

Invincible

Investment Corporation

Invincible Investment Corporation
December 2018 Fiscal Period Results
(July 1, 2018 to December 31, 2018)

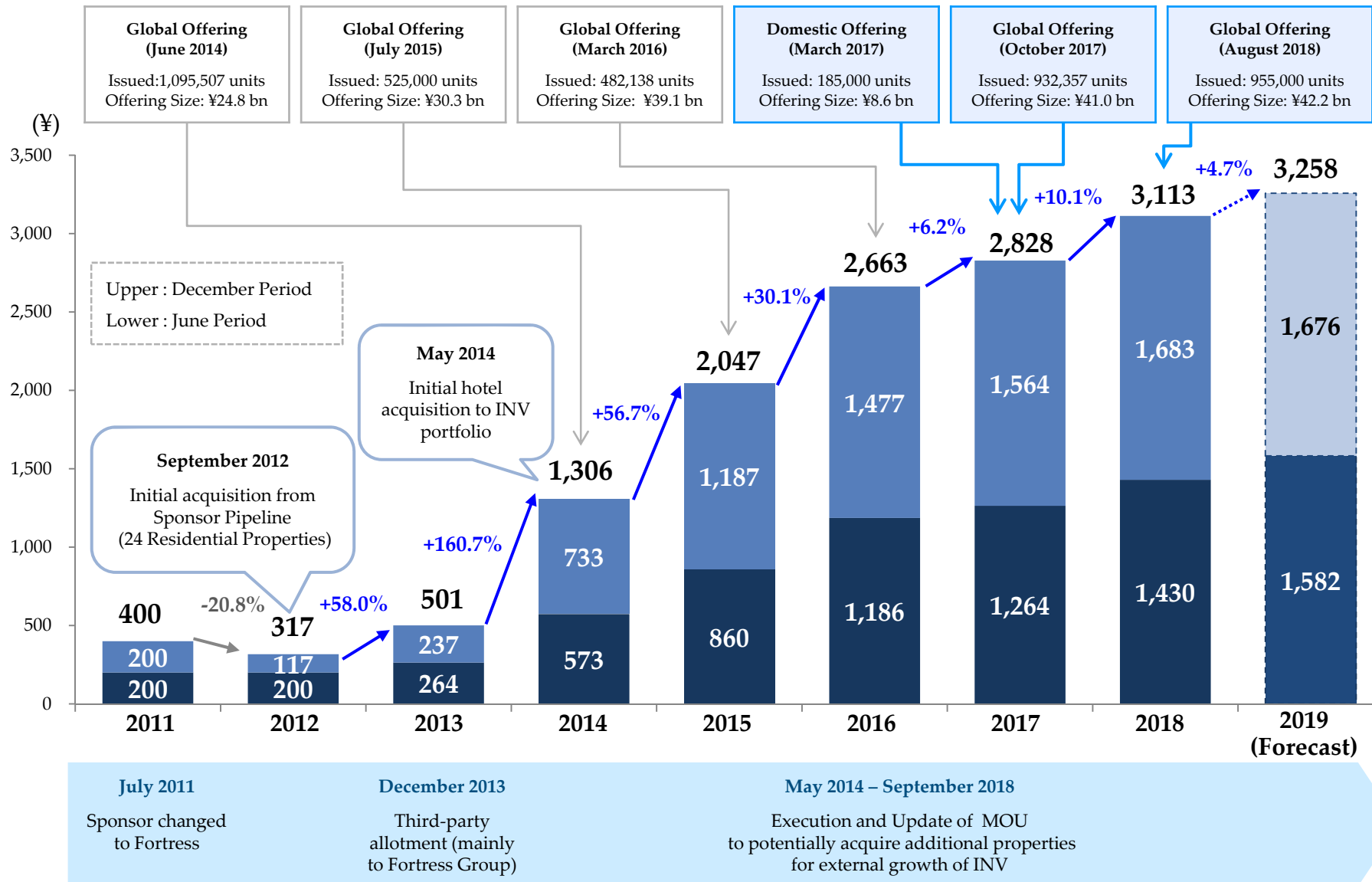
TSE Code : 8963

February 21, 2019

<p>2018 2H Results</p>	<ul style="list-style-type: none"> ■ Combined NOI for the domestic hotel and residential portfolios increased 2.5% year over year¹ ■ 2H 2018 RevPAR increased 2.6% year over year² ■ 2H 2018 DPU increased 7.6% year over year ■ A diversified portfolio mitigated the impacts of natural disasters in Hokkaido and Kansai ■ Cayman hotels exceeded expectations
<p>2019 Forecasted Results</p>	<ul style="list-style-type: none"> ■ Full year forecasted DPU is ¥3,258; a 4.6% increase over 2018 DPU ■ Expect strong performance at Tokyo hotels and positive impact of Rugby World Cup ■ Residential rent increase program continues to drive excellent NOI growth ■ Plan to convert TK Ownership into a direct ownership of the Cayman hotels³
<p>Fortress Sponsorship</p>	<ul style="list-style-type: none"> ■ DPU has increased by 7.8x since becoming sponsor in 2011 ■ DPU growth rates exceed peer group⁴ as well as broader JREIT index⁵ ■ Since 2017, unit count has increased by 54% but simulated net income has increased by 88%⁶ ■ Since 2017, prime assets acquired include Hotel MyStays Premier Akasaka, Royal Parks Tower Minami-Senju and a 49% interest in the 1,016 room Sheraton Grande Tokyo Bay Hotel (Disneyland) ■ In Greater Tokyo nine hotels and two residential properties acquired since 2017
<p>Vision 2022</p>	<ul style="list-style-type: none"> ■ DPU target of ¥3,700 by 2022⁷ ■ Expanded portfolio is well positioned to benefit from strength in Greater Tokyo hotel market, 2020 Olympics and further increase of inbounds, improved supply fundamentals of hotels and residential rent increases ■ Projected annual depreciation of ¥7.2 billion⁸ versus maintenance capital expenditures of ¥3.2 billion⁸ provides cash flow for value added expansions and renovations as well as potential unit buybacks ■ Asset recycling could accelerate the realization of this goal

(Note 1) Based on the domestic properties owned by INV as of the end of December 2018, assuming all properties were owned since the beginning of 2017. Excludes MS Midotsuji Honmachi since it opened in December, 2017. Includes the dividends from preferred equity interest of TMK that owns SGTB, assuming the dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2017 and 2018 is based on actual results provided by sellers.
 (Note 2) Based on 51 hotel properties; of the 60 hotel properties (including Sheraton Grande Tokyo Bay Hotel), the underlying asset of preferred equity interest held by INV in our portfolio at the beginning of December 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2017. The pre-acquisition period of the properties acquired in 2017 and 2018 is based on actual results provided by sellers.
 (Note 3) Subject to discussion with regulatory authorities and related parties.
 (Note 4) The following REITs that have hotels as the core asset class: Japan Hotel REIT, Hoshino Resort REIT, Ichigo Hotel REIT, Mori Trust Hotel REIT and Oeodo Onsen REIT. Based on each respective REITs website.
 (Note 5) JREIT Index indicates the TSE REIT Index. Based on the information by Bloomberg.
 (Note 6) Indicates the difference between "2016 Portfolio" and "Current Portfolio". Please see page 5 for detail.
 (Note 7) This is the target of INV as of February 2019 based on various assumptions and simulations, and there is no guarantee that INV can achieve this target in 2022 or later.
 (Note 8) Based on 2019 forecast for the properties owned by INV as of December 31, 2018, includes overseas assets, excludes SGTB

Since Fortress' sponsorship, DPU has grown by 30.0% per annum, or 7.8x

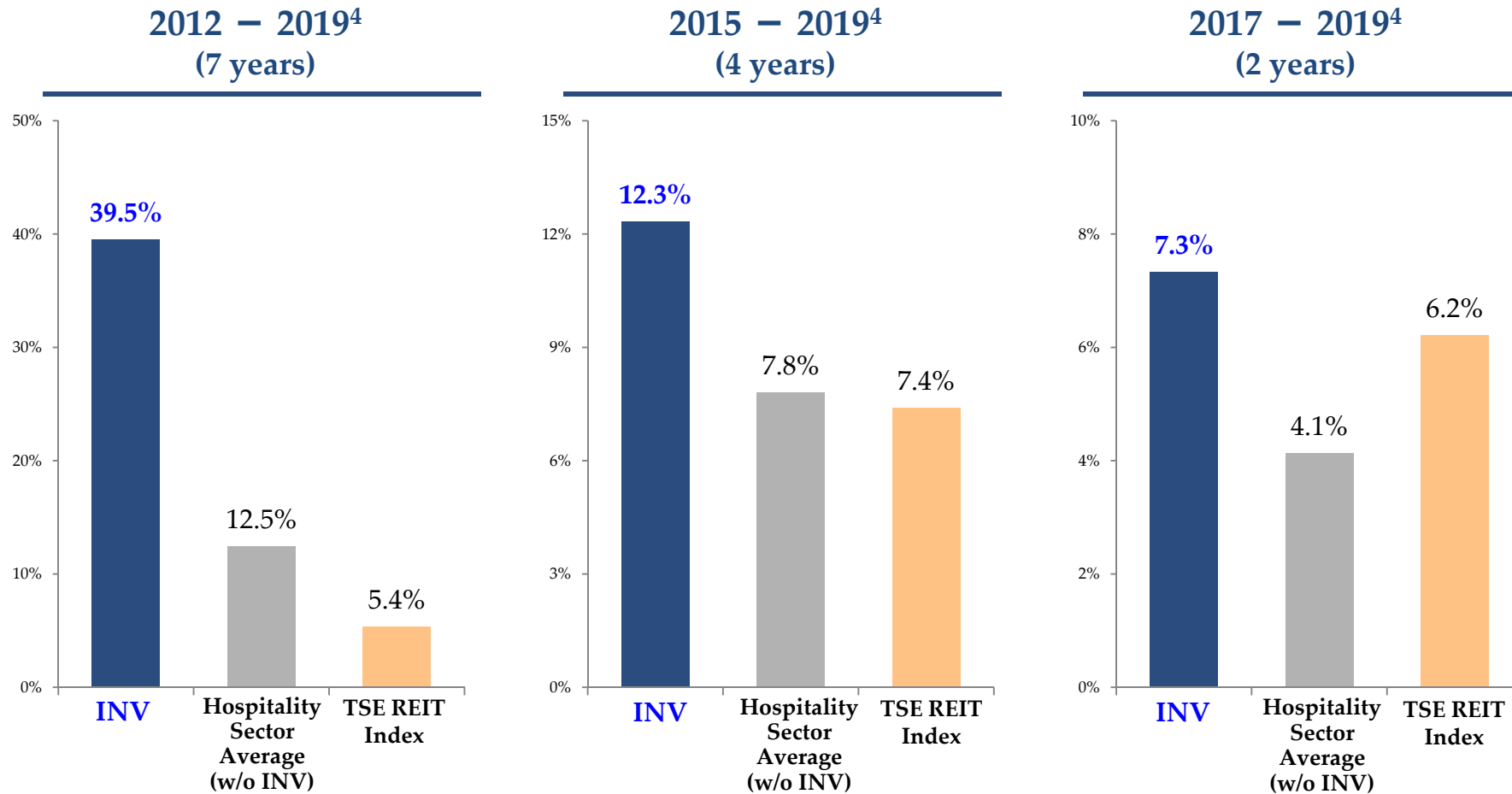


(Note 1) Issued Units: The figures include third-party allotment which was announced in tandem with the public offering
 (Note 2) Offering Size: Sum of total issue value of each public offering and third party allotment

Comparison of DPU Growth Rate among Hospitality REITs

INV's DPU growth has outpaced the Hospitality REIT Sector¹ and the TSE REIT Index², averaging annual growth of 39.5% over 7 years, 12.3% over 4 years and 7.3% over 2 years

CAGR of DPU in Comparable Different Period (% p.a.)³



Source: Website of each REIT, Bloomberg

(Note 1) 7 years: Japan Hotel REIT / 4 years: Japan Hotel REIT and Hoshino Resort REIT / 2 years: Japan Hotel REIT, Hoshino Resort REIT, Ichigo Hotel REIT, Mori Trust Hotel REIT and Oeodo Onsen REIT

(Note 2) Calculated by the weighted average of DPU of all REITs for the relevant period aggregated by Bloomberg

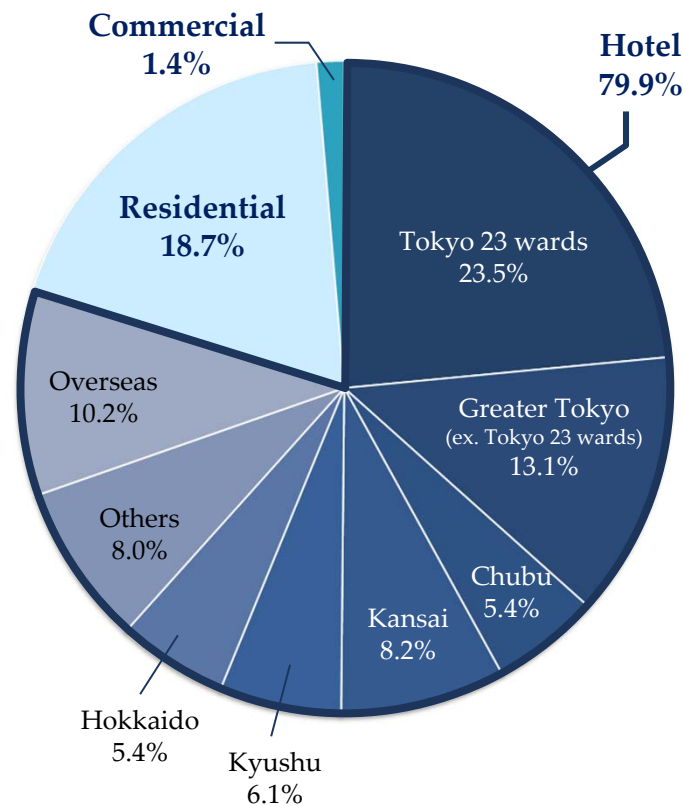
(Note 3) Comparison starts from 2012, the first full year for INV under the sponsorship of Fortress. Information of other REITs are based on availability

(Note 4) The 2019 DPU figure for INV is based on the forecasted figure that was disclosed by INV as of today, and the forecasted figures for all other REITs are based the most recent forecasted figures as disclosed by each REIT. The forecasted figures are based on various estimates and assumptions, and accordingly the CAGR figures above are subject to change and the comparison of CAGR with other REITs may not appropriately show the trend in DPU growth of INV and other REITs

An Upgraded and Diversified Portfolio Mitigates Swings in Any Specific Market

- A stable residential portfolio with increasing rents and NOI coupled with a geographically diversified hotel portfolio cushioned the impact of natural disasters in Kansai and Hokkaido
- Recent acquisitions in Tokyo, Maihama (Disneyland area), Hokkaido, Kyushu and Grand Cayman have mitigated the impact of new supply in Kansai
- The nine Greater Tokyo hotels acquired since 2017 produced a 2018 average RevPAR of ¥14,731 which is approximately twice the RevPAR of the Greater Tokyo hotels acquired prior to 2017

2018 Simulated NOI¹ by Region and Asset Type



		Number of Properties	2018 Simulated NOI ¹	
			(¥ million)	(%)
Hotel	Tokyo	27	6,388	23.5%
	Greater Tokyo (ex. Tokyo 23 wards)	10	3,568	13.1%
	Tokyo Area - Subtotal	37	9,957	36.6%
	Chubu	6	1,456	5.4%
	Kansai	7	2,227	8.2%
	Kyushu	5	1,649	6.1%
	Hokkaido	4	1,479	5.4%
	Other Areas	5	2,181	8.0%
	Overseas	2	2,782	10.2%
Hotel - Subtotal		66	21,733	79.9%
Residential		64	5,098	18.7%
Commercial		2	368	1.4%
Total		132	27,200	100.0%

(Note 1) Based on the properties owned by INV as of the end of December 2018, assuming all properties were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers. The estimated TK dividend amount is calculated at the exchange rate of US\$1 to ¥110

Comparison of 2016 Portfolio¹ and Current Portfolio² (2)

CIM believes that the last three equity offerings were positive for unitholders because it increased portfolio quality, contributed to portfolio diversification and increased DPU

- ✓ In 2017 and 2018, Invincible conducted three equity offerings increasing its unit count by 54.2%
- ✓ During this period, Invincible acquired 20 assets and disposed of 12 assets
- ✓ Impact was that simulated Net Income increased to ¥18.0 billion or by 87.6% versus a 54.2% increase in the unit count
(¥ million)

	2016 Actual	2018 Simulated ⁴		Change		
		2016 Portfolio 〈A〉	Current Portfolio 〈B〉	(Amount) 〈B〉 - 〈A〉	(%) 〈B〉 / 〈A〉 -1	
Number of Assets ³	Net	124	124	132	8	6.5%
	Acquired	-	-	20 ⁵	-	-
	Sold	-	-	12	-	-
Net properties acquired (Total acquisition price ³)	266,619	266,619	449,113	182,494	68.4%	
NOI	15,551	15,806	27,200	11,395	72.1%	
Depreciation	3,742	4,244	6,265	2,021	47.6%	
AM fee	500	550	550	-	-	
Operating expenses	302	367	508	141	38.3%	
Finance costs	467	331	562	231	69.8%	
Interest expenses	655	711	1,297	586	82.5%	
Other	91	-	-	-	-	
Net income	9,794	9,602	18,016	8,415	87.6%	
Outstanding Units (Unit)	3,675,824	3,675,824	5,666,840 ⁶	1,991,016	54.2%	
EPU (¥)	2,663	2,612	3,178	566	21.7%	
Excess distribution per unit (¥)	0	16	28	12	75.0%	
DPU (¥)	2,663	2,628	3,206	578	22.0%	

(Note 1) Indicates the properties owned by INV as of the end of December 2016.

(Note 2) Indicates the properties owned by INV as of the end of December 2018

(Note 3) Number of assets and Acquisition price: The 49% preferred equity interest in the JV TMK that holds Sheraton Grande Tokyo Bay Hotel (SGTB) is counted as one property for INV's portfolio, and the amount of preferred equity interest contribution by Invincible to the JV TMK is deemed as the acquisition price of SGTB interest. Also, Westin and Sunshine Resort are counted as two properties for INV's portfolio, and the amount of TK investment by INV to the SPC which holds the leasehold of these properties is deemed to be the acquisition price for such proportion, which is converted into JP yen based on the foreign exchange forward executed on July 26, 2018, and the amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018

(Note 4) 2018 Simulated: Assuming all properties of relevant portfolio were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers. The estimated TK dividend amount is calculated at the exchange rate of US\$1 to ¥110. These figures are calculated by applying adjustments based on the assumption above as reference, and INV does not guarantee that such amount of DPU will be achieved

(Note 5) Other than acquisition of 20 properties, INV acquired annex building of Hotel MyStays Gotanda Station on October 2017 additionally

(Note 6) INV repurchased 81,341 own investment units and cancelled during December 2018 Fiscal Period

Comparison of 2016 Portfolio¹ and Current Portfolio² (2)

DPU would have been materially lower had Invincible stuck with its original portfolio and not conducted these equity offerings, new acquisitions and property disposals

- ✓ 2016 portfolio provided simulated Net Income of ¥9.7 billion in 2016 or simulated DPU of ¥2,673
- ✓ 2016 portfolio would have provided simulated Net Income of ¥9.6 billion or simulated DPU of ¥2,628 in 2018
- ✓ Instead, 2018 simulated DPU is projected to be ¥3,206, a 22.0% increase compared to the simulation in 2018 assuming 2016 portfolio, based upon simulated Net Income for the expanded portfolio of ¥18,016 million

(¥ million)

	2016 Actual		2018 Simulated ⁴		Change		
		(Simulated ⁷) 〈A〉	2016 Portfolio 〈B〉	Current Portfolio 〈C〉	(Amount) 〈C〉 - 〈B〉	(%) 〈C〉 / 〈B〉 - 1	
Number of Assets ³	Net	124	124	124	132	8	6.5%
	Acquired	-	-	-	20 ⁵	-	-
	Sold	-	-	-	12	-	-
Net properties acquired (Total acquisition price ³)		266,619	266,619	266,619	449,113	182,494	68.4%
NOI		15,551	15,801	15,806	27,200	11,395	72.1%
Depreciation		3,742	4,122	4,244	6,265	2,021	47.6%
AM fee		500	500	550	550	-	-
Operating expenses		302	367	367	508	141	38.3%
Finance costs		467	331	331	562	231	69.8%
Interest expenses		655	711	711	1,297	586	82.5%
Other		91	-	-	-	-	-
Net income		9,794	9,769	9,602	18,016	8,415	87.6%
Outstanding Units (Unit)		3,675,824	3,675,824	3,675,824	5,666,840 ⁶	1,991,016	54.2%
EPU (¥)		2,663	2,657	2,612	3,178	566	21.7%
Excess distribution per unit (¥)		0	16	16	28	12	75.0%
DPU (¥)		2,663	2,673	2,628	3,206	578	22.0%

(Note 1) Indicates the properties owned by INV as of the end of December 2016.

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(Note 4) 2018 Simulated: Assuming all properties of relevant portfolio were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers. The estimated TK dividend amount is calculated at the exchange rate of US\$1 to ¥110. These figures are calculated by applying adjustments based on the assumption above as reference, and INV does not guarantee that such amount of DPU will be achieved










(Note 5) Other than acquisition of 20 properties, INV acquired annex building of Hotel MyStays Gotanda Station on October 2017 additionally












(Note 6) INV repurchased 81,341 own investment units and cancelled during December 2018 Fiscal Period

(Note 7) Based on 2016 portfolio assuming all of 2016 portfolio owned from the beginning of 2016. The pre-acquisition period of the properties acquired in 2016 is based on actual results provided by sellers

Sponsorship: Acquisitions Accretive to NOI Growth and Portfolio Quality

Since January 2017, INV has acquired 21 properties (19 hotels and two residential assets)¹ from the Sponsor for a combined acquisition price of ¥220 billion¹

Property	Royal Parks Tower Minami-Senju	Royal Parks Seasir Minami-Senju	MSP Hamamatsucho	MS Gotanda Station ⁶	SGTB (49% Interest)	Beppu Kamenoi Hotel	MSP Omori	MS Shin-Osaka CC	MS Sapporo Station
									
Acquisition Date	February 2017	February 2017	May 2017	October 2017	October 2017	October 2017	October 2017	October 2017	October 2017
Acquisition Price ¹ (¥ million)	21,879	2,683	8,000	26,523	17,845	8,870	9,781	13,068	7,880
Contribution to 2018 Total Simulated NOI ²	4.3%	0.6%	1.7%	3.4%	6.0%	2.7%	2.0%	2.8%	1.7%
2018 Simulated NOI Growth(YoY) ³	+4.6%	+13.5%	+11.8%	+14.8%	+5.3%	+14.2%	+10.8%	-7.5%	+8.2%

MS Yokohama Kannai	Art Hotel Joetsu	Art Hotel Hirosaki City	MS Oita	MS Gotanda	MS Tachikawa	MSP Akasaka	MSP Sapporo Park	MS Ueno East	MS Midotsuji Honmachi	Cayman Hotels
										
February 2018	February 2018	February 2018	February 2018	June 2018	June 2018	August 2018	August 2018	August 2018	August 2018	September 2018
5,326	2,772	2,723	1,604	4,068	3,257	20,691	16,731	5,286	5,039	36,783
1.0%	0.8%	0.7%	0.4%	0.8%	0.6%	3.3%	2.8%	1.0%	0.7%	10.2%
+4.5%	-1.3%	+2.7%	+5.8%	+8.2%	+11.0%	+13.6%	-6.6%	+4.5%	-	+112.0% ⁴

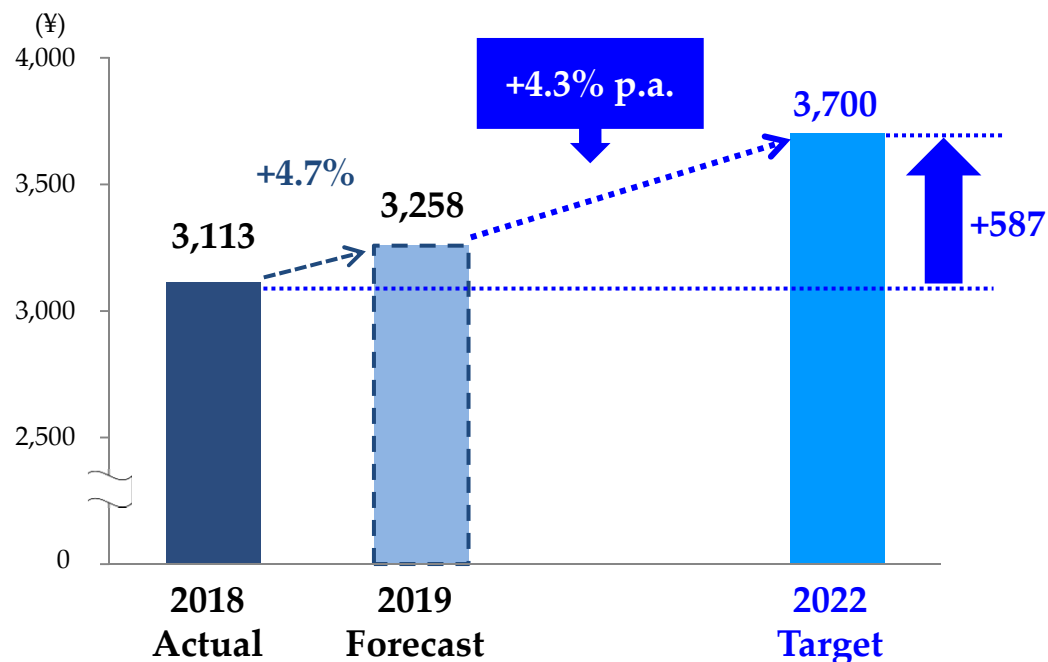
Total

2018 Simulated NOI Growth(YoY): **+20.6%**^{4,5} Contribution to 2018 Total Simulated NOI: **47.5%**
(NOI Growth for Domestic hotels: **+7.8%**⁵)

(Note 1) Number of assets and Acquisition price: The 49% preferred equity interest in the JV TMK that holds Sheraton Grande Tokyo Bay Hotel (SGTB) is counted as one property for INV's portfolio, and the amount of preferred equity interest contribution by Invincible to the JV TMK is deemed as the acquisition price of SGTB interest. Also, Westin and Sunshine Resort are counted as two properties for INV's portfolio, and the amount of TK investment by INV to the SPC which holds the leasehold of these properties is deemed to be the acquisition price for such proportion, which is converted into JP yen based on the foreign exchange forward executed on July 26, 2018, and the amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018.
 (Note 2) 2018 total simulated NOI is based on the properties owned by INV as of December 31, 2018, includes the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers. The estimated TK dividend amount is calculated at the exchange rate of US\$1 to ¥110.
 (Note 3) Assuming all properties were owned since the beginning of 2017. Actual results for the pre-acquisition period of the properties acquired in 2017 and 2018 is based on actual results provided by sellers. With regard to SGTB and Cayman hotels, the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels apply for those NOI respectively, assuming these dividends contributed 2018 full year of INV.
 (Note 4) The Westin Grand Cayman Seven Mile Beach Resort & Spa, one of the two overseas hotels, was under renovation from May, 2017 through November, 2017. Calculation of NOI growth is affected by the fact that Simulated NOI in 2017 would be declined as usual due to the renovation.
 (Note 5) Excluded MyStays Midotsuji Honmachi since it opened in December, 2017.
 (Note 6) Originally main building was acquired on March 2016, and additionally annex building was acquired on October 2017. NOI for full year 2018 is based on both main building and annex building; NOI of the annex building is not considered for the period in 2017 before the completion of the annex building.

- Reoccurring property NOI to be the basis for DPU target
- Management committed to adhere to this target and will endeavor to accelerate its realization

DPU (Forecast and Target¹)



Key Assumptions (over 4 years)

- ✓ Assumed annual NOI growth from hotels in Japan: +1.4%
- ✓ Assumed annual NOI growth from residential assets: +2.8%
- ✓ Assumed annual NOI from Cayman hotels: +2.5%

Key Drivers of ¥3,700 Target DPU

- New hotel supply is forecasted to taper off with a steeper drop off in 2020
- Restrictions on Minpaku dramatically reduced shadow supply
- Continued strong tourism growth including 2019 Rugby World Cup and 2020 Tokyo Olympics
- Cayman Hotels continue to show strong performance
- Residential Rent Increase program sustains strong performance
- Westin Annex expansion under active consideration and planning
- Asset recycling could accelerate the realization of this goal

(Note 1) This is the target of INV as of February 2019 based on various assumptions and simulations, and there is no guarantee that INV can achieve this target in 2022 or later. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market and other risks that are outside of INV's control. Specifically, the DPU Target in 2022 is based on key drivers and key assumptions stated above, and the DPU increase is planned to be achieved mainly through the increase in NOI from hotels in Cayman, which is subject to structure change as well as its expansion plan currently envisaged by INV, which has not been determined yet as stated in page 17

Vision 2022 NOI Bridge

- On a monthly basis, INV will continue to provide detailed asset by asset performance data as well as aggregated data for each of the nine major groups of assets
- Regional and monthly variability is to be expected but portfolio diversification will dampen the impact
- Growth in Greater Tokyo in 2019 and 2020 will help offset declines in Kansai; such declines expected to taper off starting in 2021

		2018 Simulated NOI ¹		NOI growth			Target NOI (¥ million)
		(¥ million)	NOI Ratio	2018 Simulated ² (Actual)	2019 Simulated ¹ (Forecast)	4 year CAGR ³ (2018-2022)	
Domestic Hotel	Tokyo 23 wards	6,388	23.5%	+8.1%	+2.5%	+3.3%	7,276
	Greater Tokyo (ex. Tokyo 23 wards)	3,568	13.1%	+4.1%	-0.4%	+2.3%	3,909
	Tokyo Area - Subtotal	9,957	36.6%	+6.6%	+1.5%	+2.9%	11,185
	Chubu	1,456	5.4%	-1.6%	-0.4%	-0.5%	1,427
	Kansai	2,227	8.2%	-13.0%	-4.8%	-5.0%	1,814
	Kyushu	1,649	6.1%	+7.9%	+0.5%	+1.0%	1,716
	Hokkaido	1,479	5.4%	-3.2%	+7.4%	+3.5%	1,697
	Other domestic	2,181	8.0%	+2.6%	-0.7%	+0.5%	2,226
Domestic Hotel - Subtotal		18,951	69.7%	+2.1%	+0.7%	+1.4%	20,066
Residential		5,098	18.7%	+4.0%	+1.9%	+2.8%	5,704
Commercial		368	1.4%	-	-	-	368
Domestic Asset - Subtotal		24,417	89.8%	+2.5%	+1.0%	+1.7%	26,139
Overseas		2,782	10.2%	+112.0% ⁴	+4.8%	+2.5%	3,072
Overseas Annex ⁵		-	-	-	-	-	1,140
Total		27,200	100.0%	+8.2% ⁴	+1.4%	+2.8%	30,351
DPU		3,113		3,113	3,258	3,700	3,700

(Note 1) Based on the properties owned by INV as of the end of December 2018, assuming all properties were owned since the beginning of 2017. Includes the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2017 and 2018 is based on actual results provided by sellers. The estimated TK dividend amount is calculated at the exchange rate of US\$1 to ¥110

(Note 2) MS Midouji Honmachi is included in the 2018 simulated NOI ratio but is excluded in the 2018 NOI growth calculation since it opened in December, 2017

(Note 3) 4 year CAGR is stated for calculation reference purpose only to show such CAGR to reach the Target NOI in 2022 for each group of properties. There is no assurance that such growth rate can be achieved

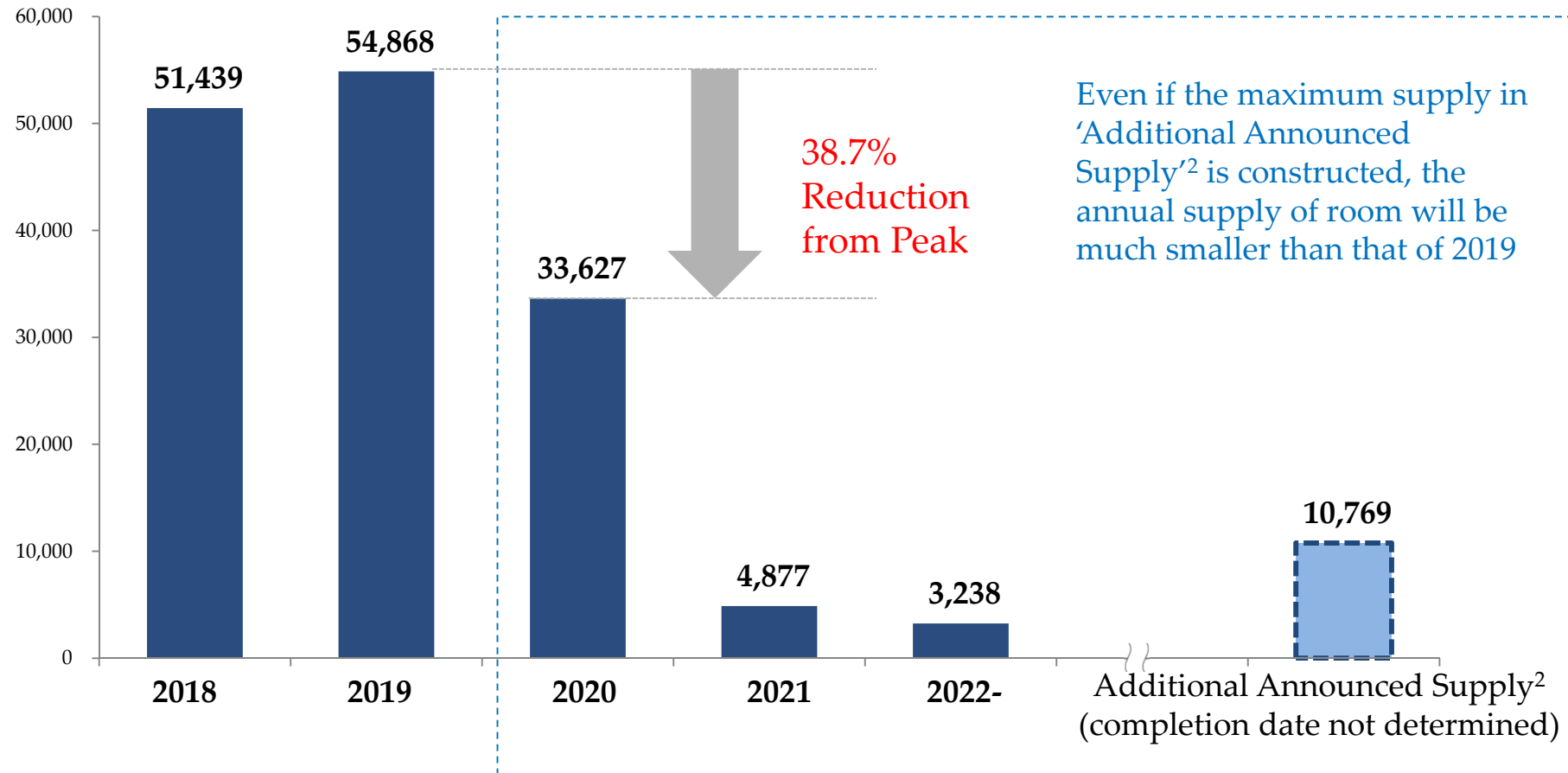
(Note 4) The Westin Grand Cayman Seven Mile Beach Resort & Spa (Westin), one of the two overseas hotels, was under renovation from May, 2017 through November, 2017. Calculation of NOI growth is affected by the fact that Simulated NOI in 2017 would be declined as usual due to the renovation

(Note 5) Planned development at Westin. Please refer to page 16-17 for detail

New Hotel Construction and Room Expansion

- Hotel development plans will peak out in 2019
- A slowdown in new supply is expected with a decline of 38.7% YoY in new rooms for 2020 compared to 2019

(# of New Rooms)¹



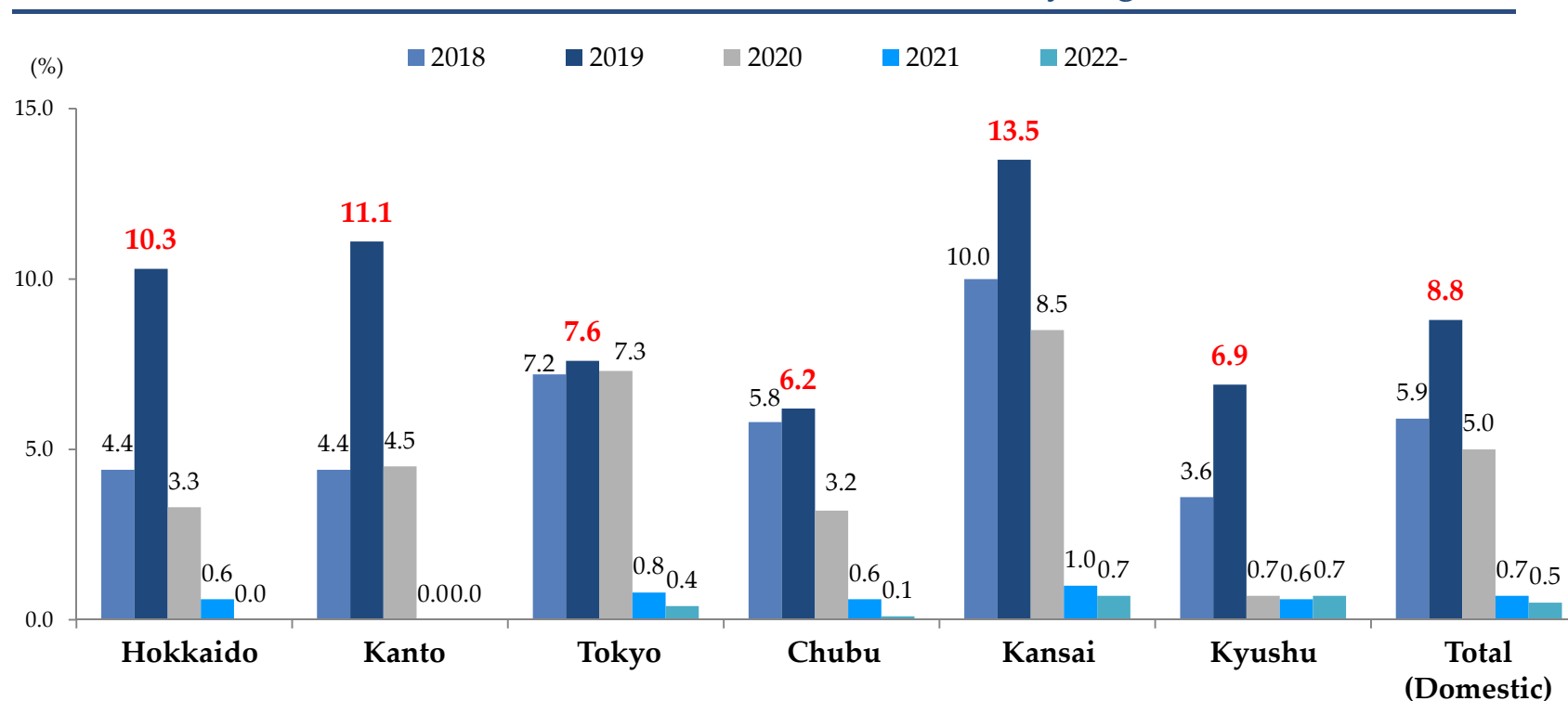
Source: HOTERES survey

(Note 1) Based on available material only as of December 2018. Newly built hotels with more than 40 rooms is within the scope of aggregation in general
 (Note 2) Indicates the number of announced hotel rooms planned to be built but whose completion date is not yet determined

Hotel Development Plans Will Peak Out in 2019

- Hotel development plans will peak out in 2019 in each region with domestic hotels owned by INV
- The Kansai region exhibits the largest supply figures, however only represents 8.2% of INV's total NOI in 2018

Growth in Number of Hotel Guest Rooms¹ by Region



No. of INV Hotel Assets	Hokkaido	Kanto	Tokyo	Chubu	Kansai	Kyushu	Total (Domestic)
No. of INV Hotel Assets	4	13	29	6	7	5	64
INV Hotels as % of Total NOI ² (2018)	5.4%	19.0%	24.3%	5.4%	8.2%	6.0%	69.5%

Source: HOTERES survey and Mizuho Securities Equity Research

(Note 1) Based on available material only as of December 2018. Newly built hotels with more than 40 rooms is within the scope of aggregation in general

(Note 2) Based on the properties owned by INV as of the end of December 2018, assuming all properties were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns SGTB and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed 2018 full year of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers. The estimated TK dividend amount is calculated at the exchange rate of US\$1 to ¥110

- New Minpaku regulations became effective on June 15, 2018, resulting in a noticeable decrease at least temporarily in Minpaku listings, which is currently expected to benefit Hotel MyStays hotels and the hotel industry in the near term
- The number of properties registered on Airbnb, the industry leader in Minpaku, has fallen by approximately 60% throughout Japan with the enforcement of the New Minpaku regulations. Although the number of Minpaku listings have mildly increased since the change in regulations, the pace of recovery is slow and the number has not increased at all in the past four months
- Penalties for non-compliance include possible imprisonment and/or significant fines after the amendment to Hotel Business Act

Overview of New Regulations Applied to Minpaku

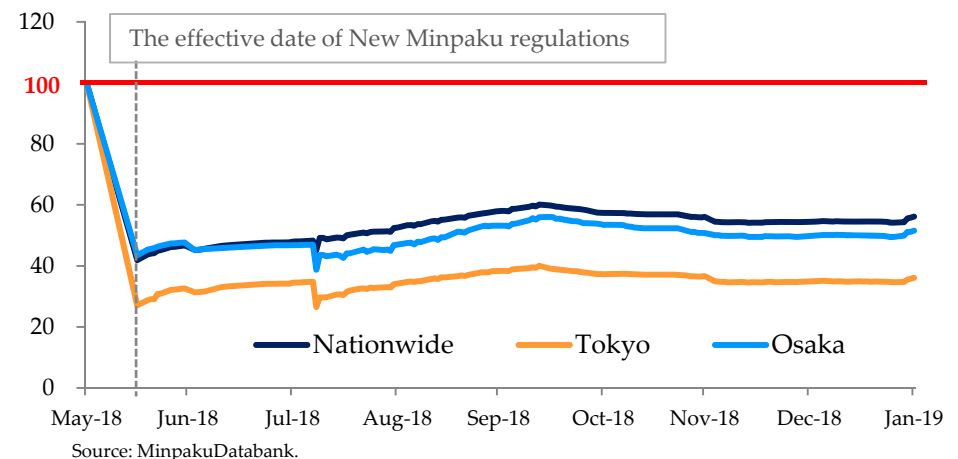
- The number of days a property is used for lodging must not exceed 180 days a year
- Notification with the relevant prefectural governor is required, as well as a document that proves that the property meets the residence requirements
- Some local governments impose additional restrictions, especially for properties in residential areas
- Examples of onerous requirements for facilities and services to comply with Minpaku regulations:

- ✓ Secure 3.3m² or wider of floor space per lodger for the lodging room
- ✓ Install emergency lighting equipment and display the evacuation route
- ✓ Provide foreign language guidance on transport and emergency contacts
- ✓ Must maintain 3 years of records of guest names, addresses, occupancies and date of stay
- ✓ Explain to lodgers the matters to be considered for preventing harmful effects on the living environment in the surrounding area
- ✓ Quick and adequate response to complaints and inquiries
- ✓ Report the details of lodging to the prefectural governor once every two months

Penalties for Non-Compliance

- A person engaged in the private lodging business without the requisite notification or permission may be subject to imprisonment of up to 6 months and/or fines of up to ¥1 million
- A person engaged in the private lodging agent business without the requisite registration may also be subject to imprisonment of up to 12 months and/or fines of up to ¥1 million

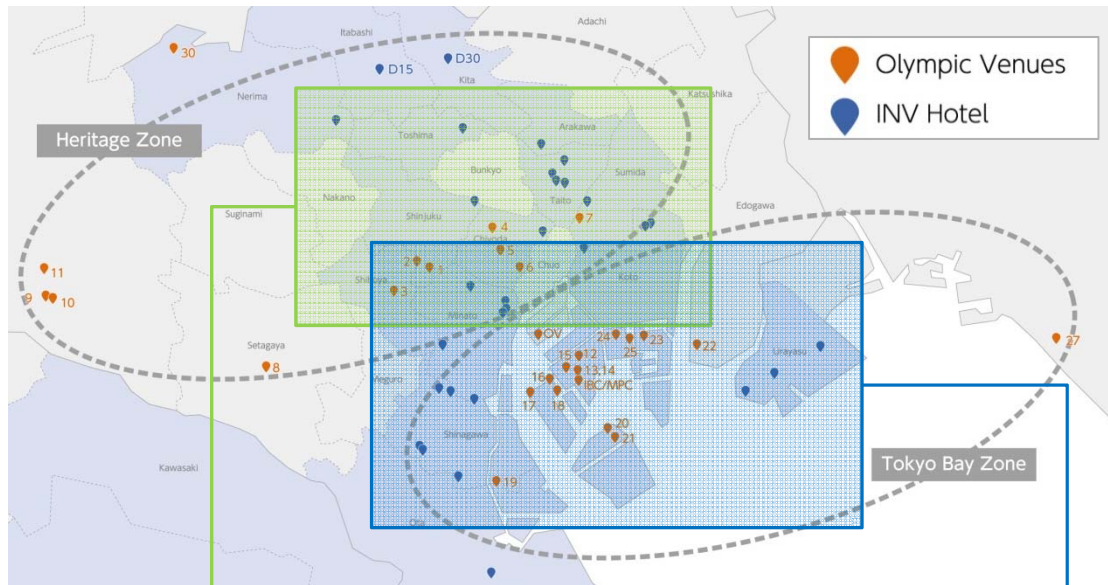
Change in Airbnb Listings from May 31, 2018 to January 31, 2019²



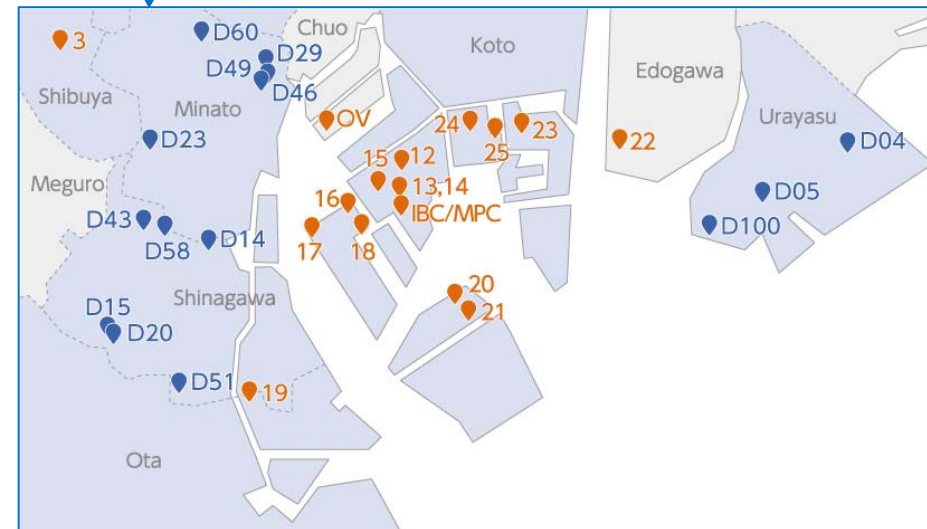
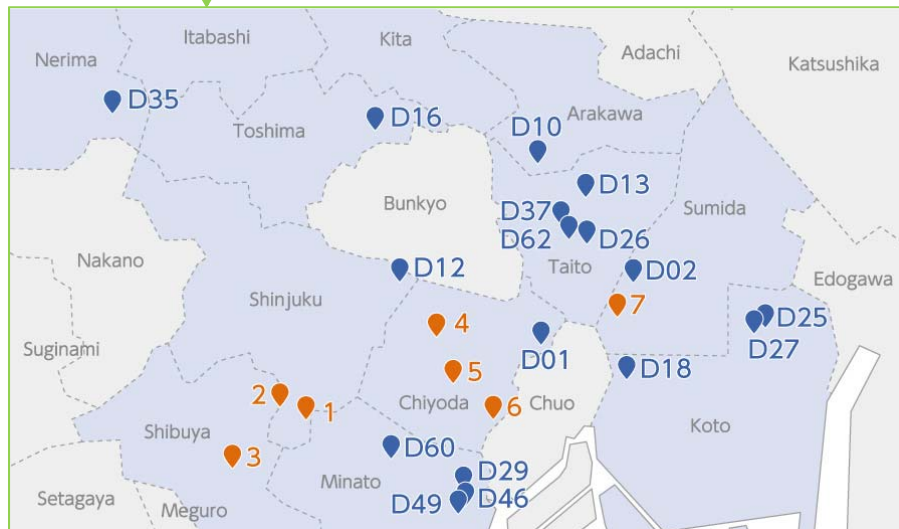
(Note 1) Company based in San Francisco that operates an online marketplace and hospitality service for people to lease or rent short-term lodging including holiday cottages, apartments, homestays, hostel beds, or hotel rooms, to participate in or facilitate experiences related to tourism such as walking tours, and to make reservations at restaurants
 (Note 2) The graph shows the change in the number of listed lodging properties in Airbnb until January 31, 2019, as compared to that as of May 31, 2018 which is taken as 100.

Olympic Venues and INV Hotel Portfolio

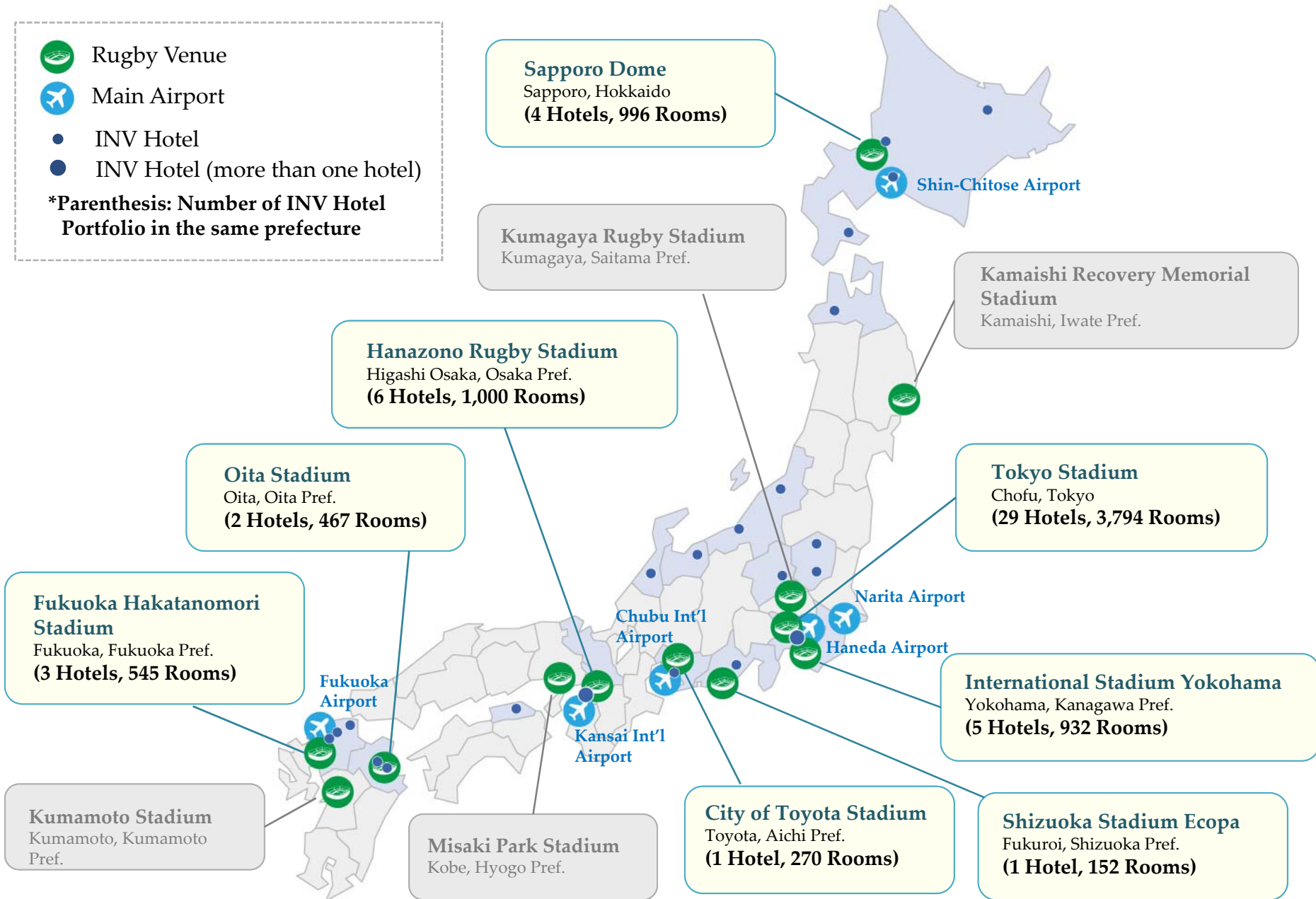
- Unique footprint where 27 of INV's 64 domestic hotels surround major Olympic venues
- The 27 INV hotels have a total room count of 3,577



1	Olympic Stadium	15	Ariake Tennis Park
2	Tokyo Metropolitan Gymnasium	16	Odaiba Marine Park
3	Yoyogi National Stadium	17	Shiokaze Park
4	Nippon Budokan	18	Aomi Urban Sports Park
5	Imperial Palace Garden	19	Oi Hockey Stadium
6	Tokyo International Forum	20	Sea Forest Cross-Country Course
7	Kokugikan Arena	21	Sea Forest Waterway
8	Equestrian Park	22	Kasai Canoe Slalom Centre
9	Musashino Forest Sport Plaza	23	Yumenoshima Park Archery Field
10	Tokyo Stadium	24	Tokyo Aquatics Centre
11	Musashinonomori Park	25	Tatsumi Water Polo Centre
12	Ariake Arena	30	Asaka Shooting Range
13	Ariake Gymnastics Centre	OV	Olympic Village
14	Ariake Urban Sports Park	-	IBC/MPC Tokyo International Exhibition Centre (Tokyo Big Sight)

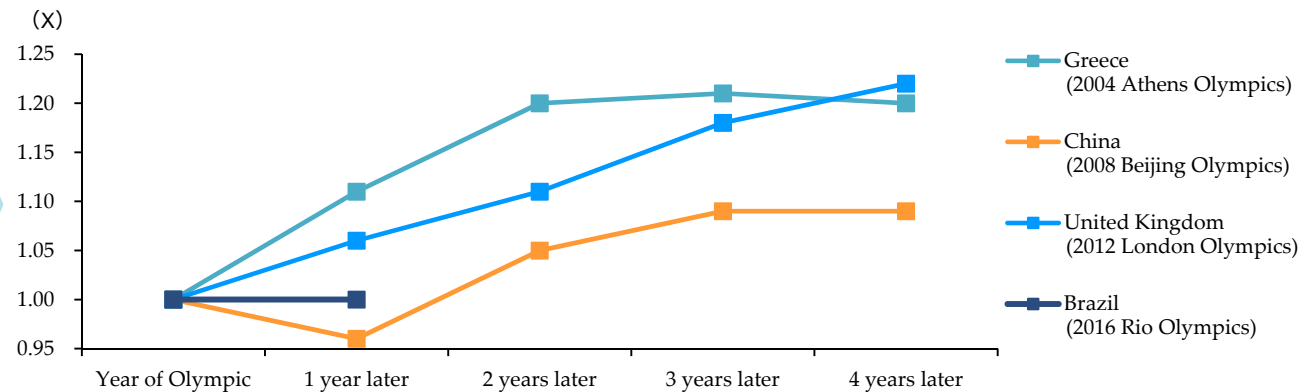


Rugby World Cup 2019 Venues and INV Hotel Portfolio



- Elevated tourism demand can be expected even after the Olympic Games
- Focused efforts on strategic long-term infrastructure improvements to provide strong platform for continued inbound growth

Change in Number of International Tourist Arrivals after Olympic & Paralympic Games



	Major Events Drawing Tourism ¹	Infrastructure Development ¹
2019	<ul style="list-style-type: none"> • 10 day consecutive holidays celebrating new Emperor's accession (Apr - May) • 2019 G20 Osaka summit (Jun) • Tokyo DisneySea: Major attraction is planned to open "Soaring: Fantastic Flight" (Jul) • 7th International Conference on African Development in Yokohama (Aug) • Rugby World Cup 2019 (Sep - Nov) 	<ul style="list-style-type: none"> • Expansion of New Chitose Airport International Terminal • Shinko Pier Cruise Terminal Expansion (Yokohama)
2020	<ul style="list-style-type: none"> • Tokyo Disneyland: Large-scale Development (Spring) • Universal Studios Japan: New attractions are planned to be opened • Tokyo 2020 Summer Olympics & Paralympics Games (Jul - Sep) 	<ul style="list-style-type: none"> • Expansion of international flights at Haneda Airport to increase by 43.5% in 2020 to 129,000 annually • Add second runway at Naha Airport (Okinawa) • Tokyo International Cruise Terminal is planned to open in Odaiba
2021	<ul style="list-style-type: none"> • World Masters Games 2021 Kansai (May) • 19th FINA World Championships 2021 Fukuoka (Jul - Aug) 	
2022	<ul style="list-style-type: none"> • Tokyo DisneySea: Large-scale Expansion Project, adding 8th port and new attractions 	<ul style="list-style-type: none"> • Kyushu Shinkansen (Takeo Onsen - Nagasaki) • Hokuriku Shinkansen (Kanazawa - Tsuruga)
2024		<ul style="list-style-type: none"> • Add second runway at Fukuoka Airport
2025	<ul style="list-style-type: none"> • World Expo 2025 in Osaka (May - Nov) 	
2027		<ul style="list-style-type: none"> • Maglev Chuo Shinkansen line commences operation (Tokyo - Nagoya)
2028		<ul style="list-style-type: none"> • Completion of third runway at Narita Airport

(Note 1) Events and infrastructure developments are those as of January 31, 2019 and subject to be changed

Hotel KPI

(USD)	Full Year		4Q (October - December 2018)	
	2018 Actual	Growth (vs Budget ¹)	2018 Actual	Growth (vs Budget ¹)
Occupancy	83.2%	+7.7%	80.9%	+13.9%
ADR	326	+3.2%	343	+10.9%
RevPAR	272	+11.2%	277	+26.3%
GOP	37,494,126	+10.0%	8,512,639	+20.8%
NOI – SPC Cost	34,037,597	+8.7%	7,689,548	+21.1%



Investment Case

- Irreplaceable beachfront located on Seven Mile Beach, one of the top rated beaches in the Caribbean
- Situated on 7.2 acres and 700 linear feet of beachfront with underutilized FAR
- A US\$42 million full renovation completed in December 2017 transformed the ADR potential
- Strong performance post acquisition resulted in an acquisition yield of 10.2% on 2018 NOI
- Year over year air arrivals to the Cayman Islands in 2018 increased 10.7%² and the expansion of the Grand Cayman airport is scheduled to be completed by March, 2019³
- No income tax or withholdings tax on hotel income and Cayman dollar is pegged to the US dollar
- Moody's assigns an Aa3 sovereign credit rating on the Cayman Islands, which has a stable legal system based upon UK common law
- Cayman Islands ranks eighth in the world in cross-border banking assets⁴ and has over 10,000 mutual funds⁵ domiciled there

(Note 1) Budget figures: Jan-May Actual, Jun-Dec Forecast (the expected figures as of the date of the acquisition decision)
 (Note 2) Source: Government of the Cayman Islands Economics and Statistics Office, Cayman Islands Department of Tourism
 (Note 3) Source: The Office of the Auditor General as of January 2019. The plan may have already been changed or may be changed in the future
 (Note 4) Source: Cayman Islands Monetary Authority
 (Note 5) As of the end of September 2017. Includes both head offices and branch offices. Source: The Economics and Statistics Offices, Cayman Islands Government

- Underutilized FAR at Westin site can be used to maximize the value of this beachfront location
- Potential exists to construct a 7-storey annex building adding a net 174 rooms, additional meeting space and a new gym/spa area
- Vacant land adjacent to Sunshine Suites will be used as a parking lot in order to meet zoning requirements
- Back of house functions will be consolidated for Westin and Sunshine creating cost efficiencies
- New and expanded gym, spa, beachfront restaurant and meeting space will enhance the value of the existing Westin rooms and the resort fee paid by Sunshine Suites guests



Westin Expansion Plan

- ✓ **Development Period**
 - 2019 - 2022
- ✓ **Overview of Development**
 - Construction of 7-storey resort annex
 - Construction of parking lot
 - Construction of Pedestrian deck
- ✓ **Investment Amount**
 - ¥12.5 billion²
- ✓ **Anticipated Stabilized NOI**
 - ¥1.9 billion² in year 4
- ✓ **Stabilized NOI Yield**
 - 15.2%

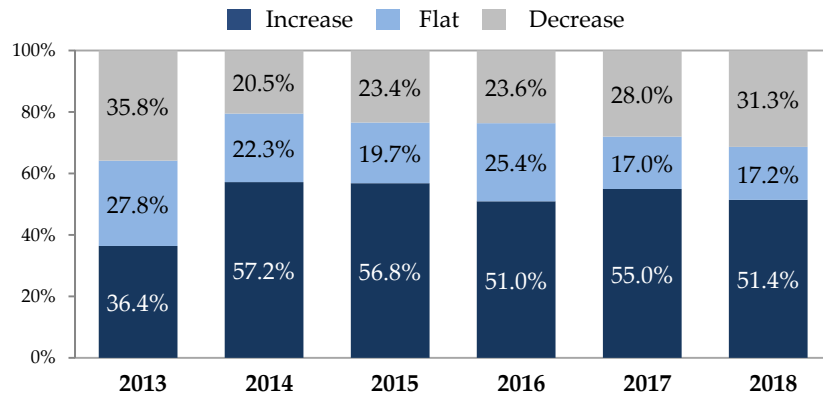
(Note 1) The annex development plan above is merely an internal simulation of INV and has not been determined yet. The plan is subject to change due to various discussions with related parties and regulatory approvals, and none of the figures including the investment amount, anticipated NOI and investment returns nor the development period and illustrations are based on any third party valuations or agreements. The above information is presented for reference purposes only and is not a reliable indicator of the likely performance or impact of the development plan, and there is no assurance that these plans can be achieved as planned or at all

(Note 2) Calculated at the change rate of ¥110

Residential Rent Increase Initiative

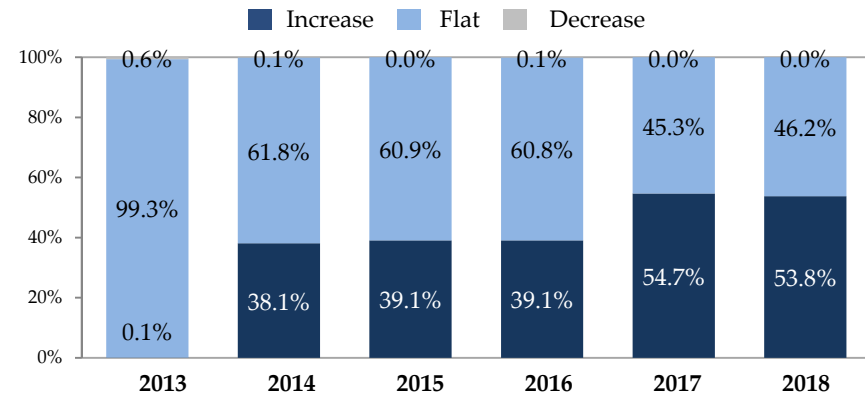
- In 2014, INV initiated a Rent Increase Program to increase rents on new and renewal contracts
- INV replaced the property managers at 16 properties in December 2016 and at four properties in June 2017, focusing on property managers with a track record of successfully raising rents on INV's residential properties

Change in Rent for New Contracts¹



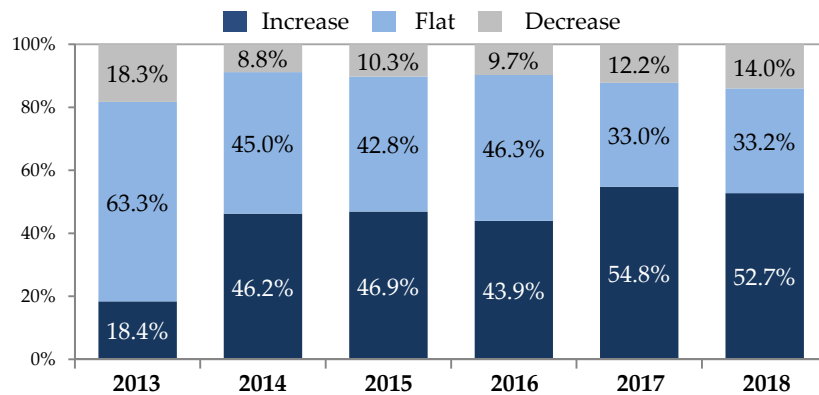
No. of New Contracts	827	649	943	783	1,030	1,015
Occupancy ² (%)	95.5	94.0	94.7	95.9	95.0	95.5
Net Leasing Cost (No. of months) ³	1.15	1.01	1.23	1.15	1.02	0.74

Change in Rent for Renewal Contracts¹

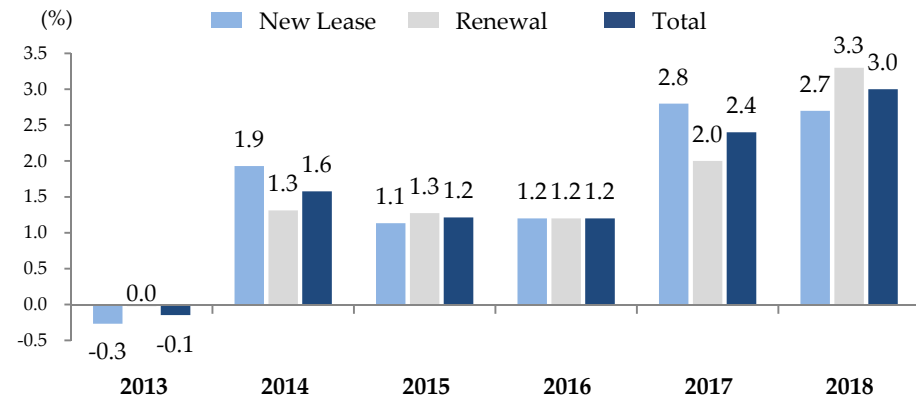


No. of Renewals	818	872	1,209	1,126	1,337	1,253
Renewal Rate ⁴ (%)	81.2	84.7	85.4	83.7	82.8	82.5

Change in Rent for All Contracts¹



Average Rent Increase / Decrease⁵



(Note 1) Based on the properties owned by INV for the relevant period. The properties INV acquired / disposed during the period are included only for the term when owned by INV.
 (Note 2) Occupancy is calculated by dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month of each year
 (Note 3) Net Leasing Cost (Multiple of Monthly Rent) = Advertising Expenses (Multiple of Monthly Rent) + Free Rent (Multiple of Monthly Rent) – Key Money (Multiple of Monthly Rent)
 (Note 4) Renewal rate is calculated by "Number of Renewals during the Period" ÷ "Number of Cases Targeted for Renewal during the Period"
 (Note 5) Weighted average of monthly rent increase or decrease (%) of new or renewal contracts, or the total of both, compared with previous contracts of properties owned at the end of period

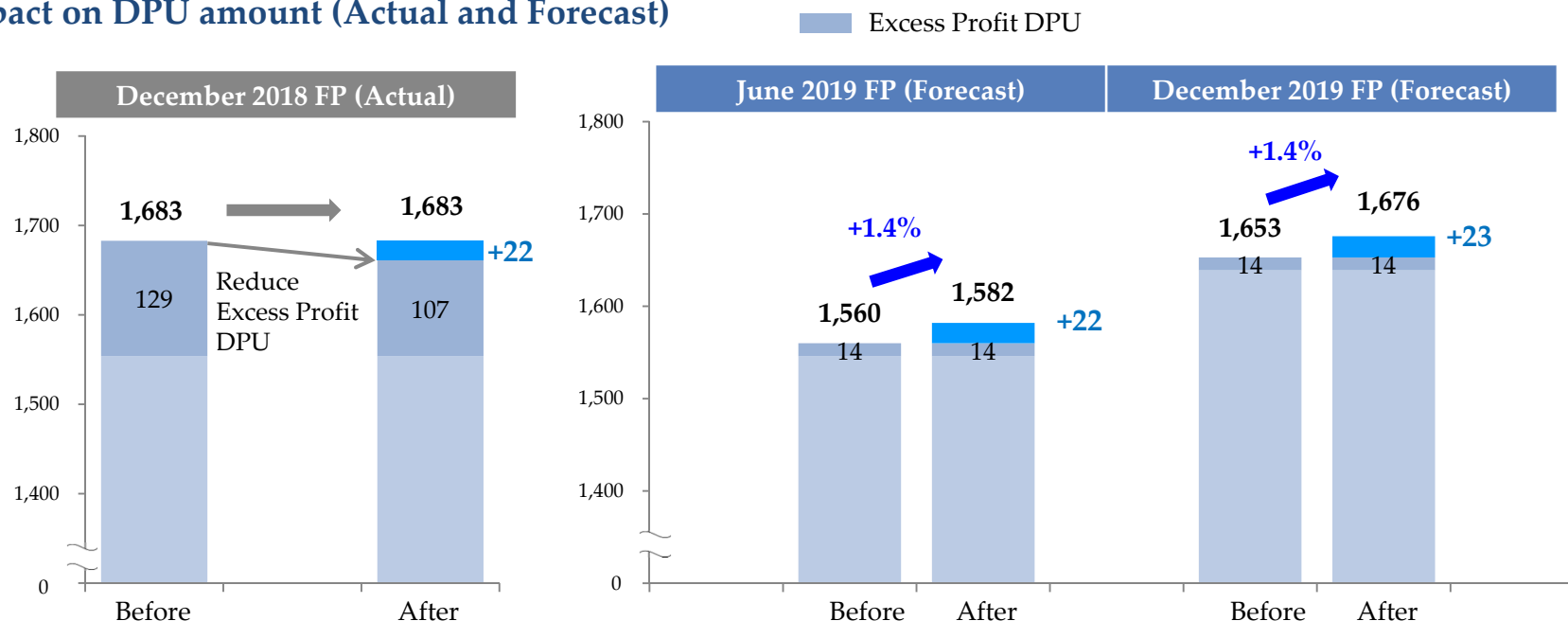
Unit Buyback Improves Shareholder Value

INV used cash-on-hand to purchase its own investment units in order to improve unitholder value as it believed the share price was undervalued. The buyback and retirement of investment units was accretive on both a DPU basis and NAV per investment unit basis. The NAV per unit increased to ¥51,200¹ from ¥51,172²

Overview of Implementation

Total number of investment units repurchased	81,341 units ³ (1.4% of the total number of investment units issued and outstanding)
Total amount of investment units repurchased	¥3,999,980,400
Repurchase period	From December 13, 2018 to December 18, 2018

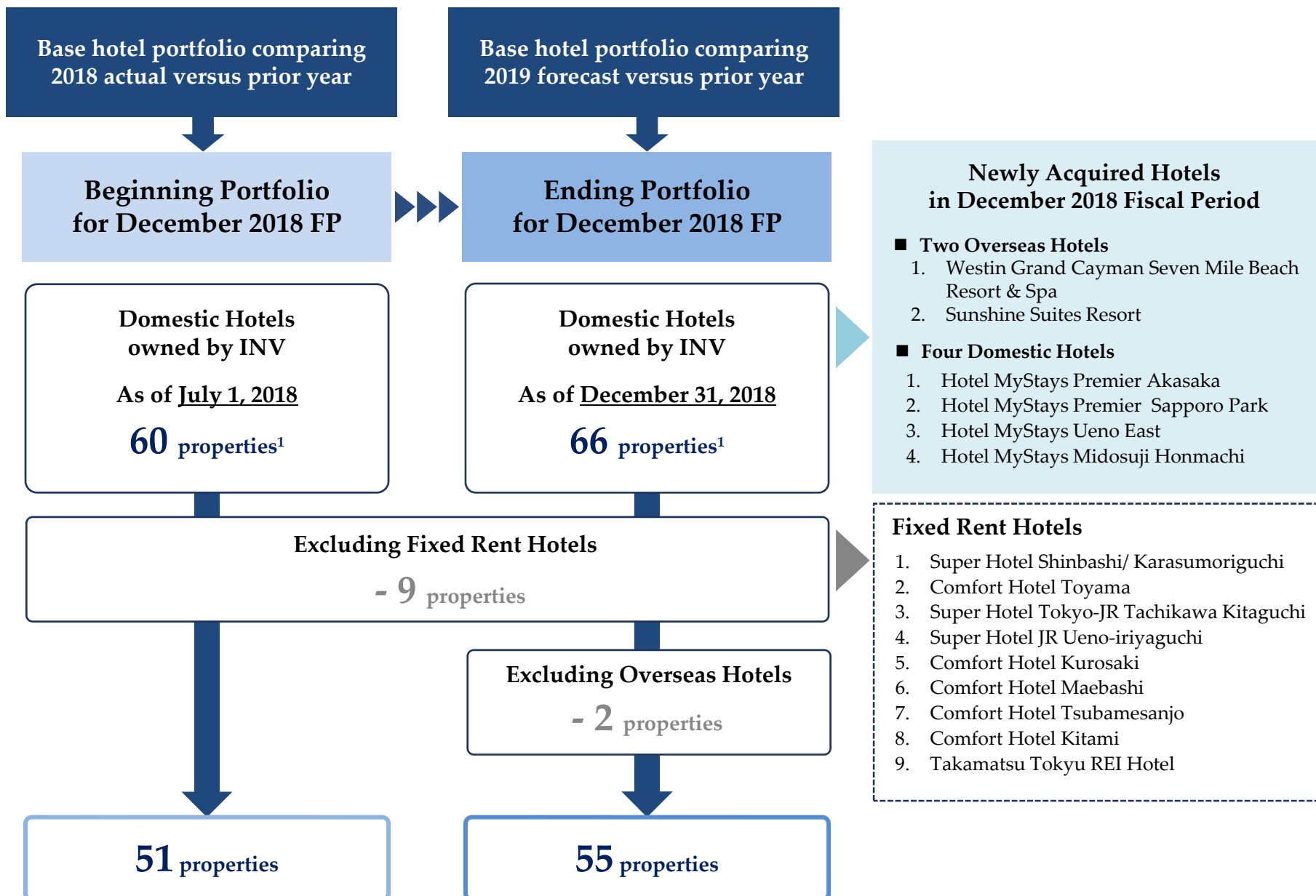
Impact on DPU amount (Actual and Forecast)



(Note 1) As of December 28, 2018, upon completion of unit buyback and retirement of units. NAV per unit after buyback is calculated by reducing total amount of repurchase price of investment units and the number of buyback units from the amount of those after the completion of the latest PO

(Note 2) As of September 29, 2018, upon the completion of asset acquisitions in connection with the latest PO

(Note 3) Retired during December 2018 Fiscal Period

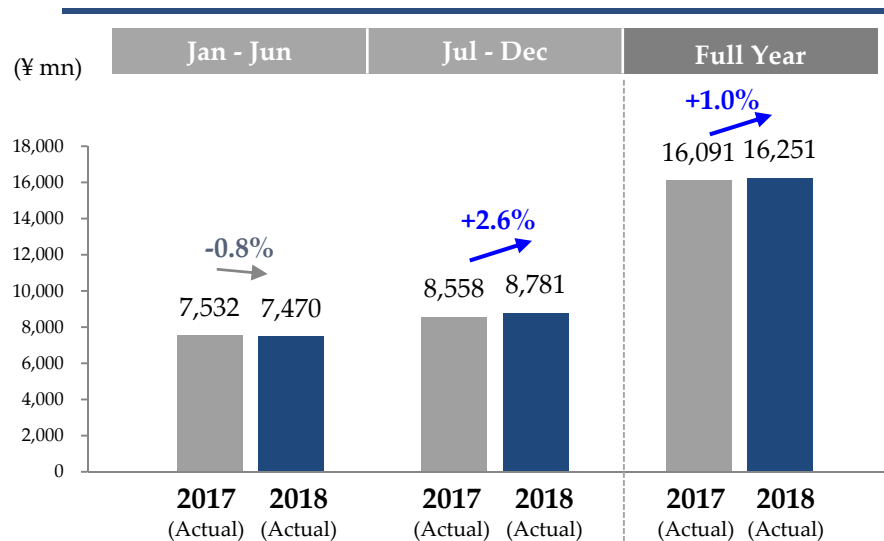


(Note 1) Counted Sheraton Grande Tokyo Bay Hotel, Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort as three properties

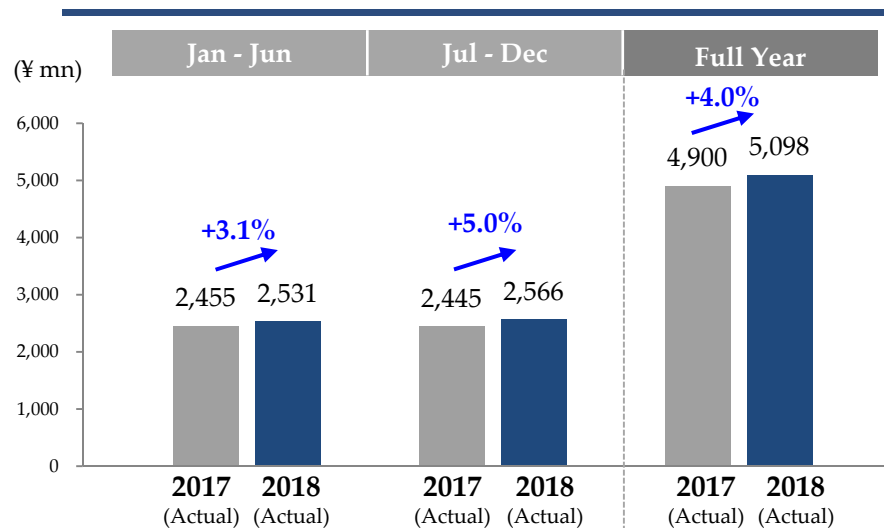
2018 Actual NOI (vs 2017 Actual NOI)

A nationwide hotel portfolio combined with a diversified residential portfolio mitigates earnings fluctuations at any single property

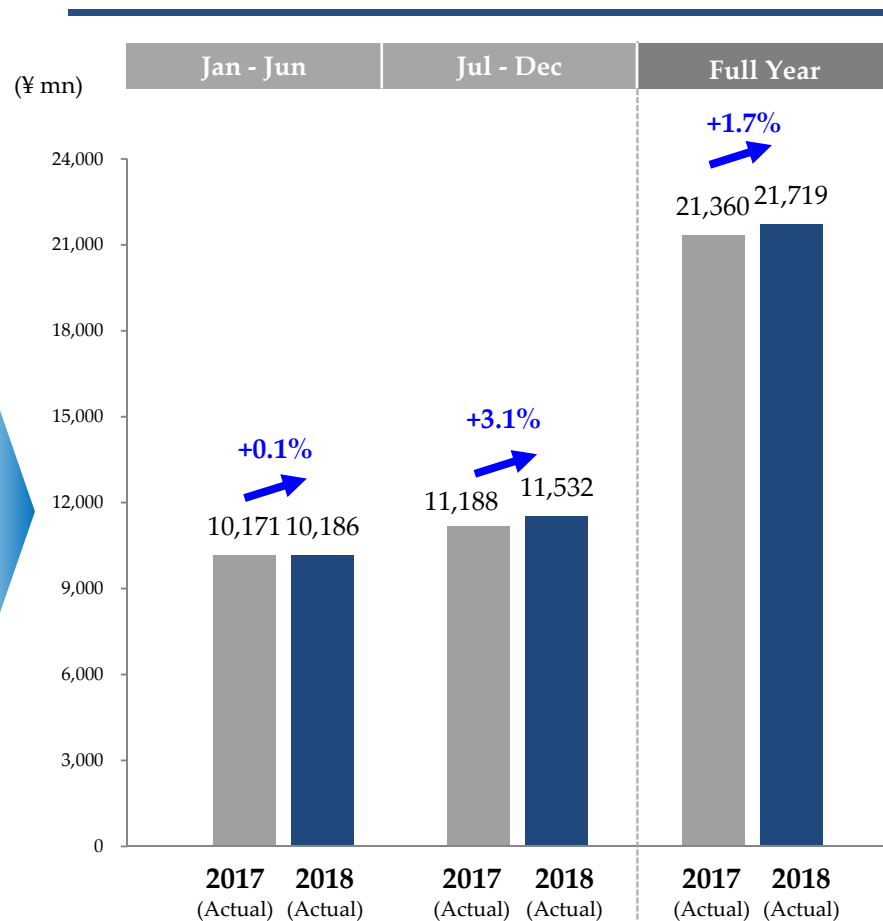
Hotel NOI¹



Residential NOI²



Total NOI (Hotel + Residential + Others³)



(Note 1) Based on 51 hotel properties; of the 60 hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) in our portfolio at the beginning of December 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2017. The dividends from preferred equity interest of TMK that owns SGTB is applied to NOI of SGTB, assuming the dividends contributed 2018 full year of INV

(Note 2) Based on the 64 residential properties owned as of December 31, 2018. Excludes one-off insurance-related revenues and expenses, as well as expenses required to detach trust beneficiary interest from an integrated trust account

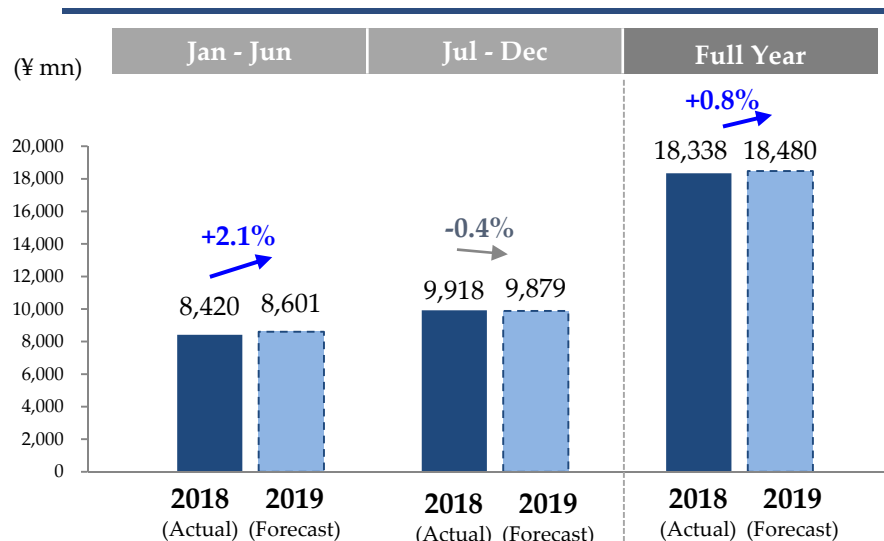
(Note 3) Based on 2 commercial properties owned by INV as of December 31, 2018

(Note 4) For all properties, the pre-acquisition period of the properties acquired in 2017 and 2018 is based on actual results provided by sellers

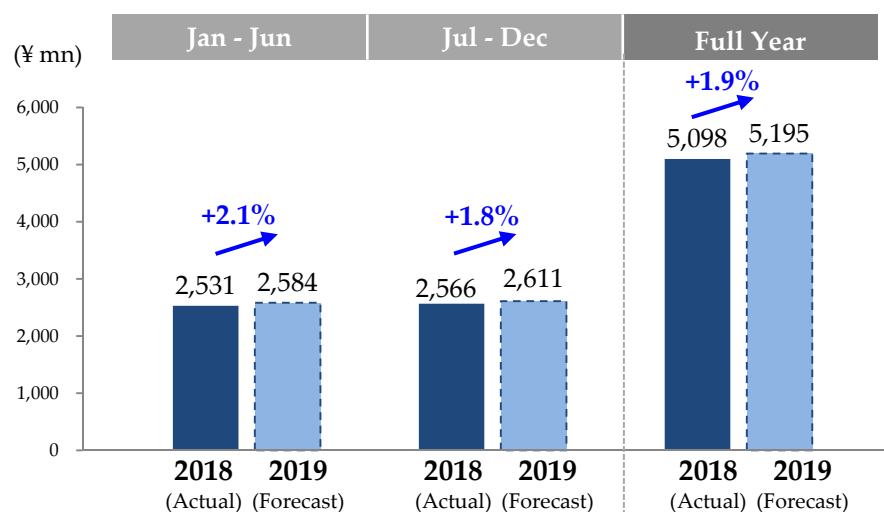
2019 Forecasted NOI (vs 2018 Actual NOI)

Stable growth expected from both the hotel and residential assets, with further hotel upside from the Rugby World Cup and other infrastructure improvements

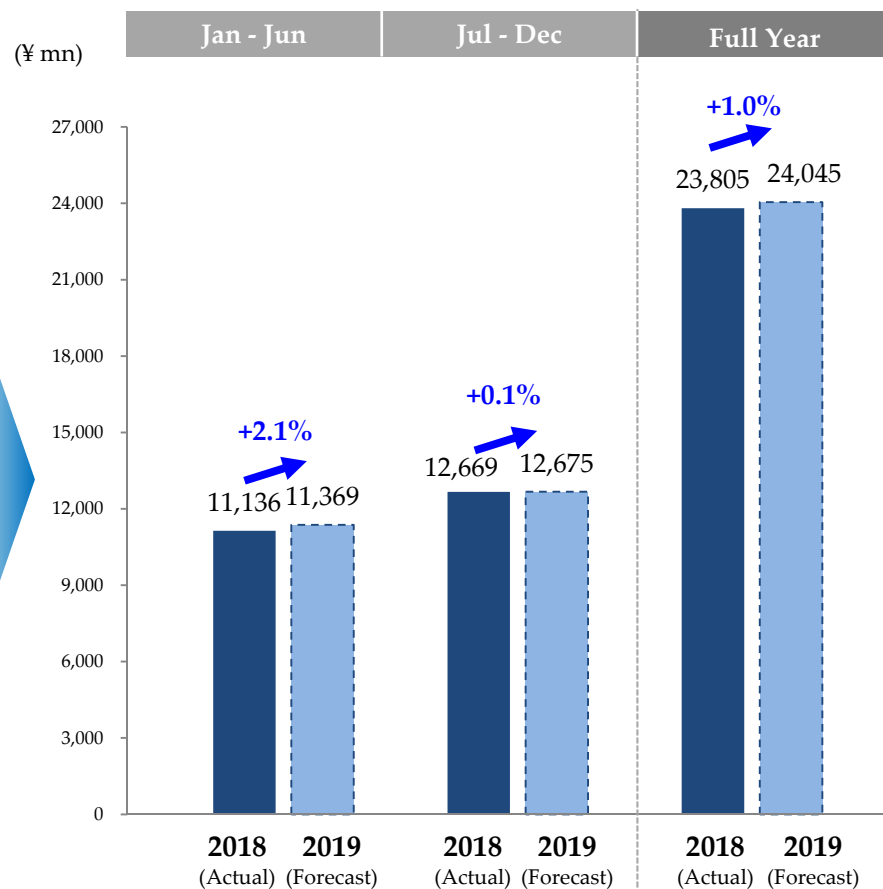
Hotel NOI¹



Residential NOI²



Total NOI (Hotel + Residential + Others³)



(Note 1) Based on 55 hotel properties; of the 64 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) in our portfolio at the end of December 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2017. The dividends from preferred equity interest of TMK that owns SGTB is applied to NOI of these properties respectively, assuming these dividends contributed 2018 full year of INV.

(Note 2) Based on the 64 residential properties owned as of December 31, 2018. Excludes one-off insurance-related revenues and expenses, as well as expenses required to detach trust beneficiary interest from an integrated trust account

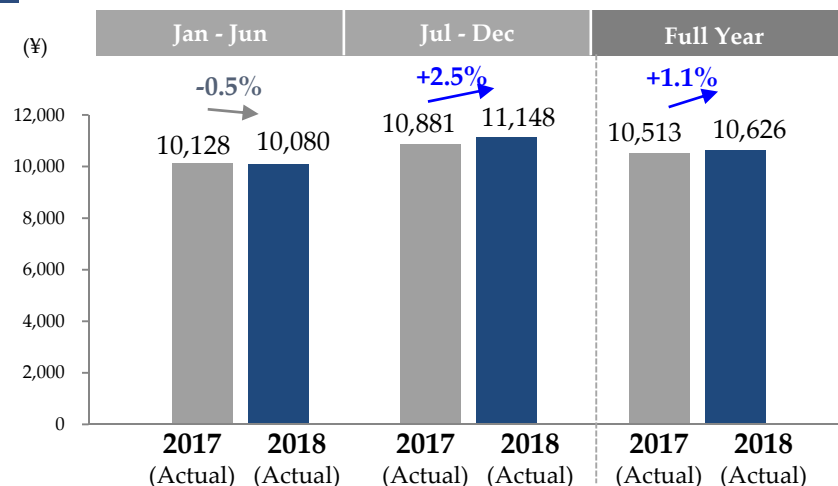
(Note 3) Based on 2 commercial properties owned by INV as of December 31, 2018

(Note 4) For all properties, the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers

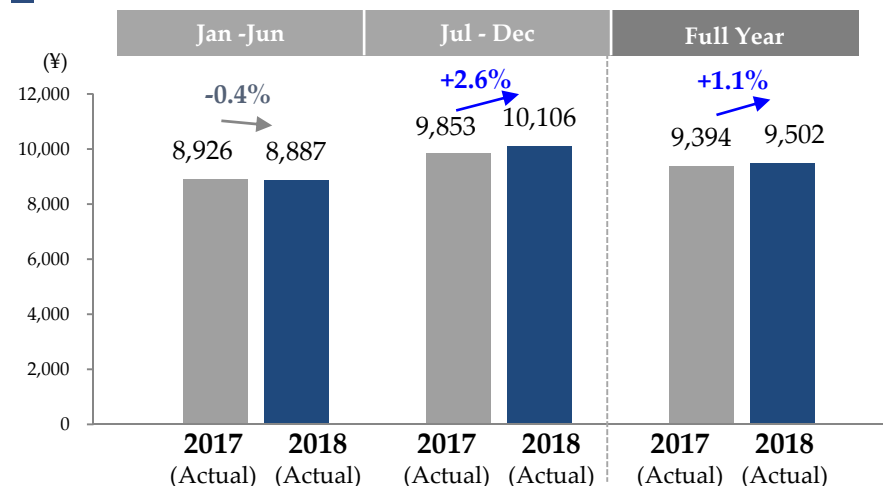
Hotel Property Performance Indicators (2018 Actual)

In 2018, INV achieved ADR growth of 1.1%, RevPAR growth of 1.1%, GOP growth of 0.7% compared with 2017

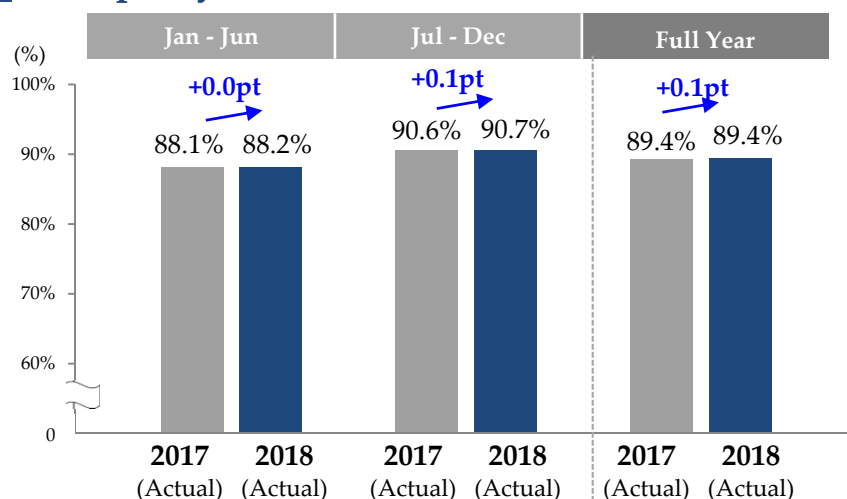
ADR¹



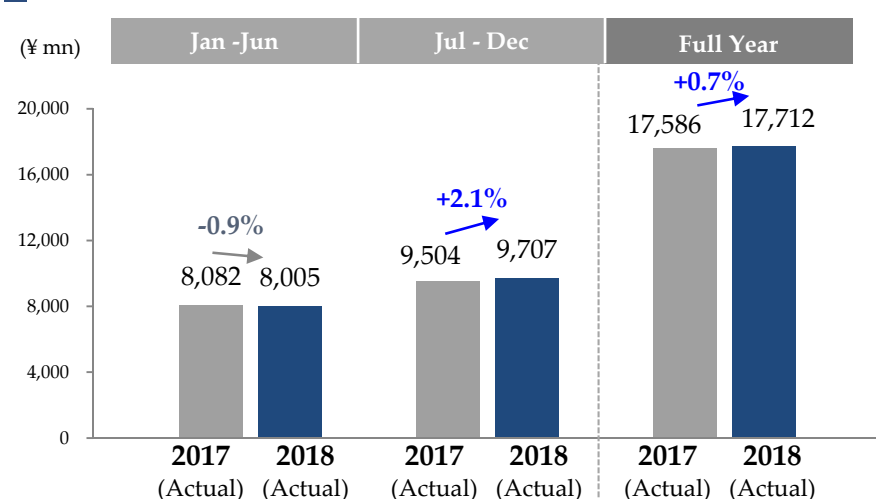
RevPAR¹



Occupancy¹



GOP^{1,2}



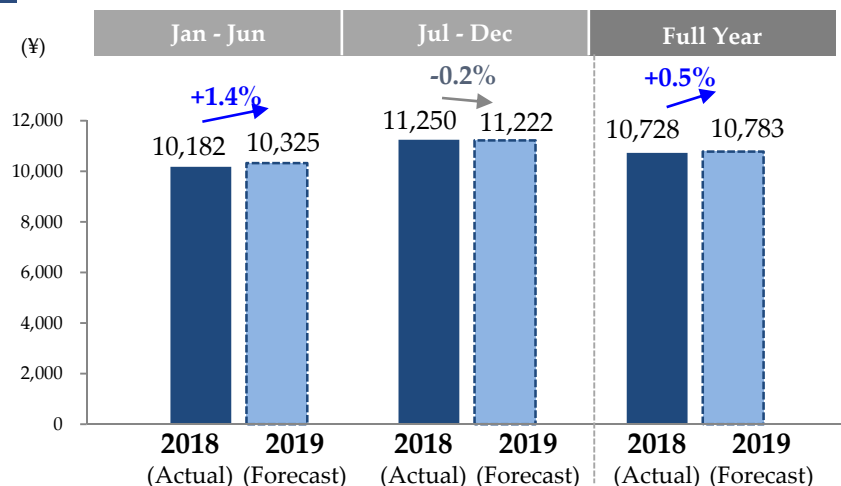
(Note 1) Based on 51 hotel properties; of the 60 hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) in our portfolio at the beginning of December 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2017. The pre-acquisition period of the properties acquired in 2017 and 2018 is based on actual results provided by sellers

(Note 2) In calculating the GOP, added the 49% of GOP for Sheraton Grande Tokyo Bay Hotel, which means INV's pro rata portion of the amount of JV TMK's preferred equity owned by INV. The rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel

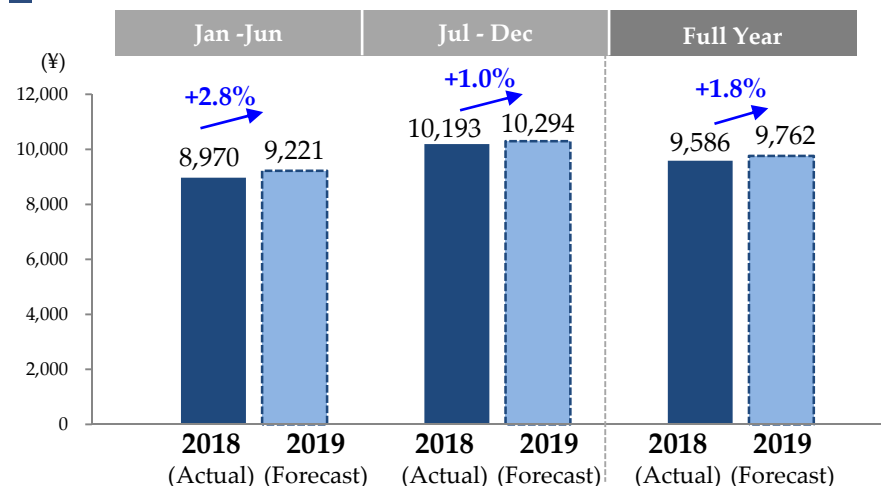
Hotel Property Performance Indicators (2019 Forecast)

- For the 2019 full year, INV estimates YoY growth for all KPI
- Occupancy, ADR, RevPAR and GOP is expected to increase by 1.2pt, 0.5%, 1.8% and 1.4% respectively

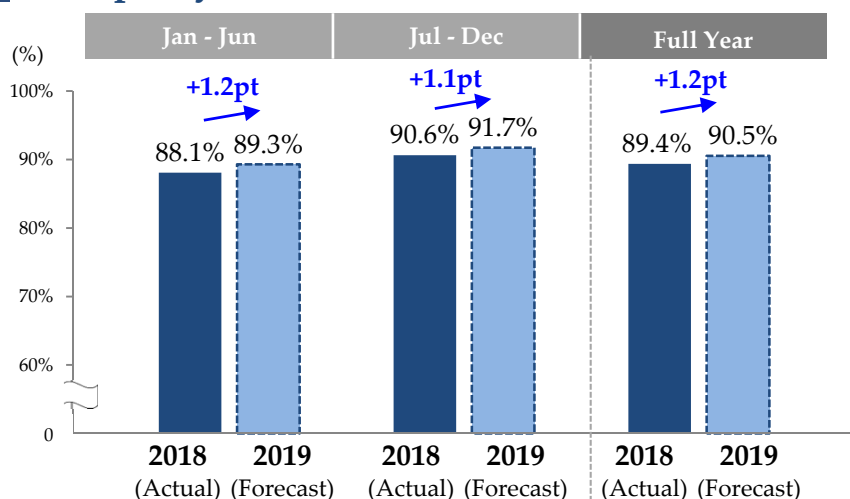
ADR¹



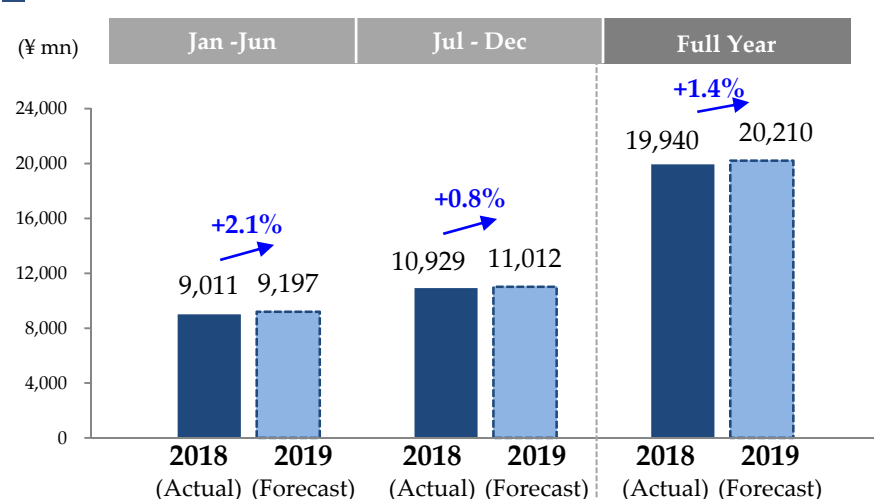
RevPAR¹



Occupancy¹



GOP^{1,2}



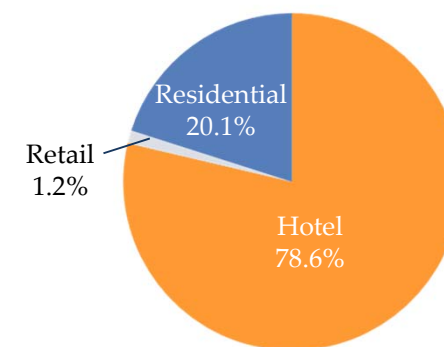
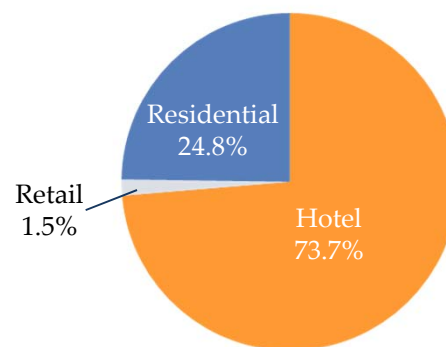
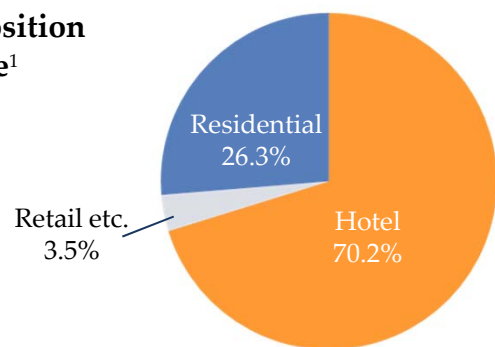
(Note 1) Based on 55 hotel properties; of the 64 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) in our portfolio at the end of December 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2018. The pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers

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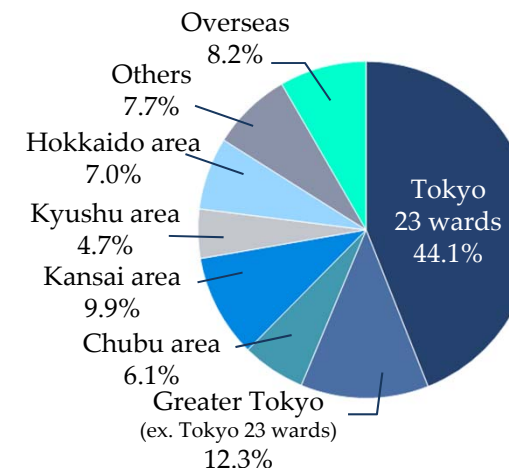
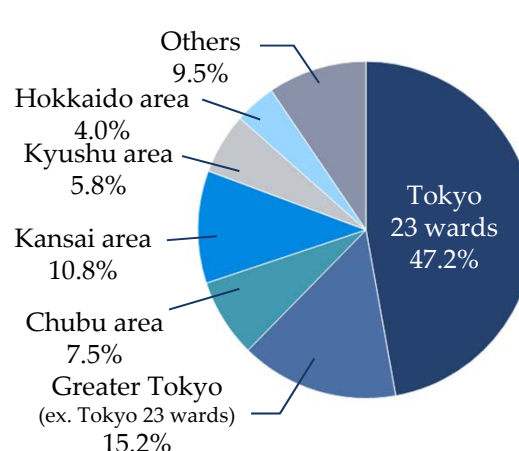
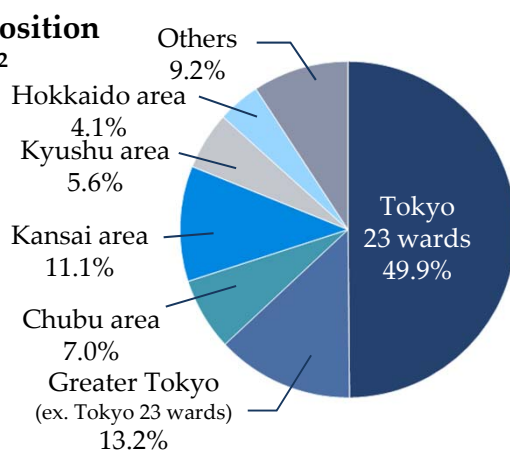
The latest acquisitions continue to add diversity to the portfolio while reducing seasonality

	As of December 2017	As of June 2018	As of December 2018
No. of properties¹	126	126	132
Hotel	54	60	66
Residential	67	64	64
Others	5	2	2

Portfolio Composition by Property Type¹



Portfolio Composition by Geography^{1,2}



(Note 1) Portfolio composition is based on acquisition price. The 49% preferred equity interest in the JV TMK that holds Sheraton Grande Tokyo Bay Hotel (SGTB) is counted as one property for INV's portfolio, and the amount of preferred equity interest contribution by Invincible to the JV TMK is deemed as the acquisition price of SGTB interest. Also, Westin and Sunshine Resort are counted as two properties for INV's portfolio, and the amount of TK investment by INV to the SPC which holds the leasehold of these properties is deemed to be the acquisition price for such proportion, which is converted into JP yen based on the foreign exchange forward executed on July 26, 2018, and the amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018.

(Note 2) Defined as follows: "Greater Tokyo" is Tokyo, Kanagawa, Chiba and Saitama. Greater Tokyo (ex. Tokyo 23 wards) is Tokyo (ex. Tokyo 23 Wards), Kanagawa, Chiba and Saitama. Kansai area is Osaka, Hyogo, Kyoto, Shiga, Wakayama and Nara. Chubu area is Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui.

Sponsor Pipeline (1)

Pipeline of 28 assets (19 Hotels and 9 Residential assets) under the amended MOU dated 17 July, 2018 provides opportunity for further growth and stability

Properties Covered by the MOU ^{1,2}

Hotels

No.	Property name	Location	Type ³	No. of Rooms
1	Rihga Royal Hotel Kyoto	Kyoto, Kyoto	Full	489
2	Hotel MyStays Premier Narita	Narita, Chiba	Full	711
3	Fusaki Beach Resort Hotel & Villas	Ishigaki, Okinawa	Resort	188
4	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265
5	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206
6	Hotel MyStays Matsuyama	Matsuyama, Ehime	Full	162
7	Hotel Mystays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86
8	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70
9	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161
10	Hotel MyStays Fuji Onsen Resort	Fujiyoshida, Yamanashi	Resort	159
11	Hotel Nord Otaru	Otaru, Hokkaido	Limited	98
12	Hotel Sonia Otaru	Otaru, Hokkaido	Limited	149
13	Art Hotel Niigata Station	Niigata, Niigata	Full	304
14	Art Hotel Ishigakijima	Ishigaki, Okinawa	Resort	245
15	Hotel MyStays Shinsaibashi East	Osaka, Osaka	Limited	85
16	Hotel MyStays Sapporo Aspen	Sapporo, Hokkaido	Limited	305
17	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo, Hokkaido	Limited	80
18	Hotel MyStays Sapporo Susukino	Sapporo, Hokkaido	Limited	104
19	Hotel MyStays Nayoro	Nayoro, Hokkaido	Limited	70
Total				3,937

Residential properties

No.	Property name	Location	No. of Apartment Units
20	Gran Charm Hiroo	Shibuya-ku, Tokyo	121
21	Plestay Win Kinshicho	Sumida-ku, Tokyo	92
22	Gran Charm Kichijoji	Musashino, Tokyo	28
23	Green Patio Noda	Noda, Chiba	240
24	Dainichi F-45	Urayasu, Chiba	54
25	Gran Charm Urayasu	Urayasu, Chiba	54
26	Gran Charm Urayasu 5	Urayasu, Chiba	54
27	Gran Charm Minami Gyotoku I	Ichikawa, Chiba	52
28	Gran Charm Minami Gyotoku II	Ichikawa, Chiba	48

No. of Hotel Rooms

3,937

No. of Apartment Units

743

(Note 1) MOU providing preferential negotiation rights

(Note 2) We have not decided to acquire any of the properties listed above as of the date of this material and there is no assurance that we will acquire any of these properties in the future

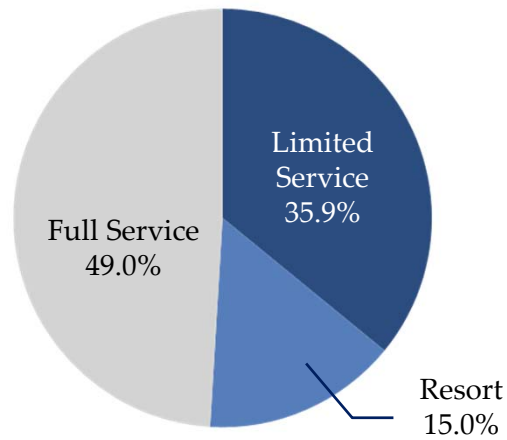
(Note 3) "Limited" refers to "Limited Service Hotel, which means a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities", "Full" refers to "Full Service Hotel, which means a hotel having segments of stay, foods and beverages, and banquet", and "Resort" refers to "Resort Hotel, which means a hotel located at tourist destinations or recreational lots, having segments of stay, foods and beverages, and incidental facilities"

Sponsor Pipeline (2)

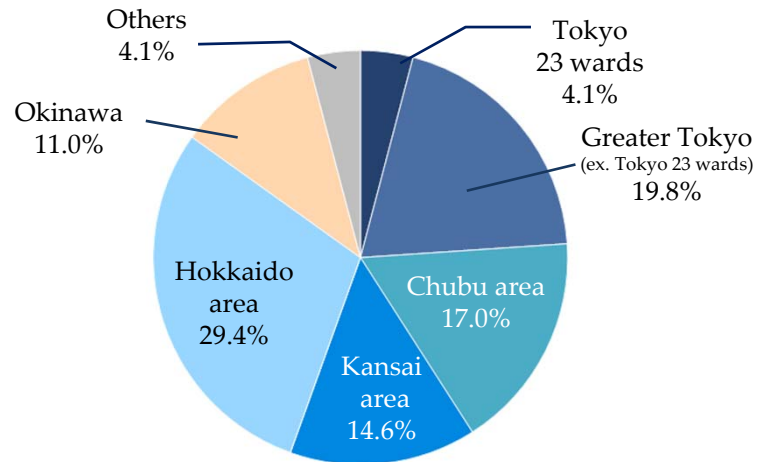
Pipeline of Hotel assets are diversified by hotel type and geographic footprint

Hotel Composition (Based on No. of Hotel Rooms)

By Property Type



By Geography

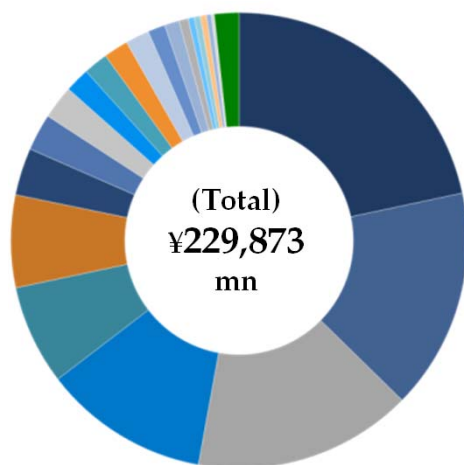


Issued INV's third Investment Corporation Bonds for ¥2 billion with 5-year maturity to diversify the financing sources of INV, while maintaining its sound financial base and good relationship with its lenders

Investment Corporation Bonds

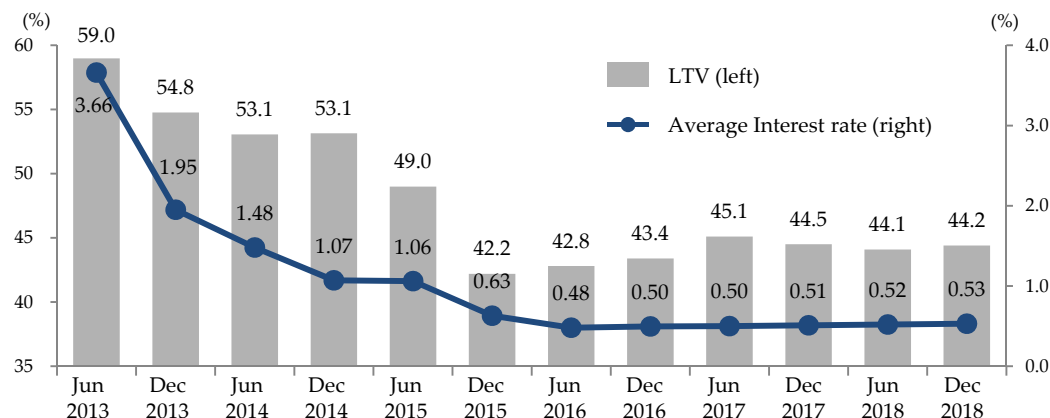
Bonds name	Issued Date	Term (years)	Balance (¥ mn)	Annual Interest Rate	Rating
1st Series Investment Corporation Bonds	May 25, 2018	5.0	1,000	0.40%	A (JCR)
2nd Series Investment Corporation Bonds	May 25, 2018	10.0	1,000	0.80%	A (JCR)
3rd Series Investment Corporation Bonds	Oct. 12, 2018	5.0	2,000	0.55%	A (JCR)
Total			4,000		

Lender Formation (as of February 21, 2019)

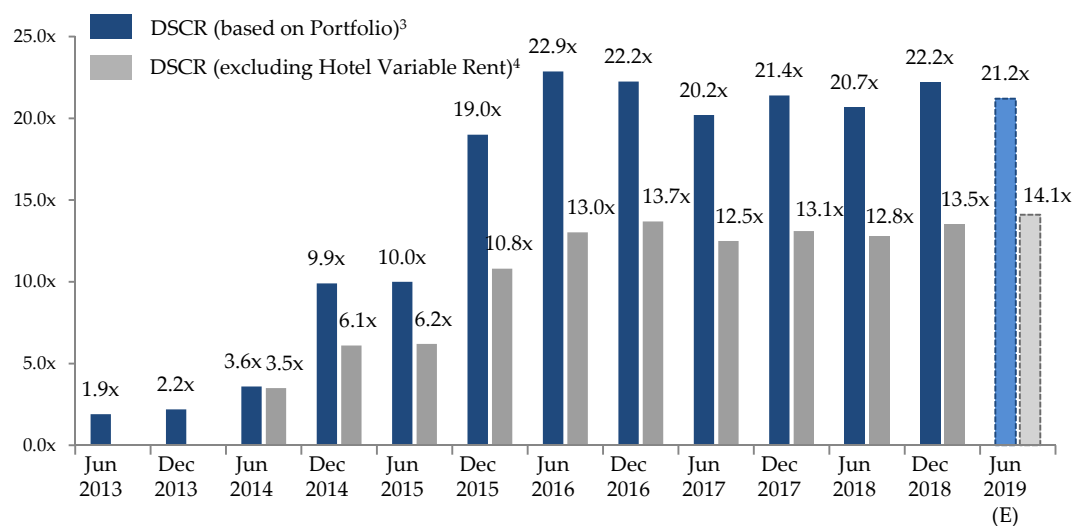


Mizuho Bank	21.7%
SMBC	15.7%
MUFG	15.5%
SMTB	11.7%
Shinsei Bank	7.1%
Citibank	6.6%
Resona Bank	3.4%
DBJ	2.6%
Aeon Bank	2.4%
Japan Post Bank	1.7%
Tokyo Star Bank	1.7%
Dai-ichi Life Insurance	1.7%
Fukuoka Bank	1.7%
Nomura TB	1.2%
Shizuoka Bank	1.0%
Hiroshima Bank	0.7%
Kagawa Bank	0.4%
Daishi Bank	0.4%
Hyakugo Bank	0.4%
Towa Bank	0.3%
Gunma Bank	0.2%
REIT Bond	1.7%

LTV(Appraisal Value Base)¹ and Weighted Average Interest Rate²



DSCR



(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV's investment amount) of such preferred equity interest is deemed as the appraisal value and included. For the Overseas Real Estate TK Interest the underlying assets of which are "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the acquisition price (INV's TK investment amount) of such TK interest, which is converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contract entered into on July 26, 2018, is deemed as the appraisal value and included. The amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018. (Using exchange rate above, the initial investment amount in Japanese Yen denomination was JPY 37,534 million, while the investment amount after the refund was JPY 36,783 million.)

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

(Note 3) DSCR is calculated by dividing (i) by (ii) for the relevant period; (i) operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property (ii) scheduled prepayments of loans payable, interest expenses, interest expenses on investment corporation bonds and the amount of redemption of bond

(Note 4) DSCR (excluding hotel variable rent) is in the same manner as DSCR, except for excluding hotel variable rent from operating income

Renovation for Energy Saving

■ Introduction of large-scale energy-saving equipment utilizing government subsidies¹ (Hotel Epinard Nasu)



Replaced cold/hot water generator and hot water heater in hotel building, producing excellent energy savings



Expected reduction of energy consumption:
Approximately -17%

■ Water saving by recycling pool drainage (Sheraton Grande Tokyo Bay Hotel)



Introduced a device that reuses drained pool water (40t per day) for toiler water, significantly reducing the amount of water used at the hotel



Expected reduction of water consumption:
-4.3%

■ Implementation of other measures for energy saving and CO2 reduction

- ✓ Introduction of whole or part of LED lighting (Approx. 70% of domestic portfolio)
- ✓ Introduction of whole or part of the water-saving type toilet (10 properties)
- ✓ Installation of a water-saving shower (Approx. 80% of domestic hotel portfolio)
- ✓ Installation of gas cogeneration², inverter, etc. (14 Hotels)



Initiatives for Energy Saving

■ Eco-friendly plan at hotel (ECO-Plan) (MHM Hotels)

Encouraging guests to use eco-friendly plans by lowering the price of plans that do not require linen exchange when guests consecutive nights stay



■ Conducted energy-saving checks (9 Hotels)



Social Contribution

■ Designated as "Tsunami Evacuation Building"³ (Hotel Vista Shimizu, Takamatsu Tokyu REI Hotel)



■ Volunteer work by hotel operator (Comfort Hotels)

- ✓ Forest conservation activities
- ✓ Visit to the schools in the disaster-stricken area



(Note 1) One of the government subsidies by Agency for Natural Resources and Energy for introduction of equipment with high energy saving effect

(Note 2) Combined heat and power (CHP), mainly refers to a system that effectively uses waste heat generated by power generation

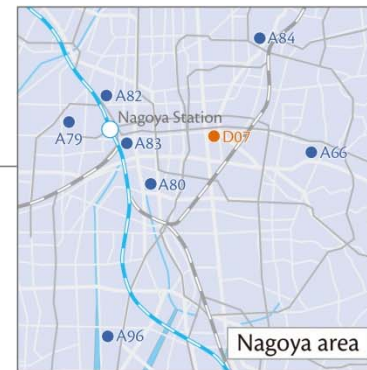
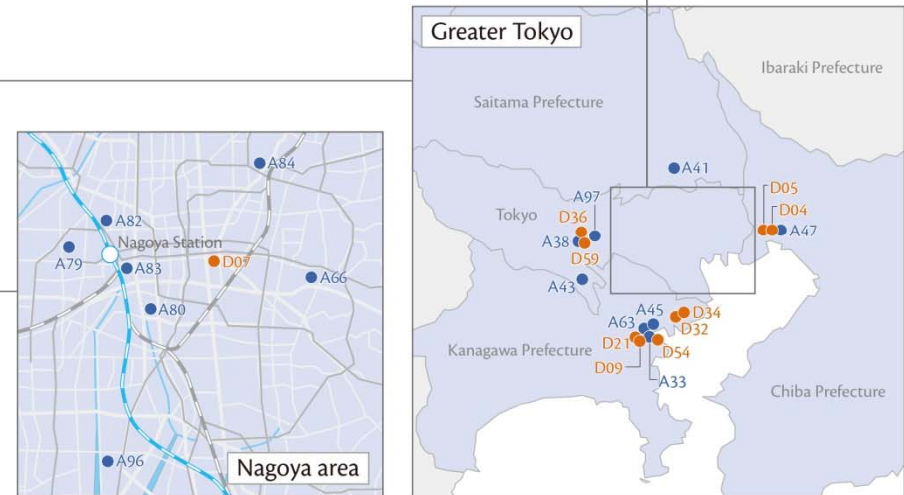
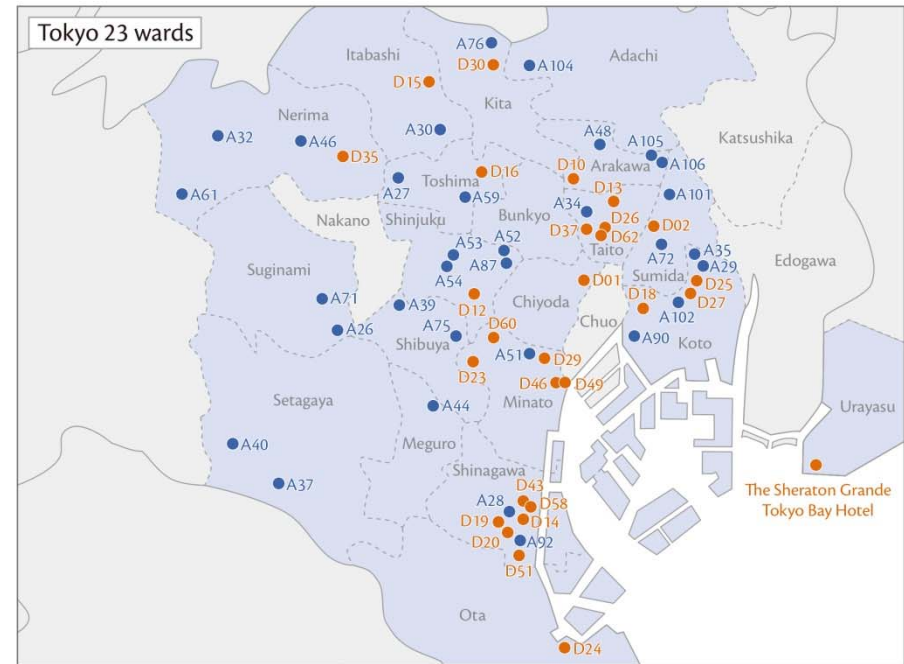
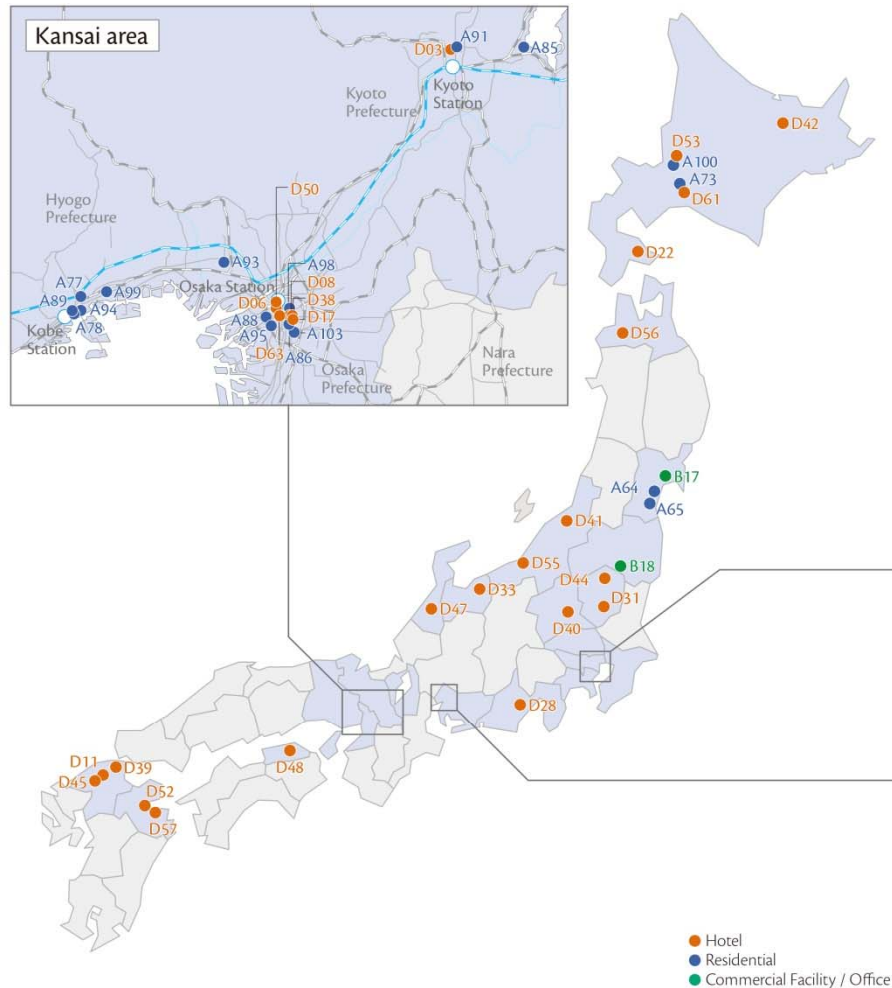
(Note 3) Buildings designated by municipalities in advance as an emergency evacuation place for local residents to evacuate temporarily when Tsunami gets inundated, in areas where it is considered difficult to evacuate due to time delay from the occurrence of the earthquake to arrival of the Tsunami and geographical conditions



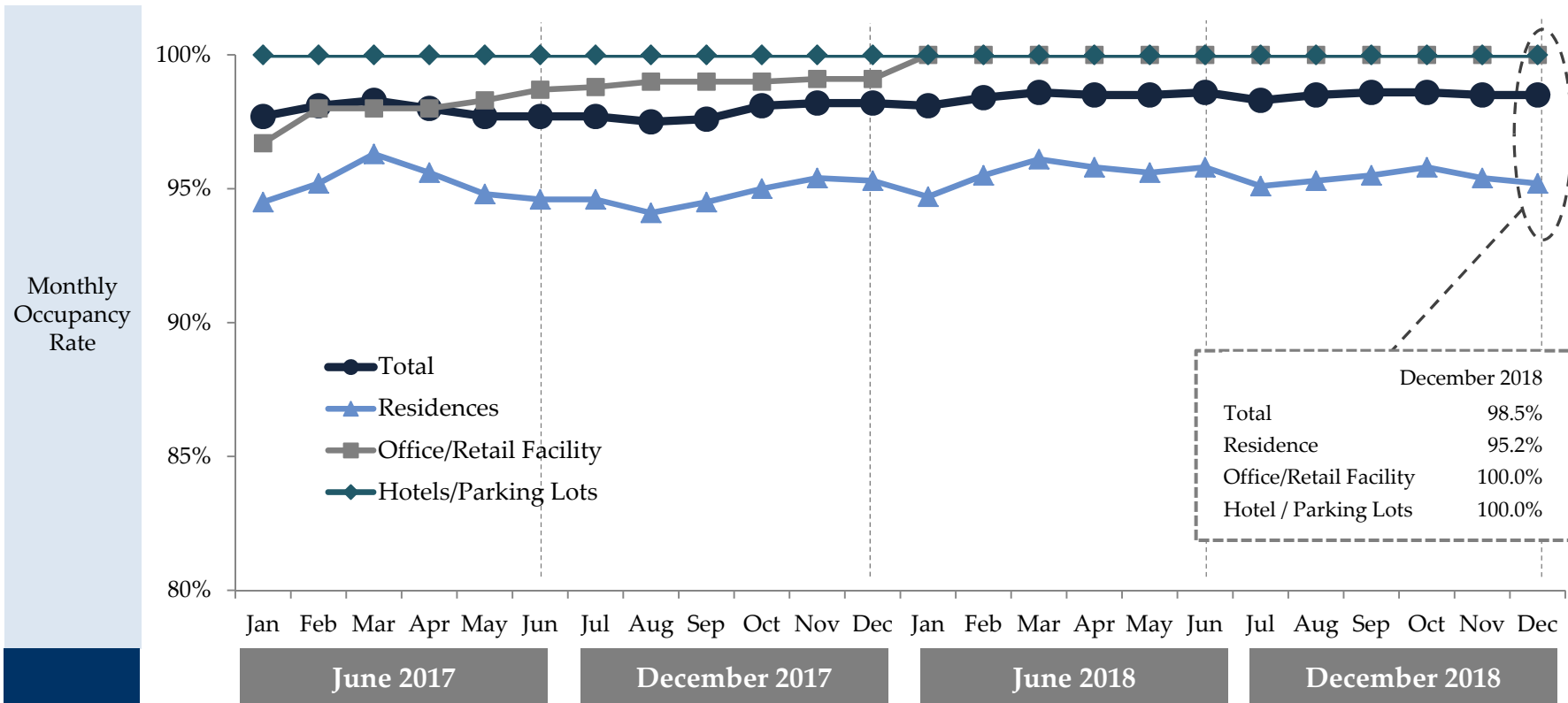
Appendix

Domestic Portfolio Map (as of December 31, 2018)

No. of Properties	No. of Residential	No. of Hotels	No. of Others
130	64	64	2



Portfolio Occupancy

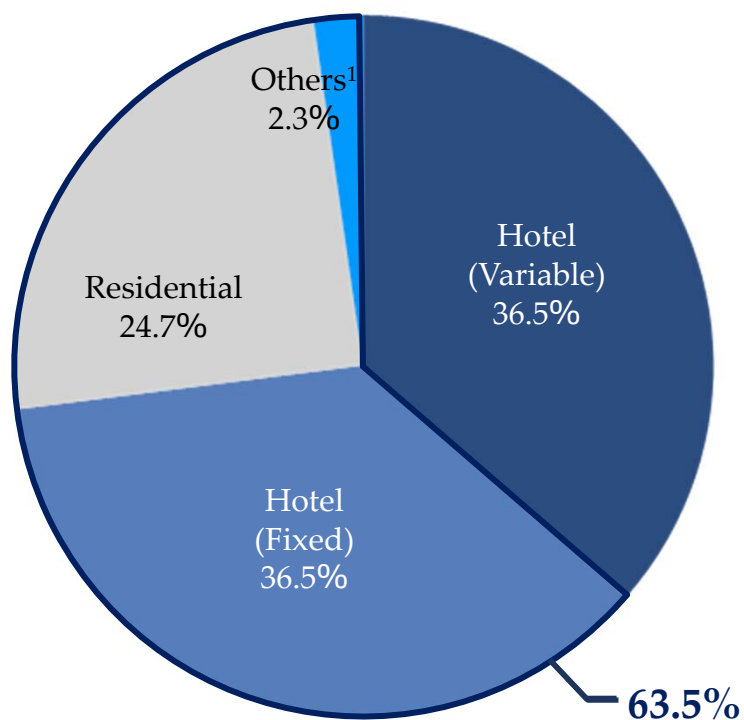


Average Occupancy Rate

Category	June 2017	December 2017	June 2018	December 2018
Total	97.9%	97.9%	98.5%	98.5%
Residence	95.2%	94.8%	95.6%	95.4%
Office/Retail Facility	98.0%	99.0%	100.0%	100.0%
Hotel/Parking Lots	100.0%	100.0%	100.0%	100.0%

Residential rents, hotel fixed rents, and office/retail rents comprise 63.5% of actual rent revenue for December 2018 fiscal period

Portfolio Composition by Rental Revenue (in December 2018 Fiscal Period)



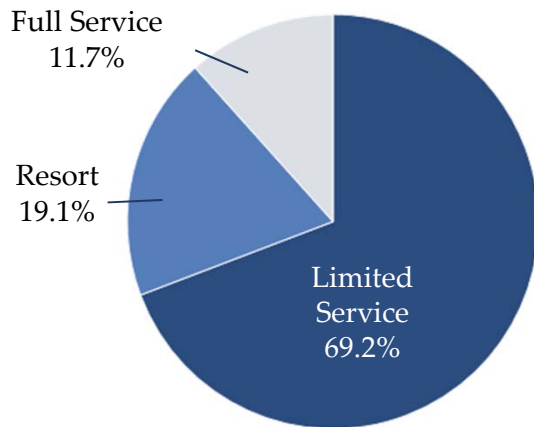
(¥ million)

Rent Revenue (December 2018 fiscal Period)			
Hotel	Variable	4,961	36.5%
	Fixed	4,968	36.5%
Residential		3,364	24.7%
Others¹		309	2.3%
Total		13,604	100.0%

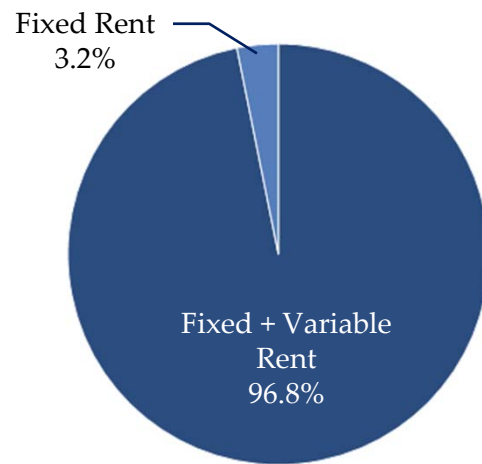
(Note 1) Commercial facilities

- Hotel portfolio comprises 66 properties, of which 69.2% are limited-service hotels, and 96.8% are variable-rent hotels¹
- 50.8% of the portfolio is located in the Greater Tokyo area (including the Tokyo 23 wards) and 9.9% in Kansai area¹
- Revenues from the hotels are approximately split between 50% variable rents and 50% fixed rents (total hotel revenue basis)

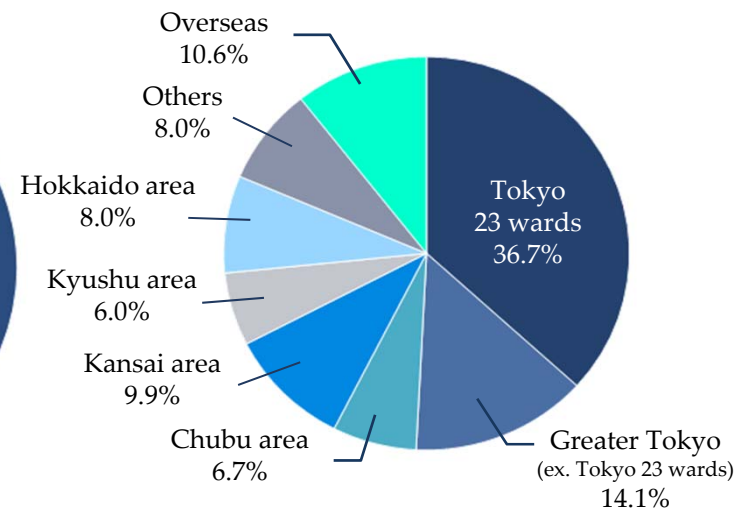
Hotel Type¹



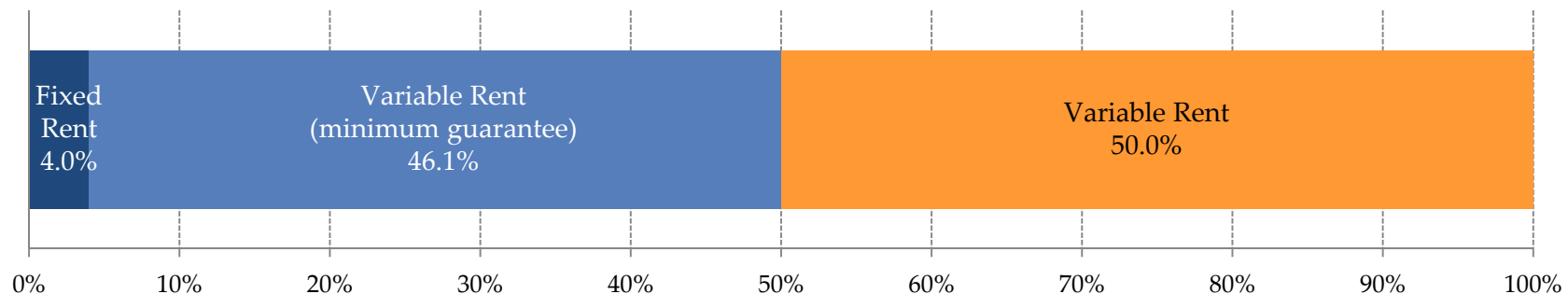
Rent Structure¹



Location^{1,2}



Composition by Rental Revenue³ (in December 2018 Fiscal Period)



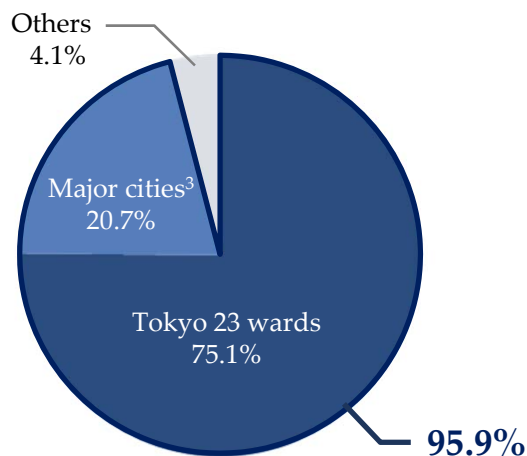
(Note 1) Based on acquisition price. The 49% preferred equity interest in the JV TMK that holds Sheraton Grande Tokyo Bay Hotel (SGTB) is counted as one property for INV's portfolio, and acquisition price of SGTB interest in INV's portfolio is calculated by applying the amount of preferred equity interest contribution by Invincible to the JV TMK. Also, Westin and Sunshine Resort are counted as two properties for INV's portfolio, and the amount of TK investment by INV to the SPC which will hold the leasehold of these properties is deemed to be the acquisition price for such proportion

(Note 2) Defined as follows: "Greater Tokyo" is Tokyo, Kanagawa, Chiba and Saitama. Greater Tokyo (ex. Tokyo 23 wards) is Tokyo (ex. Tokyo 23 Wards), Kanagawa, Chiba and Saitama. Kansai area is Osaka, Hyogo, Kyoto, Shiga, Wakayama and Nara. Chubu area is Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui

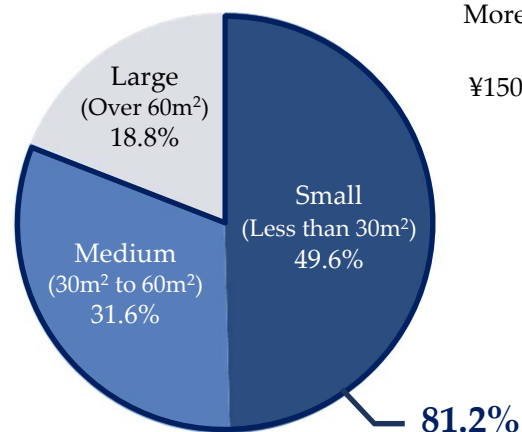
(Note 3) Excluding the amount of the dividend by JV TMK which holds 100% of Sheraton Grande Tokyo Bay Hotel

- Residential Portfolio consists of 64 properties and 4,561¹ units as of December 31, 2018
 - 95.9%² of the residential portfolio is concentrated in Tokyo 23 wards and other major cities³
 - 81.2%⁵ of the residential units are smaller than 60m², suitable for singles or small households
 - 76.8%⁶ of the residential units are affordable with the rent of less than ¥150k per month

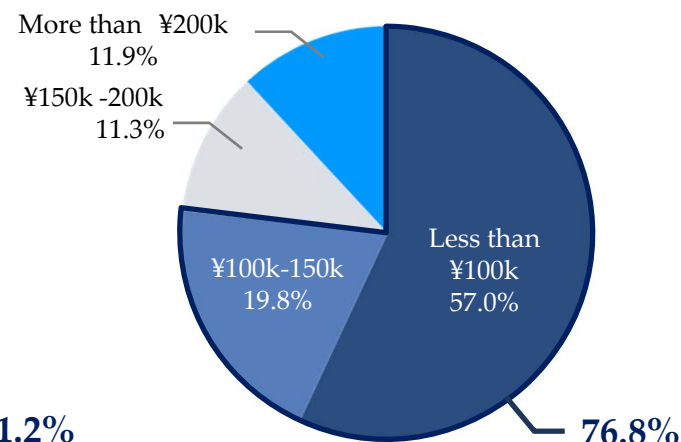
Location²



Room Type^{4,5}



Rent Range (Monthly)^{5,6}



City House
Tokyo Shinbashi



Royal Parks
Momozaka



Royal Parks
Shinden



Royal Parks Seasir
Minami-Senju



Royal Parks Tower
Minami-Senju

(Note 1) The number includes shops, offices and nursing homes in the assets, which are counted as one unit by each compartment

(Note 2) Based on acquisition price of the properties owned by INV as of December 31, 2018

(Note 3) Major cities refers to "Government ordinance cities" in Japan with a population of 500 thousand or more.

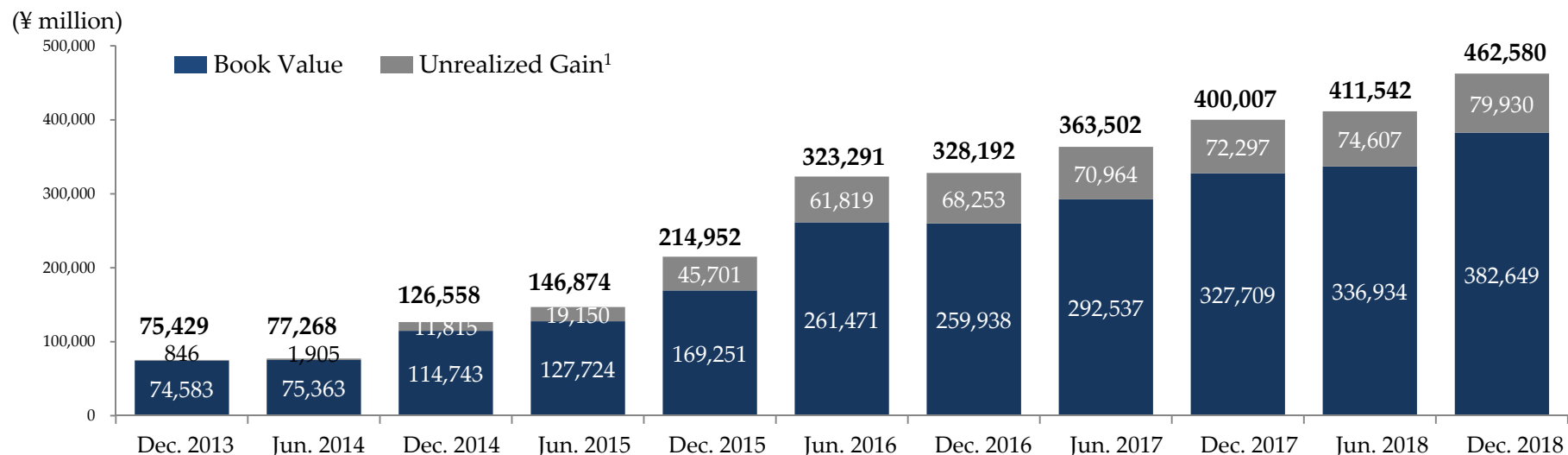
(Note 4) INV defines "Small" as a rentable unit with an area of less than 30m², "Medium" as a rentable unit with an area of 30m² to 60m² and "Large" as a rentable unit with an area of 60m² or more

(Note 5) Based on the number of units excluding unit of shops, offices and nursing homes at the end of December 2018

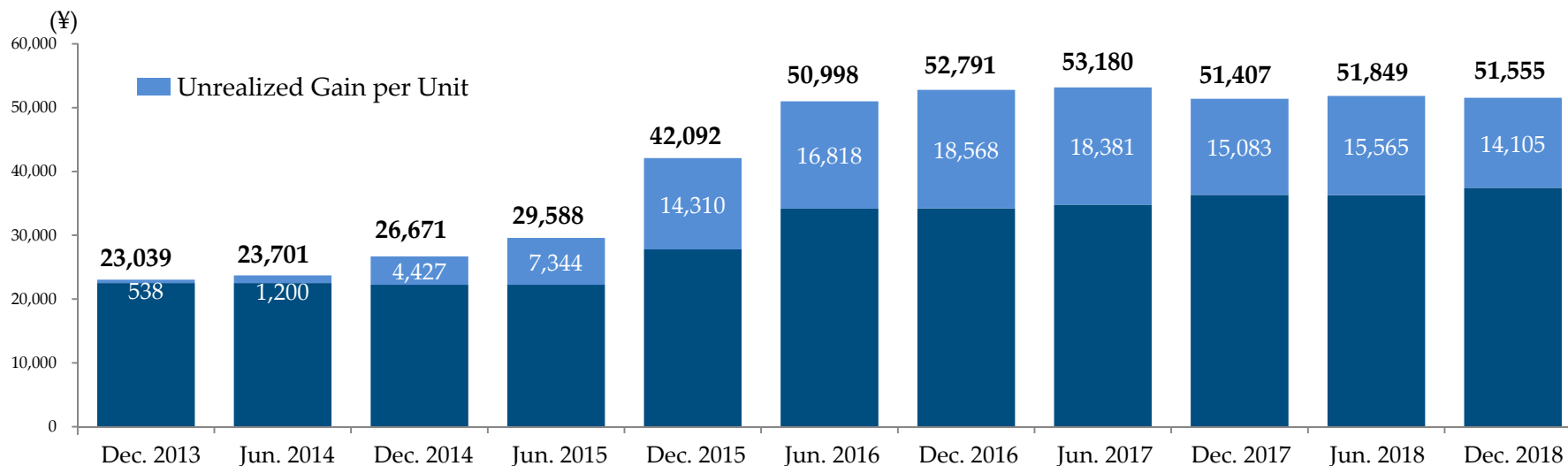
(Note 6) The amount of rent is based on monthly rent plus common-area charge for each unit at the end of December 2018

Summary of Appraisal Value

Trend of Appraisal Value



Trend of NAV per Unit³



(Note 1) Unrealized Gain = End-of-period Appraisal Value - End-of-period Book Value

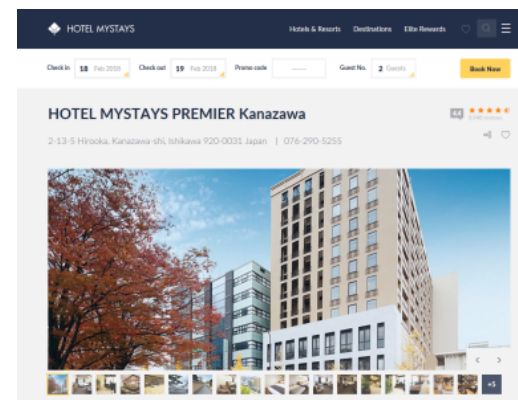
(Note 2) NAV per unit is calculated by the following formula: (End-of-period Amount of Net Assets - Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)) ÷ Investment Units outstanding as of the end of each fiscal period; and NAV per unit for the end of December 2016 is calculated based on unaudited financial data

MyStays Uniquely Caters to Inbound Tourists



MYSTAYS HOTEL MANAGEMENT CO.,LTD.

- MHM manages **52 hotels** owned by INV and manages **88 hotels** overall in Japan (as of December 31, 2018)
- MHM recently launched its new website as well as its new international reservation engine in order to increase direct bookings
- Overseas sales ratio resulted to be 33.4% of total revenue for MHM hotels owned by INV¹



MHM Websites

Major Recent Initiatives to Capitalize on Updated Customer Preferences & Market Trends

Revenue Management Expertise (INV owned MyStays hotels)

- ✓ The revenue share from direct corporate sales have increased to 7.4% in 2018 from 6.6% in 2017
- ✓ Increased 95%+ occupied nights from 7,525 to 7,766 YoY for 2018, an increase of 3.2%, for hotels that are owned by INV as of December 2018²
- ✓ New revenue management system based on machine learning to improve the overbooking algorithms to help offset cancellation and improve revenue

Extensive Online Marketing

- ✓ Expanded use of Japanese and international metasearch as well as paid searches
- ✓ Started influencer video marketing and social media advertising around specific campaigns and leisure destinations
- ✓ Increase in targeted YouTube and retargeting ads

Alliance with Alibaba Group (Fliggy)

- ✓ 69 MHM hotels on the Fliggy platform, of which 38 hotels are owned by INV

Cost Cutting Initiatives

- ✓ MyStays reduced building maintenance costs at 38 properties by 13.9% and elevator maintenance costs at 34 properties by 50.4% on an annual basis (INV owned MyStays hotels)

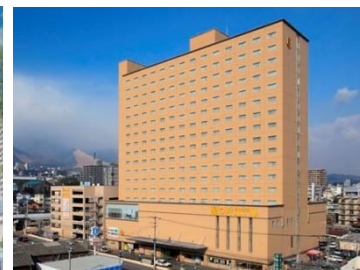
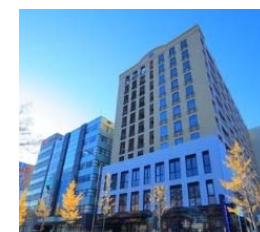
(Note 1) Refers to the sales revenue booked through overseas Online Travel Agents as a percent of the total room revenue, and is calculated based on the 47 hotels of 48 hotels managed by MHM for INV's portfolio as of the end of December 2018 excluding "Hotel Epinard Nasu", which is operated by MyStays Hotel Management subsidiary Naqua Hotels and Resorts

(Note 2) For the 43 MyStays managed hotels owned by INV that have been operating fully for the subject period, which excludes properties which were renovated in either 2017 or 2018

Unitholder Benefit Program for Invincible Unitholders

- INV introduced the Unitholder Benefits Program so that unitholders could enjoy staying at the wide range of hotels owned by INV, with the goal of increasing unitholders satisfaction and expanding the investor base
- INV unitholders will receive 10% off the Best Available Rate at the Sheraton Grande Tokyo Bay Hotel and at all MyStays hotels. In 2018, unitholders stayed 165 room nights at MyStays hotels using the unitholder benefit program

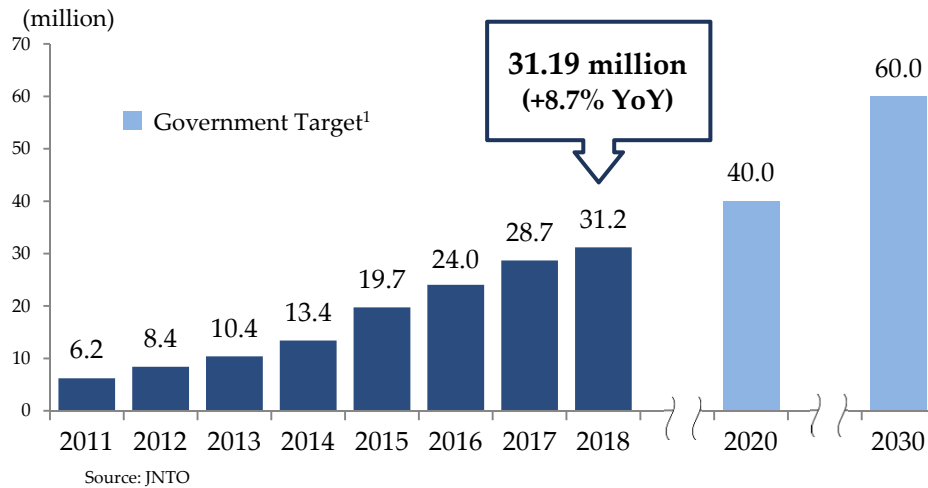
Overview of Unitholder Special Benefit Program ¹		Eligible Hotels: Sheraton Grande Tokyo Bay Hotel and All 82 MyStays Hotels	
Applicable Hotels	<ul style="list-style-type: none"> ■ Sheraton Grande Tokyo Bay Hotel ■ All hotels managed by MyStays 		
Eligible Unitholders	Unitholders who hold 10 or more Invincible units and whose names are on Invincible's Unitholders' Registry as of these record dates: ✓ June 30 and December 31 of each year		
Benefit Program	①	②	
Eligible Hotels	Sheraton Grande Tokyo Bay Hotel	All MyStays Hotels	
Details	10% discount from BAR ³	10% discount from BAR ²	
Hotel Reservation	via dedicated website of Sheraton Grande Tokyo Bay Hotel or MyStays		
Available Period³	<ul style="list-style-type: none"> ■ From April 1 to September 30 (eligible unitholders as of December 31) ■ From October 1 to March 31 (eligible unitholders as of June 30) 		



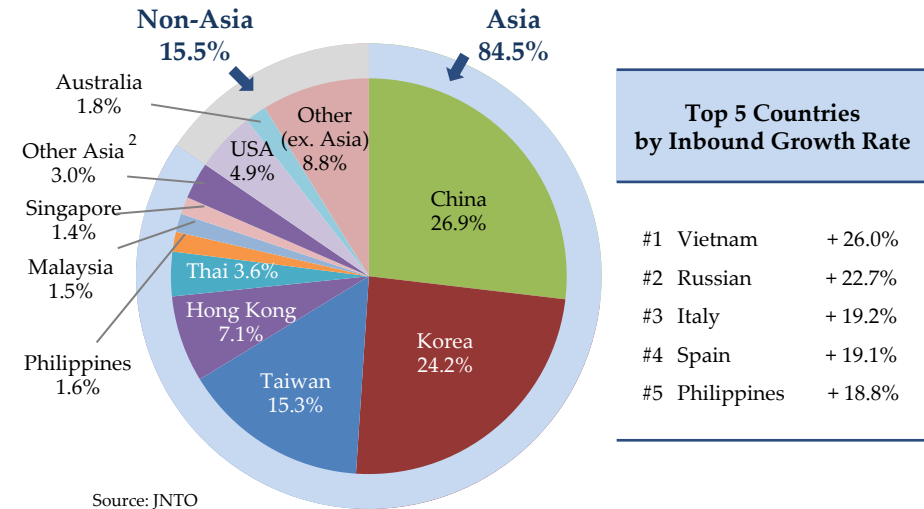
(Note 1) The details of the unitholder benefit program described above is what Invincible plans as of today, and the program may be changed or abolished even after it is actually introduced
 (Note 2) All hotels operated by Mystays Hotel Management Co., Ltd., which are listed on the Official Site of My Stays Hotel Group (<https://www.mystays.com/>). Hereafter the same on the page
 (Note 3) BAR (Best Available Rate) refers to the lowest price at the time of booking
 (Note 4) Available Period represents a period during which you can lodge by using the unitholder benefit program. To enjoy the unitholder benefit program, you actually need to lodge during the availability period

- Inbound visitors reached more than 30 million in 2018, which achieved an annual record high
- Japan still has a low number of foreign tourists compared to its population, indicating room for more growth

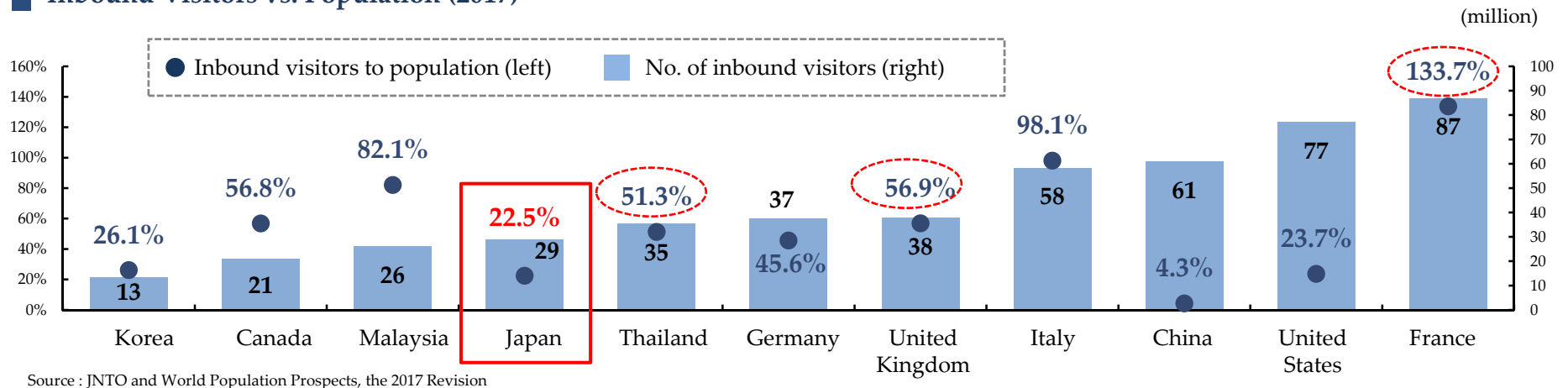
No. of Inbound Visitors to Japan



Inbound Visitors Composition by Country (2018)



Inbound Visitors vs. Population (2017)



(Note 1) Government targets are figures announced by the Government of Japan, and there is no assurance that such targets will be achieved
 (Note 2) Other Asia includes Indonesia, Vietnam and India

- The government of Japan initiatives focusing on increasing the number of inbound visitors has paid off, growth in inbound tourism has continued growth since 2012
- While inbound from main Asia (China, South Korea, Taiwan) continues to grow strongly, inbound from Europe, the United States and Australia is also steadily growing
- Southeast Asian countries sustain strong growth momentum

Inbound Visitors to Japan by Country

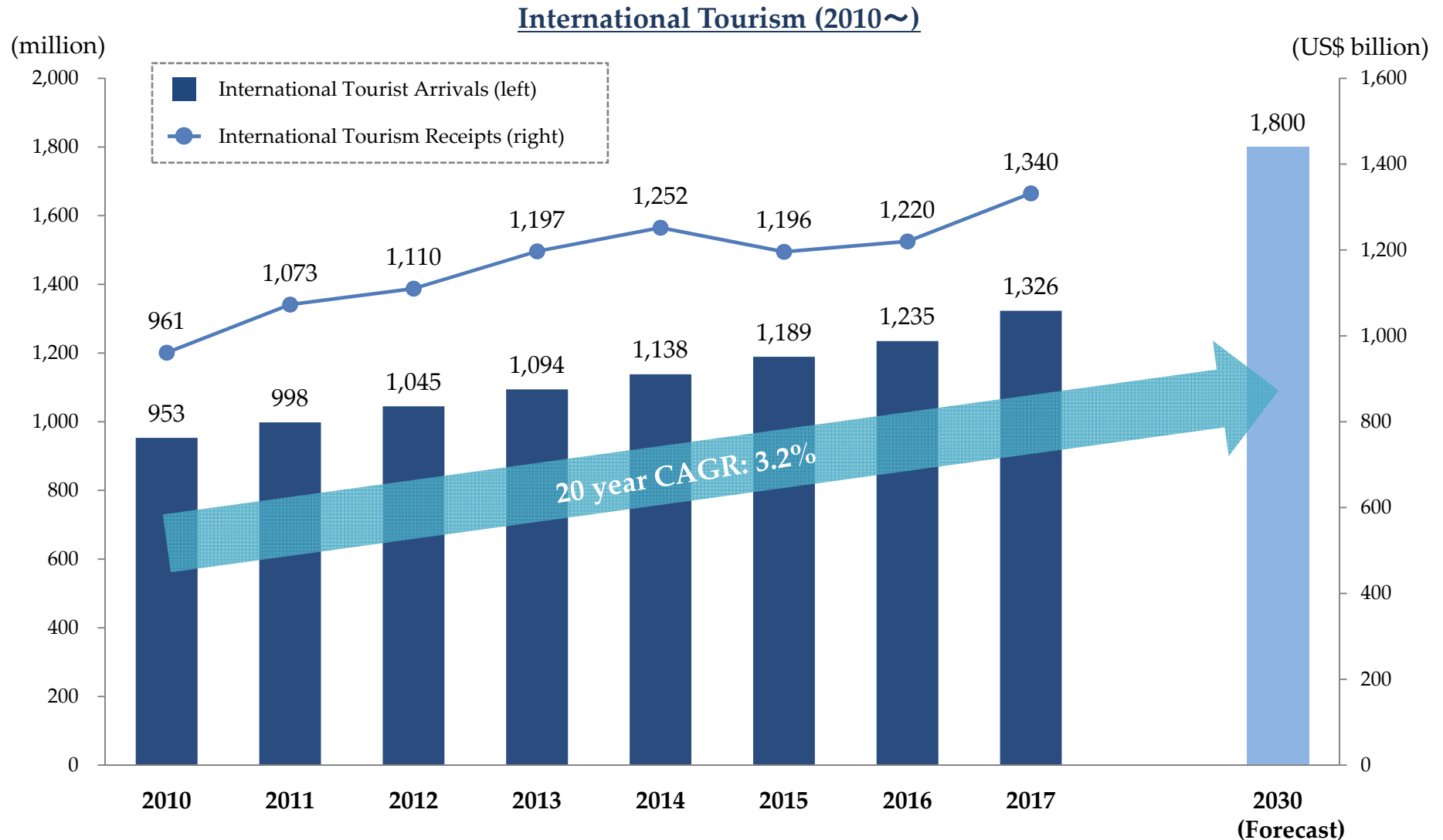
(thousands of people)

	2012		2013		2014		2015		2016		2017		2018	
		YoY		YoY		YoY		YoY		YoY		YoY		YoY
China	1,425	+36.6%	1,314	(7.8%)	2,409	+83.3%	4,994	+107.3%	6,373	+27.6%	7,356	+15.4%	8,380	+13.9%
South Korea	2,043	+23.2%	2,456	+20.2%	2,755	+12.2%	4,002	+45.3%	5,090	+27.2%	7,140	+40.3%	7,539	+5.6%
Taiwan	1,466	+47.5%	2,211	+50.8%	2,830	+28.0%	3,677	+29.9%	4,167	+13.3%	4,564	+9.5%	4,757	+4.2%
Hong Kong	482	+32.0%	746	+54.9%	926	+24.1%	1,524	+64.6%	1,839	+20.7%	2,232	+21.3%	2,208	(1.1%)
Thailand	261	+79.8%	454	+74.0%	658	+45.0%	797	+21.2%	901	+13.1%	987	+9.5%	1,132	+14.7%
Malaysia	130	+59.7%	177	+35.6%	250	+41.4%	305	+22.4%	394	+29.1%	440	+11.5%	468	+6.5%
Indonesia	101	+63.9%	137	+34.8%	159	+16.0%	205	+29.2%	271	+32.1%	352	+30.0%	397	+12.7%
Philippines	85	+34.8%	108	+27.4%	184	+70.0%	268	+45.7%	348	+29.6%	424	+21.9%	504	+18.8%
Vietnam	55	+34.4%	84	+53.1%	124	+47.1%	185	+49.2%	234	+26.1%	309	+32.1%	389	+26.0%
USA	717	+26.7%	799	+11.5%	892	+11.6%	1,033	+15.9%	1,243	+20.3%	1,375	+10.6%	1,527	+11.0%
UK	174	+24.2%	192	+10.2%	220	+14.7%	258	+17.5%	293	+13.2%	311	+6.2%	334	+7.6%
France	130	+36.6%	155	+18.8%	179	+15.3%	214	+20.0%	253	+18.3%	269	+5.9%	305	+13.5%
Canada	135	+33.6%	153	+12.9%	183	+19.7%	231	+26.5%	273	+18.0%	306	+11.9%	331	+8.2%
Australia	206	+27.0%	245	+18.5%	303	+23.8%	376	+24.3%	445	+18.4%	495	+11.2%	552	+11.6%
Others	947	+35.2%	1,134	+19.6%	1,343	+18.5%	1,666	+24.0%	1,914	+14.9%	2,133	+11.4%	2,369	+11.1%
Total	8,358	+34.4%	10,364	+24.0%	13,413	+29.4%	19,737	+47.1%	24,039	+21.8%	28,691	+19.3%	31,192	+8.7%

(Note) Source: Japan Tourism Agency, Japan National Tourism Organization, Prime Minister of Japan and His Cabinet

Growth of International Tourists

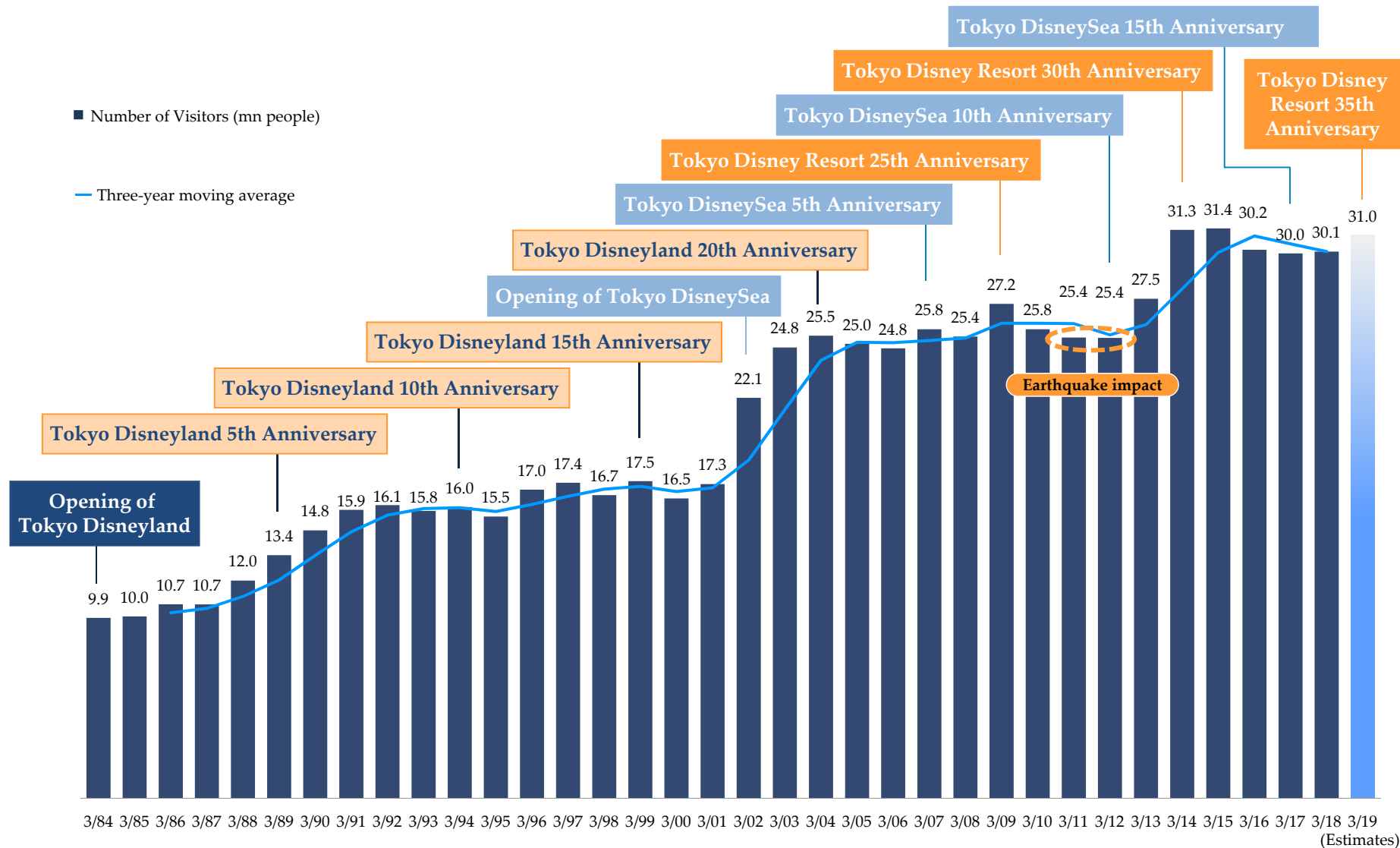
According to UNWTO, the number of international tourists reached 1,326 million in 2017 in the world, which renewed the records for the eighth consecutive year, and UNWTO expects international tourists to reach 1.8 billion by 2030



Source: UNWTO

Sustainable Growth of Tokyo Disney Resort

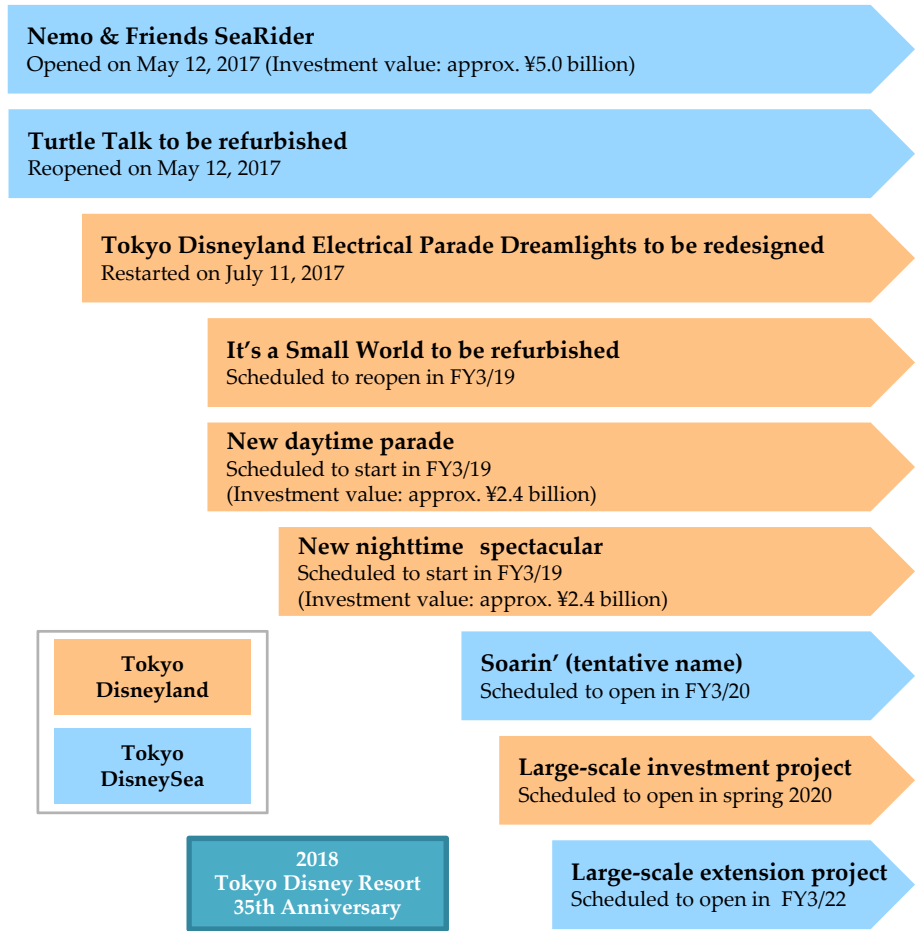
Tokyo Disney Resort has a proven track record of growth since the opening of Tokyo Disneyland in 1983. The number of guests is expected to grow further through the continuation of large-scale investments in Tokyo Disney Resort



Source: Corporate disclosure from OLC

- Expect strong visitor growth due to a significant expansion for Tokyo Disney Resort (Oriental Land previously announced a Approx. ¥300 billion plan for FY 3/2020 through FY3/2022) and increased inbound tourism
- Oriental Land's proposed plan will continue investment for further growth

Recent new attractions in TDR



Large-scale investment/expansion projects at Tokyo Disneyland and Tokyo DisneySea

Theme park	Projects	Time of introduction / Investment value
Tokyo DisneySea	Major attraction Soarin' (tentative name)	FY3/20 Approx. ¥18.0 bn
	<ul style="list-style-type: none"> ■ Beauty and the Beast Area (tentative name) – Major attraction 	Spring 2020
Tokyo Disneyland	<ul style="list-style-type: none"> ■ Live Entertainment Theater ■ New attraction based on the film, Big Hero 6 ■ New Disney Character Greeting Facility 	Approx. ¥75.0 bn
Tokyo DisneySea	<ul style="list-style-type: none"> ■ Frozen – attraction ×1, restaurant ×1 ■ Tangled – attraction ×1, restaurant ×1 ■ Peter Pan – attraction ×2, restaurant ×1 ■ New Hotel located inside the Park 	FY3/22 Approx. ¥250.0 bn

Recent new attractions in TDR



Source: Corporate disclosure from OLC



Appendix - Financial and Operational Data

Key Operational Data for Variable Rent Hotels (1)

Property	# of rooms	Acquisition Month	Occupancy		ADR (¥)		RevPAR (¥)		GOP (¥ mn)		Daily Ratio		Overseas Sales Ratio	
			Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual	
				Y-o-Y (pt)		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y (pt)
D1 MS Kanda	126	May 2014	96.2%	1.0	9,567	7.5%	9,202	8.7%	123	11.4%	100%	0.0	41.7%	-1.6
D2 MS Asakusa	160	May 2014	95.9%	1.7	7,069	2.3%	6,782	4.2%	121	13.7%	89.1%	-3.1	72.6%	7.5
D3 MS Kyoto-Shijo	224	Jul 2014	81.8%	-9.4	11,556	-13.1%	9,455	-22.0%	227	-28.0%	100.0%	0.0	50.5%	-12.2
D4 MS Shin-Urayasu CC.	175	Jul 2014	93.0%	2.8	10,986	2.0%	10,217	5.1%	205	9.7%	100.0%	0.0	22.1%	4.0
D5 MS Maihama	90	Jul 2014	94.3%	0.1	18,962	11.8%	17,890	12.0%	189	18.3%	100.0%	0.0	36.8%	9.1
D6 MS Dojima	141	Jul 2014	95.4%	0.5	11,727	-1.6%	11,188	-1.1%	216	2.0%	100.0%	-	38.3%	-
D7 MS Nagoya-Sakae	270	Jul 2014	91.8%	-3.0	7,809	-5.5%	7,166	-8.6%	197	-10.3%	100.0%	0.0	42.7%	2.6
D8 MS Sakaisuji-Honmachi	190	Jul 2014	90.4%	-0.5	7,788	-19.2%	7,041	-19.6%	132	-24.6%	100.0%	0.0	28.0%	-12.2
D9 MS Yokohama	190	Jul 2014	90.9%	4.5	7,940	-3.6%	7,217	1.4%	130	1.8%	100.0%	0.0	23.6%	-3.3
D10 MS Nippori	93	Jul 2014	92.0%	-0.6	7,473	6.1%	6,872	5.4%	65	7.9%	93.8%	0.7	59.5%	8.8
D11 MS Fukuoka-Tenjin-Minami	177	Jul 2014	93.0%	-3.3	9,416	-0.2%	8,761	-3.7%	159	-5.2%	100.0%	0.0	30.1%	-10.4
D13 MS Ueno-Inaricho	72	Jul 2014	93.0%	0.5	7,557	1.6%	7,030	2.1%	51	2.0%	96.7%	4.4	65.7%	0.7
D17 MS Otemae	110	Jul 2014	83.3%	-8.8	10,037	-16.1%	8,365	-24.1%	78	-38.4%	100.0%	0.0	46.7%	-12.5
D22 MS Hakodate-Goryokaku	208	Feb 2015	75.8%	-8.9	9,253	5.2%	7,012	-5.8%	152	2.9%	100.0%	-	9.6%	-
D24 MS Haneda	174	Jul 2015	96.1%	1.9	11,293	-0.3%	10,858	1.7%	196	4.6%	100.0%	0.0	35.5%	-4.7
D25 MS Kameido P1	265	Jul 2015	93.3%	1.9	6,443	7.8%	6,010	10.0%	196	9.0%	58.2%	10.1	18.8%	0.0
D26 MS Ueno-Iriyaguchi	97	Jul 2015	94.5%	0.6	10,118	4.0%	9,563	4.7%	97	5.7%	100.0%	0.0	70.2%	4.4
D27 MS Kameido P2	175	Jul 2015	94.4%	0.8	6,424	4.0%	6,063	4.8%	130	5.1%	70.6%	2.9	28.1%	-5.6
D31 MS Utsunomiya	116	Jul 2015	97.1%	-0.1	8,540	0.7%	8,295	0.6%	93	-2.2%	100.0%	0.0	19.8%	-0.1
D38 MS Shinsaibashi	54	Jan 2016	94.1%	-2.9	11,653	-18.4%	10,961	-20.8%	63	-29.0%	100.0%	0.0	67.1%	1.9
D43 MS Gotanda Station	383	Mar 2016	93.7%	-1.4	11,095	5.6%	10,395	4.0%	489	12.4%	100.0%	0.0	24.3%	0.0
D45 MS Fukuoka Tenjin	217	Mar 2016	92.1%	-3.2	10,110	2.5%	9,313	-0.9%	230	-2.8%	100.0%	0.0	41.0%	-5.5
D46 MS Hamamatsucho	105	Mar 2016	97.0%	0.9	11,429	5.4%	11,091	6.4%	123	8.6%	100.0%	0.0	52.1%	2.3
D47 MSP Kanazawa	244	Jun 2016	92.8%	0.3	13,132	3.4%	12,190	3.8%	376	2.2%	100.0%	0.0	26.4%	0.0
D49 MSP Hamamatsucho	120	May 2017	94.5%	3.6	19,178	0.1	18,121	0.1	257	0.1	100.0%	0.0	73.5%	7.9
D50 MS Shin Osaka CC	397	Oct 2017	90.9%	-3.8	8,079	-0.1	7,347	-0.1	387	-0.1	100.0%	0.0	22.8%	-16.1
D51 MSP Omori	232	Oct 2017	94.5%	2.6	13,184	0.1	12,459	0.1	303	0.1	100.0%	0.0	45.7%	2.8
D53 MS Sapporo Station	242	Oct 2017	87.6%	-6.5	11,466	0.0	10,047	0.0	272	0.0	100.0%	0.0	28.2%	-7.8
D54 MS Yokohama Kannai	165	Feb 2018	93.5%	-0.3	9,588	0.0	8,964	0.0	152	0.0	100.0%	0.0	34.4%	4.6
D55 MS Oita	145	Feb 2018	90.5%	1.6	6,001	0.0	5,430	0.0	60	0.0	100.0%	0.0	19.6%	-2.8
D56 MS Gotanda	110	Jun 2018	97.3%	-0.4	10,557	0.1	10,276	0.1	128	0.3	100.0%	0.0	26.5%	3.0
D57 MS Tachikawa	121	Jun 2018	94.8%	1.0	8,773	0.1	8,317	0.1	111	0.3	100.0%	0.0	22.1%	0.3
D58 MSP Akasaka2	327	Aug 2018	94.5%	-	13,514	-	12,765	-	466	-	100.0%	-	57.8%	-
D59 MSP Sapporo Park2	419	Aug 2018	83.3%	-	11,546	-	9,612	-	441	-	100.0%	-	15.0%	-
D60 MS Ueno East2	150	Aug 2018	95.6%	-	10,105	-	9,656	-	143	-	100.0%	-	68.5%	-
D61 MS Midosuji Honmachi2	108	Aug 2018	85.5%	-	10,430	-	8,919	-	91	-	100.0%	-	41.0%	-
MyStays (36properties) Subtotal	6,592	-	91.9%	-1.2	9,942	0.3%	9,134	-1.0%	5,723	0.2%	97.7%	0.2	36.7%	-2.5

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 (Note 4) The data for Apahotel Yokohama-Kannai is not disclosed.
 (Note 5) Excludes the data of the properties whose holding period in the December 2018 fiscal period of INV is less than 6 months for the calculation of total or subtotal except for the number of rooms.

Key Operational Data for Variable Rent Hotels (2)

Property	# of rooms	Acquisition Month	Occupancy		ADR (¥)		RevPAR (¥)		GOP (¥ mn)		Daily Ratio		Overseas Sales Ratio	
			Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual		Jul.-Dec. 2018 Actual	
				Y-o-Y (pt)		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y (pt)		Y-o-Y (pt)
D12 FSI Iidabashi	59	Jul 2014	92.2%	1.0	10,001	4.0%	9,221	5.1%	56	7.0%	95.2%	-0.8	39.9%	7.3
D14 FSI Shinagawa	55	Jul 2014	97.5%	2.3	9,097	4.2%	8,875	6.6%	49	15.8%	93.6%	-6.4	30.8%	2.1
D15 FSI Tokiwadai	129	Jul 2014	78.3%	6.2	5,720	6.8%	4,482	15.9%	64	19.7%	64.7%	10.1	27.2%	5.7
D16 FSI Sugamo	104	Jul 2014	83.1%	6.9	6,093	3.2%	5,065	12.5%	57	16.5%	67.6%	9.7	17.7%	2.8
D18 FSI Kiyosumi-Shirakawa	55	Jul 2014	94.9%	4.5	6,813	-4.2%	6,465	0.5%	37	1.5%	72.3%	-11.6	46.4%	4.0
D19 FSI Nakanobu P1	39	Jul 2014	94.7%	7.8	5,873	6.1%	5,563	15.7%	23	34.5%	42.1%	-27.5	11.3%	-6.1
D20 FSI Nakanobu P2	22	Jul 2014	93.2%	2.2	5,577	4.5%	5,200	7.1%	10	7.3%	79.7%	0.4	27.4%	5.5
D23 FSI Shirogane	84	Feb 2015	86.1%	5.7	7,072	0.9%	6,085	8.1%	58	14.7%	56.6%	-7.3	30.3%	8.6
D30 FSI Higashi-Jujo	88	Jul 2015	91.5%	0.5	5,310	1.3%	4,857	1.9%	40	8.1%	88.6%	-5.6	57.5%	8.1
D32 FSI Kawasaki-Kaizuka	64	Jul 2015	90.9%	4.2	5,337	-1.3%	4,850	3.5%	33	1.0%	30.8%	-4.2	10.8%	3.9
D34 FSI Kawasaki-Ogawacho	62	Jul 2015	88.9%	0.2	4,714	-5.6%	4,190	-5.4%	24	-15.6%	30.5%	-6.0	14.9%	3.8
D35 FSI Ekoda	210	Aug 2015	88.2%	7.3	5,146	-1.7%	4,539	7.1%	117	12.7%	37.6%	-8.4	8.4%	-10.1
FlexStay Inn (12properties) Subtotal	971	-	88.2%	4.8	6,172	1.1%	5,444	6.8%	574	10.8%	63.3%	-3.9	26.3%	1.9
D44 Hotel Epinard Nasu	310	Mar 2016	93.7%	0.5	28,082	2.0%	26,320	2.5%	1,114	1.0%	100.0%	0.0	0.3%	0.1
D52 Beppu Kamenoi Hotel	322	Oct 2017	87.3%	-3.0	11,798	13.8%	10,303	9.9%	419	18.9%	100.0%	0.0	25.5%	2.8
D55 Art Hotel Joetsu	198	Feb 2018	78.3%	-3.0	7,673	-0.2%	6,011	-3.8%	117	-8.1%	100.0%	0.0	4.1%	0.7
D56 Art Hotel Hirosaki City	134	Feb 2018	78.0%	-3.8	9,876	0.1	7,699	0.0	139	0.1	100.0%	0.0	9.0%	4.2
Others (4properties) Subtotal	964	-	86.2%	-1.9	16,487	6.1%	14,219	3.8%	1,791	4.9%	100.0%	0.0%	7.4%	1.4
MHM (A)	8,527	-	90.7%	-0.5	10,267	1.1%	9,309	0.5%	8,089	1.9%	95.6%	-0.2	29.8%	-1.6
D21 Apahotel Yokohama-Kannai	451	Feb 2015	94.4%	9.0	7,538	2.9%	7,118	13.7%	232	1.3%	-	-	-	-
D28 Hotel Vista Shimizu	152	Jul 2015	81.7%	-1.3	6,869	-1.0%	5,609	-2.5%	66	-18.5%	-	-	9.6%	-1.1
Non-MHM Operators (Domestic) (B)	603	-	91.2%	6.4	7,387	2.2%	6,738	9.9%	299	-3.9%	-	-	9.6%	-1.1
Domestic Hotels (A) + (B)	9,130	-	90.7%	0.0	10,052	1.0%	9,119	1.0%	8,389	1.7%	95.6%	-17.6%	29.6%	-1.6
- Westin Grand Cayman Seven Mile Beach Resort & Spa2	343	Sep 2018	79.1%	-	401	-	317	-	1,217	-	-	-	-	-
- Sunshine Suites Resort2	131	Sep 2018	82.2%	-	185	-	152	-	7,373	-	-	-	-	-
Oversea Hotels	474	-	-	-	-	-	-	-	-	-	-	-	-	-

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 (Note 5) Excludes the data of the properties whose holding period in the December 2018 fiscal period of INV is less than 6 months for the calculation of total or subtotal except for the number of rooms.

Items	December 2016	June 2017	December 2017	June 2018	December 2018
	Jul 1, 2016- Dec 31, 2016	Jan 1, 2017- Jun 30, 2017	Jul 1, 2017- Dec 31, 2017	Jan 1, 2018- Jun 30, 2018	Jul 1, 2018- Dec 31, 2018
Amount of Total Assets (JPY million)	277,361	306,421	371,758	374,512	455,362
Amount of Net Assets (JPY million)	131,455	139,062	181,320	181,523	221,364
Capital-to-Asset Ratio	47.4%	45.4%	48.8%	48.5%	48.6%
Total Amount of Investment (JPY million)	120,367	128,984	168,798	168,798	211,092
End-of-period total number of units issued	3,675,824	3,860,824	4,793,181	4,793,181	5,666,840
Amount of Net Assets per Unit (JPY)	35,762	36,019	37,829	37,871	39,063
Return on Asset (ROA) (annualized)	3.9%	3.2%	4.3%	4.2%	3.8%
Return on Equity (ROE) (annualized)	8.3%	7.0%	9.1%	8.6%	7.7%
Amount of interest-bearing debts (JPY million)	142,419	163,990	186,983	189,415	229,873
Weighted average interest rate	0.5%	0.5%	0.5%	0.5%	0.5%
Loan to Value (LTV 1)	53.1%	55.0%	51.8%	52.1%	52.0%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	51.3%	53.5%	50.3%	50.6%	50.5%
Net Operating Income (NOI) (JPY million)	8,414	8,023	10,008	10,491	13,039
NOI yield (annualized)	6.3%	5.7%	6.3%	5.9%	6.4%
Depreciation Expenses (JPY million)	2,065	2,281	2,567	2,772	3,039
Funds From Operations (FFO) (JPY million)	7,496	6,983	8,626	9,244	11,423
NAV (JPY million)	194,049	205,318	246,404	248,519	292,154
NAV per Unit (JPY)	52,791	53,180	51,407	51,849	51,555
NAV ratio	1.0	0.9	0.9	1.0	0.9

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

- ROA(annualized) = Ordinary Income / Weighted Average Total Assets during the period x 100/days during the period x 3
- ROE(annualized) = Net Income / Weighted Average Net Assets during the period x 100/days during the period x 365
- LTV(1) = End-of-period Interest-Bearing Debt / (End-of-period Interest-Bearing Debt + Unitholders' Capital + Unitholders' Capital Surplus)x100
- LTV(2) = End-of-period Interest-Bearing Debt / End-of-period Total Assets x 100
- NOI = Rental Revenues + TMK Dividend amount - Property-Related Expenses + Depreciation Expenses
- NOI yield (annualized) = ((Rental Revenues + TMK Dividend amount - Property-Related Expenses + Depreciation Expenses) / days during the period x 365) / Acquisition Price
- FFO = Net Income + Depreciation Expenses + Other Amortization - Gain on Sales of Properties + Loss from Sales of Properties
- NAV = End-of-period Amount of Net Assets - Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)
- NAV ratio = period-end unit price / Amount of Net Assets per Unit

(Note 2) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place
In addition "Amount of Net Assets per Unit (¥)" and "NAV per Unit (¥)" are rounded to nearest yen

December 2018 Results – Comparison with June 2018

(¥ million, otherwise stated)

	Jun 2018 Period Jan 1, 2018- Jun 30, 2018	Dec 2018 Period Jul 1, 2018- Dec 31, 2018	Variance		Major Causes for Variance
			Amount	%	
Operating revenue	13,104	14,451	+1,346	+10.3%	Increase in rental revenue by new acquired properties: +1,346 Decrease in rental revenue by disposition in previous fiscal period: -88 Increase in rental revenue by existing portfolio: +1,223 (Hotel: +1,205 / Residential: +14) Increase in TMK Dividends: +114 Reduction of gain on sale (for 6 properties): -1,249
Real estate rental revenues	11,122	13,604	+2,481	+22.3%	
Hotel Rents	7,378	9,930	+2,552	+34.6%	
Residential Rents	3,363	3,364	+0	+0.0%	
TMK Dividend amount	732	846	+114	+15.6%	
TK Dividend amount	0	0	-	-	
Gain on sale of properties	1,249	0	-1,249	-100.0%	
Operating expenses	4,671	4,936	+264	+5.7%	Increase in cost by new acquired properties: +9 Decrease in cost by disposition in previous fiscal period: -44 Increase tax for existing portfolio: +98 Increase depreciation for existing portfolio: +38
Real estate rental expenses	4,136	4,450	+314	+7.6%	
Taxes and other public charges	470	547	+76	+16.3%	
Depreciation expenses	2,772	2,920	+148	+5.4%	
NOI	10,491	13,039	+2,548	+24.3%	
NOI after depreciation	7,718	10,118	+2,399	+31.1%	
Operating income	8,433	9,514	+1,081	+12.8%	
Non-operating income	4	35	+31	+717.2%	
Non-operating expenses	715	1,165	+450	+63.0%	PO cost: +186 Debt cost: +173
Ordinary income	7,722	8,384	+662	+8.6%	
Net income	7,721	8,384	+662	+8.6%	
Distribution per Unit	1,430	1,683	+253	+17.7%	
Excess dividend per Unit	0	51	+51	-	
Operating Days	181	184	-	-	

(Note) Percentages are rounded to one decimal place. Amount of money is rounded down to the nearest million yen

Income Statement

Items	June 2018 Period		December 2018 Period		Changes	
	Jan 1, 2018- Jun 30, 2018		Jul 1, 2018- Dec 31, 2018			
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Operating revenues	13,104,841	100.0	14,451,005	100.0	1,346,163	10.3
Rental revenues (1)	11,122,481		13,604,224		2,481,742	
Gain on sales of properties	1,249,645		0		(1,249,645)	
Dividend income (2)	732,714		846,780		114,065	
Operating expenses	4,671,320	35.6	4,936,248	34.2	264,927	5.7
Property related expenses (3)	4,136,619		4,450,676		314,057	
Depreciation expenses (4)	2,772,510		3,039,033		266,522	
NOI (including dividend income) (1)+(2)-(3)+(4)	10,491,088	80.1	13,039,362	90.2	2,548,273	24.3
Asset management fees	275,000		275,000		-	
Directors' compensation	4,800		5,200		400	
Asset custody fees	18,162		18,645		482	
Administrative service fees	39,697		52,607		12,910	
Provision of allowance for doubtful accounts	2		86		83	
Other	197,039		134,032		(63,006)	
Operating income	8,433,520	64.4	9,514,756	65.8	1,081,235	12.8
Non-operating income	4,347	0.0	35,528	0.2	31,181	717.3
Interest income	78		82		3	
Foreign exchange gains	-		34,468		34,468	
Interest on tax refund	3,086		72		(3,014)	
Other	1,181		906		(275)	
Non-operating expenses	715,314	5.5	1,165,608	8.1	450,294	63.0
Interest expenses	479,456		555,811		76,355	
Interest expenses on investment corporation bonds	1,216		8,490		7,273	
Amortization of investment corporation bond issuance costs	379		2,625		2,245	
Loan-related costs	234,197		407,683		173,485	
Investment unit issuance expenses	-		186,997		186,997	
Other	64		3,999		3,935	
Ordinary income	7,722,553	58.9	8,384,676	58.0	662,123	8.6
Income before income taxes	7,722,553	58.9	8,384,676	58.0	662,123	8.6
Income taxes	605		605		-	
Net income	7,721,948	58.9	8,384,071	58.0	662,123	8.6
Retained earnings / losses brought forward	(111,399)		756,300		867,699	
Unappropriated retained earnings / losses at the end of the period	7,610,548		9,140,372		1,529,823	

Balance Sheet - Assets

Items	June 2018 Period		December 2018 Period		Changes	
	(As of Jun 30, 2018)		(As of Dec 31, 2018)			
	JPY thousand	%	JPY thousand	%	JPY thousand	%
<i>Assets</i>						
Current assets						
Cash and bank deposits	8,505,792		3,985,335		(4,520,456)	
Cash and bank deposits in trust	6,566,761		7,079,268		512,506	
Accounts receivables	6,483		583,012		576,528	
Rental receivables	1,826,596		2,591,368		764,772	
Prepaid expenses	428,536		539,442		110,905	
Income taxes receivable	149,632		172,912		23,280	
Consumption tax receivable	-		434,326		434,326	
Others	0		0		-	
Allowance for doubtful accounts	(89)		(86)		3	
Total current assets	17,483,714	4.7	15,385,582	3.4	(2,098,132)	(12.0)
Non-current assets						
Property and equipment						
Tools, furniture and fixtures	2,748		2,522		(225)	
Buildings in trust	123,099,357		132,119,910		9,020,553	
Buildings and accompanying facilities in trust	22,680,292		25,308,172		2,627,879	
Structures in trust	138,854		136,377		(2,476)	
Tools, furniture and fixtures in trust	1,002,969		1,185,781		182,812	
Land in trust	173,298,062		203,881,464		30,583,402	
Total property and equipment	320,222,285	85.5	362,634,229	79.6	42,411,944	13.2
Intangible assets						
Leasehold rights in trust	16,712,637		20,015,700		3,303,062	
Total intangible assets	16,712,637	4.5	20,015,700	4.4	3,303,062	19.8
Investment and other assets						
Investment securities	17,856,387		54,640,213		36,783,826	
Guarantee deposits	1,681,565		1,700,670		19,105	
Long-term prepaid expenses	426,222		708,191		281,969	
Derivatives assets	92,561		216,555		123,993	
Others	12,667		22,667		10,000	
Total investment and other assets	20,069,404	5.4	57,288,298	12.6	37,218,894	185.5
Total non-current assets	357,004,327	95.3	439,938,228	96.6	82,933,901	23.2
Deferred assets						
Investment corporation bond issuance costs	24,945		38,985		14,039	
Total deferred assets	24,945	0.0	38,985	0.0	14,039	-
Total assets	374,512,988	100.0	455,362,796	100.0	80,849,807	21.6

Balance Sheet – Liabilities/Net Assets

Items	June 2018 Period		December 2018 Period		Changes	
	(As of Jun 30, 2018)		(As of Dec 31, 2018)			
	JPY thousand	%	JPY thousand	%	JPY thousand	%
<i>Liabilities</i>						
Current liabilities						
Accounts payable	598,870		431,891		(166,978)	
Short-term loans payable	2,000,000		1,099,000		(901,000)	
Current portion of long-term loans payable	46,663,000		54,745,000		8,082,000	
Accounts payable-other	131,783		651,992		520,208	
Accrued expenses	195,481		200,203		4,722	
Income taxes payable	605		605		-	
Consumption taxes payable	14,902		-		(14,902)	
Advances received	551,506		571,668		20,161	
Deposits received	21,697		134,085		112,388	
Total current liabilities	50,177,846	13.4	57,834,445	12.7	7,656,599	15.3
Non-current liabilities						
Investment corporation bonds	2,000,000		4,000,000		2,000,000	
Long-term loans payable	138,752,000		170,029,000		31,277,000	
Tenant leasehold and security deposits in trust	2,026,400		2,009,816		(16,584)	
Derivatives liabilities	1,586		92,525		90,939	
Asset retirement obligations	31,891		32,107		215	
Total non-current liabilities	142,811,878	38.1	176,163,449	38.7	33,351,571	23.4
Total liabilities	192,989,724	51.5	233,997,895	51.4	41,008,170	21.2
<i>Net assets</i>						
Unitholders' equity						
Unitholders' capital	168,798,455	45.1	211,092,540	46.4	42,294,085	25.1
Surplus						
Capital surplus	6,264,432		6,264,432		-	
Deduction of capital surplus						
Allowance for temporary differences adjustment	(46,329)		(46,329)		-	
Other deduction of capital surplus	(1,194,818)		(5,194,798)		(3,999,980)	
Total deduction of capital surplus	(1,241,148)		(5,241,128)		(3,999,980)	
Capital surplus (net)	5,023,283		1,023,303		(3,999,980)	
Retained earnings	7,610,548		9,140,372		1,529,823	
Total surplus	12,633,832	3.4	10,163,675	2.2	(2,470,157)	-19.6
Total unitholders' equity	181,432,288	48.4	221,256,215	48.6	39,823,927	21.9
Valuation and translation adjustments						
Deferred gains or losses on hedges	90,975		108,684		17,709	
Total valuation and translation adjustments	90,975	0.0	108,684	0.0	17,709	19.5
Total net assets	181,523,263	48.5	221,364,900	48.6	39,841,636	21.9
Total liabilities and net assets	374,512,988	100.0	455,362,796	100.0	80,849,807	21.6

Cash Flow Statement and Dividend Distribution

Items	June 2018 Period	December 2018 Period
	Jan 1, 2018- Jun 30, 2018	Jul 1, 2018- Dec 31, 2018
	JPY thousand	JPY thousand
Cash flows from operating activities		
Income before income taxes	7,722,553	8,384,676
Depreciation and amortization	2,772,510	3,039,033
Investment unit issuance costs	-	186,997
Amortization of investment corporation bond issuance costs	379	2,625
Loan-related costs	234,197	407,683
Interest income	(78)	(82)
Interest expenses	480,672	564,302
Foreign exchange losses (gains)	-	(7,261)
Increase (decrease) in allowance for doubtful accounts	0	(3)
Decrease (increase) in rental receivables	158,132	(764,772)
Decrease (Increase) in refundable income taxes	(149,624)	(23,292)
Decrease (increase) in consumption taxes receivable	661,287	(434,326)
Increase (decrease) in accounts payable	39,752	(32,970)
Increase (decrease) in consumption taxes payable	(32,819)	(14,902)
Increase (decrease) in accounts payable-other	49,627	(49,755)
Increase (decrease) in accrued expenses	(75,177)	(2,611)
Increase (decrease) in advances received	(49,246)	20,161
Increase (decrease) in deposits received	(47,348)	(75,818)
Decrease in property and equipment, due to sale in trust	9,181,866	-
Others	20,177	9,283
Subtotal	20,966,865	11,208,966
Interest income received	78	82
Interest expenses paid	(483,261)	(553,985)
Income taxes paid	(605)	(605)
Cash flows from operating activities	20,483,077	10,654,458
Cash flows from investment activities		
Purchases of property and equipment in trust	(20,847,991)	(45,485,560)
Purchases of leasehold rights in trust	-	(3,421,194)
Purchases of investment securities	(1,927)	-
Repayments of tenant leasehold and security deposits in trust	(320,542)	(64,862)
Proceeds from tenant leasehold and security deposits in trust	132,593	49,032
Payments of tenant leasehold and security deposits	(30,000)	(19,105)
Payments of TK investment	-	(37,534,886)
Proceeds from withdrawal of TK investment	-	751,060
Others	47,201	(12,784)
Cash flows from investment activities	(21,020,665)	(85,738,300)
Cash flows from financing activities		
Proceeds from short-term loans payable	-	1,099,000
Repayments of short-term loans payable	(1,068,000)	(2,000,000)
Proceeds from long-term loans payable	1,500,000	68,338,000
Repayments of long-term loans payable	-	(28,979,000)
Proceeds from issuance of investment corporation bonds	1,977,436	1,980,352
Payments for loan-related costs	(40,494)	(804,736)
Payments for Acquisition of Own investment units	-	(3,999,980)
Payments of distributions of earnings	(7,280,040)	(6,664,830)
Payments of other distributions in excess of retained earnings	(172,554)	-
Proceeds from issuance of investment units	-	42,107,087
Cash flows from financing activities	(5,083,652)	71,075,892
Net increase (decrease) in cash and cash equivalents	(5,621,240)	(4,007,949)
Cash and cash equivalents at beginning of period	20,693,794	15,072,553
Cash and cash equivalents at end of period	15,072,553	11,064,604

Items		Jun 2018 Period	Dec 2018 Period
		Jan 1, 2018- Jun 30, 2018	Jul 1, 2018- Dec 31, 2018
Unappropriated retained earnings	(JPY thousand)	7,610,548	9,140,372
Distributions in excess of retained earnings	(JPY thousand)	-	289,008
Of which, allowance for temporary differences adjustment	(JPY thousand)	-	85,002
Of which, deduction from unitholders capital surplus	(JPY thousand)	-	204,006
Distributions	(JPY thousand)	6,854,248	9,537,291
Of which, distributions of earnings	(JPY thousand)	6,854,248	9,248,282
Of which, allowance for adjustment of temporary differences	(JPY thousand)	-	85,002
Of which, deduction from unitholders capital surplus	(JPY thousand)	-	204,006
Distribution per unit	(JPY)	1,430	1,683
Of which, distributions of earnings per unit	(JPY)	1,430	1,632
Of which, allowance for adjustment of temporary differences per unit	(JPY)	-	15
Of which, deduction from unitholders capital surplus per unit	(JPY)	-	36
Retained earnings / losses carried forward	(JPY thousand)	756,300	(107,910)

Property Income (1/4)

(in ¥ thousand)

Property Number	A26	A27	A28	A29	A30	A32	A33	A34	A35	A37	A38	A39	A40	A41	A43	A44	A45
Property Name	Nisshin Palacestage Daitabashi	Nisshin Palacestage Higashi-Nagasaki	Growth Maison Gotanda	Growth Maison Kameido	Emerald House	Suncrest Shakujiji-Koen	Growth Maison Shin-Yokohama	Belle Face Ueno-Okachimachi	Grand Rire Kameido	Growth Maison Yoga	Route Tachikawa	Shibuya-Honmachi Mansion	City Heights Kinuta	Acseeds Tower Kawaguchi-Namiki	College Square Machida	Belair Meguro	Wacore Tsunashima I
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	39,267	47,028	27,510	33,923	43,591	37,426	37,068	31,321	26,669	22,841	22,005	19,320	17,354	25,689	17,484	16,578	19,214
Rent, common area fees / GOP(Note 1)	36,652	42,496	26,916	31,770	40,903	34,202	34,284	30,129	26,619	21,838	19,591	18,954	16,531	24,202	17,484	15,828	17,700
Other revenue	2,615	4,531	594	2,153	2,688	3,223	2,783	1,192	49	1,002	2,413	366	823	1,486	-	750	1,513
② Property related expenses	18,016	23,886	11,313	16,042	19,708	16,817	14,216	14,149	8,048	9,107	10,481	7,179	8,014	10,743	4,343	6,392	8,299
Facility management fees (a)	5,389	5,364	2,356	4,104	4,830	3,270	3,156	6,382	260	2,199	2,045	2,029	1,883	2,856	252	1,867	2,238
(of which, repair cost)	275	284	131	175	126	162	196	330	200	77	184	271	20	197	252	130	168
(of which, utility expenses)	1,500	1,845	263	594	1,004	906	502	502	-	333	252	221	72	397	-	156	440
Tax and other public charges (b)	1,652	2,696	1,334	1,684	2,563	3,131	2,416	1,662	1,734	1,377	1,075	945	1,002	1,115	1,523	891	880
Insurance expenses (c)	44	67	27	38	71	64	48	35	39	26	28	23	21	29	25	17	23
Depreciation expenses (㉞)	9,251	13,956	4,727	6,078	9,305	8,873	6,412	5,384	5,513	4,228	4,163	2,189	2,107	5,100	1,947	2,398	4,043
Other expenses (d)	1,677	1,800	2,868	4,136	2,937	1,477	2,181	684	500	1,275	3,168	1,990	2,998	1,641	595	1,216	1,112
③ Rental income (①-②)	21,251	23,142	16,196	17,881	23,883	20,608	22,852	17,171	18,621	13,733	11,523	12,141	9,340	14,946	13,140	10,186	10,914
④ NOI (①-②+㉞)	30,503	37,099	20,924	23,960	33,188	29,482	29,264	22,556	24,135	17,962	15,687	14,331	11,448	20,046	15,087	12,584	14,958
⑤ Capital expenditure	1,365	3,136	118	545	1,216	277	2,190	186	159	665	7,728	36,986	469	652	888	108	1,325
⑥ NCF (④-⑤)	29,137	33,963	20,805	23,414	31,972	29,204	27,074	22,370	23,975	17,296	7,959	-22,655	10,978	19,393	14,198	12,476	13,632

Property Number	A46	A47	A48	A51	A52	A53	A54	A59	A61	A63	A64	A65	A66	A71	A72	A73	A75
Property Name	Foros Nakamura-bashi	Growth Maison Kaijin	College Square Machiya	City House Tokyo Shinbashi	Winbell Kagurazaka	Nishiwaseda Crescent Mansion	Lexington Square Akebonobashi	Towa City Coop Shin-otsuka II	Bichsel Musashiseki	Towa City Coop Sengencho	Royal Park Omachi	Lexington Square Haginomachi	Visconti Kakuozan	Lexington Square Daitabashi	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Spacia Ebisu
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	18,050	22,451	14,706	95,901	107,082	75,120	51,094	36,515	23,412	60,158	26,333	17,473	11,499	32,332	18,341	42,547	216,468
Rent, common area fees / GOP(Note 1)	16,700	20,418	14,706	90,191	99,695	70,736	48,556	34,815	23,084	56,034	22,910	15,833	10,188	31,382	17,384	40,200	193,228
Other revenue	1,350	2,032	-	5,709	7,386	4,384	2,537	1,700	327	4,123	3,422	1,639	1,311	949	957	2,347	23,239
② Property related expenses	10,070	14,778	5,130	36,051	35,313	22,630	17,302	13,921	8,469	28,477	11,991	7,775	6,315	15,180	10,215	30,381	69,460
Facility management fees (a)	2,752	4,454	100	12,573	8,121	6,918	4,172	4,281	2,911	14,458	4,833	1,955	2,860	3,453	3,072	6,189	12,100
(of which, repair cost)	173	292	45	445	369	570	110	146	227	299	142	9	9	146	10	779	1,120
(of which, utility expenses)	375	878	-	19	1,487	623	457	10	490	20	1,595	613	124	476	346	756	2,075
Tax and other public charges (b)	986	2,070	932	5,009	6,422	3,683	2,241	1,420	1,194	3,010	1,581	1,146	907	1,555	818	6,443	8,951
Insurance expenses (c)	22	54	19	84	149	105	42	38	33	74	43	27	15	30	21	85	170
Depreciation expenses (㉞)	5,129	6,939	3,578	13,490	17,164	9,192	8,912	5,630	3,139	7,412	4,664	3,653	1,787	8,118	5,095	14,388	39,382
Other expenses (d)	1,179	1,258	500	4,893	3,455	2,729	1,933	2,551	1,190	3,521	868	992	744	2,022	1,207	3,274	8,855
③ Rental income (①-②)	7,980	7,672	9,575	59,850	71,769	52,490	33,791	22,594	14,943	31,681	14,341	9,698	5,183	17,151	8,126	12,165	147,007
④ NOI (①-②+㉞)	13,109	14,612	13,153	73,341	88,933	61,682	42,704	28,224	18,082	39,093	19,006	13,351	6,971	25,270	13,221	26,553	186,390
⑤ Capital expenditure	558	9,242	321	2,071	7,693	16,060	1,372	1,349	1,803	3,928	2,027	1,354	1,802	650	5,747	1,858	22,357
⑥ NCF (④-⑤)	12,550	5,369	12,831	71,269	81,239	45,622	41,331	26,875	16,279	35,164	16,978	11,997	5,168	24,619	7,473	24,695	164,033

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel

Property Income (2/4)

(in ¥ thousand)

Property Number	A76	A77	A78	A79	A80	A82	A83	A84	A85	A86	A87	A88	A89	A90	A91	A92	A93
Property Name	Neo Prominence	Invoice Shin-Kobe Residence	Cosmo Court Motomachi	Revest Honjin	Revest Matsubara	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian	Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka	Luna Court Edobori	Winntage Kobe Motomachi	Queen's Court Fukuzumi	Cop Higashinoitoin	Belair Oimachi	Siete Minami-Tsukaguchi
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	68,104	50,284	36,911	31,863	28,231	26,537	26,083	23,708	32,437	24,690	19,304	20,935	21,024	17,471	19,061	16,256	17,475
Rent, common area fees / GOP(Note 1)	58,413	46,823	36,063	29,522	25,997	24,540	23,921	22,762	30,055	22,940	18,601	19,910	20,673	16,747	17,758	15,424	16,308
Other revenue	9,690	3,460	848	2,340	2,233	1,996	2,161	946	2,381	1,749	703	1,025	350	723	1,302	831	1,167
② Property related expenses	24,713	22,199	20,354	15,269	14,119	13,037	13,452	11,322	15,440	12,872	8,904	12,024	11,697	6,649	8,336	6,050	7,568
Facility management fees (a)	8,502	3,843	4,201	4,520	3,702	3,173	3,419	2,313	4,940	3,139	2,620	4,524	2,581	1,634	2,367	1,711	2,137
(of which, repair cost)	210	111	335	520	191	204	320	7	49	16	203	380	11	92	89	86	134
(of which, utility expenses)	4,194	455	527	349	313	298	480	273	2,227	828	236	716	388	175	526	158	274
Tax and other public charges (b)	3,613	2,700	2,313	1,810	1,891	1,738	1,669	1,409	1,963	1,548	771	1,194	1,592	744	930	683	986
Insurance expenses (c)	109	63	64	47	43	44	43	32	60	36	23	31	38	22	28	18	27
Depreciation expenses (㉞)	10,489	11,643	10,075	7,518	7,154	7,023	7,031	6,474	7,142	5,449	4,255	5,108	5,859	3,223	3,824	2,708	3,352
Other expenses (d)	1,999	3,948	3,699	1,373	1,326	1,058	1,287	1,093	1,333	2,696	1,234	1,165	1,625	1,024	1,184	928	1,065
③ Rental income (①-②)	43,390	28,084	16,557	16,593	14,111	13,499	12,631	12,386	16,997	11,818	10,399	8,911	9,326	10,821	10,725	10,205	9,907
④ NOI (①-②+㉞)	53,880	39,728	26,632	24,111	21,266	20,522	19,662	18,860	24,140	17,268	14,654	14,019	15,186	14,045	14,549	12,914	13,259
⑤ Capital expenditure	2,954	230	1,273	1,000	888	269	229	276	1,204	204	537	1,123	1,796	-	237	-	771
⑥ NCF (④-⑤)	50,925	39,497	25,358	23,110	20,377	20,252	19,433	18,584	22,935	17,064	14,117	12,896	13,390	14,045	14,311	12,914	12,487

Property Number	A94	A95	A96	A97	A98	A99	A100	A101	A102	A103	A104	A105	A106		B17	B18	
Property Name	Prime Life Sannomiya Isogami Koen	HERMITAG E NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachi-bashi	Prime Life Mikage	City Court Kitaichijo	Lieto Court Mukojima	Lieto Court Nishi-Ojima	Royal Parks Momozaka	Royal Parks Shinden	Royal Parks Tower Minami-Serju	Royal Parks Seasir Minami-Serju	subtotal	Lexington Plaza Hachiman	AEON TOWN Sukagawa	subtotal
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	-	184	184	-
① Rental revenues	15,351	15,917	18,335	12,191	14,276	12,806	67,359	55,585	49,528	151,765	219,286	782,653	115,307	3,364,532	167,590	141,782	309,373
Rent, common area fees / GOP(Note 1)	14,531	15,498	14,838	11,309	13,718	12,444	62,189	53,167	48,394	136,728	200,266	703,844	104,509	3,100,087	132,161	141,782	273,944
Other revenue	819	418	3,496	881	557	361	5,169	2,418	1,133	15,037	19,019	78,808	10,798	264,445	35,429	-	35,429
② Property related expenses	6,910	7,254	9,142	5,698	6,950	6,684	38,649	26,347	20,088	112,145	116,197	498,964	73,036	1,702,309	82,747	93,486	176,234
Facility management fees (a)	1,662	1,688	2,871	1,742	2,009	1,857	6,769	6,460	4,728	52,514	30,326	122,064	22,602	462,333	48,291	56,124	104,415
(of which, repair cost)	173	36	585	86	21	421	519	540	474	654	1,361	1,630	1,157	18,702	452	-	452
(of which, utility expenses)	183	247	263	241	252	133	1,287	583	643	1,278	-	21,119	1,013	59,018	36,617	-	36,617
Tax and other public charges (b)	851	1,003	856	566	954	765	7,726	2,499	2,168	7,743	14,083	35,516	5,720	184,083	11,570	7,104	18,674
Insurance expenses (c)	20	24	32	17	22	18	128	70	55	197	386	1,328	-14	4,681	152	203	356
Depreciation expenses (㉞)	3,440	3,448	4,342	2,227	2,894	2,995	22,700	15,528	12,297	45,356	70,995	310,440	40,751	899,116	21,902	29,438	51,340
Other expenses (d)	934	1,090	1,039	1,144	1,069	1,046	1,324	1,788	836	6,334	406	29,614	3,976	152,093	830	615	1,445
③ Rental income (①-②)	8,441	8,662	9,192	6,492	7,325	6,122	28,709	29,238	29,440	39,619	103,089	283,689	42,270	1,662,223	84,843	48,296	133,139
④ NOI (①-②+㉞)	11,881	12,110	13,534	8,720	10,220	9,117	51,410	44,766	41,738	84,976	174,084	594,129	83,022	2,561,339	106,745	77,734	184,480
⑤ Capital expenditure	141	316	1,607	1,830	723	498	1,565	3,074	-	5,729	7,165	52,300	12,115	238,287	5,612	-	5,612
⑥ NCF (④-⑤)	11,739	11,794	11,927	6,889	9,497	8,618	49,844	41,692	41,738	79,247	166,919	541,829	70,907	2,323,052	101,133	77,734	178,868

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel

Property Income (3/4)

(in ¥ thousand)

Property Number	D01	D02	D03	D04	D05	D06	D07	D08	D09	D10	D11	D12	D13	D14	D15	D16	D17
Property Name	Hotel MyStays Kanda	Hotel MyStays Asakusa	Hotel MyStays Kyoto-Shijo	MyStays Shin-Urayasu Conference Center	Hotel MyStays Maihama	Hotel MyStays Premier Dojima	Hotel MyStays Nagoya-Sakae	Hotel MyStays Sakaisuji-Honmachi	Hotel MyStays Yokohama	Hotel MyStays Nippori	Hotel MyStays Fukuoka-Tenjin-Minami	Flexstay Inn Iidabashi	Hotel MyStays Ueno Inaricho	Flexstay Inn Shinagawa	Flexstay Inn Tokiwadai	Flexstay Inn Sugamo	Hotel MyStays Otemae
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	123,768	121,636	227,490	205,900	189,291	216,347	197,973	132,868	130,202	65,902	159,191	56,393	51,469	49,754	64,484	57,828	78,849
Rent, common area fees / GOP(Note 1)	123,768	121,636	227,328	205,900	189,291	216,338	197,973	132,868	130,202	65,902	159,191	56,393	51,469	49,754	64,484	57,828	78,737
Other revenue	-	-	161	-	-	9	-	-	-	-	-	-	-	-	-	-	112
② Property related expenses	29,440	20,973	70,967	53,973	46,894	64,262	71,562	28,625	29,843	15,108	20,471	15,058	13,218	8,600	11,725	12,035	13,560
Facility management fees (a)	-	-	-	-	-	8,208	17,163	-	-	-	-	-	-	-	-	-	65
(of which, repair cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	5,055	3,754	10,437	8,223	3,253	11,577	4,304	6,600	3,951	1,775	5,192	4,445	1,479	1,659	3,396	2,844	3,559
Insurance expenses (c)	61	73	202	137	69	188	166	80	133	40	76	61	30	25	55	45	81
Depreciation expenses (⑦)	23,814	16,627	59,808	45,102	43,059	43,774	49,414	21,437	25,246	12,786	14,697	10,043	11,201	6,411	7,765	8,637	9,346
Other expenses (d)	508	518	519	510	511	514	512	507	512	506	504	508	506	504	508	507	508
③ Rental income (①-②)	94,328	100,663	156,523	151,927	142,396	152,084	126,411	104,243	100,358	50,794	138,720	41,335	38,250	41,153	52,759	45,792	65,289
④ NOI (①-②+⑦)	118,143	117,290	216,331	197,029	185,456	195,858	175,826	125,680	125,605	63,580	153,418	51,379	49,452	47,565	60,524	54,430	74,635
⑤ Capital expenditure	2,680	6,861	160,099	19,092	16,191	45,737	23,811	6,163	9,083	7,572	5,005	7,347	4,061	750	4,691	3,054	3,093
⑥ NCF (④-⑤)	115,463	110,429	56,232	177,936	169,265	150,120	152,014	119,517	116,521	56,008	148,412	44,031	45,391	46,815	55,833	51,375	71,542

Property Number	D18	D19	D20	D21	D22	D23	D24	D25	D26	D27	D28	D29	D30	D31	D32	D33	D34
Property Name	Flexstay Inn Kiyosumi Shirakawa	Flexstay Inn Nakano bu P1	Flexstay Inn Nakano bu P2	APA Hotel Yokohama-Kannai	Hotel MyStays Hako date-Goryokaku	Flexstay Inn Shirogane	Hotel MyStays Haneda	Hotel MyStays Kameido P1	Hotel MyStays Ueno Iriyaguchi	Hotel MyStays Kameido P2	Hotel Vista Shimizu	Super Hotel Shinbashi/Karasumoriguchi	Flexstay Inn Higashi-Jujo	Hotel MyStays Utsunomiya	Flexstay Inn Kawasaki-Kaizuka	Comfort Hotel Toyama	Flexstay Inn Kawasaki-Ogawacho
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	37,478	23,371	10,941	235,819	152,700	58,240	196,075	196,939	97,482	130,200	67,072	39,426	40,795	93,022	33,169	35,928	24,812
Rent, common area fees / GOP(Note 1)	37,478	23,371	10,941	232,882	152,700	58,240	196,075	196,903	97,482	130,170	67,072	39,426	40,795	93,022	33,169	35,928	24,812
Other revenue	-	-	-	2,937	-	-	-	35	-	30	-	-	-	-	-	-	-
② Property related expenses	11,136	5,454	3,277	90,566	54,141	10,360	71,865	40,488	25,167	30,958	26,440	9,041	8,559	33,914	11,990	13,287	7,279
Facility management fees (a)	-	-	-	2,072	-	-	-	26	2,611	22	480	706	-	-	924	-	-
(of which, repair cost)	-	-	-	2,072	-	-	-	26	-	22	-	702	-	-	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	3,409	1,010	551	11,508	15,417	1,964	12,166	6,321	1,143	3,774	4,066	3,179	1,968	13,356	824	3,756	940
Insurance expenses (c)	53	16	10	211	131	38	155	127	60	79	68	29	36	243	28	60	19
Depreciation expenses (⑦)	7,167	3,922	2,210	76,267	37,933	7,850	59,135	33,606	20,943	26,674	21,420	4,717	6,148	19,899	9,805	9,061	5,911
Other expenses (d)	506	505	505	505	659	507	408	408	408	408	406	407	406	414	407	409	406
③ Rental income (①-②)	26,342	17,916	7,663	145,253	98,559	47,880	124,209	156,450	72,314	99,242	40,631	30,385	32,235	59,108	21,179	22,640	17,533
④ NOI (①-②+⑦)	33,509	21,838	9,874	221,521	136,492	55,730	183,345	190,056	93,257	125,916	62,051	35,103	38,384	79,007	30,985	31,702	23,445
⑤ Capital expenditure	1,039	1,800	1,500	804	20,887	6,384	1,600	6,204	4,188	3,939	1,488	-	7,852	21,283	1,786	2,187	5,834
⑥ NCF (④-⑤)	32,470	20,038	8,374	220,717	115,605	49,346	181,745	183,852	89,069	121,976	60,563	35,103	30,531	57,724	29,199	29,514	17,611

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel

Property Income (4/4)

(in ¥ thousand)

Property Number	D35	D36	D37	D38	D39	D40	D41	D42	D43	D44	D45	D46	D47	D48	D49	D50	D51
Property Name	Flexstay Inn Ekoda	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Super Hotel JR Ueno-iriyaguchi	Hotel MyStays Shinsaibashi	Comfort Hotel Kurosaki	Comfort Hotel Maebashi	Comfort Hotel Tsubamesanjo	Comfort Hotel Kitami	Hotel MyStays Gotanda Station	Hotel Epinard Nasu	Hotel MyStays Fukuoka Tenjin	Hotel MyStays Hamamatsucho	Hotel MyStays Kanazawa	Takamatsu Tokyu REI Hotel	Hotel MyStays Premier Hamamatsucho	Hotel MyStays Shin Osaka Conference Center	Hotel MyStays Premier Omori
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	117,226	31,787	27,275	63,148	37,894	43,811	34,949	30,300	490,844	1,112,683	230,688	123,902	376,887	111,564	257,330	388,013	303,088
Rent, common area fees / GOP(Note 1)	117,226	31,787	27,275	63,148	37,894	43,811	32,861	30,300	489,866	1,112,093	230,688	123,902	376,887	76,200	257,212	387,767	303,088
Other revenue	-	-	-	-	-	-	2,088	-	978	589	-	-	-	35,364	117	245	-
② Property related expenses	38,240	13,120	10,036	22,477	18,138	29,471	15,204	17,264	66,781	368,089	50,534	35,497	125,535	61,176	34,366	47,290	55,652
Facility management fees (a)	-	1,391	1,070	-	600	5,669	546	609	8,381	9,335	-	-	-	36,286	-	35	-
(of which, repair cost)	-	1,091	770	-	-	-	120	-	-	-	-	-	-	2,393	-	35	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	20,130	-	-	-
Tax and other public charges (b)	4,622	2,798	2,183	2,522	3,406	4,907	3,746	4,890	16,828	27,778	7,242	6,904	13,346	8,208	10,758	11,823	14,980
Insurance expenses (c)	82	39	27	43	54	75	64	52	282	859	110	52	254	146	168	408	316
Depreciation expenses (⑦)	33,127	8,482	6,346	19,506	13,668	18,405	10,433	11,298	40,679	329,690	42,777	28,133	111,530	16,111	23,030	34,594	39,945
Other expenses (d)	408	408	408	405	409	414	414	412	609	425	404	407	404	422	409	428	409
③ Rental income (①-②)	78,985	18,666	17,239	40,670	19,756	14,339	19,744	13,036	424,063	744,594	180,153	88,404	251,351	50,388	222,963	340,723	247,436
④ NOI (①-②+⑦)	112,113	27,149	23,585	60,177	33,424	32,745	30,177	24,335	464,742	1,074,284	222,931	116,538	362,881	66,499	245,993	375,317	287,381
⑤ Capital expenditure	7,782	-	-	1,932	2,132	2,010	940	3,390	12,329	22,418	7,668	6,651	-	27,173	60,184	4,523	39,981
⑥ NCF (④-⑤)	104,331	27,149	23,585	58,245	31,292	30,735	29,237	20,945	452,413	1,051,866	215,262	109,886	362,881	39,326	185,809	370,793	247,399

Property Number	D52	D53	D54	D55	D56	D57	D58	D59	D60	D61	D62	D63		
Property Name	Beppu Kamenoi Hotel	Hotel MyStays Sapporo Station	Hotel MyStays Yokohama Kannai	Art Hotel Joetsu	Art Hotel Hirosaki City	Hotel MyStays Oita	Hotel MyStays Gotanda	Hotel MyStays Tachikawa	Hotel MyStays Premier Akasaka	Hotel MyStays Premier Sapporo Park	Hotel MyStays Ueno East	Hotel MyStays Midosuji Honmachi	subtotal	Total
number of operating days	184	184	184	184	184	184	184	184	152	152	152	152	-	-
① Rental revenues	419,762	272,140	152,128	117,197	139,786	60,723	128,296	111,170	468,926	441,019	143,237	91,700	9,930,318	13,604,224
Rent, common area fees / GOP(Note 1)	419,762	272,140	152,128	117,197	139,786	60,723	128,296	111,170	466,187	441,019	143,237	91,700	9,884,908	13,258,939
Other revenue	-	-	-	-	-	-	-	-	2,739	-	-	-	45,409	345,284
② Property related expenses	161,214	76,537	31,284	32,887	43,615	21,440	6,239	15,430	53,051	92,262	23,001	26,036	2,572,133	4,450,676
Facility management fees (a)	-	-	-	-	-	-	-	-	149	-	4,290	-	100,644	667,393
(of which, repair cost)	-	-	-	-	-	-	-	-	149	-	-	-	7,447	26,602
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	20,130	115,766
Tax and other public charges (b)	11,884	18,770	-	-	-	-	-	-	-	-	-	-	344,473	547,232
Insurance expenses (c)	667	228	123	191	468	123	57	109	241	440	87	100	8,778	13,817
Depreciation expenses (⑦)	148,250	57,127	30,756	32,287	41,239	20,908	5,776	14,915	52,322	91,485	18,287	25,602	2,088,576	3,039,033
Other expenses (d)	412	410	404	409	1,908	409	405	405	337	335	336	333	29,660	183,199
③ Rental income (①-②)	258,547	195,603	120,843	84,309	96,170	39,282	122,057	95,739	415,874	348,757	120,235	65,664	7,358,184	9,153,548
④ NOI (①-②+⑦)	406,798	252,731	151,600	116,597	137,410	60,191	127,833	110,655	468,196	440,243	138,523	91,266	9,446,760	12,192,581
⑤ Capital expenditure	12,230	11,317	-	14,136	9,276	2,152	1,304	3,019	-	-	-	-	666,627	910,527
⑥ NCF (④-⑤)	394,567	241,413	151,600	102,461	128,133	58,039	126,529	107,636	468,196	440,243	138,523	91,266	8,780,133	11,282,054

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel

Appraisal Value (1/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2018			As of the end of December 2018			Change ¹		Appraiser ²
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A26	Nisshin Palacestage Daitabashi	1,251,830	1,112,530	1,210,000	4.6%	1,104,645	1,210,000	4.6%	-	-	Assets R&D
A27	Nisshin Palacestage Higashi-Nagasaki	1,229,070	1,076,313	1,330,000	4.7%	1,065,492	1,330,000	4.7%	-	-	Assets R&D
A28	Growth Maison Gotanda	888,200	848,848	1,040,000	4.3%	844,239	1,030,000	4.3%	-10,000	-	Assets R&D
A29	Growth Maison Kameido	1,070,850	968,896	1,140,000	4.4%	963,363	1,140,000	4.4%	-	-	Assets R&D
A30	Emerald House	1,505,161	1,353,052	1,430,000	4.6%	1,344,963	1,430,000	4.6%	-	-	Assets R&D
A32	Suncrest Shakujii-Koen	1,088,979	1,073,211	1,090,000	4.6%	1,064,616	1,090,000	4.6%	-	-	Assets R&D
A33	Growth Maison Shin-Yokohama	1,059,457	952,362	1,180,000	4.6%	948,140	1,180,000	4.6%	-	-0.1pt	Assets R&D
A34	Belle Face Ueno-Okachimachi	1,023,074	940,816	1,090,000	4.2%	935,618	1,090,000	4.2%	-	-	Assets R&D
A35	Grand Rire Kameido	906,121	813,982	1,010,000	4.5%	808,628	1,010,000	4.5%	-	-	Assets R&D
A37	Growth Maison Yoga	795,986	739,977	747,000	4.3%	736,414	770,000	4.2%	23,000	-0.1pt	Assets R&D
A38	Route Tachikawa	676,951	637,085	669,000	4.6%	640,649	669,000	4.6%	-	-	Assets R&D
A39	Shibuya-Honmachi Mansion	651,474	664,096	638,000	4.6%	698,892	638,000	4.6%	-	-	Assets R&D
A40	City Heights Kinuta	646,337	654,204	499,000	4.6%	652,566	499,000	4.6%	-	-	Assets R&D
A41	Acseeds Tower Kawaguchi-Namiki	620,893	532,366	746,000	5.1%	527,919	755,000	5.0%	9,000	-0.1pt	Assets R&D
A43	College Square Machida	589,553	557,162	535,000	5.2%	556,103	535,000	5.2%	-	-	Assets R&D
A44	Belair Meguro	589,004	556,108	621,000	4.1%	553,817	621,000	4.1%	-	-	Assets R&D
A45	Wacore Tsunashima I	572,914	523,449	515,000	4.9%	520,731	515,000	4.9%	-	-	Assets R&D
A46	Foros Nakamurabashi	566,980	515,560	573,000	4.5%	510,989	573,000	4.5%	-	-	Assets R&D
A47	Growth Maison Kaijin	557,256	513,423	486,000	5.0%	515,727	497,000	4.9%	11,000	-0.1pt	Assets R&D
A48	College Square Machiya	510,721	450,118	554,000	4.5%	446,861	554,000	4.5%	-	-	Assets R&D
A51	City House Tokyo Shinbashi	2,520,000	2,305,406	3,270,000	4.2%	2,293,987	3,360,000	4.1%	90,000	-0.1pt	JREI
A52	Winbell Kagurazaka	3,260,000	3,027,102	4,150,000	3.9%	3,017,631	4,280,000	3.8%	130,000	-0.1pt	Morii
A53	Nishiwaseda Crescent Mansion	1,880,000	1,878,740	2,590,000	4.2%	1,885,608	2,650,000	4.1%	60,000	-0.1pt	Morii
A54	Lexington Square Akebonobashi	1,450,000	1,313,930	1,910,000	4.1%	1,306,391	1,950,000	4.1%	40,000	-	Tanizawa
A59	Towa City Coop Shin-otsuka II	866,000	817,869	1,110,000	4.7%	813,588	1,130,000	4.6%	20,000	-0.1pt	JREI
A61	Bichsel Musashiseki	577,000	551,625	722,000	4.4%	550,290	740,000	4.3%	18,000	-0.1pt	Morii
A63	Towa City Coop Sengencho	1,110,000	1,012,058	1,370,000	5.3%	1,008,574	1,390,000	5.2%	20,000	-0.1pt	JREI
A64	Royal Park Omachi	415,000	386,610	574,000	5.5%	383,973	588,000	5.4%	14,000	-0.1pt	JREI
A65	Lexington Square Haginomachi	330,000	280,278	453,000	5.6%	277,979	453,000	5.5%	-	-0.1pt	JREI
A66	Visconti Kakuzan	255,000	230,066	281,000	5.0%	230,081	281,000	4.8%	-	-0.2pt	Tanizawa
A71	Lexington Square Daitabashi	977,000	845,647	1,240,000	4.1%	838,179	1,260,000	4.0%	20,000	-0.1pt	Tanizawa
A72	Lexington Square Honjo-Azumabashi	511,000	432,245	640,000	4.2%	432,898	650,000	4.1%	10,000	-0.1pt	Tanizawa
A73	AMS TOWER Minami 6-Jo	1,180,000	949,766	1,290,000	5.1%	937,236	1,290,000	5.0%	-	-0.1pt	Tanizawa
A75	Spacia Ebisu	7,010,000	6,463,229	8,110,000	4.2%	6,446,204	8,280,000	4.1%	170,000	-0.1pt	JREI

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period

(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows:

Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa: The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa: Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017

(Note 4) Percentages are rounded to one decimal place. Amount of money is rounded down to the nearest million yen

Appraisal Value (2/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2018			As of the end of December 2018			Change ¹		Appraiser ²
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A76	Neo Prominence	1,660,000	1,610,717	2,050,000	4.6%	1,603,182	2,100,000	4.5%	50,000	-0.1pt	JREI
A77	Invoice Shin-Kobe Residence	1,260,000	1,164,347	1,400,000	4.8%	1,152,934	1,430,000	4.7%	30,000	-0.1pt	JREI
A78	Cosmo Court Motomachi	973,000	890,399	1,100,000	4.7%	881,597	1,110,000	4.6%	10,000	-0.1pt	JREI
A79	Revest Honjin	674,000	613,962	816,000	5.4%	607,445	831,000	5.3%	15,000	-0.1pt	JREI
A80	Revest Matsubara	657,000	603,104	800,000	5.0%	596,837	815,000	4.9%	15,000	-0.1pt	JREI
A82	Alba Noritake Shinmachi	608,000	554,538	743,000	4.9%	547,785	752,000	4.8%	9,000	-0.1pt	JREI
A83	Revest Meieki Minami	597,000	544,279	734,000	4.7%	537,477	769,000	4.6%	35,000	-0.1pt	JREI
A84	Revest Heian	595,000	543,971	709,000	4.9%	537,773	727,000	4.8%	18,000	-0.1pt	JREI
A85	Vendir Hamaotsu Ekimae	581,000	522,550	717,000	5.7%	516,612	736,000	5.6%	19,000	-0.1pt	JREI
A86	Salvo Sala	544,000	499,337	637,000	5.0%	494,091	652,000	4.9%	15,000	-0.1pt	JREI
A87	Excellente Kagurazaka	543,000	510,235	635,000	4.1%	506,518	650,000	4.0%	15,000	-0.1pt	JREI
A88	Luna Court Edobori	525,000	482,298	573,000	4.8%	478,312	584,000	4.8%	11,000	-	JREI
A89	Winntage Kobe Motomachi	512,000	465,322	615,000	4.8%	461,258	626,000	4.7%	11,000	-0.1pt	JREI
A90	Queen's Court Fukuzumi	456,000	430,059	619,000	4.2%	426,835	642,000	4.1%	23,000	-0.1pt	JREI
A91	Corp Higashinoto in	446,000	415,191	530,000	4.7%	411,605	540,000	4.6%	10,000	-0.1pt	JREI
A92	Belair Oimachi	412,000	391,282	530,000	4.2%	388,573	541,000	4.1%	11,000	-0.1pt	JREI
A93	Siete Minami-Tsukaguchi	374,000	350,638	438,000	5.0%	348,057	446,000	4.9%	8,000	-0.1pt	JREI
A94	Prime Life Sannomiya Isogami Koen	373,000	345,030	447,000	4.7%	341,732	457,000	4.6%	10,000	-0.1pt	JREI
A95	HERMITAGE NANBA WEST	355,000	329,215	439,000	4.9%	326,083	447,000	4.8%	8,000	-0.1pt	JREI
A96	Century Park Shinkawa 1-bankan	335,000	321,520	436,000	5.3%	318,785	452,000	5.2%	16,000	-0.1pt	JREI
A97	West Avenue	331,000	312,877	320,000	5.1%	312,480	328,000	5.0%	8,000	-0.1pt	JREI
A98	Little River Honmachibashi	310,000	289,651	389,000	4.7%	287,480	389,000	4.6%	-	-0.1pt	JREI
A99	Prime Life Mikage	297,000	273,816	327,000	5.0%	271,319	332,000	4.9%	5,000	-0.1pt	JREI
A100	City Court Kitaichijo	1,782,000	1,770,477	1,990,000	5.0%	1,749,342	2,040,000	4.9%	50,000	-0.1pt	JREI
A101	Lieto Court Mukojima	1,683,000	1,693,105	1,760,000	4.5%	1,680,651	1,810,000	4.4%	50,000	-0.1pt	JREI
A102	Lieto Court Nishi-Ojima	1,634,000	1,637,150	1,770,000	4.3%	1,624,852	1,820,000	4.2%	50,000	-0.1pt	JREI
A103	Royal Parks Momozaka	2,910,000	2,865,287	3,080,000	4.5%	2,825,660	3,130,000	4.4%	50,000	-0.1pt	Morii
A104	Royal Parks Shinden	5,024,000	5,015,672	5,510,000	4.7%	4,951,842	5,560,000	4.6%	50,000	-0.1pt	Morii
A105	Royal Parks Tower Minami-Senju	21,879,000	22,388,745	22,700,000	5.1%	22,130,605	23,100,000	5.1%	400,000	-	JREI
A106	Royal Parks Seasir Minami-Senju	2,683,000	2,756,175	2,760,000	5.2%	2,727,539	2,790,000	5.2%	30,000	-	JREI
	Subtotal of Residential	90,154,818	86,569,109	100,387,000	-	85,908,280	102,044,000	-	1,657,000	-	-
B17	Lexington Plaza Hachiman	3,280,000	3,056,788	3,720,000	5.4%	3,040,499	3,720,000	5.4%	-	-	Morii
B18	AEON TOWN Sukagawa	2,320,000	1,855,679	2,450,000	6.1%	1,826,240	2,450,000	6.1%	-	-	Morii
	Subtotal of Offices and Commercial Facilities	5,600,000	4,912,468	6,170,000	-	4,866,739	6,170,000	-	-	-	-

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period

(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows:

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(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017

Appraisal Value (3/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2018			As of the end of December 2018			Change ¹		Appraiser ²
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
D01	Hotel MyStays Kanda	2,851,000	3,003,953	4,920,000	5.1%	2,982,818	4,930,000	5.1%	10,000	-	JREI
D02	Hotel MyStays Asakusa	2,584,000	2,553,420	4,670,000	6.5%	2,543,653	4,620,000	6.6%	-50,000	0.1pt	JREI
D03	Hotel MyStays Kyoto-Shijo	6,024,460	5,821,865	15,100,000	5.0%	5,922,156	14,300,000	5.3%	-800,000	0.3pt	JREI
D04	MyStays Shin-Urayasu Conference Center	4,930,200	4,730,635	7,140,000	4.9%	4,704,625	7,280,000	4.8%	140,000	-0.1pt	JREI
D05	Hotel MyStays Maihama	4,870,312	4,848,743	6,580,000	5.0%	4,821,875	6,710,000	4.9%	130,000	-0.1pt	JREI
D06	Hotel MyStays Premier Dojima	3,845,400	3,810,773	7,340,000	4.9%	3,812,736	7,490,000	4.8%	150,000	-0.1pt	JREI
D07	Hotel MyStays Nagoya-Sakae	2,958,000	2,717,918	6,290,000	5.4%	2,692,314	6,410,000	5.3%	120,000	-0.1pt	JREI
D08	Hotel MyStays Sakaisuji-Honmachi	2,514,820	2,414,141	7,240,000	6.7%	2,398,866	6,940,000	7.0%	-300,000	0.3pt	JREI
D09	Hotel MyStays Yokohama	2,119,900	1,999,260	3,500,000	5.5%	1,983,097	3,560,000	5.4%	60,000	-0.1pt	JREI
D10	Hotel MyStays Nippori	1,898,540	1,821,229	2,960,000	6.8%	1,816,015	2,870,000	7.0%	-90,000	0.2pt	JREI
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1,570,520	1,507,500	5,460,000	4.7%	1,497,807	5,700,000	4.5%	240,000	-0.2pt	JREI
D12	Flexstay Inn Iidabashi	1,381,660	1,366,942	1,980,000	5.4%	1,364,246	1,980,000	5.4%	-	-	JREI
D13	Hotel MyStays Ueno Inaricho	1,331,960	1,262,090	2,240,000	6.0%	1,254,949	2,190,000	6.1%	-50,000	0.1pt	JREI
D14	Flexstay Inn Shinagawa	1,242,500	1,212,045	1,950,000	5.4%	1,206,384	1,960,000	5.4%	10,000	-	JREI
D15	Flexstay Inn Tokiwadai	1,242,500	1,217,904	2,090,000	5.6%	1,214,829	2,100,000	5.6%	10,000	-	JREI
D16	Flexstay Inn Sugamo	1,192,800	1,137,072	2,050,000	5.6%	1,131,489	2,050,000	5.6%	-	-	JREI
D17	Hotel MyStays Otemae	1,192,800	1,153,322	4,530,000	5.1%	1,147,069	4,300,000	5.4%	-230,000	0.3pt	JREI
D18	Flexstay Inn Kiyosumi Shirakawa	749,476	729,575	1,270,000	5.4%	723,446	1,250,000	5.5%	-20,000	0.1pt	JREI
D19	Flexstay Inn Nakanobu P1	589,442	573,750	763,000	5.8%	571,628	769,500	5.8%	6,500	-	JREI
D20	Flexstay Inn Nakanobu P2	283,290	290,702	367,000	5.8%	289,991	370,500	5.8%	3,500	-	JREI
D21	APA Hotel Yokohama-Kannai	8,350,000	7,897,409	9,650,000	4.4%	7,821,945	9,720,000	4.3%	70,000	-0.1pt	JREI
D22	Hotel MyStays Hakodate-Goryokaku	2,792,000	2,848,027	3,640,000	5.0%	2,830,982	3,700,000	4.9%	60,000	-0.1pt	JREI
D23	Flexstay Inn Shirogane	2,119,000	2,101,713	2,220,000	5.3%	2,100,247	2,220,000	5.3%	-	-	JREI
D24	Hotel MyStays Haneda	7,801,000	7,470,344	8,160,000	5.0%	7,412,808	8,160,000	5.0%	-	-	JREI
D25	Hotel MyStays Kameido P1	5,594,000	5,454,639	7,020,000	5.5%	5,427,237	7,170,000	5.4%	150,000	-0.1pt	JREI
D26	Hotel MyStays Ueno Iriyaguchi	3,821,000	3,728,773	3,900,000	6.3%	3,712,017	3,850,000	6.4%	-50,000	0.1pt	JREI
D27	Hotel MyStays Kameido P2	3,742,000	3,649,510	4,670,000	5.7%	3,626,776	4,770,000	5.6%	100,000	-0.1pt	JREI
D28	Hotel Vista Shimizu	2,198,000	2,082,706	2,430,000	5.9%	2,062,774	2,340,000	6.1%	-90,000	0.2pt	JREI
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,624,000	1,604,228	1,790,000	3.9%	1,599,510	1,840,000	3.8%	50,000	-0.1pt	JREI
D30	Flexstay Inn Higashi-Jujo	1,277,000	1,268,072	1,340,000	6.0%	1,269,776	1,340,000	6.0%	-	-	JREI
D31	Hotel MyStays Utsunomiya	1,237,000	1,230,792	1,540,000	5.5%	1,232,175	1,610,000	5.4%	70,000	-0.1pt	JREI
D32	Flexstay Inn Kawasaki-Kaizuka	980,000	936,789	1,150,000	5.1%	928,770	1,150,000	5.1%	-	-	JREI
D33	Comfort Hotel Toyama	979,000	941,916	1,090,000	5.3%	935,042	1,110,000	5.2%	20,000	-0.1pt	JREI
D34	Flexstay Inn Kawasaki-Ogawacho	906,000	884,097	1,030,000	5.3%	884,019	1,030,000	5.3%	-	-	JREI

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(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017

Appraisal Value (4/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2018				As of the end of December 2018			Change ¹		Appraiser ²
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate		
D35	Flexstay Inn Ekoda	5,069,000	4,939,567	4,800,000	5.9%	4,914,221	4,820,000	5.9%	20,000	-	JREI	
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,170,000	1,131,323	1,230,000	4.3%	1,122,840	1,230,000	4.3%	-	-	Daiwa	
D37	Super Hotel JR Ueno-iriyaguchi	1,130,000	1,102,642	1,220,000	3.8%	1,096,296	1,220,000	3.8%	-	-	Daiwa	
D38	Hotel MyStays Shinsaibashi	3,160,000	3,095,144	3,220,000	5.8%	3,077,570	3,050,000	6.1%	-170,000	0.3pt	JREI	
D39	Comfort Hotel Kurotaki	1,148,000	1,096,666	1,220,000	5.2%	1,085,130	1,220,000	5.2%	-	-	Daiwa	
D40	Comfort Hotel Maebashi	1,128,000	1,084,787	1,160,000	4.8%	1,068,608	1,160,000	4.8%	-	-	Daiwa	
D41	Comfort Hotel Tsubamesanjo	1,010,000	975,197	1,070,000	5.2%	965,704	1,070,000	5.2%	-	-	Daiwa	
D42	Comfort Hotel Kitami	851,000	812,558	905,000	5.4%	804,649	906,000	5.4%	1,000	-	Daiwa	
D43	Hotel MyStays Gotanda Station (Note 3)	26,523,010	26,464,677	27,500,000	4.9%	26,436,327	26,600,000	4.8%	-900,000	-0.1pt	Morii	
D44	Hotel Epinard Nasu	20,981,000	20,218,996	23,100,000	5.9%	19,911,724	23,100,000	5.9%	-	-	Morii	
D45	Hotel MyStays Fukuoka Tenjin	8,059,000	7,911,606	8,740,000	4.7%	7,876,497	8,740,000	4.7%	-	-	Morii	
D46	Hotel MyStays Hamamatsucho	7,959,000	7,865,450	7,480,000	4.5%	7,843,968	7,040,000	4.5%	-440,000	-	Morii	
D47	Hotel MyStays Premier Kanazawa	13,761,000	13,339,383	14,500,000	5.2%	13,227,853	14,500,000	5.2%	-	-	Morii	
D48	Takamatsu Tokyu REI Hotel	2,139,000	2,106,494	2,220,000	5.1%	2,117,555	2,220,000	5.1%	-	-	Daiwa	
D49	Hotel MyStays Premier Hamamatsucho	8,000,000	7,980,048	8,270,000	4.3%	8,017,202	9,800,000	4.2%	1,530,000	-0.1pt	JREI	
D50	Hotel MyStays Shin Osaka Conference Center	13,068,000	13,039,281	13,200,000	4.7%	13,009,211	13,500,000	4.6%	300,000	-0.1pt	Tanizawa	
D51	Hotel MyStays Premier Omori	9,781,000	9,746,397	9,930,000	4.4%	9,746,433	10,100,000	4.3%	170,000	-0.1pt	Tanizawa	
D52	Beppu Kamenoi Hotel	8,870,000	8,689,616	9,010,000	6.1%	8,553,597	9,010,000	6.1%	0	-	Tanizawa	
D53	Hotel MyStays Sapporo Station	7,880,000	7,811,200	8,140,000	4.6%	7,765,389	8,300,000	4.5%	160,000	-0.1pt	Tanizawa	
D54	Hotel MyStays Yokohama Kannai	5,326,000	5,324,461	5,380,000	4.5%	5,293,704	5,490,000	4.4%	110,000	-0.1pt	Tanizawa	
D55	Art Hotel Joetsu	2,772,000	2,769,042	2,810,000	5.8%	2,750,891	2,810,000	5.8%	-	-	Tanizawa	
D56	Art Hotel Hirosaki City	2,723,000	2,730,101	2,760,000	5.9%	2,698,137	2,760,000	5.9%	-	-	Tanizawa	
D57	Hotel MyStays Oita	1,604,000	1,600,652	1,640,000	5.7%	1,581,895	1,640,000	5.7%	-	-	Tanizawa	
D58	Hotel MyStays Gotanda	4,068,000	4,077,905	4,120,000	4.3%	4,073,432	4,140,000	4.2%	20,000	-0.1pt	Tanizawa	
D59	Hotel MyStays Tachikawa	3,257,000	3,268,270	3,290,000	4.4%	3,256,373	3,290,000	4.4%	-	-	Daiwa	
D60	Hotel MyStays Premier Akasaka	20,691,000	-	-	-	20,668,448	21,400,000	3.8%	-	-	JREI	
D61	Hotel MyStays Premier Sapporo Park	16,731,000	-	-	-	16,682,836	17,000,000	4.6%	-	-	Tanizawa	
D62	Hotel MyStays Ueno East	5,286,000	-	-	-	5,277,835	5,370,000	4.2%	-	-	Tanizawa	
D63	Hotel MyStays Midosuji Honmachi	5,039,000	-	-	-	5,026,477	5,090,000	4.2%	-	-	JREI	
Subtotal of Hotels		297,977,580	245,453,345	304,985,000	-	291,874,909	354,366,000	-	521,000	-	-	
Total		393,732,398	336,934,923	400,007,000	-	382,649,930	462,580,000	-	2,178,000	-	-	

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(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017

Portfolio Properties (1/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m ²)	Leased Area (m ²)	Total Number of Tenants	Occupancy Rate (%)
A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	Jul 28, 2005	Dec 1992	1,251	0.3	98	1771.13	1646.42	1	93.0
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima-ku, Tokyo	Jul 28, 2005	Mar 1989	1,229	0.3	60	2681.94	2681.94	1	100.0
A28	Growth Maison Gotanda	Shinagawa-ku, Tokyo	Jan 30, 2006	Jul 2005	888	0.2	48	1051.50	1051.50	1	100.0
A29	Growth Maison Kameido	Koto-ku, Tokyo	Mar 30, 2006	Oct 2005	1,070	0.2	66	1367.96	1264.60	1	92.4
A30	Emerald House	Itabashi-ku, Tokyo	Aug 1, 2006	Feb 1995	1,505	0.3	96	2152.31	2086.07	1	96.9
A32	Suncrest Shakujii-Koen	Neerima-ku, Tokyo	Aug 3, 2006	Mar 1990	1,088	0.2	29	3029.16	3029.16	1	100.0
A33	Growth Maison Shin-Yokohama	Yokohama, Kanagawa	Aug 3, 2006	Mar 2006	1,059	0.2	68	1858.44	1804.88	1	97.1
A34	Belle Face Ueno-Okachimachi	Taito-ku, Tokyo	Aug 1, 2006	Feb 2006	1,023	0.2	64	1351.11	1265.65	1	93.7
A35	Grand Rire Kameido	Koto-ku, Tokyo	Aug 3, 2006	Mar 2006	906	0.2	72	1562.26	1562.26	1	100.0
A37	Growth Maison Yoga	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 2006	795	0.2	39	1015.34	1015.34	1	100.0
A38	Route Tachikawa	Tachikawa, Tokyo	Aug 3, 2006	Mar 1997	676	0.2	24	1368.57	1322.13	1	96.6
A39	Shibuya-Honmachi Mansion	Shibuya-ku, Tokyo	Aug 3, 2006	Dec 1986	651	0.1	25	1167.50	1167.50	1	100.0
A40	City Heights Kinuta	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 1983	646	0.1	19	1235.93	1036.13	1	83.8
A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi, Saitama	Aug 3, 2006	Feb 2006	620	0.1	57	1210.74	1146.84	1	94.7
A43	College Square Machida	Machida, Tokyo	Aug 1, 2006	Mar 1984	589	0.1	62	1047.75	1047.75	1	100.0
A44	Belair Meguro	Meguro-ku, Tokyo	Aug 1, 2006	Oct 2005	589	0.1	25	557.05	469.15	1	84.2
A45	Wacore Tsunashima I	Yokohama, Kanagawa	Aug 3, 2006	Feb 1991	572	0.1	50	907.46	832.60	1	91.8
A46	Foros Nakamurabashi	Neerima-ku, Tokyo	Aug 3, 2006	Sep 2001	566	0.1	37	815.77	769.43	1	94.3
A47	Growth Maison Kaijin	Funabashi, Chiba	Aug 1, 2006	Oct 1993	557	0.1	34	2040.27	1874.37	1	91.9
A48	College Square Machiya	Arakawa-ku, Tokyo	Aug 3, 2006	Mar 2006	510	0.1	43	871.35	871.35	1	100.0
A51	City House Tokyo Shinbashi	Minato-ku, Tokyo	Feb 1, 2010	Aug 2004	2,520	0.6	86	3364.00	3209.81	1	95.4
A52	Winbell Kagurazaka	Shinjuku-ku, Tokyo	Feb 1, 2010	Feb 2004	3,260	0.7	118	4032.70	3931.26	1	97.5
A53	Nishiwaseda Crescent Mansion	Shinjuku-ku, Tokyo	Feb 1, 2010	Jul 1987	1,880	0.4	69	4310.77	4242.90	1	98.4
A54	Lexington Square Akebonobashi	Shinjuku-ku, Tokyo	Feb 1, 2010	Dec 2004	1,450	0.3	88	1987.88	1896.92	1	95.4
A59	Towa City Coop Shin-otsuka II	Toshima-ku, Tokyo	Feb 1, 2010	May 1993	866	0.2	58	1627.13	1606.37	1	98.7
A61	Bichsel Musashiseki	Neerima-ku, Tokyo	Feb 1, 2010	Feb 1992	577	0.1	70	1220.24	1167.46	1	95.7
A63	Towa City Coop Sengencho	Yokohama, Kanagawa	Feb 1, 2010	Oct 1992	1,110	0.2	154	3426.36	3253.32	1	94.9
A64	Royal Park Omachi	Sendai, Miyagi	Feb 1, 2010	Feb 1993	415	0.1	51	1929.59	1731.99	1	89.8
A65	Lexington Square Haginomachi	Sendai, Miyagi	Feb 1, 2010	Aug 2005	330	0.1	39	1528.58	1328.65	1	86.9
A66	Visconti Kakuozan	Nagoya, Aichi	Feb 1, 2010	Sep 2003	255	0.1	8	705.75	616.03	1	87.3
A71	Lexington Square Daitabashi	Suginami-ku, Tokyo	Feb 1, 2010	Nov 2006	977	0.2	43	1430.64	1319.48	1	92.2
A72	Lexington Square Honjo-Azumabashi	Sumida-ku, Tokyo	Feb 1, 2010	Oct 2006	511	0.1	33	784.74	736.64	1	93.9
A73	AMS TOWER Minami 6-Jo	Sapporo, Hokkaido	Feb 1, 2010	Feb 2007	1,180	0.3	120	4460.56	3553.28	1	79.7
A75	Spacia Ebisu	Shibuya-ku, Tokyo	Feb 1, 2010	Feb 2003	7,010	1.6	109	7794.91	7551.82	1	96.9
A76	Neo Prominence	Kita-ku, Tokyo	Sep 28, 2012	Apr 1994	1,660	0.4	52	3574.70	3517.28	1	98.4
A77	Invoice Shin-Kobe Residence	Kobe, Hyogo	Sep 28, 2012	Jan 2007	1,260	0.3	81	2773.71	2685.16	1	96.8

(Note 1) "Property number" refers to the asset owned by INV, classifying the residential asset as A, the office / commercial facility as B, the parking lot as C, the hotel as D according to the use of each property. The numbers with A, B, C, and D indicate the order of acquisition dates and properties with the same acquisition date are arranged in the order of acquisition price

(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen. Acquisition price of "Sheraton Grande Tokyo Bay Hotel" is calculated by applying 178,458 units of preferred equity interest contribution by INV (equivalent to 49.0% of preferred equity interest) to the JV TMK which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. Acquisition price of "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" are calculated by applying the amount of TK investment by INV to the SPC which will hold the leasehold of these properties. As there is no individual amount of TK investment for each hotel, amount of TK investment is calculated as follows: (The amount of TK investment) x (Acquisition Price for Leasehold etc. for the hotels) / Total acquisition price for Leasehold etc. for the hotels * Leasehold is the rights equivalent to long-term real estate leasehold rights in Japan. The investment amount is fixed by the foreign exchange forward contract executed on July 26, 2018 in Japanese Yen denomination which were calculated using an exchange rate of 1 USD=110.45. The amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018 (Using exchange rate above, the initial investment amount in Japanese Yen denomination was JPY 37,534 million, while the investment amount after the refund was JPY 36,783 million.)

(Note 3) "Investment ratio" is the ratio to the total acquisition price of INV, rounded down to the second decimal place

(Note 4) "Rentable units" includes shops, offices and nursing homes which are counted as one unit by each compartment

Portfolio Properties (2/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m ²)	Leased Area (m ²)	Total Number of Tenants	Occupancy Rate (%)
A78	Cosmo Court Motomachi	Kobe, Hyogo	Sep 28, 2012	Mar 2007	973	0.2	82	2310.49	2310.49	1	100.0
A79	Revest Honjin	Nagoya, Aichi	Sep 28, 2012	Mar 2007	674	0.2	80	1933.80	1885.62	1	97.5
A80	Revest Matsubara	Nagoya, Aichi	Sep 28, 2012	Mar 2007	657	0.1	70	1955.40	1748.68	1	89.4
A82	Alba Noritake Shinmachi	Nagoya, Aichi	Sep 28, 2012	Nov 2006	608	0.1	64	1731.68	1659.05	1	95.8
A83	Revest Meieki Minami	Nagoya, Aichi	Sep 28, 2012	Feb 2007	597	0.1	61	1634.60	1510.30	1	92.4
A84	Revest Heian	Nagoya, Aichi	Sep 28, 2012	Nov 2006	595	0.1	40	1554.03	1504.03	1	96.8
A85	Vendir Hamaotsu Ekimae	Otsu, Shiga	Sep 28, 2012	Feb 2007	581	0.1	81	2670.66	2373.78	1	88.9
A86	Salvo Sala	Osaka, Osaka	Sep 28, 2012	Jan 2007	544	0.1	54	1428.12	1380.82	1	96.7
A87	Excellente Kagurazaka	Shinjuku-ku, Tokyo	Sep 28, 2012	Jan 2007	543	0.1	33	701.92	660.62	1	94.1
A88	Luna Court Edobori	Osaka, Osaka	Sep 28, 2012	Feb 2004	525	0.1	50	1185.50	1089.82	1	91.9
A89	Winntage Kobe Moto machi	Kobe, Hyogo	Sep 28, 2012	May 2007	512	0.1	57	1433.35	1309.38	1	91.4
A90	Queen's Court Fukuzumi	Koto-ku, Tokyo	Sep 28, 2012	Sep 2006	456	0.1	25	765.18	690.72	1	90.3
A91	Corp Higashinoto in	Kyoto, Kyoto	Sep 28, 2012	Feb 2004	446	0.1	42	1029.05	1029.05	1	100.0
A92	Belair Oimachi	Shinagawa-ku, Tokyo	Sep 28, 2012	Apr 2006	412	0.1	26	530.60	530.60	1	100.0
A93	Siete Minami-Tsukaguchi	Amagasaki, Hyogo	Sep 28, 2012	Jan 2007	374	0.1	40	1020.86	1020.86	1	100.0
A94	Prime Life Sannomiya Isogami Koen	Kobe Hyogo	Sep 28, 2012	Nov 2006	373	0.1	32	789.12	789.12	1	100.0
A95	HERMITAGE NANBA WEST	Osaka, Osaka	Sep 28, 2012	Dec 2006	355	0.1	21	992.76	992.76	1	100.0
A96	Century Park Shinkawa 1-bankan	Nagoya, Aichi	Sep 28, 2012	Sep 2001	335	0.1	44	1477.62	1410.28	1	95.4
A97	West Avenue	Kunitachi, Tokyo	Sep 28, 2012	Oct 1991	331	0.1	40	794.80	655.70	1	82.5
A98	Little River Honmachibashi	Okasa, Osaka	Sep 28, 2012	Jun 2007	310	0.1	31	974.81	883.90	1	90.7
A99	Prime Life Mikage	Kobe, Hyogo	Sep 28, 2012	Jan 2007	297	0.1	28	761.18	761.18	1	100.0
A100	City Court Kitaichijo	Sapporo, Hokkaido	Jul 16, 2015	Nov 2007	1,782	0.4	127	5230.18	5078.15	1	97.1
A101	Lieto Court Mukojima	Sumida-ku, Tokyo	Jul 16, 2015	Feb 2008	1,683	0.4	82	2940.20	2911.08	1	99.0
A102	Lieto Court Nishi-Ojima	Koto-ku, Tokyo	Jul 16, 2015	Feb 2008	1,634	0.4	91	2048.28	2024.64	1	98.8
A103	Royal Parks Momozaka	Okasa, Osaka	Jan 22, 2016	Jun 2007	2,910	0.6	147	8776.26	8110.21	1	92.4
A104	Royal Parks Shinden	Adachi-ku, Tokyo	Mar 31, 2016	Jun 2007	5,024	1.1	248	15797.29	15797.29	1	100.0
A105	Royal Parks Tower Minami-Senju	Arakawa-ku, Tokyo	Mar 14, 2017	May 2008	21,879	4.9	557	39113.46	36734.68	1	93.9
A106	Royal Parks Seasir Minami-Senju	Arakawa-ku, Tokyo	Mar 14, 2017	Aug 2006	2,683	0.6	113	6496.86	6249.43	1	96.2
	Subtotal of Residential				90,154	20.1	4,561	182093.86	173395.68	64	95.2
B17	Lexington Plaza Hachiman	Sendai, Miyagi	Feb 1, 2010	Dec 2005	3,280	0.7	18	8419.15	8419.15	1	100.0
B18	AEON TOWN Sukagawa	Sukagawa, Fukushima	Feb 1, 2010	Oct 2005	2,320	0.5	1	18440.58	18440.58	1	100.0
	Subtotal of Commercial Facilities				5,600	1.2	19	26859.73	26859.73	2	100.0
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	May 23, 2014	Dec 2005	2,851	0.6	126	2585.72	2585.72	1	100.0
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	May 23, 2014	Jan 1990	2,584	0.6	161	3327.38	3327.38	1	100.0
D03	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	Jul 17, 2014	Jan 2008	6,024	1.3	225	7241.51	7241.51	1	100.0
D04	MyStays Shin-Urayasu Conference Center	Urayasu, Chiba	Jul 17, 2014	Mar 2009	4,930	1.1	175	6232.30	6232.30	1	100.0

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(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen. Acquisition price of "Sheraton Grande Tokyo Bay Hotel" is calculated by applying 178,458 units of preferred equity interest contribution by INV (equivalent to 49.0% of preferred equity interest) to the JV TMK which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. Acquisition price of "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" are calculated by applying the amount of TK investment by INV to the SPC which will hold the leasehold of these properties. As there is no individual amount of TK investment for each hotel, amount of TK investment is calculated as follows: (The amount of TK investment) x (Acquisition Price for Leasehold etc. for the hotels) / Total acquisition price for Leasehold etc. for the hotels * Leasehold is the rights equivalent to long-term real estate leasehold rights in Japan. The investment amount is fixed by the foreign exchange forward contract executed on July 26, 2018 in Japanese Yen denomination which were calculated using an exchange rate of 1 USD=110.45. The amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018 (Using exchange rate above, the initial investment amount in Japanese Yen denomination was JPY 37,534 million, while the investment amount after the refund was JPY 36,783 million.)

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(Note 4) "Rentable units" includes shops, offices and nursing homes which are counted as one unit by each compartment

Portfolio Properties (3/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m ²)	Leased Area (m ²)	Total Number of Tenants	Occupancy Rate (%)
D05	Hotel MyStays Maihama	Urayasu, Chiba	Jul 17, 2014	Jun 2005	4,870	1.1	90	2456.36	2456.36	1	100.0
D06	Hotel MyStays Premier Dojima	Osaka, Osaka	Jul 17, 2014	Aug 1990	3,845	0.9	153	9445.32	9445.32	1	100.0
D07	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	Jul 17, 2014	Nov 1979	2,958	0.7	279	9064.71	9064.71	1	100.0
D08	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	Jul 17, 2014	Jul 2008	2,514	0.6	191	4188.83	4188.83	1	100.0
D09	Hotel MyStays Yokohama	Yokohama, Kanagawa	Jul 17, 2014	Oct 1974	2,119	0.5	190	7379.43	7379.43	1	100.0
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Jul 17, 2014	Apr 1987	1,898	0.4	93	1719.29	1719.29	1	100.0
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	Jul 17, 2014	Feb 2008	1,570	0.4	178	3412.71	3412.71	1	100.0
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Jul 17, 2014	Dec 1990	1,381	0.3	62	2953.38	2953.38	1	100.0
D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	Jul 17, 2014	Dec 1986	1,331	0.3	72	1150.76	1150.76	1	100.0
D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	Jul 17, 2014	Oct 1986	1,242	0.3	55	1134.52	1134.52	1	100.0
D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	Jul 17, 2014	Dec 1989	1,242	0.3	130	2539.75	2539.75	1	100.0
D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	Jul 17, 2014	Jan 1992	1,192	0.3	105	2089.86	2089.86	1	100.0
D17	Hotel MyStays Otemae	Osaka, Osaka	Jul 17, 2014	Dec 1986	1,192	0.3	111	4956.66	4956.66	1	100.0
D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	Jul 17, 2014	May 1992	749	0.2	56	2673.64	2673.64	1	100.0
D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	Jul 17, 2014	Sep 1986	589	0.1	39	770.56	770.56	1	100.0
D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	Jul 17, 2014	Mar 1989	283	0.1	22	391.49	391.49	1	100.0
D21	APA Hotel Yokohama-Kannai	Yokohama, Kanagawa	Feb 6, 2015	Apr 2005	8,350	1.9	452	6568.51	6568.51	1	100.0
D22	Hotel MyStays Hako date-Goryokaku	Hako date, Hokkaido	Feb 6, 2015	Feb 2008	2,792	0.6	211	7961.26	7961.26	1	100.0
D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	Feb 6, 2015	Dec 1984	2,119	0.5	84	1754.06	1754.06	1	100.0
D24	Hotel MyStays Haneda	Ota-ku, Tokyo	Jul 16, 2015	Apr 2001	7,801	1.7	174	5400.16	5400.16	1	100.0
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	5,594	1.2	266	4349.67	4349.67	1	100.0
D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	Jul 16, 2015	Nov 1985	3,821	0.9	97	2247.92	2247.92	1	100.0
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	3,742	0.8	177	2793.99	2793.99	1	100.0
D28	Hotel Vista Shimizu	Shimizu, Shizuoka	Jul 16, 2015	Jan 2007	2,198	0.5	152	3559.81	3559.81	1	100.0
D29	Super Hotel Shinbashi/ Karasumoriguchi	Minato-ku, Tokyo	Jul 16, 2015	Feb 2008	1,624	0.4	74	1403.89	1403.89	1	100.0
D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	Jul 16, 2015	Jun 1986	1,277	0.3	89	1714.53	1714.53	1	100.0
D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	Jul 16, 2015	Jan 1990	1,237	0.3	125	11733.23	11733.23	1	100.0
D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1990	980	0.2	64	1190.57	1190.57	1	100.0
D33	Comfort Hotel Toyama	Toyama, Toyama	Jul 16, 2015	Mar 2007	979	0.2	150	3305.64	3305.64	1	100.0
D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1989	906	0.2	62	725.60	725.60	1	100.0
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Aug 28, 2015	Jan 1989	5,069	1.1	210	3932.93	3932.93	1	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa, Tokyo	Aug 28, 2015	Nov 2007	1,170	0.3	96	1832.97	1832.97	1	100.0
D37	Super Hotel JR Ueno-iriyauchi	Taito-ku, Tokyo	Aug 28, 2015	Mar 2006	1,130	0.3	69	1279.16	1279.16	1	100.0
D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	Jan 22, 2016	Sep 1984	3,160	0.7	57	1942.01	1942.01	1	100.0
D39	Comfort Hotel Kurosaki	Kitakyusyu, Fukuoka	Jan 22, 2016	Feb 2009	1,148	0.3	151	3207.60	3207.60	1	100.0
D40	Comfort Hotel Maebashi	Maebashi, Gunma	Jan 22, 2016	Mar 2009	1,128	0.3	154	3660.96	3660.96	2	100.0

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(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen. Acquisition price of "Sheraton Grande Tokyo Bay Hotel" is calculated by applying 178,458 units of preferred equity interest contribution by INV (equivalent to 49.0% of preferred equity interest) to the JV TMK which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. Acquisition price of "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" are calculated by applying the amount of TK investment by INV to the SPC which will hold the leasehold of these properties. As there is no individual amount of TK investment for each hotel, amount of TK investment is calculated as follows: (The amount of TK investment) x (Acquisition Price for Leasehold etc. for the hotels) * Leasehold is the rights equivalent to long-term real estate leasehold rights in Japan. The investment amount is fixed by the foreign exchange forward contract executed on July 26, 2018 in Japanese Yen denomination which were calculated using an exchange rate of 1 USD=110.45. The amount of TK investment has changed from the initial amount due to a partial refund of the TK investment on December 10, 2018 (Using exchange rate above, the initial investment amount in Japanese Yen denomination was JPY 37,534 million, while the investment amount after the refund was JPY 36,783 million.)

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(Note 4) "Rentable units" includes shops, offices and nursing homes which are counted as one unit by each compartment

Portfolio Properties (4/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price (JPY mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m ²)	Leased Area (m ²)	Total Number of Tenants	Occupancy Rate (%)
D41	Comfort Hotel Tsubamesanjo	Sanjyo, Niigata	Jan 22, 2016	Jun 2007	1,010	0.2	133	3099.90	3099.90	2	100.0
D42	Comfort Hotel Kitami	Kitami, Hokkaido	Jan 22, 2016	Mar 2008	851	0.2	127	3009.50	3009.50	1	100.0
D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	Mar 31, 2016	Mar 1974, Aug 1984	26,523	5.9	385	10137.88	10137.88	1	100.0
D44	Hotel Epinarad Nasu	Nasu-gun, Tochigi	Mar 31, 2016	Feb 1992, Jun 1995	20,981	4.7	310	37702.33	37702.33	1	100.0
D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	Mar 31, 2016	Aug 2008	8,059	1.8	217	5083.06	5083.06	1	100.0
D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	Mar 31, 2016	Oct 2008	7,959	1.8	105	1951.90	1951.90	1	100.0
D47	Hotel MyStays Premier Kanazawa	Kanazawa, Ishikawa	Jun 15, 2016	Oct 2014	13,761	3.1	261	13250.03	13250.03	1	100.0
D48	Takamatsu Tokyu REI Hotel	Takamatsu, Kagawa	Jun 15, 2016	Apr 1982	2,139	0.5	193	7148.17	7148.17	3	100.0
D49	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	May 29, 2017	Jun 1994	8,000	1.8	134	6151.93	6151.93	1	100.0
D50	Hotel MyStays Shin Osaka Conference Center	Osaka, Osaka	Oct 13, 2017	Jun 1974	13,068	2.9	397	13026.99	13026.99	1	100.0
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Oct 13, 2017	Feb 1995	9,781	2.2	256	11849.61	11849.61	1	100.0
D52	Beppu Kamenoi Hotel	Beppu, Oita	Oct 13, 2017	May 1997	8,870	2.0	323	19422.08	19422.08	1	100.0
D53	Hotel MyStays Sapporo Station	Sapporo, Hokkaido	Oct 13, 2017	Oct 2007	7,880	1.8	243	7267.88	7267.88	1	100.0
D54	Hotel MyStays Yokohama Kannai	Yokohama, Kanagawa	Feb 7, 2018	Aug 2016	5,326	1.2	166	4501.18	4501.18	1	100.0
D55	Art Hotel Joetsu	Joetsu, Niigata	Feb 7, 2018	Nov 1993	2,772	0.6	198	7563.60	7563.60	1	100.0
D56	Art Hotel Hirosaki City	Hirosaki, Aomori	Feb 7, 2018	Aug 1989	2,723	0.6	160	14826.30	14826.30	1	100.0
D57	Hotel MyStays Oita	Oita, Oita	Feb 7, 2018	Jul 2007	1,604	0.4	145	3254.69	3254.69	1	100.0
D58	Hotel MyStays Gotanda	Shinagawa-ku, Tokyo	Jun 27, 2018	Jun 1988	4,068	0.9	110	1839.77	1839.77	1	100.0
D59	Hotel MyStays Tachikawa	Tachikawa-shi, Tokyo	Jun 27, 2018	May 1991	3,257	0.7	122	3844.64	3844.64	1	100.0
D60	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Aug 2, 2018	Jun 2016	20,691	4.6	329	8620.69	8620.69	1	100.0
D61	Hotel MyStays Premier Sapporo Park	Sapporo-shi, Hokkaido	Aug 2, 2018	Mar 1998	16,731	3.7	419	21670.64	21670.64	1	100.0
D62	Hotel MyStays Ueno East	Taito-ku, Tokyo	Aug 2, 2018	Sep 1991	5,286	1.2	150	4396.02	4396.02	1	100.0
D63	Hotel MyStays Midosuji Honmachi	Osaka-shi, Osaka	Aug 2, 2018	Oct 2017	5,039	1.1	108	3429.43	3429.43	1	100.0
-	Sheraton Grande Tokyo Bay Hotel (preferred equity interest)	Urayasu-shi, Chiba	Oct 13, 2017	Mar 1988	17,845	4.0	-	-	-	-	-
-	Westin Grand Cayman Seven Mile Beach Resort & Spa(TK investment)	Grand Cayman	Sep 29, 2018	1994	30,789	6.9	-	-	-	-	-
-	Sunshine Suites Resort (TK investment)	Grand Cayman	Sep 29, 2018	1999	5,993	1.3	-	-	-	-	-
	Subtotal of Hotels				352,607	78.6	10,418	359,326.87	359,326.87	67	100.0
	Total				448,362	100.0	14,998	568,280.46	559,582.28	133	98.5

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Borrowings

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing (Anticipated) Date	Maturity (Anticipated) Date
New Syndicate Loan (E)	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited	28,979	Fixed interest rate (swap)	0.48000% ¹	July 16, 2015	July 16, 2019
	Citibank, N.A., Tokyo Branch Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited.	28,979	Fixed interest rate (swap)	0.59000% ¹	July 16, 2015	July 16, 2020
Term Loan (A)	Mizuho Bank, Ltd.	3,682	Fixed interest rate (swap)	0.48000% ¹	August 28, 2015	August 28, 2019
Term Loan (B)	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.	4,250	Fixed interest rate (swap)	0.60000% ¹	January 22, 2016	January 22, 2021
New Syndicate Loan (F)	Sumitomo Mitsui Trust Bank, Limited Japan Post Bank Co., Ltd. Mizuho Bank, Ltd. MUFG Bank, Ltd. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd.	11,434	Floating interest rate	JPY 1 month TIBOR+0.40%	March 31, 2016	March 30, 2019
	Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. The Kagawa Bank, Ltd. The Daishi Bank, Ltd.	10,433	Floating interest rate	JPY 1 month TIBOR+0.50%	March 31, 2016	March 30, 2020
	The Hyakugo Bank, Ltd. The Hiroshima Bank, Ltd. The Nomura Trust and Banking Co., Ltd.	10,433	Floating interest rate	JPY 1 month TIBOR+0.60%	March 31, 2016	March 30, 2021
Term Loan (C)	Citibank, N.A., Tokyo Branch	1,000	Floating interest rate	JPY 1 month TIBOR+0.40%	June 15, 2016	June 15, 2019
		1,000	Floating interest rate	JPY 1 month TIBOR+0.50%	June 15, 2016	June 15, 2020
		1,000	Floating interest rate	JPY 1 month TIBOR+0.60%	June 15, 2016	June 15, 2021
Term Loan (D)	Development Bank of Japan Inc.	1,000	Floating interest rate	JPY 1 month TIBOR+0.40%	June 30, 2016	June 30, 2019
	AEON Bank, Ltd.	3,000	Floating interest rate	JPY 1 month TIBOR+0.60%	June 30, 2016	June 30, 2021
Term Loan (E)	The Tokyo Star Bank, Limited	700	Floating interest rate	JPY 1 month TIBOR+0.40%	July 20, 2016	July 20, 2019
		1,600	Floating interest rate	JPY 1 month TIBOR+0.50%	July 20, 2016	July 20, 2020
		1,700	Floating interest rate	JPY 1 month TIBOR+0.60%	July 20, 2016	July 20, 2021

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

Borrowings and Investment Corporation Bonds (2/3)

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing (Anticipated) Date	Maturity (Anticipated) Date
New Syndicate Loan (G)	Mizuho Bank, Ltd. Development Bank of Japan, Inc. Resona Bank, Limited The Bank of Fukuoka, Ltd.	3,250	Floating interest rate	JPY 1 month TIBOR+0.40%	March 14, 2017	March 14, 2020
	The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd. The Towa Bank, Ltd. The Shizuoka Bank, Ltd.	3,250	Floating interest rate	JPY 1 month TIBOR+0.50%	March 14, 2017	March 14, 2021
	The Dai-ichi Life Insurance Company, Limited The Gunma Bank, Ltd.	4,750	Floating interest rate	JPY 1 month TIBOR+0.60%	March 14, 2017	March 14, 2022
Term Loan (F)	Sumitomo Mitsui Banking Corporation	3,000	Floating interest rate	JPY 1 month TIBOR+0.45%	March 14, 2017	September 14, 2020
Term Loan (G)	Mizuho Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	7,321	Floating interest rate Floating interest rate	JPY 1 month TIBOR+0.55%	May 29, 2017	November 29, 2021
New Syndicate Loan (H)	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch	3,700	Floating interest rate	JPY 1 month TIBOR+0.25%	October 13, 2017	October 13, 2019
	Shinsei Bank, Limited Resona Bank, Limited	1,868	Floating interest rate	JPY 1 month TIBOR+0.30%	October 13, 2017	October 13, 2020
	Development Bank of Japan, Inc. AEON Bank, Ltd.	1,867	Floating interest rate	JPY 1 month TIBOR+0.40%	October 13, 2017	October 13, 2021
	The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd.	5,365	Floating interest rate	JPY 1 month TIBOR+0.60%	October 13, 2017	October 13, 2022
	The Dai-ichi Life Insurance Company, Limited The Hiroshima Bank, Ltd.	3,565	Floating interest rate	JPY 1 month TIBOR+0.70%	October 13, 2017	October 13, 2023
		3,560	Floating interest rate	JPY 1 month TIBOR+0.80%	October 13, 2017	October 11, 2024
Term Loan (H)	MUFG Bank, Ltd. Shinsei Bank, Limited	1,500	Fixed interest rate (swap)	0.74950% ¹	June 27, 2018	June 27, 2023
New Syndicate Loan (I)	Mizuho Bank, Ltd. MUFG Bank, Ltd.	9,660	Floating interest rate	JPY 1 month TIBOR+0.30%	July 17, 2018	July 17, 2021
	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited	9,660	Floating interest rate	JPY 1 month TIBOR+0.40%	July 17, 2018	July 17, 2022
	Citibank, N.A., Tokyo Branch	9,659	Floating interest rate	JPY 1 month TIBOR+0.50%	July 17, 2018	July 14, 2023

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

Borrowings and Investment Corporation Bonds (3/3)

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing (Anticipated) Date	Maturity (Anticipated) Date
New Syndicate Loan (J)	Mizuho Bank, Ltd. Sumitomo Mitsui Banking MUFG Bank, Ltd.	1,099	Floating interest rate	JPY 1 month TIBOR+0.20%	August 2, 2018	August 2, 2019
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.	2,359	Floating interest rate	JPY 1 month TIBOR+0.30%	August 2, 2018	August 2, 2021
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd.	10,761	Floating interest rate	JPY 1 month TIBOR+0.30%	September 26, 2018	September 26, 2021
	Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Development Bank of Japan, Inc. Resona Bank, Limited The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.	13,120	Floating interest rate	JPY 1 month TIBOR+0.40%	September 26, 2018	September 26, 2022
Term Loan (I)	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.	13,119	Floating interest rate	JPY 1 month TIBOR+0.50%	September 26, 2018	September 26, 2023
	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.	4,250	Fixed interest rate (swap)	0.37250% ¹	January 22, 2019	January 22, 2022
	Subtotal of Short Term Debt	1,099				
	Subtotal of Long Term Debt	224,774				
	Total Debt	225,873				

Investment Corporation Bonds

Name	Issue Date	Issue Amount (JPY million)	Interest	Term	Redemption Date	Rating
1st series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	May 25, 2018	1,000	0.400% p.a.	5 years	May 25, 2023	A (JCR)
2nd series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	May 25, 2018	1,000	0.800% p.a.	10 years	May 25, 2028	A (JCR)
3rd series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	October 12, 2018	1,000	0.550% p.a.	5 years	October 12, 2023	A (JCR)
Total		4,000				

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

As of June 30, 2018

As of December 31, 2018

Major Unitholders (TOP 10)

Name	Number of units held	(%)
1 The Master Trust Bank of Japan, Ltd. (trust account)	697,842	14.55
2 Japan Trustee Services Bank, Ltd. (trust account)	581,368	12.12
3 Trust & Custody Services Bank, Ltd. (securities investment trust account)	214,511	4.47
4 The Nomura Trust and Banking Co., Ltd. (investment trust account)	165,938	3.46
5 Mizuho Trust & Banking Co., Ltd.	131,076	2.73
6 Calliope Godo Kaisha	98,918	2.06
7 THE BANK OF NEW YORK MELLON SA/NV 10	96,213	2.00
8 JP MORGAN CHASE BANK 385628	74,626	1.55
9 STATE STREET BANK AND TRUST COMPANY	74,185	1.54
10 STATE STREET BANK WEST CLIENT - TREATY 505234	66,065	1.37
Total	2,200,742	45.91

Name	Number of units held	(%)
1 The Master Trust Bank of Japan, Ltd. (trust account)	768,650	13.56
2 Japan Trustee Services Bank, Ltd. (trust account)	565,175	9.97
3 JP MORGAN CHASE BANK 385628	263,576	4.65
4 The Nomura Trust and Banking Co., Ltd. (investment trust account)	197,578	3.48
5 Trust & Custody Services Bank, Ltd. (securities investment trust account)	196,571	3.46
6 BNYM AS AGT/CLTS 10 PERCENT	146,718	2.58
7 Mizuho Trust & Banking Co., Ltd.	131,076	2.31
8 GCAS BANA LONDON US CLIENT	123,245	2.17
9 SSBTC CLIENT OMNIBUS ACCOUNT	117,003	2.06
10 STATE STREET BANK AND TRUST COMPANY 505001	90,313	1.59
Total	2,599,905	45.87

*Percentages are rounded down to the second decimal place

Issued investment units: 4,793,181

Issued investment units: 5,666,840

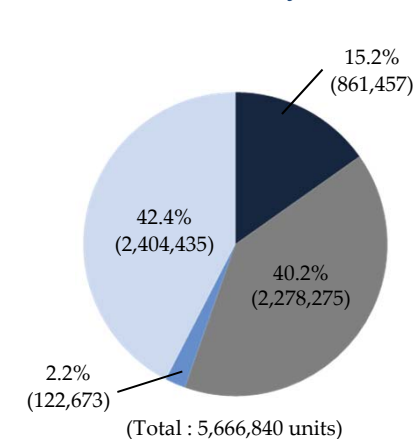
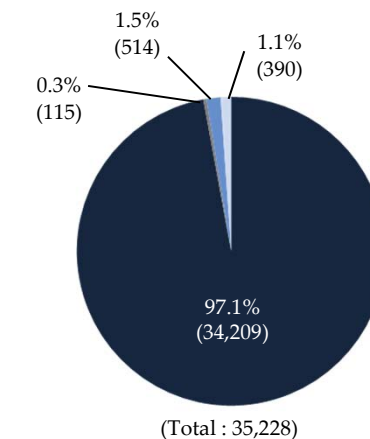
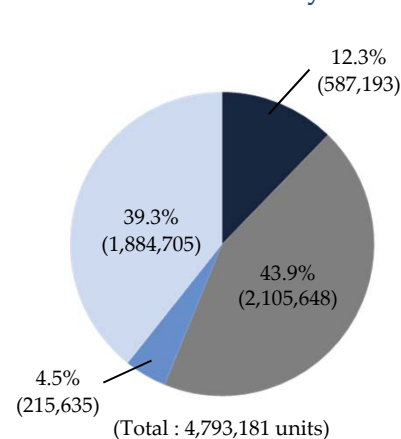
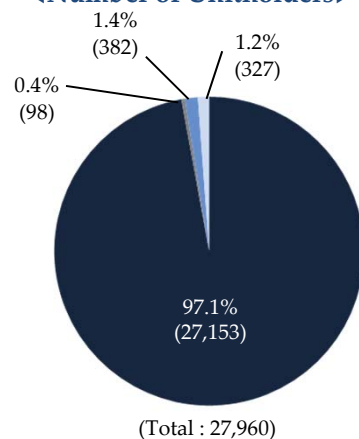
Unitholders Composition

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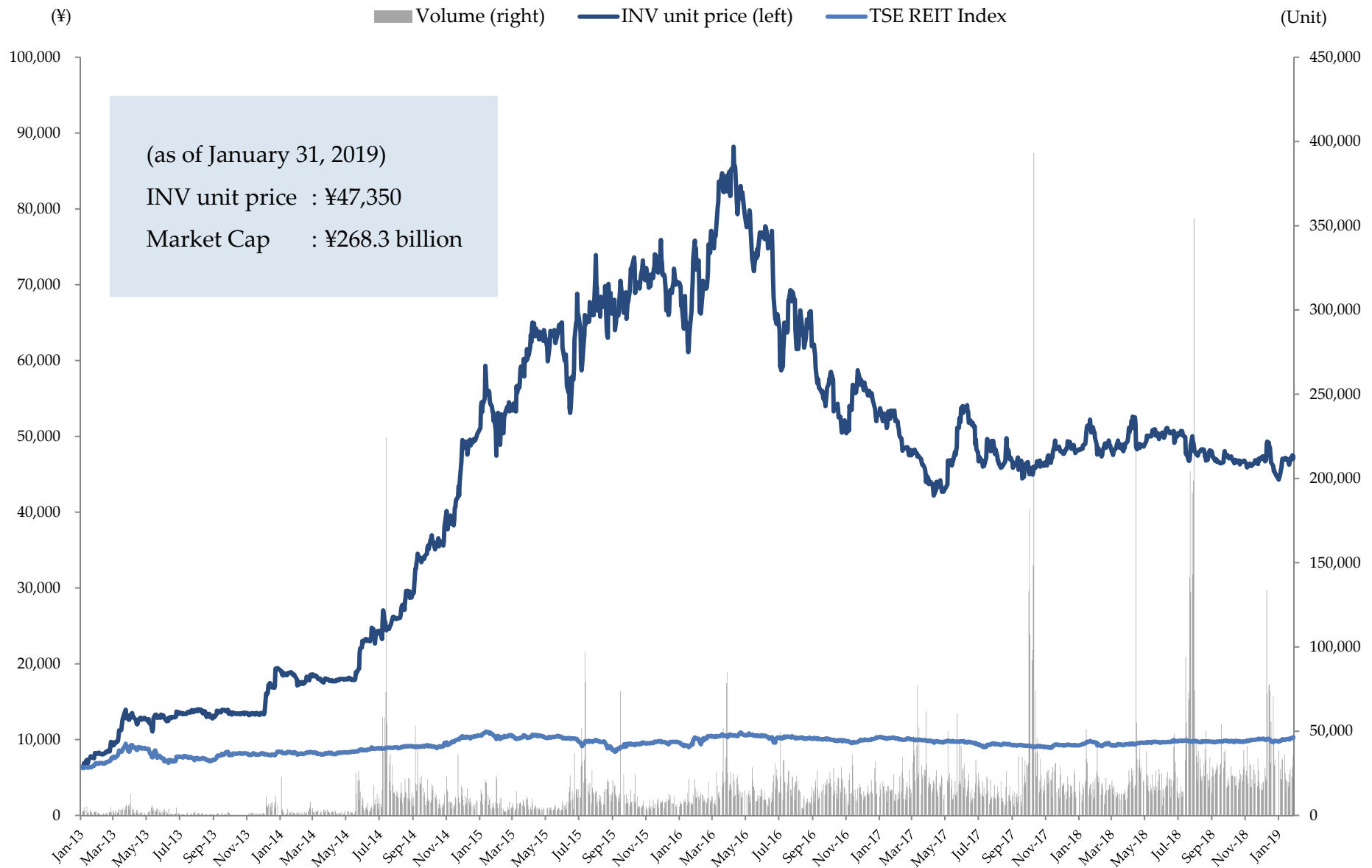
<Number of Units held by Unitholders>



■ Individuals ■ Financial Institutions (incl. Securities Companies) ■ Other Domestic Corporations ■ Foreign Companies, etc.

*Percentages are rounded to one decimal place

Unit Price Information



Source: TSE and Bloomberg

(Note 1) It shows the change in the price from January 4, 2013 until January 31, 2019

(Note 2) TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013 was the same as the closing price of INV unit on the same day

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