

Translation

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**Summary of Financial Results (REIT)
for the Fiscal Period Ended June 30, 2017**

August 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:	September 28, 2017	Scheduled Date of Commencement for Distribution Payments:	September 26, 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 June 30, 2017 (from January 1, 2017 to June 30, 2017)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Fiscal period ended June 30, 2017	9,260	(2.6)	5,344	(9.9)	4,702	(13.4)	4,702	(13.4)
Fiscal period ended December 31, 2016	9,511	16.6	5,934	17.0	5,431	24.5	5,431	24.5

	Net Income per Unit	Net Income / Unitholders' Equity	Ordinary Income / Total Assets	Ordinary Income / Operating Revenues
	JPY	%	%	%
Fiscal period ended June 30, 2017	1,241	3.5	1.6	50.8
Fiscal period ended December 31, 2016	1,477	4.2	1.9	57.1

(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, 2017 (3,860,824 units) and rounded down to the nearest yen is JPY 1,217.

(2) Distributions

	Distribution (Excluding excess profit distribution)		Excess Profit Distribution		Distribution (Including excess profit distribution)		Dividend Payout Ratio	Distribution / Net Assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Fiscal period ended June 30, 2017	JPY 1,243	JPY million 4,799	JPY 21	JPY million 81	JPY 1,264	JPY million 4,880	% 102.1	% 3.5
Fiscal period ended December 31, 2016	1,477	5,429	0	0	1,477	5,429	100.0	4.2

(Note 1) Distribution (excluding excess profit) differs from net income for the fiscal period ended June 2017, since INV distributes almost all of the profit as defined in Article 136, Paragraph 1 of the Investment Trust and Investment Corporation Act, which includes deferred gain on hedge of the interest rate swap.

(Note 2) The distribution in excess of profit for the fiscal period ended June 30, 2017 is JPY 81 million, of which JPY 46 million (JPY 12 per unit) is the allowance for temporary differences adjustment arising from different rules and practices in tax and accounting and JPY 34 million (JPY 9 per unit) is the refund of investment for the purpose of stabilizing distributions.

(Note 3) The "Dividend Payout Ratio" is calculated in accordance with the following formula:
 Dividend Payout Ratio = Distribution Amount (Excluding excess profit distribution) ÷ Net Income × 100
 "Dividend Payout Ratio" is rounded to the nearest one decimal place.

(Note 4) "Distribution/ Net Assets" is calculated based on the figures excluding excess profit distribution.

(3) Financial Position

	Total Assets	Net Assets	Net Assets / Total Assets	Net Assets per Unit
Fiscal period ended June 30, 2017	JPY million 306,421	JPY million 139,062	% 45.4	JPY 36,019
Fiscal period ended December 31, 2016	277,361	131,455	47.4	35,762

(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 Investing Activities	Cash Flows from Financing Activities	Closing Balance of Cash and Cash Equivalents
	JPY million	JPY million	JPY million	JPY million
Fiscal period ended June 30, 2017	6,830	(35,704)	24,257	9,598
Fiscal period ended December 31, 2016	9,818	(8,457)	(3,910)	14,214

2. Forecast for the Fiscal Period ending 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 December 31, 2017	10,781	(16.4)	6,512	(21.8)	5,885	(25.1)	5,884	(25.1)	1,524	21	1,545

(Reference) Estimated net income per unit for the fiscal period ending December 31, 2017 is JPY 1,524.

* Others

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

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

(2) Number of Investment Units Issued and Outstanding

- (a) Number of Units Issued and Outstanding as of the End of the Fiscal Period (Including Treasury Units)
- | | | | |
|---------------|-----------|-------------------|-----------|
| June 30, 2017 | 3,860,824 | December 31, 2016 | 3,675,824 |
|---------------|-----------|-------------------|-----------|
- (b) Number of Treasury Units as of the End of the Fiscal Period
- | | | | |
|---------------|---|-------------------|---|
| June 30, 2017 | 0 | December 31, 2016 | 0 |
|---------------|---|-------------------|---|

(Note) Please refer to "Notes Related to Per Unit Information" on page 43 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 Period ending December 31, 2017 (from July 1, 2017 to December 31, 2017),” on page 17 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 March 27, 2017).

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 March 27, 2017)

(2) Operating Conditions

a Overview of the Fiscal Period Ended June 2017 (“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 absorption-type merger with LCP Investment Corporation (“LCP”) was implemented on February 1, 2010, as specified in Article 147 of the Investment Trust Act, with LCP as the absorbed corporation, 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 secure stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for external growth. With this platform as a base, in June 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (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 December 2016 comprised of 124 properties (48 hotels, 68 residential properties and eight others) with a total acquisition price of JPY 266,619 million. The acquisition price of the portfolio has increased a significant 3.7x, compared to the period as of May 22, 2014, which is the period immediately prior to INV's initial investment in hotels.

In the Reporting Period, INV determined an issuance of new investment units (the “Public Offering”) and secondary offering on February 22, 2017 in order to acquire two residential properties on March 14, 2017 with funds raised through the Public Offering and new borrowings. One of the two residential properties, Royal Parks Tower Minami-Senju, is now the largest residential asset and second largest asset in the portfolio. INV believes that Royal Parks Tower Minami-Senju has upside in NOI growth through INV's rent increase program, which has the steady recent track record, and that the transaction added both stability and upside to the portfolio.

In addition, INV acquired Hotel MyStays Premier Hamamatsucho utilizing cash on hand and a new loan on May 29, 2017. The hotel is one of MyStays' five Premier hotels (Note 1) and has 120 large rooms with a room size of 28.5 m² to comfortably accommodate three to five guests, as well as 14 serviced apartment units. As a result, INV's portfolio comprised of 127 properties (49 hotels, 70 residential properties and eight others) with a total acquisition price of JPY 299,181 million at the end of the Reporting Period.

Moreover, after the Reporting Period, INV announced a portfolio rebalance, including the future acquisition of additional 49 rooms at Hotel MyStays Gotanda Station at an estimated 7.3% NOI cap rate and the sale of two non-core assets at a 3.8% NOI cap rate, which improves the overall NOI yield of the portfolio (see “2 (2) b Outlook for the Fiscal Period Ending December 31, 2017” and “c. Significant Subsequent Events” below for the detail of the portfolio rebalance).

The sale of the two non-core assets closed on July 31, 2017 and the acquisition of the additional rooms is expected to be completed on October 31, 2017 after the satisfactory completion of office space to hotel room conversion.

INV has signed a Memorandum of Understanding (the “MOU”) with affiliates of Fortress Group with respect to preferential negotiating rights regarding the acquisition of hotels and residential properties, which will continue to provide INV with considerable opportunities for external growth. As of the end of the Reporting Period, there are 21 hotels (6,007 rooms) and nine residential properties (743 units) in the MOU.

(Note 1) Five Premier hotels are Hotel MyStays Premier Akasaka, Hotel MyStays Premier Omori, Hotel MyStays Premier Sapporo Park, Hotel MyStays Premier Kanazawa and Hotel MyStays Premier Hamamatsucho, of which INV owns Hotel MyStays Premier Kanazawa and Hotel MyStays Premier Hamamatsucho.

(b) Operational Environment and Performance

For the June 2017 period, the portfolio NOI increased by 12.4% or JPY 886 million to JPY 8,023 million compared to the same period in the previous year (the June 2016 period), with a 5.4% increase from the hotel portfolio and a 6.8% increase from the residential portfolio.

In addition, the portfolio maintained a high average occupancy rate (Note 1) of 97.9%. Commentary on hotel and residential performance in the first half of 2017 is described below.

The NOI at the 40 hotels owned by INV (Note 2) increased by 1.8% for the period compared to the same period in the previous year, with a strong showing for the second quarter (from April 2017 to June 2017). The NOI for the second quarter rebounded, gaining 5.0% compared to the same period in the previous year, after declining 1.8% in the first quarter (from January 2017 to March 2017). The 40 hotels recorded an occupancy rate (Note 3) of 89.0% (-0.8 points YoY), ADR (Note 4) of JPY 9,345 (+0.7% YoY), and RevPAR (Note 5) of JPY 8,320 (-0.2% YoY). The overseas sales ratio (Note 6) at the 38 hotels (Note 7) increased to 33.1% (+4.9 points YoY). Of the total hotel revenue, fixed rents accounted for 47.1% (JPY 2,613 million) and variable rents accounted for 52.9% JPY 2,932 million at the 49 hotels.

Inbound visitors reached a record high of 24.0 million (+21.8% YoY) in 2016 and the increasing trend continues in 2017 (+17.4% YoY as of June, 2017) while government targets are 40 million in 2020 and 60 million in 2030. Japan’s GDP has achieved continuous growth with positive signs in consumer confidence, improvement of domestic employment, as well as wage increase. The hotel segment has been impacted by an increase in supply, however the continued growth in inbound visitors to Japan is much higher than the supply in new hotel rooms. Cancellations of hotel rooms are also a concern, but MyStays Hotel Management Co., Ltd. (“MHM”), a hotel operator in the sponsor group, has increased the level of overbookings to help mitigate this issue. Under these circumstances, INV is working closely with the operators of the hotels, primarily MHM, to proactively address the issues at hand. Specifically, MHM is taking various actions based on extensive operational analysis and customer feedback through TrustYou (Note 8) Analytics to improve the customer experience. MHM expects to increase direct bookings and maximize revenue at time of high demand through promotional campaigns, an improved website and enhanced revenue management analytics. MHM is also focused on the following initiatives such as increasing overbooking ratios strategically in order to offset cancellations, converting a select number of smoking rooms to non-smoking to generate higher ADRs for non-smoking rooms, saving cost for linen and cleaning, increasing services for Chinese speaking guests, and strengthening relations with travel agents, airlines and OTAs (online travel agents) based in China, Hong Kong, Taiwan and Korea to diversify and improve distribution channel. INV believes that these initiatives, along with the continued growth in inbound visitors to Japan will help increase portfolio NOI.

In addition, INV decided to change the hotel operator for one hotel (Note 9) on June 26, 2017.

The NOI (Note 10) of the 70 residential properties (Note 11) increased 2.4% compared to the same period in the previous year, and the average occupancy rate achieved a stable 95.2%, a decrease of 0.9 points compared to the same period in the previous year.

As a continued focus on proactive asset management INV changed the master lessee (“ML”) and property manager (“PM”) for one residential property on April 27, 2017 (Note 12) in order to further improve its operational efficiency and property performance. In addition, INV decided on June 26, 2017 to change ML/PM for four residential properties (Note 13) aiming to increase NOI by JPY 39 million per year on an estimated basis. The change of ML/PM at the four residential properties was determined after the acquisition of Royal Parks Tower Minami-Senju, a flagship residential asset where the role of the property manager is highly sought after. INV was therefore able to negotiate this assignment to reduce the rate of property management fees at the property from 2.7% to 1.5% for Royal Parks Tower Minami-Senju,

as well as improve the economics at Royal Parks Seasir Minami-Senju and Royal Parks Momozaka. As a result, the number of ML/PM was consolidated from 10 to nine for 70 residential portfolio.

Trends for rent at city-center residential properties with small-type rooms maintain a moderate increase. Under the positive circumstances in the macro environment, INV continues to focus on its rent increase program for new leases and renewals as well as initiatives to reduce residential leasing costs based on a market analysis of each unit and property. In the Reporting Period, INV realized a rent increase for 61.6% (based on the number of contracts) of the new residential lease contracts for an average rent increase of 3.2% compared to the previous rent across all new leases (Note 14). Specifically, at Royal Parks Tower Minami-Senju, which was acquired during the Reporting Period, INV achieved strong results with a rent increase for 97.6% (based on the number of contracts) of the new lease contracts with an average rent increase of 12.7% compared to the previous rent across all new leases (Note 14).

INV achieved a rent increase for 51.2% (based on the number of contracts) of contract renewals for an average rent increase of 2.1% compared to the previous rent across all renewal leases (Note 14), while maintaining a high contract renewal rate of 81.0% (Note 15). There was a notable increase in rent in the Sendai, Saitama, Kyoto, Osaka and Hyogo areas, which achieved a rent increase for 47.6% (based on the number of contracts) of renewal contracts for an average rent increase of 1.9% compared to the previous rent (Note 14) across all renewal leases in these areas, even though these areas did not achieve rent increases for contract renewals in the previous year. These areas particularly benefited from the change of ML/PM for 16 residential properties in December 2016 and one residential property in January 2017.

The total appraisal value of 127 properties at the end of the Reporting Period was JPY 363,502 million. The portfolio has an unrealized gain of JPY 70,964 million (Note 16) and an unrealized gain ratio of 24.3% (Note 16). Due to the internal growth and trends in the real estate investment and rental market, the total appraisal value of 124 properties, which were owned as of the end of December 2016 period, increased by 0.6% from JPY 328,192 million at the end of December 2016 period to JPY 330,102 million at the end of the Reporting Period.

Key Performance Indicators of 40 Hotel Properties (Note 2)

	June 2017 fiscal period	Year-on-year change
Occupancy Rate	89.0%	-0.8pt
ADR (JPY)	9,345	+0.7%
RevPAR (JPY)	8,320	-0.2%
GOP (JPY million) (Note 17)	5,365	+1.6%

Key Performance Indicators of 70 Residential Properties (Note 11)

	June 2017 fiscal period	Year-on-year change
Occupancy Rate (Note 1)	95.2%	-0.9pt
Average Rent per Tsubo per Month (JPY) (Note 18)	9,595	+1.6%
NOI (JPY million) (Note 10)	2,597	+2.4%

(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 49 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. The figures assume that all properties acquired in and after 2016 by INV had been owned since January 1, 2016. The actual results before acquisition by INV are based on the data provided by the sellers.

(Note 3) “Occupancy rate” for the hotel properties is calculated in accordance with the following formula:

$$\text{Occupancy rate} = \frac{\text{total number of occupied rooms during a certain period}}{\text{total number of rooms available during the same period (number of rooms} \times \text{number of days)}}$$
 Hereinafter the same shall apply.

(Note 4) “ADR” means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period. Hereinafter the same shall apply.

- (Note 5) “RevPAR” means revenues per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates. Hereinafter the same shall apply.
- (Note 6) “Overseas sales ratio” is the ratio of sales amount through overseas web agents to revenues.
- (Note 7) Of the 49 acquired hotels, 11 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 overseas sales ratio; and Hotel MyStays Kanda, which was not fully operating from May 20, 2016 through August 22, 2016 due to renovation in 2016, are excluded. The figures assume that all hotels acquired in and after 2016 by INV had been owned since January 1, 2016. The actual results before acquisition by INV are based on the data provided by the sellers.
- (Note 8) “TrustYou” analyzes hundreds of millions of travel reviews and is one of the world’s largest guest feedback platforms.
- (Note 9) The operator of Hotel Vista Premio Dojima was changed to MHM on August 1, 2017. In connection with the change, the property name was changed from Hotel Vista Premio Dojima to Hotel MyStays Dojima.
- (Note 10) For the comparison of NOI of the 70 properties, insurance income and related repair expenses, which are temporary items, are excluded.
- (Note 11) The figures assume that all residential properties acquired in and after 2016 by INV had been owned since January 1, 2016. The actual results before acquisition by INV are based on the data provided by the sellers.
- (Note 12) ML and PM for Belle Face Ueno-Okachimachi were changed on May 1, 2017.
- (Note 13) ML and PM for Royal Parks Shinden and Royal Parks Momozaka were changed on July 1, 2017 and August 1, 2017 respectively, and will be changed for both Royal Parks Tower Minami-Senju and Royal Parks Seasir Minami-Senju on December 1, 2017.
- (Note 14) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents.
- (Note 15) Renewal rate is calculated by the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period
- (Note 16) 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 17) “GOP” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel’s revenues. Hereinafter the same shall apply.
- (Note 18) “Average Rent per Tsubo per Month” is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leased area at the end of each month during the relevant period.

(c) Overview of Fund Raising

As a result of the measures described below, INV’s interest-bearing debt outstanding balance was JPY 163,990 million and the Interest-Bearing Debt ratio (Note 1) and LTV (Note 2) were 53.5% and 45.1% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.50%.

(i) Equity Finance

INV executed a Public Offering which closed on March 13, 2017 (number of new investment units issued: 185,000; total issue value: JPY 8,393 million) in order to procure part of the funds for the acquisition of two residential properties.

(ii) Debt Finance

In tandem with the equity finance as described in (i) above, INV borrowed a new loan, New Syndicate Loan (G) (amount borrowed: JPY 11,250 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.4%, 0.5% and 0.6% for durations of three, four and five years), which was arranged by Mizuho Bank, Ltd., and Term Loan (F) (amount borrowed: JPY 3,000 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.45% for duration of three and a half years) on March 14, 2017 in order to pay a portion of the acquisition price and related expenses for the acquisition of two residential properties.

As a result of New Syndicate Loan (G), the number of INV's lenders increased to 22, with The Towa Bank, Ltd., The Dai-ichi Life Insurance Company, Limited and The Gunma Bank, Ltd. added to the bank formation.

INV also borrowed a new loan, Term Loan (G) (amount borrowed: JPY 7,321 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.55% for duration of four and a half years) from Mizuho Bank, Ltd. on May 29, 2017 in order to pay a portion of the acquisition price and related expenses for the acquisition of one hotel.

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

(d) Overview of Acquisition of Assets

The overview of two residential properties acquired on March 14, 2017 is as follows:

Use	Property number	Property name	Location	Acquisition price (JPY million) (Note 1)	Appraisal value (JPY million) (Note 2)	Seller	Category of specified 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.

The overview of one hotel acquired on May 29, 2017 is as follows:

Use	Property number	Property name	Location	Acquisition price (JPY million)	Appraisal value (JPY million) (Note 1)	Seller	Category of specified asset
Hotel	D49	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	8,000	8,090	Septentrio 2 Tokutei Mokuteki Kaisha	Trust Beneficiary Interest

(Note 1) The appraisal value is as of April 30, 2017 based on the appraisal report by Japan Real Estate Institute.

(e) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period decreased by JPY 250 million from the previous period (-2.6%) to JPY 9,260 million, and net income decreased by JPY 728 million from the previous period (-13.4%) to JPY 4,702 million. The distribution per unit (“DPU”) for the Reporting Period was JPY 1,264, a decrease of JPY 213 (-14.4%) compared to the previous period.

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, INV’s rental revenues tend to be higher in the December ending fiscal periods than in the June ending fiscal periods.

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. 26 of 1957; as amended), and decided to distribute almost all of the profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, except for fractional distribution per unit less than JPY 1.

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. INV may also consider making distributions in excess of profits for the purpose of mitigating the impact of corporate tax increase arising from different rules and practices in tax and accounting, such as treatment on depreciation of fixed term land lease or asset retirement obligation.

With respect to the June 2017 period, INV intends to make distributions in excess of profits for JPY 46 million (JPY 12 per unit) in order to cope with the discrepancy between tax and accounting treatment for the June 2017 period. INV also intends to make distributions in excess of profits for JPY 34 million (JPY 9 per unit) in order to stabilize distributions since net income per unit decreases temporarily due to one-off expenses in connection with the Public Offering and borrowings in March 2017. As a result, the DPU (including excess profit distribution) for the June 2017 period is JPY 1,264.

b Outlook for the Fiscal Period Ending December 31, 2017

The DPU (including excess profit distribution) for the December 2017 period is forecast to be JPY 1,545 (+4.6% YoY); the full year DPU (including excess profit distribution) for calendar year 2017 is forecast to provide steady growth of JPY 2,809 (+5.5% YoY).

Future operational policy and issues to be addressed

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

- Continuous acquisition of properties from large pipeline provided by the sponsor and third parties
- Further internal growth at hotel and residential properties
- Diversification of financing measures including the issuance of investment corporation bonds and extension and diversification of loan 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 69.7% of total revenue (Note 1). 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 in nearby areas, and leasing contract types when making investment decisions, with the aim of acquiring properties where growth and stability of GOP and rental revenue are forecasted to increase. On July 25, 2017, INV decided to acquire a portion ((i) a portion of the first floor and (ii) the entire of the second and third floor) of the annex building of Hotel MyStays Gotanda Station, after considering its attractive yield which is expected to improve the profitability of overall portfolio as well as the Hotel MyStays Gotanda Station. The acquisition of the 49 additional rooms at Hotel MyStays Gotanda Station is to be made on condition precedent that the conversion work from office space to new hotel rooms is completed, with the anticipated closing date of October 31, 2017.

In regards to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties among other factors, and consider acquiring properties that have mainly small-type rooms with strong competitiveness in large cities, in which it believes it can achieve increases in rent.

INV has achieved steady external growth via the sponsor pipeline from the Fortress Group, 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
March 2017	Two residential properties	JPY 24,562 million
May 2017	One hotel	JPY 8,000 million
Total	77 properties (of which 46 are hotels and 31 are residential properties)	JPY 230,020 million (of which hotels: JPY 178,382 million; residential: JPY 51,638 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 21 hotels and nine residential properties (see the table below) (Note 2). 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 3)	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	165
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 MyStays Matsuyama	Full Service Hotel	Matsuyama-shi, Ehime	161
16	Hotel MyStays Ueno East	Limited Service Hotel	Taito-ku, Tokyo	150
17	(Tentative) Hotel MyStays Honmachi 3-chome (Note 4)	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 Omori	Limited Service Hotel	Shinagawa-ku, Tokyo	232
Hotel subtotal				6,007
22	Gran Charm Hiroo	Residential/Small Type	Shibuya-ku, Tokyo	121
23	Plestay Win Kinshicho	Residential/Small Type	Sumida-ku, Tokyo	92
24	Gran Charm Kichijoji	Residential/Small Type	Musashino-shi, Tokyo	28
25	Green Patio Noda	Residential/Small Type	Noda-shi, Chiba	240
26	Dainichi F-45	Residential/Small Type	Urayasu-shi, Chiba	54
27	Gran Charm Urayasu	Residential/Small Type	Urayasu-shi, Chiba	54
28	Gran Charm Urayasu 5	Residential/Small Type	Urayasu-shi, Chiba	54
29	Gran Charm Minami Gyotoku I	Residential/Small Type	Ichikawa-shi, Chiba	52
30	Gran Charm Minami Gyotoku II	Residential/Small Type	Ichikawa-shi, Chiba	48
Residential property subtotal				743

(Note 1) The percentage indicates composition of annual rent revenue based on the 2016 actual results of annual rent revenue for all of the properties owned by INV and on the assumption that all properties acquired in and after 2016 by INV had been owned since January 1, 2016. The actual results before acquisition by INV are based on the data provided by the sellers. With regard to Hotel MyStays Premier Hamamatsucho, the 2017 revenue forecast (January-April: Actual / May-December: Forecast) estimated by INV is used, as the revenue in 2016 temporarily declined due to the renovation work from August 2016 to November 2016.

(Note 2) The term of validity of the MOU is from December 22, 2016, the date of execution of the updated MOU, to December 21, 2017. Regarding the 30 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 3) 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 4) (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 considers the possibility of portfolio optimization upon consideration of the portfolio sector composition, geographic distribution and competitiveness of each property, as appropriate.

On July 25, 2017, INV decided to sell one office building (Kindai Kagaku Sha Building) and one parking lot (Times Kanda-Sudacho 4th). The portfolio rebalances, whereby acquiring an additional portion of Hotel MyStays Gotanda Station at an estimated NOI cap rate of 7.3% (Note 1) and selling two non-core assets at a 3.8% NOI cap rate, is expected to improve the overall NOI yield for the portfolio. The sale of the two non-core assets, which were sold at prices exceeding both the book and appraisal values, was completed on July 31, 2017, and the acquisition of an additional portion of Hotel MyStays Gotanda Station as described above, is expected to be closed on October 31, 2017.

(Note 1) Calculated by dividing the NOI of Hotel MyStays Gotanda Station to be increased after the additional acquisition as estimated by INV as of the time of acquisition decision by the anticipated acquisition price, which is rounded to one decimal place. As the anticipated acquisition price may change as described below in “c. Significant Subsequent Events,” the estimated NOI cap may vary.

(ii) Strategy for internal growth

(Hotels)

Of the 49 hotels owned by INV as of the end of the Reporting Period, 40 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 as a result 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 35 hotels (Note 1), MHM has implemented sophisticated 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 PM 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 off-season in the residential rental market that occurs during the December 2017 period, 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.

(Note 1) Hotel MyStays Dojima (former Hotel Vista Premio Dojima), whose operator was changed effective on August 1, 2017, is included.

(iii) Financial strategy

In the Reporting Period, INV has added new lenders and strengthened its relationship with existing lenders through the Public Offering and new borrowings in March 2017, 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 of loan tenor, diversification of loan maturity dates, further reduction of borrowing costs and improvement of its credit rating.

(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

On July 25, 2017, INV decided to sell one office building and one parking lot (the "Sale of Assets") and to acquire a portion ((i) a portion of the first floor and (ii) the entire of the second and third floor) of the annex building of Hotel MyStays Gotanda Station (the "Additional Acquisition") with cash on hand including the sale proceeds from the Sale of Assets. The Additional Acquisition will add 49 hotel rooms to Hotel MyStays Gotanda after the completion of the conversion work from office space to new hotel rooms. The Sale of Assets closed on July 31, 2017. As a result, INV's portfolio comprises of 125 properties (49 hotels, 70 residential properties and six others) with a total acquisition price of JPY 297,781 million as of the date of this document. The total acquisition price is expected to increase to JPY 299,661 million after the Additional Acquisition which is expected to close on October 31, 2017.

(a) Property Sales

The Asset Manager decided to sell one office building and one parking lot, and Sales of Assets has been closed on July 31, 2017 as follows:

Use	Property number	Property name	Acquisition price (JPY million)	Book value (JPY million) (Note 1)	Sales price (JPY million) (Note 2)	Difference b/w sales price and book value (Note 1)	Transferee	Category of specified asset
Office Building	B08	Kindai Kagaku Sha Building	1,301	1,201	1,361	159	Undisclosed (Note 3)	Trust Beneficiary Interest (Note 4)
Parking Lot	C01	Times Kanda-Sudacho 4th	97	100	130	29	Wastec HOLDINGS Co., Ltd.	Real Property
Total			1,398	1,301	1,491	188		

(Note 1) The book values are anticipated amount as of July 31, 2017. The difference between sales price and book value is provided for reference purpose. INV estimates to recognize a gain on sales of JPY 120 million (of which, JPY 96 million for Kindai Kagaku Sha Building, and JPY 23 million for Times Kanda-Sudacho 4th) in the December 2017 period, after deducting sales-related expenses.

(Note 2) Sales prices do not include adjustments for fixed asset taxes or city planning taxes, or national or local consumption taxes.

(Note 3) The name of the transferee is not disclosed, as the transferee's consent has not been obtained for disclosure.

(Note 4) The trust beneficiary interest of Kindai Kagaku Sha Building was integrated in a single trust account with other trust accounts when INV procured funds through debt financing backed by trust assets in July 2011. In transferring the sole trust beneficiary interest of Kindai Kagaku Sha Building by itself, INV incurred some expenses to detach the asset from the integrated trust account.

(b) Property Acquisition

The Asset Manager decided to acquire an additional portion of a hotel (Note 1) with the anticipated closing date of October 31, 2017 as follows:

Use	Property number	Property name	Location	Anticipated acquisition price (JPY million) (Note 3)	Appraisal value (JPY million) (Note 4)	Seller	Category of specified asset
Hotel	D43	Hotel MyStays Gotanda Station (Additional Acquisition Portion) (Note 2)	Shinagawa-ku, Tokyo	1,880	2,600	Undisclosed (Note 5)	Trust beneficiary interest

(Note 1) INV will conduct Additional Acquisition by assuming the buyer's position in the "Purchase and Sale Agreement of Trust Beneficiary Interest" dated May 12, 2017 (the "PSA"), between the seller above and Gotanda Godo Kaisha, the original buyer.

(Note 2) Hotel MyStays Gotanda Station, INV's portfolio property, comprises two buildings adjacent to each other, the Main Building and the Annex Building, and INV currently owns the entire portion of the Main Building and a portion of the Annex Building. The hotel (the "Existing Hotel Portion") has been operated as a portion of each of the Main Building and the Annex Building that are owned by INV. The portion INV will acquire this time is (i) a portion of the first floor of the Annex Building and (ii) the entire second and third floor of the Annex Building (collectively, the "Floor Expansion Portion"), totaling 1,385.46 m². Conversion work to convert office space to hotel rooms (the "Conversion") has been implemented by the seller in an aim to add 49 hotel rooms. Upon the completion of the Conversion, INV will complete the Additional Acquisition and thus aims to operate the Existing Hotel Portion and the Floor Expansion Portion together in an efficient manner.

(Note 3) Anticipated acquisition price is the total of (i) purchase price set forth in the PSA, (ii) expenses with regard to the Conversion, (iii) transfer price of the furniture, fixture and equipment (FF&E), and other expenses. Expenses with regard to the Conversion and transfer price of the furniture, fixture and equipment (FF&E) are estimated amount as of the date of the acquisition decision, and are subject to change. Moreover, the anticipated acquisition price does not include adjustments for fixed asset taxes or city planning taxes, as well as national or local consumption taxes.

(Note 4) As the Floor Expansion Portion is under construction, the appraisal value shows the research value set forth in the research report on the valuation date of June 30, 2017, issued by Morii Appraisal & Investment Consulting, Inc. The research value shows the difference between (i) the research value of Existing Hotel Portion and Floor Expansion Portion combined, assuming the completion of the Conversion (JPY 27,400 million) and (ii) the research value for the Existing Hotel Portion before the Additional Acquisition (JPY24,800 million).

(Note 5) The name of the seller is not disclosed, as the seller's consent has not been obtained for disclosure.

d Operational Outlook

The forecast of financial results for the fiscal period ending December 31, 2017 is as follows.

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

Operating Revenues	JPY 10,781 million
Operating Income	JPY 6,512 million
Ordinary Income	JPY 5,885 million
Net Income	JPY 5,884 million
Total Distribution Amount (Including excess profit distribution)	JPY 5,964 million
Net Income per Unit	JPY 1,524
Distribution per Unit (Excluding excess profit distribution)	JPY 1,524
Excess Profit Distribution per Unit	JPY 21
Distribution per Unit (Including excess profit distribution)	JPY 1,545

For the assumptions underlying the operational outlook for the fiscal period ending December 31, 2017, please see “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Period ending 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 Period ending December 31, 2017 (from July 1, 2017 to December 31, 2017) >

Item	Assumptions										
Fiscal period	The 29 th fiscal period: from July 1, 2017 to December 31, 2017 (184 days)										
Assets under management	<p>Properties held as of the end of the 29th fiscal period: 125 properties</p> <p>The assets under management are based on the 125 properties held by INV as of today and INV assumes that there will be no change such as acquisition of new properties or disposition of properties held by INV through the end of the fiscal period ending December 2017, except for the acquisition of an additional portion of Hotel MyStays Gotanda Station expected to be closed on October 31, 2017.</p>										
Units outstanding	<p>As of the end of the 29th fiscal period: 3,860,824 units</p> <p>INV assumes that there will be no additional issuance of units through the end of the fiscal period ending December 2017.</p>										
Interest-bearing liabilities	<p>Balance as of the end of the 29th fiscal period: JPY 163,990 mn</p> <p>INV assumes that there will be no other borrowings or prepayments through the end of the fiscal period ending December 2017.</p>										
Operating revenues	<p>INV expects to record rental revenues as follows:</p> <table data-bbox="523 1086 1181 1249" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">December 2017 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Rental revenues</td> <td style="text-align: right;">JPY 10,661 mn</td> </tr> <tr> <td> (of these, hotel rents)</td> <td style="text-align: right;">(JPY 6,604 mn)</td> </tr> <tr> <td> (fixed hotel rents)</td> <td style="text-align: right;">(JPY 3,340 mn)</td> </tr> <tr> <td> (variable hotel rents)</td> <td style="text-align: right;">(JPY 3,264 mn)</td> </tr> </tbody> </table> <p>In addition to rental revenues, INV expects to record an estimated gain on sales of JPY 120 million in connection with the sale of Kindai Kagaku Sha Building and Times Kanda-Sudacho 4th, which closed on July 31, 2017, as operating revenues.</p> <p>Rental revenues for the fiscal period ending December 2017 are calculated based on estimates as of today from July 2017 to December 2017. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants.</p> <p>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, INV's rental revenues tend to be higher in the December ending fiscal periods than in the June ending fiscal periods.</p>		December 2017 Fiscal Period	• Rental revenues	JPY 10,661 mn	(of these, hotel rents)	(JPY 6,604 mn)	(fixed hotel rents)	(JPY 3,340 mn)	(variable hotel rents)	(JPY 3,264 mn)
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(variable hotel rents)	(JPY 3,264 mn)										

Item	Assumptions																						
Operating expenses	<p>INV expects to incur property related expenses as follows:</p> <table data-bbox="478 313 1276 548"> <thead> <tr> <th></th> <th style="text-align: right;">December 2017 fiscal period</th> </tr> </thead> <tbody> <tr> <td>• Facility management fees</td> <td style="text-align: right;">JPY 506 mn</td> </tr> <tr> <td> (of these, repair costs)</td> <td style="text-align: right;">(JPY 31 mn)</td> </tr> <tr> <td>• Taxes and other public charges (Note 1)</td> <td style="text-align: right;">JPY 465 mn</td> </tr> <tr> <td>• Insurance expenses</td> <td style="text-align: right;">JPY 10 mn</td> </tr> <tr> <td>• Depreciation expenses</td> <td style="text-align: right;">JPY 2,436 mn</td> </tr> <tr> <td>• Other expenses</td> <td style="text-align: right;">JPY 395 mn</td> </tr> <tr> <td><u>Total property related expenses</u></td> <td style="text-align: right;"><u>JPY 3,815 mn</u></td> </tr> </tbody> </table> <p>(Note 1) Property taxes and city planning taxes, etc. are prorated by the number of days and settled between seller and buyer and capitalized as acquisition costs for the properties which were, or expected to be, acquired in 2017, and thus not recorded as expenses in December 2017 fiscal period. These expenses will be recorded from June 2018 fiscal period onward.</p> <p>INV expects to incur operating expenses other than the property related expenses as follows:</p> <table data-bbox="478 828 1276 929"> <thead> <tr> <th></th> <th style="text-align: right;">December 2017 fiscal period</th> </tr> </thead> <tbody> <tr> <td>• Other operating expenses</td> <td style="text-align: right;">JPY 454 mn</td> </tr> <tr> <td> (of these, asset management fees)</td> <td style="text-align: right;">(JPY 250 mn)</td> </tr> </tbody> </table>		December 2017 fiscal period	• Facility management fees	JPY 506 mn	(of these, repair costs)	(JPY 31 mn)	• Taxes and other public charges (Note 1)	JPY 465 mn	• Insurance expenses	JPY 10 mn	• Depreciation expenses	JPY 2,436 mn	• Other expenses	JPY 395 mn	<u>Total property related expenses</u>	<u>JPY 3,815 mn</u>		December 2017 fiscal period	• Other operating expenses	JPY 454 mn	(of these, asset management fees)	(JPY 250 mn)
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(of these, asset management fees)	(JPY 250 mn)																						
NOI	<p>INV expects to record net operating income as follows:</p> <table data-bbox="478 1019 1197 1153"> <thead> <tr> <th></th> <th style="text-align: right;">December 2017 fiscal period</th> </tr> </thead> <tbody> <tr> <td>• NOI</td> <td style="text-align: right;">JPY 9,283 mn</td> </tr> <tr> <td> (of these, hotel NOI)</td> <td style="text-align: right;">(JPY 6,270 mn)</td> </tr> <tr> <td> (of these, residential NOI)</td> <td style="text-align: right;">(JPY 2,648 mn)</td> </tr> </tbody> </table> <p>NOI calculation method in the above table is as follows</p> <p>• NOI = Rental Revenues - Property Related Expenses + Depreciation Expenses</p>		December 2017 fiscal period	• NOI	JPY 9,283 mn	(of these, hotel NOI)	(JPY 6,270 mn)	(of these, residential NOI)	(JPY 2,648 mn)														
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Non-operating expenses	<p>INV expects to incur non-operating expenses as follows:</p> <table data-bbox="478 1355 1197 1489"> <thead> <tr> <th></th> <th style="text-align: right;">December 2017 fiscal period</th> </tr> </thead> <tbody> <tr> <td>• Interest expense</td> <td style="text-align: right;">JPY 422 mn</td> </tr> <tr> <td>• Finance related costs</td> <td style="text-align: right;">JPY 204 mn</td> </tr> <tr> <td><u>Total non-operating expenses</u></td> <td style="text-align: right;"><u>JPY 627 mn</u></td> </tr> </tbody> </table>		December 2017 fiscal period	• Interest expense	JPY 422 mn	• Finance related costs	JPY 204 mn	<u>Total non-operating expenses</u>	<u>JPY 627 mn</u>														
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• Finance related costs	JPY 204 mn																						
<u>Total non-operating expenses</u>	<u>JPY 627 mn</u>																						

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 December 2017, INV expects to distribute an aggregate amount of JPY5,964 million (distribution per unit: JPY 1,545) based on the assumption that excess profit distribution will be paid (JPY 81 million), in addition to net income for the fiscal period ending December 2017 (JPY 5,884 million) which will be used as funds.</p> <p>For the fiscal period ending December 2017, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 92 million, which is equal to the amount for the fiscal period ended June 2017. 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>				
Excess profit distribution per unit	<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>INV intends to make distributions in excess of profits (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 December 2017.</p> <table border="1" data-bbox="478 1417 1238 1509"> <tr> <td data-bbox="478 1417 895 1462"></td> <td data-bbox="895 1417 1238 1462">December 2017 fiscal period</td> </tr> <tr> <td data-bbox="478 1462 895 1509">Excess profit distribution per unit</td> <td data-bbox="895 1462 1238 1509">JPY 21</td> </tr> </table>		December 2017 fiscal period	Excess profit distribution per unit	JPY 21
	December 2017 fiscal period				
Excess profit distribution per unit	JPY 21				
Other	<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.</p> <p>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 December 31, 2016 (as of December 31, 2016)	Fiscal period ended June 30, 2017 (as of June 30, 2017)
Assets		
Current assets:		
Cash and bank deposits	8,714,907	3,532,405
Cash and bank deposits in trust	5,499,826	6,065,755
Accounts receivable	19	8,204
Rental receivables	1,398,433	1,420,192
Prepaid expenses	387,328	445,116
Consumption taxes receivable	-	20,823
Other	32	0
Allowance for doubtful accounts	(1,334)	(33)
Total current assets	15,999,214	11,492,465
Non-current assets:		
Property and equipment		
Buildings, at cost	85,914	85,914
Accumulated depreciation	(10,489)	(11,031)
Buildings, net	75,424	74,883
Buildings and accompanying facilities, at cost	38,862	38,862
Accumulated depreciation	(22,150)	(22,925)
Buildings and accompanying facilities, net	16,712	15,937
Structures, at cost	2,779	2,779
Accumulated depreciation	(1,467)	(1,533)
Structures, net	1,311	1,245
Tools, furniture and fixtures, at cost	-	2,395
Accumulated depreciation	-	(67)
Tools, furniture and fixtures, net	-	2,327
Land	711,834	711,834
Buildings in trust, at cost	102,029,376	118,192,822
Accumulated depreciation	(6,800,686)	(8,155,443)
Buildings in trust, net	95,228,689	110,037,378
Buildings and accompanying facilities in trust, at cost	23,379,828	26,991,646
Accumulated depreciation	(4,312,055)	(5,092,225)
Buildings and accompanying facilities in trust, net	19,067,773	21,899,421
Structures in trust, at cost	340,005	345,467
Accumulated depreciation	(158,426)	(169,049)
Structures in trust, net	181,579	176,417
Tools, furniture and fixtures in trust, at cost	651,007	898,892
Accumulated depreciation	(221,184)	(273,748)
Tools, furniture and fixtures in trust, net	429,823	625,143
Land in trust	135,384,518	142,046,411
Total property and equipment, net	251,097,667	275,591,001
Intangible assets		
Leasehold rights in trust	8,840,627	16,946,974
Total intangible assets	8,840,627	16,946,974
Investments and other assets		
Guarantee deposits	613,914	1,651,565
Long-term prepaid expenses	616,340	601,737
Derivatives assets	151,259	92,243
Other	42,851	45,062
Total investments and other assets	1,424,366	2,390,608
Total non-current assets	261,362,660	294,928,585
Total assets	277,361,874	306,421,050

(Unit: JPY thousand)

	Fiscal period ended December 31, 2016 (as of December 31, 2016)	Fiscal period ended June 30, 2017 (as of June 30, 2017)
Liabilities		
Current liabilities:		
Accounts payable	182,601	170,911
Accounts payable-other	51,825	175,062
Accrued expenses	166,066	164,764
Income taxes payable	605	605
Consumption taxes payable	460,521	-
Advances received	522,072	540,675
Deposits received	13,583	15,932
Total current liabilities	1,397,276	1,067,951
Non-current liabilities:		
Long-term loans payable	142,419,000	163,990,000
Tenant leasehold and security deposits in trust	2,030,396	2,240,373
Tenant leasehold and security deposits	28,663	28,663
Asset retirement obligations	31,260	31,468
Total non-current liabilities	144,509,319	166,290,505
Total liabilities	145,906,596	167,358,457
Net assets		
Unitholders' equity:		
Unitholders' capital	120,367,271	128,984,946
Surplus:		
Capital surplus	6,264,432	6,264,432
Deduction of capital surplus		
Allowance for temporary differences adjustment	* ₃ (224,225)	* ₃ -
Other deduction of capital surplus	(763,290)	(987,516)
Total deduction of capital surplus	(987,516)	(987,516)
Capital surplus (net)	5,276,915	5,276,915
Retained earnings	5,659,831	4,708,487
Total surplus	10,936,747	9,985,403
Total unitholders' equity	131,304,019	138,970,350
Valuation and translation adjustments:		
Deferred gains or losses on hedges	151,259	92,243
Total valuation and translation adjustments	151,259	92,243
Total net assets	* ₂ 131,455,278	* ₂ 139,062,593
Total liabilities and net assets	277,361,874	306,421,050

(2) Statement of Income and Retained Earnings

(Unit: JPY thousand)

	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Operating revenue		
Rental revenue—real estate	*1 9,511,466	*1 9,260,917
Total operating revenue	9,511,466	9,260,917
Operating expenses		
Property related expenses	*1 3,162,067	*1 3,518,684
Asset management fees	250,000	250,000
Directors' compensation	4,800	4,800
Asset custody fees	14,026	13,594
Administrative service fees	27,890	29,983
Provision of allowance for doubtful accounts	1,123	33
Other	117,347	99,360
Total operating expenses	3,577,255	3,916,456
Operating income	5,934,211	5,344,461
Non-operating income		
Interest income	129	70
Interest on tax refund	6,722	150
Refund of consumption taxes	35,949	-
Other	385	1,077
Total non-operating income	43,186	1,297
Non-operating expenses		
Interest expenses	359,540	377,451
Loan-related costs	186,249	223,228
Investment unit issuance costs	-	42,401
Total non-operating expenses	545,789	643,080
Ordinary income	5,431,608	4,702,678
Income before income taxes	5,431,608	4,702,678
Income taxes	605	605
Total income taxes	605	605
Net income	5,431,003	4,702,073
Retained earnings brought forward	228,827	6,414
Unappropriated retained earnings	5,659,831	4,708,487

(3) Statement of Changes in Net Assets

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		Total 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

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

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Deduction of capital surplus			Capital surplus (net)
Allowance for temporary differences adjustment	Other deduction of capital surplus		Total deduction of capital surplus			
Balance at the beginning of the period	120,367,271	6,264,432	(224,225)	(763,290)	(987,516)	5,276,915
Changes during the period						
Issuance of new investment units	8,393,450					
Reversal of allowance for temporary differences adjustment	224,225		224,225	(224,225)	—	—
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	8,617,675	—	224,225	(224,225)	—	—
Balance at the end of the period	128,984,946	6,264,432	—	(987,516)	(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	5,659,831	10,936,747	131,304,019	151,259	151,259	131,455,278
Changes during the period						
Issuance of new investment units			8,393,450			8,393,450
Reversal of allowance for temporary differences adjustment	(224,225)	(224,225)	—			—
Distributions from surplus	(5,429,192)	(5,429,192)	(5,429,192)			(5,429,192)
Net income	4,702,073	4,702,073	4,702,073			4,702,073
Changes other than unitholders' equity (net)				(59,016)	(59,016)	(59,016)
Total changes during the period	(951,344)	(951,344)	7,666,331	(59,016)	(59,016)	7,607,315
Balance at the end of the period	4,708,487	9,985,403	138,970,350	92,243	92,243	139,062,593

(4) Statement of Cash Distribution

	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
I Unappropriated retained earnings	JPY 5,659,831,868	JPY 4,708,487,837
II Incorporation into unitholders' capital		
Of which, reversal of allowance for temporary differences adjustment	JPY 224,225,264	-
III Distributions in excess of retained earnings		
Allowance for temporary differences adjustment	-	JPY 46,329,888
Other deduction of capital surplus	-	JPY 34,747,416
IV Distributions	JPY 5,429,192,048	JPY 4,880,081,536
(Distribution per unit)	JPY 1,477	JPY 1,264
Of which, distributions of earnings	JPY 5,429,192,048	JPY 4,799,004,232
(Distributions of earnings per unit)	JPY 1,477	JPY 1,243
Of which, allowance for temporary differences adjustment	-	JPY 46,329,888
(Distributions in excess of retained earnings per unit	-	JPY 12
(Allowance for temporary differences adjustment))	-	
Of which, other distributions in excess of retained earnings	-	JPY 34,747,416
(Distributions in excess of retained earnings per unit (Other distributions in excess of retained earnings))	-	JPY 9
V Retained earnings (deficit) carried forward	JPY 6,414,556	(JPY 90,516,395)

<p>Calculation method of distribution amount</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>As shown above, the distribution per unit for the Reporting Period is JPY 1,264.</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, 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 1,243.</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 (the “Excess Profit Distribution”). For the Reporting Period, INV decided to make Excess Profit Distribution of JPY 46 million in order to cope with the discrepancy between tax and accounting treatment, making Excess Profit Distribution from the allowance for temporary differences adjustment of JPY 12 per unit. INV decided to also make Excess Profit Distribution of JPY 34 million as refund of investment in order to stabilize distributions, making other Excess Profit Distribution of JPY 9 per unit.</p>
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(5) Statement of Cash Flows

(Unit: JPY thousand)

	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Cash flows from operating activities		
Income before income taxes	5,431,608	4,702,678
Depreciation and amortization	2,065,066	2,281,374
Investment unit issuance costs	-	42,401
Loan-related costs	186,249	223,228
Interest income	(129)	(70)
Interest expenses	359,540	377,451
Increase (decrease) in allowance for doubtful accounts	(1,430)	(1,301)
Decrease (increase) in rental receivable	(22,587)	(21,759)
Decrease (increase) in consumption taxes receivable	2,672,787	(20,823)
Increase (decrease) in accounts payable	(66,883)	81,748
Increase (decrease) in consumption taxes payable	460,521	(460,521)
Increase (decrease) in accounts payable-other	(881,047)	25,473
Increase (decrease) in accrued expenses	(5,946)	444
Increase (decrease) in advances received	14,936	18,602
Increase (decrease) in deposits received	(23,418)	(21,461)
Others, net	(12,451)	(17,577)
Subtotal	10,176,817	7,209,888
Interest income received	129	70
Interest expenses paid	(358,219)	(379,198)
Income taxes paid	(605)	(605)
Net cash provided by operating activities	9,818,122	6,830,155
Cash flows from investing activities		
Purchases of property and equipment	-	(2,395)
Purchases of property and equipment in trust	(8,449,701)	(26,684,589)
Purchases of leasehold rights in trust	-	(8,187,950)
Repayments of tenant leasehold and security deposits in trust	(53,815)	(79,334)
Proceeds from tenant leasehold and security deposits in trust	48,371	290,004
Payments of tenant leasehold and security deposits	-	(1,037,651)
Other, net	(2,211)	(2,211)
Net cash used in investing activities	(8,457,356)	(35,704,126)
Cash flows from financing activities		
Repayment of short-term loans payable	(3,498,000)	-
Proceeds from long-term loans payable	4,000,000	21,571,000
Payments for loan-related costs	(53,775)	(257,922)
Payment of distributions of earnings	(4,118,229)	(5,406,728)
Payment of distribution in excess of retained earnings from allowance for temporary differences adjustment	(224,225)	-
Proceeds from issuance of investment units	-	8,351,048
Other, net	(15,879)	-
Net cash provided by (used in) financing activities	(3,910,109)	24,257,397
Net increase (decrease) in cash and cash equivalents	(2,549,344)	(4,616,573)
Cash and cash equivalents at beginning of period	16,764,078	14,214,734
Cash and cash equivalents at end of period	*1 14,214,734	*1 9,598,161

- (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
Tools, furniture and fixtures	8 years
Buildings in trust	5-67 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 instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition of real estate during the fiscal period ended June 30, 2017 is JPY 78,074 thousand.

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

(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.

(Additional Information)

(Notes Related to Provision and Reversal of Allowance for Temporary Differences Adjustment)

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

Reversal of the JPY 224,225 thousand in allowance for temporary differences adjustment for changes in the fair value of interest rate swaps was made in the statement of cash distribution.

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

The following provision was made in the statement of cash distribution:

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Allowance for temporary differences adjustment
Leasehold rights in trust	Depreciation of leasehold rights	46,329

2. Method of reversal

Related assets, etc.	Method of reversal
Leasehold rights in trust	The corresponding amount is scheduled to be reversed upon sale, etc.

(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 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.

Fiscal period ended June 30, 2017 (as of June 30, 2017)

Not applicable

*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 December 31, 2016 (as of December 31, 2016)	Fiscal period ended June 30, 2017 (as of June 30, 2017)
50,000	50,000

*3. Allowance for temporary differences adjustment

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
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.

Fiscal period ended June 30, 2017 (as of June 30, 2017)

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
Deferred gains or losses on hedges	Changes in fair value of derivatives	(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 thousand)	
	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
A. Real estate rental revenues		
Rental revenue-real estate		
Rent/common area charges	9,237,784	8,927,781
Other revenues	273,682	333,135
Total	9,511,466	9,260,917
B. Real estate rental expenses		
Property related expenses		
Maintenance costs	580,896	646,226
Taxes and public dues	356,372	390,797
Non-life insurance expenses	11,807	10,195
Depreciation expenses	2,065,066	2,281,374
Other expenses	147,924	190,090
Total	3,162,067	3,518,684
C. Real estate rental income (A-B)	6,349,399	5,742,232

(Notes to Statement of Changes in Net Assets)

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

	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Number of issuable investment units	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	3,675,824 units	3,860,824 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 thousand)	
	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Cash and bank deposits	8,714,907	3,532,405
Cash and bank deposits in trust	5,499,826	6,065,755
Cash and cash equivalents	14,214,734	9,598,161

(Notes Related to Lease Transactions)

Operating lease transactions (as lessee)
Unexpired lease fees

	Fiscal period ended December 31, 2016 (as of December 31, 2016)	Fiscal period ended June 30, 2017 (as of June 30, 2017)
Due within one year	244,619	312,959
Due after one year	7,367,989	10,403,515
Total	7,612,609	10,716,474

(Unit: JPY thousand)

Operating lease transactions (as lessor)
Unexpired lease fees

	Fiscal period ended December 31, 2016 (as of December 31, 2016)	Fiscal period ended June 30, 2017 (as of June 30, 2017)
Due within one year	5,988,176	6,579,788
Due after one year	47,412,300	47,397,583
Total	53,400,477	53,977,372

(Unit: JPY thousand)

(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 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) Long-term loans	(142,419,000)	(142,419,000)	-
Total liabilities	(142,419,000)	(142,419,000)	-
(4) Derivatives	151,259	151,259	-

Fiscal period ended June 30, 2017 (as of June 30, 2017)

Book value, fair value and the difference between values as of June 30, 2017 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	3,532,405	3,532,405	-
(2) Cash and bank deposits in trust	6,065,755	6,065,755	-
Total assets	9,598,161	9,598,161	-
(3) Long-term loans	(163,990,000)	(163,990,000)	-
Total liabilities	(163,990,000)	(163,990,000)	-
(4) Derivatives	92,243	92,243	-

(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

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.

(3) 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.

(4) 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 December 31, 2016 (as of December 31, 2016)	Fiscal period ended June 30, 2017 (as of June 30, 2017)
Tenant leasehold and security deposits	28,663	28,663
Tenant leasehold and security deposits in trust	2,030,396	2,240,373

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 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	-	-	-	-	-

Fiscal period ended June 30, 2017 (as of June 30, 2017)

(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	3,532,405	-	-	-	-	-
Cash and bank deposits in trust	6,065,755	-	-	-	-	-
Total	9,598,161	-	-	-	-	-

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

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
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	-

Fiscal period ended June 30, 2017 (as of June 30, 2017)

(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
Long-term loans	-	46,663,000	48,044,000	55,512,000	13,771,000	-
Total	-	46,663,000	48,044,000	55,512,000	13,771,000	-

(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 December 31, 2016 (as of December 31, 2016)

Not applicable

Fiscal period ended June 30, 2017 (as of June 30, 2017)

Not applicable

2. Derivative transactions to which hedge accounting is applied

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.

Fiscal period ended June 30, 2017 (as of June 30, 2017)

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	92,243

(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 December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Balance at the beginning of the period	31,050	31,260
Increase due to the acquisition of properties	-	-
Accretion expense	209	208
Balance at the end of the period	31,260	31,468

(Notes Related to Segment and Related Information)

I. Segment Information

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

II. Related Information

Fiscal period ended December 31, 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

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

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.	3,852,826	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 December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Residences	Book value	Balance at the beginning of the period	68,274,496	67,835,839
		Change during the period	(438,657)	25,277,356
		Balance at the end of the period	67,835,839	93,113,195
	Fair value at the end of the period		77,843,000	104,752,000
Offices	Book value	Balance at the beginning of the period	8,470,387	8,440,981
		Change during the period	(29,405)	(16,247)
		Balance at the end of the period	8,440,981	8,424,734
	Fair value at the end of the period		7,406,000	7,636,000
Commercial facilities	Book value	Balance at the beginning of the period	5,087,525	5,049,226
		Change during the period	(38,298)	(47,956)
		Balance at the end of the period	5,049,226	5,001,269
	Fair value at the end of the period		5,890,000	5,980,000
Parking lots	Book value	Balance at the beginning of the period	100,820	100,819
		Change during the period	(1)	(1)
		Balance at the end of the period	100,819	100,818
	Fair value at the end of the period		113,000	113,000
Hotels	Book value	Balance at the beginning of the period	179,537,920	178,511,427
		Change during the period	(1,026,493)	7,386,530
		Balance at the end of the period	178,511,427	185,897,957
	Fair value at the end of the period		236,940,000	245,021,000
Total	Book value	Balance at the beginning of the period	261,471,150	259,938,294
		Change during the period	(1,532,855)	32,599,681
		Balance at the end of the period	259,938,294	292,537,976
	Fair value at the end of the period		328,192,000	363,502,000

- (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 December 31, 2016 was capital expenditures related to construction work, and the major factor for the decrease was depreciation. The major factors for the increase for the fiscal period ended June 30, 2017 were acquisition of residential properties/hotels, capital expenditures related to construction work, and the major factor of 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 December 31, 2016	Fiscal period ended June 30, 2017
<hr/>		
(Deferred tax assets - current assets)		
Enterprise tax payable	661	996
Allowance for doubtful accounts	423	10
Subtotal	1,084	1,006
Valuation allowance	1,084	1,006
Total	-	-
(Deferred tax assets, net)	-	-
<hr/>		
(Deferred tax assets - non-current assets)		
Buildings and other (merger)	700,210	689,159
Land (merger)	2,092,087	2,092,087
Loss carried forward	7,200,289	7,200,289
Asset retirement obligations	9,921	9,987
Depreciation of fixed-term leasehold rights	16,248	42,149
Subtotal	10,018,757	10,033,674
(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	29,278
Subtotal	57,807	39,075
Valuation allowance	9,960,950	9,994,598
Total	-	-
(Deferred tax assets, net)	-	-

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

(Unit: %)

	Fiscal period ended December 31, 2016	Fiscal period ended June 30, 2017
Statutory tax rate	31.74	31.74
Deductible cash distributions	(31.71)	(32.06)
Changes in valuation allowance	(0.09)	(0.32)
Others	0.08	0.65
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 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.

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

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	Sakura Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	21,879,000	-	-
	Momo Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,683,000	-	-
	Septentrio 2 Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	8,000,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	549,169	Accounts receivable	198,247
	MyStays Hotel Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	3,852,826	Accounts receivable	1,043,190

- (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) Sakura Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Septentrio 2 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 Sakura Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Septentrio 2 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: 15.8%) 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)
A105	Royal Parks Tower Minami-Senju	Sakura Tokutei Mokuteki Kaisha	21,879,000
A106	Royal Parks Seasir Minami-Senju	Momo Tokutei Mokuteki Kaisha	2,683,000
D49	Hotel MyStays Premier Hamamatsucho	Septentrio 2 Tokutei Mokuteki Kaisha	8,000,000
Total			32,562,000

2. Transactions with Affiliates

None for both the fiscal period ended December 31, 2016 and the fiscal period ended June 30, 2017.

3. Transactions with Companies under Common Control

None for both the fiscal period ended December 31, 2016 and the fiscal period ended June 30, 2017.

4. Transactions with Directors and Major Unitholders

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.

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

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)	253,256	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 December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Net assets per unit	JPY 35,762	JPY 36,019
Net income per unit	JPY 1,477	JPY 1,241

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 December 31, 2016 (from July 1, 2016 to December 31, 2016)	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)
Net income (JPY thousand)	5,431,003	4,702,073
Amounts not attributable to common unitholders (JPY thousand)	-	-
Net income attributable to common units (JPY thousand)	5,431,003	4,702,073
Average number of investment units during the period (units)	3,675,824	3,788,254

(Notes Related to Significant Subsequent Events)

1. Sale of Assets

INV decided on July 25, 2017 to sell the following two properties, and completed sale of all two properties on July 31, 2017.

Property Number: B08 Property Name: Kindai Kagakusha Building

Sale Date	July 31, 2017
Location	Shinjuku-ku, Tokyo
Book Value (Note 1)	JPY 1,201 million
Sales Price (Note 2)	JPY 1,361 million
Expected Gain on Sales (Note 3)	JPY 96 million
Transferee	Not disclosed (Note 4)
Legal Form of Asset	Trust beneficiary interest

Property Number: C01 Property Name: Times Kanda-Sudacho 4th

Sale Date	July 31, 2017
Location	Chiyoda-ku, Tokyo
Book Value (Note 1)	JPY 100 million
Sales Price (Note 2)	JPY 130 million
Expected Gain on Sales (Note 3)	JPY 23 million
Transferee	Wastec HOLDINGS Co., Ltd.
Legal Form of Asset	Real estate

(Note 1) Book value is the book value as of the sale date July 31, 2017.

(Note 2) Sales price does not include sales-related expenses, adjustments for property taxes or city planning taxes, or national or local consumption taxes.

(Note 3) The amount of difference between sales price and book value, and after deducting expected sales-related expenses.

(Note 4) The name of the transferee is not disclosed, as the transferee's consent has not been obtained for disclosure.

(Note 5) For details of the sales assets, please refer to "5. Reference Information; (2) Real Estate Properties" later in this document.

2. Acquisition of Assets

On July 25, 2017, INV resolved on additional acquisition of the exclusive elements it has yet to acquire of one hotel property that is already in its portfolio, using the proceeds from the sales outlined in "1. Sale of Assets" to fund part of the acquisition.

Property Number: D43 Property Name: Hotel MyStays Gotanda Station

Anticipated Acquisition Date	October 31, 2017
Anticipated Acquisition Price (Note 1)	JPY 1,880 million
Location	Shinagawa-ku, Tokyo
Completion Date	August 29, 1984 (Note 2)
Legal Form of Asset	Trust beneficiary interest
Seller	Not disclosed (Note 3)
Area of Additional Acquisition Portion	1,385.46m ²

(Note 1) Anticipated acquisition price is the total of (i) purchase price set forth in the purchase and sale agreement, (ii) expenses with regard to the conversion work to convert to hotel rooms, (iii) transfer price of the furniture, fixture and equipment (FF&E), and other expenses. Anticipated acquisition price does not include adjustments for property taxes or city planning taxes, or national or local consumption taxes.

(Note 2) The completion date of the building of the additional acquisition portion.

(Note 3) The name of the seller is not disclosed, as the seller's consent has not been obtained for disclosure.

(9) 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)
February 22, 2017	Reversal of allowance for temporary differences adjustment	-	3,675,824	224,225,264	120,591,496,700	(Note 16)
March 13, 2017	Public offering	185,000	3,860,824	8,393,450,000	128,984,946,700	(Note 17)

- (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.
- (Note 16) Reversal of allowance for temporary differences adjustment was decided at the meeting of the Board of Directors of INV held on February 22, 2017 and the amount was incorporated into unitholders' capital.
- (Note 17) New investment units were issued in a public offering at a price of JPY 46,897 per unit (JPY 45,370 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new 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 December 31, 2016 (as of December 31, 2016)		Fiscal period ended June 30, 2017 (as of June 30, 2017)	
			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	704	0.3	703	0.2
		Major regional cities	-	-	-	-
		Subtotal	704	0.3	703	0.2
	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	-	-	2	0.0
		Major regional cities	-	-	-	-
		Subtotal	-	-	2	0.0
Total real estate			805	0.3	806	0.3
Real estate in trust	Residences	Greater Tokyo area	51,610	18.6	77,073	25.2
		Major regional cities	16,225	5.8	16,039	5.2
		Subtotal	67,835	24.5	93,113	30.4
	Offices/Commercial Facilities	Greater Tokyo area	7,002	2.5	6,990	2.3
		Major regional cities	5,782	2.1	5,732	1.9
		Subtotal	12,785	4.6	12,722	4.2
	Parking lots, etc.	Greater Tokyo area	-	-	-	-
		Major regional cities	-	-	-	-
		Subtotal	-	-	-	-
	Hotels	Greater Tokyo area	102,297	36.8	109,907	35.9
		Major regional cities	76,214	27.5	75,988	24.8
		Subtotal	178,511	64.4	185,895	60.7
Total real estate in trust			259,133	93.4	291,731	95.2
Deposits and other assets			17,423	6.3	13,883	4.5
Total assets (Note 3)			277,361 (259,938)	100.0 (93.7)	306,421 (292,537)	100.0 (95.5)

(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 December 31, 2016 (as of December 31, 2016)		Fiscal period ended June 30, 2017 (as of June 30, 2017)	
	Amount (JPY million)	Percentage of total assets (%)	Amount (JPY million)	Percentage of total assets (%)
Total Liabilities	145,906	52.6	167,358	54.6
Total Net Assets	131,455	47.4	139,062	45.4
Total Liabilities and Net Assets	277,361	100.0	306,421	100.0

(2) Real Estate Properties

The following summarizes the real estate and real estate held in trust that INV held as of June 30, 2017.

a Price and investment percentage

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests (Note 7)	1,251	1,118	0.4	1,180	A
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima-ku, Tokyo	Trust beneficiary interests (Note 7)	1,229	1,084	0.4	1,290	A
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests (Note 7)	888	825	0.3	1,020	A
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interests (Note 7)	1,070	978	0.4	1,130	A
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interests (Note 7)	1,505	1,366	0.5	1,410	A
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo-ku, Tokyo	Trust beneficiary interests (Note 7)	1,428	1,351	0.5	1,400	A
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interests (Note 7)	1,088	1,086	0.4	1,090	A
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests (Note 7)	1,059	960	0.4	1,180	A
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests (Note 7)	1,023	950	0.3	1,050	A
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interests (Note 7)	906	824	0.3	999	A
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests (Note 7)	825	746	0.3	910	A
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interests (Note 7)	795	746	0.3	722	A
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interests (Note 7)	676	642	0.2	657	A
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interests (Note 7)	651	655	0.2	633	A
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interests (Note 7)	646	652	0.2	498	A
A41	Acseeds Tower Kawaguchi-Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interests (Note 7)	620	541	0.2	725	A
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku-ku, Tokyo	Trust beneficiary interests (Note 7)	604	626	0.2	587	A

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interests (Note 7)	589	560	0.2	534	A
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interests (Note 7)	589	559	0.2	607	A
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests (Note 7)	572	527	0.2	515	A
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interests (Note 7)	566	521	0.2	569	A
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interests (Note 7)	557	520	0.2	465	A
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interests (Note 7)	510	456	0.2	547	A
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	2,520	2,329	0.8	3,250	B
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku-ku, Tokyo	Trust beneficiary interests	3,260	3,052	1.1	3,940	C
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,880	1,883	0.6	2,480	C
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,450	1,329	0.5	1,820	D
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro-ku, Tokyo	Trust beneficiary interests	1,070	953	0.4	1,110	B
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	866	822	0.3	1,070	B
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interests	577	555	0.2	713	C
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	970	859	0.3	1,200	D
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,110	1,019	0.4	1,350	B
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	415	393	0.1	559	B
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interests	330	285	0.1	450	B
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interests	255	231	0.1	271	D
A71	Lexington Square Daitabashi	1-33-18 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	977	859	0.3	1,170	D
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interests	511	441	0.2	605	D
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,180	973	0.4	1,250	D
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya-ku, Tokyo	Trust beneficiary interests	7,010	6,517	2.3	8,010	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A76	Neo Prominence	3-21-5 Shimo, Kita-ku, Tokyo	Trust beneficiary interests	1,660	1,614	0.6	1,980	B
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	1,260	1,182	0.4	1,420	B
A78	Cosmo Court Motomachi	3-12-20 Motomachidori Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	973	908	0.3	1,080	B
A79	Revest Honjin	2-13 Toriidori Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	674	628	0.2	809	B
A80	Revest Matsubara	3-13-12 Matsubara Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	657	616	0.2	793	B
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	625	595	0.2	755	B
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interests	608	566	0.2	733	B
A83	Revest Meieki Minami	2-13-33 Meieki-Minami, Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	597	557	0.2	746	B
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interests	595	555	0.2	693	B
A85	Vendir Hamaotsu Ekimae	1-2-15 Hamaotsu, Otsu-shi, Shiga	Trust beneficiary interests	581	535	0.2	726	B
A86	Salvo Sala	2-6-21 Shimanouchi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	544	510	0.2	642	B
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interests	543	517	0.2	635	B
A88	Luna Court Edobori	3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interests	525	492	0.2	570	B
A89	Winntage Kobe Motomachi	7-2-2 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	512	475	0.2	606	B
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interests	456	436	0.2	603	B
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoindori Nijo Kudara, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels	Trust beneficiary interests	446	421	0.1	514	B
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	412	395	0.1	505	B
A93	Siete Minami-Tsukaguchi	3-18 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interests	374	354	0.1	446	B
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	373	350	0.1	434	B
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interests	355	336	0.1	433	B
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interests	335	324	0.1	428	B
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interests	331	313	0.1	323	B
A98	Little River Honmachibashi	1-34 Honmachibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	310	295	0.1	395	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interests	297	279	0.1	337	B
A100	City Court Kitaichijo	1-6-3 Kita 1-jo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,782	1,813	0.6	1,930	B
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interests	1,683	1,718	0.6	1,730	B
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interests	1,634	1,661	0.5	1,720	B
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,910	2,951	1.0	3,050	C
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interests	5,024	5,133	1.7	5,440	C
A105	Royal Parks Tower Minami-Senju	4-7-3 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interests	21,879	22,933	7.3	22,600	B
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interests	2,683	2,825	0.9	2,710	B
Subtotal (70 properties)				95,678	93,113	32.0	104,752	-
B08	Kindai Kagakusha Building	2-7-15 Ichigaya-Tamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,301	1,197	0.4	1,060	A
B09	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Real estate	715	703	0.2	545	C
B14	Lexington Plaza Nishigotanda	5-2-4 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,880	4,662	1.6	4,250	B
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano-ku, Tokyo	Trust beneficiary interests	1,060	1,129	0.4	1,090	B
B16	Ohki Aoba Building	9-7 Futsukamachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	816	731	0.3	691	D
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	3,280	3,086	1.1	3,610	C
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interests	2,320	1,914	0.8	2,370	C
Subtotal (7 properties)				14,372	13,426	4.8	13,616	-
C01	Times Kanda-Sudacho 4th	1-22-7, 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo	Real estate	97	100	0.0	113	A
Subtotal (1 property)				97	100	0.0	113	-
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interests	2,851	3,043	1.0	5,260	B
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interests	2,584	2,568	0.9	5,340	B
D03	Hotel MyStays Kyoto-Shijo	52, Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interests	6,024	5,799	2.0	15,600	B
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interests	4,930	4,740	1.6	7,140	B
D05	Hotel MyStays Maihama	3-5-1 Tekkadori, Urayasu-shi, Chiba	Trust beneficiary interests	4,870	4,697	1.6	6,690	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
D06	Hotel Vista Premio Dojima (Note 8)	2-4-1 Sonezakishinchi, Kita-ku, Osaka	Trust beneficiary interests	3,845	3,677	1.3	7,370	B
D07	Hotel MyStays Nagoya-Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	2,958	2,756	1.0	5,850	B
D08	Hotel MyStays Sakaisuji-Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,514	2,445	0.8	8,430	B
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	2,119	2,031	0.7	3,500	B
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,898	1,834	0.6	3,450	B
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	1,570	1,530	0.5	4,720	B
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,381	1,362	0.5	2,130	B
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,331	1,279	0.4	2,480	B
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,242	1,216	0.4	2,130	B
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	1,242	1,224	0.4	2,260	B
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	1,192	1,151	0.4	2,170	B
D17	Hotel MyStays Ottemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,192	1,163	0.4	4,710	B
D18	Flexstay Inn Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	749	733	0.3	1,320	B
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	589	575	0.2	837	B
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	283	283	0.1	403	B
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	8,350	8,041	2.8	9,650	B
D22	Hotel Nets Hakodate	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interests	2,792	2,682	0.9	3,720	B
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interests	2,119	2,104	0.7	2,310	B
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interests	7,801	7,585	2.6	8,490	B
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	5,594	5,490	1.9	7,140	B
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests	3,821	3,760	1.3	4,370	B
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	3,742	3,660	1.3	4,840	B
D28	Hotel Vista Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interests	2,198	2,124	0.7	2,450	B
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	1,624	1,613	0.5	1,790	B

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interests	1,277	1,271	0.4	1,430	B
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interests	1,237	1,235	0.4	1,380	B
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	980	953	0.3	1,180	B
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interests	979	956	0.3	1,090	B
D34	Flexstay Inn Kawasaki-Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	906	891	0.3	1,060	B
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interests	5,069	4,971	1.7	5,030	B
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interests	1,170	1,148	0.4	1,230	E
D37	Super Hotel JR Ueno-iriyaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,130	1,115	0.4	1,220	E
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	3,160	3,124	1.1	3,410	B
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interests	1,148	1,121	0.4	1,210	E
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interests	1,128	1,119	0.4	1,170	E
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interests	1,010	995	0.3	1,060	E
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interests	851	832	0.3	901	E
D43	Hotel MyStays Gotanda Station	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	24,674	24,626	8.2	24,800	C
D44	Hotel Epinard Nasu	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi	Trust beneficiary interests	20,981	20,744	7.0	22,000	C
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	8,059	7,989	2.7	8,280	C
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	7,959	7,916	2.7	7,760	C
D47	Hotel MyStays Premier Kanazawa	2-13-1 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interests	13,761	13,561	4.6	14,000	C
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interests	2,139	2,126	0.7	2,170	E
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	8,000	8,016	2.7	8,090	B
Subtotal (49 properties)				189,032	185,897	63.2	245,021	-
Total (127 properties)				299,181	292,537	100.0	363,502	-

- (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 (*kyukyohyoji*), except that if the *kyukyohyoji* 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 at the end of the period” is the value appraised or determined based on research by the real estate appraiser as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of The Investment Trust Association, Japan.
- (Note 6) “Appraiser” is shown in code in the table above. The code used to represent the appraisers is as follows:

Appraiser
A: Assets Research and Development Inc.
B: Japan Real Estate Institute
C: Morii Appraisal & Investment Consulting Inc.
D: The Tanizawa Sogo Appraisal Co., Ltd.
E: Daiwa Real Estate Appraisal Co., Ltd.

- (Note 7) Individual trust beneficiary interests were integrated into three groups with other trust beneficiary interests when INV procured funds through debt financing backed by trust assets in July 2011. The grouping of trust beneficiary interests at the end of the fiscal period ended June 30, 2017 is as follows:
- Group 1
Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Shin-Yokohama, Belle Face Ueno-Okachimachi, Growth Maison Yoga, Shibuya-Honmachi Mansion, City Heights Kinuta, and Foros Nakamurabashi
- Group 2
Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Growth Maison Ikebukuro, Route Tachikawa, College Square Machida, Belair Meguro, and Wacore Tsunashima I
- Group 3
Harmonie Ochanomizu, Suncrest Shakujii-Koen, Grand Rire Kameido, Acseeds Tower Kawaguchi-Namiki, Capital Heights Kagurazaka, Growth Maison Kaijin, and College Square Machiya
- (Note 8) With change of the operator, the property name was changed to Hotel MyStays Dojima on August 1, 2017. 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 June 30, 2017	Advance Payments	
A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	Outer wall repair work	From July 2017 To December 2017	85,000	—	—
A54	Lexington Square Akebonobashi	Shinjuku-ku, Tokyo	Outer wall repair work	From July 2017 To December 2017	49,300	—	—
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Annex tower guest room repair and maintenance	From July 2017 To December 2017	37,500	—	—
D07	Hotel MyStays Nagoya-Sakae	Nagoya-shi, Aichi	Boiler equipment replacement	From July 2017 To December 2017	32,000	—	—
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Conversion of guest rooms to non-smoking	From July 2017 To December 2017	31,000	—	—

(b) Capital expenditures for the fiscal period ended June 30, 2017

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2017 is as follows. Capital expenditures for the fiscal period totaled JPY 898,213 thousand, and together with JPY 22,022 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 920,236 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Renovation work	From January 2017 To June 2017	406,088
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	Conversion of guest rooms to non-smoking	From January 2017 To June 2017	20,072
B15	Cross Square NAKANO	Nakano-ku, Tokyo	Parking lot repair work	From January 2017 To June 2017	15,900
D03	Hotel MyStays Kyoto-Shijo	Kyoto-shi, Kyoto	Conversion of guest rooms to non-smoking	From January 2017 To June 2017	13,212
D08	Hotel MyStays Sakaisuji-Honmachi	Osaka-shi, Osaka	Conversion of guest rooms to non-smoking	From January 2017 To June 2017	10,906
Other construction					432,033
Total					898,213

(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	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period
	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	From January 1, 2017 to June 30, 2017
Reserved funds at beginning of period	738,365	852,699	982,750	1,303,685	1,397,286
Amount reserved (Note)	283,147	352,490	543,275	446,066	468,145
Amount reversed (Note)	168,813	222,439	222,339	352,464	468,189
Amount carried over for next fiscal period	852,699	982,750	1,303,685	1,397,286	1,397,243

(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 January 1, 2017 to June 30, 2017)

(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	39,187	36,026	3,160	19,177	28,970
A27	Nisshin Palacestage Higashi-Nagasaki	46,598	42,295	4,303	22,943	36,941
A28	Growth Maison Gotanda	27,339	26,772	567	8,237	23,500
A29	Growth Maison Kameido	33,024	30,813	2,211	13,967	25,009
A30	Emerald House	49,146	39,164	9,982	24,805	33,619
A31	Harmonie Ochanomizu	41,938	38,784	3,153	15,747	33,815
A32	Suncrest Shakujii-Koen	39,074	33,488	5,585	17,901	29,996
A33	Growth Maison Shin-Yokohama	35,752	33,366	2,385	15,442	26,504
A34	Belle Face Ueno-Okachimachi	33,733	29,100	4,632	14,985	24,102
A35	Grand Rire Kameido	26,619	26,619	-	8,199	23,926
A36	Growth Maison Ikebukuro	26,872	25,238	1,633	10,035	22,158
A37	Growth Maison Yōga	22,080	20,990	1,089	9,855	16,392
A38	Route Tachikawa	21,618	19,256	2,362	8,463	17,510
A39	Shibuya-Honmachi Mansion	20,042	19,373	669	6,329	15,683
A40	City Heights Kinuta	17,146	16,362	783	5,672	13,418
A41	Acseeds Tower Kawaguchi-Namiki	25,110	22,995	2,115	13,011	17,137
A42	Capital Heights Kagurazaka	19,885	17,917	1,967	7,126	15,389
A43	College Square Machida	17,484	17,484	-	3,100	16,282
A44	Belair Meguro	16,065	15,089	975	5,996	12,417
A45	Wacore Tsunashima I	17,917	16,786	1,130	8,657	13,248
A46	Foros Nakamurabashi	18,425	16,475	1,950	10,150	13,249
A47	Growth Maison Kaijin	22,699	21,037	1,661	12,933	16,298
A48	College Square Machiya	14,706	14,706	-	5,002	13,254
A51	City House Tokyo Shinbashi	90,996	85,949	5,047	35,792	68,487
A52	Winbell Kagurazaka	105,442	97,016	8,426	37,888	84,236
A53	Nishiwaseda Crescent Mansion	74,338	69,898	4,440	23,354	59,639
A54	Lexington Square Akebonobashi	52,492	48,104	4,388	18,900	42,349
A56	Casa Eremitaggio	32,586	29,840	2,745	14,713	27,094
A59	Towa City Coop Shinotsuka II	33,865	32,721	1,143	14,224	25,044
A61	Bichsel Musashiseki	23,233	21,552	1,681	13,679	12,695
A62	Lexel Mansion Ueno Matsugaya	35,106	31,078	4,027	16,982	26,677
A63	Towa City Coop Sengencho	55,627	51,100	4,526	28,874	34,297
A64	Royal Park Omachi	26,332	23,052	3,279	12,681	18,442
A65	Lexington Square Haginomachi	17,161	15,553	1,607	8,640	12,071
A66	Visconti Kakuzan	10,730	10,019	711	7,240	5,223
A71	Lexington Square Daitabashi	31,574	30,220	1,353	14,586	25,027
A72	Lexington Square Honjo Azumabashi	17,807	16,253	1,554	10,367	12,477
A73	AMS TOWER Minami 6-Jo	44,905	43,316	1,589	24,587	34,441
A75	Spacia Ebisu	214,592	188,067	26,524	67,490	185,065
A76	Neo Prominence	62,852	54,485	8,367	24,322	48,523
A77	Invoice Shin-Kobe Residence	45,538	41,534	4,004	22,189	34,839
A78	Cosmo Court Motomachi	35,227	33,377	1,850	18,613	26,597
A79	Revest Honjin	32,201	29,935	2,266	13,721	25,944
A80	Revest Matsubara	29,230	26,695	2,534	14,876	21,426
A81	Sun Terrace Minami Ikebukuro	22,564	20,496	2,068	10,505	17,272
A82	Alba Noritake Shinmachi	25,262	23,400	1,862	12,965	19,243
A83	Revest Meieki Minami	26,289	24,155	2,134	13,880	19,383
A84	Revest Heian	23,712	22,516	1,196	13,224	16,908
A85	Vendir Hamaotsu Ekimae	33,178	30,447	2,730	16,609	23,582
A86	Salvo Sala	25,113	23,652	1,460	11,311	19,246
A87	Excellente Kagurazaka	18,775	17,594	1,180	9,082	13,888
A88	Luna Court Edobori	20,548	19,605	943	11,501	14,124
A89	Winntage Kobe Motomachi	20,080	19,702	378	12,106	13,797
A90	Queen's Court Fukuzumi	17,350	16,321	1,028	6,633	13,923
A91	Corp Higashinotoin	18,292	17,081	1,211	10,364	11,726

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	15,291	13,793	1,497	7,760	2,664	672	18	2,675	1,729	7,531	10,206
A93	Siete Minami-Tsukaguchi	17,206	16,002	1,204	8,227	2,499	982	28	3,240	1,477	8,979	12,219
A94	Prime Life Sannomiya Isogami Koen	14,025	13,228	797	7,334	1,511	848	20	3,426	1,528	6,690	10,117
A95	HERMITAGE NANBA WEST	15,549	14,405	1,144	9,505	2,136	1,006	24	3,446	2,891	6,044	9,491
A96	Century Park Shinkawa 1-bankan	17,688	14,668	3,020	8,761	2,416	874	33	4,114	1,323	8,927	13,041
A97	West Avenue	12,175	11,624	551	7,078	2,154	564	18	3,086	1,255	5,096	8,183
A98	Little River Honmachibashi	13,459	13,180	278	7,301	2,229	951	22	2,874	1,223	6,158	9,032
A99	Prime Life Mikage	12,663	11,192	1,471	6,986	1,787	762	18	2,967	1,449	5,677	8,644
A100	City Court Kitaichijo	65,411	59,566	5,845	36,400	8,770	2,572	129	22,587	2,340	29,011	51,598
A101	Lieto Court Mukojima	54,123	51,270	2,853	27,839	6,888	2,507	70	15,356	3,017	26,284	41,640
A102	Lieto Court Nishi-Ojima	48,437	47,484	952	20,649	4,312	2,172	55	12,272	1,836	27,788	40,060
A103	Royal Parks Momozaka	140,320	129,478	10,842	89,618	40,146	3,899	196	44,963	412	50,702	95,666
A104	Royal Parks Shinden	214,749	200,266	14,482	112,779	34,556	7,087	386	70,022	726	101,970	171,992
A105	Royal Parks Tower Minami-Senju	426,286	398,766	27,519	260,401	66,461	-	620	180,240	13,079	165,884	346,124
A106	Royal Parks Seasir Minami-Senju	55,958	52,009	3,949	33,056	9,371	-	99	23,341	244	22,901	46,243
B08	Kindai Kagakusha Building	36,913	31,987	4,925	25,399	6,402	4,508	52	10,818	3,616	11,514	22,332
B09	Shinjuku Island	Not disclosed (Note 1)										
B14	Lexington Plaza Nishigotanda	144,100	128,236	15,863	65,213	24,289	12,267	141	26,557	1,957	78,886	105,444
B15	Cross Square NAKANO	43,431	37,020	6,410	16,130	6,118	3,864	60	4,849	1,238	27,300	32,150
B16	Ohki Aoba Building	34,844	27,245	7,598	21,698	9,265	4,056	74	7,197	1,104	13,145	20,343
B17	Lexington Plaza Hachiman	161,712	131,525	30,187	76,627	43,024	11,264	151	21,432	754	85,085	106,518
B18	AEON TOWN Sukagawa	141,715	141,715	-	93,769	56,124	7,385	203	29,438	616	47,946	77,385
C01	Times Kanda-Sudacho 4th	2,700	2,700	-	260	-	259	-	1	-	2,439	2,440
D01	Hotel MyStays Kanda	105,509	105,509	-	28,826	-	4,708	62	23,546	509	76,683	100,229
D02	Hotel MyStays Asakusa	116,739	116,739	-	20,535	-	3,871	80	16,066	517	96,204	112,270
D03	Hotel MyStays Kyoto-Shijo	321,887	321,887	-	60,507	-	10,399	232	49,357	518	261,379	310,736
D04	MyStays Shin-Urayasu Conference Center	175,921	175,921	-	50,598	-	8,161	139	41,790	507	125,323	167,113
D05	Hotel MyStays Maihama	134,694	134,694	-	39,563	-	3,194	73	35,784	510	95,131	130,916
D06	Hotel Vista Premio Dojima	202,987	202,987	-	57,591	8,208	11,667	192	37,011	511	145,396	182,408
D07	Hotel MyStays Nagoya-Sakae	188,852	188,852	-	69,107	17,163	4,592	167	46,673	510	119,744	166,418
D08	Hotel MyStays Sakaisuji-Honmachi	161,661	161,661	-	27,280	-	6,399	94	20,277	508	134,381	154,658
D09	Hotel MyStays Yokohama	108,321	108,321	-	29,367	-	4,477	137	24,236	515	78,954	103,190
D10	Hotel MyStays Nippori	59,954	59,954	-	17,441	-	1,760	47	15,127	506	42,512	57,639
D11	Hotel MyStays Fukuoka-Tenjin-Minami	133,097	133,097	-	19,763	-	5,078	73	14,105	506	113,333	127,439
D12	Flexstay Inn Iidabashi	50,702	50,702	-	14,428	-	4,501	62	9,355	508	36,274	45,630
D13	Hotel MyStays Ueno Inaricho	55,096	55,096	-	13,048	-	1,472	33	11,037	505	42,048	53,085
D14	Flexstay Inn Shinagawa	47,795	47,795	-	8,248	-	1,661	27	6,054	504	39,547	45,601
D15	Flexstay Inn Tokiwadai	59,297	59,297	-	11,153	-	3,415	57	7,175	504	48,144	55,320
D16	Flexstay Inn Sugamo	56,654	56,654	-	14,428	-	2,869	46	11,006	505	42,226	53,233
D17	Hotel MyStays Otemae	124,567	124,567	-	13,147	-	3,608	83	8,950	504	111,420	120,370
D18	Flexstay Inn Kiyosumi Shirakawa	40,634	40,634	-	11,620	-	3,390	53	7,672	503	29,014	36,686
D19	Flexstay Inn Nakanobu P1	20,795	20,795	-	5,029	-	953	17	3,555	503	15,765	19,321
D20	Flexstay Inn Nakanobu P2	11,168	11,168	-	2,800	-	527	10	1,756	505	8,368	10,125
D21	APA Hotel Yokohama-Kannai	230,016	230,016	-	88,581	-	11,825	213	76,039	503	141,434	217,473
D22	Hotel Nets Hakodate	112,960	112,960	-	37,427	-	5,167	130	31,617	511	75,532	107,150
D23	Flexstay Inn Shirogane	59,740	59,740	-	9,891	-	1,911	39	7,433	507	49,849	57,283
D24	Hotel MyStays Haneda	182,340	182,340	-	67,941	-	8,127	160	59,245	408	114,399	173,644
D25	Hotel MyStays Kameido P1	174,873	174,873	-	40,436	-	6,382	130	33,519	404	134,436	167,955
D26	Hotel MyStays Ueno Iriyaguchi	95,315	95,315	-	24,734	2,455	1,236	65	20,569	408	70,581	91,150
D27	Hotel MyStays Kameido P2	118,142	118,142	-	30,235	-	3,834	81	25,912	405	87,907	113,820
D28	Hotel Vista Shimizu	76,066	76,062	4	29,108	635	6,165	69	21,829	409	46,958	68,787
D29	Super Hotel Shinbashi/ Karasumoriguchi	39,426	39,426	-	8,965	706	3,103	29	4,717	407	30,461	35,179
D30	Flexstay Inn Higashi-Jujo	40,458	40,458	-	8,044	-	1,943	37	5,655	408	32,413	38,068
D31	Hotel MyStays Utsunomiya	89,478	89,478	-	32,200	-	13,727	239	17,818	415	57,277	75,096
D32	Flexstay Inn Kawasaki-Kaizuka	32,054	32,054	-	11,846	889	820	29	9,700	406	20,208	29,908
D33	Comfort Hotel Toyama	35,928	35,928	-	13,159	55	3,780	60	8,853	410	22,768	31,621

Property No.	Property Name	Total of rental revenue			Total of rental-related expenses						Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))
		(i)	Rent, common area fees	Other income	(ii)	Facility management fee	Taxes and public dues	Insurance expenses	Depreciation expenses (iii)	Other expenses		
D34	Flexstay Inn Kawasaki-Ogawacho	25,877	25,877	-	7,175	-	964	20	5,785	405	18,701	24,486
D35	Flexstay Inn Ekoda	115,682	115,682	-	37,290	-	4,679	83	32,123	404	78,391	110,515
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	31,787	31,787	-	13,142	1,391	2,820	39	8,482	408	18,644	27,127
D37	Super Hotel JR Ueno-iriyaguchi	27,275	27,275	-	9,994	1,070	2,141	27	6,346	408	17,281	23,627
D38	Hotel MyStays Shinsaibashi	82,484	82,484	-	20,941	-	1,436	43	19,052	409	61,543	80,595
D39	Comfort Hotel Kurosaki	37,894	37,894	-	16,900	900	1,711	54	13,575	659	20,993	34,569
D40	Comfort Hotel Maebashi	43,811	43,811	-	26,499	5,969	1,677	76	18,261	514	17,312	35,573
D41	Comfort Hotel Tsubame-Sanjo	34,949	32,861	2,088	15,386	534	3,837	66	10,534	413	19,563	30,097
D42	Comfort Hotel Kitami	30,300	30,300	-	14,614	900	1,640	53	11,508	511	15,685	27,194
D43	Hotel MyStays Gotanda Station	408,173	407,194	978	47,012	1,987	7,823	281	36,512	407	361,161	397,673
D44	Hotel Epinard Nasu	549,169	549,169	-	347,516	9,396	14,881	838	321,968	431	201,653	523,622
D45	Hotel MyStays Fukuoka Tenjin	192,325	192,325	-	46,122	-	3,518	106	42,092	405	146,202	188,294
D46	Hotel MyStays Hamamatsucho	114,650	114,650	-	31,488	-	3,305	57	27,720	404	83,161	110,882
D47	Hotel MyStays Premier Kanazawa	285,925	285,925	-	118,952	-	6,617	250	111,677	406	166,973	278,651
D48	Takamatsu Tokyu REI Hotel	104,257	76,200	28,057	51,552	32,782	2,895	148	15,304	422	52,705	68,009
D49	Hotel MyStays Premier Hamamatsucho	50,800	50,778	21	4,070	-	-	13	3,981	75	46,730	50,711
	Total	9,260,917	8,927,781	333,135	3,518,684	646,226	390,797	10,195	2,281,374	190,090	5,742,232	8,023,607

(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 June 30, 2017)

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) (Note7)	Ratio of rental revenue (%)	Type of lease (Note 8)
A26	Nisshin Palacestage Daitabashi	1,771.13	1,591.08	98	88	1	Best Property Corporation	39,187	0.4	Pass through master lease
A27	Nisshin Palacestage Higashi-Nagasaki	2,681.94	2,510.11	60	56	1	Best Property Corporation	46,598	0.5	Pass through master lease
A28	Growth Maison Gotanda	1,051.50	1,051.50	48	48	1	Pacific Development & Management Co., Ltd	27,339	0.3	Pass through master lease
A29	Growth Maison Kameido	1,367.96	1,264.60	66	61	1	Mitsui Home Estate Co., Ltd.	33,024	0.4	Pass through master lease
A30	Emerald House	2,152.31	2,129.27	96	95	1	Tokyo Gakusei-life Co., Ltd.	49,146	0.5	Pass through master lease
A31	Harmonie Ochanomizu	1,748.24	1,704.00	65	63	1	Pacific Development & Management Co., Ltd.	41,938	0.5	Pass through master lease
A32	Suncrest Shakujii-Koen	3,029.16	2,869.22	29	27	1	Mitsui Home Estate Co., Ltd.	39,074	0.4	Pass through master lease
A33	Growth Maison Shin-Yokohama	1,858.44	1,803.86	68	66	1	Pacific Development & Management Co., Ltd	35,752	0.4	Pass through master lease
A34	Belle Face Ueno-Okachimachi	1,351.11	1,224.37	64	58	1	Tokyo Gakusei-life Co., Ltd. (Note 9)	33,733	0.4	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	906.97	42	40	1	Pacific Development & Management Co., Ltd	26,872	0.3	Pass through master lease
A37	Growth Maison Yoga	1,015.34	937.89	39	36	1	Mitsui Home Estate Co., Ltd.	22,080	0.2	Pass through master lease
A38	Route Tachikawa	1,368.57	1,229.25	24	21	1	Pacific Development & Management Co., Ltd	21,618	0.2	Pass through master lease
A39	Shibuya-Honmachi Mansion	1,167.50	1,167.50	25	25	1	Pacific Development & Management Co., Ltd	20,042	0.2	Pass through master lease
A40	City Heights Kinuta	1,235.93	1,102.73	19	17	1	Mitsui Home Estate Co., Ltd.	17,146	0.2	Pass through master lease
A41	Acseeds Tower Kawaguchi-Namiki	1,210.74	1,189.60	57	56	1	Goodworks Co., Ltd. (Note 10)	25,110	0.3	Pass through master lease
A42	Capital Heights Kagurazaka	1,126.65	939.75	26	23	1	Mitsui Home Estate Co., Ltd.	19,885	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	512.23	25	23	1	Pacific Development & Management Co., Ltd	16,065	0.2	Pass through master lease
A45	Wacore Tsunashima I	907.46	835.66	50	46	1	Pacific Development & Management Co., Ltd	17,917	0.2	Pass through master lease
A46	Foros Nakamurabashi	815.77	795.61	37	36	1	Mitsui Home Estate Co., Ltd.	18,425	0.2	Pass through master lease
A47	Growth Maison Kaijin	2,040.27	2,040.27	34	34	1	Mitsui Home Estate Co., Ltd.	22,699	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	3,121.34	86	80	1	Mitsui Home Estate Co., Ltd.	90,996	1.0	Pass through master lease
A52	Winbell Kagurazaka	4,032.70	3,969.76	118	116	1	Mitsui Home Estate Co., Ltd.	105,442	1.1	Pass through master lease
A53	Nishiwaseda Crescent Mansion	4,310.77	4,310.77	69	69	1	Pacific Development & Management Co., Ltd	74,338	0.8	Pass through master lease
A54	Lexington Square Akebonobashi	1,987.88	1,919.42	88	85	1	Mitsui Home Estate Co., Ltd.	52,492	0.6	Pass through master lease
A56	Casa Eremitaggio	1,197.19	1,124.81	17	16	1	Pacific Development & Management Co., Ltd	32,586	0.4	Pass through master lease
A59	Towa City Coop Shinotsuka II	1,627.13	1,486.84	58	53	1	Mitsui Home Estate Co., Ltd.	33,865	0.4	Pass through master lease
A61	Bichsel Musashiseki	1,220.24	1,167.46	70	67	1	Mitsui Home Estate Co., Ltd.	23,233	0.3	Pass through master lease
A62	Lexel Mansion Ueno Matsugaya	1,969.45	1,826.63	29	27	1	Pacific Development & Management Co., Ltd	35,106	0.4	Pass through master lease
A63	Towa City Coop Sengencho	3,426.36	2,870.46	154	129	1	Pacific Development & Management Co., Ltd	55,627	0.6	Pass through master lease
A64	Royal Park Omachi	1,929.59	1,897.47	51	50	1	Goodworks Co., Ltd.	26,332	0.3	Pass through master lease
A65	Lexington Square Haginomachi	1,528.58	1,368.38	39	35	1	Goodworks Co., Ltd.	17,161	0.2	Pass through master lease
A66	Visconti Kakuozan	705.75	625.58	8	7	1	Mitsui Home Estate Co., Ltd.	10,730	0.1	Pass through master lease
A71	Lexington Square Daitabashi	1,430.64	1,318.66	43	40	1	Goodworks Co., Ltd.	31,574	0.3	Pass through master lease
A72	Lexington Square Honjo Azumabashi	784.74	737.94	33	31	1	Mitsui Home Estate Co., Ltd.	17,807	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)
A73	AMS TOWER Minami 6-Jo	4,460.56	3,554.21	120	96	1	Big Service Co., Ltd.	44,905	0.5	Pass through master lease
A75	Spacia Ebisu	7,794.91	7,420.04	109	104	1	Pacific Development & Management Co., Ltd	214,592	2.3	Pass through master lease
A76	Neo Prominence	3,574.70	3,259.29	52	47	1	Goodworks Co., Ltd.	62,852	0.7	Pass through master lease
A77	Invoice Shin-Kobe Residence	2,773.71	2,543.46	81	74	1	Goodworks Co., Ltd.	45,538	0.5	Pass through master lease
A78	Cosmo Court Motomachi	2,310.49	2,202.49	82	78	1	Goodworks Co., Ltd.	35,227	0.4	Pass through master lease
A79	Revest Honjin	1,933.80	1,789.26	80	74	1	Mininet, Inc.	32,201	0.3	Pass through master lease
A80	Revest Matsubara	1,955.40	1,820.44	70	65	1	Mininet, Inc.	29,230	0.3	Pass through master lease
A81	Sun Terrace Minami Ikebukuro	898.70	780.45	38	33	1	Goodworks Co., Ltd.	22,564	0.2	Pass through master lease
A82	Alba Noritake Shinmachi	1,731.68	1,515.22	64	56	1	Mininet, Inc.	25,262	0.3	Pass through master lease
A83	Revest Meieki Minami	1,634.60	1,560.02	61	58	1	Mininet, Inc.	26,289	0.3	Pass through master lease
A84	Revest Heian	1,554.03	1,554.03	40	40	1	Mininet, Inc.	23,712	0.3	Pass through master lease
A85	Vendir Hamaotsu Ekimae	2,670.66	2,630.50	81	80	1	Mininet, Inc.	33,178	0.4	Pass through master lease
A86	Salvo Sala	1,428.12	1,369.08	54	52	1	Goodworks Co., Ltd.	25,113	0.3	Pass through master lease
A87	Excellente Kagurazaka	701.92	660.77	33	31	1	Goodworks Co., Ltd.	18,775	0.2	Pass through master lease
A88	Luna Court Edobori	1,185.50	1,114.79	50	47	1	Goodworks Co., Ltd.	20,548	0.2	Pass through master lease
A89	Winnage Kobe Motomachi	1,433.35	1,231.36	57	49	1	Goodworks Co., Ltd.	20,080	0.2	Pass through master lease
A90	Queen's Court Fukuzumi	765.18	734.06	25	24	1	Goodworks Co., Ltd.	17,350	0.2	Pass through master lease
A91	Corp Higashinotoin	1,029.05	1,004.50	42	41	1	Goodworks Co., Ltd.	18,292	0.2	Pass through master lease
A92	Belair Oimachi	530.60	510.10	26	25	1	Goodworks Co., Ltd.	15,291	0.2	Pass through master lease
A93	Siete Minami-Tsukaguchi	1,020.86	969.44	40	38	1	Goodworks Co., Ltd.	17,206	0.2	Pass through master lease
A94	Prime Life Sannomiya Isogami Koen	789.12	764.46	32	31	1	Goodworks Co., Ltd.	14,025	0.2	Pass through master lease
A95	HERMITAGE NANBA WEST	992.76	992.76	21	21	1	Goodworks Co., Ltd.	15,549	0.2	Pass through master lease
A96	Century Park Shinkawa 1-bankan	1,477.62	1,310.99	44	39	1	Goodworks Co., Ltd.	17,688	0.2	Pass through master lease
A97	West Avenue	794.80	675.56	40	34	1	Goodworks Co., Ltd.	12,175	0.1	Pass through master lease
A98	Little River Honmachibashi	974.81	855.01	31	27	1	Goodworks Co., Ltd.	13,459	0.1	Pass through master lease
A99	Prime Life Mikage	761.18	735.68	28	27	1	Goodworks Co., Ltd.	12,663	0.1	Pass through master lease
A100	City Court Kitaichijo	5,230.18	4,906.52	127	120	1	Big Service Co., Ltd.	65,411	0.7	Pass through master lease
A101	Lieto Court Mukojima	2,940.20	2,852.75	82	79	1	Mitsui Home Estate Co., Ltd.	54,123	0.6	Pass through master lease
A102	Lieto Court Nishi-Ojima	2,048.28	2,027.64	91	90	1	Mitsui Home Estate Co., Ltd.	48,437	0.5	Pass through master lease
A103	Royal Parks Momozaka	8,776.26	8,776.26	147	147	4	Daiwa Living Co., Ltd. (Note 11)	140,320	1.5	Guaranteed rent and pass through master lease (Note 12)
A104	Royal Parks Shinden	15,797.29	15,797.29	248	248	4	Daiwa Living Co., Ltd. (Note 13)	214,749	2.3	Guaranteed rent and pass through master lease
A105	Royal Parks Tower Minami-Senju	39,113.46	36,257.39	557	516	1	Daiwa Living Co., Ltd. (Note 14)	426,286	4.6	Pass through master lease
A106	Royal Parks Seasir Minami-Senju	6,496.86	6,496.86	113	113	1	Daiwa Living Co., Ltd. (Note 14)	55,958	0.6	Guaranteed rent (Note 15)
B08	Kindai Kagakusha Building	1,451.54	1,451.54	13	13	1	Haseko Livenet, Inc.	36,913	0.4	Pass through master lease
B09	Shinjuku Island	526.43	526.43	1	1	1	Not disclosed (Note 16)			
B14	Lexington Plaza Nishigotanda	6,033.58	6,033.58	11	11	8	Community One Co., Ltd.	144,100	1.6	-
B15	Cross Square NAKANO	2,145.00	1,872.14	45	37	1	Shin-ei Real Estate Business Co., Ltd.	43,431	0.5	Pass through master lease
B16	Ohki Aoba Building	2,178.37	1,931.59	13	13	1	One-Eyed Capital Advisers	34,844	0.4	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) (Note7)	Ratio of rental revenue (%)	Type of lease (Note 8)
B17	Lexington Plaza Hachiman	8,419.15	8,419.15	18	18	1	Tokyo Biso Kogyo Corporation	161,712	1.7	Pass through master lease
B18	AEON TOWN Sukagawa	18,440.58	18,440.58	1	1	1	AEONTOWN Co., Ltd.	141,715	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.	105,509	1.1	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.	116,739	1.3	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.	321,887	3.5	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.	175,921	1.9	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.	134,694	1.5	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. (Note 17)	202,987	2.2	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	188,852	2.0	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.	161,661	1.7	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.	108,321	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.	59,954	0.6	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.	133,097	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.	50,702	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.	55,096	0.6	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.	47,795	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.	59,297	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.	56,654	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.	124,567	1.3	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.	40,634	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.	20,795	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.	11,168	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	230,016	2.5	Fixed rent plus variable rent type operation
D22	Hotel Nets Hakodate	7,961.26	7,961.26	205	205	1	Hakodate Hospitality Godo Kaisha	112,960	1.2	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) (Note7)	Ratio of rental revenue (%)	Type of lease (Note 8)
D23	Flexstay Inn Shirogane	1,754.06	1,754.06	84	84	1	MyStays Hotel Management Co., Ltd.	59,740	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.	182,340	2.0	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.	174,873	1.9	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.	95,315	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.	118,142	1.3	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.	76,066	0.8	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.	40,458	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.	89,478	1.0	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.	32,054	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.	25,877	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.	115,682	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.	82,484	0.9	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.	408,173	4.4	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.	549,169	5.9	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.	192,325	2.1	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.	114,650	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.	285,925	3.1	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.	104,257	1.1	Fixed rent
D49	Hotel MyStays Premier Hamamatsucho	6,151.93	6,151.93	134	134	1	MyStays Hotel Management Co., Ltd.	50,800	0.5	Fixed rent plus variable rent type operation
	Total	461,690.56	450,888.97	12,117	11,836	144	-	9,260,917	100.0	-

- (Note 1) “Leasable Area” is the total leasable floor area for guest room, 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 and property manager was changed from Mainichicomnet Co., Ltd. on May 1, 2017.
- (Note 10) The master lessee and property manager was changed from Access Group, Inc. on January 1, 2017.
- (Note 11) The master lessee and property manager was changed to Goodworks Co., Ltd. on August 1, 2017.
- (Note 12) With the change described in Note 11, the type of lease for the residential portion was changed from “guaranteed rent” to “pass-through master lease.”
- (Note 13) The master lessee and property manager was changed to Goodworks Co., Ltd. on July 1, 2017.
- (Note 14) The master lessee and property manager is scheduled to be changed to Goodworks Co., Ltd. on December 1, 2017.
- (Note 15) With the change described in Note 14, the type of lease for the residential portion is scheduled to be changed from “guaranteed rent” to “pass-through master lease.”
- (Note 16) Not disclosed because the consent of the tenant was not obtained.
- (Note 17) The operator to which the tenant entrusts management of hotel operations was changed to MyStays Hotel Management Co., Ltd. on August 1, 2017.

b Occupancy trend

(Unit: %)

Property No.	Property name	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period					
		As of the end of Dec. 2014	As of the end of June 2015	As of the end of Dec. 2015	As of the end of June 2016	As of the end of Dec. 2016	As of the end of Jan. 2017	As of the end of Feb. 2017	As of the end of Mar. 2017	As of the end of Apr. 2017	As of the end of May 2017	As of the end of June 2017
A26	Nisshin Palacestage Daitabashi	90.0	96.9	96.1	97.0	98.0	98.0	98.0	95.1	93.9	91.8	89.8
A27	Nisshin Palacestage Higashi-Nagasaki	96.3	94.9	96.8	93.2	96.5	96.5	100.0	98.8	100.0	98.8	93.6
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	86.2	95.4	97.0	95.5	92.4	90.9	95.5	89.3	93.9	92.4	92.4
A30	Emerald House	98.0	100.0	97.9	100.0	96.9	94.9	91.8	98.8	97.6	97.6	98.9
A31	Harmonie Ochanomizu	93.5	88.3	90.8	100.0	100.0	94.7	100.0	98.7	97.4	97.4	97.5
A32	Suncrest Shakujii-Koen	97.0	97.4	97.0	84.3	94.0	94.1	94.1	100.0	98.0	98.0	94.7
A33	Growth Maison Shin-Yokohama	95.6	97.0	97.2	89.7	94.2	94.3	97.2	97.0	97.0	95.6	97.1
A34	Belle Face Ueno-Okachimachi	98.3	100.0	100.0	98.3	95.2	92.0	90.5	95.4	93.7	90.6	90.6
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	90.5	88.1	97.6	97.6	100.0	97.6	100.0	100.0	97.6	97.6	95.2
A37	Growth Maison Yoga	94.9	94.9	94.8	97.5	94.8	94.8	92.3	100.0	97.5	97.5	92.4
A38	Route Tachikawa	96.6	96.6	96.6	93.2	100.0	100.0	100.0	96.6	96.6	93.2	89.8
A39	Shibuya-Honmachi Mansion	91.3	89.9	96.4	95.9	91.9	88.6	93.1	93.1	100.0	100.0	100.0
A40	City Heights Kinuta	100.0	94.6	89.2	100.0	94.6	94.6	94.6	100.0	100.0	94.6	89.2
A41	Acseeds Tower Kawaguchi-Namiki	86.0	100.0	86.0	94.8	89.4	87.7	87.7	96.5	96.5	94.8	98.3
A42	Capital Heights Kagurazaka	91.6	94.4	97.2	97.2	97.2	92.4	91.0	95.2	92.4	92.4	83.4
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	88.1	100.0	96.0	96.1	92.1	88.1	96.1	96.1	96.1	96.0	92.0
A45	Wacore Tsunashima I	89.9	98.0	91.9	98.0	89.9	87.8	85.8	91.9	91.9	92.1	92.1
A46	Foros Nakamurabashi	88.8	90.5	100.0	96.2	91.2	87.9	93.7	100.0	97.5	97.5	97.5
A47	Growth Maison Kaijin	89.0	87.3	96.7	97.7	97.4	94.9	97.4	100.0	100.0	100.0	100.0
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	95.6	97.1	98.6	96.1	93.3	92.9	94.5	95.6	96.0	92.0	92.8
A52	Winbell Kagurazaka	100.0	95.4	98.3	98.6	95.5	94.6	95.2	98.3	97.4	97.5	98.4
A53	Nishiwaseda Crescent Mansion	90.5	92.1	97.5	100.0	95.8	96.2	98.4	97.2	98.3	98.3	100.0
A54	Lexington Square Akebonobashi	88.8	93.5	98.8	95.4	96.7	96.7	95.5	96.6	96.6	98.9	96.6
A56	Casa Eremitaggio	91.2	84.2	100.0	100.0	96.7	96.7	96.7	100.0	100.0	100.0	94.0
A59	Towa City Coop Shinotsuka II	91.3	96.3	96.4	97.6	96.3	92.1	90.9	91.1	93.8	92.6	91.4
A61	Bichsel Musashiseki	85.8	98.5	97.1	95.7	91.5	91.5	91.6	85.7	94.3	94.3	95.7
A62	Lexel Mansion Ueno Matsugaya	96.8	100.0	100.0	100.0	96.4	96.3	93.7	100.0	96.4	96.4	92.7
A63	Towa City Coop Sengencho	80.2	83.0	93.1	91.1	89.7	88.4	87.1	86.5	86.3	83.8	83.8
A64	Royal Park Omachi	88.1	98.3	98.3	96.7	92.8	91.4	96.7	96.7	96.7	98.3	98.3
A65	Lexington Square Haginomachi	100.0	92.4	92.6	100.0	92.1	92.1	92.1	89.8	89.5	86.9	89.5
A66	Visconti Kakuozan	89.7	78.3	86.3	100.0	83.8	100.0	100.0	88.6	88.6	88.6	88.6
A71	Lexington Square Daitabashi	85.1	93.0	90.1	97.2	92.9	92.2	94.3	91.5	92.2	94.3	92.2
A72	Lexington Square Honjo Azumabashi	97.0	91.1	97.0	94.1	96.9	96.9	96.9	84.6	81.6	81.8	94.0
A73	AMS TOWER Minami 6-Jo	83.7	83.3	94.3	87.6	86.1	86.8	88.2	87.5	85.4	81.1	79.7
A75	Spacia Ebisu	93.6	93.6	95.6	91.7	94.0	94.0	94.1	98.4	98.4	95.5	95.2
A76	Neo Prominence	93.9	94.9	96.6	96.2	95.0	95.0	94.8	94.7	92.9	92.9	91.2
A77	Invoice Shin-Kobe Residence	94.0	88.4	94.9	98.2	81.5	82.4	88.0	90.3	88.9	87.5	91.7
A78	Cosmo Court Motomachi	86.6	96.2	96.2	96.3	86.5	86.6	85.5	86.7	89.3	91.4	95.3

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		As of the end of Dec. 2014	As of the end of June 2015	As of the end of Dec. 2015	As of the end of June 2016	As of the end of Dec. 2016	As of the end of Jan. 2017	As of the end of Feb. 2017	As of the end of Mar. 2017	As of the end of Apr. 2017	As of the end of May 2017	As of the end of June 2017
A79	Revest Honjin	92.5	100.0	98.8	97.5	95.0	98.8	98.8	100.0	97.5	93.8	92.5
A80	Revest Matsubara	93.7	89.5	93.1	88.7	91.8	89.3	91.8	98.8	96.2	93.7	93.1
A81	Sun Terrace Minami Ikebukuro	92.1	97.4	97.4	100.0	97.4	100.0	97.4	92.1	84.2	86.8	86.8
A82	Alba Noritake Shinmachi	94.4	98.6	91.0	97.2	91.0	91.7	92.4	91.6	90.3	88.9	87.5
A83	Revest Meieki Minami	95.4	100.0	100.0	96.6	93.6	95.1	95.4	93.6	93.6	92.1	95.4
A84	Revest Heian	100.0	92.0	100.0	100.0	88.7	90.3	92.0	96.8	96.8	98.4	100.0
A85	Vendir Hamaotsu Ekimae	87.3	88.4	88.4	95.3	93.4	90.2	93.0	98.8	97.3	98.5	98.5
A86	Salvo Sala	93.5	94.4	98.0	100.0	96.7	96.7	98.3	96.4	95.9	93.7	95.9
A87	Excellente Kagurazaka	88.3	97.1	91.2	97.1	88.3	91.2	94.1	97.1	97.1	94.1	94.1
A88	Luna Court Edobori	88.1	94.0	96.0	96.0	98.0	96.0	96.0	94.0	94.0	90.0	94.0
A89	Winntage Kobe Motomachi	94.8	94.7	85.9	86.0	80.7	80.7	80.7	91.0	91.1	85.9	85.9
A90	Queen's Court Fukuzumi	92.5	100.0	95.9	93.1	96.6	96.6	96.6	100.0	95.9	95.9	95.9
A91	Corp Higashinotoin	92.9	95.7	97.9	90.8	95.2	95.2	97.6	100.0	92.9	97.6	97.6
A92	Belair Oimachi	92.9	96.1	96.4	100.0	92.9	96.4	83.2	90.3	90.3	96.1	96.1
A93	Siete Minami-Tsukaguchi	97.5	92.6	95.0	97.5	97.5	95.0	95.0	100.0	100.0	95.0	95.0
A94	Prime Life Sannomiya Isogami Koen	96.9	93.8	100.0	93.8	87.5	90.6	96.9	93.8	90.6	90.6	96.9
A95	HERMITAGE NANBA WEST	100.0	95.7	91.2	100.0	88.0	88.1	92.0	96.0	96.0	95.7	100.0
A96	Century Park Shinkawa I-bankan	95.5	91.0	91.0	95.4	90.9	93.2	93.2	95.4	93.3	91.0	88.7
A97	West Avenue	85.0	75.0	80.0	85.0	87.5	87.5	92.5	90.0	87.5	85.0	85.0
A98	Little River Honmachibashi	93.8	96.9	100.0	100.0	96.9	100.0	93.8	96.9	96.9	90.8	87.7
A99	Prime Life Mikage	93.3	86.8	100.0	96.7	86.8	86.8	83.5	90.1	93.4	90.0	96.6
A100	City Court Kitaichijo	—	—	96.6	95.7	94.8	95.5	100.0	100.0	94.0	91.2	93.8
A101	Lieto Court Mukojima	—	—	97.6	96.8	95.3	96.5	95.6	99.0	99.0	94.5	97.0
A102	Lieto Court Nishi-Ojima	—	—	100.0	98.0	96.8	96.8	95.6	100.0	97.8	97.8	99.0
A103	Royal Parks Momozaka	—	—	—	100.0	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	100.0
A105	Royal Parks Tower Minami-Senju	—	—	—	—	—	—	—	95.0	93.6	93.8	92.7
A106	Royal Parks Seasir Minami-Senju	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0
B08	Kindai Kagakusha Building	100.0	100.0	100.0	100.0	100.0	90.6	90.6	90.6	90.6	90.6	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	91.8	91.8	100.0	100.0	100.0	100.0	100.0
B15	Cross Square NAKANO	64.3	70.8	79.1	84.1	89.1	85.7	85.7	87.4	87.4	87.4	87.3
B16	Ohki Aoba Building	100.0	100.0	100.0	83.6	83.6	83.6	83.6	83.6	83.6	88.7	88.7
B17	Lexington Plaza Hachiman	100.0	100.0	100.0	98.8	100.0	100.0	100.0	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	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	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	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	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	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	100.0

Property No.	Property name	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period					
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D09	Hotel MyStays Yokohama	100.0	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	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	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	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	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	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	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	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	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	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	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	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	100.0
D22	Hotel Nets Hakodate	—	100.0	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	100.0
D24	Hotel MyStays Haneda	—	—	100.0	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	100.0
D26	Hotel MyStays Ueno Iriyaguchi	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D27	Hotel MyStays Kameido P2	—	—	100.0	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	100.0
D29	Super Hotel Shinbashi/Karasumoriguchi	—	—	100.0	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	100.0
D31	Hotel MyStays Utsunomiya	—	—	100.0	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	100.0
D33	Comfort Hotel Toyama	—	—	100.0	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	100.0
D35	Flexstay Inn Ekoda	—	—	100.0	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	100.0
D37	Super Hotel JR Ueno-iryaguchi	—	—	100.0	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	100.0
D39	Comfort Hotel Kurosaki	—	—	—	100.0	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	100.0
D41	Comfort Hotel Tsubame-Sanjo	—	—	—	100.0	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	100.0
D43	Hotel MyStays Gotanda Station	—	—	—	100.0	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	100.0
D45	Hotel MyStays Fukuoka Tenjin	—	—	—	100.0	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	100.0
D47	Hotel MyStays Premier Kanazawa	—	—	—	100.0	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	100.0
D49	Hotel MyStays Premier Hamamatsucho	—	—	—	—	—	—	—	—	—	100.0	100.0
Total		96.1	96.9	98.2	98.5	97.9	97.7	98.1	98.3	98.0	97.7	97.7

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