 | 17,031 | 414 | 33,268 | 50,300 |
| D32 | Flexstay Inn Kawasaki-Kaizuka | 32,535 | 32,535 | - | 11,807 | 889 | 817 | 36 | 9,655 | 408 | 20,728 | 30,383 |
| D33 | Comfort Hotel Toyama | 35,928 | 35,928 | - | 13,053 | - | 3,789 | 76 | 8,778 | 409 | 22,874 | 31,653 |
| D34 | Flexstay Inn Kawasaki-Ogawacho | 28,421 | 28,421 | - | 7,138 | - | 961 | 25 | 5,746 | 405 | 21,282 | 27,028 |
| D35 | Flexstay Inn Ekoda | 110,022 | 110,022 | - | 37,257 | - | 4,694 | 104 | 32,051 | 407 | 72,764 | 104,816 |

| Property No. | Property Name | Total of rental revenue (i) | Total of rental-related expenses (ii) | | Profit and Loss ((i)-(ii)) | NOI ((i)-(ii)+(iii)) | | | | | | |
|--------------|--|-----------------------------|---------------------------------------|--------------|----------------------------|----------------------|-------------------------|-----------------------|--------------------|-----------------------------|----------------|-----------|
| | | | Rent, common area fees | Other income | | | Facility management fee | Taxes and public dues | Insurance expenses | Depreciation expenses (iii) | Other expenses | |
| D36 | Super Hotel Tokyo-JR Tachikawa Kitaguchi | 31,787 | 31,787 | - | 13,174 | 1,391 | 2,842 | 50 | 8,482 | 408 | 18,612 | 27,094 |
| D37 | Super Hotel JR Ueno-iriyaguchi | 27,275 | 27,275 | - | 10,002 | 1,070 | 2,142 | 34 | 6,346 | 408 | 17,273 | 23,619 |
| D38 | Hotel MyStays Shinsaibashi | 90,819 | 90,819 | - | 19,313 | - | - | 53 | 18,852 | 406 | 71,506 | 90,359 |
| D39 | Comfort Hotel Kurosaki | 37,894 | 37,894 | - | 14,930 | 900 | - | 68 | 13,552 | 409 | 22,963 | 36,516 |
| D40 | Comfort Hotel Maebashi | 43,811 | 43,811 | - | 24,735 | 5,969 | - | 95 | 18,257 | 413 | 19,075 | 37,333 |
| D41 | Comfort Hotel Tsubame-Sanjo | 34,949 | 32,861 | 2,088 | 11,444 | 436 | - | 82 | 10,512 | 413 | 23,505 | 34,017 |
| D42 | Comfort Hotel Kitami | 30,300 | 30,300 | - | 12,871 | 911 | - | 67 | 11,481 | 411 | 17,428 | 28,910 |
| D43 | Hotel MyStays Gotanda Station | 396,612 | 395,634 | 978 | 38,935 | 1,987 | - | 350 | 36,191 | 407 | 357,676 | 393,868 |
| D44 | Hotel Epinard Nasu | 1,040,790 | 1,040,790 | - | 325,022 | 9,335 | - | 1,061 | 314,045 | 579 | 715,768 | 1,029,814 |
| D45 | Hotel MyStays Fukuoka Tenjin | 190,416 | 190,416 | - | 42,326 | - | - | 131 | 41,790 | 405 | 148,089 | 189,879 |
| D46 | Hotel MyStays Hamamatsucho | 115,208 | 115,208 | - | 27,938 | - | - | 68 | 27,464 | 404 | 87,270 | 114,734 |
| D47 | Hotel MyStays Premier Kanazawa | 343,391 | 343,391 | - | 112,221 | - | - | 313 | 111,504 | 403 | 231,170 | 342,674 |
| D48 | Takamatsu Tokyu REI Hotel | 106,269 | 76,200 | 30,069 | 45,149 | 29,429 | - | 161 | 15,139 | 418 | 61,119 | 76,259 |
| Total | | 9,511,466 | 9,237,784 | 273,682 | 3,162,067 | 580,896 | 356,372 | 11,807 | 2,065,066 | 147,924 | 6,349,399 | 8,414,465 |

(Note 1) Not disclosed because the consent of the tenant was not obtained.

(3) Tenant Summary

a Summary of lease conditions by property

(As of December 31, 2016)

| Property No. | Property name | Leasable area (m ²) (Note 1) | Leased area (m ²) (Note 2) | Leasable units (units) (Note 3) | Leased units (units) (Note 4) | Total number of tenants (Note 5) | Tenants (Note 6) | Rental revenue (JPY thousand) (Note 7) | Ratio of rental revenue (%) | Type of lease (Note 8) |
|--------------|--------------------------------------|--|--|---------------------------------|-------------------------------|----------------------------------|--|--|-----------------------------|---------------------------|
| A26 | Nisshin Palacestage Daitabashi | 1,771.13 | 1,736.40 | 98 | 96 | 1 | Best Property Corporation | 39,494 | 0.4 | Pass through master lease |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 2,681.94 | 2,589.19 | 60 | 58 | 1 | Best Property Corporation | 43,857 | 0.5 | Pass through master lease |
| A28 | Growth Maison Gotanda | 1,051.50 | 1,051.50 | 48 | 48 | 1 | Pacific Development & Management Co., Ltd | 27,345 | 0.3 | Pass through master lease |
| A29 | Growth Maison Kameido | 1,367.96 | 1,264.60 | 66 | 61 | 1 | Mitsui Home Estate Co., Ltd. | 33,416 | 0.4 | Pass through master lease |
| A30 | Emerald House | 2,152.31 | 2,084.79 | 96 | 93 | 1 | Tokyo Gakusei-life Co., Ltd. | 43,288 | 0.5 | Pass through master lease |
| A31 | Harmonie Ochanomizu | 1,748.24 | 1,748.24 | 65 | 65 | 1 | Pacific Development & Management Co., Ltd. | 41,703 | 0.4 | Pass through master lease |
| A32 | Suncrest Shakujii-Koen | 3,029.16 | 2,847.19 | 29 | 27 | 1 | Mitsui Home Estate Co., Ltd. | 34,586 | 0.4 | Pass through master lease |
| A33 | Growth Maison Shin-Yokohama | 1,858.44 | 1,750.10 | 68 | 64 | 1 | Pacific Development & Management Co., Ltd | 34,347 | 0.4 | Pass through master lease |
| A34 | Belle Face Ueno-Okachimachi | 1,351.11 | 1,285.61 | 64 | 61 | 1 | Mainichicomnet Co., Ltd. | 30,471 | 0.3 | Pass through master lease |
| A35 | Grand Rire Kameido | 1,562.26 | 1,562.26 | 72 | 72 | 1 | J.S.B. Co., Ltd. | 26,619 | 0.3 | Guaranteed rent |
| A36 | Growth Maison Ikebukuro | 952.89 | 952.89 | 42 | 42 | 1 | Pacific Development & Management Co., Ltd | 26,733 | 0.3 | Pass through master lease |
| A37 | Growth Maison Yoga | 1,015.34 | 962.57 | 39 | 37 | 1 | Mitsui Home Estate Co., Ltd. | 22,092 | 0.2 | Pass through master lease |
| A38 | Route Tachikawa | 1,368.57 | 1,368.57 | 24 | 24 | 1 | Pacific Development & Management Co., Ltd | 20,282 | 0.2 | Pass through master lease |
| A39 | Shibuya-Honmachi Mansion | 1,167.50 | 1,072.94 | 25 | 23 | 1 | Pacific Development & Management Co., Ltd | 19,621 | 0.2 | Pass through master lease |
| A40 | City Heights Kinuta | 1,235.93 | 1,169.33 | 19 | 18 | 1 | Mitsui Home Estate Co., Ltd. | 16,158 | 0.2 | Pass through master lease |
| A41 | Acseeds Tower Kawaguchi-Namiki | 1,210.74 | 1,082.46 | 57 | 51 | 1 | Access Group, Inc. (Note 9) | 24,556 | 0.3 | Pass through master lease |
| A42 | Capital Heights Kagurazaka | 1,126.65 | 1,095.17 | 26 | 25 | 1 | Mitsui Home Estate Co., Ltd. | 18,565 | 0.2 | Pass through master lease |
| A43 | College Square Machida | 1,047.75 | 1,047.75 | 62 | 62 | 1 | Mainichicomnet Co., Ltd. | 17,484 | 0.2 | Guaranteed rent |
| A44 | Belair Meguro | 557.05 | 513.03 | 25 | 23 | 1 | Pacific Development & Management Co., Ltd | 16,259 | 0.2 | Pass through master lease |
| A45 | Wacore Tsunashima I | 907.46 | 816.18 | 50 | 45 | 1 | Pacific Development & Management Co., Ltd | 18,690 | 0.2 | Pass through master lease |
| A46 | Foros Nakamurabashi | 815.77 | 744.25 | 37 | 34 | 1 | Mitsui Home Estate Co., Ltd. | 17,597 | 0.2 | Pass through master lease |
| A47 | Growth Maison Kaijin | 2,040.27 | 1,988.04 | 34 | 33 | 1 | Mitsui Home Estate Co., Ltd. | 22,145 | 0.2 | Pass through master lease |
| A48 | College Square Machiya | 871.35 | 871.35 | 43 | 43 | 1 | Mainichicomnet Co., Ltd. | 14,706 | 0.2 | Guaranteed rent |
| A51 | City House Tokyo Shinbashi | 3,364.00 | 3,138.67 | 86 | 80 | 1 | Mitsui Home Estate Co., Ltd. | 92,285 | 1.0 | Pass through master lease |
| A52 | Winbell Kagurazaka | 4,032.70 | 3,851.50 | 118 | 112 | 1 | Mitsui Home Estate Co., Ltd. | 101,878 | 1.1 | Pass through master lease |
| A53 | Nishiwaseda Crescent Mansion | 4,310.77 | 4,128.52 | 69 | 66 | 1 | Pacific Development & Management Co., Ltd | 73,724 | 0.8 | Pass through master lease |
| A54 | Lexington Square Akebonobashi | 1,987.88 | 1,921.90 | 88 | 85 | 1 | Mitsui Home Estate Co., Ltd. | 49,405 | 0.5 | Pass through master lease |
| A56 | Casa Eremitaggio | 1,197.19 | 1,158.26 | 17 | 16 | 1 | Pacific Development & Management Co., Ltd | 34,594 | 0.4 | Pass through master lease |
| A59 | Towa City Coop Shinotsuka II | 1,627.13 | 1,567.61 | 58 | 55 | 1 | Mitsui Home Estate Co., Ltd. | 35,150 | 0.4 | Pass through master lease |
| A61 | Bichsel Musashiseki | 1,220.24 | 1,116.36 | 70 | 64 | 1 | Mitsui Home Estate Co., Ltd. | 22,918 | 0.2 | Pass through master lease |
| A62 | Lexel Mansion Ueno Matsugaya | 1,969.45 | 1,898.80 | 29 | 28 | 1 | Pacific Development & Management Co., Ltd | 34,740 | 0.4 | Pass through master lease |
| A63 | Towa City Coop Sengencho | 3,426.36 | 3,071.83 | 154 | 138 | 1 | Pacific Development & Management Co., Ltd | 56,386 | 0.6 | Pass through master lease |
| A64 | Royal Park Omachi | 1,929.59 | 1,791.35 | 51 | 47 | 1 | Goodworks Co., Ltd. | 25,432 | 0.3 | Pass through master lease |
| A65 | Lexington Square Haginomachi | 1,528.58 | 1,408.43 | 39 | 36 | 1 | Goodworks Co., Ltd. | 17,590 | 0.2 | Pass through master lease |

| Property No. | Property name | Leasable area (m ²) (Note 1) | Leased area (m ²) (Note 2) | Leasable units (units) (Note 3) | Leased units (units) (Note 4) | Total number of tenants (Note 5) | Tenants (Note 6) | Rental revenue (JPY thousand) (Note 7) | Ratio of rental revenue (%) | Type of lease (Note 8) |
|--------------|-----------------------------------|--|--|---------------------------------|-------------------------------|----------------------------------|---|--|-----------------------------|---|
| A66 | Visconti Kakuozan | 705.75 | 591.49 | 8 | 7 | 1 | Mitsui Home Estate Co., Ltd. | 11,857 | 0.1 | Pass through master lease |
| A71 | Lexington Square Daitabashi | 1,430.64 | 1,329.33 | 43 | 40 | 1 | Goodworks Co., Ltd. | 32,254 | 0.3 | Pass through master lease |
| A72 | Lexington Square Honjo Azumabashi | 784.74 | 760.04 | 33 | 32 | 1 | Mitsui Home Estate Co., Ltd. | 19,035 | 0.2 | Pass through master lease |
| A73 | AMS TOWER Minami 6-Jo | 4,460.56 | 3,838.53 | 120 | 104 | 1 | Big Service Co., Ltd. | 45,686 | 0.5 | Pass through master lease |
| A75 | Spacia Ebisu | 7,794.91 | 7,328.56 | 109 | 102 | 1 | Pacific Development & Management Co., Ltd | 205,456 | 2.2 | Pass through master lease |
| A76 | Neo Prominence | 3,574.70 | 3,397.51 | 52 | 49 | 1 | Goodworks Co., Ltd. | 64,271 | 0.7 | Pass through master lease |
| A77 | Invoice Shin-Kobe Residence | 2,773.71 | 2,260.06 | 81 | 66 | 1 | Goodworks Co., Ltd. | 46,782 | 0.5 | Pass through master lease |
| A78 | Cosmo Court Motomachi | 2,310.49 | 1,997.77 | 82 | 71 | 1 | Goodworks Co., Ltd. | 35,528 | 0.4 | Pass through master lease |
| A79 | Revest Honjin | 1,933.80 | 1,837.44 | 80 | 76 | 1 | Mininet, Inc. | 31,699 | 0.3 | Pass through master lease |
| A80 | Revest Matsubara | 1,955.40 | 1,795.49 | 70 | 64 | 1 | Mininet, Inc. | 28,164 | 0.3 | Pass through master lease |
| A81 | Sun Terrace Minami Ikebukuro | 898.70 | 875.05 | 38 | 37 | 1 | Goodworks Co., Ltd. | 23,830 | 0.3 | Pass through master lease |
| A82 | Alba Noritake Shinmachi | 1,731.68 | 1,575.33 | 64 | 58 | 1 | Mininet, Inc. | 25,917 | 0.3 | Pass through master lease |
| A83 | Revest Meieki Minami | 1,634.60 | 1,529.79 | 61 | 57 | 1 | Mininet, Inc. | 25,956 | 0.3 | Pass through master lease |
| A84 | Revest Heian | 1,554.03 | 1,379.03 | 40 | 33 | 1 | Mininet, Inc. | 23,023 | 0.2 | Pass through master lease |
| A85 | Vendir Hamaotsu Ekimae | 2,670.66 | 2,493.12 | 81 | 76 | 1 | Mininet, Inc. | 32,640 | 0.3 | Pass through master lease |
| A86 | Salvo Sala | 1,428.12 | 1,380.82 | 54 | 52 | 1 | Goodworks Co., Ltd. | 24,657 | 0.3 | Pass through master lease |
| A87 | Excellente Kagurazaka | 701.92 | 619.58 | 33 | 29 | 1 | Goodworks Co., Ltd. | 18,252 | 0.2 | Pass through master lease |
| A88 | Luna Court Edobori | 1,185.50 | 1,161.93 | 50 | 49 | 1 | Goodworks Co., Ltd. | 21,451 | 0.2 | Pass through master lease |
| A89 | Wintage Kobe Motomachi | 1,433.35 | 1,156.00 | 57 | 46 | 1 | Goodworks Co., Ltd. | 19,673 | 0.2 | Pass through master lease |
| A90 | Queen's Court Fukuzumi | 765.18 | 738.89 | 25 | 24 | 1 | Goodworks Co., Ltd. | 16,843 | 0.2 | Pass through master lease |
| A91 | Corp Higashinotoin | 1,029.05 | 979.52 | 42 | 40 | 1 | Goodworks Co., Ltd. | 17,203 | 0.2 | Pass through master lease |
| A92 | Belair Oimachi | 530.60 | 492.80 | 26 | 24 | 1 | Goodworks Co., Ltd. | 14,448 | 0.2 | Pass through master lease |
| A93 | Siete Minami-Tsukaguchi | 1,020.86 | 995.36 | 40 | 39 | 1 | Goodworks Co., Ltd. | 16,605 | 0.2 | Pass through master lease |
| A94 | Prime Life Sannomiya Isogami Koen | 789.12 | 690.48 | 32 | 28 | 1 | Goodworks Co., Ltd. | 13,769 | 0.1 | Pass through master lease |
| A95 | HERMITAGE NANBA WEST | 992.76 | 873.48 | 21 | 18 | 1 | Goodworks Co., Ltd. | 15,516 | 0.2 | Pass through master lease |
| A96 | Century Park Shinkawa 1-bankan | 1,477.62 | 1,343.15 | 44 | 40 | 1 | Goodworks Co., Ltd. | 17,409 | 0.2 | Pass through master lease |
| A97 | West Avenue | 794.80 | 695.44 | 40 | 35 | 1 | Goodworks Co., Ltd. | 12,254 | 0.1 | Pass through master lease |
| A98 | Little River Honmachibashi | 974.81 | 944.56 | 31 | 30 | 1 | Goodworks Co., Ltd. | 13,795 | 0.1 | Pass through master lease |
| A99 | Prime Life Mikage | 761.18 | 660.69 | 28 | 24 | 1 | Goodworks Co., Ltd. | 11,566 | 0.1 | Pass through master lease |
| A100 | City Court Kitaichijo | 5,230.18 | 4,960.03 | 127 | 122 | 1 | Big Service Co., Ltd. | 65,467 | 0.7 | Pass through master lease |
| A101 | Lieto Court Mukojima | 2,940.20 | 2,802.73 | 82 | 78 | 1 | Mitsui Home Estate Co., Ltd. | 53,665 | 0.6 | Pass through master lease |
| A102 | Lieto Court Nishi-Ojima | 2,048.28 | 1,982.28 | 91 | 88 | 1 | Mitsui Home Estate Co., Ltd. | 48,105 | 0.5 | Pass through master lease |
| A103 | Royal Parks Momozaka | 8,776.26 | 8,776.26 | 147 | 147 | 4 | Daiwa Living Co., Ltd. | 139,988 | 1.5 | Guaranteed rent and pass through master lease |
| A104 | Royal Parks Shinden | 15,797.29 | 15,797.29 | 248 | 248 | 4 | Daiwa Living Co., Ltd. | 215,643 | 2.3 | Guaranteed rent and pass through master lease |
| B08 | Kindai Kagakusha Building | 1,451.54 | 1,451.54 | 13 | 13 | 1 | Haseko Livenet, Inc. | 38,162 | 0.4 | Pass through master lease |
| B09 | Shinjuku Island | 526.43 | 526.43 | 1 | 1 | 1 | Not disclosed (Note 10) | Not disclosed (Note 10) | Not disclosed (Note 10) | - |
| B14 | Lexington Plaza Nishigotanda | 6,033.58 | 5,539.91 | 11 | 10 | 7 | Community One Co., Ltd. | 140,640 | 1.5 | - |

| Property No. | Property name | Leasable area (m ²) (Note 1) | Leased area (m ²) (Note 2) | Leasable units (units) (Note 3) | Leased units (units) (Note 4) | Total number of tenants (Note 5) | Tenants (Note 6) | Rental revenue (JPY thousand) (Note 7) | Ratio of rental revenue (%) | Type of lease (Note 8) |
|--------------|--|--|--|---------------------------------|-------------------------------|----------------------------------|--|--|-----------------------------|--|
| B15 | Cross Square NAKANO | 2,145.00 | 1,910.38 | 45 | 38 | 1 | Shin-ei Real Estate Business Co., Ltd. | 44,623 | 0.5 | Pass through master lease |
| B16 | Ohki Aoba Building | 2,178.37 | 1,820.39 | 13 | 12 | 1 | One-Eyed Capital Advisers | 34,522 | 0.4 | Pass through master lease |
| B17 | Lexington Plaza Hachiman | 8,419.15 | 8,419.15 | 18 | 18 | 1 | Tokyo Bisō Kogyō Corporation | 163,789 | 1.7 | Pass through master lease |
| B18 | AEON TOWN Sukagawa | 18,440.58 | 18,440.58 | 1 | 1 | 1 | AEONTOWN Co., Ltd. | 142,027 | 1.5 | Guaranteed rent |
| C01 | Times Kanda-Sudacho 4th | 81.04 | 81.04 | 1 | 1 | 1 | Times24. Co., Ltd. | 2,700 | 0.0 | - |
| D01 | Hotel MyStays Kanda | 2,585.72 | 2,585.72 | 126 | 126 | 1 | MyStays Hotel Management Co., Ltd. | 95,222 | 1.0 | Fixed rent plus variable rent type operation |
| D02 | Hotel MyStays Asakusa | 3,327.38 | 3,327.38 | 161 | 161 | 1 | MyStays Hotel Management Co., Ltd. | 115,200 | 1.2 | Fixed rent plus variable rent type operation |
| D03 | Hotel MyStays Kyoto-Shijo | 7,241.51 | 7,241.51 | 225 | 225 | 1 | MyStays Hotel Management Co., Ltd. | 367,441 | 3.9 | Fixed rent plus variable rent type operation |
| D04 | MyStays Shin-Urayasu Conference Center | 6,232.30 | 6,232.30 | 175 | 175 | 1 | MyStays Hotel Management Co., Ltd. | 212,187 | 2.2 | Fixed rent plus variable rent type operation |
| D05 | Hotel MyStays Maihama | 2,456.36 | 2,456.36 | 90 | 90 | 1 | MyStays Hotel Management Co., Ltd. | 183,694 | 1.9 | Fixed rent plus variable rent type operation |
| D06 | Hotel Vista Premio Dojima | 9,445.32 | 9,445.32 | 153 | 153 | 1 | MGH Master Lease Co., Ltd. | 215,896 | 2.3 | Fixed rent plus variable rent type operation |
| D07 | Hotel MyStays Nagoya-Sakae | 9,064.71 | 9,064.71 | 279 | 279 | 1 | Yugen Kaisha Nagoya Hotel Management | 197,906 | 2.1 | Fixed rent plus variable rent type operation |
| D08 | Hotel MyStays Sakaisuji-Honmachi | 4,188.83 | 4,188.83 | 191 | 191 | 1 | MyStays Hotel Management Co., Ltd. | 201,529 | 2.1 | Fixed rent plus variable rent type operation |
| D09 | Hotel MyStays Yokohama | 7,379.43 | 7,379.43 | 190 | 190 | 1 | MyStays Hotel Management Co., Ltd. | 118,878 | 1.2 | Fixed rent plus variable rent type operation |
| D10 | Hotel MyStays Nippori | 1,719.29 | 1,719.29 | 93 | 93 | 1 | MyStays Hotel Management Co., Ltd. | 65,615 | 0.7 | Fixed rent plus variable rent type operation |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | 3,412.71 | 3,412.71 | 177 | 177 | 1 | MyStays Hotel Management Co., Ltd. | 137,361 | 1.4 | Fixed rent plus variable rent type operation |
| D12 | Flexstay Inn Iidabashi | 2,953.38 | 2,953.38 | 62 | 62 | 1 | MyStays Hotel Management Co., Ltd. | 52,029 | 0.5 | Fixed rent plus variable rent type operation |
| D13 | Hotel MyStays Ueno Inaricho | 1,150.76 | 1,150.76 | 72 | 72 | 1 | MyStays Hotel Management Co., Ltd. | 51,818 | 0.5 | Fixed rent plus variable rent type operation |
| D14 | Flexstay Inn Shinagawa | 1,134.52 | 1,134.52 | 55 | 55 | 1 | MyStays Hotel Management Co., Ltd. | 50,600 | 0.5 | Fixed rent plus variable rent type operation |
| D15 | Flexstay Inn Tokiwadai | 2,539.75 | 2,539.75 | 130 | 130 | 1 | MyStays Hotel Management Co., Ltd. | 60,368 | 0.6 | Fixed rent plus variable rent type operation |
| D16 | Flexstay Inn Sugamo | 2,089.86 | 2,089.86 | 105 | 105 | 1 | MyStays Hotel Management Co., Ltd. | 54,852 | 0.6 | Fixed rent plus variable rent type operation |
| D17 | Hotel MyStays Otemae | 4,956.66 | 4,956.66 | 111 | 111 | 1 | MyStays Hotel Management Co., Ltd. | 144,286 | 1.5 | Fixed rent plus variable rent type operation |
| D18 | Flexstay Inn Kiyosumi Shirakawa | 2,673.64 | 2,673.64 | 56 | 56 | 1 | MyStays Hotel Management Co., Ltd. | 39,669 | 0.4 | Fixed rent plus variable rent type operation |
| D19 | Flexstay Inn Nakanobu P1 | 770.56 | 770.56 | 39 | 39 | 1 | MyStays Hotel Management Co., Ltd. | 21,653 | 0.2 | Fixed rent plus variable rent type operation |
| D20 | Flexstay Inn Nakanobu P2 | 391.49 | 391.49 | 22 | 22 | 1 | MyStays Hotel Management Co., Ltd. | 11,371 | 0.1 | Fixed rent plus variable rent type operation |
| D21 | APA Hotel Yokohama Kannai | 6,568.51 | 6,568.51 | 452 | 452 | 1 | APA Hotel Kabushiki Kaisha | 234,973 | 2.5 | Fixed rent plus variable rent type operation |

| Property No. | Property name | Leasable area (m ²) (Note 1) | Leased area (m ²) (Note 2) | Leasable units (units) (Note 3) | Leased units (units) (Note 4) | Total number of tenants (Note 5) | Tenants (Note 6) | Rental revenue (JPY thousand) (Note 7) | Ratio of rental revenue (%) | Type of lease (Note 8) |
|--------------|--|--|--|---------------------------------|-------------------------------|----------------------------------|---|--|-----------------------------|--|
| D22 | Hotel Nets Hakodate | 7,961.26 | 7,961.26 | 205 | 205 | 1 | Hakodate Hospitality Godo Kaisha | 160,872 | 1.7 | Fixed rent plus variable rent type operation |
| D23 | Flexstay Inn Shirogane | 1,754.06 | 1,754.06 | 84 | 84 | 1 | MyStays Hotel Management Co., Ltd. | 54,444 | 0.6 | Fixed rent plus variable rent type operation |
| D24 | Hotel MyStays Haneda | 5,400.16 | 5,400.16 | 174 | 174 | 1 | MyStays Hotel Management Co., Ltd. | 178,271 | 1.9 | Fixed rent plus variable rent type operation |
| D25 | Hotel MyStays Kameido P1 | 4,349.67 | 4,349.67 | 266 | 266 | 1 | MyStays Hotel Management Co., Ltd. | 186,026 | 2.0 | Fixed rent plus variable rent type operation |
| D26 | Hotel MyStays Ueno Iriyaguchi | 2,247.92 | 2,247.92 | 97 | 97 | 1 | MyStays Hotel Management Co., Ltd. | 98,762 | 1.0 | Fixed rent plus variable rent type operation |
| D27 | Hotel MyStays Kameido P2 | 2,793.99 | 2,793.99 | 177 | 177 | 1 | MyStays Hotel Management Co., Ltd. | 130,259 | 1.4 | Fixed rent plus variable rent type operation |
| D28 | Hotel Vista Shimizu | 3,559.81 | 3,559.81 | 152 | 152 | 1 | Vista Hotel Management Co., Ltd. | 83,319 | 0.9 | Fixed rent plus variable rent type operation |
| D29 | Super Hotel Shinbashi/ Karasumoriguchi | 1,403.89 | 1,403.89 | 74 | 74 | 1 | Super Hotel Co., Ltd. | 39,426 | 0.4 | Fixed rent |
| D30 | Flexstay Inn Higashi-Jujo | 1,714.53 | 1,714.53 | 89 | 89 | 1 | MyStays Hotel Management Co., Ltd. | 40,126 | 0.4 | Fixed rent plus variable rent type operation |
| D31 | Hotel MyStays Utsunomiya | 11,733.23 | 11,733.23 | 126 | 126 | 1 | MyStays Hotel Management Co., Ltd. | 64,742 | 0.7 | Fixed rent plus variable rent type operation |
| D32 | Flexstay Inn Kawasaki-Kaizuka | 1,190.57 | 1,190.57 | 64 | 64 | 1 | MyStays Hotel Management Co., Ltd. | 32,535 | 0.3 | Fixed rent plus variable rent type operation |
| D33 | Comfort Hotel Toyama | 3,305.64 | 3,305.64 | 150 | 150 | 1 | Greens Co., Ltd. | 35,928 | 0.4 | Fixed rent |
| D34 | Flexstay Inn Kawasaki-Ogawacho | 725.60 | 725.60 | 62 | 62 | 1 | MyStays Hotel Management Co., Ltd. | 28,421 | 0.3 | Fixed rent plus variable rent type operation |
| D35 | Flexstay Inn Ekoda | 3,932.93 | 3,932.93 | 210 | 210 | 1 | MyStays Hotel Management Co., Ltd. | 110,022 | 1.2 | Fixed rent plus variable rent type operation |
| D36 | Super Hotel Tokyo-JR Tachikawa Kitaguchi | 1,832.97 | 1,832.97 | 96 | 96 | 1 | Super Hotel Co., Ltd. | 31,787 | 0.3 | Fixed rent |
| D37 | Super Hotel JR Ueno-iriyauchi | 1,279.16 | 1,279.16 | 69 | 69 | 1 | Super Hotel Co., Ltd. | 27,275 | 0.3 | Fixed rent |
| D38 | Hotel MyStays Shinsaibashi | 1,942.01 | 1,942.01 | 57 | 57 | 1 | MyStays Hotel Management Co., Ltd. | 90,819 | 1.0 | Fixed rent plus variable rent type operation |
| D39 | Comfort Hotel Kurosaki | 3,207.60 | 3,207.60 | 151 | 151 | 1 | Greens Co., Ltd. | 37,894 | 0.4 | Fixed rent |
| D40 | Comfort Hotel Maebashi | 3,660.96 | 3,660.96 | 154 | 154 | 2 | Greens Co., Ltd. | 43,811 | 0.5 | Fixed rent |
| D41 | Comfort Hotel Tsubame-Sanjo | 3,099.90 | 3,099.90 | 133 | 133 | 2 | Greens Co., Ltd. | 34,949 | 0.4 | Fixed rent |
| D42 | Comfort Hotel Kitami | 3,009.50 | 3,009.50 | 127 | 127 | 1 | Greens Co., Ltd. | 30,300 | 0.3 | Fixed rent |
| D43 | Hotel MyStays Gotanda Station | 8,752.42 | 8,752.42 | 335 | 335 | 1 | MyStays Hotel Management Co., Ltd. | 396,612 | 4.2 | Fixed rent plus variable rent type operation |
| D44 | Hotel Epinard Nasu | 37,702.33 | 37,702.33 | 310 | 310 | 1 | Naqua Hotels and Resorts Management Co., Ltd. | 1,040,790 | 10.9 | Fixed rent plus variable rent type operation |
| D45 | Hotel MyStays Fukuoka Tenjin | 5,083.06 | 5,083.06 | 217 | 217 | 1 | MyStays Hotel Management Co., Ltd. | 190,416 | 2.0 | Fixed rent plus variable rent type operation |
| D46 | Hotel MyStays Hamamatsucho | 1,951.90 | 1,951.90 | 105 | 105 | 1 | MyStays Hotel Management Co., Ltd. | 115,208 | 1.2 | Fixed rent plus variable rent type operation |
| D47 | Hotel MyStays Premier Kanazawa | 13,250.03 | 13,250.03 | 261 | 261 | 1 | MyStays Hotel Management Co., Ltd. | 343,391 | 3.6 | Fixed rent plus variable rent type operation |
| D48 | Takamatsu Tokyu REI Hotel | 7,148.17 | 7,148.17 | 193 | 193 | 3 | Tokyu Hotels Co., Ltd. | 106,269 | 1.1 | Fixed rent |
| Total | | 409,928.31 | 401,162.85 | 11,313 | 11,061 | 140 | - | 9,511,466 | 100.0 | - |

(Note 1) "Leasable Area" is the total leasable floor area for residential, office, retail and others, for each real estate or real estate in trust.

(Note 2) "Leased Area" is the total sum of the leased area with respect to which a lease agreement with an end-tenant has actually been

entered into and which are leased to the end-tenant (the area specified in the lease agreement). With respect to the rent-guarantee type master lease agreement, the area leased to master lessee is listed.

- (Note 3) “Leasable Units” with respect to hotel properties means the total number of guest rooms and rentable retail units, etc. for each real estate or real estate in trust, and with respect to properties other than hotel properties, means the total number of rentable units and retail units, etc. in each real estate or real estate in trust.
- (Note 4) “Leased Units” with respect to hotel properties means the total number of guest rooms, retail spaces, etc. actually leased to tenants or end-tenants based on lease agreements, and with respect to properties other than hotel properties, means the total number of units, retail units, etc. actually leased to tenants or end-tenants based on lease agreements.
- (Note 5) “Total Number of Tenants” is calculated by counting a lessee who has directly concluded a lease agreement for each property as one tenant, and a tenant who has rented two or more rooms in a single property is calculated as one tenant.
- (Note 6) “Tenant” is the master lessee where there is a master lease agreement between INV or the trustee and a master lease company, and the principal lessee where there are direct lease agreements with end-tenants.
- (Note 7) “Rental Revenue” is the aggregate rent revenue for each property for the fiscal period, rounded down to the nearest thousand yen.
- (Note 8) With respect to the properties for which a master lease agreement has been entered into, the type of lease (either a pass-through master lease or a fixed rent) is indicated. “Pass-through master lease” is defined as a lease under which, pursuant to the pass-through master lease agreement entered into between the master lease company and INV or the trustee, the amount equal to the rent under the sublease agreement between the master lease company and the end tenant shall be paid to INV or the trustee. “Guaranteed rent” is defined as a lease under which a specified rent shall be paid to INV or the trustee, regardless of the rent under the sublease agreement between the master lease company and the end tenant. Moreover, with respect to hotel properties, the type of rent received from the relevant operator (either a fixed-rent or a fixed rent plus variable rent type operation) is indicated. “Fixed rent” is defined as an agreement under which INV or the trustee shall receive a specified rent, regardless of the operational results of the relevant hotel. “Fixed rent plus variable rent type operation” is defined as an agreement under which INV or the trustee shall receive rent that varies based on the GOP (Gross Operating Profit), in addition to a fixed rent.
- (Note 9) The master lessee was changed to Goodworks Co., Ltd. on January 1, 2017.
- (Note 10) Not disclosed because the consent of the tenant was not obtained.

b Occupancy trend

(Unit: %)

| Property No. | Property name | 22nd fiscal period | 23rd fiscal period | 24th fiscal period | 25th fiscal period | 26th fiscal period | 27th fiscal period | | | | | |
|--------------|--------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | As of the end of Jun. 2014 | As of the end of Dec. 2014 | As of the end of Jun. 2015 | As of the end of Dec. 2015 | As of the end of Jun. 2016 | As of the end of Jul. 2016 | As of the end of Aug. 2016 | As of the end of Sep. 2016 | As of the end of Oct. 2016 | As of the end of Nov. 2016 | As of the end of Dec. 2016 |
| A26 | Nisshin Palacestage Daitabashi | 94.1 | 90.0 | 96.9 | 96.1 | 97.0 | 99.0 | 95.9 | 95.9 | 95.9 | 98.0 | 98.0 |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 97.7 | 96.3 | 94.9 | 96.8 | 93.2 | 95.1 | 92.7 | 93.0 | 97.0 | 95.2 | 96.5 |
| A28 | Growth Maison Gotanda | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A29 | Growth Maison Kameido | 89.3 | 86.2 | 95.4 | 97.0 | 95.5 | 97.0 | 91.0 | 95.5 | 98.5 | 92.4 | 92.4 |
| A30 | Emerald House | 100.0 | 98.0 | 100.0 | 97.9 | 100.0 | 100.0 | 99.0 | 99.0 | 99.0 | 99.0 | 96.9 |
| A31 | Harmonie Ochanomizu | 91.2 | 93.5 | 88.3 | 90.8 | 100.0 | 94.9 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A32 | Suncrest Shakujii-Koen | 97.0 | 97.0 | 97.4 | 97.0 | 84.3 | 84.3 | 87.2 | 89.1 | 89.1 | 94.0 | 94.0 |
| A33 | Growth Maison Shin-Yokohama | 86.9 | 95.6 | 97.0 | 97.2 | 89.7 | 94.4 | 91.4 | 92.7 | 92.7 | 91.3 | 94.2 |
| A34 | Belle Face Ueno-Okachimachi | 98.3 | 98.3 | 100.0 | 100.0 | 98.3 | 98.3 | 98.3 | 98.3 | 96.7 | 96.7 | 95.2 |
| A35 | Grand Rire Kameido | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A36 | Growth Maison Ikebukuro | 90.4 | 90.5 | 88.1 | 97.6 | 97.6 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A37 | Growth Maison Yōga | 97.3 | 94.9 | 94.9 | 94.8 | 97.5 | 97.5 | 94.8 | 100.0 | 100.0 | 94.8 | 94.8 |
| A38 | Route Tachikawa | 96.6 | 96.6 | 96.6 | 96.6 | 93.2 | 93.2 | 93.2 | 93.2 | 93.2 | 96.6 | 100.0 |
| A39 | Shibuya-Honmachi Mansion | 100.0 | 91.3 | 89.9 | 96.4 | 95.9 | 91.7 | 91.7 | 95.9 | 94.4 | 91.9 | 91.9 |
| A40 | City Heights Kinuta | 100.0 | 100.0 | 94.6 | 89.2 | 100.0 | 89.2 | 83.8 | 89.2 | 94.6 | 89.2 | 94.6 |
| A41 | Acseeds Tower Kawaguchi-Namiki | 93.0 | 86.0 | 100.0 | 86.0 | 94.8 | 93.0 | 94.8 | 91.3 | 96.5 | 94.8 | 89.4 |
| A42 | Capital Heights Kagurazaka | 90.5 | 91.6 | 94.4 | 97.2 | 97.2 | 97.2 | 91.9 | 91.9 | 91.9 | 97.2 | 97.2 |
| A43 | College Square Machida | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A44 | Belair Meguro | 100.0 | 88.1 | 100.0 | 96.0 | 96.1 | 96.1 | 96.1 | 100.0 | 88.1 | 92.1 | 92.1 |
| A45 | Wacore Tsunashima I | 94.1 | 89.9 | 98.0 | 91.9 | 98.0 | 98.0 | 98.0 | 93.9 | 93.9 | 93.9 | 89.9 |
| A46 | Foros Nakamurabashi | 100.0 | 88.8 | 90.5 | 100.0 | 96.2 | 97.5 | 95.1 | 92.6 | 92.6 | 92.6 | 91.2 |
| A47 | Growth Maison Kaijin | 90.0 | 89.0 | 87.3 | 96.7 | 97.7 | 97.4 | 97.4 | 96.7 | 96.7 | 96.7 | 97.4 |
| A48 | College Square Machiya | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A51 | City House Tokyo Shinbashi | 94.5 | 95.6 | 97.1 | 98.6 | 96.1 | 97.0 | 95.3 | 97.4 | 95.7 | 97.1 | 93.3 |
| A52 | Winbell Kagurazaka | 98.6 | 100.0 | 95.4 | 98.3 | 98.6 | 93.9 | 93.5 | 96.8 | 95.7 | 95.9 | 95.5 |
| A53 | Nishiwaseda Crescent Mansion | 92.5 | 90.5 | 92.1 | 97.5 | 100.0 | 96.8 | 98.4 | 98.4 | 98.4 | 100.0 | 95.8 |
| A54 | Lexington Square Akebonobashi | 93.3 | 88.8 | 93.5 | 98.8 | 95.4 | 95.5 | 92.1 | 95.6 | 97.8 | 98.9 | 96.7 |
| A56 | Casa Eremitaggio | 97.0 | 91.2 | 84.2 | 100.0 | 100.0 | 100.0 | 96.7 | 96.7 | 100.0 | 100.0 | 96.7 |
| A59 | Towa City Coop Shinotsuka II | 92.8 | 91.3 | 96.3 | 96.4 | 97.6 | 95.0 | 95.0 | 98.8 | 93.5 | 97.6 | 96.3 |
| A61 | Bichsel Musashiseki | 94.3 | 85.8 | 98.5 | 97.1 | 95.7 | 91.5 | 91.5 | 94.3 | 91.4 | 90.0 | 91.5 |
| A62 | Lexel Mansion Ueno Matsugaya | 96.3 | 96.8 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 96.4 | 96.4 |
| A63 | Towa City Coop Sengencho | 89.1 | 80.2 | 83.0 | 93.1 | 91.1 | 91.1 | 88.0 | 88.0 | 84.0 | 90.9 | 89.7 |
| A64 | Royal Park Omachi | 90.6 | 88.1 | 98.3 | 98.3 | 96.7 | 95.0 | 95.0 | 93.3 | 93.3 | 92.8 | 92.8 |
| A65 | Lexington Square Haginomachi | 97.4 | 100.0 | 92.4 | 92.6 | 100.0 | 100.0 | 94.8 | 92.1 | 92.1 | 92.1 | 92.1 |
| A66 | Visconti Kakuozan | 100.0 | 89.7 | 78.3 | 86.3 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 83.8 | 83.8 |
| A71 | Lexington Square Daitabashi | 90.9 | 85.1 | 93.0 | 90.1 | 97.2 | 97.9 | 95.8 | 93.7 | 97.9 | 92.9 | 92.9 |
| A72 | Lexington Square Honjo Azumabashi | 96.9 | 97.0 | 91.1 | 97.0 | 94.1 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 96.9 |
| A73 | AMS TOWER Minami 6-Jo | 91.8 | 83.7 | 83.3 | 94.3 | 87.6 | 86.9 | 88.6 | 87.9 | 86.7 | 85.7 | 86.1 |
| A75 | Spacia Ebisu | 90.0 | 93.6 | 93.6 | 95.6 | 91.7 | 95.8 | 96.1 | 96.0 | 95.7 | 95.4 | 94.0 |
| A76 | Neo Prominence | 88.9 | 93.9 | 94.9 | 96.6 | 96.2 | 92.9 | 94.5 | 94.5 | 95.0 | 96.8 | 95.0 |
| A77 | Invoice Shin-Kobe Residence | 94.4 | 94.0 | 88.4 | 94.9 | 98.2 | 98.2 | 89.8 | 86.6 | 85.2 | 86.6 | 81.5 |
| A78 | Cosmo Court Motomachi | 90.4 | 86.6 | 96.2 | 96.2 | 96.3 | 93.9 | 93.9 | 95.1 | 90.3 | 89.0 | 86.5 |
| A79 | Revest Honjin | 95.0 | 92.5 | 100.0 | 98.8 | 97.5 | 98.8 | 97.5 | 97.5 | 96.3 | 95.0 | 95.0 |
| A80 | Revest Matsubara | 91.2 | 93.7 | 89.5 | 93.1 | 88.7 | 88.7 | 86.8 | 88.7 | 95.6 | 94.4 | 91.8 |
| A81 | Sun Terrace Minami Ikebukuro | 89.5 | 92.1 | 97.4 | 97.4 | 100.0 | 100.0 | 100.0 | 94.7 | 97.4 | 97.4 | 97.4 |
| A82 | Alba Noritake Shinmachi | 91.7 | 94.4 | 98.6 | 91.0 | 97.2 | 98.6 | 95.8 | 96.5 | 94.4 | 89.6 | 91.0 |
| A83 | Revest Meieki Minami | 93.6 | 95.4 | 100.0 | 100.0 | 96.6 | 94.5 | 96.3 | 96.3 | 94.8 | 93.3 | 93.6 |
| A84 | Revest Heian | 98.4 | 100.0 | 92.0 | 100.0 | 100.0 | 98.4 | 95.2 | 92.0 | 93.6 | 93.6 | 88.7 |
| A85 | Vendir Hamaotsu Ekimae | 94.2 | 87.3 | 88.4 | 88.4 | 95.3 | 97.8 | 97.7 | 96.2 | 97.3 | 94.9 | 93.4 |
| A86 | Salvo Sala | 91.5 | 93.5 | 94.4 | 98.0 | 100.0 | 98.0 | 100.0 | 98.3 | 96.7 | 96.7 | 96.7 |

| Property No. | Property name | 22nd fiscal period | 23rd fiscal period | 24th fiscal period | 25th fiscal period | 26th fiscal period | 27th fiscal period | | | | | |
|--------------|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | As of the end of Jun. 2014 | As of the end of Dec. 2014 | As of the end of Jun. 2015 | As of the end of Dec. 2015 | As of the end of Jun. 2016 | As of the end of Jul. 2016 | As of the end of Aug. 2016 | As of the end of Sep. 2016 | As of the end of Oct. 2016 | As of the end of Nov. 2016 | As of the end of Dec. 2016 |
| A87 | Excellente Kagurazaka | 97.1 | 88.3 | 97.1 | 91.2 | 97.1 | 97.1 | 97.1 | 97.1 | 94.1 | 94.1 | 88.3 |
| A88 | Luna Court Edobori | 88.1 | 88.1 | 94.0 | 96.0 | 96.0 | 98.0 | 98.0 | 98.0 | 96.0 | 98.0 | 98.0 |
| A89 | Winntage Kobe Motomachi | 91.1 | 94.8 | 94.7 | 85.9 | 86.0 | 84.2 | 84.2 | 84.2 | 80.7 | 82.4 | 80.7 |
| A90 | Queen's Court Fukuzumi | 100.0 | 92.5 | 100.0 | 95.9 | 93.1 | 93.1 | 93.1 | 96.6 | 100.0 | 100.0 | 96.6 |
| A91 | Corp Higashinotoin | 90.3 | 92.9 | 95.7 | 97.9 | 90.8 | 95.2 | 95.2 | 90.5 | 92.9 | 95.2 | 95.2 |
| A92 | Belair Oimachi | 96.1 | 92.9 | 96.1 | 96.4 | 100.0 | 88.7 | 88.7 | 92.6 | 96.4 | 92.9 | 92.9 |
| A93 | Siete Minami-Tsukaguchi | 92.5 | 97.5 | 92.6 | 95.0 | 97.5 | 97.5 | 92.5 | 90.0 | 97.5 | 97.5 | 97.5 |
| A94 | Prime Life Sannomiya Isogami Koen | 100.0 | 96.9 | 93.8 | 100.0 | 93.8 | 93.8 | 93.8 | 93.8 | 93.8 | 87.5 | 87.5 |
| A95 | HERMITAGE NANBA WEST | 92.0 | 100.0 | 95.7 | 91.2 | 100.0 | 96.0 | 96.0 | 91.9 | 88.0 | 88.0 | 88.0 |
| A96 | Century Park Shinkawa 1-bankan | 100.0 | 95.5 | 91.0 | 91.0 | 95.4 | 93.2 | 90.9 | 86.4 | 93.2 | 95.5 | 90.9 |
| A97 | West Avenue | 85.0 | 85.0 | 75.0 | 80.0 | 85.0 | 87.5 | 90.0 | 90.0 | 92.5 | 90.0 | 87.5 |
| A98 | Little River Honmachibashi | 93.9 | 93.8 | 96.9 | 100.0 | 100.0 | 100.0 | 100.0 | 96.9 | 96.9 | 96.9 | 96.9 |
| A99 | Prime Life Mikage | 93.4 | 93.3 | 86.8 | 100.0 | 96.7 | 93.4 | 96.7 | 96.7 | 90.1 | 90.1 | 86.8 |
| A100 | City Court Kitaichijo | - | - | - | 96.6 | 95.7 | 97.1 | 96.5 | 98.4 | 98.3 | 98.0 | 94.8 |
| A101 | Lieto Court Mukojima | - | - | - | 97.6 | 96.8 | 97.6 | 99.0 | 96.5 | 96.5 | 95.3 | 95.3 |
| A102 | Lieto Court Nishi-Ojima | - | - | - | 100.0 | 98.0 | 98.8 | 96.7 | 97.8 | 96.8 | 96.8 | 96.8 |
| A103 | Royal Parks Momozaka | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A104 | Royal Parks Shinden | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B08 | Kindai Kagakusha Building | 95.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B09 | Shinjuku Island | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B14 | Lexington Plaza Nishigotanda | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 91.8 | 91.8 | 91.8 | 91.8 | 91.8 | 91.8 |
| B15 | Cross Square NAKANO | 64.3 | 64.3 | 70.8 | 79.1 | 84.1 | 87.4 | 90.7 | 90.7 | 90.7 | 90.7 | 89.1 |
| B16 | Ohki Aoba Building | 100.0 | 100.0 | 100.0 | 100.0 | 83.6 | 83.6 | 83.6 | 83.6 | 83.6 | 83.6 | 83.6 |
| B17 | Lexington Plaza Hachiman | 100.0 | 100.0 | 100.0 | 100.0 | 98.8 | 98.8 | 98.8 | 100.0 | 100.0 | 100.0 | 100.0 |
| B18 | AEON TOWN Sukagawa | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| C01 | Times Kanda-Sudacho 4th | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D01 | Hotel MyStays Kanda | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D02 | Hotel MyStays Asakusa | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D03 | Hotel MyStays Kyoto-Shijo | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D04 | MyStays Shin-Urayasu Conference Center | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D05 | Hotel MyStays Maihama | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D06 | Hotel Vista Premio Dojima | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D07 | Hotel MyStays Nagoya-Sakae | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D08 | Hotel MyStays Sakaisuji-Honmachi | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D09 | Hotel MyStays Yokohama | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D10 | Hotel MyStays Nippori | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D12 | Flexstay Inn Iidabashi | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D13 | Hotel MyStays Ueno Inaricho | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D14 | Flexstay Inn Shinagawa | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D15 | Flexstay Inn Tokiwadai | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D16 | Flexstay Inn Sugamo | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D17 | Hotel MyStays Otemae | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D18 | Flexstay Inn Kiyosumi Shirakawa | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D19 | Flexstay Inn Nakanobu P1 | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D20 | Flexstay Inn Nakanobu P2 | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D21 | APA Hotel Yokohama-Kannai | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D22 | Hotel Nets Hakodate | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D23 | Flexstay Inn Shirogane | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D24 | Hotel MyStays Haneda | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D25 | Hotel MyStays Kameido P1 | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D26 | Hotel MyStays Ueno Irivaguchi | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

| Property No. | Property name | 22nd fiscal period | 23rd fiscal period | 24th fiscal period | 25th fiscal period | 26th fiscal period | 27th fiscal period | | | | | |
|--------------|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | As of the end of Jun. 2014 | As of the end of Dec. 2014 | As of the end of Jun. 2015 | As of the end of Dec. 2015 | As of the end of Jun. 2016 | As of the end of Jul. 2016 | As of the end of Aug. 2016 | As of the end of Sep. 2016 | As of the end of Oct. 2016 | As of the end of Nov. 2016 | As of the end of Dec. 2016 |
| D27 | Hotel MyStays Kameido P2 | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D28 | Hotel Vista Shimizu | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D29 | Super Hotel Shinbashi/Karasumoriguchi | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D30 | Flexstay Inn Higashi-Jujo | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D31 | Hotel MyStays Utsunomiya | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D32 | Flexstay Inn Kawasaki-Kaizuka | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D33 | Comfort Hotel Toyama | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D34 | Flexstay Inn Kawasaki-Ogawacho | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D35 | Flexstay Inn Ekoda | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D36 | Super Hotel Tokyo-JR Tachikawa Kitaguchi | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D37 | Super Hotel JR Ueno-irivaguchi | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D38 | Hotel MyStays Shinsaibashi | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D39 | Comfort Hotel Kurosaki | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D40 | Comfort Hotel Maebashi | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D41 | Comfort Hotel Tsubame-Sanjo | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D42 | Comfort Hotel Kitami | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D43 | Hotel MyStays Gotanda Station | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D44 | Hotel Epinard Nasu | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D45 | Hotel MyStays Fukuoka Tenjin | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D46 | Hotel MyStays Hamamatsucho | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D47 | Hotel MyStays Premier Kanazawa | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D48 | Takamatsu Tokyu REI Hotel | - | - | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | Total | 95.1 | 96.1 | 96.9 | 98.2 | 98.5 | 98.4 | 98.2 | 98.2 | 98.2 | 98.2 | 97.9 |

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