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## **Invincible Investment Corporation**

### **Asset Management Report**

Fiscal Period ended June 30, 2015 (January 1, 2015 to June 30, 2015)

### Contents

Greetings from Naoki Fukuda, Executive Director of Invincible Investment Corporation and President & CEO of Consonant Investment Management Co., Ltd. Summary of Financial Results Significant Growth of AUM and DPU Performance of Existing 20 Hotel Properties Solid Fundamentals for Hospitality Sector Continuous Improvement of Financial Condition External Growth from Sponsor Support – Hotel

I. Asset Management Report II. **Balance Sheet** III. Statement of Income IV. Statement of Unitholders' Equity V. Notes VI. Statement of Cash Distribution VII. Audited Report VIII. Statement of Cash Flows (Reference Information)

### Global Offering & Historical Unit Price

- Steady Expansion of Market Capitalization and Asset Size

Portfolio Data

Newly Acquired 3 Hotels (acquired on February 6, 2015)

Information for Unitholders

### Greetings from Naoki Fukuda, Executive Director of Invincible Investment Corporation and President & CEO of Consonant Investment Management Co., Ltd.

It is my pleasure to take this opportunity to express my sincere gratitude to all investors in Invincible Investment Corporation ("INV") for your ongoing support.

We hereby provide you with a report on INV's asset management and financial results for the 24th period (covering the period from January 1, 2015 to June 30, 2015, the "reporting period").

With respect to the external growth of INV's properties in the reporting period, we acquired 3 hotels (total acquisition price: JPY 13,261 million) on February 6, 2015 by utilizing excess cash-on-hand and new loans, and resolved on June 25, 2015 to acquire 11 hotels and 3 residential properties (total acquisition price: JPY 35,258 million) on July 16, 2015 with the funds raised via a global public offering of new investment units (the "Capital Increase") and new loans.

With respect to the financial operations, we decided to refinance all existing loans on July 16, 2015 concurrently with the Capital Increase and the acquisition of the above properties in order to refinance all secured bank loans to an unsecured bank facility, lengthen and diversify the debt maturity duration, and further reduce interest rates.

For the reporting period, due to the acquisition of 3 new hotels and the acceleration of internal growth from the existing hotel portfolio backed by the significant increase in the number of inbound visitors to Japan; hotel rents increased by JPY 313 million (15.1%) from the previous period to JPY 2,382 million, and INV's total operating revenues increased by JPY 364 million (7.9%) to JPY 4,974 million. As a result, net income increased by JPY 337 million (17.2%) to JPY 2,295 million, and DPU (distribution per unit) increased by JPY 127 (17.3%) to JPY 860.

After the reporting period, in addition to the Capital Increase, the acquisition of the above-mentioned 14 properties and the de-collateralization of loans, INV acquired 3 hotels (total acquisition price: JPY 7,369 million) on August 28, 2015 by utilizing the funds raised through new loans as well as part of the excess cash-on-hand obtained from the Capital Increase. As a result, INV's total assets under management as of the end of August 2015 increased to JPY 173,815 million, a JPY 55,888 million (47.4%) increase compared to JPY 117,927 million as of the end of the fiscal period ended December 31, 2014 (previous period; the 23rd period). The annual DPU for 2015 is expected to increase to JPY 1,924, a 47.3% increase year-on-year. INV's market capitalization as of August 25, 2015 was JPY 201,840 million, rising it to the 18th-largest market capitalization among the 53 listed J-REITs in Japan (market capitalization at the end of December 2013: JPY 30,566 million, which

was 40th-largest among 43 listed J-REITs).

In conjunction with the Capital Increase, INV entered into an MOU with certain Fortress-related special purpose companies, concerning preferential negotiation rights for the acquisition of 21 hotels and 9 residential properties, thereby securing a potential pipeline of assets on a scale similar to that of the existing hotel portfolio in terms of number of rooms.

We will further seek to acquire new properties, mainly hotels, by utilizing the extensive sponsor pipeline to build a portfolio that provides both strong growth and stability. In regards to internal growth, we will continue our efforts to maximize the rent revenue from the hotel portfolio which is expected to achieve significant growth in the medium to long-term. With respect to financial management, we aim to diversify financing measures, including the issuance of REIT bonds, by obtaining an external credit rating, as well as work to further broaden the investor base.

We will continue to implement and further accelerate our basic policy that we have implemented thus far, which is the "increase of distribution per unit" via accretive acquisitions and will take measures to maximize unitholders' value.

Your continued support is highly appreciated.

Marchi Futuda

Naoki Fukuda Executive Director, Invincible Investment Corporation President & CEO, Consonant Investment Management Co., Ltd.

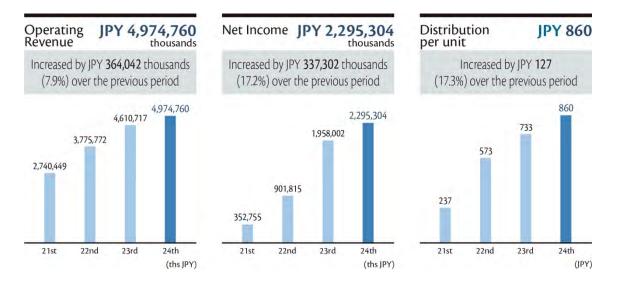
Fixed Distributions	The 24th fiscal period (the fiscal period ended June 2015)	Per investment unit JPY 860
Forecast Distributions	The 25th fiscal period (the fiscal period ending December 2015)	Per investment unit JPY 1,064
Forecast Distributions	The 26th fiscal period (the fiscal period ending June 2016)	Per investment unit JPY 1,009
Forecast Distributions	The 27th fiscal period (the fiscal period ending December 2016)	Per investment unit JPY 1,163

(Note) The forward-looking statements, forecasts and goals mentioned above are based on available information, assumptions and estimates as of August 26, 2015. These assumptions and estimates are unavoidably uncertain, and could be affected by various risks and factors beyond INV's control. Thus, no guarantee can be made regarding the realization of such future forecasts and targets, and actual results may vary significantly.

## **USUMMATY OF Financial Results**

	Period from July 1, 2013 to December 31, 2013	Period from January 1, 2014 to June 30, 2014	Period from July 1, 2014 to December 31, 2014	Period from January 1, 2015 to June 30, 2015
Operating Revenue (Thousands of yen)	2,740,449	3,775,772	4,610,717	4,974,760
Ordinary Income (Thousands of yen)	353,360	902,420	1,958,607	2,295,909
Net Income (Thousands of yen)	352,755	901,815	1,958,002	2,295,304
Net Assets (Thousands of yen)	35,844,824	36,373,796	61,392,392	61,731,550
Total Assets (Thousands of yen)	79,176,632	79,261,754	130,477,232	136,299,746
Net Assets per Unit (Yen)	22,785	23,121	23,005	23,132
Net Assets/Total Assets (%)	45.3	45.9	47.1	45.3
Distribution per Unit (Yen)	237	573	733	860
Number of Units Issued (Unit)	1,573,179	1,573,179	2,668,686	2,668,686

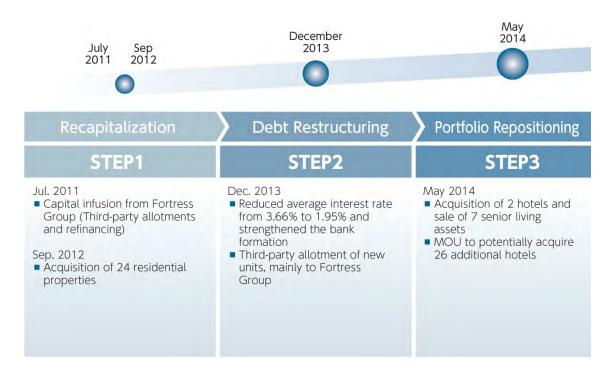
(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place. However, "Net Assets per Unit" are rounded to the nearest yen.



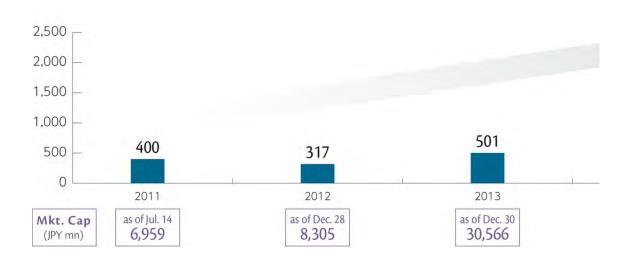
(Note) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place.

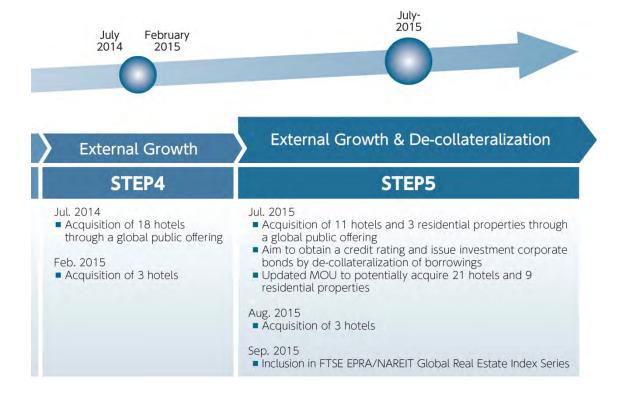
## Jalue Creation Track Record

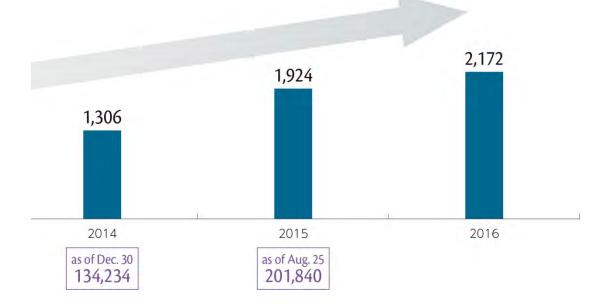
After the capital infusion from Fortress Group (July 2011), the Market Capitalization of INV increased from JPY 6,959 million, the amount just before the capital infusion (as of July 14, 2011) to JPY 201,840 million (as of August 25, 2015)



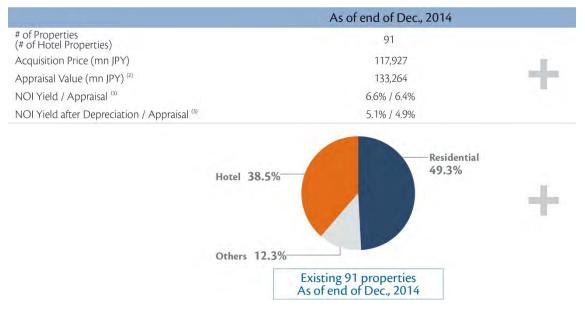
### **Distribution per Unit**





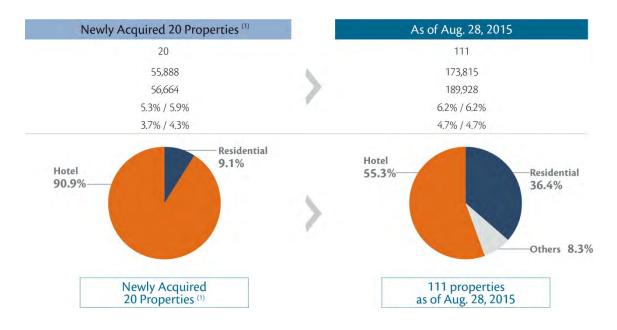


### External Growth & De-collateralization



### External Growth Supported by Stronger Sponsor Support

- (Note 1) The total amount of 3 hotels acquired in February 2015, 11 hotels and 3 residential properties acquired in July 2015 and 3 hotels acquired in August 2015 is described. The same shall apply hereinafter.
- (Note 2) For 91 properties held as of June 30, 2015 and 3 properties acquired in February 2015, appraisal value as of June 30, 2015; for 14 properties (11 hotels and 3 residential properties) acquired July 2015, appraisal value as of May 1, 2015; for 3 properties acquired, Flexstay Inn Ekoda, appraisal value as of August 10, 2015 and other two properties, appraisal value as of July 31, 2015.
- (Note 3) The "Appraisal NOI Yield" is calculated by dividing the net operating income (NOI) using the direct capitalization method in the appraisal report, by the total anticipated acquisition price and rounding to the first decimal place. The "Appraisal NOI Yield after Depreciation" is calculated by dividing the NOI after deducting the depreciation expenses calculated by INV by the total acquisition price and rounding to the first decimal place.



### De-collateralization of Existing Debt and Reduction of Loan Cost

		As of Jun. 30
Loans	Balance (JPY mn)	Interest Rate
Syndicate Loan (C)	56,100	0.93% (4)
Syndicate Loan (D)	6,241	0.93% (4)
Prudential LPS Loan B	9,960	1.90%
Total / Average Interest Rate	72,301	1.06% (5)

	De-collateraliza	As of Aug. 28
Term	Balance (JPY mn)	Interest Rate
3yrs.	28,979	1MT+0.4%
4yrs.	28,979	1MT+0.5%
5yrs.	28,979	1MT+0.6%
10mo.	1,401 <sup>(6)</sup>	1MT+0.2%
4yrs	3,682	1MT+0.5%
	92,020	0.63% (7)
	3yrs. 4yrs. 5yrs. 10mo.	3yrs.         28,979           4yrs.         28,979           5yrs.         28,979           10mo.         1,401 <sup>(6)</sup> 4yrs         3,682

(Note 4) The interest rates applicable for the period of June 30, 2015 to July 30, 2015

(Note 5) Calculated by the weighted average interest rate based on the borrowing amount

(Note 6) The borrowings will be prepaid in the amount equivalent to the refund of consumption tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings by Syndicate Loan (E), in the case where the above-mentioned consumption tax refunds are received. The above-mentioned borrowings (JPY 1,401 million) are defined as borrowings corresponding to the expected consumption tax refund.

(Note 7) Interest rate (per annum) provided in Total debt is the weighted average interest rate based on the borrowing amount, excluding borrowings corresponding to the expected consumption tax refund, assuming that the one-month JPY TIBOR as of August 28, 2015, is applied. Regarding average interest rate of Term Loan (A), the first interest calculation period uses two-month JPY TIBOR.

## Offering Overview

Offering Size (incl. Over-allotment)	· JPY 30.4 billion
Number of Units (incl. Over-allotment)	<ul> <li>Total: 525,000</li> <li>Japanese Public Offering Units: 211,250</li> <li>Over-allotment Units: 25,000</li> <li>International Offering Units: 288,750</li> </ul>
Offering Format	<ul> <li>Japan: Public Offering</li> <li>Overseas: 144A/Regulation S</li> </ul>
Domestic/International Split	· 45%:55%

## Overview of Acquisition

• Acquisition of 17 hotels and 3 residential properties in and after February 2015 by August 2015

■ Total acquisition value of 20 properties is JPY 55,888 million, Appraisal NOI yield is 5.9%, and the operation assets of INV increased by 47.4% from the end of December 2014.

Total Acquisition Value	55,888 mn	
Total Appraisal Value	56,664 mn	20 properties
NOI yield (2015 Estimated NOI yield / Appraisal NOI yield)	5.3% / 5.9%	(17 hotels / 3 residential properties)
Great Tokyo Area (Acquisition Value)	83.9%	

## Acquisition Summary

### Hotel

		Acquisition	Appraisal	NOI yi	eld (1)
Property Name	Location	Value (JPY mn)	Value (JPY mn)	2015 Estimated NOI yield	Appraisal NOI yield
APA Hotel Yokohama-Kannai	Yokohama City, Kanagawa	8,350	8,600	5.3%	5.2%
Hotel Nets Hakodate	Hakodate City, Hokkaido	2,792	2,870	5.9%	7.6%
Flexstay Inn Shirogane	Minato Ward, Tokyo	2,119	2,140	4.9%	6.0%
Hotel MyStays Haneda	Ota Ward, Tokyo	7,801	7,880	4.6%	5.5%
Hotel MyStays Kameido P1	Koto Ward, Tokyo	5,594	5,650	5.7%	6.2%
Hotel MyStays Ueno Iriyaguchi	Taito Ward, Tokyo	3,821	3,860	5.5%	6.2%
Hotel MyStays Kameido P2	Koto Ward, Tokyo	3,742	3,780	5.7%	6.2%
Hotel Vista Shimizu	Shizuoka City, Sizuoka Prefecture	2,198	2,220	6.2%	7.2%
Super Hotel Shinbashi/ Karasumoriguchi	Minato Ward, Tokyo	1,624	1,640	4.3%	4.4%
Flexstay Inn Higashi-Jujo	Kita Ward, Tokyo	1,277	1,290	5.8%	7.3%
Hotel MyStays Utsunomiya	Utsunomiya City, Tochigi Prefecture	1,237	1,250	9.5%	9.5%
Flexstay Inn Kawasaki-Kaizuka	Kawasaki City, Kanagawa Prefecture	980	990	6.1%	6.9%
Comfort Hotel Toyama	Toyama City, Toyama Prefecture	979	989	6.5%	6.3%
Flexstay Inn Kawasaki-Ogawacho	Kawasaki City, Kanagawa Prefecture	906	915	6.1%	6.5%
Flexstay Inn Ekoda	Nerima Ward, Tokyo	5,069	5,120	4.0%	5.9%
Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa City, Tokyo	1,170	1,180	4.6%	4.6%
Super Hotel JR Ueno-iriyaguchi	Taito Ward, Tokyo	1,130	1,140	4.2%	4.2%
Subtotal / Average - Hotel		50,789	51,514	5.3%	6.0%

### Residential

		Acquisition	Appraisal	NOI yield (1)	
Property Name	Location	Value (JPY mn)	Value (JPY mn)	2015 Estimated NOI yield	Appraisal NOI yield
City Court Kitaichijo	Sapporo City, Hokkaido	1,782	1,800	5.2%	5.6%
Lieto Court Mukojima	Sumida Ward, Tokyo	1,683	1,700	4.7%	5.0%
Lieto Court Nishi-Ojima	Koto Ward, Tokyo	1,634	1,650	4.7%	4.8%
Subtotal / Average - Residential		5,099	5,150	4.9%	5.1%

### Grand Total / Average

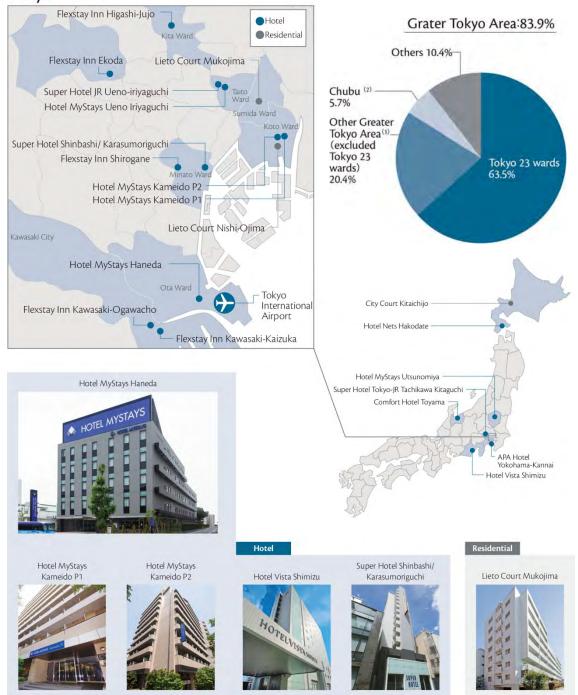
	Acquisition	Appraisal	NOI yield (1)		
	Value (JPY mn)		2015 Estimated NOI yield	Appraisal NOI yield	
Grand Total / Average	55,888	56,664	5.3%	5.9%	

(Note 1) The "Appraisal NOI Yield" is calculated by dividing the net operating income (NOI) using the direct

capitalization method in the appraisal report, by the total anticipated acquisition price and rounding to the first decimal place. The "Appraisal NOI Yield after Depreciation" is calculated by dividing the NOI after deducting the depreciation expenses calculated by INV by the total acquisition price and rounding to the first decimal place.

#### Good-quality Portfolio Focusing on the Great Tokyo Area

### Tokyo



(Note 1)

"Greater Tokyo" is "Tokyo", "Kanagawa," "Chiba" and "Saitama". "Chubu Area" is "Nagano", "Ishikawa", "Shizuoka", "Toyama", "Yamanashi", "Ehime", "Mie", "Niigata", "Gifu", and "Fukui". (Note 2)

### **Continuous Improvement of Financial Conditions**

■ By de-collateralization of Existing Debt, INV considers obtaining credit rating and the issuance of investment corporation bonds

■ INV aims for further reinforcement of financial base and improvement of stability

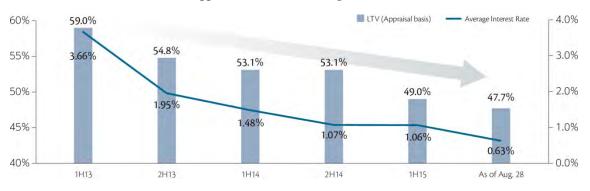
### De-collateralization of Existing Debt and Reduction of Loan Cost

		As of J	un. 30
Loans	Balance (JPY mn)	Interest Rate	De-collatera
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Syndicate Loan (D)	6,241	0.93% (1)	
Prudential LPS Loan B	9,960	1.90%	
Total / Average Interest Rate	72,301	1.06% (2)	

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

(Note 2) Calculated by the weighted average interest rate based on the borrowing amount

- (Note 3) The borrowings will be prepaid in the amount equivalent to the refund of consumption tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings by Syndicate Loan (E), in the case where the above-mentioned consumption tax refunds are received. The above-mentioned borrowings (JPY 1,401 million) are defined as borrowings corresponding to the expected consumption tax refund.
- (Note 4) Interest rate (per annum) provided in Total debt is the weighted average interest rate based on the borrowing amount, excluding borrowings corresponding to the expected consumption tax refund, assuming that the one-month JPY TIBOR as of August 28, 2015, is applied. Regarding average interest rate of Term Loan (A), the first interest calculation period uses two-month JPY TIBOR.

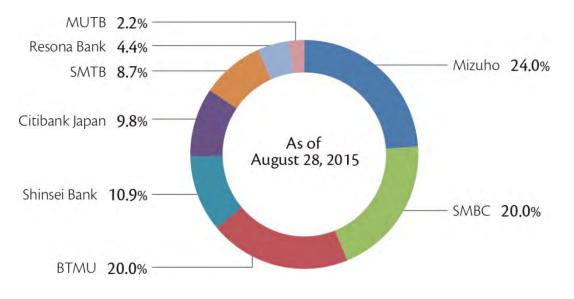


### LTV (Appraisal base)<sup>(5)</sup> and Average Interest Rate<sup>(5)</sup>

DSCR (Based on Portfolio) / DSCR (Excluding Hotel Variable Rent Portion) $^{(6)(7)}$ 



				As of Aug. 2
lization	Loans	Term	Balance (JPY mn)	Interest Rate
lization		3yrs.	28,979	1MT+0.4%
h	New Gradients Learn (C)	4yrs.	28,979	1MT+0.5%
	New Syndicate Loan (E)	5yrs.	28,979	1MT+0.6%
		10mo. (3)	1,401 <sup>(3)</sup>	1MT+0.2%
- 1	Term Loan (A)	4yrs	3,682	1MT+0.5%
	Total / Average Interest Rate	100	92,020	0.63% (4)



### Bank Formation composed by mainly Megabanks

Dispersion of Maturity <sup>(8)</sup>



- (Note 5) Calculated using the formula that is LTV (appraisal value basis) at each end of period = debt outstanding at the end of period / aggregate appraisal value at the end of period. LTV (appraisal value basis) as of June 30, 2015 is calculated by dividing interest-bearing debt outstanding as of June 30, 2015 (excluding JPY 321 million borrowings corresponding to the expected consumption tax refund) by aggregate appraisal value of 94 properties held as of the end of June 2015. LTV as of August 28, 2015 is calculated by dividing interest-bearing debt outstanding after refinance on July 16, 2015 and new debt financing on August 28, 2015 (excluding JPY 1,401 million borrowings corresponding to the expected consumption tax refund) by aggregate appraisal value of 94 properties held as of the end of 4 properties held as of the end of June 2015. LTV as of August 28, 2015, 14 properties acquired on July 16, 2015 and 3 properties to be acquired on August 28, 2015. Average financing rate is calculated by dividing total of product of the borrowing amount at the end of period for each financing and the interest rate applicable thereto at the end of period (provided, however, with respect to the interest rates applicable after the new debt financing on August 28, 2015, it is assumed that the one-month JPY TIBOR on that date is applied) by total debt.
- (Note 6) DSCR (based on Portfolio) is calculated using the following formula; (Operating Income + Depreciation Expenses) (Contract Prepayment Amount + Interest Amount)
- (Note 7) DSCR (excluding Hotel Variable Rent) is calculated using the following formula; (Operating Income -Hotel Variable Rental Income + Depreciation Expenses) ÷ (Contract Prepayment Amount + Interest Amount)
- (Note 8) Excluding borrowings corresponding to the expected consumption tax refund

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

ADR, GOP and NOI of the acquired hotels in Jan. - Jul. 2015 increased by +20.0%, +27.0% and 29.4% from the previous year, respectively and growth was accelerated
ADR, GOP and NOI in 2014 was +11.9%, +16.6% and 18.2%, respectively and showed high growth



## ADR Growth (Annual) $^{(1)}$



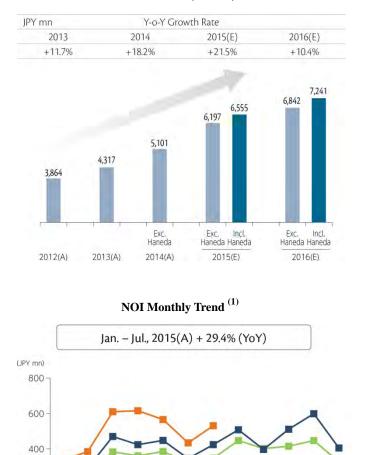
### ADR Monthly Trend<sup>(1)</sup>



## GOP Monthly Trend $^{(1)(2)}$



# GOP Growth (Annual)<sup>(1)(2)</sup>



200

0

Jan

Feb Mar Apr May Jun Jul

## NOI Growth (Annual)<sup>(1)(2)</sup>

(Note 1) Based on 33 hotels in which variable rent structures are adopted, among the 37 hotels held by INV as of Aug. 28, 2015 (except for Super Hotel Shinbashi/Karasumoriguchi, Super Hotel Tokyo - JR Tachikawa Kitaguchi, Super Hotel JR Uenoiriyaguchi and Comfort Hotel Toyama, in which fixed rent schemes are adopted). Year on year figures are based on 32 hotels, excluding Hotel MyStays Haneda whose data before September 2014 (because the hotel opened in September 26, 2014).

Oct Nov Dec

(Note 2) Regarding APA Yokohama - Kannai, rent income which is received by INV is added to GOP.

Aug Sep

## I. Asset Management Report

## **Overview of Asset Management**

## 1 Trends in Investment Corporation's Operating Results

By P	eriod		20th	21st	22nd	23rd	24th
			Fiscal Period	Fiscal Period	Fiscal Period	Fiscal Period	Fiscal Period
Calc	ulated period		Jan. 1, 2013 to	Jul. 1, 2013 to	Jan. 1, 2014 to	Jul. 1, 2014 to	Jan. 1, 2015 to
			Jun. 30, 2013	Dec. 31, 2013	Jun. 30, 2014	Dec. 31, 2014	Jun. 30, 2015
	Operating revenues	(Note 1) (Thousands of yen)	2,760,177	2,740,449	3,775,772	4,610,717	4,974,760
	(Rental revenues)	(Thousands of yen)	2,760,177	2,740,449	2,772,419	4,610,717	4,974,760
Operating Results	Operating expenses	(Thousands of yen)	1,528,940	1,474,679	1,541,127	1,840,796	2,163,828
ating R	(Property-related expenses)	(Thousands of yen)	1,295,403	1,261,221	1,281,791	1,586,854	1,834,039
esults	Operating income	(Thousands of yen)	1,231,237	1,265,770	2,234,644	2,769,920	2,810,931
	Ordinary income	(Thousands of yen)	335,683	353,360	902,420	1,958,607	2,295,909
	Net income	(Thousands of yen)	335,078	352,755	901,815	1,958,002	2,295,304
	Total assets	(a) (Thousands of yen)	80,249,063 0.1	79,176,632 (1.3)	79,261,754 0.1	130,477,232 64.6	136,299,746 4.5
A	(change from last period)	(%)					
sset Co	Interest-bearing debt	(Thousands of yen)	43,851,500	41,310,000	41,000,850	67,260,000	72,301,000
Asset Condition	Net assets	(b) (Thousands of yen)	32,848,025 0.5	35,844,824 9.1	36,373,796 1.5	61,392,392 68.8	61,731,550 0.6
	(change from last period)	(%)					
	Total contribution	(Thousands of yen)	26,134,396	29,134,389	29,134,389	53,096,413	53,096,413
Divide	Total distribution	(c) (Thousands of yen)	355,949	372,843	901,431	1,956,146	2,295,069
Dividend Status	Dividend payout ratio	(Note 2) (%)	106.0	105.7	100.0	99.9	100.0
	Number of investment units	(d) (Units)	1,348,292	1,573,179	1,573,179	2,668,686	2,668,686
	Issued and outstanding						
Infor	Net assets per unit	(b) / (d) (yen	24,363	22,785	23,121	23,005	23,132
mation		(Note 3))					
Information per Unit	Distribution per unit	(c) / (d) (yen)	264	237	573	733	860
Ē	(Profit distribution per unit)	(yen)	264	237	573	733	860
	(Excess profit distribution per unit)	(yen)	_	_	_	_	_
Fi	Return on assets	(Note 4) (%)	0.4	0.4	1.1	1.9	1.7
nancial	(change over year)		0.8	0.9	2.3	3.7	3.5
Financial Measures	Return on equity	(Note 4) (%)	1.0	1.0	2.5	4.0	3.7
ires	(change over year)		2.1	2.0	5.0	7.9	7.5

Capital ratio	(b) / (a) (Note 4) (%)	40.9	45.3	45.9	47.1	45.3
(change from last period)	(%)	0.2	4.3	0.6	1.2	(1.8)
NOI	(Note 4) (Thousands of yen)	2,008,413	2,006,648	2,018,542	3,861,122	4,127,486
(Net Operating Income)						

- (Note 1) Consumption taxes etc. are not included in operating income.
- (Note 2) Dividend payout ratio is calculated by dividing profit distribution by unit by net income that period. However, for the period after the 21st Fiscal Period, it is calculated by dividing the total profit distribution amount by net income.
- (Note 3) Distribution by unit is rounded to the nearest unit.
- (Note 4) Published benchmarks are calculated as below, and ratios are rounded to one decimal place.

Return on Assets = Ordinary Income / (Total Assets at Start of Reporting Period + Total Assets at End of Reporting Period) /  $2 \times 100$ 

Return on Equity = Net Income this period / (Net Assets at Start of Reporting Period + Net Assets at End of Reporting Period) /  $2 \times 100$ 

Capital Ratio = Net Assets at End of Reporting Period /Total Assets at End of Reporting Period x 100

Rental NOI = Rental Revenues - Leasing Costs + Fiscal Period Depreciation Expenses

### 2 **Operating Conditions**

### (1) Main trends in the Investment Corporation

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

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

Ever since the commencement of sponsorship from the Fortress Group, INV has been focused on the improvement of occupancy rates as well as the reduction of expenditures related to its properties and investment corporations by strengthening its asset management capabilities. Furthermore, in September 2012, INV newly acquired 24 residential properties without issuing new equity, thereby improving the earning power of its portfolio and establishing a revenue base in order to implement stable

#### distributions.

Following such measures, INV refinanced existing bank borrowings with new borrowings through syndicate loans arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. together with funds raised via a third-party allotment mainly to the Fortress Group on December 20, 2013. Through such refinancing, INV reduced its interest-bearing debt ratio, improved its earning power due to the significant reduction in interest expenses, and strengthened its lender formation, thereby improving its financial stability and establishing a financial base for future growth.

With this platform as a base for future growth, INV acquired its first two limited-service hotel properties on May 23, 2014. On June 23, 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (the "Asset Manager") revised the Investment Guidelines for INV, and added hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecast to rise going forward. In July 2014, INV acquired 18 limited-service hotels from the sponsor group using funds raised from a global public offering and the refinancing of existing loans. In the fiscal period ended June 2015 (the "Reporting Period"), INV acquired two hotels from the sponsor group and one hotel from a third-party on February 6, 2015 using the excess cash-on-hand and new loans, without issuing new equity.

INV's distributions per unit ("DPU") from July 1, 2014 to June 30, 2015 reached JPY 1,593, an increase of approximately 1.96 times year-on-year. INV's end-of-term market capitalization was JPY 174,265 million, approximately 4.56 times larger than the final day of June of the previous year.

At the board meetings of INV and the Asset Manager held on June 25, 2015, resolutions were passed to pursue a global public offering and new share issuance (collectively, the "Capital Increase"), with the funds raised through the Capital Increase and new loans to acquire 11 hotels and three residential properties (the "Acquisition"), and to refinance all existing loans (the "Refinancing"; collectively with the Capital Increase and the Acquisition, the "Measures"). In addition, on June 25, 2015, INV entered into a Memorandum of Understanding (the " MOU") with affiliates of sponsor Fortress Group, thereby acquiring preferential negotiating rights regarding the acquisition of 21 hotels and nine residential properties, securing a pipeline for external growth.

Through implementation of the Measures, INV will achieve further growth in DPU and an increase in scale for both the portfolio and market capitalization. Furthermore, the conversion of all existing loans into unsecured debt has further strengthened INV's financial soundness and stability.

The Measures are described in greater detail below in "6. Significant Subsequent Events".

### (2) Operational Environment and Performance

In the Reporting Period, real GDP growth rate for the period from April to June 2015 showed a decline of 1.6% year-on-year compared to 4.5% increase year-on-year from January to March. However, the Japanese economy saw strong corporate activity in the first half of the year, as corporate profits for the January-March 2015 quarter reached pre-Lehman bankruptcy level of 2007 and capital investment increased. As a result, the employment and wage environment showed further improvement, as the unemployment rate for June 2015 fell to 3.4%, the jobs-to-applicants ratio was 1.19x, and the number of unemployed declined for the 61st consecutive month. Going forward, it is necessary to take notice of the risk such as slowdown in overseas economies including China, but the domestic economic upswing is expected to continue due to the recovery in consumer spending on the back of the improved employment and wage environment, the impact of the government's financial policy and the Bank of Japan's large-scale monetary easing policy, and the increase in corporate profits in connection with the decline in the price of crude oil.

Regarding the real estate investment market, real estate transaction prices continued to rise in Tokyo and other large cities as a result of Japan's economic recovery and expectations of an end to deflation. According to the Japanese Real Estate Investor Survey (April 2015) conducted by the Japan Real Estate Institute, investors expect capitalization rates for offices, residences, retail facilities, and hotels to continue to decline. Although investors who responded that they will make new investments over the next year dropped by 4 points to 90% from the previous survey (October 2014), investment demand remains high and maintains a positive stance.

Regarding the property rental market, Tokyo office building vacancy rates continue to decline while rates are bottoming out in parts of other major cities such as Osaka and Nagoya. Large corporations are consolidating their floor space as well as expanding leasing space in the same buildings. Rents increased mainly for newly constructed buildings and premium properties in the Tokyo area. With respect to the residential sector, market rent trends for small-type city-center properties are continuingly improving. In the hotel sector, the Japanese government's promotion of tourism initiatives such as airport capacity expansion, the entry of LCC's into the Japanese market, and the relaxation of visa requirements for some Asian countries, etc., coupled with macro structural changes such as a sharp increase in the number of cross-border travelers due to the global rise of the middle-income bracket, has led to a significant increase in the number of international visitors to Japan from China and Southeast Asian countries such as Thailand, Malaysia, the Philippines,

Indonesia and Vietnam. This robust combination helped Japan log a record high of 13.41 million visitors in 2014, providing firm demand for accommodations. In the current reporting period, this trend further accelerated and the number of international visitors to Japan from January to July 2015 increased to 11.05 million visitors (+47% year-on-year), leading to a significant increase in foreigner lodging demand.

INV implemented a rent increase program for new residential leases and renewals as well as a program to reduce leasing costs for residential properties based on a market analysis of each unit and property. As a result, in the Reporting Period, INV realized a rent increase for 68.0% of the new residential lease contracts or a rent increase of 1.9% compared to the previous rent, and a rent increase for 39.2% of contract renewals or a rent increase of 1.2% compared to the previous rent. Net leasing costs (advertising expenses + free rent – key money) were reduced to an average of 0.90 months per new lease, a reduction of 0.28 months year-on-year.

Regarding hotels, INV acquired two hotels from the sponsor group and one hotel from a third party at a total price of JPY 13,261 million on February 6, 2015. In terms of internal growth, in addition to the abovementioned external environmental factors, the hotel operators adeptly captured inbound demand through strong revenue management techniques. INV's 23 acquired hotels recorded a significant growth in the Reporting Period led by an occupancy rate (Note 1) of 91.9% (+3.4 points year-on-year), ADR (Note 2) of JPY 8,130 (+20.9% year-on-year), and RevPAR (Note 3) of JPY 7,470 (+25.4% year-on-year). The ratio of overseas sales (Note 4) at the acquired 23 hotels increased to 33.7% (+25.1 points year-on-year) (Note 5) for the Reporting Period.

As a result, INV's average occupancy rate across the entire portfolio for the Reporting Period maintained a high level of 96.8%, and the NOI increased by 6.9% year-on-year to JPY 4,127 million. At the end of the Reporting Period, the number of properties held by INV totaled 94 properties including 23 hotels, 63 residential properties, seven office buildings and retail facilities as well as one parking lot at a total acquisition price of JPY 131,188 million and total leasable area of 240,858.19 m<sup>2</sup>.

As a result of the internal growth performance and trends in the real estate investment and rental market, as well as the strong performance of the hotels, the total appraisal value at the end of the Reporting Period was JPY 146,874 million, an increase of JPY 6,856 million (+4.9%) year-on-year (Note 6). In particular, the appraisal value of the 23 hotels increased to JPY 5,336 million (+8.1%) year-on-year (Note 6) and achieved an unrealized gain ratio of 15.4% (Note 7), significantly helping to continually enhance the overall portfolio asset value.

- (Note 1) "Occupancy rates" are calculated in accordance with the following formula:
   Occupancy rates = total number of occupied rooms during a certain period ÷ total number of rooms available during the same period (number of rooms x number of days)
- (Note 2) "ADR" means average daily rate, and is calculated by dividing total room sales (except for service fee) for a certain period by the total number of days per room for which each room was occupied during the same period.
- (Note 3) "RevPar" means revenue per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying occupancy rates by ADR.
- (Note 4) "Overseas sales ratio" is the ratio of sales amount through overseas web agents to revenues. Overseas sales ratio is based on the data of 20 hotels of the existing 23 hotels, excluding Hotel Vista Premio Dojima, APA Hotel Yokohama-Kannai and Hotel Nets Hakodate, because the hotel operator is not K.K. Mystays Hotel Management ("MHM").
- (Note 5) The performance of the same period in the previous year (from January to June 2014) is based on the operational performance data provided by the seller of the 23 hotels before INV acquired the 23 hotels. Likewise, the performance of the period from January 1, 2015 to February 5, 2015 of the three hotels INV acquired on February 6, 2015 is based on the operational performance data provided by the seller of those hotels.
- (Note 6) Of the 23 hotels, the comparison was made after the appraisal value as of December 1, 2014 of the three properties acquired as of February 6, 2015 was added to the total appraisal value of the portfolio assets of the end of the previous period.
- (Note 7) The unrealized gain ratio is calculated using the following formula: (the appraisal value as of the end of the Reporting Period - book value as of the end of the Reporting Period) ÷ book value as of the end of the Reporting Period.

Regarding the 11 hotels and three residential properties acquired by funds procured through a global offering and decided upon by INV's Board of Directors on June 25, 2015, refer to "6. Significant Subsequent Events" below.

### (3) Overview of Fund Raising

In the Reporting Period, INV raised funds through a new syndicate loan (total borrowings: JPY 6,241 million; interest at time of borrowing: 0.93%) on February 6, 2015, with Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ and Mizuho Bank, Ltd. as arrangers, to acquire three new hotels and pay related expenses. Using consumption tax refunds from two hotels

acquired on May 23, 2014, INV repaid, on April 30, 2015, the portion of Syndicate Loan (C) that corresponds to the borrowings corresponding to the expected consumption tax refund (Note 1), of JPY 1,200 million.

As a result of the above measures, the outstanding balance of interest-bearing debt for INV was JPY 72,301 million, and the Loan-to-Value ratio was 52.8% (Note 2) as of the end of the Reporting Period.

As described below in "C Subsequent material events", INV decided on June 25, 2015 to procure a new unsecured syndicate loan (total amount borrowed: JPY 88,338 million; interest at time of borrowing: 0.63%) dated July 1, 2015 and executed on July 16, 2015 for use as a portion of the funds to acquire 11 hotels and three residential properties on July 16, 2015 and repayment of all existing loans (Syndicate Loan (C), Syndicate Loan (D) and Prudential LPS Loan B).

Through the Refinancing, INV converted all debt to unsecured debt, lengthened the debt maturity duration and further reduced loan costs. Henceforth, INV moved forward with a financial strategy that takes into consideration obtaining a credit rating and the issuing investment corporation bonds.

- (Note 1) Borrowings corresponding to the expected consumption tax refund mean the borrowings which will be prepaid in the amount equivalent to the refund of consumption tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings executed at the same time, in the case where the above-mentioned consumption tax refunds are received. The same shall apply hereinafter.
- (Note 2) The calculation for the Loan-to-Value ratio uses the calculation formula below: Loan-to-Value ratio = amount of interest-bearing debt (excluding JPY 321 million borrowings corresponding to the expected consumption tax refund) ÷ amount of total assets at end of the Reporting Period x 100

## 3 Changes in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity by the end of the reporting period are as follow.

Date	Type of issue	Number of	investment	estment Unitholders' equity (yen)		Reference
		units iss	sued and			
		outstanding (units)				
		Increase	Total	Increase Total		
January	Private					
18, 2002	placement	400	400	200,000,000	200,000,000	(Note 1)
	for	400	+00	200,000,000	200,000,000	(1000-1)
	incorporation					
December	Private	2,700	3,100	1,012,500,000	1,212,500,000	(Note 2)
26, 2003	placement	2,700	5,100	1,012,300,000	1,212,500,000	(10010-2)
January	Private	1,350	4,450	506,250,000	1,718,750,000	(Note 2)
9, 2004	Placement	1,550	4,430	500,250,000	1,718,750,000	(Note 2)
January	Private	1,333	5,783	499,875,000	2,218,625,000	(Note 2)
21, 2004	placement	1,353 3,783		499,875,000	2,218,025,000	(1000 2)
January	Private	267	6,050	100,125,000	2,318,750,000	(Note 2)
27, 2004	placement	207	0,050	100,125,000	2,518,750,000	(1000 2)
January	Private	800	6,850	300,000,000	2,618,750,000	(Note 2)
28, 2004	placement	800	0,830	300,000,000	2,018,750,000	(1000 2)
January	Private	266	7,116	99,750,000	2,718,500,000	(Note 2)
31, 2004	placement	200	7,110	<i>))</i> ,750,000	2,718,500,000	(1000 2)
February	Private	800	7,916	300,000,000	3,018,500,000	(Note 2)
5,2004	placement	800	7,910	300,000,000	3,018,300,000	(1000 2)
February	Private	1,333	9,249	499,875,000	3,518,375,000	(Note 2)
7,2004	placement	1,555	),24)	477,875,000	3,518,575,000	(1000 2)
May	Public	9,000	18,249	3,377,250,000	6,895,625,000	(Note 3)
17, 2004	offering	2,000	10,249	3,377,230,000	0,893,023,000	(11010-5)
February	Public	10,650	28,899	3,937,667,100	10,833,292,100	(Note 4)
7, 2005	offering	10,030	20,099	5,757,007,100	10,033,292,100	(11010 4)
July	Public	25,000	53,899	8,301,125,000	19,134,417,100	(Note 5)
31, 2006	offering	23,000	55,099	0,301,123,000	17,154,417,100	(11018-5)
February	Unit split	215,596	269,495		19,134,417,100	(Note 6)

Date	Type of issue	Number of investment units issued and		Unitholders' equity (yen)		Reference
		outstanding				
		Increase	Total	Increase	Total	
1, 2010						
February	Merger	267 200	636,695		19,134,417,100	(Note 7)
1, 2010		367,200	030,093		19,134,417,100	(Note 7)
July	Third-party	711,597	1 248 202	6 000 070 680	26 124 206 780	(Note 8)
29, 2011	allotment	/11,39/	1,348,292	6,999,979,689	26,134,396,789	(Note 8)
December	Third-party	224,887	1,573,179	2,999,992,580	29,134,389,369	(Note 9)
20, 2013	allotment	224,007	1,373,179	2,999,992,380	29,134,389,309	(10010 9)
July	Public	1,040,000	2,613,179	22,747,920,000	51 882 200 260	(Note 10)
16, 2014	offering	1,040,000	2,015,179	22,747,920,000	51,882,309,369	(11010 10)
August	Third-party	55,507	7 668 686	1 214 104 611	52 006 412 090	(Note $11$ )
13, 2014	allotment	55,507	2,668,686	1,214,104,611	53,096,413,980	(Note 11)

- (Note 1) The Investment Corporation was incorporated through a private placement at a price of 500,000 yen per unit.
- (Note 2) New investment units were issued in a private placement at a price of 375,000 yen per unit to raise funds for the acquisition of new properties.
- (Note 3) New investment units were issued in a public offering at a price of 395,000 yen per unit (375,250 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 4) New investment units were issued in a public offering at a price of 385,140 yen per unit (369,734 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 5) New investment units were issued in a public offering at a price of 348,740 yen per unit (332,045 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 6) An investment unit slit of 5 units per 1 unit was conducted.
- (Note 7) A merger by absorption pursuant to Article 147 of the Act on Investment Trusts and Investment Corporations was conducted with LCP, with INV as the surviving entity. As a result of the merger by absorption, 4 investment units of INV (after the investment unit split) were allotted for each LCP investment unit. The number of LCP investment units issued as of the time of the merger by absorption was 91,800 units.
- (Note 8) New investment units were issued in a third party allotment at a price of 9,837 yen per unit to make repayment of existing debt, etc.
- (Note 9) New investment units were issued in a third party allotment at a price of 13,340 yen per unit to make repayment of existing debt, etc.
- (Note 10) New investment units were issued in a public offering at a price of 22,688 yen per unit (21,873 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.
- (Note 11) New investment units were issued in a third party allotment at a price of 21,873 yen per unit for the purpose of cash reserve to appropriate to repayment in future borrowings.

Trends in Trading Prices of Investment Securities

The highest and lowest prices (trading prices) in the Real Estate Investment and Trust Securities Section of the Tokyo Securities Exchange on which the investment securities of INV are listed are as follow.

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: yen)

					(eme jen)
Period	20th Fiscal	21st Fiscal	22nd Fiscal	23rd Fiscal	24th Fiscal
	Period	Period	Period	Period	Period
Closing	June 2013	December	June 2014	December	June 2015
Month		2013		2014	
Highest	14,480	20,000	24,760	50,900	66,400
Lowest	6,230	12,610	16,740	23,020	44,500

### 4 Distribution Performance

With respect to distributions, it was determined to distribute all net income excluding fractions of distribution per investment unit that are less than one yen. As a result, the distribution per unit for the reporting period was determined to be JPY 860.

Period	20th Fiscal	21st	22nd Fiscal	23rd	24th Fiscal
		Fiscal		Fiscal	
Calculated Period	Jan. 1, 2013	July 1, 2013	Jan. 1, 2014	July 1, 2014	Jan 1, 2015
	to June 30,	to Dec. 31,	to June 30,	to Dec. 31,	to June. 30,
	2013	2013	2014	2014	2015
Total unappropriated retained earnings for period (thousands of yen)	449,196	446,003	974,975	2,031,546	2,370,704
Reserved profit (thousands of yen)	93,247	73,159	73,543	75,399	75,634
Cash distribution (thousands of yen)	355,949	372,843	901,431	1,956,146	2,295,069
(Distribution per unit) (yen)	(264)	(237)	(573)	(733)	(860)

Period	20th Fiscal	21st	22nd Fiscal	23rd	24th Fiscal
		Fiscal		Fiscal	
Distribution amount (thousands of yen)	355,949	372,843	901,431	1,956,146	2,295,069
(Distribution per unit) (yen)	(264)	(237)	(573)	(733)	(860)
Contribution return (thousands of yen)	_	-	_	-	_
(Contribution return per unit ) (yen)	(-)	(-)	(-)	(-)	(-)

### 5 Future Operational Policy and Issues to be Addressed

Forecast for Next Period and Issues to be Addressed

Since July 2011, when the Fortress Group became sponsor, as mentioned above, INV has enhanced unitholder value.

Going forward, INV will implement various strategies to maintain further growth, including the following measures.

- · Continuous acquisition of properties from sponsor and third parties
- · Further internal growth at hotel properties
- · Obtain credit rating
- · Diversification of financing measures, including the issuance of REIT bonds

Details of the future growth strategy are as follows.

(i) External growth strategy

### New Property Acquisitions

As its basic strategy, INV will move forward with acquisition of new properties focusing on hotels, where growth in portfolio revenues is anticipated. INV will also acquire a certain proportion of residential properties and hotels using fixed rent schemes, which contribute to stable revenue. This acquisition strategy will enable INV to build a portfolio with a good balance between growth and stability.

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

In regards to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties and other factors, and consider acquiring mainly small-type properties in large cities with strong competitiveness.

In recent years, the property acquisition environment has become increasingly severe, however, INV, as shown below, has continued to achieve steady external growth from the pipeline of the sponsor, the Fortress Group.

Date	Details	Total acquisition price		
September 2012	Acquired 24 residential properties	JPY 14,043 million		
May 2014	Acquired two hotels	JPY 5,435 million		
July 2014	Acquired 18 hotels	JPY 39,938 million		
February 2015	Acquired two hotels	JPY 4,911 million		
July 2015 Acquired 11 hotels and three residential properties		JPY 35,258 million		
August 2015 (anticipated)	Acquired one hotel	JPY 5,069 million		
61 properties		JPY 104,654 million		
Total	(of which 27 are residential and 34	(of which residential: JPY 19,142		
	are hotels)	million; hotels: JPY 85,512 million)		

Properties Acquired from affiliates of the Fortress Group (including anticipated acquisitions)

The Fortress Group manages four dedicated Japanese real estate funds, including the Fortress Japan Opportunity Funds I and II. The Fortress Group's committed equity is over JPY 300 billion and the number of properties that the Fortress Group is invested in exceeds 1,400. In order to ensure future growth options for the portfolio, INV entered into the MOU with the Fortress Group that provides preferential negotiation rights with respect to the acquisition of 21 hotels and nine residential properties as of June 25, 2015 (see the table below) (Note 1).

In addition, by utilizing the property transaction information available through the Fortress Group and INV's own network, INV will continuously consider and implement the acquisition of properties from third parties that will contribute to stability and growth in revenue and cash flow and an

increase in DPU.

No.	Asset Name	Asset Type	Location		Top 10 Inbound Tourist Destinations
1	Hotel MyStays	Limited Service	Shinagawa-ku,	333	~
	Gotanda-Ekimae (Note 2)	Hotel	Tokyo		-
	Hotel MyStays Akasaka (Note	Limited Service	Minata lui Taluva	227	. /
2	3)	Hotel	Minato-ku,Tokyo	327	
		Limited Service	Kanazawa-shi,		
3	Hotel MyStays Kanazawa	Hotel	Ishikawa	244	
	Hotel MyStays	Limited Service	Fukuoka-shi,		
4			Fukuoka	217	~
	Hotel MyStays Yokohama	Limited Service	Yokohama-shi,		
5		Hotel	Kanagawa	166	
	Hotel MyStays				
6		Hotel	Minato-ku, Tokyo	105	~
7	Hotel MyStays Shinsaibashi	Limited Service	Osaka-shi, Osaka	54	~
		Hotel			
8	Flexstay Inn Ekoda (Note 5)	Limited Service	Nerima-ku, Tokyo	<u>210</u>	~
		Hotel			
9	Rihga Royal Hotel Kyoto (Note 6)	Full Service Hotel	Kyoto-shi, Kyoto	475	•
10	Narita Excel Hotel Tokyu	Full Service Hotel	Narita-shi, Chiba	706	~
			Sapporo-shi,		
11	Art Hotels Sapporo	Full Service Hotel	Hokkaido	412	
	Best Western Hotel Fino	Limited Service	Sapporo-shi,		
12		Hotel	Hokkaido	242	
	**	Limited Service			
13	Best Western Hotel Fino Oita	Hotel	Oita-shi, Oita	145	
			Takamatsu-shi,		
14	Takamatsu Tokyu REI Hotel			191	1
		Hotel	Kagawa		
15	Comfort Hotel Maebashi		Maebashi-shi,	153	
<u> </u>		Hotel	Gunma		
16	Comfort Hotel Kurosaki		Kitakyushu-shi,	151	~
		Hotel	Fukuoka	101	

No.	Asset Name	Asset Type	Location		Top 10 Inbound Tourist Destinations
17	Comfort Hotel Tsubame-Sanjo	Limited Service Hotel	Sanjo-shi, Niigata	132	
18	Comfort Hotel Kitami		Kitami-shi, Hokkaido	127	r
19	Hotel Naqua City Hirosaki	Full Service Hotel	Hirosaki-shi, Aomori	134	
20	Beppu Kamenoi Hotel	Resort Hotel	Beppu-shi, Oita	322	
21	Fusaki Resort Village	Resort Hotel	Ishigaki-shi, Okinawa	195	~
Н	otel Subtotal			5,041	
22	Gran Charm Hiroo	Residential/Small Type (Note 7)	Shibuya-ku, Tokyo	121	
23	Plestay Win Kinshicho	Residential/Small Type (Note 7)	Sumida-ku, Tokyo	92	
24	Gran Charm Kichijoji		Musashino-shi, Tokyo	28	
25	Green Patio Noda	Residential/Small Type (Note 7)	Noda-shi, Chiba	240	
26	Dainichi F-45	Residential/Small Type (Note 7)	Urayasu-shi, Chiba	54	
27	Gran Charm Urayasu	Residential/Small Type (Note 7)	Urayasu-shi, Chiba	54	
28	Gran Charm Urayasu 5	Residential/Small Type (Note 7)	Urayasu-shi, Chiba	54	
29	Gran Charm Minami Gyotoku I	Residential/Small Type (Note 7)	Ichikawa-shi, Chiba	52	
30	Gran Charm Minami Gyotoku II	Residential/Small Type (Note 7)	Ichikawa-shi, Chiba	48	
Resi	dential Property Subtotal			743	

(Note 1) Regarding the 29 properties, excluding "Flexstay Inn Ekoda" (Note 5), from the 30 properties listed above, there is no guarantee that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties.

- (Note 2) Hotel Gotanda-Ekimae partially reopened on August 24, 2015 after renewal and is scheduled to fully reopen on November 25, 2015.
- (Note 3) Hotel MyStays Akasaka is scheduled to be completed in August 2016.
- (Note 4) Hotel MyStays Yokohama Kannai is scheduled to be completed in August 2016.
- (Note 5) Flexstay Inn Ekoda is schedule to be acquired by INV on August 28, 2015.
- (Note 6) Rihga Royal Hotel Kyoto is scheduled to partially reopen on September 1, 2016 after renewal and fully reopen on November 1, 2016.
- (Note 7) "Small Type" means a residential property in which the majority of dwelling units are less than 30 m<sup>2</sup>.

### Property Sales

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

### (ii) Strategy for internal growth

#### (Hotels)

Of the 37 hotels that INV owns or anticipates to acquire (including the three properties that it anticipates to acquire on August 28, 2015), 32 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives gross operating profit (GOP) after deducting management fees for the hotel operator, and INV's variable rent scheme is set up so that INV can directly enjoy the hotel revenue upside. For 29 hotels, MHM, a hotel operator in the sponsor group, has implemented strict revenue management seeking to maximize revenue. INV will continue to accurately ascertain and analyze operating conditions of its hotels, the conditions of nearby hotels, market trends and other factors through operating conferences and other contact with hotel operators and will focus on operations that maximize rent income.

### (Residential properties and others)

INV will continue to strengthen its collaborative ties with Property Management (PM) companies and brokers to further boost occupancy rates and earning capabilities of its properties. With respect to INV's residential properties, while keeping in mind the off-season in the residential rental market that occurs during the December 2015 period, INV will focus on increasing rent for new lease contracts as well as for lease renewals for each of its properties as well as formulating net leasing management policies in order to continue maximizing profits.

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

### (iii) Financial strategy

In continuation of the strengthening of the financial base via the new borrowings implemented in February 2015 and the refinancing resulting in its debt becoming unsecured borrowing implemented in July 2015, INV will promote a financial strategy which envisages to obtain a future credit rating and to issue investment corporate bonds. Also, INV seeks to maximize unitholders' value by way of lengthening and diversification of borrowing terms, further reduction of borrowing costs, adjustment of appropriate fixed/variable interest rate ratio taking into consideration the interest rate trends and strengthening of its lender formation, in order to maximize unitholders' value and increase distributions per unit.

### (iv) Compliance risk management

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

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

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

### 6 Significant subsequent events

INV issued the new investment units through a global public offering and the third-party allotment (collectively, the "Capital Increase") conducted in connection with the overallotment secondary offering for the global public offering in the fiscal period ending December 31, 2015 (25th fiscal period). INV acquired the 11 hotels and the three residential properties on July 16, 2015, from the funds procured through the Capital Increase along with the refinancing of the existing borrowings. Furthermore, the acquisition of three hotels by utilizing cash-on-hand and new loans was decided and the sale and purchase agreement was executed on August 21, 2015.

#### (a) Issuance of New Investment Units

INV resolved at its meeting of the Board of Directors held on June 25, 2015 and July 8, 2015 respectively to conduct the issuance of new investment units and secondary distribution of investment units. Payment for the new investment units issued through the public offering was completed on July 15, 2015, in accordance with the following terms and conditions. In addition, with respect to the issuance of new investment units through the third-party allotment in connection with the overallotment secondary offering, the payment was completed on August 12, 2015. As a result, the unitholders' equity of INV is JPY 82,465 million and the number of investment units issued and outstanding of INV increased to 3,193,686.

	: 500,000 units
Number of New Investment Units Issued	Domestic public offering: 211,250 units
	Overseas offering: 288,750 units
Issue Price (Offer Price)	: JPY 57,817 per unit
Amount Paid In (Issue Value)	: JPY 55,941 per unit
Total Amount Paid In (Total Issue Value)	: JPY 27,970,500,000
Payment Date	: July 15, 2015

(i) Issuance of new investment units through public offering

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

Number of Investment Units Offered in the	· 25.000 units
Secondary Offering	: 25,000 units
Offer Price	: JPY 57,817 per unit
Total Offer Value	: JPY 1,445,425,000
Delivery Date	: July 16, 2015

`		1 0
	Number of New Investment Units Issued	: 25,000 units
	Amount Paid In (Issue Value)	: JPY 55,941 per unit
	Total Amount Paid In (Total Issue Value)	: JPY 1,398,525,000
	Payment Date	: August 12, 2015
	Allotee	: Mizuho Securities Co., Ltd.

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

## (b) Refinancing and New Borrowing

In order to implement refinancing via unsecured lower-interest borrowings for part of the funds for the acquisition of 11 hotel properties and 3 residential properties acquired on July 16, 2015 and all of the existing secured loans (New Syndicate Loan (C), New Syndicate Loan (D) and Prudential LPS Loan B), INV entered into a loan agreement for a new syndicate loan (New Syndicate Loan (E)) at a variable interest rate of 0.40%, 0.50%, 0.60% and 0.20% plus one-month JPY TIBOR as of July 1, 2015, and implemented the borrowing on July 16, 2015.

Furthermore, in order to procure a part of funds for the acquisition of 3 hotel properties, INV resolved at its meeting of the Board of Directors held on August 21, 2015, to enter into a loan agreement ("New Borrowing") for a new term loan (New Term Loan A) at a variable interest rate of one-month JPY TIBOR (Base Rate) + spread (0.5%) (Note) on August 26, 2015 and to implement the New Borrowing on August 28, 2015.

As a result, INV's outstanding balance of the interest-bearing debt is to be JPY 92,020 million, INV's interest-bearing debt ratio is to be 47.7%, and INV's average interest rate is to be 0.63% after the implementation of the Refinancing and the New Borrowing.

- (Note) The interest rate applicable for the first interest calculation period only will be two-month JPY TIBOR (Base Rate) + spread (0.5%).
- (i) Overview of the Refinancing

Overview of the Refinancing implemented as of July 16, 2015 is as follows.

I. Overview of the New Borrowing

#### New Syndicate Loan (E)

Lender	Borrowing Date	Borrowing Amount (mn JPY)	Interest Rate (per annum) (Note 1)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi	July 16, 2015	28,979	0.53% Variable interest rate (Note 2)	July 16, 2018	Unsecured / non guarantee
UFJ, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Citibank Japan Ltd. Sumitomo Mitsui Trust Bank,Limited	July 16, 2015	28,979	0.63% Variable interest rate (Note 3)	July 16, 2019	Unsecured / non guarantee
Resona Bank, Limited Mitsubishi UFJ Trust and Banking Corporation	July 16, 2015	28,979	0.73% Variable interest rate (Note 4)	July 16, 2020	Unsecured / non guarantee
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	July 16, 2015	1,401	0.33% Variable interest rate (Note 5)	May 16, 2016	Unsecured / non guarantee
Total		88,338			

(Note 1) Interest rate applicable for the period from July 31, 2015 to August 30, 2015

(Note 2) One-month JPY TIBOR + spread (0.4%)

(Note 3) One-month JPY TIBOR + spread (0.5%)

(Note 4) One-month JPY TIBOR + spread (0.6%)

(Note 5) One-month JPY TIBOR + spread (0.2%)

II. Overview of the Prepayment of the Existing Borrowing

New Syndicate Loan (C)

Lender	Borrowing Date	Prepayme nt Amount (mn JPY)	Interest Rate (per annum) (Note 1)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Citibank Japan Ltd. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	July 17, 2014	56,100	0.93% Variable interest rate (Note 2)	July 14, 2017	Secured / non guarantee

(Note 1) Interest rate applicable for the period from June 30, 2015 to July 30, 2015

(Note 2) One-month JPY TIBOR + spread (0.8%)

New Syndi	cate Loan (	D)

Lender	Borrowing Date	Prepayme ntAmount (mn JPY)	Interest Rate (per annum) (Note 1)	Principal Maturity Date	Borrowing Method
Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Citibank Japan Ltd. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	February 6, 2015	6,241	0.93% Variable interest rate (Note 2)	February 6, 2018	Secured / non guarantee

(Note 1) Interest rate applicable for the period from June 30, 2015 to July 30, 2015

(Note 2) One-month JPY TIBOR + spread (0.8%)

Lender	Lender		Prepayme ntAmount (mn JPY)	Interest Rate (per annum)	Principa 1 Maturit y Date	Borrowing Method
	First lending	September 28, 2012	2,700	1.90% Fixed interest rate	March 31, 2018	Secured / non guarantee
Prudential Mortgage Asset Holdings 1	Second lending	September 28, 2012	2,860	1.90% Fixed interest rate	March 31, 2019	Secured / non guarantee
Japan Investment Limited Partnership	Third lending	September 28, 2012	1,830	1.90% Fixed interest rate	March 31, 2020	Secured / non guarantee
	Fourth lending	September 28, 2012	2,570	1.90% Fixed interest rate	March 31, 2019	Secured / non guarantee
Total			9,960			

Prudential LPS Loan B

# (ii) Overview of the New Borrowing

Overview of the New Borrowing to be implemented as of August 28, 2015 is as follows.

Lender	Borrowing Date	Prepayme ntAmount (mn JPY)	Interest Rate (per annum)	Principal Maturity Date	Borrowing Method
Mizuho Bank, Ltd.	August 28, 2015	3,682	Variable interest rate (Note)	August 28, 2019	Unsecured / non guarantee

Term Loan (A)

## (Note) One-month JPY TIBOR + spread (0.5%)

### (a) Acquisition of Assets

INV completed the Acquisition on July 16, 2015. In addition, INV decided on August 21, 2015 to acquire one hotel from properties listed in the MOU and two hotels from a third-party (collectively "Additional Acquisition"), by utilizing cash-on-hand and New Borrowing.

As a result, the total number of properties held by INV after the implementation of the Acquisition and Additional Acquisition will increase to 111 properties (66 residential properties, 37 hotels, 7 retail and office buildings as well as one parking lot) with a total acquisition price of JPY 173,815 million and total leasable area of 296,526.92 m<sup>2</sup>.

The overview of 11 hotels and three residential properties acquired in the Acquisition as of July 16, 2015 is as follows.

Use	Property Number	Property Name	Location	Acquisition Price (mn JPY) (Note 1)	Appraisal Value (mn JPY) (Note 2)	Seller	Category of Specified Assets
Hotel	D24	Hotel Mystays Haneda	Ota-ku, Tokyo	7,801	7,880	Skye TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D25	Hotel Mystays Kameido P1	Koto-ku, Tokyo	5,594	5,650	Nishi TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D26	Hotel Mystays Ueno Iriyaguchi	Taito-ku, Tokyo	3,821	3,860	Rannoch TokuteiM okuteki Kaisha	Trust Beneficial Interest

Use	Property Number	Property Name	Location	Acquisition Price (mn JPY) (Note 1)	Appraisal Value (mn JPY) (Note 2)	Seller	Category of Specified Assets
	D27	Hotel Mystays Kameido P2	Koto-ku, Tokyo	3,742	3,780	Nishi TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D28	Hotel Vista Shimizu	Shizuoka-sh i, Shizuoka	2,198	2,220	Wakusei TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D29	Super Hotel Shinbashi/ Karasumori guchi	Minato-ku, Tokyo	1,624	1,640	Suisei TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D30	Flexstay Inn Higashi-Juj o	Kita-ku, Tokyo	1,277	1,290	Aki TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D31	Hotel MyStays Utsunomiya	Utsunomiya , -shi Tochigi	1,237	1,250	Zephyrus TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D32	Flexstay Inn Kawasaki- Kaizuka	Kawasaki-s hi, Kanagawa	980	990	Rannoch TokuteiM okuteki Kaisha	Trust Beneficial Interest

Use	Property Number	Property Name	Location	Acquisition Price (mn JPY) (Note 1)	Appraisal Value (mn JPY) (Note 2)	Seller	Category of Specified Assets
	D33	Comfort Hotel Toyama Ekimae	Toyama-shi, Toyama	979	989	Suisei TokuteiM okuteki Kaisha	Trust Beneficial Interest
	D34	Flexstay Inn Kawasaki- Ogawacho	Kawasaki-s hi, Kanagawa	906	915	Rannoch TokuteiM okuteki Kaisha	Trust Beneficial Interest
Subtota	1			30,159	30,464		
	A100	City Court Kitaichijo	Sapporo-shi , Hokkaido	1,782	1,800	Godo Kaisha Baretta	Trust Beneficial Interest
Resi- dentia l	A101	Lieto Court Mukojima	Sumida-ku, Tokyo	1,683	1,700	Godo Kaisha Baretta	Trust Beneficial Interest
	A102	Lieto Court Nishi-Ojim a	Koto-ku, Tokyo	1,634	1,650	Godo Kaisha Baretta	Trust Beneficial Interest
Subtota	Subtotal			5,099	5,150		
Total			35,258	35,614			

- (Note 1) Acquisition prices do not include adjustments for property taxes, city planning taxes, national or local consumption taxes; hereinafter the same.
- (Note 2) Based on the appraisal value as of May 1, 2015 by a report of Japan Real Estate Institute.

The overview of three hotels to be acquired in the Additional Acquisition to be completed on August

## 28, 2015 is as follows.

Use	Property Number	Property Name	Location	Anticipated Acquisition Price (mn JPY) (Note 1)	Appraisal Value (mn JPY) (Note 3)	Seller	Category of Specified Assets
	D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	5,069	5,120	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
Hotel	D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa- shi, Tokyo	1,170	1,180	Tsukiji One Godo Kaisha	Trust Beneficial Interest
	D37	Super Hotel JR Ueno-Iriyag uchi	Taito-ku, Tokyo	1,130	1,140	Tsukiji One Godo Kaisha	Trust Beneficial Interest
Total				7,369	7,440		

(Note 3) Flexstay Inn Ekoda is based on the appraisal value as of August 10, 2015 by a report of Japan Real Estate Institute. Super Hotel Tokyo-JR Tachikawa Kitaguchi and Super Hotel JR Ueno-Iriyaguchi are based on the appraisal value as of July 31, 2015 by a report of Daiwa Real Estate Appraisal Co., Ltd.

## **Overview of the Investment Corporation**

#### By Period 20th Fiscal 21st Fiscal 22nd Fiscal 23rd Fiscal 24th Fiscal Period Period Period Period Period **Results Dates** As of Jun. 30, As of Dec. 31, As of Jun. 30, As of Dec. 31, As of Dec. 31, 2013 2013 2014 2014 2015 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 Number of investment units authorized Number of 1,348,292 1,573,179 1,573,179 2,668,686 2,668,686 investment units issued and Unitholders' 26,134 29,134 29,134 53,096 53,096 capital Number of 10,093 8,783 10,005 12,148 10,731 total unitholders

## **1** Overview of Investment

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## 2 Notes regarding Unitholders

Major unitholders at the end of the reporting period are as below.

Name	Number of units held	% of total number of investment units issued and outstanding	
Calliope Godo Kaisha	609,942	22.85	
The Master Trust Bank of Japan, Ltd. (trust account)	417,709	15.65	
Japan Trustee Services Bank, Ltd. (trust account)	393,997	14.76	
Trust & Custody Services Bank, Ltd. (securities investment trust account)	261,662	9.80	

Name	Number of units held	% of total number of investment units issued and outstanding
Rayo Godo Kaisha	149,925	5.61
The Nomura Trust and		
Banking Co., Ltd. (investment	85,410	3.20
trust account)		
MSIP CLIENT SECURITIES	57,474	2.15
STATE STREET BANK AND	42.002	1.61
TRUST COMPANY 505225	42,993	1.01
BNP PARIBAS SECURITIES		
SERVICES LUXEMBOURG /	21.049	1.16
JASDEC / HENDERSON	31,048	1.10
HHFSICAV		
STATE STREET BANK AND	26,954	1.01
TRUST COMPANY	20,934	1.01
Total	2,077,114	77.83

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

# 3 Notes regarding Directors

Directors at the end of the reporting period are as below.

Position	Name	Primary	Directors'
		Responsibilities	remuneration for
			operating period
			(thousands of yen)
Executive Director	Naoki Fukuda	President and CEO,	
		Consonant Investment	
		Management Co. Ltd.	
Supervisory Director	Takashi Takahashi	Attorney, Ocean	2,400
		General Law Office	
	Hiroyuki Fujimoto	Tax accountant, CPA	2,400
		Fujimoto Office	
Auditor	Ernst & Young		10,800
	ShinNihon LLC		

- (Note 1) Executive and supervisory directors do not hold the Investment Corporation's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with the Investment Corporation.
- (Note 2) The auditing agreement with the auditor is renewed every accounting period. Dismissals are made in accordance with the Investment Trust Act, and in addition, non-reappointments are considered by the board of directors of INV by comprehensively taking into account the auditing quality, auditor remuneration, and other various circumstances.

# 4 Asset Management Company, Asset Custody Companies, and General Administrative Agents

The asset management company, asset custody companies, and general administrative agents at the end of the 21st Fiscal Period are as below.

Delegation Category	Name
Asset management company	Consonant Investment Management Co., Ltd.
Asset custody company	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional	Sumitomo Mitsui Trust Bank, Limited
operations (Note 1) administration of investors'	
registry, etc.)	
General administrative agent (institutional	Consonant Investment Management Co., Ltd.
operations (Note 2))	
General administrative agent (auditing	EP Consulting Services Corporation
operations, etc.)	
Special account management company	Mitsubishi UFJ Trust and Banking Corporation
	Limited (Note 3) /Sumitomo Mitsui Trust Bank,
	Limited (Note 4)

- (Note 1) Of the administrative tasks for the Investment Corporation's institutional operations, tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms are delegated
- (Note 2) (i) Tasks related to the running of general unitholders' meetings for INV (excluding tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms), (ii) Tasks related to the running of the meetings of the Board of Directors of INV, and (iii) the aforementioned in (i) or tasks incidental or related to (ii) are delegated.
- (Note 3) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the INV before the merger (former Tokyo Growth REIT Fund) as well as tasks related to other transfer savings account registers.
- (Note 4) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the former LCP as well as tasks related to other transfer savings account registers.

# Status of Investment Corporation's Assets under Management

			Preceding perio	od	Reporting period	od	
			(as of Decem	uber 31, 2014)	(as of June 30, 2015)		
Type of Asset	Purpose Geographic Area (Note 1)		Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	
		Greater Tokyo area	_	_	_	_	
	Residential	Major regional cities	_	_	_	_	
		Subtotal	_	_	_	_	
		Greater Tokyo area	710	0.5	708	0.5	
	Office/Retail	Major regional cities	_	_	_	_	
Real		Subtotal	710	0.5	708	0.5	
Estate		Greater Tokyo area	100	0.1	100	0.1	
	Hourly parking	Major regional cities	_	_	_	_	
		Subtotal	100	0.1	100	0.1	
	Hotel	Greater Tokyo area	_	_	_	_	
		Major regional cities	_	_	-	_	
		Subtotal	_	_	-	_	
	Total real estate		811	0.6	809	0.6	
		Greater Tokyo area	43,715	33.5	43,525	31.9	
	Residential	Major regional cities	11,853	9.1	11,743	8.6	
		Subtotal	55,569	42.6	55,269	40.5	
		Greater Tokyo area	7,083	5.4	7,056	5.2	
Real	Office/Retail	Major regional cities	5,982	4.6	5,928	4.3	
estate in		Subtotal	13,066	10.0	12,984	9.5	
trust		Greater Tokyo area	_	_	_	_	
	Hourly parking, etc.	Major regional cities	_	_	_	_	
		Subtotal	_	_	_	_	
		Greater Tokyo area	27,266	20.9	37,553	27.6	
	Hotel	Major regional cities	18,029	13.8	20,658	15.2	
		Subtotal	45,296	34.7	58,211	42.7	

# 1 Composition of Investment Corporation's Assets

		Preceding peri-	od	Reporting period		
Type of		Coorenatio Area	(as of Decen	uber 31, 2014)	(as of June	2 30, 2015)
Asset	Purpose	Geographic Area (Note 1)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)	Amount Held (millions of yen) (Note 2)	Ratio of Total Assets (%)
	Total Real Estate in Tr	ust	113,932	87.3	126,465	92.8
	Deposits and Other As	sets	15,733	12.1	9,024	6.6
	Total Assata (Note 2)			100.0	136,299	100.0
Total Assets (Note 3)			(114,743)	(87.9)	(127,724)	(93.4)

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

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

(Note 3) The figure indicated in"()" in "total assets" shows the amount relevant to the real estate actually held among the covered assets.

## 2 Major Properties

The overview of the Investment Corporation's major properties (top 10 properties by book value) at the end of the reporting period is as below.

	Name of Property		Leasable Area (m²)	Leased Area (m²)	Occupancy Rate (%) (Note)	Ratio of Rental Revenue (%)	Main Use
D21	APA Hotel Yokohama-Kannai	8,341	6,568.51	6,568.51	100.0	3.8	Hotel
A75	Spacia Ebisu	6,631	7,794.91	7,296.96	93.6	4.0	Residential
D3	Hotel MyStays Kyoto-shijo	5,949	7,241.51	7,241.51	100.0	5.7	Hotel
D4	MyStays Shin-Urayasu Conference Center	4,865	6,232.30	6,232.30	100.0	3.3	Hotel
D5	Hotel MyStays Maihama	4,814	2,456.36	2,456.36	100.0	2.9	Hotel
B14	Lexington Plaza Nishigotanda	4,753	6,033.58	6,033.58	100.0	2.8	Office
D6	Hotel Vista Premio Dojima	3,792	9,445.32	9,445.32	100.0	3.8	Hotel
B17	Lexington Plaza Hachiman	3,145	8,419.15	8,419.15	100.0	3.3	Retail Facilities
A52	Winbell Kagurazaka	3,099	4,032.70	3,846.54	95.4	2.1	Residential
D7	D7 Hotel MyStays Nagoya-Sakae		9,064.71	9,064.71	100.0	3.1	Hotel
	Total	48,285	67,289.05	66,604.94	99.0	34.8	_

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

## 3 Asset Portfolio Including Real Estate

The portfolio of the properties (real estate accounts of assets and liabilities within assets in trust) held by the Investment Corporation at the end of the reporting period is as below.

	Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami Ward, Tokyo	Trust beneficiary interests	1,771.13	1,160	1,135
A27	Nisshin Palacestage Higashi- Nagasaki	5-4-1 Nagasaki, Toshima Ward, Tokyo	Trust beneficiary interests	2,681.94	1,260	1,112
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	1,051.50	968	837
A29	Growth Maison Kameido	6-58-16 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,367.96	1,100	1,001
A30	Emerald House	3-27-18 Itabashi, Itabashi Ward, Tokyo	Trust beneficiary interests	2,152.31	1,280	1,401
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo Ward, Tokyo	Trust beneficiary interests	1,748.24	1,320	1,368
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima Ward, Tokyo	Trust beneficiary interests	3,029.16	1,050	1,058
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture	Trust beneficiary interests	1,858.44	1,160	983
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito Ward, Tokyo	Trust beneficiary	1,351.11	999	972

	Name of Property	Location (Note 1)	Type of Ownership interests	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
A35	Grand Rire Kameido	3-39-12 Kameido, Koto Ward, Tokyo	Trust beneficiary interests	1,562.26	949	844
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	952.89	868	767
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya Ward, Tokyo	Trust beneficiary interests	1,015.34	697	758
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa City, Tokyo	Trust beneficiary interests	1,368.57	616	646
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya Ward, Tokyo	Trust beneficiary interests	1,167.50	609	656
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya Ward, Tokyo	Trust beneficiary interests	1,235.93	479	647
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture	Trust beneficiary interests	1,210.74	707	561
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku Ward, Tokyo	Trust beneficiary interests	1,126.65	556	616
A43	College Square Machida	3-4-4 Nakamachi, Machida City, Tokyo	Trust beneficiary interests	1,047.75	520	567
A44	Belair Meguro	1-2-15 Meguro, Meguro Ward, Tokyo	Trust beneficiary	557.05	592	568

	Name of Property	Location (Note 1)	Type of Ownership interests	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa Prefecture	Trust beneficiary interests	907.46	511	541
A46	Foros Nakamurabashi	1-6-6 Koyama, Nerima Ward, Tokyo	Trust beneficiary interests	815.77	572	529
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	Trust beneficiary interests	2,040.27	458	528
A48	College Square Machiya	7-3-1 Arakawa, Arakawa Ward, Tokyo	Trust beneficiary interests	871.35	519	470
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato Ward, Tokyo	Trust beneficiary interests	3,364.00	2,950	2,380
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,032.70	3,730	3,099
A53	Nishiwaseda Cresent Mansion	3-18-9 Nishi-Waseda, Shinjuku Ward, Tokyo	Trust beneficiary interests	4,310.77	2,310	1,879
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku Ward, Tokyo	Trust beneficiary interests	1,987.88	1,680	1,360
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro Ward, Tokyo	Trust beneficiary interests	1,197.19	1,040	982
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary	1,627.13	1,020	825

	Name of Property	Location (Note 1)	Type of Ownership interests	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima Ward, Tokyo	Trust beneficiary interests	1,220.24	681	557
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito Ward, Tokyo	Trust beneficiary interests	1,969.45	1,120	885
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama City, Kanagawa Prefecture	Trust beneficiary interests	3,426.36	1,320	1,033
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	1,929.59	520	394
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	1,528.58	448	299
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya City, Aichi Prefecture	Trust beneficiary interests	705.75	258	237
A71	Lexington Square Daitabashi	1-33-18 Izumi, Suginami Ward, Tokyo	Trust beneficiary interests	1,430.64	1,090	890
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida Ward, Tokyo	Trust beneficiary interests	784.74	576	459
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City, Hokkaido	Trust beneficiary interests	4,460.56	1,150	1,029
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya Ward, Tokyo	Trust beneficiary	7,794.91	7,560	6,631

	Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
			interests			
A76	Neo Prominence	3-21-5 Shimo, Kita Ward, Tokyo	Trust beneficiary interests	3,574.70	1,820	1,642
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	2,773.71	1,410	1,228
A78	Cosmo Court Motomachi	3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	2,310.49	1,050	946
A79	Revest Honjin	2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,933.80	761	656
A80	Revest Matsubara	3-13-12 Matsubara Naka Ward ,Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,955.40	761	642
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	Trust beneficiary interests	898.70	695	610
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,731.68	698	593
A83	Revest Meieki Minami	2-13-33 Meiekiminami, Nakamura Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,634.60	695	583
A84	Revest Heian	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,554.03	650	580
A85	Vendir Hamaotsu Ekimae	1-2-15 Hama Otsu, Otsu City, Shiga Prefecture	Trust beneficiary	2,670.66	684	563

	Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
			interests			
A86	Salvo Sala	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka Prefecture	Trust beneficiary interests	1,428.12	619	532
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku Ward, Tokyo	Trust beneficiary interests	701.92	598	533
A88	Luna Court Edobori	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	Trust beneficiary interests	1,185.50	567	511
A89	Winntage Kobe Motomachi	7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	1,433.35	585	497
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto Ward, Tokyo	Trust beneficiary interests	765.18	538	448
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudaru, Chukyo Ward, Kyoto City, Kyoto Prefecture	Trust beneficiary interests	1,029.05	493	437
A92	Belair Oimachi	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo	Trust beneficiary interests	530.60	477	406
A93	Siete Minami-Tsukaguchi	3-18 Minami Tsukaguchimachi, Amagasaki City, Hyogo Prefecture	Trust beneficiary interests	1,020.86	418	367
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori ,Chuo Ward, Kobe City Hyogo Prefecture	Trust beneficiary interests	789.12	429	364
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka Prefecture	Trust beneficiary	992.76	409	349

	Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
			interests			
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi Prefecture	Trust beneficiary interests	1,477.62	411	330
A97	West Avenue	1-5-17 Nishi, Kunitachi City, Tokyo	Trust beneficiary interests	794.80	331	323
A98	Little River Honmachibashi	1-34 Honmachibashi Chuo Ward, Osaka City, Osaka Prefecture	Trust beneficiary interests	974.81	374	306
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	Trust beneficiary interests	761.18	333	290
		Subtotal		109,584.45	62,209	55,269
B8	Kindai Kagakusha Building	2-7-15, Ichigaya Tamachi, Shinjuku Ward, Tokyo	Trust beneficiary interestst	1,451.54	1,040	1,232
B9	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	Real estate	526.43	512	708
B14	Lexington Plaza Nishigotanda	5-2-4 Nishigotanda, Shinagawa Ward, Tokyo	Trust beneficiary interests	6,033.58	4,020	4,753
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano Ward, Tokyo	Trust beneficiary interests	2,145.00	944	1,069
B16	Ohki Aoba Building	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	2,178.41	665	749
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi Prefecture	Trust beneficiary interests	8,419.15	3,500	3,145

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa City, Fukushima Prefecture	Trust beneficiary interests	18,440.58	2,320	2,032
			39,194.69	13,001	13,692	
C1	Times Kanda-Sudacho4th	Real estate	81.04	109	100	
		Subtotal		81.04	109	100
D1	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interestst	2,585.72	3,560	2,878
D2	Hotel MyStays Asakusa	1-21-11 Honjyo,Sumida-ku, Tokyo	Trust beneficiary interests	3,327.38	3,480	2,593
D3	Hotel MyStays Kyoto-shijo	52, Kasaboko-cho, Higashiiru. Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi, Kyoto Prefecture	Trust beneficiary interests	7,241.51	9,200	5,949
D4	MyStays Shin-Urayasu Conference Center	2-1-4, Akemi, Urayasu-shi, Chiba Prefecture	Trust beneficiary interests	6,232.30	5,670	4,865
D5	Hotel MyStays Maihama	3-5-1, Tekko-dori, Urayasu-shi, Chiba Prefecture	Trust beneficiary interests	2,456.36	5,220	4,814
D6	Hotel Vista Premio Dojima	2-4-1, Sonezakishinchi, Kita-ku, Osaka Prefecture	Trust beneficiary interests	9,445.32	5,200	3,792
D7	Hotel MyStays Nagoya-Sakae	2-23-22, Higashisakura, Naka-ku. Nagoya, Aichi Prefecture	Trust beneficiary interests	9,064.71	3,210	2,891
D8	Hotel MyStays Sakaisuji-Honmachi	1-4-8, Awaji-machi, Chuo-ku, Osaka-shi, Osaka Prefecture	Trust beneficiary interests	4,188.83	3,870	2,488

Name of Property		Location (Note 1)	Type of Ownership	Leasable Area (m <sup>2</sup> )	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
D9	Hotel MyStays Yokohama	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	7,379.43	2,680	2,082
D10	Hotel MyStays Nippori	5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,719.29	2,430	1,879
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka Prefecture	Trust beneficiary interests	3,412.71	2,100	1,555
D12	Flexstay Inn Iidabashi	3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo	Trust beneficiary interests	2,953.38	1,600	1,375
D13	Hotel MyStays Ueno Inaricho	1-5-7, Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,150.76	1,780	1,315
D14	Flexstay Inn Shinagawa	1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,134.52	1,540	1,236
D15	Flexstay Inn Tokiwadai	1-52-5, Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	2,539.75	1,440	1,241
D16	Flexstay Inn Sugamo	3-6-16, Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	2,089.86	1,410	1,181
D17	Hotel MyStays Otemae	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi. Osaka	Trust beneficiary interests	4,956.66	1,730	1,187
D18	Flexstay Inn Kiyosumi Shirakawa	1-12-16, Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	2,673.64	848	748

	Name of Property	Location (Note 1)	Type of Ownership	Leasable Area (m²)	Appraisal Value as of December 31, 2014 (millions of yen) (Note 2)	Book Value (millions of yen)
D19	Flexstay Inn Nakanobu P1	4-27-12, Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	770.56	659	588
D20	Flexstay Inn Nakanobu P2	4-27-8, Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	391.49	318	285
D21	APA Hotel Yokohama Kannai	3-37-2, Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	6,568.51	8,600	8,341
D22	Hotel Nets Hakodate	26-17, Motomachi, Hakodate-shi. Hokkaido	Trust beneficiary interests	7,961.26	2,870	2,792
D23	Flexstay Inn Shirogane	5-10-15, Shirogane, Minato-ku, Tokyo	Trust beneficiary interests	1,754.06	2,140	2,122
		91,998.01	71,555	58,211		
			240,858.19	146,874	127,274	

- (Note 1) "Location" is, in principle, based on the indicated address (*jyukyohyoji*), except that if the *jyukyohyoji* system has not been implemented for such property, the location is based on the land number (*banchi*).
- (Note 2) "Appraisal Value" is the value appraised or researched as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of the Investment Trust Association, Japan by Asset Research and Development Inc., the Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc., or Tanizawa Sogo Appraisal Co., Ltd.

Occupancy trends for the leasing operations of the real estate and accounts of assets and liabilities
within assets in trust that the Investment Corporation holds are as below.

			23rd Fise	cal Period			24th Fisc	al Period	
		((Jul	y 1, 2014 to E	ecember 31,	2014)	(Jai	nuary 1, 2015	to June 30, 20	)15)
	Name of Property	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A26	Nisshin Palacestage Daitabashi	1	90.0	38,666	0.8	1	96.9	36,844	0.7
A27	Nisshin Palacestage Higashi- Nagasaki	1	96.3	45,828	1.0	1	94.9	44,729	0.9
A28	Growth Maison Gotanda	1	100.0	27,376	0.6	1	100.0	27,343	0.5
A29	Growth Maison Kameido	1	86.2	30,410	0.7	1	95.4	32,304	0.6
A30	Emerald House	1	98.0	41,741	0.9	1	100.0	49,104	1.0
A31	Harmonie Ochanomizu	1	93.5	35,263	0.8	1	88.3	39,126	0.8
A32	Suncrest Shakujii-Koen	1	97.0	36,344	0.8	1	97.4	37,730	0.8
A33	Growth Maison Shin-Yokohama	1	95.6	33,317	0.7	1	97.0	35,451	0.7
A34	Belle Face Ueno-Okachimachi	1	98.3	30,191	0.7	1	100.0	32,607	0.7
A35	Grand Rire Kameido	1	100.0	26,619	0.6	1	100.0	26,619	0.5
A36	Growth Maison Ikebukuro	1	90.5	24,272	0.5	1	88.1	22,670	0.5
A37	Growth Maison Yoga	1	94.9	21,746	0.5	1	94.9	21,633	0.4
A38	Route Tachikawa	1	96.6	20,942	0.5	1	96.6	21,399	0.4
A39	Shibuya-Honmachi Mansion	1	91.3	19,947	0.4	1	89.9	19,356	0.4
A40	City Heights Kinuta	1	100.0	17,664	0.4	1	94.6	17,773	0.4
A41	Acseeds Tower Kawaguchi- Namiki	1	86.0	23,651	0.5	1	100.0	25,008	0.5
A42	Capital Heights Kagurazaka	1	91.6	18,249	0.4	1	94.4	18,625	0.4
A43	College Square Machida	1	100.0	18,268	0.4	1	100.0	17,876	0.4
A44	Belair Meguro	1	88.1	16,195	0.4	1	100.0	15,914	0.3
A45	Wacore Tsunashima I	1	89.9	18,002	0.4	1	98.0	18,004	0.4
A46	Foros Nakamurabashi	1	88.8	17,954	0.4	1	90.5	17,217	0.3
A47	Growth Maison Kaijin	1	89.0	21,294	0.5	1	87.3	21,007	0.4
A48	College Square Machiya	1	100.0	14,706	0.3	1	100.0	14,706	0.3
A51	City House Tokyo Shinbashi	1	95.6	88,383	1.9	1	97.1	90,344	1.8

			23rd Fise	cal Period			24th Fisc	al Period	
		((Jul	y 1, 2014 to E	December 31, 2	2014)	(Jai	nuary 1, 2015	to June 30, 20	)15)
	Name of Property	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
A52	Winbell Kagurazaka	1	100.0	103,227	2.2	1	95.4	104,468	2.1
A53	Nishiwaseda Cresent Mansion	1	90.5	68,082	1.5	1	92.1	70,977	1.4
A54	Lexington Square Akebonobashi	1	88.8	45,511	1.0	1	93.5	48,581	1.0
A56	Casa Eremitaggio	1	91.2	30,380	0.7	1	84.2	29,901	0.6
A59	Towa City Coop Shinotsuka II	1	91.3	33,307	0.7	1	96.3	34,194	0.7
A61	Bichsel Musashiseki	1	85.8	22,012	0.5	1	98.5	24,505	0.5
A62	Lexel Mansion Ueno Matsugaya	1	96.8	33,167	0.7	1	100.0	35,737	0.7
A63	Towa City Coop Sengencho	1	80.2	54,726	1.2	1	83.0	52,944	1.1
A64	Royal Park Omachi	1	88.1	24,188	0.5	1	98.3	24,471	0.5
A65	Lexington Square Haginomachi	1	100.0	18,428	0.4	1	92.4	18,432	0.4
A66	Visconti Kakuozan	1	89.7	11,318	0.2	1	78.3	9,818	0.2
A71	Lexington Square Daitabashi	1	85.1	27,913	0.6	1	93.0	30,511	0.6
A72	Lexington Square Honjo Azumabashi	1	97.0	17,226	0.4	1	91.1	18,066	0.4
A73	AMS TOWER Minami 6-Jo	1	83.7	45,814	1.0	1	83.3	44,973	0.9
A75	Spacia Ebisu	1	93.6	187,027	4.1	1	93.6	197,748	4.0
A76	Neo Prominence	1	93.9	61,481	1.3	1	94.9	62,980	1.3
A77	Invoice Shin-Kobe Residence	1	94.0	48,843	1.1	1	88.4	46,339	0.9
A78	Cosmo Court Motomachi	1	86.6	33,405	0.7	1	96.2	34,751	0.7
A79	Revest Honjin	1	92.5	29,805	0.6	1	100.0	31,672	0.6
A80	Revest Matsubara	1	93.7	27,735	0.6	1	89.5	28,540	0.6
A81	Sun Terrace Minami Ikebukuro	1	92.1	20,277	0.4	1	97.4	22,455	0.5
A82	Alba Noritake Shinmachi	1	94.4	25,539	0.6	1	98.6	26,107	0.5
A83	Revest Meieki Minami	1	95.4	25,521	0.6	1	100.0	26,205	0.5
A84	Revest Heian	1	100.0	24,560	0.5	1	92.0	23,843	0.5
A85	Vendir Hamaotsu Ekimae	1	87.3	29,675	0.6	1	88.4	30,148	0.6
A86	Salvo Sala	1	93.5	23,253	0.5	1	94.4	23,373	0.5

			23rd Fise	cal Period			24th Fisc	al Period			
		((Jul	y 1, 2014 to E	December 31, 2	2014)	(Jai	(January 1, 2015 to June 30, 2015)				
	Name of Property	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)		
A87	Excellente Kagurazaka	1	88.3	16,934	0.4	1	97.1	17,033	0.3		
A88	Luna Court Edobori	1	88.1	19,122	0.4	1	94.0	20,055	0.4		
A89	Winntage Kobe Motomachi	1	94.8	22,200	0.5	1	94.7	22,706	0.5		
A90	Queen's Court Fukuzumi	1	92.5	16,248	0.4	1	100.0	16,720	0.3		
A91	Corp Higashinotoin	1	92.9	16,872	0.4	1	95.7	17,199	0.3		
A92	Belair Oimachi	1	92.9	13,875	0.3	1	96.1	15,641	0.3		
A93	Siete Minami-Tsukaguchi	1	97.5	16,217	0.4	1	92.6	16,097	0.3		
A94	Prime Life Sannomiya Isogami Koen	1	96.9	14,360	0.3	1	93.8	14,106	0.3		
A95	HERMITAGE NANBA WEST	1	100.0	15,512	0.3	1	95.7	15,596	0.3		
A96	Century Park Shinkawa 1-bankan	1	95.5	18,070	0.4	1	91.0	17,322	0.3		
A97	West Avenue	1	85.0	11,510	0.2	1	75.0	11,025	0.2		
A98	Little River Honmachibashi	1	93.8	12,758	0.3	1	96.9	13,698	0.3		
A99	Prime Life Mikage	1	93.3	11,980	0.3	1	86.8	11,367	0.2		
	Subtotal	63	92.7	1,965,139	42.6	63	93.7	2,013,728	40.5		
B8	Kindai Kagakusha Building	1	100.0	35,405	0.8	1	100.0	38,607	0.8		
B9	Shinjuku Island	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)		
B14	Lexington Plaza Nishigotanda	8	100.0	138,450	3.0	8	100.0	141,089	2.8		
B15	Cross Square NAKANO	1	64.3	32,309	0.7	1	70.8	32,032	0.6		
B16	Ohki Aoba Building	1	100.0	40,397	0.9	1	100.0	40,168	0.8		
B17	Lexington Plaza Hachiman	1	100.0	167,597	3.6	1	100.0	165,200	3.3		
B18	AEON TOWN Sukagawa	1	100.0	142,505	3.1	1	100.0	141,739	2.8		
	Subtotal	14	98.0	573,863	12.4	14	98.4	576,034	11.6		
C1	Times Kanda-Sudacho4th	1	100.0	2,453	0.1	1	100.0	2,700	0.1		
	Subtotal	1	100.0	2,453	0.1	1	100.0	2,700	0.1		
D1	Hotel MyStays Kanda	1	100.0	104,832	2.3	1	100.0	111,428	2.2		
D2	Hotel MyStays Asakusa	1	100.0	108,407	2.4	1	100.0	126,298	2.5		

			23rd Fise	cal Period			24th Fisc	al Period	
		((Jul	y 1, 2014 to E	December 31, 2	2014)	(Jai	nuary 1, 2015	to June 30, 20	)15)
	Name of Property	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)	Number of Tenants (at end of period) (unit)	Occupancy Rate (at end of period) (%) (Note 1)	Rental Revenue (during period) (Thousands of yen) (Note 2)	Ratio of Rental Revenue (%)
D3	Hotel MyStays Kyoto-shijo	1	100.0	310,661	6.7	1	100.0	282,858	5.7
D4	MyStays Shin-Urayasu Conference Center	1	100.0	217,607	4.7	1	100.0	164,208	3.3
D5	Hotel MyStays Maihama	1	100.0	166,812	3.6	1	100.0	142,571	2.9
D6	Hotel Vista Premio Dojima	1	100.0	160,910	3.5	1	100.0	187,248	3.8
D7	Hotel MyStays Nagoya-Sakae	1	100.0	185,561	4.0	1	100.0	155,746	3.1
D8	Hotel MyStays Sakaisuji-Honmachi	1	100.0	123,501	2.7	1	100.0	163,179	3.3
D9	Hotel MyStays Yokohama	1	100.0	124,297	2.7	1	100.0	107,111	2.2
D10	Hotel MyStays Nippori	1	100.0	72,782	1.6	1	100.0	81,080	1.6
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	90,326	2.0	1	100.0	95,816	1.9
D12	Flexstay Inn Iidabashi	1	100.0	55,564	1.2	1	100.0	54,096	1.1
D13	Hotel MyStays Ueno Inaricho	1	100.0	50,423	1.1	1	100.0	57,552	1.2
D14	Flexstay Inn Shinagawa	1	100.0	44,932	1.0	1	100.0	52,213	1.0
D15	Flexstay Inn Tokiwadai	1	100.0	57,136	1.2	1	100.0	62,141	1.2
D16	Flexstay Inn Sugamo	1	100.0	50,354	1.1	1	100.0	57,339	1.2
D17	Hotel MyStays Otemae	1	100.0	74,450	1.6	1	100.0	79,292	1.6
D18	Flexstay Inn Kiyosumi Shirakawa	1	100.0	36,629	0.8	1	100.0	36,131	0.7
D19	Flexstay Inn Nakanobu P1	1	100.0	21,911	0.5	1	100.0	23,094	0.5
D20	Flexstay Inn Nakanobu P2	1	100.0	12,157	0.3	1	100.0	11,989	0.2
D21	APA Hotel Yokohama Kannai (Note 4)	_	_	_	_	1	100.0	189,256	3.8
D22	Hotel Nets Hakodate (Note 4)	_	_	_	_	1	100.0	89,046	1.8
D23	Flexstay Inn Shirogane (Note 4)	_	_	_	_	1	100.0	52,591	1.1
	Subtotal	20	100.0	2,069,261	44.9	23	100.0	2,382,297	47.9
	Total	98	96.1	4,610,717	100.0	101	96.9	4,974,760	100.0

(Note 1) "Occupancy Rate" is computed by dividing the leased area by leasable area, and is rounded to one decimal place.

(Note 2) "Rental Revenue (during period)" indicates each property's leasing operation revenues during the fiscal period, and has been rounded down to the nearest thousand yen.

(Note 3) Undisclosed due to inability to gain approval from the property tenant for document

disclosure.

(Note 4) Since the property was sold during the 24th fiscal period (as of Feb 6, 2015), the calculation period of the rental revenue of the relevant property was set for the period commenced on Feb 6, 2015 and ended on June 30, 2015.

## 4 Status of Size and Market Value of Trading Assets

No relevant items

...

## 5 Status of Other Assets

Trust beneficiary interests in real estate and real estate held in trust are listed together in the "3 Asset Portfolio Including Real Estate" above. As of the end of this reporting period, there are no investments in specified assets that are significant investment targets for INV outside of the above 3.

## 6 Asset Holdings Outside of Japan or the Region

There are no relevant items outside of Japan or the region.

## Capital expenditures for properties held by INV

## **1** Schedule for capital expenditures

The schedule for the principal capital expenditures for property maintenance construction, etc. as of the end of the fiscal period for the properties held by INV is as follows.

					Estimated Cost (Thousands of yen)			
N	lame of Property	Location	Purpose	Scheduled Time of Implementation	Total	Payment for the Fiscal Period	Advance Payments	
A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	waterproofing of rooftops	From November 2015 to December 2015	16,450	_	_	
B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	Replacingthesurface of asphalt ofrooftop parking lots	From November 2015 to December 2015	15,775			

					Estimated Cost (Thousands of yen)			
N	lame of Property	Location	Purpose	Scheduled Time of Implementation	Total	Payment for the Fiscal Period	Advance Payments	
B15	Cross Square NAKANO	Nakano Ward, Tokyo	Expenses for the renovation work on the rental rooms (3 rooms)	From September 2015 to December 2015	8,100	_	_	
D06	Hotel Vista Premio Dojima	Osaka-shi, Osaka	Replacing energy storage equipment	From September 2015 to October 2015	7,695	_	_	
A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	Replacing intercom equipment	From November 2015 to December 2015	5,400	_	_	

## 2 Capital expenditures for the fiscal period ended December 31, 2014

The principal construction constituting capital expenditures for the real estate assets for the fiscal period ended June 30, 2015 is as follows. Capital expenditures for the fiscal period was 171,320 thousand yen, and together with 24,408 thousand yen of repair cost included in this fiscal period's expenses, construction work totaling 195,729 thousand yen was implemented.

Name of Property		Location	Purpose Time of Implementation		Payment (Thousands of yen)
B15	Cross Square	Nakano	Expenses for the renovation work	From May 2015 to	5,019
ыз	NAKANO	Ward, Tokyo	on the rental rooms (2 rooms)	June 2015	0,017
DOT	Hotel MyStays	Nagoya, Aichi	Replacing energy storage	From June 2015 to	4,500
D07	Nagoya-Sakae	Prefecture	equipment	June 2015	4,500
	Flexstay Inn	Itabashi-ku,	Replacing hot water supply	From May 2015 to	4,950
D15	Tokiwadai	Tokyo	system	May 2015	4,750
	Hotel MyStays	Osaka-shi,	Installation of a wireless local	From April 2015 to	3,900
D17	Otemae	Osaka	area network for guest rooms	April 2015	3,700
<b>D</b> 10	Flexstay Inn	Koto-ku,	Replacing hot water supply	From June 2015 to	4,950
D18	Kiyosumi	Tokyo	system	June 2015	4,930

Name of Property	Location	Purpose	Time of Implementation	Payment (Thousands of yen)
Shirakawa				
Other construction				148,001
	171,320			

## **3** Reserved funds for long-term maintenance plan (repair reserves)

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

	20th Fiscal	21st Fiscal	22nd Fiscal	23rd Fiscal	24th Fiscal
	Period	Period Period		Period	Period
Fiscal period	From January 1,	From July 1, 2013	From January 1,	From July 1, 2014	From January 1,
	2013 to June 30,	to December 31,	2014 to June 30,	to December 31,	2015 to June 30,
	2013	2013	2014	2014	2015
Reserved funds at beginning of	541,609	571,543	524,730	579,682	738,365
period	thousand yen	thousand yen	thousand yen	thousand yen	thousand yen
	165,233	165,271	199,177	268,495	283,147
Amount reserved (Note)	thousand yen	thousand yen	thousand yen	thousand yen	thousand yen
	135,298	212,084	144,225	109,812	168,813
Amount reversed (Note)	thousand yen	thousand yen	thousand yen	thousand yen	thousand yen
Amount carried over for next	571,543	524,730	579,682	738,365	852,699
fiscal period	thousand yen	thousand yen	thousand yen	thousand yen	thousand yen

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

# **Overview of Liabilities and Expenses**

		(Thousands of yen)	
Item	23rd Fiscal Period	24th Fiscal Period	
пеш	Jul 1, 2014 to December 31, 2014	Jan. 1, 2015 to June 30, 2015	
(a) Asset management fees	125,000	180,000	
(b) Asset custodian fees	3,976	6,342	
(c) Administrative services fees	26,672	22,055	
(d) Directors' remuneration	4,800	4,800	
(e) Other operating expenses	93,493	116,590	
Total	253,942	329,789	

# **1** Statement of Operating Expenses

# 2 Borrowing Conditions

Borrowing conditions by financial institution at the end of this reporting period are as below.

Туре			Balance at Start	Balance at End	Average				
	Lender	Borrowing Date	of Reporting	of Reporting	Interest Rate (%) (Note	Repayment	Payment Method	Purpose	Notes
			Period	Period		Date			
			(Thousands of	(Thousands of					
	Sumitomo Mitsui Banking		yen)	yen)	1)				
	Corporation		12,400,000	12,000,000					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jul. 17, 2014	12,400,000	12,000,000	0.930	Jul. 14, 2017	(Note 4)	(Note 6)	
	Mizuho Bank, Ltd.		12,400,000	12,000,000					Secured
	Shinsei Bank, Limited.		6,500,000	6,500,000					Convent i-onal
Long-term Debt	Citibank Japan Ltd.		6,500,000	6,500,000					
(Note 2)	Sumitomo Mitsui Trust & Banking Co., Ltd.		5,000,000	5,000,000					
	Resona Bank, Limited		2,100,000	2,100,000					
	Sumitomo Mitsui Banking Corporation	Feb. 6, 2015 -	_	1,357,000	0.930 Feb		(Note 5)	(Note 6)	Secured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		_	1,357,000		Feb. 6, 2018			Convent i-onal

Туре			Balance at Start	Balance at End	Average				
	Lender	Borrowing Date	of Reporting Period (Thousands of yen)	of Reporting Period (Thousands of yen)	Interest Rate (%) (Note 1)	Repayment Date	Payment Method	Purpose	Notes
	Mizuho Bank, Ltd.		_	1,357,000					
	Shinsei Bank, Limited.		_	650,000					
	Citibank Japan Ltd.		_	650,000					
	Sumitomo Mitsui Trust Bank, Limited			470,000					
	Resona Bank, Limited.		_	400,000					
	Subtotal		57,300,000	62,341,000					
			2,700,000	2,700,000	1.900	Mar. 31, 2018			
Long-term	Mitsubishi UFJ Trust and Banking Corporation (Note 7)	Sep. 28. 2012	2,860,000	2,860,000	1.900	Mar. 31, 2019	(Note 5)	(Note 6)	Secured Convent i-onal
(Note 3)			1,830,000	1,830,000	1.900	Mar. 31, 2020			
			2,570,000	2,570,000	1.900	Mar. 31, 2019			
	Subtotal			9,960,000					
	Total			72,301,000					

- (Note 1) Average interest rate is the daily weighted average number of the period according to the number of days, and is rounded to three decimal place.
- (Note 2) Includes long-term debt scheduled to be repaid within 1 year.
- (Note 3) Includes long-term debt in trust scheduled to be repaid within 1 year.
- (Note 4) INV repaid the portion of the principal (JPY 1,200 million) accompanied with the receipt of consumption tax refund. INV prepaid the balance at the end of the period on July 16, 2015.
- (Note 5) INV prepaid the balance at the end of the period on July 16, 2015.
- (Note 6) The funds raised through borrowings are mainly used to acquire real estate properties or trust beneficiary interests.
- (Note 7) Mitsubishi UFJ Trust and Banking Corporation is the trustee of the REIT of which the Investment Corporation is the beneficiary, and has borrowed funds on Sep. 28, 2012 from Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership of Prudential Financial Inc. Group. The Investment Corporation received said loan (after deduction of reserves) as grant of trust principal of said REIT from Mitsubishi UFJ Trust and Banking Corporation on the same date.

# 3 Investment Corporation Bonds

Nothing applicable.

# 4 Short-Term Investment Corporation Bonds

Nothing applicable.

# 5 Investment Unit Options

Nothing applicable.

#### **Buying and Selling for the Fiscal Period Ended June 30, 2015**

		Acquisition			
Name of Property		Acquisition Date	Acquisition Price (Thousands of yen)		
D21	APA Hotel Yokohama Kannai	Feb. 26, 2015	8,350,000		
D22	Hotel Nets Hakodate	Feb. 26, 2015	2,792,000		
D23	Flexstay Inn Shirogane	Feb. 26, 2015	2,119,000		
	Total	13,261,000			

#### 1 Buying and Selling, etc. of Real Estate and Asset-Backed Securities, etc.

(Note) Acquisition price do not include various costs (brokerage commissions, taxes and other public charges) required for acquisition or transfer of the property, and indicate the purchase and sale price of the property as described in the the trust beneficiary purchase agreement.

## 2 Buying and Selling, etc. of Other Assets

Assets other than those described above were mostly bank deposits or bank deposits within assets in trust.

## **3** Survey of Prices, etc. of Specified Assets

**Real Estate Transactions** 

111

Acquis ition / Dispos al		Name of Property	Specified Assets Type	Transaction Date	Acquisition / or Disposal Price (Thousands of yen)	Real Estate Appraisal Value (Thousands of yen)	Name of Appraiser	Date of Appraisal
Acquis	D21	APA Hotel Yokohama Kannai	Real Estate, Trust	Feb.26,	8,350,000	8,600,000	Japan Real Estate	Jun. 30,
ition	D22	Hotel Nets Hakodate	Beneficiary	2015	2,792,000	2,870,000	Institute	2015
	D23	Flexstay Inn Shirogane	Interests	ests	2,119,000	2,140,000		

(Note 1) Acquisition price do not include various costs (brokerage commissions, taxes and other public charges) required for acquisition of the property, and indicate the purchase and sale price of the property as described in the the trust beneficiary purchase agreement.

(Note 2) The real estate appraisal described above is conducted by applying "Real Estate Appraisal Standard Section 3: appraisals concerning prices of real estate subject to securitization."

## 4 Transactions with Interested Parties

(1) Transactions

Nothing applicable.

(2) Commissions Paid

Nothing applicable.

#### 5 Transactions between the Asset Manager in Other Businesses of the Asset Manager

As the Asset Manager (Consonant Investment Management Co., Ltd.) does not engage in any other business, such as the first financial instruments business and the second financial instruments business, the building lots and buildings transaction business, or the designated real estate joint business, there are no applicable transactions.

## **Financial Condition**

111

## 1 Assets, Liabilities, Principal, and Profit and Loss

Please refer to "II. Balance Sheet," "III. Statement of Income," "IV. Statement of Unitholders' Equity," "V. Notes" and "VI. Statement of Cash Distribution".

## 2 Changes in the Calculation Method of Depreciation Expenses

Nothing applicable.

## 3 Changes in the Evaluation Method of Real Estate, etc.

Nothing applicable.

## 4 Beneficiary Certificates of Investment Trusts, etc. Set Up by the Company

Nothing applicable.

### Other

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### 1 Notice

(1) General Meeting of Unitholders

INV's General Meeting of Unitholders was held on November 28, 2014. The agenda which were approved at the General Meeting of Unitholders are as follows.

Approval Date	Proposal	Overview
June, 25 2015	Conclusion of the New	INV approved that INV would entrust underwriters
	Underwriting	(Note) with the service related to the issuance of
	Agreement related to	new investment units through public offering and
	the issuance of new	secondary distribution of investment units which
	investment units etc.	was approved at meetings of the board of directors
		of INV held on June 25, 2015.

(Note) Domestic underwriters are Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Nomura Securities Co., Ltd. Overseas underwriters are Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Mizuho International plc and Citigroup Global Markets Limited.

### (2) Board of Directors of Investment Corporation

There are no execution and amendment of the principal agreement approved by the Board of Directors of the Investment Corporation in the fiscal period ended December 31, 2014.

### 2 Disclosure of companies owing real estate overseas

Nothing applicable.

### 3 Disclosure of real estate owned by companies owing real estate overseas

Nothing applicable.

### 4 Risk Factors

An investment in our units involves significant risks. The principal risks with respect to investment in Invincible Investment Corporation are as follows.

### **Property and Business Risks**

- Any adverse conditions in the Japanese economy could adversely affect our properties.
- We may not be able to acquire properties to execute our growth and investment strategy in a manner that is accretive to earnings.
- Our reliance on Fortress Group could have a material adverse effect on our business.
- Because of our repositioning of our portfolio in 2014 to include hotels, which include lease terms that contain a variable rent structure, our results of operations will be inherently more volatile and not comparable to previous fiscal periods, and we may not be able to effectively manage our hotel portfolio.
- Increases in prevailing market interest rates, particularly following the Bank of Japan's announcement of a major new policy for monetary easing, would increase our interest expense and may result in a decline in the market price of our units.
- The high geographic concentration of our real estate portfolio in the greater Tokyo area and other major cities could have a material adverse effect on our business.
- Competition for tenants and hotel guests may adversely affect our ability to retain our current tenants and find new tenants, and to maintain occupancy rates and revenue.
- Our hotels are subject to the operating risks common to the hospitality industry, which have a direct effect on the variable rent component of our portfolio's revenue.
- The cyclical and seasonal nature of the hospitality industry may cause fluctuations in our operating performance, which could have a material adverse effect on us and our variable rent revenues.
- We may incur unexpected expenses, expenditure or other losses for repair or maintenance of our properties, and our hotels require periodic capital reinvestment for renovation.
- Substantially all of our hotels are leased to MyStays Hotel Management and subject to the risk of default under its hotel lease agreements.
- Our focus on residential properties could have a material adverse effect on our business.
- We may lose rental revenues in the event of defaults by end-tenants under their lease agreements for properties other than hotels.
- Master leases may give rise to certain risks.
- We may suffer large losses if any of our properties incur damage from a natural or man-made disaster or acts of violence.
- We may be strictly liable for an unforeseen loss, damage or injury suffered by a third party at our properties.
- Because most of our operating expenses are largely fixed, we may suffer adverse consequences if our rental revenues decline.
- We may not be able to promptly acquire suitable properties or sell those in our portfolio on acceptable terms in response to changing economic, financial or investment conditions.

- Defects relating to our properties may adversely affect our financial condition and results of operations.
- We rely on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties.
- The environmental assessments of our properties made prior to our ownership may not have uncovered all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities.
- Decreases in tenant leasehold and/or security deposits would increase our funding costs.
- Any inability to obtain financing for future acquisitions, or any restrictions on our activities under our financing arrangements, could adversely affect us.
- A high LTV ratio may increase our exposure to changes in interest rates and have a material adverse effect on our results of operations.
- We may suffer impairment losses relating to our properties and may also suffer adverse tax effects upon recognizing impairments.
- The performance of Fortress Group is not an indicator or guarantee of our future results.
- Our financial statements are prepared in accordance with Japanese GAAP, which differs in certain material respects from IFRS, U.S. GAAP and generally accepted accounting principles and financial reporting standards in other jurisdictions.
- We rely on industry and market data that are subject to significant uncertainties.

#### Management and Governance Risks

- Our success depends on the performances of service providers to which we are required to assign various key functions.
- There are potential conflicts of interest between us and certain Fortress Group affiliates or Fortress Group-related companies including the Asset Manager and MyStays Hotel Management
- We depend on the efforts of our executive director and key personnel of the Asset Manager.
- Unitholders have limited control over our policies.
- The Japanese regulatory authorities have tightened regulatory supervision of J-REITs and their asset managers and their corporate governance.
- If unitholders do not exercise their voting rights, we may count their votes in favor of proposals at a general meeting of unitholders.

#### **Taxation Risks**

- Our failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify us from certain taxation benefits and significantly reduce our distributions to our unitholders.
- If the Japanese tax authorities disagree with the interpretations we used for prior periods, we may be forced to pay additional taxes for those periods.
- We may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs.

- Changes in Japanese tax laws may significantly increase our tax burden.
- We expect to be treated as a "passive foreign investment company" for U.S. federal income tax purposes.
- Unitholders may be subject to U.S. Foreign Account Tax Compliance Act (FATCA) withholding tax after 2016.

### Legal and Regulatory Risks

- Our ownership rights in some of our properties may be declared invalid or limited.
- We may lose our rights in a property we own if the purchase of the property is recharacterized as a secured financing.
- Acquisition of properties for which third parties hold leasehold interests in the land and own the buildings may subject us to various risks.
- Our leasehold interests may be terminated or may not be asserted against a third party in some cases, or our leases with our tenants could be modified.
- We currently hold several properties in the form of compartmentalized ownership interests (*kubun shoyu-ken*) and our rights relating to such properties may be affected by the intentions of other owners
- We may acquire properties in the form of co-ownership (*kyoyu*) and our rights relating to such properties may be affected by the intentions of other owners.
- Tax increases or adverse changes in applicable laws may affect our potential liabilities relating to our properties and operations.
- Compliance with energy conservation regulations in Japan may adversely affect our financial results.
- Our costs of complying with regulations applicable to our properties could adversely affect our results of operations.
- We own a substantial portion of our properties through trust beneficiary interests and may suffer losses as a trust beneficiary.
- The Alternative Investment Fund Managers Directive may negatively affect our ability to market our units in the EEA and increase our compliance costs associated with the marketing of our units in the EEA.
- Our units may be deemed to constitute "plan assets" for ERISA purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and our being held in violation of ERISA requirements.

### 5 Other

Unless there are specific statements to the contrary, monetary figures are rounded down to the nearest yen and percentages are rounded off for unspecified values.

### II. Balance Sheet

	Fiscal Period ended December 31, 2014 (as of December 31, 2014)	(Unit: thousands of yen Fiscal Period ended June 30, 2015 (as of June 30, 2015)
Assets		(
Current assets		
Cash and deposits	*1 9,153,872	×1 2,691,921
Cash and deposits in trust	*1 4,011,521	*1 4,822,622
Accrued revenue	82	19
Accounts receivables	644,552	637,81
Prepaid expenses	233,324	260,39
Consumption tax receivable	1,319,253	316,41
Others	0	
Allowance for doubtful accounts	(1,968)	(2,436
Total current assets	15,360,637	8,726,91
Non-current assets		
Property, plant and equipment		
Buildings	×1 85,914	*1 85,91
Accumulated depreciation	(8,324)	(8,866
Buildings, net	77,589	77,04
Equipment	*1 38,862	*1 38,86
Accumulated depreciation	(18,548)	(19,774
Equipment, net	20,314	19,11
Building improvements	*1 2,779	*1 2,77
Accumulated depreciation	(1,204)	(1,270
Building improvements, net	1,574	1,50
Land	*1711,834	*1711,83
Buildings in trust	<b>%</b> 1 45,227,883	×1 49,657,80
Accumulated depreciation	(3,136,903)	(3,726,114
Buildings in trust, net	42,090,979	45,931,69
Equipment in trust	*1 10,400,867	*1 12,748,34
Accumulated depreciation	(2,186,062)	(2,551,810
Equipment in trust, net	8,214,804	10,196,53
Building improvements in trust	*1 321,799	*1 323,59
Accumulated depreciation	(118,744)	(128,347
Building improvements in trust, net	203,054	195,24
Tools, furniture and fixtures in trust	*1 268,476	*1 302,39
Accumulated depreciation	(103,974)	(124,376
Tools, furniture and fixtures in trust, net	164,502	178,02
Land in trust	*163,258,940	*1 69,963,82
Total property, plant and equipment	114,743,593	127,274,82
Intangible assets	2 2- <del>-</del> <del>-</del> - 2- <del>-</del> <del>-</del>	., .,.
Others	76	4
Total intangible assets	76	4
Total investment and other assets		
Guarantee deposits	10,000	10,03

		(Unit: thousands of yen)
	Fiscal Period ended December 31, 2014 (as of December 31, 2014)	Fiscal Period ended June 30, 2015 (as of June 30, 2015)
Long-term prepaid expenses	328,159	251,697
Others	34,765	36,218
Total investments and other assets	372,924	297,951
Total non-current assets	115,116,594	127,572,826
Total assets	130,477,232	136,299,746

	Fiscal Period ended December 31, 2014 (as of December 31, 2014)	(Unit: thousands of yen) Fiscal Period ended June 30, 2015 (as of June 30, 2015)
Liabilities		
Current liabilities		
Accounts payable	141,428	168,742
Current portion of long-term debts	×1 1,200,000	*1 62,341,000
Current portion of long-term debts in trust	*118,167	<b>%</b> 1 <b>9,960,000</b>
Accrued liabilities	22,872	43,752
Accrued expenses	127,170	174,711
Accrued income taxes	578	542
Advances received	371,084	420,660
Deposits received	23,896	10,108
Total current liabilities	1,905,197	73,119,517
Non-current liabilities		
Long-term debts	*156,100,000	-
Long-term debts in trust	*1 9,941,832	-
Tenant leasehold and security deposits in trust	1,109,146	1,420,014
Tenant leasehold and security deposits	28,663	28,663
Total non-current liabilities	67,179,642	1,448,677
Total liabilities	69,084,839	74,568,195
Net assets		
Unitholders' equity		
Unitholders' capital	53,096,413	53,096,413
Surplus		
Capital surplus	6,264,432	6,264,432
Unappropriated retained earnings/loss	2,031,546	2,370,704
Total surplus	8,295,978	8,635,136
Total unitholders' equity	61,392,392	61,731,550
Total net assets	<b>*</b> 2 61,392,392	<b>*</b> 2 61,731,550
Total liabilities and net assets	130,477,232	136,299,746

# III. Statement of Income

	Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)	(Unit: thousands of yen) Fiscal Period ended June 30, 2015 (from January 1, 2015 to June 30, 2015)
Operating revenues		
Rental revenues	*1 4,610,717	*1 4,974,760
Total operating revenues	4,610,717	4,974,760
Operating expenses		
Property related expenses	<b>%</b> 1 1,586,854	×1 1,834,039
Asset management fees	125,000	180,000
Directors' remuneration	4,800	4,800
Asset custodian fees	3,976	6,342
Administrative service fees	26,672	22,055
Provision of allowance for doubtful accounts	1,527	467
Other operating expenses	91,966	116,123
Total operating expenses	1,840,796	2,163,828
Operating income	2,769,920	2,810,931
Non-operating revenues		
Interest revenues	537	1,242
Interest on refund	-	3,098
Miscellaneous income	483	307
Total non-operating revenues	1,021	4,648
Non-operating expenses		
Interest expenses	365,480	379,341
Finance related costs	294,738	140,328
Investment unit issuance expenses	152,101	-
Miscellaneous losses	14	-
Total non-operating expenses	812,334	519,670
Ordinary income	1,958,607	2,295,909
Net income before taxes	1,958,607	2,295,909
Corporate tax, etc.	605	605
Total corporate tax, etc.	605	605
Net income	1,958,002	2,295,304
Retained earnings at the beginning of the period	73,543	75,399
Unappropriated retained earnings/Loss at the end of the period	2,031,546	2,370,704

# IV. Statement of Unitholders' Equity

(Unit: thousands of yen)						
			Unitholders' Equity			
		Surplus				<b>T</b> . 1 <b>N</b> . 1
	Unitholders' Capital	Capital Surplus	Unappropriated Retained Earnings/Loss	Total Surplus	Total Unitholders' Equity	Total Net Assets
Balance at the beginning of the period	29,134,389	6,264,432	974,975	7,239,407	36,373,796	36,373,796
Change during the period						
Issuance of new investment units	23,962,024				23,962,024	23,962,024
Distributions from surplus			(901,431)	(901,431)	(901,431)	(901,431)
Net income			1,958,002	1,958,002	1,958,002	1,958,002
Total change during the period	23,962,024	-	1,056,571	1,056,571	25,018,595	25,018,595
Balance at the end of the period	53,096,413	6,264,432	2,031,546	8,295,978	61,392,392	61,392,392

### Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

Fiscal Period ended June 30, 2015 (from Janualy 1, 2015 to June 30, 2015)

(Unit: thousands of yen)						
			Unitholders' Equity			Total Net Assets
			Surplus		Total Unitholders' Equity	
	Unitholders' Capital	Capital Surplus	Unappropriated Retained Earnings/Loss	Total Surplus		
Balance at the beginning of the period	53,096,413	6,264,432	2,031,546	8,295,978	61,392,392	61,392,392
Change during the period						
Issuance of new investment units					-	_
Distributions from surplus			(1,956,146)	(1,956,146)	(1,956,146)	(1,956,146)
Net income			2,295,304	2,295,304	2,295,304	2,295,304
Total change during the period	-	-	339,157	339,157	339,157	339,157
Balance at the end of the period	53,096,413	6,264,432	2,370,704	8,635,136	61,731,550	61,731,550

(Unit: thousands of yen)

## V. Notes

# [Notes Concerning Significant Accounting Policies]

	E' 1D ' 1 1 1		E' 1D ' 1 1 1	
By Period	Fiscal Period ended		Fiscal Period ended	
	December 31, 2014		rJanualy 1, 2015	
Item	(from July 1, 2014 to		(from Janualy 1, 2015 to	
	December 31, 2014)		June 30, 2015)	
1. Method of depreciation	(a)Property, plant and equipment		(a)Property, plant and equipment	
of non-current assets	The straight-line method is used.		The straight-line method is used	
	The useful lives of major proper	ty, plant	The useful lives of major prope	rty, plant
	and equipment are as follows.		and equipment are as follows.	
	Buildings	77 years	Buildings	77 years
	Equipment	8-24 years	Equipment	8-24 years
	Building improvements	7-18 years	Building improvements	7-18 years
	Buildings in trust	2-66 years	Buildings in trust	2-67 years
	Equipment in trust	2-32 years	Equipment in trust	2-32 years
	Building improvements in trust	4-55 years	Building improvements in trust	4-55 years
	Tools, furniture and fixtures in trust	2-15 years	Tools, furniture and fixtures in trus	st 2-15 years
	(b)Intangible assets		(b)Intangible assets	
	The straight-line method is used.		The straight-line method is used	1.
	(c)Long-term prepaid expenses		(c)Long-term prepaid expenses	
	The straight-line method is used.		The straight-line method is used	1.
2. Method of calculating	Allowance for doubtful accounts		Allowance for doubtful accounts	
allowances	To reserve for losses on doubtfu	ul accounts,	To reserve for losses on doubtful accounts,	
	allowances are provided for	r normal	l allowances are provided for normal	
	receivables using a rate determine	d based on		
	past bad debt experiences, an	d specific	past bad debt experiences, a	nd specific
	allowances are provided for accounts with a		allowances are provided for acco	ounts with a
	possibility of default based on the estimated		possibility of default based on the	
	amounts considered to be uncollectible by		amounts considered to be unco	ollectible by
	considering the collectability of accounts on		considering the collectability of accounts on	
	an individual basis.		an individual basis.	
3. Revenue and expense	Accounting treatment of property	taxes and	Accounting treatment of propert	y taxes and
recognition	other taxes		other taxes	
0	With respect to property taxes, ci	ty planning	With respect to property taxes, o	city planning
	taxes and depreciable asset taxes,		taxes and depreciable asset taxes	
	amount assessed and determined,		amount assessed and determined,	
	corresponding to the relevant fisca	al period is	corresponding to the relevant fish	
	accounted for as property related ex		accounted for as property related e	
	Of the amounts paid to the		Of the amounts paid to the	
	acquisitions of real estate, th		acquisitions of real estate,	
	equivalent to property taxes is ca		equivalent to property taxes is c	
	part of the acquisition cost of the re-		part of the acquisition cost of the	
	trust beneficiary interests in real es		trust beneficiary interests in real e	
	5	The amount	of being charged as expense.	
	equivalent to property taxes that w		equivalent to property taxes that y	
	as part of the acquisition of real es		as part of the acquisition of real of	
	this fiscal period is JPY 76,921 thou		this fiscal period is JPY 42,497 the	
	uns riseur perioù is si 1 70,921 tilot	agaira.	uns inseur perioù is 31 1 +2,+97 une	aduna.

	Fiscal Period ended	Fiscal Period ended
By Period	December 31, 2014	rJanualy 1, 2015
	(from July 1, 2014 to	(from Janualy 1, 2015 to
Item	December 31, 2014)	June 30, 2015)
4. Other significant matters	(1)Accounting treatment of trust beneficiary	(1)Accounting treatment of trust beneficiary
which constitute the basis	interests in real estate	interests in real estate
for preparation of	As to trust beneficiary interests in real	As to trust beneficiary interests in real
financial statements	estate, all accounts of assets and liabilities	estate, all accounts of assets and liabilities
	within assets in trust, as well as all income	within assets in trust, as well as all income
	generated and expenses incurred from assets in	generated and expenses incurred from assets in
	trust, are recorded in the relevant balance	trust, are recorded in the relevant balance
	sheets and income statement accounts.	sheets and income statement accounts.
	Of such items, the following significant	Of such items, the following significant
	trust assets and liabilities are shown separately	trust assets and liabilities are shown separately
	on the balance sheet.	on the balance sheet.
	(a)Cash and deposits in trust	(a)Cash and deposits in trust
	(b)Buildings in trust	(b)Buildings in trust
	Equipment in trust	Equipment in trust
	Building improvements in trust	Building improvements in trust
	Tools, furniture and fixtures in trust	Tools, furniture and fixtures in trust
	Land in trust	Land in trust
	(c)Tenant leasehold and security deposits in trust	(c)Tenant leasehold and security deposits in trust
	(d)Long-term debts in trust	(d)Current portion of long-term debts in trust
		Long-term debts in trust
	<ul><li>(2)Accounting treatment of deferred charges</li><li>(a)Investment unit issuance expenses</li><li>The full amount is recorded as expense at the time of expenditure.</li></ul>	(2)Accounting treatment of deferred charges Investment unit issuance expenses The full amount is recorded as expense at the time of expenditure.
	<ul> <li>(3)Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</li> </ul>	<ul> <li>(3)Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</li> </ul>

## [Notes to the Balance Sheets]

Fiscal Period e	nded	Fiscal Period e	nded	
December 31,		June 30, 2015		
(as of December 31, 2014)		(as of June 30, 2015)		
%1. Assets pledged as collateral and liabilities with collateral Assets pledged as collateral are as follows.		X1. Assets pledged as collateral and liabilities with collateral Assets pledged as collateral are as follows.		
Cash and deposits	4,262,187 thousand yen	Cash and deposits	312,245 thousand yen	
Cash and deposits in trust	4,011,521 thousand yen	Cash and deposits in trust	4,822,622 thousand yen	
Buildings	77,589 thousand yen	Buildings	77,048 thousand yen	
Equipment	20,314 thousand yen	Equipment	19,117 thousand yen	
Building improvements	1,574 thousand yen	Building improvements	1,509 thousand yen	
Land	711,834 thousand yen	Land	711,834 thousand yen	
Buildings in trust	42,090,979 thousand yen 2	Buildings in trust	45,931,690 thousand yen	
Equipment in trust	8,214,804 thousand yen	Equipment in trust	10,196,539 thousand yen	
Building improvements in trust	203,054 thousand yen	Building improvements in trust	195,246 thousand yen	
Tools, furniture and fixtures in trust	164,502 thousand yen	Tools, furniture and fixtures in trust	178,020 thousand yen	
Land in trust	63,258,940 thousand yen 4	Land in trust	69,963,823 thousand yen	
Total	123,017,302 thousand yen	Total	132,409,697 thousand yen	
Liabilities with collateral are as f	ollows.	Liabilities with collateral are as f	ollows.	
Current portion of long-term debts	1,200,000 thousand yen	Current portion of long-term debts	62,341,000 thousand yen	
Current portion of long-term debts in trust	18,167 thousand yen	Current portion of long-term debts in trust	9,960,000 thousand yen	
Long-term debts	56,100,000 thousand yen	Long-term debts	-	
Long-term debts in trust	9,941,832 thousand yen	Long-term debts in trust	-	
Total	67,260,000 thousand yen	Total	72,301,000 thousand yen	
※2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations		%2. Minimum net assets as required of the Act on Investment Trusts Corporations		
-	50,000 thousand yen	-	50,000 thousand yen	

## [Notes to Statement of Income]

Fiscal Period ended		Fiscal Period ended	
December 31, 2014		Janualy 1, 2015	
(from July 1, 2014 to December 31, 2014)		(from Janualy 1, 2015 to June 30, 2015)	
X1. Rental revenues and property related expenses		<ul> <li>%1.Rental revenues and property related exp</li> </ul>	
	thousands of yen)		thousands of yen)
A. Real property rental revenues	. mousands of yen	A. Real property rental revenues	inousands of yen)
Rental revenues		Rental revenues	
(Rent/common area charges)	4,408,874	(Rent/common area charges)	4,738,713
(Other revenues)	201,843	(Other revenues)	236,047
Total rental revenues	4,610,717	Total rental revenues	4,974,760
B. Real property related expenses		B. Real property related expenses	
Property related expenses		Property related expenses	
(Maintenance costs)	460,196	(Maintenance costs)	468,393
(Taxes and public dues)	163,789	(Taxes and public dues)	201,860
(Insurance expenses)	6,084	(Insurance expenses)	7,061
(Depreciation expenses)	837,259	(Depreciation expenses)	986,765
(Other expenses)	119,524	(Other expenses)	169,957
Total real property related expenses	1,586,854	Total real property related expenses	1,834,039
C. Operating income from rental revenues		C. Operating income from rental revenues	
(A-B)	3,023,863	(A-B)	3,140,721
-			

# [Notes to Statement of Unitholders' Equity]

Fiscal Period ended December 31, 2014		Fiscal Period ended June 30, 2015	
(from July 1, 2014 to December 31, 2014)		(from January 1, 2015 to June 30, 2015)	
Number of investment units authorized and number of investment units issued and outstanding		Number of investment units authorized and number of investment units issued and outstanding	
Number of investment units authorized	10,000,000 units	Number of investment units authorized	10,000,000 units
Number of investment units issued and outstanding	2,668,686 units	Number of investment units issued and outstanding	2,668,686 units

## [Notes Related to Tax Accounting]

Fiscal Period e	ndad	Fiscal Period e	ndad	
December 31,		June 30, 2015		
(from July 1, 20		(from January 1, 2015 to		
December 31, 2		June 30, 201		
1. Significant components of deferr	ed tax assets and liabilities	1. Significant components of deferre		
(Deferred tax assets - current assets)	)	(Deferred tax assets - current assets)		
Enterprise tax payable	- thousand yen	Enterprise tax payable	489 thousand yen	
Accounts receivable (merger)	197 thousand yen	Accounts receivable (merger)	186 thousand yen	
Allowance for doubtful accounts	672 thousand yen	Allowance for doubtful accounts	787 thousand yen	
Subtotal	870 thousand yen	Subtotal	1,463 thousand yen	
Valuation allowance	870 thousand yen	Valuation allowance	1,463 thousand yen	
Total	- thousand yen	Total	- thousand yen	
(Net deferred tax assets - current)	- thousand yen	(Net deferred tax assets - current)	- thousand yen	
(Deferred tax assets - non-current as	(sets)	(Deferred tax assets - non-current assets)		
Buildings and other (merger)	801,025 thousand yen	Buildings and other (merger)	746,394 thousand yen	
Land (merger)	2,251,597 thousand yen	Land (merger)	2,129,657 thousand yen	
Long-term accrued expenses	7,749,271 thousand yen	Long-term accrued expenses	7,329,595 thousand yen	
Subtotal	10,801,895 thousand yen	Subtotal	10,205,647 thousand yen	
Valuation allowance	10,801,895 thousand yen	Valuation allowance	10,205,647 thousand yen	
Total	- thousand yen	Total	- thousand yen	
(Net deferred tax assets - non-current)	- thousand yen	(Net deferred tax assets - non-current)	- thousand yen	
2. Significant difference between st effective tax rate	atutory tax rate and the	2. Significant difference between sta effective tax rate	atutory tax rate and the	
Statutory tax rate	34.16%	Statutory tax rate	34.15%	
Deductible cash distributions	(33.54)%	Deductible cash distributions	(33.80)%	
Provision of reserve for reduction en	ntry (0.46)%	Provision of reserve for reduction er	ntry 0.63%	
Others	(0.13)%	Others	(0.95)%	
Effective tax rate	0.03%	Effective tax rate	0.03%	

Fiscal Period ended	Fiscal Period ended
December 31, 2014	June 30, 2015
(from July 1, 2014 to	(from January 1, 2015 to
December 31, 2014)	June 30, 2015)
3. Revision of the amounts of deferred tax assets and liabilities	3. Revision of the amounts of deferred tax assets and liabilities
due to changes in rate of any Corporation Tax, etc.	due to changes in rate of any Corporation Tax, etc.
As a result of the promulgation of the "Local Corporation	As a result of the promulgation of the "Act on Partial
Tax Act" (Act No. 11 of 2014) and the "Act on Partial	Revision of the Income Tax Act, etc." (Act No. 9 of 2015) on
Revision of the Local Tax Act, etc." (Act No. 4 of 2014) on	March 31, 2015, the statutory tax rate used to calculate
March 31, 2014, a "Local Corporation Tax" will be created	deferred tax assets and liabilities will be changed to 32.31%
and a portion of the Local Corporation Special Tax will be	for temporary differences, etc. which are expected to be
restored in the Corporation Enterprise Tax for fiscal periods	eliminated in the fiscal period starting after July 1, 2015.
starting after October 1, 2014, and therewith the statutory tax	This change in tax rate has no effect on the amounts of
rate used to calculate deferred tax assets and liabilities will be	deferred tax assets and liabilities, and deferred income taxes.
changed to 34.16% for temporary differences, etc. which are	
expected to be eliminated in the fiscal period starting after	
January 1, 2015. This change in tax rate has no effect on the	
amounts of deferred tax assets and liabilities, and deferred	
income taxes.	

# [Notes Related to Lease Contracts]

	Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)		(	Fiscal Period ended June 30, 2015 from January 1, 2015 to June 30, 2015)		
Operating lease transactions (as lessee) (Unit: thousands of yen)			Operating lease tran (as lessee)	Operating lease transactions (as lessee) (Unit: thousands of year)		
· · ·	Due within one year	112,249		Due within one year	112,249	
Remaining lease payments	Due after one year	2,224,164	Remaining lease payments	Due after one year	2,168,039	
1 5	Total	2,336,413		Total	2,280,288	
(as lessor)	(Unit:	thousands of yen)	(as lessor)	(Unit: thousands of ye		
	Due within one year	1,843,409		Due within one year	2,413,667	
Remaining lease payments	Due after one year	15,485,197	Remaining lease payments	Due after one year	21,199,677	
	Total	17,328,607		Total	23,613,345	

[Notes Related to Financial Instruments]

Fiscal Period ended	Fiscal Period ended
December 31, 2014	June 30, 2015
(from July 1, 2014 to	(from January 1, 2015 to
December 31, 2014)	June 30, 2015)
1. Status of financial instruments	1. Status of financial instruments
(1)Policy for financial instruments	(1)Policy for financial instruments
INV principally conducts its operations through	INV principally conducts its operations through
investments in real estate and other specified assets to seek to	investments in real estate and other specified assets to seek to
ensure stable income in the medium to long term.	ensure stable income in the medium to long term.
The policy for raising funds is principally through issuing	The policy for raising funds is principally through issuing
new investment units or entering into debt.	new investment units or entering into debt.
Derivative transactions are to be entered into for the	Derivative transactions are to be entered into for the
purpose of hedging against the rate of future interest rate	purpose of hedging against the rate of future interest rate
increases, etc. and not for speculation. There are currently	increases, etc. and not for speculation. There are currently no

Fisca	l Period end	ed		Fisc	al Period end	led	
Dece		Fiscal Period ended June 30, 2015					
(from Decer		(from January 1, 2015 to June 30, 2015)					
no derivative transactions	nber 31, 202 that have be		nto.	derivative transactions that			
Surplus funds are mana				Surplus funds are man			
into account safety, liqui and financing.	dity, the int	erest rate e	environment	into account safety, liquation and financing.	idity, the in	terest rate of	environment
(2)Nature and extent of risks arising from financial instruments and risk management The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.				(2)Nature and extent of risks arising from financial instruments and risk management The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.			
<ul> <li>(3)Supplemental information regarding market value, etc. for financial instruments</li> <li>The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.</li> </ul>			financial instruments The fair value of finar market prices if available available, fair value is es which contain various ass or assumptions were used	acial instrum When quot stimated using sumptions. If , the estimate	ents is base ed market p ng valuatior f other valua ed value ma	d on quoted rices are not techniques tion models	
2. Estimated fair value of Book value, fair value a as of December 31, 2014 a	and the difference as follow	rence betwe s.	en values ands of yen)	2. Estimated fair value of Book value, fair value of June 30, 2015 are as fo	and the diffe llows.	rence betwe	en values as ands of yen)
	Book Value	Fair Value	Difference		Book Value	Fair Value	Difference
(1) Cash and deposits	9,153,872	9,153,872	_	(1) Cash and deposits	2,691,921	2,691,921	-
(2) Cash and deposits in trust	4,011,521	4,011,521	-	(2) Cash and deposits in trust	4,822,622	4,822,622	-
Total assets	13,165,393	13,165,393	-	Total assets	7,514,543	7,514,543	-
(3) Short-term debts	-	-	-	(3) Short-term debts	62,341,000	62,341,000	-
(4) Current portion of long-term debts	1,200,000	1,200,000	-	(4) Current portion of long-term debts	-	-	-
(5) Long-term debts	56,100,000	56,100,000	-	(5) Long-term debts	-	-	-
(6) Current portion of long-term debts in trust	18,167	18,251	84	(6) Current portion of long-term debts in trust	9,960,000	9,960,000	
(7) Long-term debts in trust	9,941,832	10,156,234	214,401	(7) Long-term debts in trust	-	-	-
Total liabilities	67,260,000	67,474,486	214,486	Total liabilities	72,301,000	72,301,000	-
(Note 1) Methods to c instruments	alculate fa	ir values	of financial	(Note 1) Methods to a instruments	calculate fa	ir values	of financial
<ul><li>(1) Cash and deposits (2</li><li>(3) Short-term debts</li><li>Due to the short maturing</li></ul>	· · · · · · · · · · · · · · · · · · ·	k value of th	iese	<ul><li>(1) Cash and deposits (2)</li><li>(3) Short-term debts</li><li>Due to the short maturity</li></ul>		k value of th	nese
	instruments is deemed a reasonable approximation of the fair			instruments is deemed a revelue, and therefore, the h			
<ul><li>value, and therefore, the book value is used as the fair value.</li><li>(4) Current portion of long-term debts (5) Long-term debts</li></ul>			value, and therefore, the book value is used as the fair value. (4) Current portion of long-term debts (5) Long-term debts				
(6) Current portion of long-term debts in trust (7) Long-term			(6) Current portion of long				
debts in trust The fair values of long-term debt with fixed interest rates			debts in trust The fair values of long-term debt with fixed interest rates				
are determined based on th	e present va	lue of contr	actual cash	are determined based on t	he present va	alue of contr	actual cash
flows discounted at curren			hich would	flows discounted at curren			hich would
be applicable to new debt Long-term debt with flo			ecting	be applicable to new debt Long-term debt with fl			ecting
	0		U	0	0		0

Fi	scal Period	ended			Fiscal Perio	1 ended	
December 31, 2014				June 30, 2015			
(from July 1, 2014 to				(from January 1, 2015 to June 30, 2015)			
December 31, 2014) changes in market rates within a short term period are stated				changes in marke			d are stated
at their book value as the values.				at their book valu values.			
(Note 2) Financial in extremely difficult to val		for which	fair value is	(Note 2) Financi extremely difficult	al instruments to value	for which	fair value is
		(Unit: thou	sands of yen)			(Unit: thou	sands of yen)
Category		Book Va	alue	Categ		Book V	alue
Tenant leasehold a security deposit			28,663	Tenant lease security d			28,663
Tenant leasehold a security deposits in	and		1,109,146	Tenant lease security depo	chold and		1,420,014
Tenant leasehold and				Tenant leaseho	ld and security		
leasehold and security of				leasehold and sec			
market price, and it is in their future cash flows b	•			market price, and their future cash f			
of those deposits and th				of those deposits			
property are not certain disclosed.				property are not c disclosed.			
(Note 3) Remaining s closing date of the fiscal	chedule of period	monetary cla	aims after the	e(Note 3) Remain closing date of the	ning schedule of fiscal period	of monetary cl	aims after the
		,	sands of yen)				sands of yen)
	Due within One Year		Due after Two to Three Years		Due with One Yea		Due after Two to Three Years
Cash and deposits	9,153,872		_	Cash and deposits	2,691,9	- 21	-
Cash and deposits in trust	4,011,521	-	_	Cash and deposits in	n trust 4,822,6	- 22	-
Total	13,165,393		-	Total	7,514,5	43 -	-
	Due after Thre to Four Years	e Due after Four to Five Years	Due after Five Years		Due after Th to Four Yea	rree Due after Four to Five Years	Due after Five Years
Cash and deposits	-		-	Cash and deposits			-
Cash and deposits in trust	-		-	Cash and deposits in	n trust		-
Total	-		-	Total			-
(Note 4)Redemption sc interest-bearing the fiscal perio	g indebtedne	ess after the cl (Unit: thou	osing date of sands of yen)	(Note 4)Redempt interest-t the fiscal	earing indebted	ness after the c (Unit: thou	losing date of usands of yen)
	Due within One Year		Due after Two to Three Years		Due with One Yea		Due after Two to Three Years
Current portion of long-term debts	1,200,000		-	Current portion of long-term debts	62,341,0		-
Long-term debts	-		56,100,000	Long-term debts			-
Current portion of long-term debts in trust	18,167		-	Current portion of long-term debts in t	rust 9,960,0	- 00	-
Long-term debts in trust		- 73,807	104,256	Long-term debts in			-
Total	1,218,167	7 73,807	56,204,256	Total	72,301,0	- 00	-
		e Due after Four				ree Due after Fou	
Current portion of	to Four Years	to Five Years	Years	Current portion of	to Four Yea	ars to Five Years	Years
long-term debts	.		-	long-term debts			-

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)					(fron	scal Period e June 30, 201 n January 1, 2 June 30, 201	15 2015 to	
Long-term debts	-	-	-		Long-term debts	-	-	-
Current portion of long-term debts in trust	-	-	-		Current portion of long-term debts in trust	-	-	-
Long-term debts in trust	2,894,530	5,143,274	1,725,963		Long-term debts in trust	-	-	-
Total	2,894,530	5,143,274	1,725,963		Total	-	-	-

#### [Notes Related to Rental Properties]

Fiscal Period ended					Fiscal Period ended				
December 31, 2014						June 30, 2015			
		om July 1, 20					n January 1, 2		
		cember 31, 2					June 30, 201	/	
	ns residentia					vns residentia			
				es and retails		area and maj			
	in the Tokyo					able rental rev			
	m for the esta					uring the peri	od and balan	ce at the end	of the
	both improv				period are	as follows.			
	The book va								
period and	balance at th	e end of the	period are as	follows.					
			(Unit: thou	sands of yen)				(Unit: thou	sands of yen)
		Book Value Fair Value at		Fair Value at			Book Value		Fair Value at
Use	Balance at the Beginning of the Period	Change during the Period	Balance at the End of the Period	the End of the Period	Use	Balance at the Beginning of the Period	Change during the Period	Balance at the End of the Period	the End of the Period
Residential	55,874,464	∆304,706	55,569,758	60,775,000	Residential	55,569,758	riangle 300,354	55,269,403	62,209,000
Office	8,579,951	△28,342	8,551,609	7,227,000	Office	8,551,609	∆36,906	8,514,702	7,181,000
Retail	5,275,638	△50,243	5,225,394	5,690,000	Retail	5,225,394	∆47,106	5,178,288	5,820,000
Parking	100,825	riangle 1	100,823	107,000	Parking	100,823	Δ1	100,822	109,000
Hotel	5,532,341	39,763,665	45,296,007	52,759,000	Hotel	45,296,007	12,915,605	58,211,612	71,555,000
Total	75,363,220	39,380,372	114,743,593	126,558,000	Total	114,743,593	12,531,236	127,274,829	146,874,000
(Note 1)		s the figure c	alculated by	decreasing the	(Note 1)	Book value i	s the figure c	alculated by	decreasing

amount of depreciation from acquisition price (includingamount of depreciation from acquisition price (including acquisition-related costs). acquisition-related costs).

The major factor of the increase for the fiscal period (Note 2) The major factor of the increase for the fiscal period (Note 2) ended December 31, 2014 was acquisition of new hotels and ended June 30, 2015 was acquisition of new hotels and capital capital expenditures related to construction work. expenditures related to construction work.

(Note 3) The major factor of the decrease was sale of senior The major factor of the decrease was depreciation. The fair value as of the end of the reporting period housing properties and depreciation. is determined based on the appraisal value provided by Asset

The fair value as of the end of the reporting period is (Note 4) determined based on the appraisal value provided by Asset Research and Development Inc., Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc. and Tanizawa Sogo Appraisal Co., Ltd.

For information related to profits and losses from rental properties in the fiscal period ended June 30, 2015, please refer to "Notes to Statement of Income."

#### [Notes Related to Restriction on Asset Management]

Research and Development Inc., Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc. and Tanizawa

For information related to profits and losses from rental

properties in the fiscal period ended December 31, 2014,

please refer to "Notes to Statement of Income."

(Note 3) (Note 4)

Sogo Appraisal Co., Ltd.

Fiscal Period ended	Fiscal Period ended
December 31, 2014	June 30, 2015
(from July 1, 2014 to	(from January 1, 2015 to
December 31, 2014)	June 30, 2015)
Nothing applicable.	Nothing applicable.

[Notes Related to Transactions with Related Parties]

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

### 1 Interested parties of the Asset Manager

Classification	Name	Business or Occupation	Ratio of Voting Rights Owned (%)	Type of Transaction	Transaction Amount (Thousands of yen) (Note 1)	Account	Balance at the End of the Period (Thousands of yen) (Note 1)
	Zephyrus Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	14,878,412	-	-
	Nishi Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	4,473,000	-	-
	Shijodori Holding Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	7,594,980	-	-
Interested party of the Asset Manager	Danube Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	3,845,400	-	-
	Nagahoribashi Holding Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,514,820	-	-
	Aki Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	6,631,968	-	-
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	1,722,789	Accounts receivables	540,064

- (Note 1) Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.
- (Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.
- (Note 3) Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Shijodori Holding Tokutei Mokuteki Kaisha, Danube Tokutei Mokuteki Kaisha, Nagahoribashi Holding Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. have no capital relationship with the Asset Manager to be disclosed. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Shijodori Holding Tokutei Mokuteki Kaisha, Danube Tokutei Mokuteki Kaisha, Nagahoribashi Holding Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. as the equivalent of interested party.
- (Note 4) Calliope holds 609,942 units (holding ratio: 22.85%) of the issued investment units of INV.
- (Note 5) The purchase of trust beneficiary interests pertains to following properties. The

transaction amount is the purchase price stated in the trust beneficiary purchase agreement,								
in which other expenses on acq	uisition, property	taxes, city planning	taxes and					
consumption taxes are not included.								

Property Number	Name of Property	Counterparty	Purchase Price (Thousands of yen)
D3	Hotel MyStays Kyoto-Shijo	Shijodori Holding Tokutei Mokuteki Kaisha	6,024,460
D4	MyStays Shin-Urayasu Conference Center	Zephyrus Tokutei Mokuteki Kaisha	4,930,200
D5	Hotel MyStays Maihama	Zephyrus Tokutei Mokuteki Kaisha	4,870,312
D6	Hotel Vista Premio Dojima	Danube Tokutei Mokuteki Kaisha	3,845,400
D7	Hotel MyStays Nagoya-Sakae	Zephyrus Tokutei Mokuteki Kaisha	2,958,000
D8	Hotel MyStays Sakaisuji-Honmachi	Nagahoribashi Holding Tokutei Mokuteki Kaisha	2,514,820
D9	Hotel MyStays Yokohama	Zephyrus Tokutei Mokuteki Kaisha	2,119,900
D10	Hotel MyStays Nippori	Nishi Tokutei Mokuteki Kaisha	1,898,540
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Shijodori Holding Tokutei Mokuteki Kaisha	1,570,520
D12	Flexstay Inn Iidabashi	Aki Tokutei Mokuteki Kaisha	1,381,660
D13	Hotel MyStays Ueno Inaricho	Nishi Tokutei Mokuteki Kaisha	1,331,960
D14	Flexstay Inn Shinagawa	Nishi Tokutei Mokuteki Kaisha	1,242,500
D15	Flexstay Inn Tokiwadai	Aki Tokutei Mokuteki Kaisha	1,242,500
D16	Flexstay Inn Sugamo	Aki Tokutei Mokuteki Kaisha	1,192,800
D17	Hotel MyStays Otemae	Aki Tokutei Mokuteki Kaisha	1,192,800
D18	Flexstay Inn Kiyosumi-Shirakawa	Aki Tokutei Mokuteki Kaisha	749,476
D19	Flexstay Inn Nakanobu P1	Aki Tokutei Mokuteki Kaisha	589,442
D20	Flexstay Inn Nakanobu P2	Aki Tokutei Mokuteki Kaisha	283,290
	Total		39,938,580

### 2 Asset Custody Companies

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen)	Account	Balance at the End of the Period (Thousands of yen)									
		Banking and trust business		Repayment of short-term debt	2,997,500	· Long-term debt	5,000,000									
							0		Loan for short-term debt	5,000,000	Long term debt	5,000,000				
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited											-	Finance related fees	7,919	Prepaid expenses	17,205
									T manee related rees	7,717	Long-term Prepaid expenses	26,444				
				Interest expenses	21,889	Accrued expenses	255									

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

(Note 2) The terms and conditions have been determined based on market conditions.

Fiscal Period ended June 30, 2015 (from Janualy 1, 2015 to June 30, 2015)

Classification	Name	Business or Occupation	Ratio of Voting Rights Owned (%)	Type of Transaction	Transaction Amount (Thousands of yen) (Note 1)	Account	Balance at the End of the Period (Thousands of yen) (Note 1)
	Zephyrus Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,792,000	-	-
Interested party of the Asset Manager	Nishi Tokutei Mokuteki Kaisha (Note 3)	Investment manage-ment business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,119,000	-	-
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	1,760,999	Accounts receivables	501,272

### 1 Interested parties of the Asset Manager

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

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

- (Note 3) Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. have no capital relationship with the Asset Manager to be disclosed. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. as the equivalent of interested party.
- (Note 4) Calliope holds 609,942 units (holding ratio: 22.85%) of the issued investment units of INV.
- (Note 5) The purchase of trust beneficiary interests pertains to following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses on acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (Thousands of yen)
D22	Hotel Nets Hakodate	Zephyrus Tokutei Mokuteki Kaisha	2,792,000
D23	Flexstay Inn Shirogane	Nishi Tokutei Mokuteki Kaisha	2,119,000
	Total	4,911,000	

### 2 Asset Custody Companies

Classification	Name	Business or Occupation	Ratio of Voting Rights (%)	Type of Transaction	Transaction Amount (Thousands of yen)	Account	Balance at the End of the Period (Thousands of yen)	
				Loan for short-term debt	470,000	Short-term debt	5,470,000	
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business		-	Finance related fees	9,171	Prepaid expenses	39,318
				Interest expenses	24,918	Accrued expenses	139	

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

(Note 2) The terms and conditions have been determined based on market conditions.

[Notes Related to Per Unit Information]

Fiscal Period ende December 31, 201 (from July 1, 2014 December 31, 2014	4 to	Fiscal Period end June 30, 2015 (from January 1, 20) June 30, 2015)	15 to
Net assets per unit	23,005 yen	Net assets per unit	23,132 yen
Net income per unit	762 yen	Net income per unit	860 yen
Net income per unit is calculated by for the period by the daily weighted ave investment units issued and outstanding per unit is not stated as there are no dilu	rage number of Diluted net income	Net income per unit is calculated by for the period by the daily weighted av investment units issued and outstanding per unit is not stated as there are no dilu	erage number of g. Diluted net income

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

Fiscal Period ended		Fiscal Period ended	
December 31, 2014 (from July 1, 2014 to		June 30, 2015 (from January 1, 2015 to	
December 31, 2014)		June 30, 2015)	
Net income for the fiscal period (thousands of yen)	1,958,002	Net income for the fiscal period (thousands of yen)	2,295,304
Amounts not attributable to common unit holders (thousands of yen)	-	Amounts not attributable to common unit holders (thousands of yen)	-
Net income attributable to common unit holders (thousands of yen)	1,958,002	Net income attributable to common unit holders (thousands of yen)	2,295,304

Average number of investment units during the period (units)	2,570,932	Average number of investment units during the period (units)	2,668,686

# [Notes Related to Significant Subsequent Events]

Fiscal Period ended		riod ended
December 31, 2014 (from July 1, 2014 to		0, 2015 ry 1 2015 to
December 31, 2014 to		0, 2015)
		, ,
	INV resolved at its meeting	s of the Board of Directors
		July 8, 2015 respectively to
		new investment units and
		vestment units. Payment for
		issued through the public
		July 15, 2015, in accordance
		conditions. In addition, with
		ew investment units through in connection with the
		offering, the payment was
		, 2015. As a result, the
		s JPY 82,465 million and the
		s issued and outstanding of
	INV increased to 3,193,686	
		tment units through public
	offering	
	Number of New	: 500,000 units
	Investment Units Issued	
	Domestic public offering	: 211,250 units
	Overseas offering	: 288,750 units
	Issue Price (Offer Price) Total Issue Price (Total	: JPY 57,817 per unit
	Offer Price)	: JPY 28,908,500,000
	Amount Paid In (Issue Value)	: JPY 55,941 per unit
	Total Amount Paid In (Total Issue Value)	: JPY 27,970,500,000
	Payment Date	: Wednesday, July 15,
		2015
	(ii) Secondary offering of inv	estment units outside Ienen
	Number of Investment	
	Units Offered in the	: 25,000 units
	Secondary Offering	
	Offer Price	: JPY 57,817 per unit
	Total Offer Value	: JPY 1,445,425,000
	Delivery Date	: Wednesday, July 16,
	Delivery Date	2015
	(;;;) <b>C</b> o1 (°C ·	of interesting to the
	(iii) Secondary offering (overallotment secondary off	
	Number of Investment	
	Units Offered in the	: 25,000 units
	Secondary Offering	,
	Offer Price	: JPY 55,941 per unit
	Total Offer Value	: JPY 1,398,525,000
	Payment Date	: Wednesday, August 12, 2015
		: Mizuho Securities
	Allotee	Co., Ltd
	<b>L</b>	, =
	2. Borrowing of Funds	
L		

	Fiscal Period ended December 31, 2014		Fiscal Period ended June 30, 2015	
	(from July 1, 2014 to		(from January 1 2015 to	
	December 31, 2014)	June 30, 2015)		
		lower-interest f for the acquisi hotel propertie July 16, 2015 ( all of the exist (C), New Sync	implement refinancing via unsecured borrowings for part of the funds to be used ition of trust beneficiary interests for 11 s and 3 residential properties acquired on (see "4. Acquisition of Assets" below) and ing syndicate loans (New Syndicate Loan licate Loan (D)) and Prudential LPS Loan nented the following borrowing on July 16,	
		New Syndicate	ELoan (E)	
funds for the acc for the 3 hote	new debt financing in order to procure quisition of the trust beneficiary interests 1 properties, which INV acquired or 5 (see "2. Acquisition of Assets" below)	s 1	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Shinsei Bank, Limited, Citibank Japan Ltd., Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited and Mitsubishi UFJ Trust and Banking Corporation	
		Borrowing amount	: JPY88,338 million	
New Syndicate I	Loan (D)	Interest rate,	: Base Rate (One-month JPY TIBOR)	
Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank,	etc. Interest payment date	<ul> <li>+ 0.20%, 0.40%, 0.50%, 0.60%</li> <li>: On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 31, 2015, and (2) the principal maturity date</li> </ul>	
Borrowing	Limited and Resona Bank, Limited : JPY6,241 million	Principal repayment method	: Lump-sum repayment for each individual loan	
amount Interest rate, etc.	: Base Rate (One-month JPY TIBOR) + 0.80%	Borrowing method	: Unsecured / with no guarantee	
Interest payment date	: On (1) the last Japanese business day of each month before the	Borrowing date	: July 16, 2015	
puyment dute	principal maturity date, beginning with February 27, 2015, and (2) the principal maturity date	Maturity date	: May 16, 2016, July 16, 2018, July 16, 2019 and July 16, 2020	
Principal repayment method	: Lump-sum repayment	real estate for 3 "4. Acquisition	ds to acquire trust beneficiary interests in 3 hotel properties on August 28, 2015 (see n of Assets" below), and resolved at its	
method       : In accordance with the method         imethod       "Individual Loan Agreement" dated February 4, 2015. Secured (Note 1) / with no guarantee		2015 to imple	e Board of Directors held on August 21, ment the following borrowing in order to f the funds for the acquisition of the trust erests.	

Term Loan (A)

: February 6, 2015

: February 6, 2018

(Note 1) First priority pledges over three real estate properties, Apa Hotel Yokohama-Kannai, Hotel Nets Hakodate and Flexstay Inn Shirogane; and the real estate trust beneficiary interests for 65 properties, Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Harmonie Ochanomizu, Suncrest Shakujii Koen, Growth Maison

Borrowing

date Maturity

Date

Lender	der : Mizuho Bank, Ltd.		
Borrowing amount	: JPY3,682 million		
Interest rate, etc.	: Base Rate (One-month JPY TIBOR; however, two-month JPY TIBOR for the first interest calculation period only) + 0.50%		
Interest	: On (i) the last Japanese business		

97

Fiscal Period ended	
December 31, 2014	
(from July 1, 2014 to	
December 31, 2014)	

Shin-Yokohama, Belle Face Ueno Okachimachi, Grand Rire Kameido, Growth Maison Ikebukuro, Growth Maison Yoga, Route Tachikawa, Shibuya Honmachi Mansion, City Heights Kinuta, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, College Square Machida, Belair Meguro, Wacore Tsunashima I, Foros Nakamurabashi, Growth Maison Kaijin, College Square Machiya, City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Cresent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Lexel Mansion Ueno Matsugaya, 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, Kindai Kagakusha Building, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman, AEON TOWN Sukagawa, Hotel MyStays Kanda, Hotel MyStays Asakusa, Hotel MyStays Kyoto-Shijo, **MyStays** Shin-Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstav Inn Iidabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1 and Flexstay Inn Nakanobu P2. First priority mortgages over two real estate properties, Shinjuku Island and Times Kanda-Sudacho 4th.

-	Fiscal Period ended June 30, 2015 om January 1 2015 to June 30, 2015)
payment date	day of each month before the principal maturity date, beginning with September 30, 2015, and (ii) the principal maturity date
Principal repayment method	: Lump-sum repayment
Borrowing method	: Unsecured / with no guarantee
Borrowing date	: August 28, 2015
Maturity date	: August 28, 2019

#### 3. Prepayment of Borrowings

INV implemented refinancing in order to procure the funds for acquisition of 11 hotel properties and 3 residential properties on July 16, 2015 and to reduce loan costs, and prepaid the borrowings as follows.

#### New Syndicate Loan (C)

Lender	: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited	
Balance of borrowing	: JPY56,100 million	
Interest rate, etc.	: Base Rate (One-month JPY TIBOR) + 0.80%	
Borrowing method	: Secured / with no guarantee	
Borrowing date	: July 17, 2014	
Maturity date	: July 14, 2017	
Prepayment	: July 16, 2015	
date		
Repayment	: JPY56,100 million	
amount		
Balance after repayment	: JPY 0	

New Syndicate Loan (D)

Lender		: Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited
Balance borrowing	of	: JPY6,241 million
-	rate,	: Base Rate (One-month JPY TIBOR) + 0.80%

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)	Fiscal Period ended June 30, 2015 (from January 1 2015 to June 30, 2015)		
	Borrowing	: Secured / with no guarantee	
	method		
	Borrowing date	: February 6, 2015	
	Maturity date	: February 6, 2018	
	Prepayment date	: July 16, 2015	
	Repayment amount	: JPY6,241 million	
	Balance after repayment	: JPY 0	
	Prudential LPS Loa	n B	
	Lender	: Prudential Mortgage Asset	
	Lender	Holdings 1 Japan Investment Limited Partnership	
	Balance of borrowing	•	
	Interest rate, etc.	: 1.90%	
	Borrowing method	: Secured / with no guarantee	
	Borrowing date	: September 28, 2012	
	Maturity dates	: March 31, 2018, March 31, 2019 and March 31, 2020	
	Prepayment date	: July 16, 2015	
	Repayment amount	: JPY9,960 million	
	Balance after repayment	: JPY 0	
	acquisition price of 2015, and comple properties on July 1	uire the following 14 properties (total of JPY 35,258 million) on June 25, ted the acquisition of all of the 14	
	Acquisition Date	July 16, 2015	
	-	ice JPY7,801 million	
	Location	5-1-1, Haneda, Ota-Ku, Tokyo	
	Construction Date		
	Category of Asset	s Trust Beneficiary Interest	
	Seller	Skye Tokutei Mokuteki Kaisha	
	Total Floor Area	5,400.16 m <sup>2</sup>	
	Total Leasable Ar	, ,	
2. Acquisition of Assets INV decided to acquire the following 3 properties (total acquisition price of JPY 13,261 million) on February 4,	Property number: D	025 Name of property: Hotel MyStays	
2015, and completed the acquisition of all of the 3	Kameido P1		
properties on February 6, 2015.	Acquisition Date Acquisition Pri	July 16, 2015 ice JPY5,594 million	
Property number: D21 Name of property: APA Hotel Yokohama-Kannai	(Note ) Location	6-32-8, Kameido, Koto-Ku,	

D (fr	scal Period ended ecember 31, 2014 om July 1, 2014 to
De	ecember 31, 2014)
Acquisition Date	February 6, 2015
Acquisition Price (Note 1)	JPY8,350 million
Location	3-37-2, Sumiyoshi-cho,
	Naka-ku, Yokohama-shi,
	Kanagawa
Construction Date	April 2005
Category of Assets	Trust Beneficial Interest
Seller AYK Tokutei Mokuteki	
Kaisha	
Total Floor Area 6,568.51m <sup>2</sup>	
Total Floor Area	6,568.51m
Total Floor Area Total Leasable	6,568.51m <sup>2</sup>
	6,568.51m <sup>2</sup>
Total Leasable Area Property number: D2 Hakodate	6,568.51m <sup>2</sup> 2 Name of property: Hotel N
Total Leasable Area Property number: D2 <u>Hakodate</u> Acquisition Date	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015
Total Leasable Area Property number: D2 <u>Iakodate</u> Acquisition Date Acquisition Price	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million
Total Leasable Area Property number: D2 <u>Hakodate</u> Acquisition Date	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million
Total Leasable Area Property number: D2 <u>Hakodate</u> Acquisition Date Acquisition Price (Note 1)	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015
Total Leasable Area Property number: D2 <u>Hakodate</u> Acquisition Date Acquisition Price (Note 1)	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million 26-17, Motomachi,
Total Leasable Area Property number: D2 Hakodate Acquisition Date Acquisition Price (Note 1) Location Construction Date Category of	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million 26-17, Motomachi, Hakodate-shi, Hokkaido
Total Leasable Area Property number: D2 Hakodate Acquisition Date Acquisition Price (Note 1) Location Construction Date Category of Assets	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million 26-17, Motomachi, Hakodate-shi, Hokkaido February 2008 Trust Beneficial Interest
Total Leasable Area Property number: D2 Hakodate Acquisition Date Acquisition Price (Note 1) Location Construction Date Category of	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million 26-17, Motomachi, Hakodate-shi, Hokkaido February 2008 Trust Beneficial Interest Zephyrus Tokutei Mokuteki
Total Leasable Area Property number: D2 Hakodate Acquisition Date Acquisition Price (Note 1) Location Construction Date Category of Assets Seller	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million 26-17, Motomachi, Hakodate-shi, Hokkaido February 2008 Trust Beneficial Interest Zephyrus Tokutei Mokuteki Kaisha
Total Leasable Area Property number: D2 Hakodate Acquisition Date Acquisition Price (Note 1) Location Construction Date Category of Assets	6,568.51m <sup>2</sup> 2 Name of property: Hotel N February 6, 2015 JPY2,792 million 26-17, Motomachi, Hakodate-shi, Hokkaido February 2008 Trust Beneficial Interest Zephyrus Tokutei Mokuteki

Property number: D23 Name of property: Flexstay Inn Shirogane

Acquisition Date	February 6, 2015
Acquisition Price	JPY2,119 million
(Note 1)	
Location	5-10-15, Shirokane,
	Minato-ku, Tokyo
Construction Date	December 1984
Category of	Trust Beneficial Interest
Assets	
Seller	Nishi Tokutei Mokuteki
	Kaisha
Total Floor Area	1,754.06m <sup>2</sup>
Total Leasable	1,754.06m <sup>2</sup>
Area	

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

	Fiscal Period ended June 30, 2015			
	(from January 1 2015 to June 30, 2015)			
[	Tokyo			
	Construction Date	March 1991		
	Category of Assets	Trust Beneficiary Interest		
	Seller	Nishi Tokutei Mokuteki		
		Kaisha		
	Total Floor Area	4,349.67 m <sup>2</sup>		
	Total Leasable Area	ble Area $4,349.67 \mathrm{m}^2$		

Property number: D26 Name of property: Hotel MyStays Ueno Iriyaguchi

Acquisition Date	July 16, 2015	
Acquisition Price	JPY3,821 million	
(Note)		
Location	5-61, Ueno, Taito-Ku, Tokyo	
Construction Date	November 1985	
Category of Assets	Trust Beneficiary Interest	
Seller	Rannoch Tokutei Mokuteki	
	Kaisha	
Total Floor Area	2,247.92 m <sup>2</sup>	
Total Leasable Area	$2,247.92\text{m}^2$	

Property number: D27 Name of property: Hotel MyStays Kameido P2

Acquisition Date	July 16, 2015		
Acquisition Price	JPY3,742 million		
(Note)			
Location	6-7-2, Kameido, Koto-Ku,		
	Tokyo		
Construction Date	March 1991		
Category of Assets	Trust Beneficiary Interest		
Seller	Nishi Tokutei Mokuteki		
	Kaisha		
Total Floor Area	2,793.99 m <sup>2</sup>		
Total Leasable Area	2,793.99 m <sup>2</sup>		

Property number: D28 Name of property: Hotel Vista Shimizu

ommea		
Acquisition Date	July 16, 2015	
Acquisition Price	JPY2,198 million	
(Note)		
Location	101-2, Masago-Cho,	
	Shimizu-Ku, Shizuoka city,	
	Shizuoka	
Construction Date	January 2007	
Category of Assets	Trust Beneficiary Interest	
Seller	Wakusei Tokutei Mokuteki	
	Kaisha	
Total Floor Area	3,559.81 m <sup>2</sup>	
	· ·	

Property number: D29 Name of property: Super Hotel Shinbashi/Karasumoriguchi

Acquisition I	Date	July 16, 2015	
Acquisition	Price	JPY1,624 million	
(Note)			
Location		5-112-7.	Shinbashi.

Fiscal Period ended	East	al Daviad and ad
December 31, 2014	Fiscal Period ended June 30, 2015	
(from July 1, 2014 to	(from January 1 2015 to	
December 31, 2014)	June 30, 2015)	
		Minato-Ku, Tokyo
	Construction Date	February 2008
	Category of Assets	Trust Beneficiary Interest
	Seller	Suisei Tokutei Mokuteki
		Kaisha
	Total Floor Area	1,403.89 m <sup>2</sup>
	Total Leasable Area	1,403.89 m <sup>2</sup>
	Property number: D30 Higashi-Jujo	Name of property: Flexstay Inn
	Acquisition Date	July 16, 2015
	Acquisition Price (Note)	JPY1,277 million
	Location	2-25-6, Nakajujo, Kita-Ku, Tokyo
	Construction Date	June 1986
	Category of Assets	Trust Beneficiary Interest
	Seller	Aki Tokutei Mokuteki Kaisha
	Total Floor Area	1,714.53 m <sup>2</sup>
	Total Leasable Area	1,714.53 m <sup>2</sup>
	Property number: D31 Utsunomiya	Name of property: Hotel MyStays
	Acquisition Date	July 16, 2015
	Acquisition Price	JPY1,237 million
	(Note)	
	Location	2-4-1, Higashishukugo, Utsunomiya, Tochigi
	Construction Date	January 1990
	Category of Assets	Trust Beneficiary Interest
	Seller	Zephyrus Tokutei Mokuteki Kaisha
	Total Floor Area	11,733.23 m <sup>2</sup>
	Total Leasable Area	11,733.23 m <sup>2</sup>
	Kawasaki-Kaizuka	Name of property: Flexstay Inn
	Acquisition Date	July 16, 2015 JPY980 million
	Acquisition Price (Note)	JF 1980 million
	Location	1-13-2, Kaizuka,
		Kawasaki-Ku, Kawasaki,
		Kanagawa
	Construction Date	April 1990
	Category of Assets	Trust Beneficiary Interest
	Seller	Rannoch Tokutei Mokuteki Kaisha
	Total Floor Area	1,190.57 m <sup>2</sup>
	Total Leasable Area	1,190.57 m <sup>2</sup>
	Property number: D33 Toyama	Name of property: Comfort Hotel
		July 16, 2015
	Acquisition Date	July 16, 2015 JPY979 million
	Acquisition Price (Note)	
	Location	1-3-13, Takara-Machi,

Fiscal Period ended	Fine	al Daried and ad
December 31, 2014	Fiscal Period ended June 30, 2015	
(from July 1, 2014 to	(from January 1 2015 to	
December 31, 2014)	June 30, 2015)	
		Toyama city, Toyama
	Construction Date	March 2007
	Category of Assets	Trust Beneficiary Interest
	Seller	Suisei Tokutei Mokuteki
		Kaisha
	Total Floor Area	3,305.64 m <sup>2</sup>
	Total Leasable Area	3,305.64 m <sup>2</sup>
	Property number: D34 Kawasaki-Ogawacho	Name of property: Flexstay Inn
	Acquisition Date	July 16, 2015
	Acquisition Price (Note)	JPY906 million
	Location	15-9, Ogawa-cho, Kawasaki-Ku, Kawasaki, Kanagawa
	Construction Date	April 1989
	Category of Assets	Trust Beneficiary Interest
	Seller	Rannoch Tokutei Mokuteki Kaisha
	Total Floor Area	725.6 m <sup>2</sup>
	Total Leasable Area	725.6 m <sup>2</sup>
	Property number: A100 City Court Kitaichijo Acquisition Date	Name of property:           July 16, 2015
	Acquisition Price (Note)	JPY1,782 million
	Location	1-6-3, Kitaichijohigashi, Chuo-Ku, Sapporo, Hokkaido
	Construction Date	November 2007
	Category of Assets	Trust Beneficiary Interest
	Seller	Valletta Godo Kaisha
	Total Floor Area	7,577.24 m <sup>2</sup>
	Total Leasable Area	5,230.18 m <sup>2</sup>
	Property number: A10 Lieto Court Mukojima	Name of property:
	Acquisition Date	July 16, 2015
	Acquisition Price (Note)	JPY1,683 million
	Location	5-45-2, Mukojima, Sumida-Ku, Tokyo
	Construction Date	February 2008
	Category of Assets	Trust Beneficiary Interest
	Seller	Valletta Godo Kaisha
	Total Floor Area	3,170.99 m <sup>2</sup>
	Total Leasable Area	2,940.20 m <sup>2</sup>
	Property number: A102 Lieto Court Nishi-Ojin	na
	Acquisition Date	July 16, 2015
	Acquisition Price (Note)	JPY1,634 million
	Location	2-500-5, Ojima, Koto-Ku, Tokyo

Fiscal Period ended December 31, 2014	Fiscal Period ended June 30, 2015	
(from July 1, 2014 to	(from January 1 2015 to	
December 31, 2014)	June 30, 2015)	
	Construction Date	February 2008
	Category of Assets	Trust Beneficiary Interest
	Seller	Valletta Godo Kaisha
	Total Floor Area	2,210.45 m <sup>2</sup>
	Total Leasable Area	2,048.28 m <sup>2</sup>
	INV resolved at its meeting of the Board of Director held on August 21, 2015 to acquire the following thre hotel properties (total acquisition price: JPY7,36 million) as of April 28, 2015, by utilizing the exces cash-on-hand and new loans.	
	Ekoda	Name of property: Flexstay Inn
	Acquisition Date	August 28, 2015
	Acquisition Price	JPY5,069 million
	(Note)	
	Location	8-6, Sakaecho, Nerima-Ku, Tokyo
	Construction Date	January 27, 1989
	Category of Assets	Trust Beneficiary Interest
	Seller	Tsukiji One Godo Kaisha
	Total Floor Area	3,932.93 m <sup>2</sup>
	Total Leasable Area	3,932.93 m <sup>2</sup>
	Tokyo-JR Tachikawa K Acquisition Date Acquisition Price	Name of property: Super Hotel <u>Kitaguchi</u> <u>August 28, 2015</u> JPY1,170 million
	(Note ) Location	2-21-9, Akebonocho, Tachikawa, Tokyo
	Construction Date	November 2007
	Category of Assets	Trust Beneficiary Interest
	Seller	Tsukiji One Godo Kaisha
	Total Floor Area	1,832.97 m <sup>2</sup>
	Total Leasable Area	1,832.97 m <sup>2</sup>
	Property number: D37 Shirogane	Name of property: Flexstay Inn
	Acquisition Date	August 28, 2015
	Acquisition Price (Note)	JPY1,130 million
	Location	7-9-14, Ueno, Taito-Ku, Tokyo
	Construction Date	March 2006
	Category of Assets	Trust Beneficiary Interest
	Seller	Tsukiji One Godo Kaisha
	Total Floor Area	1,279.16m <sup>2</sup>
	Total Leasable Area	1,279.16m <sup>2</sup>
	price indicated in the	price is based on the purchase relevant purchase agreement and isition costs, property taxes, city sumption taxes, etc.

	Fiscal Period ended December	Fiscal Period ended June 30,	
	31, 2014	2015	
	(from July 1, 2014 to	(from January 1, 2015 to	
	December 31, 2014)	June 30, 2015)	
I. Unappropriated retained	2,031,546,537 yen	2,370,704,364 yen	
earnings			
II. Distribution Amount	1,956,146,838 yen	2,295,069,960 yen	
(Distribution per Unit)	(733 yen)	(860 yen)	
III. Retained earnings carried	75,399,699 yen	75,634,404 yen	
forward			
Calculation method of	In accordance with the	In accordance with the	
distribution amount	distribution policy set forth in	distribution policy set forth in	
	Article 17, Paragraph 1 of the	Article 17, Paragraph 1 of the	
	Articles of Incorporation of	Articles of Incorporation of	
	Investment Corporation, the	Investment Corporation, the	
	distribution amount shall be the	distribution amount shall be the	
	amount which does not exceed	amount which does not exceed	
	the amount of profits but	the amount of profits but	
	exceeds 90% of the	exceeds 90% of the	
	distributable profit as defined	distributable profit as defined	
	in Article 67-15 of the Special	in Article 67-15 of the Special	
	Taxation Measures Act.	Taxation Measures Act.	
	However, in the event that any	However, in the event that any	
	tax losses arise, or if no profits	tax losses arise, or if no profits	
	have been recorded for tax	have been recorded for tax	
	purposes due to tax losses	purposes due to tax losses	
	carried forward, the distribution	carried forward, the distribution	
	amount may be as reasonably	amount may be as reasonably	
	determined by Investment	determined by Investment	
	Corporation. Pursuant to this	Corporation. Pursuant to this	
	policy, Investment Corporation	policy, Investment Corporation	
	determined the distribution	determined the distribution	
	amount to be 1,956,146,838	amount to be 2,295,069,960	

Fiscal Period ended December	Fiscal Period ended June 30,	
31, 2014	2015	
(from July 1, 2014 to	(from January 1, 2015 to	
December 31, 2014)	June 30, 2015)	
yen, out of net income of	yen out of the net income of	
1,958,002,616 yen.	2,295,304,665 yen. Investment	
Investment Corporation did not	Corporation did not distribute	
distribute any amounts in	any amounts in excess of profit,	
excess of profit, as set forth in	as set forth in Article 17,	
Article 17, Paragraph 4 of the	Paragraph 4 of the Articles of	
Articles of Incorporation.	Incorporation.	

Note

Accompanying English financial information, comprising Balance Sheet, Statement of Income, Statement of Unitholders' Equity, Notes to financial statements and statement of Cash Distribution, have been translated from the Japanese financial statements of the Investment Corporation prepared in accordance with the Act on Investment Trusts and Investment Corporations of Japan.

Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended December 31, 2014 have been audited by Ernst & Young ShinNihon LLC, in accordance with auditing standards generally accepted in Japan. However, English translation of the Japanese language report of independent auditors is not attached herein since the accompanying English translation of Balance Sheet, Statement of Income, Statements of Unitholders' Equity, Notes to financial statements and Statement of Cash Distribution are unaudited.

Regarding the English audited financial statements, please refer to the "Audited Financial Statements" on the website of Invincible Investment Corporation: <u>http://www.invincible-inv.co.jp/eng/cms/doc.html</u>

## VII. Statement of Cash Flow (Reference Information)

	Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)	(Unit: thousands of yen) Fiscal Period ended June 30, 2015 (from January 1, 2015 to June 30, 2015)
Cash flows from operating activities		,.,
Net income before taxes	1,958,607	2,295,909
Depreciation expenses	837,289	986,795
Investment unit issuance expenses	152,101	-
Finance related costs	294,738	140,328
Amortization of tenant leasehold and security deposits in trust	(378)	-
Interest received	(537)	(1,242)
Interest paid	365,480	379,341
Increase (decrease) in allowance for doubtful accounts	577	467
Decrease (increase) in accounts receivable	(573,359)	6,739
Decrease (increase) in consumption tax receivable	(1,319,253)	1,002,839
Increase (decrease) in accrued consumption tax payable	(143,637)	-
Increase (decrease) in accounts payable	(673)	21,539
Increase (decrease) in accrued liabilities	(10,409)	17,865
Increase (decrease) in accrued expenses	2,933	49,396
Increase (decrease) in advances received	13,561	49,576
Increase (decrease) in deposits received	(9,776)	(13,787)
Others	5,533	(9,953)
Subtotal	1,572,798	4,925,816
Proceeds of interest	537	1,242
Payment of interest	(363,177)	(381,197)
Payment of corporate taxes, etc.	(547)	(640)
Cash flows from operating activities	1,209,610	4,545,220
Cash flows from investing activities		
Payment for acquisition of tangible assets in trust Repayment of tenant leasehold and security	(40,203,087)	(13,512,228)
deposits in trust Proceeds of tenant leasehold and security	(47,787)	(95,186)
deposits in trust	131,585	406,054
Others	(694)	(1,487)
Cash flows from investing activities	(40,119,985)	(13,202,847)
Cash flows from financing activities		
Repayment of short-term debt	(13,488,750)	-
Proceeds from long-term debt	57,300,000	6,241,000
Repayment of long-term debt	(17,552,100)	(1,200,000)
Finance related costs	(618,099)	(81,398)
Payment of distributions	(900,512)	(1,952,824)
Proceeds from issuance of investment units	23,962,024	-
Payment of investment unit issuance expenses	(151,356)	-

		(Unit: thousands of yen)
	Fiscal Period ended	Fiscal Period ended
	December 31, 2014	June 30, 2015
	(from July 1, 2014 to	(from January 1, 2015 to
	December 31, 2014)	June 30, 2015)
Cash flows from financing activities	48,551,206	3,006,776
Increase (decrease) in cash and cash equivalents	9,640,831	(5,650,850)
Beginning balance of cash and cash equivalents	3,524,562	13,165,393
Closing balance of cash and cash equivalents	*1 13,165,393	*1 7,514,543

[Notes Concerning Significant Accounting Policies (Reference Information)]

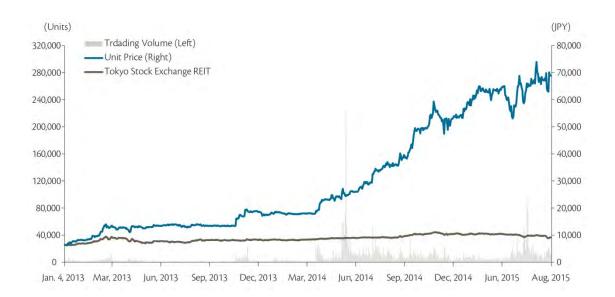
By Period	Fiscal Period ended December 31,	Fiscal Period ended June 30, 2015	
Item	2014 (from July 1, 2014 to	(from January 1 to June 30, 2015)	
	December 31, 2014)		
Cash and cash equivalents as stated	Cash and cash equivalents as stated	Cash and cash equivalents as stated	
in Statement of Cash Flows	in the Statement of Cash Flows	in the Statement of Cash Flows	
	consist of cash on hand and cash in	consist of cash on hand and cash in	
	trust, floating deposits, deposits in	trust, floating deposits, deposits in	
	trust and short-term investments that	trust and short-term investments that	
	are very liquid and realizable with a	are very liquid and realizable with a	
	maturity of three months or less	maturity of three months or less	
	when purchased and that are subject	when purchased and that are subject	
	to insignificant risks of changes in	to insignificant risks of changes in	
	value.	value.	

[Notes to Statement of Cash Flow (Reference Information)]

By Period	Fiscal Period ended December 31,		Fiscal Period ended June 30, 2015	
Item	2014 (from July 1, 2014 to		(from January 1 to Jur	ne 30, 2015)
	December 31, 2	2014)		
*1. Relationship between cash	(As of Decemb (Unit: thous	per 31, 2014) ands of yen)	(As of June (Unit: thous	e 30, 2015) ands of yen)
and cash equivalents in statement of	Cash and deposits	9,153,872	Cash and deposits	2,691,921
cash flows and amounts in	Cash and deposits in trust	4,011,521	Cash and deposits in trust	4,822,622
accompanying balance sheet	Cash and cash equivalents	13,165,393	Cash and cash equivalents	7,514,543

### **Overview of Unitholders/Investment Units**

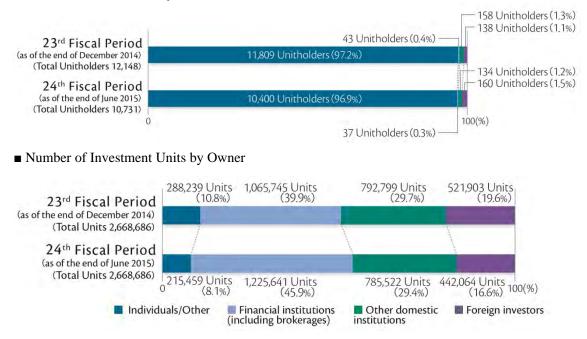
### Historical Unit Price



(Note) Unit prices indicate the closing price on the TSE market. Development of Tokyo Stock Exchange REIT Index indicates on or after January 4, 2013 on the assumption that the closing price of INV's unit price is deemed as identical to the closing price of Tokyo Stock Exchange REIT index as of January 4, 2013.

### Distribution of Unitholders





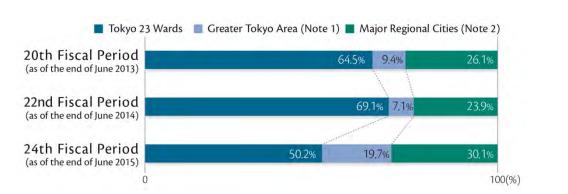
### Portfolio Data as of the end of 24<sup>th</sup> Fiscal Period (ended June 30, 2015)

### Portfolio Characteristics

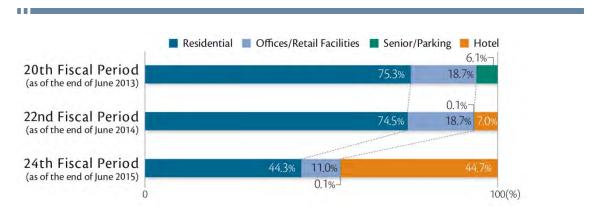
At the end of the reporting period, the number of properties held by the Investment Corporation totaled 94, including 63 residential properties, 23 hotels, 7 retail and office buildings, and as well as one parking lot with a total acquisition value of JPY 131,188 million and a total leasable area of  $240,858.19 \text{ m}^2$ .

### **Investment Ratio by Region**

(Note) The ratios below are indicated are based on the acquisition price and are rounded to one decimal place.

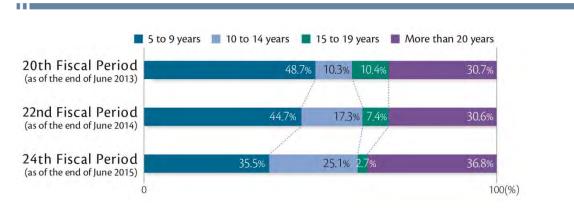


(Note 1) Greater Tokyo Area indicates Tokyo excluding 23 Wards, Kanagawa, Chiba, and Saitama.
 (Note 2) Major Regional Cities indicates "areas surrounding Tokyo" and "major cities including ordinance designated cities and surrounding areas.



### **By Property Type**

### **By Property Age**



(Note) Open parking lots are not counted in the property age distribution since they lack building structures.

# Portfolio Overview

					Acquisities	Approiect		(as of July 30, 2015)	
Property Number		Location	Leasable Area (m <sup>2</sup> )	Rentable Units	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Book Value (JPY mn)	Ratio (%)	Occupancy Rate (%)
A26	Nisshin Palacestage Daitabashi	Suginami Ward, Tokyo	1,771.13	98	1,251	1,160	1,135	1.0	96
A27	Nisshin Palacestage Higashi- Nagasaki	Toshima Ward, Tokyo	2,681.94	60	1,229	1,260	1,112	0.9	94
A28	Growth Maison Gotanda	Shinagawa Ward, Tokyo	1,051.50	48	888	968	837	0.7	100
A29	Growth Maison Kameido	Koto Ward, Tokyo	1,367.96	66	1,070	1,100	1,001	0.8	95
A30	Emerald House	Itabashi Ward, Tokyo	2,152.31	96	1,505	1,280	1,401	1.1	100
A31	Harmonie Ochanomizu	Bunkyo Ward, Tokyo	1,748.24	65	1,428	1,320	1,368	1.1	88
A32	Suncrest Shakujii-Koen	Nerima Ward, Tokyo	3,029.16	29	1,088	1,050	1,058	0.8	91
A33	Growth Maison Shin- Yokohama	Yokohama City, Kanagawa Prefecture	1,858.44	68	1,059	1,160	983	0.8	9'
A34	Belle Face Ueno- Okachimachi	Taito Ward, Tokyo	1,351.11	64	1,023	999	972	0.8	100
A35	Grand Rire Kameido	Koto Ward, Tokyo	1,562.26	72	906	949	844	0.7	100
A36	Growth Maison Ikebukuro	Toshima Ward, Tokyo	952.89	42	825	868	767	0.6	88
A37	Growth Maison Yoga	Setagaya Ward, Tokyo	1,015.34	39	795	697	758	0.6	94
A38	Route Tachikawa	Tachikawa City, Tokyo	1,368.57	24	676	616	646	0.5	90
A39	Shibuya-Honmachi Mansion	Shibuya Ward, Tokyo	1,167.50	25	651	609	656	0.5	89
A40	City Heights Kinuta	Setagaya Ward, Tokyo	1,235.93	19	646	479	647	0.5	94
A41	Acseeds Tower Kawaguchi- Namiki	Kawaguchi City, Saitama Prefecture	1,210.74	57	620	707	561	0.5	100
A42	Capital Heights Kagurazaka	Shinjuku Ward, Tokyo	1,126.65	26	604	556	616	0.5	94
A43	College Square Machida	Machida City, Tokyo	1,047.75	62	589	520	567	0.4	10
A44	Belair Meguro	Meguro Ward, Tokyo	557.05	25	589	592	568	0.4	10
A45	Wacore Tsunashima I	Yokohama City, Kanagawa Prefecture	907.46	50	572	511	541	0.4	9
A46	Foros Nakamurabashi	Nerima Ward, Tokyo	815.77	37	566	572	529	0.4	90
A47	Growth Maison Kaijin	Funabashi City, Chiba	2,040.27	34	557	458	528	0.4	8
A48	College Square Machiya	Prefecture Arakawa Ward, Tokyo	871.35	43	510	519	470	0.4	10
A51	City House Tokyo Shinbashi	Minato Ward, Tokyo	3,364.00	86	2,520	2,950	2,380	1.9	9'
A52	Winbell Kagurazaka	Shinjuku Ward, Tokyo	4,032.70	118	3,260	3,730	3,099	2.5	9:
A53	Nishiwaseda Cresent	Shinjuku Ward, Tokyo	4,310.77	69	1,880	2,310	1,879	1.4	9
A54	Mansion Lexington Square	Shinjuku Ward, Tokyo	1,987.88	88	1,450	1,680	1,360	1.1	9
A56	Akebonobashi Casa Eremitaggio	Meguro Ward, Tokyo	1,197.19	17	1,070	1,040	982	0.8	8
A59	Towa City Coop Shinotsuka	Toshima Ward, Tokyo	1,627.13	58	866	1,020	825	0.7	9
A61	II Bichsel Musashiseki	Nerima Ward, Tokyo	1,220.24	70	577	681	557	0.4	9
A62	Lexel Mansion Ueno	Taito Ward, Tokyo	1,969.45	29	970	1,120	885	0.7	10
A63	Matsugaya Towa City Coop Sengencho	Yokohama City, Kanagawa	3,426.36	154	1,110	1,320	1,033	0.8	8
A64	Royal Park Omachi	Prefecture Sendai City, Miyagi	1,929.59	51	415	520	394	0.3	9
A65	Lexington Square	Prefecture Sendai City, Miyagi	1,528.58	39	330	448	299	0.3	9
A66	Haginomachi Visconti Kakuozan	Prefecture Nagoya City, Aichi	705.75	8	255	258	237	0.2	7
A00	Lexington Square Daitabashi	Prefecture Suginami Ward, Tokyo	1,430.64	43	977	1,090	890	0.2	9
A72	Lexington Square Honjo								
	Azumabashi	Sumida Ward, Tokyo	784.74	33	1 180	576	459	0.4	9
A73	AMS TOWER Minami 6-Jo	Sapporo City, Hokkaido	4,460.56	120	1,180	1,150	1,029	0.9	8:
A75	Spacia Ebisu	Shibuya Ward, Tokyo	7,794.91	109	7,010	7,560	6,631	5.3	9:
A76	Neo Prominence	Kita Ward, Tokyo	3,574.70	52	1,660	1,820	1,642	1.3	9,
A77	Invoice Shin-Kobe Residence	Kobe City, Hyogo Prefecture Kobe City, Hyogo		81	1,260	1,410	1,228	1.0	8
A78	Cosmo Court Motomachi	Prefecture	2,310.49	82	973	1,050	946	0.7	90
A79	Revest Honjin	Nagoya City, Aichi Prefecture	1,933.80	80	674	761	656	0.5	10

Resi	A80	Revest Matsubara	Nagoya City, Aichi Prefecture	1,955.40	70	657	761	642	0.5	89.5
Residential	A81	Sun Terrace Minami Ikebukuro	Toshima Ward, Tokyo	898.70	38	625	695	610	0.5	97.4
	A82	Alba Noritake Shinmachi	Nagoya City, Aichi Prefecture	1,731.68	64	608	698	593	0.5	98.6
	A83	Revest Meieki Minami	Nagoya City, Aichi Prefecture	1,634.60	61	597	695	583	0.5	100.0
	A84	Revest Heian	Nagoya City, Aichi Prefecture	1,554.03	40	595	650	580	0.5	92.0
	A85	Vendir Hamaotsu Ekimae	Otsu City, Shiga Prefecture	2,670.66	81	581	684	563	0.4	88.4
	A86	Salvo Sala	Osaka City, Osaka Prefecutre	1,428.12	54	544	619	532	0.4	94.4
	A87	Excellente Kagurazaka	Shinjuku Ward,Tokyo	701.92	33	543	598	533	0.4	97.1
	A88	Luna Court Edobori	Osaka City, Osaka Prefecture	1,185.50	50	525	567	511	0.4	94.0
	A89	Winntage Kobe Motomachi	Kobe City, Hyogo Prefecture	1,433.35	57	512	585	497	0.4	94.7
	A90	Queen's Court Fukuzumi	Koto Ward, Tokyo	765.18	25	456	538	448	0.3	100.0
	A91	Corp Higashinotoin	Kyoto City, Kyoto Prefecture	1,029.05	42	446	493	437	0.3	95.7
	A92	Belair Oimachi	Shinagawa Ward, Tokyo	530.60	26	412	477	406	0.3	96.1
	A93	Siete Minami-Tsukaguchi	Amagasaki City, Hyogo Prefecture	1,020.86	40	374	418	367	0.3	92.6
	A94	Prime Life Sannomiya Isogami Koen	Kobe City, Hyogo Prefecture	789.12	32	373	429	364	0.3	93.8
	A95	HERMITAGE NANBA WEST	Osaka City, Osaka Prefecture	992.76	21	355	409	349	0.3	95.7
	A96	Century Park Shinkawa 1-bankan	Nagoya City, Aichi Prefecture	1,477.62	44	335	411	330	0.3	91.0
	A97	West Avenue	Kunitachi City, Tokyo	794.80	40	331	331	323	0.3	75.0
	A98	Little River Honmachibashi	Okasa City, Osaka Prefecture	974.81	31	310	374	306	0.2	96.9
	A99	Prime Life Mikage	Kobe City, Hyogo Prefecture	761.18	28	297	333	290	0.2	86.8
		Subtotal		109,584.45	3,413	58,083	62,209	55,269	44.3	93.7
Offic	B8	Kindai Kagakusha Building	Shinjuku Ward, Tokyo	1,451.54	13	1,301	1,040	1,232	1.0	100.0
e Buile	B9	Shinjuku Island	Shinjuku Ward, Tokyo	526.43	1	715	512	708	0.5	100.0
Office Buildings/Retail	B14	Lexington Plaza Nishigotanda	Shinagawa Ward, Tokyo	6,033.58	11	4,880	4,020	4,753	3.7	100.0
	B15	Cross Square NAKANO	Nakano Ward, Tokyo	2,145.00	45	1,060	944	1,069	0.8	70.8
Facilities	B16	Ohki Aoba Building	Sendai City, Miyagi Prefecture	2,178.41	13	816	665	749	0.6	100.0
	B17	Lexington Plaza Hachiman	Sendai City, Miyagi Prefecture	8,419.15	18	3,280	3,500	3,145	2.5	100.0
	B18	AEON TOWN Sukagawa	Sukagawa City, Fukushima Prefecture	18,440.58	1	2,320	2,320	2,032	1.8	100.0
		Subtotal		39,194.69	102	14,372	13,001	13,692	11.0	98.4
Parking Lots	C1	Stop Parking Kanda-Sudacho	Chiyoda Ward Tokyo	81.04	1	97	109	100	0.1	100.0
		Subtotal		81.04	1	97	109	100	0.1	100.0
Hotel	D1	Hotel MyStays Kanda	Chiyoda Ward, Tokyo	2,585.72	126	2,851	3,280	2,891	2.4	100.0
	D2	Hotel MyStays Asakusa	Sumida Ward, Tokyo	3,327.38	160	2,584	3,290	2,608	2.2	100.0
	D3	Hotel MyStays Kyoto-shijo	Kyoto-shi, Kyoto Prefecture	7,241.51	224	6,024	8,010	5,997	5.1	100.0
	D4	MyStays Shin-Urayasu Conference Center	Urayasu-shi, Chiba Prefecture	6,232.30	175	4,930	5,260	4,905	4.2	100.0
	D5	Hotel MyStays Maihama	Urayasu-shi, Chiba Prefectu re	2,456.36	90	4,870	5,080	4,846	4.1	100.0
	D6	Hotel Vista Premio Dojima	Osaka-shi, Osaka Prefecture	9,445.32	141	3,845	4,300	3,834	3.3	100.0
	D7	Hotel MyStays Nagoya-Sakae	Nagoya-shi, Aichi Prefecture	9,064.71	270	2,958	3,040	2,929	2.5	100.0
	D8	Hotel MyStays Sakaisuji-Honmachi	Osaka -shi, Osaka Prefecture Yokohama-shi, Kanagawa	4,188.83	190	2,514	3,250	2,508	2.1	100.0
	D9	Hotel MyStays Yokohama	Prefecture	7,379.43	190	2,119	2,590	2,108	1.8	100.0
	D10	Hotel MyStays Nippori Hotel MyStays	Arakawa Ward , Tokyo Fukuoka-shi, Fukuoka	1,719.29	93	1,898	2,140	1,891	1.6	100.0
	D11	Fukuoka-Tenjin-Minami	Pukuoka-sni, Pukuoka Prefecture	3,412.71	177	1,570	1,740	1,567	1.3	100.0

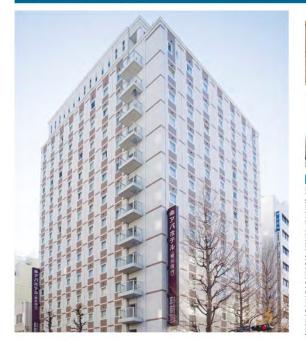
D12	Flexstay Inn Iidabashi	Shinjuku Ward, Tokyo	2,953.38	59	1,381	1,600	1,375	1.1	100
D13	Hotel MyStays Ueno Inaricho	Taito Ward, Tokyo	1,150.76	72	1,331	1,780	1,315	1.0	100
D14	Flexstay Inn Shinagawa	Shinagawa Ward, Tokyo	1,134.52	55	1,242	1,540	1,236	0.9	10
D15	Flexstay Inn Tokiwadai	Itabashi Ward, Tokyo	2,539.75	129	1,242	1,440	1,241	0.9	10
D16	Flexstay Inn Sugamo	Toshima Ward, Tokyo	2,089.86	104	1,192	1,410	1,181	0.9	10
D17	Hotel MyStays Otemae	Osaka-shi, Osaka	4,956.66	110	1,192	1,730	1,187	0.9	10
D18	Flexstay Inn Kiyosumi Shirakawa	Koto Ward, Tokyo	2,673.64	55	749	848	748	0.6	10
D19	Flexstay Inn Nakanobu P1	Shinagawa Ward, Tokyo	770.56	39	589	659	588	0.4	10
D20	Flexstay Inn Nakanobu P2	Shinagawa Ward, Tokyo	391.49	22	283	318	285	0.2	10
D21	APA Hotel Yokohama-Kannai	Yokohama City, Kanagawa Prefecture	6,568.51	451	8,350	8,600	8,341	6.4	10
D22	Hotel Nets Hakodate	Hakodate City, Hokkaido	7,961.26	202	2,792	2,870	2,792	2.1	10
D23	Flexstay Inn Shirogane	Minato Ward, Tokyo	1,754.06	84	2,119	2,140	2,122	1.6	10
	Subtotal		91,998.01	3,218	58,634	71,555	58,211	44.7	10
	Total		240,858.19	6,734	131,188	146,874	127,274	100.0	

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

### Uverview of the properties acquired in 2015 (20 properties)

### **3 Hotels Acquired in February**

APA Hotel Yokohama-Kannai





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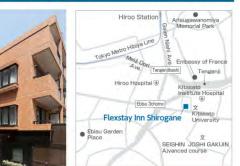
Name of Property	APA Hotel Yokohama-Kannai		
Location	3-37-2 Sumiyoshi, Naka-ku, Yokohama City, Kanagawa		
Access	About 3 minute's walk from JR Line Kannai Station		
Date of Construction	April 2005		
Number of Guest Rooms	451		
Total Floor Area	6,568.51m		
Land Area	831.88m		
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	-		
ADR (2014) (2) (5)	JPY 7,151		
Occupancy Rate (2014) (3) (5)	94.5%		
RevPAR (2014) (4) (5)	JPY 6,758		
Gross Revenue (2014)	JPY 1,175mn		
GOP / GOP % (2014) (5)	JPY 770mn / 65.5%		
NOI (2014)	JPY 440mn		
Overseas Sales Share (2014)			
Renovation Date			
Leasing Contract	Fixed rent plus variable rent type		

### Hotel Nets Hakodate



	Goryokaku Park
Gorya	okaku Tower
X	Hakodate Goryoukaku Hospital
Goryoukaku mae	otel Nets Hakodate
Goryoukaku mae Goryokaku n mae Station marui imal department store	Hakodate City Tram Hakodate City Tram Hakodate Suginamicho Honcho Ichiba Station (Market)

### Flexstay Inn Shirogane



Name of Property	Hotel Nets Hakodate
Location	26-17 Motomachi Hakodate City, Hokkaido
Access	About 1 minute walk from Goryoukakukouenmae Station
Date of Construction	February 2008
Number of Guest Rooms	202
Total Floor Area	7,961.26m
Land Area	1,843.03ml
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	-
ADR (2014) (2) (5)	JPY 6,355
Occupancy Rate(2014) (3) (5)	77.1%
RevPAR (2014) (4) (5)	JPY 4,897
Gross Revenue (2014)	JPY 406mn
GOP / GOP % (2014) (5)	JPY 162mn / 39.9%
NOI (2014)	JPY 139mn
Overseas Sales Share (2014)	-
Renovation Date	-
Leasing Contract	Fixed rent plus variable rent type

Name of Property	Flexstay Inn Shirogane
Location	5-10-15 Shirokane, Minato Ward, Tokyo
Access	About 12 minute's walk from Tokyo Metro Hibiya Line, Hiroo Station
Date of Construction	December 1984
Number of Guest Rooms	84
Total Floor Area	1,754.06m
Land Area	528.73m
Daily / Weekly / Monthly % <sup>(1)(5)</sup> (2014 Actual)	48.7% / 23.4% / 28.0%
ADR (2014) (2) (5)	JPY 5,883
Occupancy Rate (2014) (3) (5)	86.7%
RevPAR (2014) (4) (5)	JPY 5,099
Gross Revenue (2014)	JPY 163mn
GOP / GOP % (2014) <sup>(5)</sup>	JPY 95mn / 58.2%
NOI (2014)	JPY 90mn
Overseas Sales Share (2014)	3.9%
Renovation Date	March 2013
Leasing Contract	Fixed rent plus variable rent type

(Note 1) Types of accommodations (Daily, Weekly and Monthly) are based on the gross revenue from January 2014 to December 2014 (full year). (Daily =  $1 \sim 6$  days, Weekly =  $7 \sim 29$  days and Monthly = 30 days or more)

(Note 2) ADR, or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.

(Note3) "Occupancy rates" are calculated in accordance with the following formula:

Occupancy rates = total number of occupied rooms during a certain period / (the total number of rooms available during the same period x

total operating days during the same period) (Note 4) RevPAR, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms available for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate multiplied with ADR.

### 11 Hotels Acquired in July

### Hotel MyStays Haneda







Name of Property	Hotel MyStays Haneda
Location	5-1-13 Haneda, Ota Ward, Tokyo
Access	About 4 minute's from Anamoriinari station on Keihin-Kyuko Line
Date of Construction	April 2001
Number of Guest Rooms	174
Total Floor Area	5,400.16m
Land Area	2,226.95m
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	94.6% / 3.1% / 2.4%
ADR (2014) (2) (5)	JPY 9,567
Occupancy Rate (2014) (3) (5)	93.3%
RevPAR (2014) (4) (5)	JPY 8,925
Gross Revenue (2014)	JPY 159mn
GOP / GOP % (2014) (5)	JPY 94mn / 59.3%
NOI (2014)	JPY 90mn
Overseas Sales Share (2014)	13.6%
Conversion Date	November 2013 - August 2014
Leasing Contract	Fixed rent plus variable rent type

### Hotel MyStays Kameido P1



### Hotel MyStays Ueno Iriyaguchi



Name of Property	Hotel MyStays Kameido P1	Name of Property	Hotel MyStays Ueno Iriyaguchi
Location	6-32-1 Kameido, Koto Ward, Tokyo	Location	5-5-13 Higashi-Ueno, Taito Ward, Tokyo
Access	About 5 minute's from Kameido station on JR Sobu Line	Access	About 5 minute's from Ueno station on JR Yamanote/Keihin-Tohoku Lines et
Date of Construction	March 1991	Date of Construction	November 1985
Number of Guest Rooms	265	Number of Guest Rooms	97
Total Floor Area	4,349.67m	Total Floor Area	2,247.92m
Land Area	1,615.30m	Land Area	402.21m
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	55.9% / 15.9% / 28.2%	Daily / Weekly / Monthly % (1) (5) (2014 Actual)	92.8% / 1.2% / 6.0%
ADR (2014) (2) (5)	JPY 5,391	ADR (2014) (2) (5)	JPY 8,941
Occupancy Rate (2014) (3) (5)	82.6%	Occupancy Rate (2014) (3) (5)	85.8%
RevPAR (2014) (4) (5)	JPY 4,455	RevPAR (2014) (4) (5)	JPY 7,675
Gross Revenue (2014)	JPY 467mn	Gross Revenue (2014)	IPY 278mn
GOP / GOP % (2014) (5)	JPY 285mn / 61.0%	GOP / GOP % (2014) (5)	JPY 164mn / 59.3%
NOI (2014)	JPY 270mn	NOI (2014)	JPY 156mn
Overseas Sales Share (2014)	3.7%	Overseas Sales Share (2014)	47.2%
Renovation Date	January 2012 - March 2012	Renovation Date	January 2014 - March 2014
Leasing Contract	Fixed rent plus variable rent type	Leasing Contract	Fixed rent plus variable rent type

(Note 1) Types of accommodations (Daily, Weekly and Monthly) are based on the gross revenue from January 2014 to December 2014 (full year). (Daily = 1 ~6 days, Weekly = 7~29 days and Monthly = 30 days or more) (Note 2) ADR, or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total

number of sold rooms for the same period.

(Note3) "Occupancy rates" are calculated in accordance with the following formula:

Occupancy rates = total number of occupied rooms during a certain period / (the total number of rooms available during the same period x total operating days during the same period)

(Note 4) RevPAR, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms available for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate multiplied with ADR.

### Hotel MyStays Kameido P2







Name of Property	Hotel MyStays Kameido P2
Location	6-7-8 Kameido, Koto Ward, Tokyo
Access	About 5 minute's from Kameido station on JR Sobu Line
Date of Construction	March 1991
Number of Guest Rooms	175
Total Floor Area	2,793.99m
Land Area	652.82m
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	59.4% / 10.9% / 29.7%
ADR (2014) (2) (5)	JPY 5,010
Occupancy Rate(2014) (3) (5)	89.2%
RevPAR (2014) (4) (5)	JPY 4,469
Gross Revenue (2014)	JPY 306mn
GOP / GOP % (2014) (5)	JPY 190mn / 62.3%
NOI (2014)	181mn
Overseas Sales Share (2014)	6.4%
Renovation Date	January 2013 - March 2013
Leasing Contract	Fixed rent plus variable rent type

Name of Property	Hotel Vista Shimizu
Location	1-23 Masagomachi, Shimizu-Ku, Shizuoka City, Sizuoka Prefecture
Access	About 3 minute's from Shimizu station on JR Tokaido Line
Date of Construction	January 2007
Number of Guest Rooms	152
Total Floor Area	3,559.81m
Land Area	999.17m
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	-
ADR (2014) (2) (5)	JPY 6,300
Occupancy Rate(2014) (3) (5)	78.0%
RevPAR (2014) (4) (5)	JPY 4,916
Gross Revenue (2014)	JPY 301mn
GOP / GOP % (2014) (5)	JPY 127mn / 42.3%
NOI (2014)	JPY 120mn
Overseas Sales Share (2014)	0.4%
Renovation Date	-
Leasing Contract	Fixed rent plus variable rent type

### Super Hotel Shinbashi/ Karasumoriguchi





Flexstay Inn Higashi-Jujo



Name of Property	Super Hotel Shinbashi/ Karasumoriguchi	Name of Property	Flexstay Inn Higashi-Jujo		
Location	5-16-4 Shinbashi, Minato Ward, Tokyo	Location	2-10-2 nakajujo, Kita Ward, Tokyo		
Access	About 5 minute's from Shinbashi station on JR Yamanote/Keihin-Tohoku Lines etc.	Access	About 2 minute's from Higashijujo station on JR Keihin-Tohoku Line		
Date of Construction	February 2008	Date of Construction	June 1986		
Number of Guest Rooms	74	Number of Guest Rooms	88		
Total Floor Area	1,403.89m	Total Floor Area	1,714.53m		
Land Area	234.96m	Land Area	826.31m		
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	-	Daily / Weekly / Monthly % <sup>(1)(5)</sup> (2014 Actual)	52.7% / 13.2% / 34.1%		
ADR (2014) (2) (5)	-	ADR (2014) (2) (5)	JPY 4,165		
Occupancy Rate(2014) (3) (5)	-	Occupancy Rate(2014) (3) (5)	84.3%		
RevPAR (2014) (4) (5)	-	RevPAR (2014) (4) (5)	JPY 3,512		
Gross Revenue (2014)		Gross Revenue (2014)	JPY 123mn		
GOP / GOP % (2014) (5)	-/-	GOP / GOP % (2014) (5)	JPY 62mn / 51.0%		
NOI (2014)	JPY 70mn	NOI (2014)	JPY 57mn		
Overseas Sales Share (2014)	-	Overseas Sales Share (2014)	11.6%		
Renovation Date	-	Renovation Date	March 2013		
Leasing Contract	Fixed rent	Leasing Contract	Fixed rent plus variable rent type		

(Note 1) Types of accommodations (Daily, Weekly and Monthly) are based on the gross revenue from January 2014 to December 2014 (full year). (Daily =  $1 \sim 6$  days, Weekly =  $7 \sim 29$  days and Monthly = 30 days or more)

(Note 2) ADR, or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.

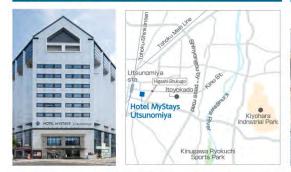
(Note3) "Occupancy rates" are calculated in accordance with the following formula:

Occupancy rates = total number of occupied rooms during a certain period / (the total number of rooms available during the same period x total operating days during the same period)

(Note 4) RevPAR, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms available for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate multiplied with ADR.

### Hotel MyStays Utsunomiya

### Flexstay Inn Kawasaki-Kaizuka





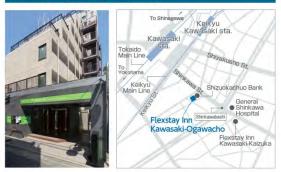
Name of Property	Hotel MyStays Utsunomiya	
Location	2-4-1 Higashishukugo, Utsunomiya City, Tochigi Prefecture	
Access	About 3 minute's from Utsunomiya station JR Tohoku Shinkansen/Tohoku Honsen/Nikko Lin	
Date of Construction January 1990		
Number of Guest Rooms	116	
Total Floor Area	11,733.23m	
Land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

Name of Property	Flexstay Inn Kawasaki-Kaizuka	
Location	1-13-2 Kaizuka, Kawasaki-Ku, Kawasaki City, Kanagawa Prefecture	
Access	About 10 minute's from Kawasaki station on JR Keihin-Tohoku/Nanbu Line	
Date of Construction	April 1990	
Number of Guest Rooms	64	
Total Floor Area	1,190.57ml	
Land Area	785.94m	
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	21.5% / 21.5% / 57.0%	
ADR (2014) (2) (5)	JPY 4,642	
Occupancy Rate(2014) (3) (5)	86.0%	
RevPAR (2014) (4) (5)	JPY 3,990	
Gross Revenue (2014)	JPY 101mn	
GOP / GOP % (2014) (5)	JPY 55mn / 55.4%	
NOI (2014)	JPY 51mn	
Overseas Sales Share (2014)	0.1%	
Renovation Date	January 2014 - March 2014	
Leasing Contract Fixed rent plus variable rent typ		

### Comfort Hotel Toyama



### Flexstay Inn Kawasaki-Ogawacho



Name of Property	Comfort Hotel Toyama	Name of Property	Flexstay Inn Kawasaki-Ogawacho
Location	1-3-2 Takara-machi, Toyama City, Toyama Prefecture	Location	15-9 Ogawa-cho, Kawasaki-Ku, Kawasaki City, Kanagawa Prefecture
Access	About 2 minute's from Toyama station on JR Hokuriku-honsen	Access	About 6 minute's from Kawasaki station on JR Tokaido/Keihin-Tohoku/Nanbu Line
Date of Construction	March 2007	Date of Construction	April 1989
Number of Guest Rooms	150	Number of Guest Rooms	62
Total Floor Area	3,305.64m	Total Floor Area	725.60m
Land Area	547.81m	Land Area	319.56m
Daily / Weekly / Monthly % (1) (5) (2014 Actual)		Daily / Weekly / Monthly % (1)(5) (2014 Actual)	17.2% / 29.7% / 53.1%
ADR (2014) (2) (5)	JPY 5,930	ADR (2014) (2) (5)	JPY 4,045
Occupancy Rate(2014) (3) (5)	76.5%	Occupancy Rate(2014) (3) (5)	86,0%
RevPAR (2014) (4) (5)	JPY 4,539	RevPAR (2014) (4) (5)	JPY 3,479
Gross Revenue (2014)	-	Gross Revenue (2014)	JPY 86mn
GOP / GOP % (2014) (5)	-/-	GOP / GOP % (2014) (5)	JPY 45mn / 52.2%
NOI (2014)	JPY 63mn	NOI (2014)	JPY 42mn
Overseas Sales Share (2014)	-	Overseas Sales Share (2014)	0.8%
Renovation Date	-	Renovation Date	February 2014 - March 2014
Leasing Contract	Fixed rent	Leasing Contract	Fixed rent plus variable rent type

(Note 1) Types of accommodations (Daily, Weekly and Monthly) are based on the gross revenue from January 2014 to December 2014 (full year). (Daily =  $1 \sim 6$  days, Weekly =  $7 \sim 29$  days and Monthly = 30 days or more)

(Note 2) ADR, or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.

(Note3) "Occupancy rates" are calculated in accordance with the following formula:

Occupancy rates = total number of occupied rooms during a certain period / (the total number of rooms available during the same period x total operating days during the same period)

(Note 4) RevPAR, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms available for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate multiplied with ADR.

### **3** Residential Properties Acquired in July



1-6-3 Kitaichijohigashi, Chuo-Ku, Sapporo City, Hokkaido 5 minutes walk from Bus Center mae Station on Sapporo Metro Line November 2007	
Station on Sapporo Metro Line November 2007	
Reinforced concrete, roof deck, 15 stories with basement	
127	
5,230.18sqm	
920.62sqm	
98.1%	
JPY93mn	
JPY6,304 (+1.20%)	
Pass through master lease	

Sense Asek	a. Tokyo Skytree Tobu Kameido
	Honjoazumabashi sta. Honjoazumabashi sta.
Name of Property	Ushiage sta. Sta. Subway Hanzomon Line
Name of Property Location	Ushinge sta. Sta. Sta. Sta. Subway Hanzomon Line Lieto Court Mukojima 5-45-10 Mukojima, Sumida Ward, Tokyc
	Ushinge sta. Sta. Sta. Sta. Subway Hanzomon Line Lieto Court Mukojima 5-45-10 Mukojima, Sumida Ward, Tokyc
Location	Ushiage sta. 
LocationAccess	Ushiage sta. Sta. Sta. Subway Hanzomon Line Lieto Court Mukojima 5-45-10 Mukojima, Sumida Ward, Tokyo 9 minutes walk from Hikifune Station or Tobu Isesaki Line February 2008
Location Access Date of Construction	Honjoazumabashi sta. Subway Lieto Court Mukojima 5-45-10 Mukojima, Sumida Ward, Tokyc 9 minutes walk from Hikifune Station or Tobu Isesaki Line February 2008
Location Access Date of Construction Structure & Floors	Honjoazumabashi sta. Sta. Subway. Hanzonon Line <u>Lieto Court Mukojima</u> 5-45-10 Mukojima, Sumida Ward, Tokyo 9 minutes walk from Hikifune Station or Tobu Isesaki Line February 2008 Reinforced concrete, roof deck, 8 stories
Location Access Date of Construction Structure & Floors Total Leasable Units	Ushiage sta. Subway Hanzomon Line Lieto Court Mukojima 5-45-10 Mukojima, Sumida Ward, Tokyco 9 minutes walk from Hikifune Station or Tobu Isesaki Line February 2008 Reinforced concrete, roof deck, 8 stories 82
Location Access Date of Construction Structure & Floors Total Leasable Units Total Leasable Area Land Area	Ushinge sta. Sta. Sta. Sta. Subway Hanzomori Line 5-45-10 Mukojima, Sumida Ward, Tokyc 9 minutes walk from Hikifune Station or Tobu Isesaki Line February 2008 Reinforced concrete, roof deck, 8 stories 82 2,940.20sqm
Location Access Date of Construction Structure & Floors Total Leasable Units Total Leasable Area	Ushinge sta. Sta. Subway Hanzomon Line Lieto Court Mukojima 5-45-10 Mukojima, Sumida Ward, Tokyo 9 minutes walk from Hikifune Station or Tobu Isesaki Line February 2008 Reinforced concrete, roof deck, 8 stories 82 2.9940.20sqm 817.71sqm
Location Access Date of Construction Structure & Floors Total Leasable Units Total Leasable Area Land Area Occupancy Rate (Jul. 31, 2015)	Ushiage Sta

### Lieto Court Nishi-Ojima

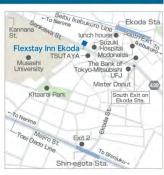


Location	2-41-14 Oshima, Koto Ward, Tokyo	
Access	1 minute walk from Nishi-Ojima Stat on Toei Line	
Date of Construction	February 2008	
Structure & Floors	Steel-reinforced concrete, roof deck, 14 stories	
Total Leasable Units	91	
Total Leasable Area	2,048.28sqm	
Land Area	440.07sqm	
Occupancy Rate (Jul. 31, 2015)	97.7%	
NOI (2014)	JPY77mn	
JPY per Tsubo (2014) (YoY)	JPY13,041 (+0.03%)	
Leasing Contract	Pass through master lease	

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

## **3** Hotels Acquired in August

# Flexstay Inn Ekoda



# Super Hotel Tokyo-JR Tachikawa Kitaguchi



Name of Property	Flexstay Inn Ekoda	
Location	8-6, Sakaecho, Nerima-ku, Tokyo	
Access 4 minutes walk from Seibu-Ikebukuro		
Date of Construction January 1989		
Number of Guest Rooms 210		
Total Floor Area 3,932.93m		
and Area 761.18m		
Daily / Weekly / Monthly % (1) (5) (2014 Actual) 32.8% / 23.3% / 43.9%		
ADR (2014) (2) (5)	JPY 4,438	
ccupancy Rate(2014) <sup>(3) (5)</sup> 88.4%		
RevPAR (2014) (4) (5)	JPY 3,923	
Gross Revenue (2014)	JPY 322mn	
GOP / GOP % (2014) <sup>(5)</sup> JPY 201mn / 62,3%		
NOI (2014)	JPY 190mn	
Overseas Sales Share (2014)	2.0%	
Renovation Date	January 2013 - March 2013	
Leasing Contract	Fixed rent plus variable rent type	

Name of Property	Super Hotel Tokyo-JR Tachikawa Kitaguchi	
cation 2-21-9, Akebonocho, Tachikawa Ci		
Access	5 minutes walk from JR Chuo Line, Tachikawa Station	
Date of Construction	January 2007	
Number of Guest Rooms	96	
Total Floor Area	1,832.97m	
Land Area	379.63m	
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	-	
ADR (2014) (2) (5)	-	
Occupancy Rate(2014) (3) (5)	-	
RevPAR (2014) (4) (5)	-	
Gross Revenue (2014)	-	
GOP / GOP % (2014) <sup>(5)</sup>	-	
NOI (2014)	JPY 54mn	
Overseas Sales Share (2014)	-	
Renovation Date	-	
Leasing Contract	Fixed rent	

### Super Hotel JR Ueno-iriyaguchi



Name of Property	Super Hotel JR Ueno-iriyaguchi	
Location	7-9-14, Ueno, Taito-ku, Tokyo	
Access	3 minutes walk from JR Yamanote/Keihin-Tohoku Lines etc, Ueno statio	
Date of Construction March 2006		
Number of Guest Rooms	69	
Total Floor Area	1,279.16m	
Land Area	178.49m	
Daily / Weekly / Monthly % (1) (5) (2014 Actual)	-	
ADR (2014) (2) (5)		
Occupancy Rate(2014) (3) (5)	÷	
RevPAR (2014) (4) (5)		
Gross Revenue (2014)		
GOP / GOP % (2014) (5)	-	
NOI (2014)	JPY 47mn	
Overseas Sales Share (2014)		
Renovation Date		
Leasing Contract	Fixed Rent	

(Note 1) Types of accommodations (Daily, Weekly and Monthly) are based on the gross revenue from January 2014 to December 2014 (full year). (Daily =  $1 \sim 6$  days, Weekly =  $7 \sim 29$  days and Monthly = 30 days or more) (Note 2) ADR, or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total

number of sold rooms for the same period.

"Occupancy rates" are calculated in accordance with the following formula: (Note3)

Occupancy rates = total number of occupied rooms during a certain period / (the total number of rooms available during the same period x total operating days during the same period)

(Note 4) RevPAR, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms available for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate multiplied with ADR.

### Information for Unitholders

### Notification Process for Address Changes

Please notify your brokerage (financial instruments business operator) regarding changes to addresses, names, registered seals, and the like. Unitholders who have special accounts instead of brokerage accounts should contact the transfer account management institution (financial instruments business operator) below.

Unitholders of the pre-merger Investment Corporation (former Tokyo Growth REIT Fund) Mitsubishi UFJ Trust and Banking Corporation Limited Toll-free Number: 0120-255-100

Unitholders of the former LCP Investment Corporation Sumitomo Mitsui Trust Bank, Limited Toll-free Number: 0120-782-031

### Dividends

Unitholders may collect "dividends" by submitting the "Dividends Receipt" at your local Japan Post Bank or at the deposit teller of a post office. In the case that the collection period is past, please specify the collection method on the back of the "Dividends Receipt," and either mail the receipt to the Transfer Agent Department of the Sumitomo Mitsui Trust Bank, Limited or collect from a branch teller.

### (Bank Transfers)

Should you desire to specify bank transfers for future dividends, please notify your brokerage (financial instruments business operator).

(Note) Please collect dividends within 3 years of distribution. Please note that payments cannot be made after 3 years due to the rules and regulations of the Articles of Incorporation of the Investment Corporation.

### **Notification**

### (Notice of Dividend Payment)

The 2008 amendment of the Special Taxation Measures Law (Act No. 23 of April 30, 2008) mandated the sending to unitholders a "Notice of Dividend Payment" stating the dividend amount, amount of taxes withheld, and the like. If you collect dividends via a "Dividends Receipt," please view the "Notice of Dividend Payment" sent alongside it. If you have specified a wire transfer, the

"Dividend Statement" delivered with the dividend payment is the "Notice of Dividend Payment." Both documents may be used as supporting documents when filing income tax returns.

### (Characters for Addresses and Names of Unitholders)

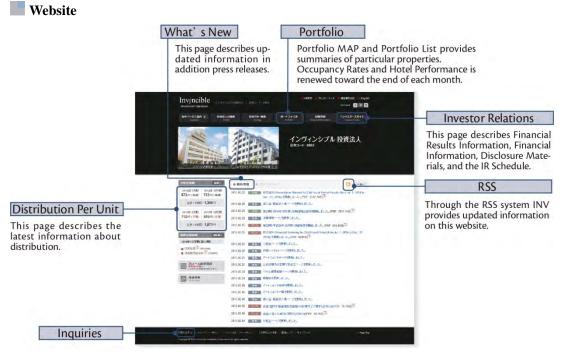
With the digitization of investment securities, if there are Chinese characters in your address or names that the Japan Securities Depository Center (JASDEC) has not included in the transfer system, please list in the Investors' Registry by converting part or all of the characters to those that JASDEC has included in the transfer system or to katakana. Please be aware that correspondence may be addressed using characters that JASDEC has included in the transfer system. Please inquire with your brokerage regarding characters registered for your address and name.

### Annual Schedule



### Inquiries

For inquiries regarding INV: Consonant Investment Management Co., Ltd. TEL: 03-5411-2731 (Main) Weekdays 9:30-17:30



INV Website

http://www.invincible-inv.co.jp/

Investors' Registry	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome,
Administrator	Chiyoda-ku, Tokyo
Special Account Management	<unitholders former="" fund="" growth="" of="" reit="" the="" tokyo=""></unitholders>
Institution	Mitsubishi UFJ Trust and Banking Corporation Limited
	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
	<unitholders corporation="" forme="" investment="" lcp="" of="" the=""></unitholders>
	Sumitomo Mitsui Trust Bank, Limited
	4-1, Marunouchi 1-chome Chiyoda-ku, Tokyo
Correspondence	Transfer Agent Department, Sumitomo Mitsui Trust Bank,
	Limited
	8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063
(Telephone Assistance)	Toll-free Telephone Number 0120-782-031
	Administrative services are available at the main and branch
	offices throughout
	Japan of Sumitomo Mitsui Trust Bank, Limited

### For Unitholders