22nd Fiscal Period Results

(January 1, 2014 to June 30, 2014)

August 28, 2014

Invincible Investment Corporation

Invincible Investment Corporation

TSE Code: 8963

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

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(Note) In this document, unless described otherwise, figures are rounded down to the indicated amount and percentages are rounded to first decimal place.

Financial Highlights – 22nd Fiscal Period (1H/2014)

Invincible Investment Corporation

Repositioning of Portfolio

Sale of 7 Senior Housing Properties (May 22,2014)

# of properties	7
Aggregate sales price	JPY 5,400 mn
Profit on sale	JPY 1,003 mn
Sales NOI yield(1)	5.74%

- Senior housing has relatively limited upside due to long term and fixed rent lease contracts
- Taking advantage of the increase in investment activity in the senior housing market, Invincible sold each property at an attractive cap rate, thus generating a profit on sale

Acquisition of 2 Limited Service/Extended Stay Hotels Located in Tokyo (May 23,2014)

# of properties	2
Aggregate acquisition price	JPY 5,435 mn
Aggregate appraisal value	JPY 5,490 mn
Acquisition normalized NOI yield(2)	6.01%



Hotel MyStays Kanda, Tokyo



Hotel MyStays Asakusa, Tokyo

- Focus on asset class with expanding market share in the hospitality market
- Increased demand from foreign and domestic tourists, as well as steady demand from business customers

Acquisition of quality assets with stable income and rent upside to promote internal revenue growth

Debt Refinancing (May 23,2014)

- Refinanced Prudential LPS Loan at 2.50% interest with Syndicate Loan (B) at 0.95% interest(4) (one-month JPY TIBOR + 0.80%)
- Further strengthened bank formation by adding Mizuho Bank and Sumitomo Mitsui Trust Bank as new lenders

Interest-Bearing Debt Profile Before Refinancing

(as of December 31, 2013)

Loans	Balance (mn JPY)	Interest Rate
New Syndicate Loan (A)	20,350	*1.65%(3)*
Prudential LPS Loan	**11,000**	**2.50%**
Prudential LPS Loan B	9,960	1.90%
Total／Average	**41,310**	**1.94%**

Refinancing of Prudential LPS Loan and Partial Paydown of Syndicate Loan (A) with New Syndicate Loan (B)

Interest-Bearing Debt Profile After Refinancing

(as of June 30, 2014)

Loans	Balance (mn JPY)	Interest Rate
New Syndicate Loan (B)	***13,488***	***0.95%(4)***
New Syndicate Loan (A)	*17,552*	*1.65%(3)*
Prudential LPS Loan B	9,960	1.90%
Total／Average	**41,000**	**1.48%**

One-month TIBOR + 0.80% sets a new benchmark for Invincible's borrowing costs

Announced Implementation of Global Public Offering, Refinancing and Acquisition of Properties (June 23, 2014)

- Acquired 18 limited service/extended stay hotels using funds procured via public offering and borrowings
- Further reduced borrowing costs through debt refinancing and strengthened bank formation

Enhanced Unitholder Value through internal and external growth

Dividend

- Net income for the 22nd Fiscal Period outperformed initial forecasts(5) by JPY 170 million (23%), increasing to JPY 901 million
- Distribution per unit exceeded initial forecasts(5) by JPY 109 (23%), reaching JPY 573

22nd Fiscal Period (1H/2014)	Initial Forecast(5)	Revision of Forecast (May 21, 2014)	Results
Distribution per unit	*JPY 464*	*JPY 550*	*JPY 573*

Achieved dividend that exceeds forecast as of May 21 without reversal of Surplus or excess profit distribution

Forecast distribution per unit for the 23rd Fiscal Period:
As Initial Forecast(5) JPY 600, outperforming the 22nd Fiscal Period by JPY 27 (4.7%)
Forecasts expect no reversal of Surplus or excess profit distribution

Stabilized earnings per unit for 2014(6) will rise JPY 12 (1.0%) from JPY 1,216 to JPY 1,228

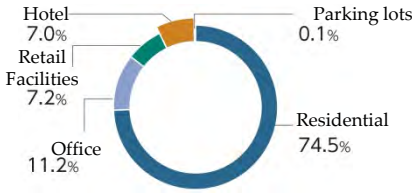
(Note 1) The sales NOI cap rate was calculated based on 2013 NOI, sum of the 20th and 21st period NOI attributed to 7 senior housing properties of JPY 309.8 mn divided by the aggregate sales price.
(Note 2) The acquisition normalized NOI yield has been calculated by dividing the aggregate 2014 normalized NOI forecast for the two hotels at the time of acquisition by the aggregate acquisition price. The aggregate 2014 normalized NOI forecast assumes a hypothetical acquisition of the two hotels by Invincible immediately prior to the beginning of 1H/2014, and is based on (i) historical figures provided by FHM for the two properties from January through March 2014 (as adjusted to reflect an expected change in trust fees, management fees and insurance expenses upon the acquisition by Invincible), (ii) Invincible's forecasted figures for the remaining period (figures that are consistent with the assumptions used to calculate the forecast) and (iii) treating initial property-related taxes for the two hotels as if they were expensed and not capitalized.
(Note 3) 1 month TIBOR + 1.50%. As for the first interest calculation period, two-month TIBOR + 1.50%.
(Note 4) 1 month TIBOR + 0.80%. As for the first interest calculation period, two-month JPY TIBOR + 0.80%.
(Note 5) Initial forecast for the 22nd fiscal period (1H/2014) announced in the financial summary dated February 26, 2014.
(Note 6) Total of the stabilized earnings per unit of the 22nd fiscal period (1H/2014) and 23rd fiscal period (2H/2014) announced in the press release dated June 23, 2014. Stabilized earnings per unit refer to earnings per unit calculated by first assuming the financial results for the fiscal period ending December 2014 and then eliminating the effects of such factors as one-time expenses related to public offering, acquisition of properties associated with it and refinancing, and treating all assets acquired during the 22nd fiscal period as if the acquisitions had occurred prior to the start of the fiscal period ending June 2014 (assumed that property taxes and city planning taxes are expensed from the beginning of the fiscal period ending June 2014).

Global Offering of Investment Units (Implemented on July 17, 2014)

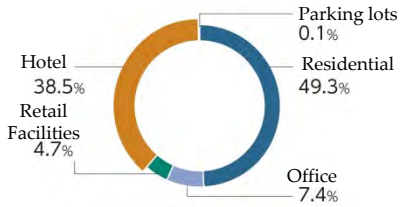
■ Repositioning of Portfolio

	Before Follow-On Offering		Properties to be Acquired		After Follow-On Offering
Number of properties	73	+	18	=	91
Acquisition price	JPY 77.9bn	+	JPY 39.9bn	=	JPY 117.9bn
Appraisal value(1)	JPY 77.2bn	+	JPY 40.3bn	=	JPY 117.6bn
NOI Yield	5.16%(2)	+	6.45%(2)	=	5.59%(2)
NOI Yield after depreciation	3.74%	+	4.54%	=	4.02%

■ Ratio of hotel properties in portfolio increased (Based on acquisition price)







■ Debt Refinancing

Loans	Balance (mn JPY)	Interest Rate
New Syndicate Loan (B)	**13,488**	**0.95%(3)**
New Syndicate Loan (A)	**17,552**	**1.65%(4)**
Prudential LPS Loan B	9,960	1.90%
Total／Average Interest Rate	**41,000**	**1.48%**

(As of Jun. 30, 2014)

Loans	Balance (mn JPY)	Interest Rate
New Syndicate Loan (C)	**57,300**	**0.98%(3)**
Prudential LPS Loan B	9,960	1.90%
Total／Average Interest Rate	**67,260**	**1.09%**

(As of Jul. 31, 2014)

■ Offering Overview

Offering Size (incl. Overallotment)	• Approx. JPY 26.4 bn
Number of Units (incl. Overallotment)	• Total: 1,165,658 ➢ Newly Issued Units: 1,095,507 of which, Domestic：582,829 Overseas：512,678 ➢ Secondary Units: 70,151
Offering Format	• Domestic Public Offering • Overseas Offering :144A/Regulation S
Domestic/International Split	• 50% : 50%
Lock-up Agreements	• 90 days for the Issuer • 180 days for the sponsor (Fortress affiliates)
Joint Global Coordinators	• SMBC Nikko, Citigroup

(Note 1) For existing properties, appraisal value as of June 30, 2014; and for 18 hotel properties, appraisal value as of April 30, 2014
(Note 2) NOI yield is calculated by dividing the sum of the historical figures of 22nd fiscal period and forecasted figures of 23rd fiscal period by the aggregate acquisition price. Although INV actually recognizes GOP without deduction of hotel expenses for one-month after the acquisition of hotels, NOI yield is calculated assuming the hotel expenses are incurred.

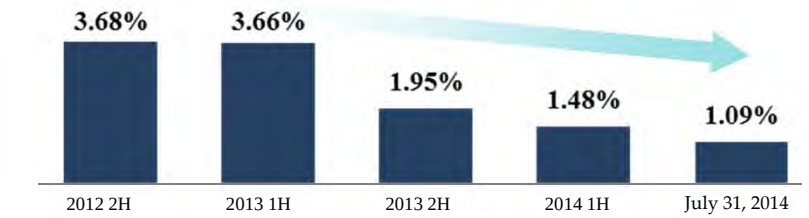
(Note 3) 1 month TIBOR+0.80%. As for the first interest calculation period, 2 months TIBOR+0.80%
(Note 4) 1 month TIBOR+1.50%. As for the first interest calculation period, 2 months TIBOR+1.50%
(Note 5) The amount is calculated by multiplying 1,165,658 units, the number of investment units newly issued and the investment units offered (including overallotment secondary offering) by the issue price of JPY 22,688 and differ from the actual amount of proceeds.

Reduced Funding Costs & Strengthened Bank Formation

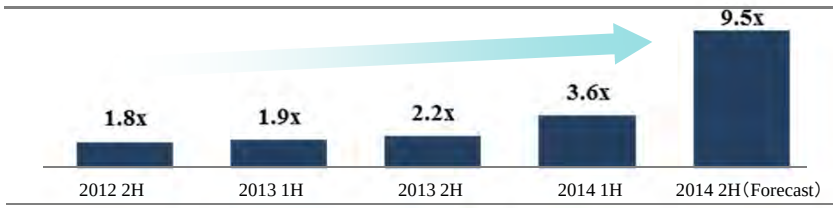
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Continued effort to reduce financing costs with support from leading Japanese and global banks

Interest Rate(1)



DSCR(2)

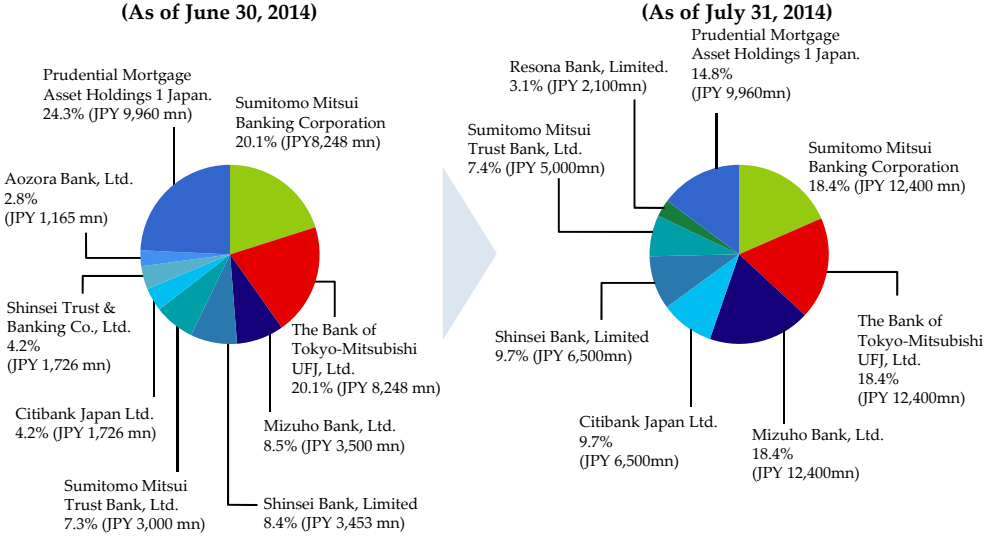


Sources & Uses of Cash

(unit: bn JPY)

Use of proceeds		Financing	
New property acquisition price and costs related to acquisition	41.4	New Syndicate Loan (C)	57.3
Repayment of existing borrowings	31.0	Public offering	23.9
Costs related to debt and public offering, etc.	1.3		
Cash on hand and Reservation, etc.	7.3		
Total	81.2	Total	81.2

Bank Formation



Loan to Value (LTV)

(unit: bn JPY)

	End of Dec. 2013	End of Jun. 2014	After Implementation of Public Offering and Borrowing
Outstanding interest-bearing debt balance	41.3	41.0	67.2
Total assets	79.1	79.2	128.1
LTV based on total assets	52.2%	51.7%	52.5%

(Note 1) Average interest rate is calculated by multiplying outstanding balance of debt as of the end of the fiscal period for each individual borrowing with the applicable interest rate as of the end of the fiscal period, and dividing the aggregate amount arrived by aggregate outstanding balance of debt.
(Note 2) DSCR is calculated as (Operating Profits+Depreciation) divided by (Scheduled Amortization+Interest Expense).

Media Coverage

(This is a translation: Original report is in Japanese)

J-REIT of the Day: Invincible Investment Corporation Gains Momentum Together with Fortress

The subscription period for Invincible Investment Corporation's public offering ended on July 11. The details of the issuance are as indicated below.

Market/Securities Code: TSE/8963
Offering: 1,040,000 units (¥23,595,520,000)
Secondary offering: 70,151 units (¥1,591,585,888)
Over allotment: 55,507 units (¥1,259,342,816)
Offering price: ¥22,688 (discount rate: 2.50%)
Joint Global Coordinators: SMBC Nikko Securities and Citigroup Global Markets Japan
Indicative price: discount rate of between 2.5% and 5.0% (at 0.5% intervals)
Total units issued and outstanding: 2,613,179 units (1,573,179 units prior to offering)
Market cap at time of resolution: ¥64,258,071,610 (including the offering)

It merged with LCP Investment Corporation and changed its name to "Invincible Investment Corporation (IIC)" in February 2010. It started anew as a diversified REIT that invests in various properties, but with a focus on residential assets. In July 2011, a private share placement to Calliope GK, an affiliate of Fortress Investment Group LLC (Fortress). In addition, along with the change of the largest stockholder of its asset management company, Fortress became its sponsor. The sponsor Fortress has a portfolio of approximately 62.5 billion dollars globally as of the end of March 2014 and the size of its assets under management in Japan is over 300 billion yen, holding more than 30 hotels and residential properties, including projects currently under development, which total over 100 billion yen on an acquisition price basis.

With Fortress as its sponsor, IIC has drawn strength from "Fortress' network within and outside of Japan, and the relationship with banks" and aimed to strengthen the bank formation to center on megabanks while progressing restructuring of its portfolio. Refinancing of past borrowings lowered its average interest from 3.66% to 1.95%. Interest rate on borrowings reduced to 1.09% after refinancing associated with the acquisition of properties. With the acquisition of 2 properties – Hotel MyStays Kanda and Hotel MyStays Asakusa – for about 5.4 billion yen and sale of 7 elderly care facilities for about 5.4 billion yen in May 2014, it made an upward revision to the distribution per unit for the fiscal period ending June 2014 from 464 yen to 550 yen.

IIC said "it has shown clear growth strategies including increasing investments to hotels" and it was viewed positively by the market and the investment unit price, which was 18,000 yen as of May 21 rose about 40% up until the board decided the public offering.

IIC announced the acquisition of 18 limited service hotels (planned acquisition price: 39.9 billion yen; appraisal value: 40.3 billion yen; NOI yield: 6.30%) in line with its growth strategy and changed its investment guidelines in order to add hotels to its core assets. Many institutional investors voiced positive notes including the one that said "it is based on the favorable market environment surrounding." The average NOI yield of the acquired properties is above that of the existing portfolio which is 5.15% and a person involved says "the fact that it was able to acquire properties with fairly stable yield was also recognized." As Invincible Investment Corporation says "after Fortress acquired the properties, it had raised the occupancy rates through measures that included conducting ongoing renovations and improving operations," the average guest room occupancy rates, which were 84.7% in 2013 rose to 89.2% during the period from the beginning of 2014 to the end of April IIC that "the average daily room rate (ADR) is 6,673 yen, we will aim to increase the room rate."

IIC has concluded a memorandum regarding preferential negotiation rights to acquire 26 limited service hotels in May 2014 and 18 properties acquired this time are included in the target properties of the memorandum. It has once again concluded a memorandum concurrently with the resolution and additionally acquired preferential negotiation rights for 22 properties. The person involved says that "it concluded the memorandum to dispel concern the sponsor is a fund and such commitment was favorably received by the investors." As an investment trust indicates that "things have changed after Fortress joined as a sponsor. We had high interest in the REIT but we could not buy it due to liquidity issues," there are moves towards aggressively incorporating the REIT into the investment universe. A domestic investment trust says that "further decease in debt cost through refinancing is expected and also the pipeline is rich" and there are also opinions such as another institutional investor says "it is a REIT at which everything is starting to work well" and a person involved said that "there is no downside."

Three teams visited around 50 firms each in Japan and overseas between June 25 and July 4. They also held large meetings twice during that period. It reduced domestic retail investors' portion from 40% to 35%, shifting the 5% to overseas institutional investors. As a result, 50% of the shares offered was allocated to overseas investors and remaining 15% was allocated to domestic institutional investors. A person involved in the deal said domestic retail book was eight-times oversubscribed , while domestic institutional investors' book was more than twice oversubscribed and overseas investors' seven times. The overall book was seven times oversubscribed. Another person involved said that participants include overseas real estate specialists, long-only investors, domestic J-REIT specialized funds and investor classes were similar to those of J-REITs with biggest market capitalization.

After the pricing on July 9, the investment unit price rose by 16.5% over 2 business days, which an institutional investor pointed out that "investors whose allocation wasn't enough are purchasing." There are also voices heard such as a person involved says "with the existence of the memorandum, the total market capitalization of 100 billion yen is on the verge. IIC might have become a brand that in which investors didn't want to miss out." IIC will utilize the successful capital increase as a step to the next offering, and work to promptly achieve an asset size of 200 billion yen.

(Miho Ozawa DealWatch / Thomson Reuters)

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22nd Fiscal Period & 23rd Fiscal Period Results/Forecast/Normalized

NOI from 18 hotels (1/1–6/30)

Property tax for 2 hotels

- GOP from 18 hotels (7/1-7/16): +100mn
- GOP (Due to a 1 month accounting delay on the hotel operating expenses) : (206)mn
- Property Tax: (84)mn

- GOP from 2 hotels (1/1–5/22): +124mn
- GOP (Due to a 1 month accounting delay on the hotel operating expenses): (14)mn

Depreciation
- 2 hotels (1/1–5/22): (28)mn
- 18 hotels (1/1-6/30): (380)mn

(mn JPY)

	21st period 2H 2013	22nd period 1H 2014					23rd period 2H 2014			
	Actual	Actual	Bonsejour	20 Hotels	Refinance	Normalized	Estimated Forecast	20 Hotels	Refinance	Normalized
NOI (Existing 71 properties)	1,851	1,846	-	-	-	1,846	1,840	-	-	1,840
NOI (Bon Sejour)	155	115	(115)	-	-	-	-	-	-	-
NOI (Kanda + Asakusa)	-	57	-	110	-	167	168	(8)	-	160
NOI (18 hotels)	-	-	-	1,241	-	1,241	1,535	(191)	-	1,343
NOI total	2,006	2,018	(115)	1,352	-	3,255	3,544	(199)	-	3,344
Gain on sale of properties (net)	-	1,003	(1,003)	-	-	-	-	-	-	-
Depreciation expenses	(527)	(527)	18	(408)	-	(917)	(881)	(33)	-	(914)
Asset management fees	(125)	(125)	-	-	-	(125)	(125)	-	-	(125)
Other operating expenses	(88)	(134)	-	-	-	(134)	(107)	(36)	-	(143)
Operating income	1,265	2,234	(1,100)	944	-	2,078	2,429	(269)	-	2,160
Non-operating revenues	355	1	-	-	-	1	-	-	-	-
Offering / Finance related costs	(579)	(957)	-	-	849	(107)	(457)	-	348	(109)
Interest expenses	(672)	(376)	-	-	7	(369)	(370)	-	(5)	(375)
Other non-operating expenses	(16)	-	-	-	-	-	-	-	-	-
Ordinary income	353	902	(1,100)	944	856	1,603	1,602	(269)	342	1,675
Extraordinary income / loss	-	-	-	-	-	-	-	-	-	-
Net income	352	901	(1,100)	944	856	1,602	1,601	(269)	342	1,675
Investment units outstanding	1,573,179	1,573,179	-	-	-	2,668,686	2,668,686	-	-	2,668,686
Earnings per unit (JPY)	259	573				600	600			628
Reversal of retained earnings per unit (JPY)		-					-			
Excess profit distribution per unit (JPY)		-					-			
DPU (JPY)	237	573					600			

- One-time costs for the refinancing as of May 23, 2014: +488mn
- One-time Offering and finance related costs as of Jul. 17, 2014 : +415mn
- Others

Non-deductible consumption taxes

Depreciation of 18 hotels (7/1-7/16)

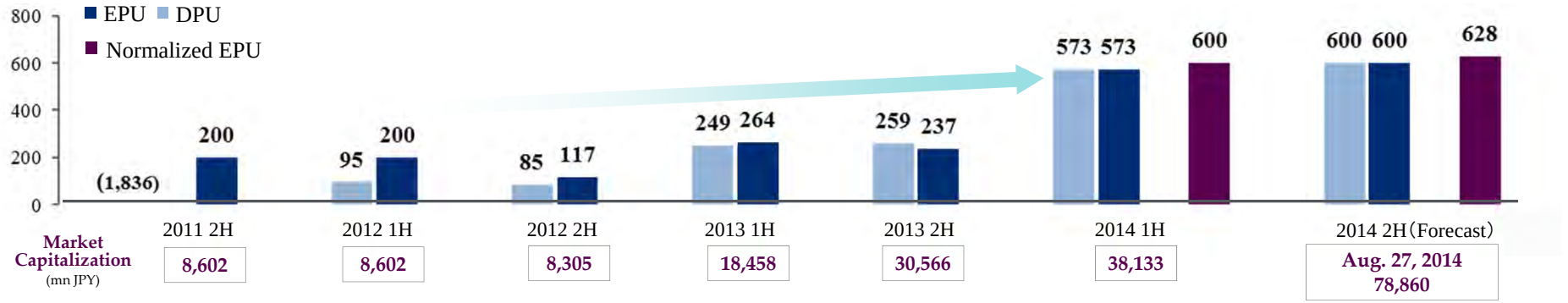
Difference of interest between new and old debts

- One-time upfront amortization cost for Syndicate Loan A&B: 176mn
- One-time closing cost for Syndicate Loan (C): 17mn
- Equity related costs for new investment units issuance as of Jul. 17, 2014: 157mn

Track Record of Value Creation

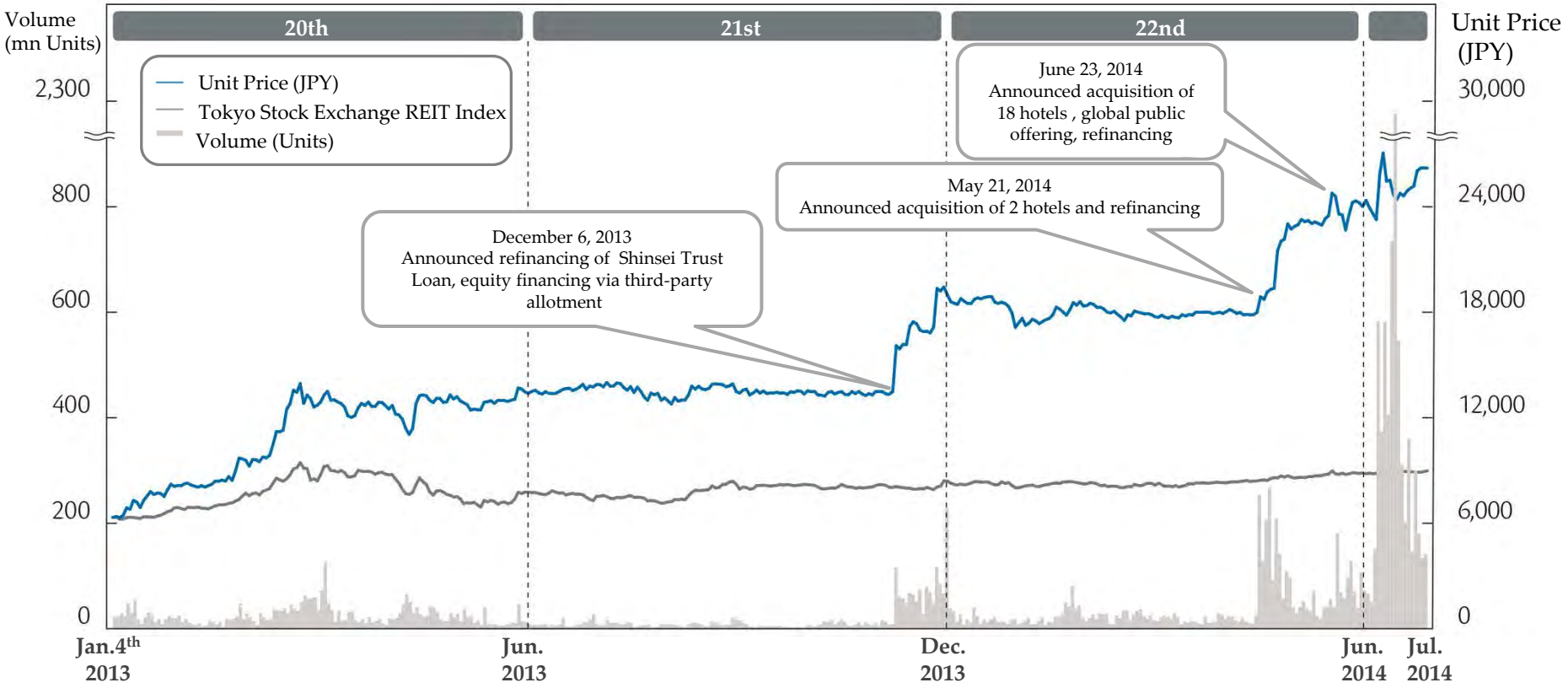
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Recapitalization	Debt Restructuring	Portfolio Restructuring	External Growth	Further Growth
STEP 1	STEP 2	STEP 3	STEP 4	Medium-term Goals
July 2011~	December 2013	May 2014	June / July 2014	Market Capitalization: Over JPY 100 billion Asset size: Over JPY 200 billion
External Growth	(September 2012) ▪ Acquisition of 24 residential properties		▪ Acquisition of 2 hotels ▪ MOU to potentially acquire 26 additional hotels	▪ Acquisition of 18 hotels ▪ Updated MOU to potentially acquire 22 additional hotels
Internal Growth	▪ Cost reduction and occupancy increase	▪ Commenced rent increase program for residential assets		▪ Expected to capture strong demand for hotel accommodations ▪ Increased rents and reduced net leasing costs for residential properties
Finance	(July 2011) ▪ Capital infusion from Fortress Group[1] (Third-party allotments and refinance)	▪ Early repayment of Shinsei Trust Loan through debt from mega banks, etc. ▪ Reduced average interest rate from 3.66% to 1.95% and strengthened the bank formation ▪ Third-party allotment of new units mainly to Fortress Group	▪ Continued to lower interest rates further by Refinancing ▪ Further strengthend bank formation	▪ Success of Global offering ▪ Further lowered weighted average interest rate to 1.09% ▪ Continued support from all 3 mega banks, etc.



(Note 1) For details on the Fortress Group, please refer to page 16.
(Note 2) EPU figures calculated using the number of units outstanding at the end of each period.

Historical Unit Price



(Note) Unit prices indicated the closing price on the TSE market.

Overview & Performance of Newly Acquired 20 Hotels



Hotel MyStays
Sakaisuji-Honmachi



Hotel MyStays Maihama



Flexstay Inn Iidabashi



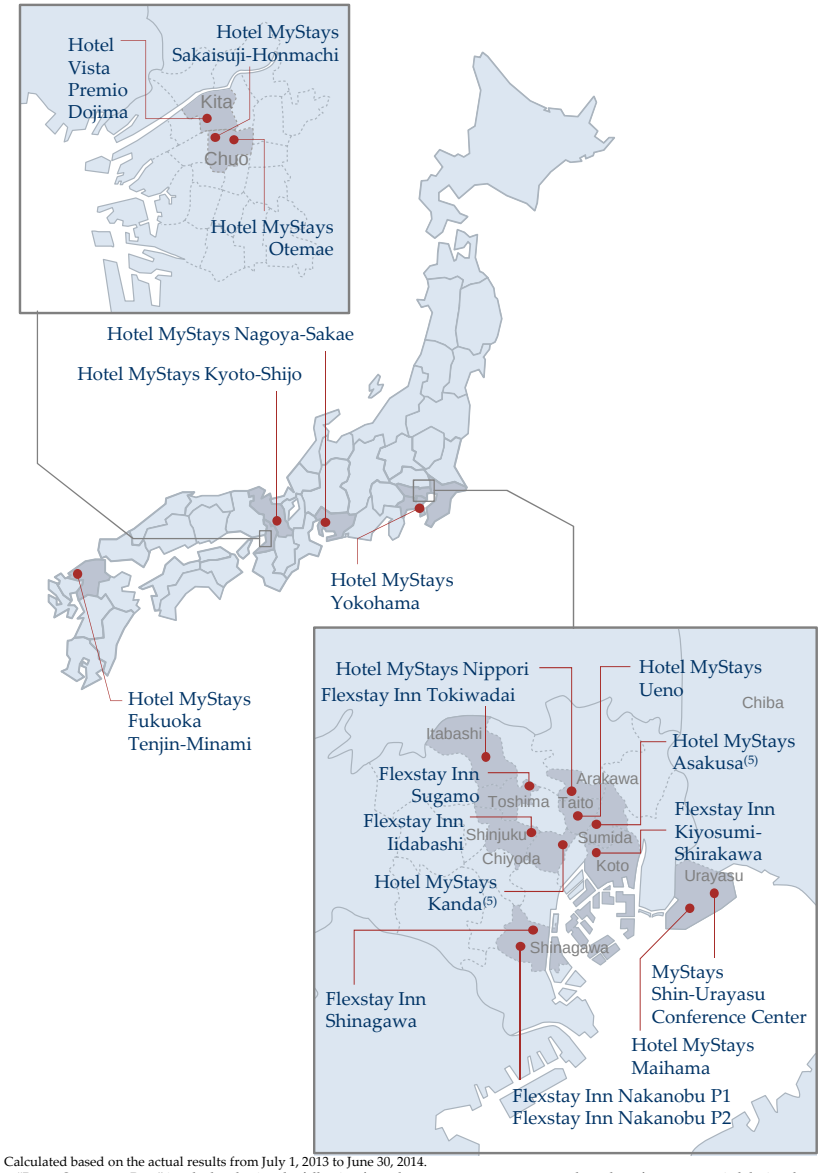
Hotel MyStays
Fukuoka-Tenjin-Minami

Overview of Newly Acquired 20 Hotels

Invincible Investment Corporation

Hotel type	• Limited service/extended stay
Number of properties	• 20
Average room occupancy rate (1)	• 88.9%
ADR(1)	• JPY 6,931
RevPAR(1)	• JPY 6,163

Property Name	Location	No. Rooms	Acquisition Cost(2) (mn JPY)	Appraisal Value(2) (mn JPY)	NOI yield(1)
Hotel MyStays Kanda	Tokyo	126	2,851	2,880	5.54%
Hotel MyStays Asakusa	Tokyo	160	2,584	2,610	6.37%
Hotel MyStays Kyoto-Shijo	Kyoto Prefecture	224	6,024	6,110	6.16%
MyStays Shin-Urayasu Conference Center	Chiba Prefecture	175	4,930	4,980	6.45%
Hotel MyStays Maihama	Chiba Prefecture	90	4,870	4,920	6.13%
Hotel Vista Premio Dojima	Osaka Prefecture	141	3,845	3,900	6.58%
Hotel MyStays Nagoya-Sakae	Aichi Prefecture	270	2,958	3,000	6.37%
Hotel MyStays Sakaisuji-Honmachi	Osaka Prefecture	190	2,514	2,530	6.69%
Hotel MyStays Yokohama	Kanagawa Prefecture	190	2,119	2,150	7.95%
Hotel MyStays Nippori	Tokyo	93	1,898	1,910	5.83%
Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka Prefecture	177	1,570	1,580	7.28%
Flexstay Inn Iidabashi	Tokyo	59	1,381	1,390	5.66%
Hotel MyStays Ueno Inaricho	Tokyo	72	1,331	1,340	5.57%
Flexstay Inn Shinagawa	Tokyo	55	1,242	1,250	5.90%
Flexstay Inn Tokiwadai	Tokyo	129	1,242	1,250	7.34%
Flexstay Inn Sugamo	Tokyo	104	1,192	1,200	6.75%
Hotel MyStays Otemae	Osaka Prefecture	110	1,192	1,200	7.90%
Flexstay Inn Kiyosumi Shirakawa	Tokyo	55	749	754	6.33%
Flexstay Inn Nakanobu P1	Tokyo	39	589	593	5.92%
Flexstay Inn Nakanobu P2	Tokyo	22	283	285	6.06%
Total		2,481	45,373	45,832	6.40%
MyStays (12 properties)		1,877	34,846	35,210	6.40%
Flexstay Inn (7 properties)		463	6,681	6,722	6.33%
Vista (1 property)		141	3,845	3,900	6.58%



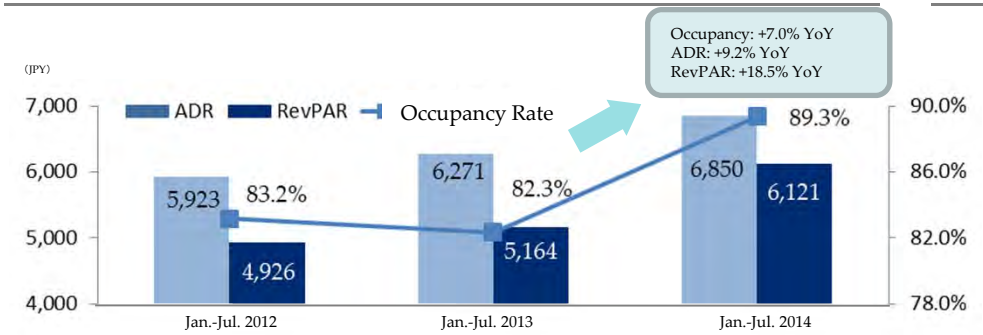
(Note 1) Calculated based on the actual results from July 1, 2013 to June 30, 2014.
- "Room Occupancy Rate" is calculated using the following formula: room occupancy rate = total number of rooms occupied during the relevant period ÷ (aggregate number of rooms during the relevant period x number of business days during target period)
- "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.
- "RevPar", or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate multiplied with ADR.
- "NOI yield" is calculated by dividing actual NOI for the concerned period by the aggregate acquisition price.

Performance of 20 Limited Service Hotels & Revenue Upside Potential

Invincible Investment Corporation

- RevPAR at 20 hotels increased +18.5% YoY (Jan. – Jul. 2014)
- GOP growth accelerating at 20 Hotels +9.8% vs. forecast (May. – Jul. 2014)
- Balance mix of Daily/Weekly/Monthly visitors
- Diversified customers mix including strong corporate base
- Foreign customers increased due to expanded marketing
- Lease structure captures entire rental growth

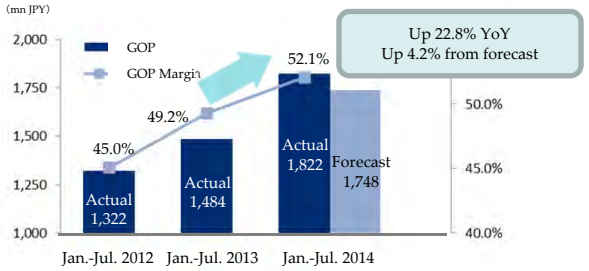
Occupancy rate, ADR and RevPAR(1) (Jan. – Jul. figures)



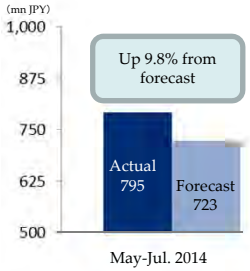
Overseas Sales(4) as a Percent of Total Sales



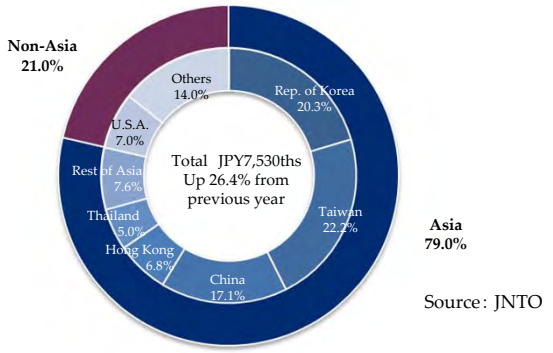
GOP and GOP Margin(2) (Jan. – Jul. figures)



GOP versus Forecast(3) (May – Jul. figures)

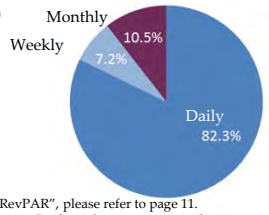


Overseas Sales(6) as a Percent of Total Sales (Jan. – Jul.)

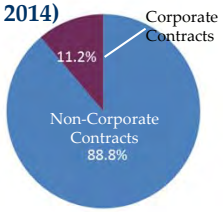


Source: JNTO

■ Mix of Daily/Weekly/Month Visitors(4) (Jan.-Jul. 2014)



■ Corporate Contract Rate (Jan.-Jul. 2014)



Lease contracts to capture rent upside

- Fixed rent to be determined for individual hotel
- In principle, MyStays Hotel Management Co., Ltd. (7) receives 2% of sales and 4-6% of GOP as management fees and 6% of sales on direct bookings through its corporate marketing and via its own website as customer transfer fee.

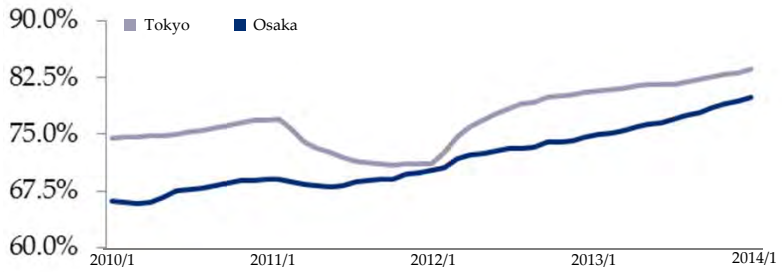
(Note 1) As to "ADR" and "RevPAR", please refer to page 11.
(Note 2) "GOP", Gross Operating Profit, is the amount equivalent to gross revenue of hotels minus various expenses related to hotel operations (staff cost, cost of materials and utilities, advertisement cost, and other expenses) and management fees for operators, and is the amount which INV recognizes as rental revenues of hotels. Further, "GOP Margin" is calculated by dividing GOP by gross revenue.
(Note 3) Calculated based on actual results from May 1, 2014 to July 31, 2014.
(Note 4) The breakdown of Daily/Weekly/Monthly visitors is based on gross revenue.
Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over 30 night stays basis. Hotel Vista Premio Dojima is excluded from the calculation due to lack of Daily/Weekly Monthly data.
(Note 5) Actual overseas sales are gross revenue via overseas online agents.
(Note 6) Figures for Jan.-May. 2014 are provisional figures, and figures for Jun.-Jul. 2014 are estimated figures.
(Note 7) For the details, please refer to page 18. Further, Hotel Vista Premio Dojima is operated by a third-party operator.

Fundamentals Driving Demand for Hotel Sector

Invincible Investment Corporation

- Business hotel occupancy rates at all time highs
- Airport capacity expansion
- Both domestic and inbound tourism increasing
- New hotel supply on the decline
- Growth of Low Cost Carriers (LCCs)
- Government efforts to increase foreign visitors

Business Hotel Occupancy by Region (12-month moving average)



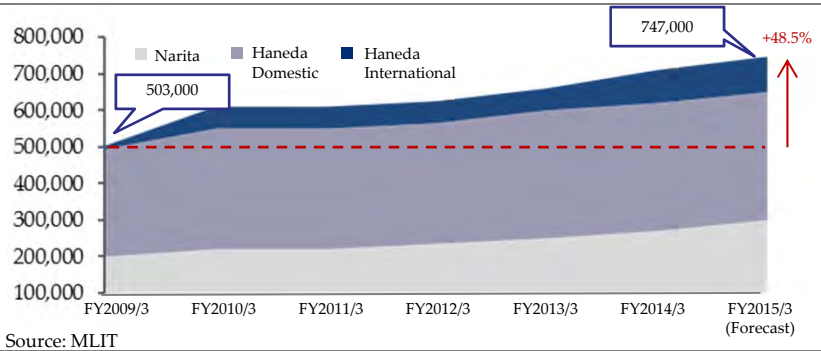
Source: Created by Asset Manager based on public source information

Hotel New Construction Starts



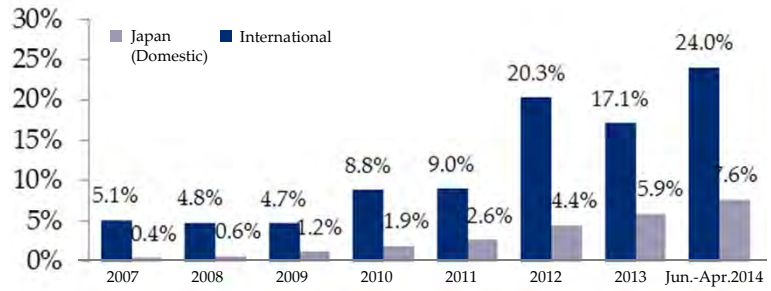
Source: Ministry of Land, Infrastructure and Transport and Tourism (MLIT)

Airport Capacity Expansion



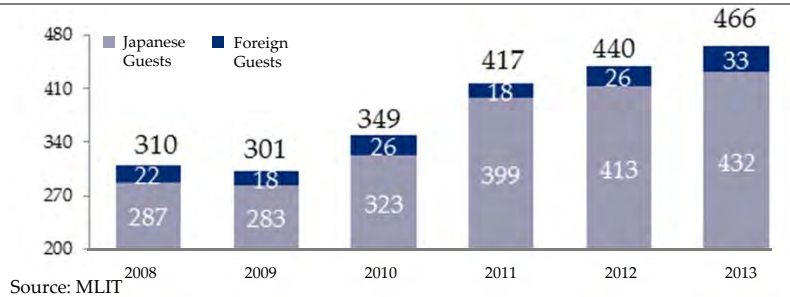
Source: MLIT

LCC Market Share in Japan (based on number of seats)



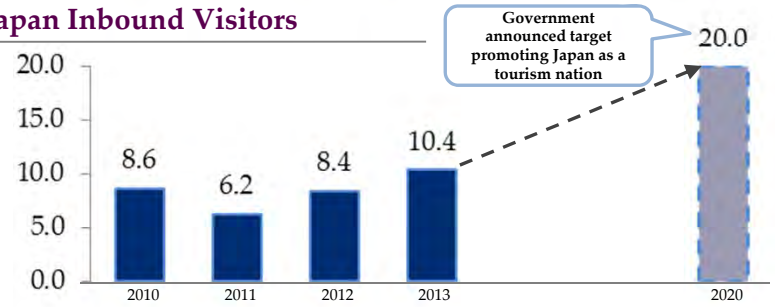
Source: CAPA – Centre for Aviation, OAG, MLIT

Number of Overnight Stays



Source: MLIT

Japan Inbound Visitors



Source: JNTO, Japan Tourism Agency

(Note) Hotel occupancy data for Apr. – Jun. 2010 and later include data on accommodation facilities with fewer than 10 employees.

Further External Growth Opportunities from Sponsor Invincible Investment Corporation

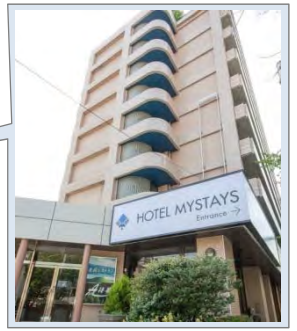
- **Sponsor has a strong track record of supporting Invincible by providing accretive growth opportunities contributing to an increase in profits and distributions**
- **MOU provides a potential pipeline of 22 hotel properties from Sponsor-related entities**

Name	Location	Number of Guest Rooms
Hotel MyStays Akasaka(1)	Tokyo	319
Toko Gotanda	Tokyo	338
Hotel MyStays Kameido P1	Tokyo	265
Hotel MyStays Yokohama Kannai(1)	Kanagawa Prefecture	166
Best Western Hotel Fino Sapporo	Hokkaido	242
Hotel MyStays Haneda(1)	Tokyo	174
Hotel MyStays Kanazawa(1)	Ishikawa Prefecture	244
Hotel MyStays Kameido P2	Tokyo	175
Flexstay Inn Ekoda	Tokyo	210
Hotel Nets Hakodate	Hokkaido	202
Takamatsu Tokyu Inn	Kanagawa Prefecture	191
Hotel Vista Shimizu	Shizuoka Prefecture	152
Hotel MyStays Ueno Iriyaguchi	Tokyo	97
Flexstay Inn Shirogane	Tokyo	84
Super Hotel Shinbashi Karasumoriguchi	Tokyo	74
Hotel MyStays Utsunomiya	Tochigi Prefecture	116
Best Western Hotel Fino Oita	Oita Prefecture	145
Comfort Hotel Toyama Ekimae	Toyama Prefecture	150
Flexstay Inn Higashi-Jujo	Tokyo	88
Flexstay Inn Kawasakikaizuka	Kanagawa Prefecture	64
Flexstay Inn Shinsaibashi	Osaka Prefecture	54
Flexstay Inn Kawasakiogawacho	Kanagawa Prefecture	62
Total		3,612



Hotel MyStays Kameido P2





Hotel MyStays Kameido P1



Hotel MyStays Akasaka (Rendering)





Hotel MyStays Haneda (Tentative Name) (Rendering)



(Note 1) Hotel MyStays Yokohama Kannai, Hotel MyStays Haneda and Hotel MyStays Kanazawa are under construction. Hotel MyStays Akasaka is planned to be redeveloped.
(Note 2) The above represents the properties covered by amended MOU. Invincible may elect to acquire only a selected number from the above or none at all.
(Note 3) Rendering is a conceptual drawing based on design drawing and there is a potential difference with actual building.

Revision of Investment Guidelines

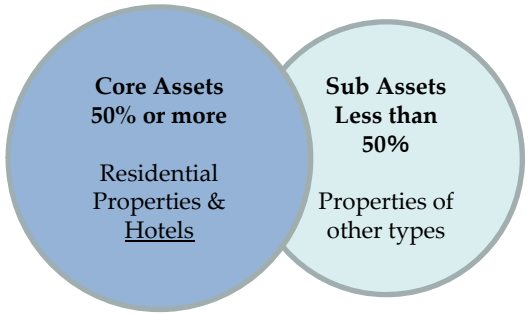
Revision of Portfolio Construction Policy

In order to construct a portfolio focused on both improved stability and future growth, hotels were added to core assets investment target

Revision of Distribution Policy

Decided to consider making distributions in excess of profits in order to stabilize distributions and be more reflective of the stabilized earnings in cases where significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, and leading to a significant decrease in earnings.

■ Allocation Ratio by Property Type



■ Allocation Ratio by Geography

Area	Specific Area	Allocation Ratio (based on acquisition value)
Greater Tokyo Area	Tokyo, Kanagawa, Chiba and Saitama Prefectures	65% or above (or 70% or more excluding hotels)
Major Regional Cities	Areas surrounding the Greater Tokyo area and major cities nationwide including ordinance designated cities and their surrounding areas	Less than 35% (or less than 30% excluding hotels)

INV will consider making excess profit distribution in the following events, and will, in principle, not make excess profit distribution in other circumstances.

- To satisfy the requirements under the Special Taxation Measures Act, in case the distributable amount is less than 90% of distributable income.
- To stabilize distributions in cases where significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, and the distribution amount is expected to decrease significantly.

Overview of Fortress Group

Overview of Fortress

Fortress Investment Group LLC ("FIG"; together with its affiliates, "Fortress") is a global alternative investment manager with extensive experience in Japanese residential and hospitality assets

- Fortress is a highly diversified global alternative investment manager with approximately $63.8bn in assets under management as of June 30, 2014
  - FIG is listed on NYSE with an approx. $3.2bn equity market capitalization as of June 30, 2014
  - Extensive experience investing in real estate through private funds, REITs and other publicly listed real estate companies, including Brookdale Senior Living Inc. (U.S.), Eurocastle Investment Ltd. (Europe), Newcastle Investment Corp. (U.S.), and New Residential Investment Corp. (U.S.)

- Fortress manages two dedicated Japanese real estate funds: Fortress Japan Opportunity Funds I and II
  - Over JPY 200bn in committed equity
  - Wide spectrum of Japanese real estate investments, including residences, hotels, office buildings and retail facilities
  - Fortress`s Japan-based portfolio is valued at over JPY 300bn and includes 31 additional hotels including 3 hotels under construction and residential properties worth over JPY 100bn after the sale of the 18 hotels
  - Strong track record of post-acquisition capital expenditures and operational enhancements such as strategic renovations and rebranding
  - Ownership of MyStays Hotel Management Co., Ltd. by Fortress-managed funds provides competitive advantage in sourcing and managing hospitality assets

(As of March 31, 2014)

MyStays Hotel Management's Track Record(1/2)

Subject hotels are managed by an experienced operator(1) owned by Fortress-managed funds: MyStays Hotel Management

Company Overview

- Company Name: MyStays Hotel Management Co., Ltd. (formerly Flexstay Hotel Management Co., Ltd.)
- Date of Establishment: July 8, 1999
- Acquired by Fortress in June 2012
- Representative: President and CEO Atsuki Asano
- Hotel operation and management under the following brands: Hotel MyStays, Flexstay Inn, Monthly ResiStays
- Employees: 560 (as of April 30, 2014, including part-time workers)
- Capital: JPY 100mn(2)
- Properties under management: 47 properties (5,768 rooms), of which 11 properties are owned by Fortress(3)

- Operational insight provides ability to better assess opportunities in hotel market

MYSTAYS HOTEL MANAGEMENT CO.,LTD.
株式会社マイステイズ・ホテル・マネジメント

Asset Management Initiatives

Competitive Advantages

- Extensive know-how in selling rooms on a daily, weekly, and monthly basis, thereby achieving more stable occupancies and higher profit margins
- A corporate client base of over 2,200 corporations

Rebranding

- Reduced number of brands to reduce customer confusion and increase focus
- Website reconstructed to provide easier navigation and provide a more modern appearance
- Enhanced web marketing to stimulate untapped demand including Free Independent Travelers (FITs)

Renovations

- Since 2011, FHM renovated 17 hotels (2,154 rooms)
- Strategic renovations increased ADR for renovated hotels

Operational Improvements

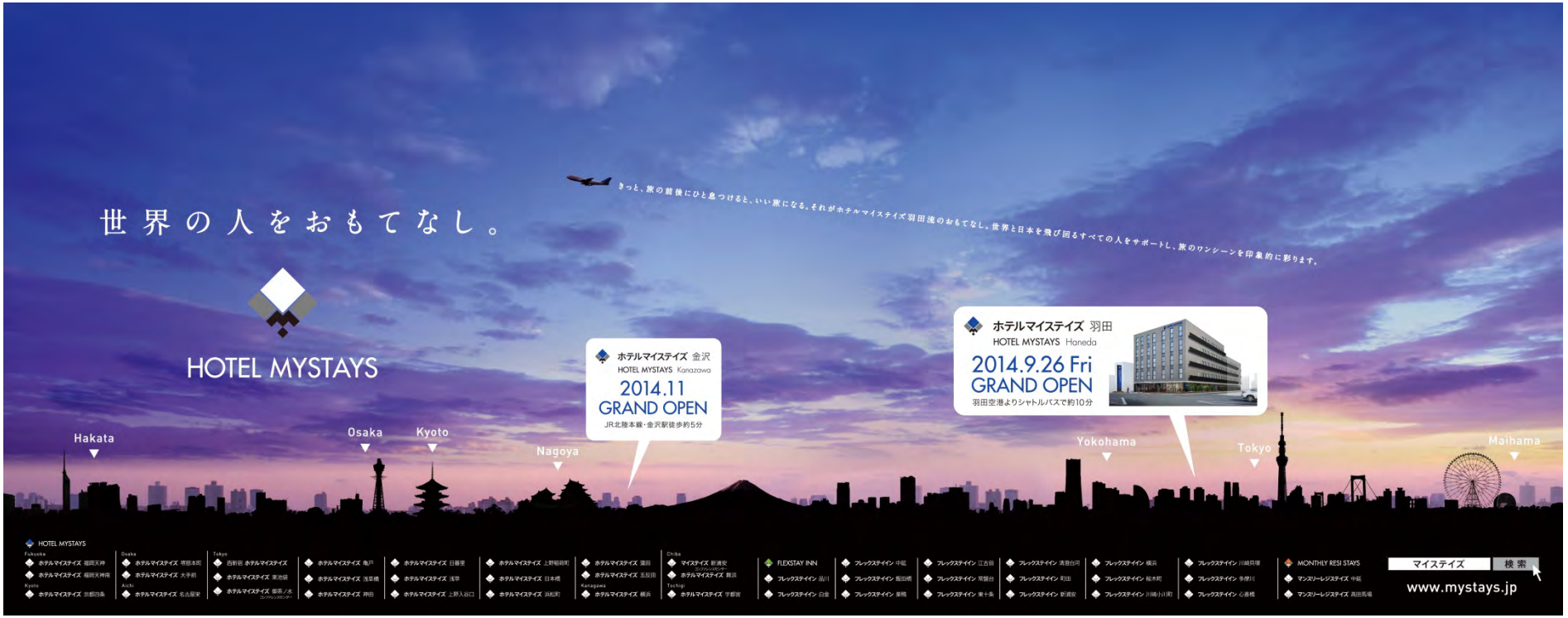
- Various revenue management methods implemented, including hiring a revenue manager to analyze market trends, in order to maximize revenue
- Focus on employee training to improve efficiency and reduce turnover

Cost Control

- Promoting efficient and low cost operations via effective procurement strategies

(Note 1) Hotel Vista Premio Dojima is managed by another operator. Several of hotels under MOU are not managed by Mystays Hotel Management
(Note 2) As of April 30, 2014
(Note 3) As of July 17, 2014

MyStays Hotel Management's Track Record(2/2)



22nd Fiscal Period Operation Highlights (1H/2014)

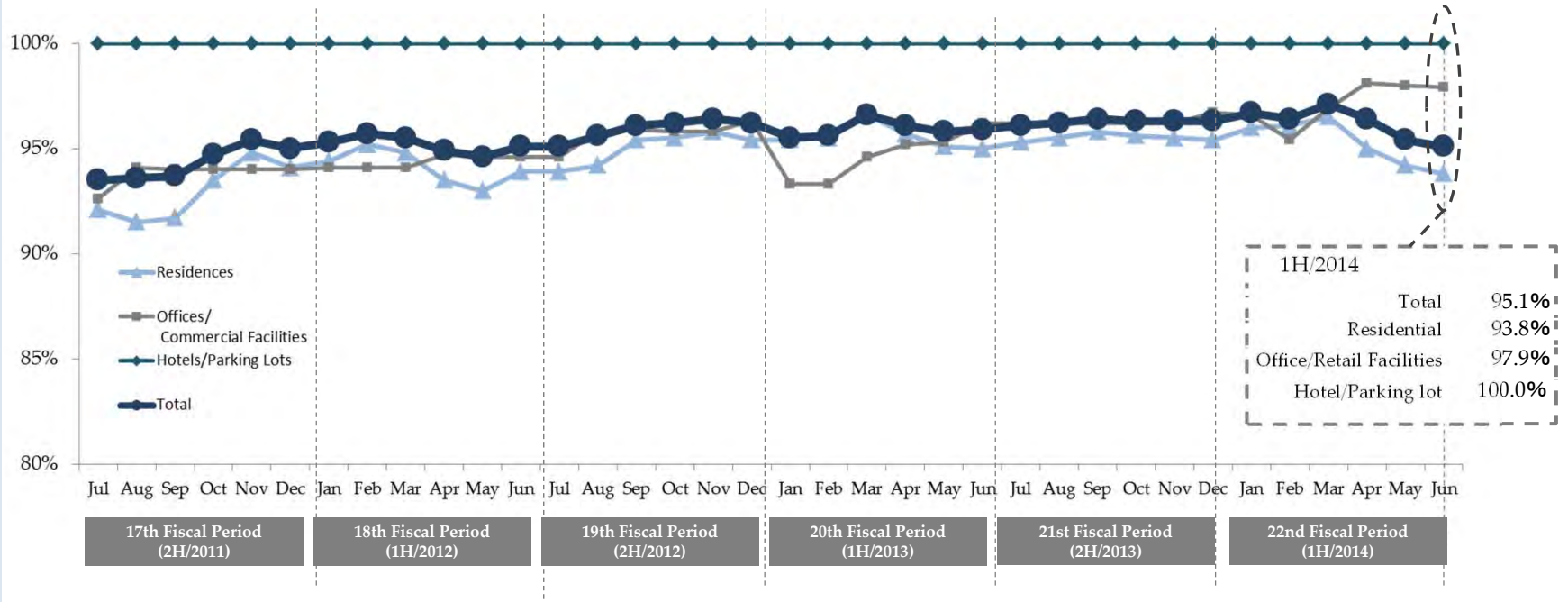
Portfolio Occupancy

Average occupancy rates of office and retail facilities increased to 97.1% from 96.3% in the previous period.
The average occupancy for the portfolio improved to 95.8%, while occupancy for residential properties remained stable.

Period average occupancy rate

17th Fiscal Period (2H/2011)	18th Fiscal Period (1H/2012)	19th Fiscal Period (2H/2012)	20th Fiscal Period (1H/2013)	21st Fiscal Period (2H/2013)	**22nd Fiscal Period (1H/2014)**
Total 93.2%	Total 94.2%	Total 95.3%	Total 95.3%	Total 95.7%	**Total 95.8%**
Residential 92.9%	Residential 94.2%	Residential 95.2%	Residential 95.6%	Residential 95.5%	**Residential 95.3%**
Office/Retail Facilities 93.8%	Office/Retail Facilities 94.4%	Office/Retail Facilities 95.7%	Office/Retail Facilities 94.6%	Office/Retail Facilities 96.3%	**Office/Retail Facilities 97.1%**

Monthly occupancy rate



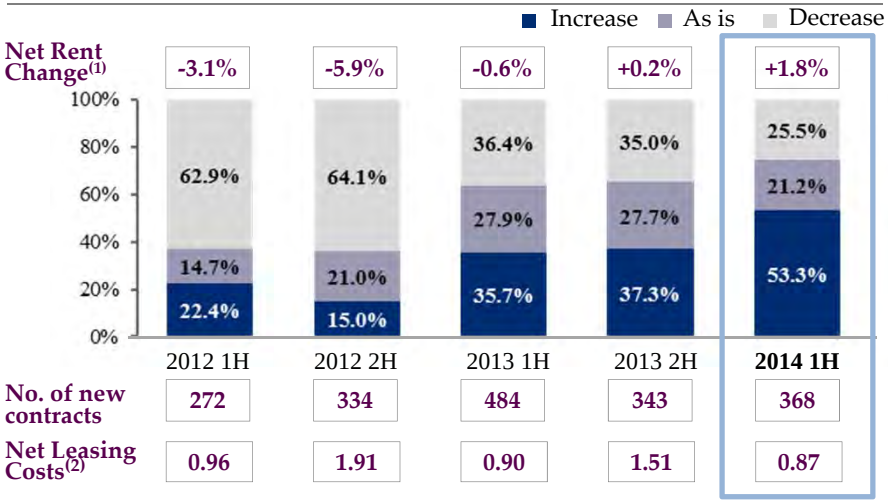
(Note1) Data for the 17th Fiscal Period (2H/2011) excludes the effect of the sale of the New Edobashi Building which was sold on October 21, 2011.
Effect of the seven senior properties which were sold on May 22, 2014 are excluded from all the indicated periods.

Measures to Increase Residential Rents

Invincible Investment Corporation

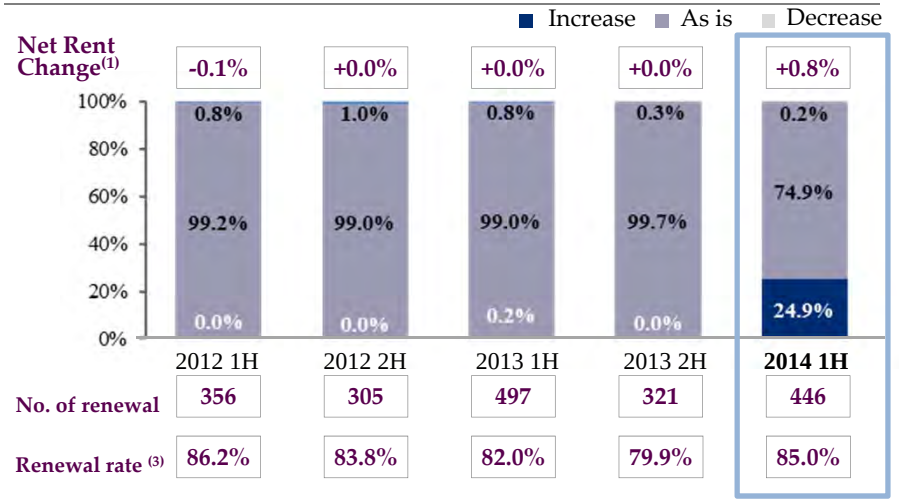
- Raised rents for New Leases by 1.8%
- Rents increased for 53.3% of New Leases
- Net leasing costs declining (vs. same period in prior year)
- Raised rents for Contract Renewals by 0.8%
- Rents increased at 24.9% of Contract Renewals
- On a monthly basis, rent increases are accelerating

Residential (New Contracts)



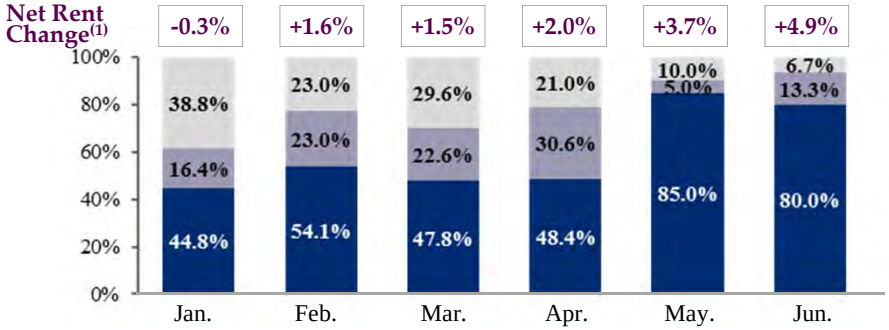
	2012 1H	2012 2H	2013 1H	2013 2H	2014 1H
No. of new contracts	272	334	484	343	368
Net Leasing Costs(2)	0.96	1.91	0.90	1.51	0.87

Residential (Contract Renewals)



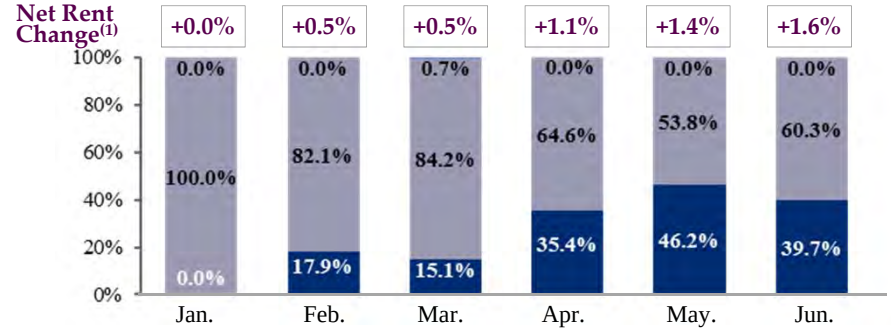
	2012 1H	2012 2H	2013 1H	2013 2H	2014 1H
No. of renewal	356	305	497	321	446
Renewal rate (3)	86.2%	83.8%	82.0%	79.9%	85.0%

Residential (New Contracts) monthly (1H/2014)



	Jan.	Feb.	Mar.	Apr.	May.	Jun.
No. of new contracts	67	74	115	62	20	30

Residential (Renewal Contracts) monthly (1H/2014)



	Jan.	Feb.	Mar.	Apr.	May.	Jun.
No. of renewals	43	67	139	82	52	63

(Note 1) Calculated by subtracting the total amount of monthly rent under previous contracts from the total amount of monthly rent on new contracts and dividing by the total amount of monthly rent under previous contracts

(Note 2) Net Leasing Cost (No. of Months) = Advertising Expenses (No. of Months) + Free Rent (No. of Months) – Key Money (No. of Months)

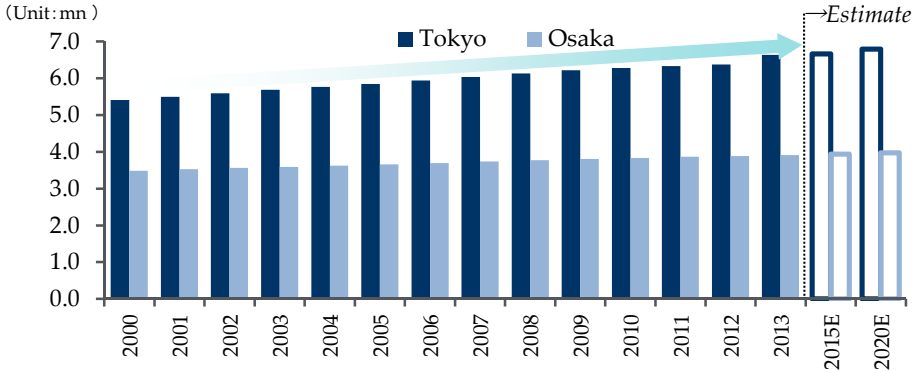
(Note 3) Renewal rate is calculated by "Number of Renewals during the Period" ÷"Number of Cases Targeted for Renewal during the Period"

Steady Growth in Residential Demand in Key Metropolitan Areas

- **Number of households continues to increase in Tokyo and Osaka**
- **48.0% of new Tokyo residents in 2013 were between ages 18 to 29**
- **Supply of rental apartment tends to decrease**
- **Rising construction costs expected to result in reduced supply of new residential properties**

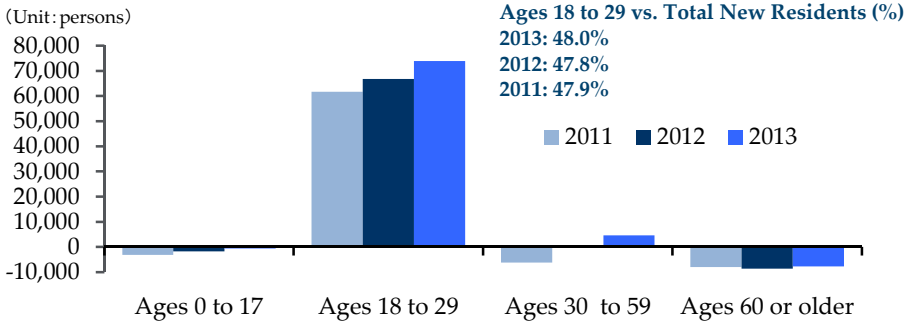
Increased Demand

Number of Households in Tokyo and Osaka(1)



Source: Tokyo Metropolitan Government, Osaka Prefectural Government
National Institute of Population and Social Security Research (IPSSR)

Tokyo Net Migration by Age Group



Source: Tokyo Metropolitan Government

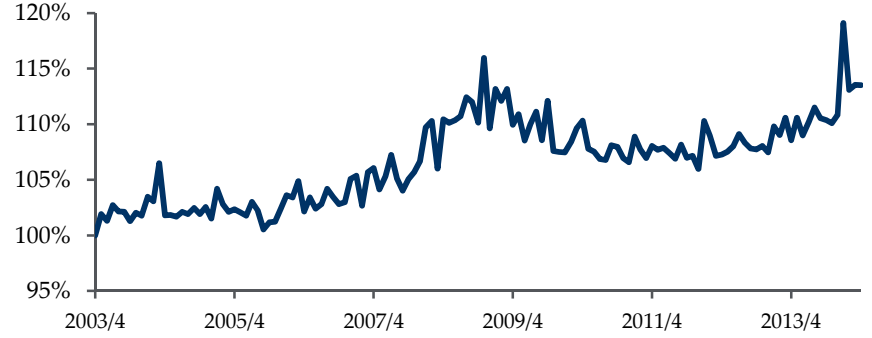
Decreased Supply

Trend of Rental Apartment Housing Starts in Tokyo



Source: MLIT

Residential Construction Costs(2)



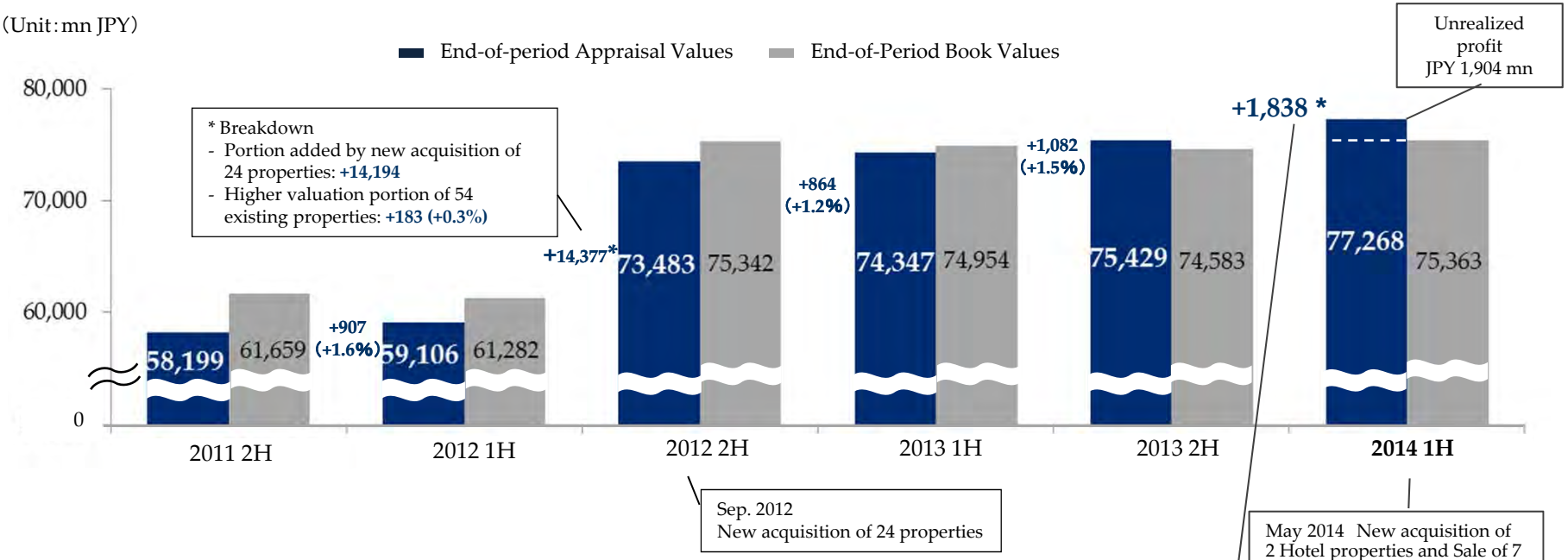
Source: MLIT

(Note 1) 2000 to 2013 are actual figures provided by Tokyo metropolitan government and Osaka prefectural government. 2015 to 2035 figures are estimated by IPSSR
(Note 2) Projected construction cost per unit area as of April, 2003 is indexed as 100%. Projected construction cost per unit area = totalized monthly projected construction/ totalized monthly floor area for type of dwellings used exclusively for living and used also for commerce or other purposes

Growth of Portfolio Asset Values

- **Appraisal value(1) increased by JPY 1,169.2 million in the June 2014 period, a gain of 1.7% over the prior period**
- **The Fifth consecutive period of growth in asset values**
- **The portfolio has an unrealized gain of JPY 1,904 million**

(Unit: mn JPY)



<Change in appraisal value: Analysis by type location, and other factors>

Category		Number of Properties	Previous Appraisal Value	Current Appraisal Value	Increase / Decrease		Increae / Decrease due to Cap Rate	Increase / Decrease due to Cashflow
Total Portfolio		73	76,098	**77,268**	+1,169	+1.5%	+1,158	+10
Type	Residential	63	57,921	**58,865**	+944	+1.6%	+930	+13
	Offices/ Retail Facilities	7	12,595	**12,808**	+213	-	+226	▲13
	Hotels	2	5,490	**5,490**	-	-	-	-
	Seniors / Others	1	92	**105**	+12	+13.0%	+2	+10
Location	Greater Tokyo Area	48	57,320	**58,106**	+785	+1.4%	+848	▲62
	Chubu	7	3,864	**3,966**	+102	+2.6%	+66	+36
	Kansai	12	6,892	**6,982**	+90	+1.3%	+100	▲10
	Hokkaido/ Tohoku	6	8,022	**8,214**	+192	+2.4%	+144	+48

* Breakdown
- Higher valuation portion of 71 held properties : **+1,169.2 (+1.7%)**
- Portion added by new acquisition of 2 Hotel properties : **+5,490**
- Portion decreased by sale of 7 Senior Housing properties : **-4,821**

(Note 1) 71 properties excluding seven senior properties sold on May 22, 2014 and two hotels acquired on May 23, 2014.
(Note 2) Appraisal value is the appraisal price as of April 30, 2014

Memo

APPENDIX

Income Statement

Items	21st Fiscal Period 2013/7/1- 2013/12/31-		22nd Fiscal Period 2014/1/1- 2014/06/30		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
Operating revenues	2,740,449	100.0	3,775,772	100.0	1,035,323	37.8
Rental revenues (1)	2,740,449		2,772,419		31,970	
Gain on sales of properties	-		1,003,352		1,003,352	
Operating expenses	1,474,679	53.8	1,541,127	40.8	66,448	4.5
Property related expenses (2)	1,261,221		1,281,791		20,570	
Depreciation expenses (3)	527,420		527,914		494	
NOI (1)-(2)+(3)	**2,006,648**		**2,018,542**		**11,894**	
Asset management fees	125,000		125,000		-	
Directors' remuneration	4,800		4,800		-	
Asset custodian fees	3,986		3,906		-79	
Administrative service fees	19,089		18,224		-864	
Provision of allowance for doubtful accounts	1,045		-		-1,045	
Bad debt loss	2,561		-		-2,561	
Other operating expenses	56,975		107,404		50,429	
Operating income	1,265,770	46.2	2,234,644	59.2	968,874	76.5
Non-operating revenues	355,544	13.0	1,777	0.0	-353,766	-99.5
Interest revenues	400		404		3	
Profit from finance related cost adjustment	354,737		-		-354,737	
Reversal of allowance for doubtful accounts	-		475		475	
Miscellaneous income	406		898		491	
Non-operating expenses	1,267,953	46.3	1,334,001	35.3	66,048	5.2
Interest expenses	672,128		376,514		-295,613	
Finance related costs	579,038		842,043		263,004	
Investment unit issuance expenses	15,487		115,438		99,951	
Miscellaneous losses	1,300		5		-1,294	
Ordinary income	353,360	12.9	902,420	23.9	549,059	155.4
Income before income taxes	353,360	12.9	902,420	23.9	549,059	155.4
Corporate tax, etc.	605		605		-	
Net income	352,755	12.9	901,815	23.9	549,059	155.6
Retained earnings at the beginning of the period	93,247		73,159		-20,087	
Unappropriated retained earnings / loss at the end of the period	446,003		974,975		528,972	

Balance Sheet - Assets

Invincible Investment Corporation

Items	21st Fiscal Period (As of Dec. 31, 2013)		22nd Fiscal Period (As of Jun. 30, 2014)		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
Assets						
Current assets						
Cash and deposits	1,457,257		759,058		-698,199	
Cash and deposits in trust	2,729,902		2,765,504		35,601	
Accrued revenue	-		2,574		2,574	
Accounts receivables	10,948		71,193		60,244	
Prepaid expenses	122,321		120,941		-1,379	
Consumption tax receivable	7,419		-		-7,419	
Advance payment	-		17,138		17,138	
Others	10		0		-10	
Allowance for doubtful accounts	-2,573		-1,391		1,181	
Total current assets	4,325,286	5.5	3,735,018	4.7	-590,268	-13.6
Non-current assets						
Property, plant and equipment, at cost						
Buildings	2,461,796		78,131		-2,383,665	
Equipment	22,706		21,510		-1,196	
Building improvements	2,330		1,640		-689	
Land	2,713,620		711,834		-2,001,786	
Buildings in trust	27,423,061		28,538,783		1,115,722	
Equipment in trust	5,073,126		5,259,944		186,818	
Building improvements in trust	223,646		212,270		-11,376	
Tools, furniture and fixtures in trust	80,646		91,540		10,894	
Land in trust	36,582,527		40,447,565		3,865,038	
Total property, plant and equipment, at cost	74,583,461	94.2	75,363,220	95.1	779,759	1.0
Intangible assets						
Others	137		106		-30	
Total intangible assets	137	0.0	106	0.0	-30	-22.2
Investment and other assets						
Guarantee deposits	10,000		10,000		-	
Long-term prepaid expenses	224,371		119,338		-105,032	
Others	33,375		34,070		694	
Total investment and other assets	267,746	0.3	163,409	0.2	-104,337	-39.0
Total non-current assets	74,851,345	94.5	75,526,736	95.3	675,391	0.9
Total assets	79,176,632	100.0	79,261,754	100.0	85,122	0.1

Balance Sheet – Liabilities/Net Assets

Items	21st Fiscal Period (As of Dec. 31, 2013)		22nd Fiscal Period (As of Jun. 30, 2014)		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
Liabilities						
Current liabilities						
Accounts payable	174,201		143,439		-30,762	
Short-term debts	-		13,488,750		13,488,750	
Current portion of long-term debts	203,520		17,552,100		17,348,580	
Current portion of long-term debts in trust	105,833		-		-105,833	
Accrued liabilities	5,000		32,733		27,733	
Accrued expenses	229,843		121,934		-107,908	
Accrued income taxes	525		520		-4	
Accrued consumption taxes	-		143,637		143,637	
Advances received	385,886		357,522		-28,364	
Deposits received	5,048		32,927		27,879	
Total current liabilities	1,109,859	1.4	31,873,567	40.2	30,763,708	AI
Non-current liabilities						
Long-term debts	20,146,480		-		-20,146,480	
Long-term debts in trust	20,854,166		9,960,000		-10,894,166	
Tenant leasehold and security deposits in trust	1,037,721		1,025,726		-11,995	
Tenant leasehold and security deposits	183,579		28,663		-154,916	
Total non-current liabilities	42,221,948	53.3	11,014,390	13.9	-31,207,558	-73.9
Total liabilities	43,331,808	54.7	42,887,957	54.1	-443,850	-1.0
Net assets						
Unitholders' equity						
Unitholders' capital	29,134,389	36.8	29,134,389	36.8	-	-
Surplus						
Capital surplus	6,264,432		6,264,432		-	
Unappropriated retained earnings / loss	446,003		974,975		528,972	
Total surplus	6,710,435	8.5	7,239,407	9.1	528,972	7.9
Total unitholders' equity	35,844,824	45.3	36,373,796	45.9	528,972	1.5
Total net assets	35,844,824	45.3	36,373,796	45.9	528,972	1.5
Total liabilities and net assets	79,176,632	100.0	79,261,754	100.0	85,122	0.1

Net assets per unit as of the end of 22nd Fiscal Period
JPY 23,121 (Issued investment units: 1,573,179 units)

Cash Flow Statement / Financial Statements pertaining to Distribution of Monies

Invincible Investment Corporation

Items	21st Fiscal Period 2013/7/1- 2013/12/31	22nd Fiscal Period 2014/1/1- 2014/06/30
	Ths JPY	Ths JPY
Cash flows from operating activities		
Net income before taxes	353,360	902,420
Depreciation expenses	527,451	527,945
Investment unit issuance expenses	15,487	115,438
Finance related costs	579,038	842,043
Amortization of tenant leasehold and security deposits in trust	(683)	(435)
Interest revenues	(400)	(404)
Profit from finance related cost adjustment	(354,737)	-
Interest expenses	672,128	376,514
Increase (decrease) in allowance for doubtful accounts	1,045	(1,181)
Decrease (increase) in accounts receivable	6,458	(60,244)
Decrease (increase) in deposit payments	748,197	-
Decrease (increase) in consumption tax receivable	(7,419)	7,419
Increase (decrease) in accrued consumption taxes	(24,902)	143,637
Increase (decrease) in accounts payable	24,617	(87,869)
Increase (decrease) in accrued liabilities	-	(1,613)
Increase (decrease) in accrued expenses	(127,432)	18,110
Increase (decrease) in advances received	8,411	(28,364)
Increase (decrease) in deposits received	(3,553)	10,909
Decrease in property and equipment due to sale	-	4,367,451
Others	5,481	(6,762)
Subtotal	2,422,548	7,125,015
Proceeds of interest	390	404
Payment of interest	(650,982)	(502,533)
Payment of corporate taxes, etc.	(606)	(609)
Cash flows from operating activities	1,771,350	6,622,276
Cash flows from investment activities		
Payment for acquisition of tangible assets in trust	(158,960)	(5,618,018)
Repayment of tenant leasehold and security deposits	-	(154,916)
Repayment of tenant leasehold and security deposits in trust	(49,761)	(93,087)
Proceeds of tenant leasehold and security deposits in trust	39,531	81,527
Others	(694)	(17,833)
Cash flows from investment activities	(169,885)	(5,802,328)
Cash flows from financing activities		
Proceeds from short-term debt	-	13,500,000
Repayment of short-term debt	-	(11,250)
Proceeds from long-term debt	20,350,000	-
Repayment of long-term debt	(22,891,500)	(2,797,899)
Repayment of long-term debt in trust	-	(11,000,000)
Finance related costs	(1,618,501)	(732,126)
Payment of distributions	(355,323)	(342,802)
Proceeds from issuance of investment units	2,999,992	-
Payment of investment unit issuance expenses	-	(98,468)
Others	(16,787)	-
Cash flows from financing activities	(1,532,119)	(1,482,546)
Increase (decrease) in cash and cash equivalents	69,344	(662,597)
Beginning balance of cash and cash equivalents	4,117,815	4,187,160
Closing balance of cash and cash equivalents	4,187,160	3,524,562

Items		21st Fiscal Period 2013/7/1- 2013/12/31	22nd Fiscal Period 2014/1/1- 2014/06/30
Unappropriated retained earnings	(Ths JPY)	446,003	974,975
Distributions	(Ths JPY)	372,843	901,431
Distribution per Unit	(JPY)	237	573
Retained earnings carried forward	(Ths JPY)	73,159	73,543

Forecast for 23rd Fiscal Period (as of Aug. 27, 2014)

Item	22nd Fiscal Perid (Results) 2014/1/1～ 2014/6/30		23rd Fiscal Period (Forecast) 2014/7/1～ 2014/12/31		Changes	
	mn JPY	%	mn JPY	%	mn JPY	%
Operating revenues	3,775	100.0	4,323	100.0	547	14.5
Rental revenues (1)	2,772	73.4	4,323	100.0	1,551	
Gain on sales properties	1,003	26.6	0	0.0	△ 1,003	
Operating expenses	1,541	40.8	1,893	43.8	352	22.9
Property related expenses (2)	1,281		1,661		379	29.6
Facilities management fees	446		475		28	
of which, repair costs	40		40		△ 0	
Taxes and other public charges	174		163		-10	
Insurance expenses	4		5		0	
Other expenses	127		134		6	
Depreciation expenses (3)	527		881		353	
NOI(1)-(2)+(3)	**2,018**		**3,544**		**1,525**	**75.6**
Rental income (1)-(2)	1,490		2,662		1,171	78.6
Asset management fees	125		125		-	
Other operating expenses	134		107		△ 26	
Operating income	2,234	59.2	2,429	56.2	195	8.7
Non-operating revenues	1	0.0	-	-	-1	-
Non-operating expenses	1,334	35.3	827	19.1	-506	-38.0
Ordinary income	901	23.9	1,602	37.1	700	77.6
Net income	901	23.9	1,601	37.0	699	77.6

Forecasted Distribution for 23rd Fiscal Period
JPY 600 per unit
(Issued investment units: 2,668,686 units)

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

22nd Fiscal Period Results - comparison with 21st Fiscal Period

(unit: mn JPY) [1]	21st Fiscal Period Results (2H/2013)	22nd Fiscal Period Results (1H/2014)	Changes		Reasons for changes (unit: mn JPY)
Operating revenues	2,740	3,775	+1,035	+35.7%	・Rent, common area fees, etc. +13 ・Renewal fee revenue +10 ・Key money income +6 ・Gain on sales of 7 senior housing properties +1,003
Rental revenues	2,740	2,772	+31	+1.2%	
Gain on sales of properties	–	1,003	+1,003	–%	
Operating expenses	1,474	1,541	+66	+4.5%	・Maintenance costs +14 (Restoration costs +6,Repair costs+12, Miscellaneous management expenses ▲3) ・Professional fees+6 ・Cost of shared commissioned survey ▲4 ・Advertising expenses and other fees +11 ・Other taxes and dues +47 (Due to changes in taxable sales ratio)
Repair costs	28	40	+12	+44.5%	
Operating Income	1,265	2,234	+968	+76.5%	
Non-operating revenues	355	1	▲353	▲99.5%	
Profit from finance related cost adjustment	354	–	▲354	–%	✓ Booked refund of exit fees on refinancing of Shinsei Trust Loans A and B in the 21st Fiscal Period
Non-operating expenses	1,267	1,334	+66	+5.2%	
Interest Expenses	672	376	▲295	▲44.0%	✓ Reduction of interest burden associated with refinancing as of May 23, 2014
Finance-related costs	579	842	+263	+45.4%	✓ Additional one-off expenses related to refinancing as of May 23, 2014
Other non-operating expenses	16	115	+98	+587.7%	✓ Additional one-off expenses associated with offering as of Jul. 17, 2014 (Expenses related to issue of new investment units)
Net Income	352	901	+549	+155.6%	
Net Income per Unit	224	573	+349	+155.8%	
Reversal of Surplus per Unit	13	–	▲13	–%	
Distribution per Unit	237	573	+336	+141.8%	
NOI	2,006	2,018	+11	+0.6%	
NOI yield	5.2%	5.3%	+0.1%	–	

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

22nd Fiscal Period Results – comparison with initial forecast

(unit: mn JPY) [1]	22nd Fiscal Period Initial Forecast (1H/2014) As of Feb. 27, 2014	22nd Fiscal Period Results (1H/2014)	Changes		Reasons for changes (unit: mn JPY)
Operating revenues	**2,760**	**3,775**	**+1,014**	+36.8%	・Rent, common area fees, etc. +1 ・Restoration fee revenue +3 ・Renewal fee revenue▲8 ・Revenues on cost of utilities +3 ・Key money income +5 ・Other miscellaneous income +3 ・Gain on sales of 7 senior housing properties +1,003
Rental revenues	**2,760**	**2,772**	**+11**	+0.4%	
Gain on sales of properties	–	**1,003**	+1,003	–%	
Operating expenses	**1,569**	**1,541**	**▲27**	▲1.8%	・Maintenance costs▲16 (Restoration costs ▲17, Miscellaneous management expenses▲1) ・Professional fees+5 ・Depreciation ▲10 ・Advertising expenses and other fees ▲23 ・Other taxes and dues +17 (Increase in the consumption tax regarding hotels due to changes in taxable sales ratio)
Repair costs	**40**	**40**	+0	+1.3%	
Operating Income	**1,191**	**2,234**	**+1,042**	+87.5%	
Non-operating revenues	–	**1**	**+1**	–%	
Non-operating expenses	**458**	**1,334**	**+875**	+190.1%	
Interest Expenses	**396**	**376**	**▲19**	▲5.0%	✓ Reduction of interest burden associated with refinancing as of Dec. 20, 2013 ✓ Reduction of interest burden associated with refinancing as of May 23, 2014
Finance-related costs	**62**	**842**	**+779**	+1,249.8%	✓ Additional one-off expenses related to refinancing as of May 23, 2014
Other non-operating expenses	**1**	**115**	**+115**	–%	✓ Additional one-off expenses associated with offering as of Jul. 17, 2014 (Expenses related to issue of new investment units)
Net Income	**731**	**901**	**+170**	+23.3%	
Net Income per Unit	**465**	**573**	**+108**	+23.2%	
Reversal of Surplus per Unit	**–**	**–**	**–**	–%	
Distribution per Unit	**464**	**573**	**+109**	+23.5%	
NOI	**1,968**	**2,018**	**+50**	+2.5%	
NOI yield	**5.1%**	**5.3%**	**+0.2%**	–	

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

23rd Fiscal Period Forecast - comparison with 22nd Fiscal Period results

(unit: mn JPY) (1)	22nd Fiscal Period (1H/2014) Results	23rd Fiscal Period (2H/2014) Forecast Aug. 27, 2014	Changes		Reasons for changes (unit: mn JPY)
Operating revenues	**3,775**	**4,323**	**+547**	+14.5 %	・Rent, common area fees, etc. +1,575 (Decrease on sales of 7 senior housing properties ▲131) ・Key money income ▲6 ・Restoration fee revenue ▲7 ・Other miscellaneous income ▲5 ・Gain on sales of 7 senior housing properties ▲1,003
Rental revenues	**2,772**	**4,323**	**+1,551**	+56.0%	
Gain on sales of properties	**1,003**	–	**▲1,003**	–%	
Operating expenses	**1,541**	**1,893**	**+352**	+22.9%	・Maintenance costs+28 ・Trust fees+8 ・Advertising expenses and other fees ▲3 ・Depreciation+353 ・Taxes and public dues ▲10(Property tax, etc.) ・Accounting auditor remuneration+11 ・Cost of shared commissioned survey +4 ・Other miscellaneous operating expenses +4 ・Other taxes and dues ▲53 (Due to changes in taxable sales ratio)
Repair costs	**40**	**40**	**▲0**	▲1.3%	
(Ref.) CAPEX	135	141	+5	+4.2%	
(Ref.) Total	176	181	+5	+3.0%	
Operating Income	**2,234**	**2,429**	**+195**	+8.7%	
Non-operating revenues	**1**	**—**	**▲1**	–%	
Non-operating expenses	**1,334**	**827**	**▲506**	▲38.0%	
Interest Expenses	**376**	**370**	**▲6**	▲1.7%	✓ Reduction of interest burden associated with refinancing as of Jul. 17, 2014
Finance-related costs	**842**	**300**	**▲541**	▲64.3%	✓ Decrease of one-off expenses related to refinancing as of Jul. 17, 2014
Other non-operating expenses	**115**	**157**	**+41**	+36.0%	✓Difference of billing timing related to one-off expenses associated with offering as of Jul. 17, 2014 (expenses related to issue of new investment units)
Net Income	**901**	**1,601**	**+699**	+77.6%	
Net Income per Unit	**573**	**600**	**+27**	+4.7%	
Reversal of Surplus per Unit	**—**	**—**	**—**	–%	
Distribution per Unit	**573**	**600**	**+27**	+4.7%	
NOI	**2,018**	**3,544**	**+1,525**	+75.6%	
NOI yield	**5.3%**	**5.6%**	**+0.3%**	–	

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

Financial Metrics

Items	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
	2012/1/1- 2012/6/30	2012/7/1- 2012/12/31	2013/1/1- 2013/6/30	2013/7/1- 2013/12/31	2014/1/1- 2014/6/30
Amount of Total Assets (mn JPY)	67,698	80,200	80,249	79,176	79,261
Amount of Net Assets (mn JPY)	32,826	32,670	32,848	35,844	36,373
Capital-to-Asset Ratio	48.5%	40.7%	40.9%	45.3%	45.9%
Total Amount of Investment (mn JPY)	26,134	26,134	26,134	29,134	29,134
End-of-period total number of units issued	1,348,292	1,348,292	1,348,292	1,573,179	1,573,179
Amount of Net Assets per Unit (JPY)	24,346	24,231	24,363	22,785	23,121
Return on Asset (ROA) (annualized)	0.4%	0.3%	0.8%	0.9%	2.3%
Return on Equity (ROE) (annualized)	0.8%	0.7%	2.1%	2.1%	5.0%
Amount of interest-bearing debts (mn JPY)	31,603	43,982	43,851	41,310	41,000
Weighted average interest rate	4.4%	4.0%	3.7%	3.2%	1.8%
Loan to Value (LTV 1)	49.4%	57.6%	57.5%	53.9%	53.7%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	46.7%	54.8%	54.6%	52.2%	51.7%
Net Operating Income (NOI) (mn JPY)	1,564	1,800	2,008	2,006	2,018
NOI yield (annualized)	5.0%	5.2%	5.2%	5.2%	5.3%
Depreciation Expense (mn JPY)	411	480	543	527	527
Funds From Operations (FFO) (mn JPY)	539	594	878	880	426
NAV(mn JPY)	30,222	30,539	31,791	36,245	37,286
NAV per Unit (JPY)	22,416	22,650	23,579	23,039	23,701
NAV ratio	0.3	0.3	0.6	0.6	1.0

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

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

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

Overview of Borrowings (as of the end of Jun. 2014/Jul. 31, 2014)

Invincible Investment Corporation

Loan	Debtor Bank	Borrowing date	Borrowing amount		Interest rate (annual rate) etc.		Maturity date
			As of the end of Jun. 2014	As of Jul. 31, 2014	As of the end of Jun. 2014	As of Jul. 31, 2014	
New Syndicate Loan(B)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	May 23, 2014	JPY **13,488**mn	–	**0.94636**%(1) Variable interest rate (1month JPY **TIBOR** +0.8%)	–	May 22, 2015(2)
	Subtotal of short-term debt		JPY **13,488**mn	–			
New Syndicate Loan (A)(3)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank Limited Citibank Japan Ltd. Shinsei Trust & Banking Co., Ltd.(4) Aozora Bank, Ltd.	Dec. 20, 2013	JPY **17,552**mn	–	**1.64636**%(1) Variable interest rate (1month JPY **TIBOR** +1.5%)	–	Dec. 20, 2016(2)
New Syndicate Loan(C)	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	Jul. 17, 2014	–	JPY **57,300**mn	–	**0.98000**%(5) Variable interest rate (1month JPY **TIBOR** +0.8%)	Jul. 14, 2017
	Subtotal of long-term debt		JPY **17,552**mn	JPY **57,300** mn			
Prudential LPS Loan B	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	Sep. 28, 2012	JPY **2,700** mn JPY **2,860** mn JPY **1,830** mn JPY **2,570** mn		**1.9%** Fixed interest rate		Mar. 31, 2018 Mar. 31, 2019 Mar. 31, 2020 Mar. 31, 2019
	Subtotal of long-term debt						
	Total		**JPY41,000mn**	**JPY67,260mn**			

(Note 1) The interest rate is applicable for the period from Jun. 30, 2014 through Jul. 30, 2014.
(Note 2) The full amount was prepaid as of Jul. 17, 2014.
(Note 3) Regarding New Syndicate Loan (A), partial repayment of the principal, JPY 16 million, is made on each interest payment date (JPY 203.5 million per year) and the remainder was repaid on the principal maturity date (2).
(Note 4) Shinsei Trust & Banking Co., Ltd. is the trustee of the specified money trust, and the Platinum CRE Loan II Investment Limited Partnership holds the beneficiary rights to the trust.
(Note 5) The interest rate is applicable for the period from Jul. 17, 2014 through Aug. 28, 2014.(2-month JPY Tibor+0.8**%** for the first interest calculation period only.)
(Note 6) The outstanding of borrowing is rounded down to the indicated unit.

Overview of Borrowing Mortgages (as of the end of Jun. 2014)

Invincible Investment Corporation

Loan		Borrowing Amount as of Jun. 2014 (mn JPY)	Appraisal Values as of Jun. 2014 (mn JPY)	LTV based on Appraisal Values	Mortgages	No. of Properties
New Syndicate Loan (A)		17,552	37,597	46.7%	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, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman , AEON TOWN Sukagawa, Shinjuku Island, Stop Parking Kanda-Sudacho(1)	23
Subtotal		**17,552**	**37,597**	**46.7%**		**23**
New Syndicate Loan（B）		13,488	24,713	54.6%	Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Shin-Yokohama,Belle Face Ueno Okachimachi, Growth Maison Yoga, Shibuya Honmachi Mansion, City Heights Kinuta, Foros Nakamurabashi, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Growth Maison Ikebukuro, Route Tachikawa, College Square Machida, Belair Meguro, Wacore Tsunashima I, Harmonie Ochanomizu, Suncrest Shakujii Koen, Grand Rire Kameido, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, Growth Maison Kaijin, College Square Machiya, Kindai Kagakusha Building, Hotel MyStays Kanda and Hotel MyStays Asakusa.	26
Subtotal		**13,488**	**24,713**	**54.6%**		**26**
Prudential LPS Loan B	First lending	2,700	4,048	66.7%	Neo Prominence, Salvo Sala, Luna Court Edobori, Revest Meieki Minami and Wintage Kobe Motomachi	5
	Second lending	2,860	4,293	66.6%	Sun Terrace Minami Ikebukuro, Excellente Kagurazaka, HERMITAGE NANBA WEST, Little River Honmachibashi, Invoice Shin-Kobe Residence and Cosmo Court Motomachi	6
	Third lending	1,830	2,798	65.4%	Queen's Court Fukuzumi, Prime Life Sannomiya Isogami Koen, Revest Honjin, Revest Matsubara and Corp Higashinotoin	5
	Fourth lending	2,570	3,811	67.4%	West Avenue, Belair Oimachi, Siete Minami-Tsukaguchi, Prime Life Mikage, Alba Noritake Shinmachi, Revest Heian, Century Park Shinkawa 1-bankan and Vendir Hamaotsu Ekimae	8
Subtotal		**9,960**	**14,950**	**66.6%**		**24**
Total		**41,000**	**77,260**	**53.1%**		**73**

（Note 1）the property name was changed from "Stop Parking Kanda-Sudacho" to "Times Kanda-Sudacho 4th" as of Jul. 1,2014

Overview of Borrowing Mortgages (as of the end of Jul. 2014)

Invincible Investment Corporation

Loan		Borrowing Amount as of Jul. 2014 (mn JPY)	Appraisal Values as of Jun. 2014 (mn JPY)	LTV based on Appraisal Values	Mortgages	No. of Properties
New Syndicate Loan（C）		57,300	102,660	55.8%	First priority pledges over 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 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 Crescent 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, Flexstay 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. Floating lien over nine properties: Hotel MyStays Kanda, 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 and Hotel MyStays Fukuoka-Tenjin-Minami.	67
Subtotal		**57,300**	**102,660**	**55.8%**		**67**
Prudential LPS Loan B	First lending	2,700	4,048	66.7%	Neo Prominence, Salvo Sala, Luna Court Edobori, Revest Meieki Minami and Wintage Kobe Motomachi	5
	Second lending	2,860	4,293	66.6%	Sun Terrace Minami Ikebukuro, Excellente Kagurazaka, HERMITAGE NANBA WEST, Little River Honmachibashi, Invoice Shin-Kobe Residence and Cosmo Court Motomachi	6
	Third lending	1,830	2,798	65.4%	Queen's Court Fukuzumi, Prime Life Sannomiya Isogami Koen, Revest Honjin, Revest Matsubara and Corp Higashinotoin	5
	Fourth lending	2,570	3,811	67.4%	West Avenue, Belair Oimachi, Siete Minami-Tsukaguchi, Prime Life Mikage, Alba Noritake Shinmachi, Revest Heian, Century Park Shinkawa 1-bankan and Vendir Hamaotsu Ekimae	8
Subtotal		**9,960**	**14,950**	**66.6%**		**24**
Total		**67,260**	**117,610**	**57.2%**		**91**

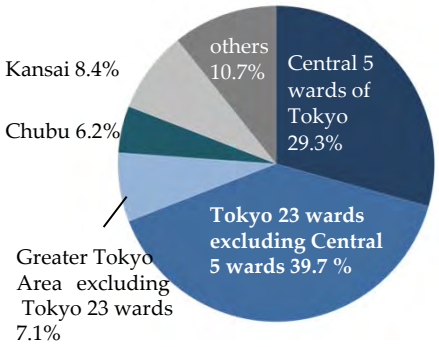
Portfolio Characteristics

Invincible Investment Corporation

(as of the end of Jun. 2014)

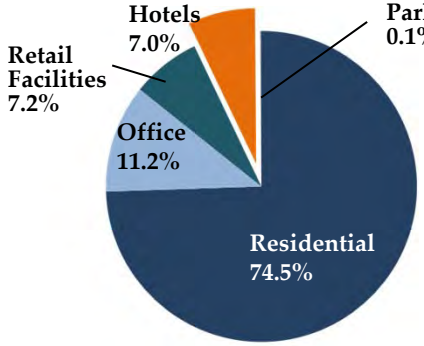
- ✓ No. of Properties : **73** (Residential : 63 , Hotels: 2)
- ✓ (Based on Acquisition Price) Asset Size : JPY **77.9** billion (Residential : JPY 58 billion , Hotels: JPY 5.4 billion)
- ✓ Total Rentable Units : **3,802** unit (Residential : 3,413 units , Hotels: 286 units)
- ✓ Total Leasable Area : **154,773.28** ㎡ (Residential : 109,584.45 ㎡ Hotels: 5,913.10㎡)

<By Geography>



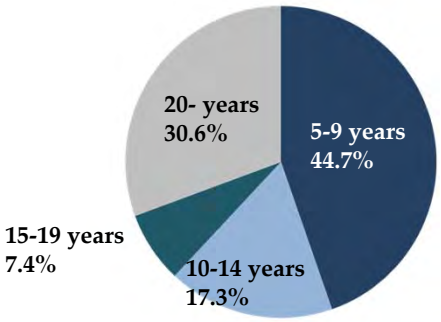
Greater Tokyo Area : 76.1 % (Tokyo 23 wards : 69.1 %)

<By Property Type>



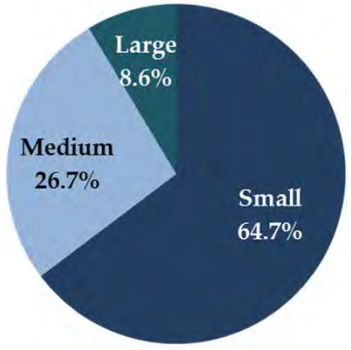
Residential : 74.5%, Hotels : 7.0%

<By Property Age>



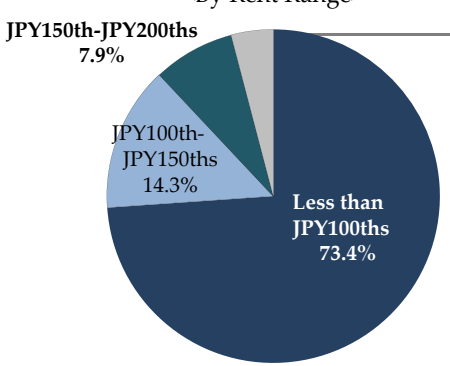
Weighted average age : 13.7 years

<By Room Type>



Small : 64.7%

<By Rent Range>



Less than JPY 100 ths : 73.4%

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

(Note 2) Invincible defines as"Small" a rentable unit with an area of less than 30㎡, "Medium" as a rentable unit with an area of 30㎡ to 60㎡ and "Large" as a rentable unit with an area of 60㎡ or more.

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

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

Overview of Unitholders

Major Unitholders (TOP 10)

21st Fiscal Period (As of Dec. 31, 2013)

	Name	Number of units held	(%)
1	Calliope Godo Kaisha	609,942	38.77
2	Rayo Godo Kaisha	149,925	9.53
3	New Mission Funding Co., Ltd.	129,400	8.22
4	SCG16 Godo Kaisha	74,962	4.76
5	JP MORGAN CHASE BANK 380180	67,283	4.27
6	GOLDMAN SACHS INTERNATIONAL	65,701	4.17
7	Japan Trustee Services Bank, Ltd. (trust account)	58,799	3.73
8	INFINITE VALUE INVESTMENT LTD	57,757	3.67
9	The Nomura Trust and Banking Co., Ltd. (investment trust account)	40,369	2.56
10	CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	34,445	2.18
	Total	1,288,583	81.90
		Issued investment units	1,573,179

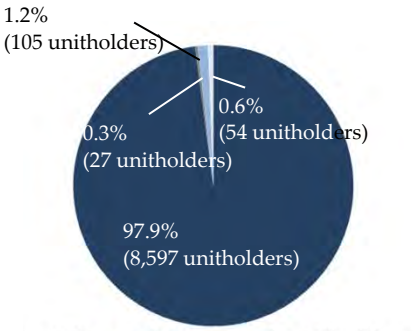
22nd Fiscal Period (As of Jun. 30, 2014)

	Name	Number of units held	(%)
1	Calliope Godo Kaisha	609,942	38.77
2	Rayo Godo Kaisha	149,925	9.53
3	The Master Trust Bank of Japan ,Ltd. (trust account)	113,573	7.21
4	Japan Trustee Services Bank, Ltd. (trust account)	110,979	7.05
5	Trust & Custody Services Bank, Ltd. (securities investment trust account)	82,132	5.22
6	JP MORGAN CHASE BANK 380180	72,004	4.57
7	INFINITE VALUE INVESTMENT LTD	70,151	4.45
8	The Nomura Trust and Banking Co., Ltd. (investment trust account)	41,310	2.62
9	New Mission Funding Co., Ltd.	20,340	1.29
10	NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	16,037	1.01
	Total	1,286,393	81.77
		Issued investment units	1,573,179

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

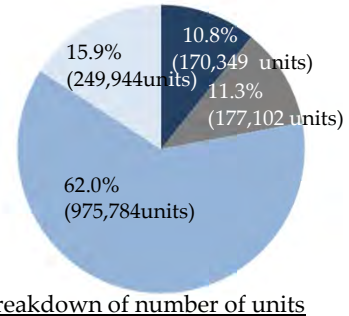
21st Fiscal Period

Individuals | Financial institution (incl. securities companies) | Other domestic companies | Foreign companies, etc.



Breakdown of number of unitholders by their status

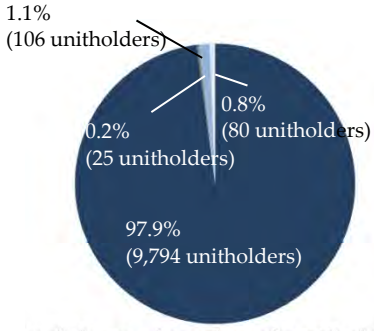
(Number of total unitholders : 8,783)



Breakdown of number of units held by the status of unitholders

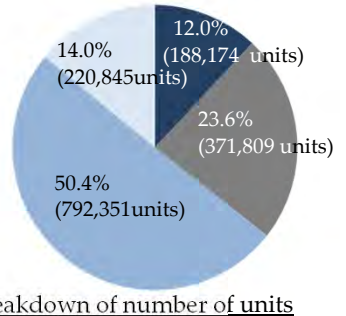
(Issued investment units : 1,573,179)

22nd Fiscal Period



Breakdown of number of unitholders by their status

(Number of total unitholders : 10,005)



Breakdown of number of units held by the status of unitholders

(Issued investment units : 1,573,179)

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

Newly Acquired 20 Hotels (1/10)

(D1) Hotel MyStays Kanda







Location	1-2-2 Iwamotocho, Chiyoda-ku
Prefecture	Tokyo
Access	6 minute walk from Kanda Station
Date of Construction	December 2005
Date of Renovation	-
Number of Guest Rooms	126
Total Floor Area	2,585.72 sqm
Land Area	348.12 sqm
Daily / Weekly / Monthly % (1) (2013)	71.5% / 9.5% / 19.0%
ADR (2013)(2)	JPY 6,607
Occupancy (2013) (3)	91.7%
RevPAR (2013) (4)	JPY 6,061
Gross Revenue (2013)	JPY 286 mn
GOP / GOP% (2013)	JPY 155 mn / 54.3%
NOI (2013)	JPY 145 mn

(D2) Hotel MyStays Asakusa









Location	1-21-11 Honjo, Sumida-ku
Prefecture	Tokyo
Access	4 minute walk from Kuramae Station
Date of Construction	January 1990
Date of Renovation	November to December 2012
Number of Guest Rooms	160
Total Floor Area	3,327.38 sqm
Land Area	827.53 sqm
Daily / Weekly / Monthly %(1) (2013)	54.8% / 13.4% / 31.8%
ADR (2013) (2)	JPY 4,848
Occupancy (2013) (3)	88.5%
RevPAR (2013) (4)	JPY 4,290
Gross Revenue (2013)	JPY 270 mn
GOP / GOP% (2013)	JPY 157 mn / 58.3%
NOI (2013)	JPY 148 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (2/10)

(D3) Hotel MyStays Kyoto-Shijo







Location	52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo-ku, Kyoto-shi
Prefecture	Kyoto
Access	6 mins walk from Shijo Station
Date of Construction	January 2008
Date of Renovation	-
Number of Guest Rooms	224
Total Floor Area	7,241.51 sqm
Land Area	1,021.70 sqm
Daily / Weekly / Monthly %(1) (2013)	98.0% / 1.7% / 0.4%
ADR (2013) (2)	JPY 9,040
Occupancy (2013) (3)	85.6%
RevPAR (2013) (4)	JPY 7,739
Gross Revenue (2013)	JPY 658 mn
GOP / GOP% (2013)	JPY 352 mn / 53.5%
NOI (2013)	JPY 328 mn

(D4) MyStays Shin-Urayasu Conference Center







Location	2-1-4, Akemi, Urayasu-shi
Prefecture	Chiba
Access	15 mins walk from Shin-Urayasu Station
Date of Construction	March 2009
Date of Renovation	-
Number of Guest Rooms	175
Total Floor Area	6,232.30 sqm
Land Area	3,281.50 sqm
Daily / Weekly / Monthly %(1) (2013)	97.4% / 2.6% / -%
ADR (2013) (2)	JPY 9,663
Occupancy (2013) (3)	82.7%
RevPAR (2013) (4)	JPY 7,993
Gross Revenue (2013)	JPY 599 mn
GOP / GOP% (2013)	JPY 322 mn / 53.9%
NOI (2013)	JPY 304 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (3/10)

(D5) Hotel MyStays Maihama







Location	3-5-1, Tekko-dori, Urayasu-shi
Prefecture	Chiba
Access	12 mins walk from Maihama Station
Date of Construction	June 2005
Date of Renovation	-
Number of Guest Rooms	90
Total Floor Area	2,456.36 sqm
Land Area	1,322.00 sqm
Daily / Weekly / Monthly %(1) (2013)	99.9% / 0.1% / -%
ADR (2013) (2)	JPY 15,634
Occupancy (2013) (3)	91.0%
RevPAR (2013) (4)	JPY 14,222
Gross Revenue (2013)	JPY 485 mn
GOP / GOP% (2013)	JPY 285 mn / 58.8%
NOI (2013)	JPY 277 mn

(D6) Hotel Vista Premio Dojima







Location	2-4-1, Sonezakishinchi, Kita-ku, Osaka-shi
Prefecture	Osaka
Access	5 mins from Kitashinchi Station
Date of Construction	August 1990
Date of Renovation	-
Number of Guest Rooms	141
Total Floor Area	9,445.32 sqm
Land Area	1,767.16 sqm
ADR (2013) (2)	JPY 9,120
Occupancy (2013) (3)	87.6%
RevPAR (2013) (4)	JPY 7,987
Gross Revenue (2013)	JPY 553 mn
GOP / GOP% (2013)	JPY 286 mn / 51.7%
NOI (2013)	JPY 241 mn

(Note) Breakdown of Daily / Weekly / Monthly is not described because there is no available data.

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (4/10)

(D7) Hotel MyStays Nagoya-Sakae







Location	2-23-22, Higashisakura, Naka-ku, Nagoya
Prefecture	Aichi
Access	7 mins walk from Sakae Station
Date of Construction	November 1979
Date of Renovation	April to June 2013
Number of Guest Rooms	270
Total Floor Area	9,064.71 sqm
Land Area	1,142.41 sqm
Daily / Weekly / Monthly %(1) (2013)	96.1% / 3.2% / 0.7%
ADR (2013) (2)	JPY 5,553
Occupancy (2013) (3)	79.9%
RevPAR (2013) (4)	JPY 4,437
Gross Revenue (2013)	JPY 498 mn
GOP / GOP% (2013)	JPY 210 mn / 42.3%
NOI (2013)	JPY 163 mn

(D8) Hotel MyStays Sakaisuji-Honmachi





Location	1-4-8, Awaji-machi, Chuo-ku, Osaka-shi
Prefecture	Osaka
Access	7 mins walk from Sakaisuji-Hommachi Station
Date of Construction	July 2008
Date of Renovation	-
Number of Guest Rooms	190
Total Floor Area	4,188.83 sqm
Land Area	736.23 sqm
Daily / Weekly / Monthly %(1) (2013)	83.8% / 11.0% / 5.2%
ADR (2013) (2)	JPY 5,848
Occupancy (2013) (3)	80.6%
RevPAR (2013) (4)	JPY 4,714
Gross Revenue (2013)	JPY 337 mn
GOP / GOP% (2013)	JPY 170 mn / 50.5%
NOI (2013)	JPY 156 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (5/10)

(D9) Hotel MyStays Yokohama







Location	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi
Prefecture	Kanagawa
Access	1 min walk from Koganecho Station
Date of Construction	December 1974
Date of Renovation	June to September, 2006
Number of Guest Rooms	190
Total Floor Area	7,379.43 sqm
Land Area	845.77 sqm
Daily / Weekly / Monthly %(1) (2013)	84.4% / 10.2% / 5.4%
ADR (2013) (2)	JPY 5,956
Occupancy (2013) (3)	85.2%
RevPAR (2013) (4)	JPY 5,077
Gross Revenue (2013)	JPY 377 mn
GOP / GOP% (2013)	JPY 164 mn / 43.6%
NOI (2013)	JPY 150 mn

(D10) Hotel MyStays Nippori







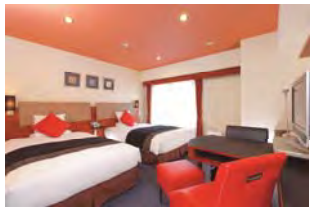
Location	5-43-7, Higashi-Nippori, Arakawa-ku
Prefecture	Tokyo
Access	5 mins walk from Nippori Station
Date of Construction	April 1987
Date of Renovation	February to March 2011
Number of Guest Rooms	93
Total Floor Area	1,719.29 sqm
Land Area	254.09 sqm
Daily / Weekly / Monthly %(1) (2013)	67.5% / 15.4% / 17.0%
ADR (2013) (2)	JPY 5,912
Occupancy (2013) (3)	90.7%
RevPAR (2013) (4)	JPY 5,363
Gross Revenue (2013)	JPY 188 mn
GOP / GOP% (2013)	JPY 103 mn / 55.0%
NOI (2013)	JPY 98 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (6/10)

(D11) Hotel MyStays Fukuoka-Tenjin-Minami







Location	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi
Prefecture	Fukuoka
Access	5 mins walk from Tenjin-Minami Station
Date of Construction	February 2008
Date of Renovation	-
Number of Guest Rooms	177
Total Floor Area	3,412.71 sqm
Land Area	899.15 sqm
Daily / Weekly / Monthly %(1) (2013)	77.9% / 15.4% / 6.7%
ADR (2013) (2)	JPY 5,065
Occupancy (2013) (3)	79.1%
RevPAR (2013) (4)	JPY 4,004
Gross Revenue (2013)	JPY 264 mn
GOP / GOP% (2013)	JPY 119 mn / 45.4%
NOI (2013)	JPY 108 mn

(D12) Flexstay Inn Iidabashi







Location	3-26, Shin-Ogawa-Machi, Shinjuku-ku
Prefecture	Tokyo
Access	8 mins walk from Iidabashi Station
Date of Construction	December 1990
Date of Renovation	-
Number of Guest Rooms	59
Total Floor Area	2,953.38 sqm
Land Area	898.62 sqm
Daily / Weekly / Monthly %(1) (2013)	66.9% / 16.0% / 17.1%
ADR (2013) (2)	JPY 7,280
Occupancy (2013) (3)	87.8%
RevPAR (2013) (4)	JPY 6,389
Gross Revenue (2013)	JPY 155 mn
GOP / GOP% (2013)	JPY 85 mn / 55.3%
NOI (2013)	JPY 75 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (7/10)

(D13) Hotel MyStays Ueno Inaricho







Location	1-5-7, Matsugaya, Taito-ku
Prefecture	Tokyo
Access	4 mins walk from Inaricho Station
Date of Construction	December 1986
Date of Renovation	November to December 2012
Number of Guest Rooms	72
Total Floor Area	1,150.76 sqm
Land Area	294.35 sqm
Daily / Weekly / Monthly %(1) (2013)	74.8% / 12.1% / 13.1%
ADR (2013) (2)	JPY 5,797
Occupancy (2013) (3)	90.2%
RevPAR (2013) (4)	JPY 5,227
Gross Revenue (2013)	JPY 141 mn
GOP / GOP% (2013)	JPY 69 mn / 49.4%
NOI (2013)	JPY 65 mn

(D14) Flexstay Inn Shinagawa







Location	1-22-19, Kitashinagawa, Shinagawa-ku
Prefecture	Tokyo
Access	1 min walk from Kitashinagawa Station
Date of Construction	October 1986
Date of Renovation	November to December 2011
Number of Guest Rooms	55
Total Floor Area	1,134.52 sqm
Land Area	441.71 sqm
Daily / Weekly / Monthly %(1) (2013)	64.7% / 9.3% / 26.0%
ADR (2013) (2)	JPY 6,648
Occupancy (2013) (3)	93.1%
RevPAR (2013) (4)	JPY 6,192
Gross Revenue (2013)	JPY 127 mn
GOP / GOP% (2013)	JPY 70 mn / 55.3%
NOI (2013)	JPY 65 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (8/10)

(D15) Flexstay Inn Tokiwadai







Location	1-52-5, Tokiwadai, Itabashi-ku
Prefecture	Tokyo
Access	5 mins walk from Tokiwadai Station
Date of Construction	December 1989
Date of Renovation	March 2013
Number of Guest Rooms	129
Total Floor Area	2,539.75 sqm
Land Area	1,200.61 sqm
Daily / Weekly / Monthly %(1) (2013)	32.5% / 35.7% / 31.8%
ADR (2013) (2)	JPY 3,890
Occupancy (2013) (3)	84.0%
RevPAR (2013) (4)	JPY 3,269
Gross Revenue (2013)	JPY 167 mn
GOP / GOP% (2013)	JPY 83 mn / 49.8%
NOI (2013)	JPY 75 mn

(D16) Flexstay Inn Sugamo







Location	3-6-16, Sugamo, Toshima-ku
Prefecture	Tokyo
Access	5 mins walk from Sugamo Station
Date of Construction	January 1992
Date of Renovation	March 2013
Number of Guest Rooms	104
Total Floor Area	2,089.86 sqm
Land Area	683.47 sqm
Daily / Weekly / Monthly %(1) (2013)	37.8% / 22.3% / 39.9%
ADR (2013) (2)	JPY 3,950
Occupancy (2013) (3)	88.3%
RevPAR (2013) (4)	JPY 3,490
Gross Revenue (2013)	JPY 145 mn
GOP / GOP% (2013)	JPY 74 mn / 51.6%
NOI (2013)	JPY 67 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (9/10)

(D17) Hotel MyStays Otemae







Location	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi
Prefecture	Osaka
Access	4 mins walk from Tanimachi 4-chome Station
Date of Construction	December 1986
Date of Renovation	December 2012 to January 2013
Number of Guest Rooms	110
Total Floor Area	4,956.66 sqm
Land Area	667.83 sqm
Daily / Weekly / Monthly %(1) (2013)	60.9% / 16.1% / 23.0%
ADR (2013) (2)	JPY 5,401
Occupancy (2013) (3)	80.8%
RevPAR (2013) (4)	JPY 4,364
Gross Revenue (2013)	JPY 188 mn
GOP / GOP% (2013)	JPY 84 mn / 44.7%
NOI (2013)	JPY 75 mn

(D18) Flexstay Inn Kiyosumi Shirakawa





Location	1-12-16, Tokiwa, Koto-ku
Prefecture	Tokyo
Access	5 mins walk from Kiyosumi-Shirakawa Station
Date of Construction	May 1992
Date of Renovation	-
Number of Guest Rooms	55
Total Floor Area	2,673.64 sqm
Land Area	870.77 sqm
Daily / Weekly / Monthly %(1) (2013)	44.2% / 14.0% / 41.8%
ADR (2013) (2)	JPY 5,253
Occupancy (2013) (3)	87.7%
RevPAR (2013) (4)	JPY 4,606
Gross Revenue (2013)	JPY 108 mn
GOP / GOP% (2013)	JPY 56 mn / 51.7%
NOI (2013)	JPY 47 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Newly Acquired 20 Hotels (10/10)

(D19) Flexstay Inn Nakanobu P1





Location	4-27-12, Futaba, Shinagawa-ku
Prefecture	Tokyo
Access	5 mins walk from Nakanobu Station
Date of Construction	September 1986
Date of Renovation	-
Number of Guest Rooms	39
Total Floor Area	770.56 sqm
Land Area	395.33 sqm
Daily / Weekly / Monthly %(1) (2013)	19.1% / 14.2% / 66.6%
ADR (2013) (2)	JPY 4,695
Occupancy (2013) (3)	90.5%
RevPAR (2013) (4)	JPY 4,251
Gross Revenue (2013)	JPY 64 mn
GOP / GOP% (2013)	JPY 37 mn / 57.8%
NOI (2013)	JPY 34 mn

(D20) Flexstay Inn Nakanobu P2







Location	4-27-8, Futaba, Shinagawa-ku
Prefecture	Tokyo
Access	5 mins walk from Nakanobu Station
Date of Construction	March 1989
Date of Renovation	-
Number of Guest Rooms	22
Total Floor Area	391.49 sqm
Land Area	213.00 sqm
Daily / Weekly / Monthly %(1) (2013)	30.5% / 25.2% / 44.2%
ADR (2013) (2)	JPY 4,114
Occupancy (2013) (3)	94.8%
RevPAR (2013) (4)	JPY 3,900
Gross Revenue (2013)	JPY 34 mn
GOP / GOP% (2013)	JPY 18 mn / 54.2%
NOI (2013)	JPY 16 mn

(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1~6, Weekly=7~29, Monthly=over30 night stays basis.
(Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
(Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
(Note 4) Calculated based on the total number of guest rooms.

Portfolio List as of the end of Jun. 2014(Performance by Properties, etc.)

Property Number			A26	A27	A28	A29	A30	A31	A32	A33
Property Name			Nisshin Palacestage Daitabashi	Nisshin Palacestage Higashi-Nagasaki	Growth Maison Gotanda	Growth Maison Kameido	Emerald House	Harmonie Ochanomizu	Suncrest Shakujii Koen	Growth Maison Shin-Yokohama
Acquisition Date			July 28, 2005	July 28, 2005	January 30, 2006	March 30, 2006	August 1, 2006	August 3, 2006	August 3, 2006	August 3, 2006
Completion Date			December, 1992	March, 1989	July, 2005	October, 2005	February, 1995	March, 1997	March, 1990	March, 2006
Address			1-31-2 Izumi, Suginami Ward, Tokyo	5-4-1 Nagasaki, Toshima Ward, Tokyo	2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo	6-58-16 Kameido, Koto Ward, Tokyo	3-27-18 Itabashi, Itabashi Ward, Tokyo	2-5-5 Yushima, Bunkyo Ward, Tokyo	3-15-35 Takanodai, Nerima Ward, Tokyo	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture
Transport Access			About 10 minutes walk from Daitabashi Station on Keio Line	About 6 minutes walk from Higashi-Nagasaki Station on Seibu Line	About 5 minutes walk from Gotanda Station on JR Line	About 2 minutes walk from Kameido Station on JR Line	About 8 minutes walk from Shin-Itabashi Station on Toei Line	About 8 minutes walk from Ochanomizu Station on JR Line	About 7 minutes walk from Nerima-Takanodai Station on Seibu Line	About 7 minutes walk from Shin-Yokohama Station on JR Line
Price information	Acquisition Price (JPY mn)		1,251	1,229	888	1,070	1,505	1,428	1,088	1,059
		Investment ratio	1.6%	1.6%	1.1%	1.4%	1.9%	1.8%	1.4%	1.4%
	Book Value (mn JPY)		1,138	1,118	846	1,012	1,419	1,380	1,069	994
	Appraisal Value as of Jun. 2014 (mn JPY)		1,140	1,240	931	1,060	1,190	1,250	1,010	1,080
Leasing information	**Total Rentable Units**		98	60	48	66	96	65	29	68
	Total Leasable Area (㎡)		1,771.13	2,681.94	1,051.50	1,367.96	2,152.31	1,748.24	3,029.16	1,858.44
	Leased area (㎡)		1,666.59	2,619.30	1,051.50	1,221.54	2,152.31	1,594.12	2,937.72	1,615.78
	Occupancy Rate	Jun. 30, 2014	94.1%	97.7%	100.0%	89.3%	100.0%	91.2%	97.0%	86.9%
		Dec. 31, 2013	95.0%	97.4%	100.0%	89.3%	98.9%	97.5%	95.3%	94.1%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		39,801	46,420	27,344	32,376	49,348	39,809	35,961	33,246
		Rent, common area fees (ths JPY)	36,585	41,290	26,772	29,717	38,057	36,888	32,844	29,921
		Other income (ths JPY)	3,216	5,130	572	2,659	11,291	2,920	3,116	3,324
	(2) Property related expenses (ths JPY)		18,039	25,961	8,405	16,226	25,568	15,044	18,263	15,258
		Facility management fees (ths JPY)	6,557	9,770	2,180	4,899	8,387	4,551	6,272	4,483
		(Repair costs (ths JPY))	438	2,646	158	580	1,317	386	1,592	328
		(Utility expenses (ths JPY))	1,999	2,763	275	562	1,056	715	1,164	638
		Tax and other public charges (ths JPY)	1,571	2,649	1,322	1,685	2,563	1,826	3,120	2,395
		Insurance expenses (ths JPY)	70	97	33	45	100	69	101	70
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,978	1,467	519	3,692	4,754	1,488	1,727	2,223
		(3)Depreciation expenses (ths JPY)	7,861	11,976	4,350	5,903	9,762	7,109	7,042	6,085
	(4) NOI = (1) - (2) + (3)		29,623	32,435	23,290	22,053	33,541	31,873	24,739	24,073
		NOI yield based on Acquisition price	4.8%	5.3%	5.3%	4.2%	4.5%	4.5%	4.6%	4.6%
		NOI yield based on Appraisal value	5.2%	5.3%	5.0%	4.2%	5.7%	5.1%	4.9%	4.5%
	(5) Rental income = (1)-(2) (ths JPY)		21,761	20,459	18,939	16,150	23,779	24,764	17,697	17,988
	(6) Capital expenditure (ths JPY)		806	6,743	-	-	2,064	1,808	31,463	-
	(7) NCF = (4) - (6) (ths JPY)		28,816	25,691	23,290	22,053	31,476	30,064	(6,723)	24,073
Reference Information	Expense ratio = ((2) - (3)) / (1)		25.6%	30.1%	14.8%	31.9%	32.0%	19.9%	31.2%	27.6%
	Property Tax 2014 (ths JPY)		2,828	5,141	2,532	3,184	4,934	3,474	6,086	4,460
	Mortgagee*		New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B

Property Number			A34	A35	A36	A37	A38	A39	A40	A41
Property Name			Belle Face Ueno Okachimachi	Grand Rire Kameido	Growth Maison Ikebukuro	Growth Maison Yoga	Route Tachikawa	Shibuya Honmachi Mansion	City Heights Kinuta	Acseeds Tower Kawaguchi Namiki
Acquisition Date			August 1, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006	August 3, 2006
Completion Date			February, 2006	March, 2006	January, 2006	March, 2006	March, 1997	December, 1986	March, 1983	February, 2006
Address			1-27-5 Higashi-Ueno, Taito Ward, Tokyo	3-39-12 Kameido, Koto Ward, Tokyo	3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo	1-15-15 Okamoto, Setagaya Ward, Tokyo	3-7-6 Nishikicho, Tachikawa City, Tokyo	2-35-2 Honmachi, Shibuya Ward, Tokyo	4-13-15 Kinuta, Setagaya Ward, Tokyo	2-5-13 Namiki, Kawaguchi City, Saitama Prefecture
Transport Access			About 3 minutes walk from Shin-Okachimachi Station on Toei Line	About 14 minutes walk from Kameido Station on JR Line	About 5 minutes walk from Ikebukuro Station on JR Line	About 14 minutes walk from Yoga Station on Tokyu Line	About 11 minutes walk from Tachikawa Station on JR Line	About 8 minutes walk from Hatsudai Station on Keio Line	About 9 minutes walk from Soshigayaokura Station on Odakyu Line	About 7 minutes walk from Nishi-Kawaguchi Station on JR Line
Price information	Acquisition Price (JPY mn)		1,023	906	825	795	676	651	646	620
		Investment ratio	1.3%	1.2%	1.1%	1.0%	0.9%	0.8%	0.8%	0.8%
	Book Value (mn JPY)		983	855	777	764	653	655	646	571
	Appraisal Value as of Jun. 2014 (mn JPY)		924	918	838	682	595	591	457	684
Leasing information	**Total Rentable Units**		64	72	42	39	24	25	19	57
	Total Leasable Area (㎡)		1,351.11	1,562.26	952.89	1,015.34	1,368.57	1,167.50	1,235.93	1,210.74
	Leased area (㎡)		1,328.76	1,562.26	861.28	988.33	1,322.13	1,167.50	1,235.93	1,126.18
	Occupancy Rate	Jun. 30, 2014	98.3%	100.0%	90.4%	97.3%	96.6%	100.0%	100.0%	93.0%
		Dec. 31, 2013	100.0%	100.0%	97.6%	100.0%	83.5%	96.4%	94.6%	96.5%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		33,576	26,619	26,208	22,653	20,293	20,105	17,629	25,146
		Rent, common area fees (ths JPY)	29,643	26,619	23,537	21,630	18,825	19,274	16,894	23,217
		Other income (ths JPY)	3,933	-	2,670	1,022	1,467	831	734	1,928
	(2) Property related expenses (ths JPY)		14,239	7,967	10,461	8,528	9,382	8,056	5,019	10,704
		Facility management fees (ths JPY)	4,832	230	2,825	2,232	2,731	3,902	1,494	3,010
		(Repair costs (ths JPY))	50	82	64	175	669	2,322	285	203
		(Utility expenses (ths JPY))	496	-	580	385	454	227	87	414
		Tax and other public charges (ths JPY)	1,670	1,702	1,057	1,355	1,053	902	956	1,127
		Insurance expenses (ths JPY)	44	47	41	41	41	35	35	38
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	2,337	500	1,289	994	1,483	1,067	1,059	1,488
		(3)Depreciation expenses (ths JPY)	5,355	5,487	5,247	3,905	4,071	2,148	1,472	5,038
	(4) NOI = (1) - (2) + (3)		24,692	24,139	20,994	18,029	14,982	14,197	14,082	19,481
		NOI yield based on Acquisition price	4.9%	5.4%	5.1%	4.6%	4.5%	4.4%	4.4%	6.3%
		NOI yield based on Appraisal value	5.4%	5.3%	5.1%	5.3%	5.1%	4.8%	6.2%	5.7%
	(5) Rental income = (1)-(2) (ths JPY)		19,336	18,652	15,747	14,124	10,910	12,049	12,610	14,442
	(6) Capital expenditure (ths JPY)		-	-	-	-	781	1,360	291	-
	(7) NCF = (4) - (6) (ths JPY)		24,692	24,139	20,994	18,029	14,200	12,837	13,791	19,481
Reference Information	Expense ratio = ((2) - (3)) / (1)		26.5%	9.3%	19.9%	20.4%	26.2%	29.4%	20.1%	22.5%
	Property Tax 2014 (ths JPY)		3,191	3,413	1,940	2,596	1,991	1,780	1,845	2,090
	Mortgagee*		New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B

Property Number			A42	A43	A44	A45	A46	A47	A48	A51
Property Name			Capital Heights Kagurazaka	College Square Machida	Belair Meguro	Wacore Tsunashima I	Foros Nakamurabashi	Growth Maison Kaijin	College Square Machiya	City House Tokyo Shinbashi
Acquisition Date			August 3, 2006	August 1, 2006	August 1, 2006	August 3, 2006	August 3, 2006	August 1, 2006	August 3, 2006	February 1, 2010
Completion Date			May, 1987	March, 1984	October, 2005	February, 1991	September, 2001	October, 1993	March, 2006	August, 2004
Address			71-1 Enokicho, Shinjuku Ward, Tokyo	3-4-4 Nakamachi, Machida City, Tokyo	1-2-15 Meguro, Meguro Ward, Tokyo	2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa Prefecture	1-6-6 Koyama, Nerima Ward, Tokyo	5-29-51 Kaijin, Funabashi City, Chiba Prefecture	7-3-1 Arakawa, Arakawa Ward, Tokyo	6-19-1 Shinbashi, Minato Ward, Tokyo
Transport Access			About 5 minutes walk from Kagurazaka Station on Tokyo Metro Line	About 10 minutes walk from Machida Station on Odakyu Line	About 7 minutes walk from Meguro Station on JR Line	About 9 minutes walk from Tsunashima Station on Tokyu Line	About 7 minutes walk from Nakamurabashi Station on Seibu Line	About 10 minutes walk from Kaijin Station on Keisei Line	About 4 minutes walk from Machiya Station on Keisei Line	About 3 minute walk from Onarimon Station on Toei Line
Price information	Acquisition Price (JPY mn)		604	589	589	572	566	557	510	2,520
		Investment ratio	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	3.2%
	Book Value (mn JPY)		616	570	572	547	530	531	477	2,405
	Appraisal Value as of Jun. 2014 (mn JPY)		540	529	551	499	550	454	500	2,720
Leasing information	Total Rentable Units		26	62	25	50	37	34	43	86
	Total Leasable Area (㎡)		1,126.65	1,047.75	557.05	907.46	815.77	2,040.27	871.35	3,364.00
	Leased area (㎡)		1,019.27	1,047.75	557.05	853.61	815.77	1,836.34	871.35	3,178.86
	Occupancy Rate	Jun. 30, 2014	90.5%	100.0%	100.0%	94.1%	100.0%	90.0%	100.0%	94.5%
		Dec. 31, 2013	91.0%	100.0%	92.1%	82.1%	94.5%	100.0%	100.0%	100.0%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		18,000	18,268	15,901	17,314	17,958	21,922	14,706	89,437
		Rent, common area fees (ths JPY)	17,129	18,268	14,952	16,706	16,812	20,103	14,706	86,237
		Other income (ths JPY)	871	-	948	607	1,146	1,818	-	3,200
	(2) Property related expenses (ths JPY)		8,036	4,036	5,991	10,747	10,425	15,285	5,212	34,634
		Facility management fees (ths JPY)	3,590	363	1,563	3,948	3,862	6,238	193	13,506
		(Repair costs (ths JPY))	731	363	17	888	1,863	904	193	353
		(Utility expenses (ths JPY))	384	-	197	640	329	1,150	-	15
		Tax and other public charges (ths JPY)	1,073	502	850	894	987	2,054	941	4,905
		Insurance expenses (ths JPY)	38	29	22	31	36	85	29	114
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,189	500	1,243	1,913	1,245	815	500	3,044
		(3)Depreciation expenses (ths JPY)	2,144	2,640	2,311	3,959	4,294	6,092	3,549	13,064
	(4) NOI = (1) - (2) + (3)		12,108	16,872	12,220	10,525	11,827	12,728	13,042	67,867
		NOI yield based on Acquisition price	4.0%	5.8%	4.2%	3.7%	4.2%	4.6%	5.1%	5.4%
		NOI yield based on Appraisal value	4.5%	6.4%	4.5%	4.3%	4.3%	5.7%	5.3%	5.0%
	(5) Rental income = (1)-(2) (ths JPY)		9,963	14,231	9,909	6,566	7,533	6,636	9,493	54,803
	(6) Capital expenditure (ths JPY)		788	-	412	382	243	12,481	-	-
	(7) NCF = (4) - (6) (ths JPY)		11,319	16,872	11,808	10,143	11,583	247	13,042	67,867
Reference Information	Expense ratio = ((2) - (3)) / (1)		32.7%	7.6%	23.1%	39.2%	34.1%	41.9%	11.3%	24.1%
	Property Tax 2014 (ths JPY)		2,103	1,959	1,649	1,677	1,779	3,804	1,758	9,728
	Mortgagee*		New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate B	New Syndicate A

Property Number			A52	A53	A54	A56	A59	A61	A62	A63
Property Name			Winbell Kagurazaka	Nishiwaseda Cresent Mansion	Lexington Square Akebonobashi	Casa Eremitaggio	Towa City Coop Shin-otsuka II	Bichsel Musashiseki	Lexel Mansion Ueno Matsugaya	Towa City Coop Sengencho
Acquisition Date			February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010
Completion Date			February, 2004	July, 1987	December, 2004	December, 2003	May, 1993	February, 1992	January, 2005	October, 1992
Address			6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo	3-18-9 Nishi-Waseda,Shinjuku Ward, Tokyo	3-8 Yochomachi,Shinjuku Ward, Tokyo	1-14-15 Nakane,Meguro Ward, Tokyo	5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo	1-22-7 Sekimachi-Kita,Nerima Ward, Tokyo	3-10-2 Matsugaya,Taito Ward, Tokyo	4-338-2 Sengencho, Nishi-ku,Yokohama City, Kanagawa Prefecture
Transport Access			About 8 minute walk from Iidabashi Station on JR Line	About 8 minute walk from Takadanobaba Station on Tokyo Metro Line	About 10 minute walk from Akebonobashi Station on Toei Line	About 8 minute walk from Toritsudaigaku Station on Tokyu Line	About 2 minutes walk from Shinotsuka Station on Tokyo Metro Line	About 3 minute walk from Musashi-Seki Station on Seibu Line	About 8 minute walk from Iriya Station on Tokyo Metro Line	About 9 minutes walk from Tennomachi Station on Sotetsu Line
Price information	Acquisition Price (JPY mn)		3,260	1,880	1,450	1,070	866	577	970	1,110
		Investment ratio	4.2%	2.4%	1.9%	1.4%	1.1%	0.7%	1.2%	1.4%
	Book Value (mn JPY)		3,128	1,849	1,377	996	831	558	899	1,046
	Appraisal Value as of Jun. 2014 (mn JPY)		3,490	2,180	1,600	996	949	634	1,070	1,250
Leasing information	Total Rentable Units		118	69	88	17	58	70	29	154
	Total Leasable Area (㎡)		4,032.70	4,310.77	1,987.88	1,197.19	1,627.13	1,220.24	1,969.45	3,426.36
	Leased area (㎡)		3,975.60	3,986.36	1,854.11	1,161.61	1,510.74	1,150.45	1,897.28	3,051.95
	Occupancy Rate	Jun. 30, 2014	98.6%	92.5%	93.3%	97.0%	92.8%	94.3%	96.3%	89.1%
		Dec. 31, 2013	96.5%	94.8%	89.7%	90.0%	89.9%	92.9%	100.0%	90.5%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		105,410	70,931	47,715	28,492	33,315	24,028	33,839	59,396
		Rent, common area fees (ths JPY)	97,203	66,692	45,447	26,659	32,327	22,700	31,097	54,454
		Other income (ths JPY)	8,207	4,238	2,268	1,833	987	1,328	2,741	4,941
	(2) Property related expenses (ths JPY)		35,567	24,270	19,021	15,822	12,989	11,896	15,111	31,488
		Facility management fees (ths JPY)	8,477	11,940	4,504	3,444	4,828	5,884	3,542	18,030
		(Repair costs (ths JPY))	270	2,921	117	502	240	2,498	146	580
		(Utility expenses (ths JPY))	1,901	731	553	730	2	609	563	9
		Tax and other public charges (ths JPY)	6,265	3,508	2,175	1,695	1,372	1,167	1,900	3,005
		Insurance expenses (ths JPY)	148	106	59	46	52	48	58	107
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	4,947	2,461	3,667	1,641	2,009	2,177	1,393	2,767
		(3)Depreciation expenses (ths JPY)	15,728	6,253	8,615	8,994	4,727	2,618	8,216	7,578
	(4) NOI = (1) - (2) + (3)		85,571	52,914	37,309	21,664	25,052	14,750	26,944	35,486
		NOI yield based on Acquisition price	5.3%	5.7%	5.2%	4.1%	5.8%	5.2%	5.6%	6.4%
		NOI yield based on Appraisal value	4.9%	4.9%	4.7%	4.4%	5.3%	4.7%	5.1%	5.7%
	(5) Rental income = (1)-(2) (ths JPY)		69,842	46,660	28,693	12,669	20,325	12,132	18,728	27,907
	(6) Capital expenditure (ths JPY)		2,562	5,456	343	529	694	-	-	736
	(7) NCF = (4) - (6) (ths JPY)		83,009	47,458	36,965	21,134	24,358	14,750	26,944	34,749
Reference Information	Expense ratio = ((2) - (3)) / (1)		18.8%	25.4%	21.8%	24.0%	24.8%	38.6%	20.4%	40.3%
	Property Tax 2014 (ths JPY)		12,208	6,958	4,339	2,965	2,714	2,311	3,603	5,915
	Mortgagee*		New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A

Property Number			A64	A65	A66	A71	A72	A73	A75	A76
Property Name			Royal Park Omachi	Lexington Square Haginomachi	Visconti Kakuozan	Lexington Square Daitabashi	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Spacia Ebisu	Neo Prominence
Acquisition Date			February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	September 28, 2012
Completion Date			February, 1993	August, 2005	September, 2003	November, 2006	October, 2006	February, 2007	February, 2003	April, 1994
Address			2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture	1-15-16 Haginomachi, Miyagino-ku, Sendai City, Miyagi Prefecture	2-44 Otanacho, Chikusa-ku,Nagoya City, Aichi Prefecture	1-33-8 Izumi,Suginami Ward, Tokyo	4-20-6 Higashikomagata,Sumida Ward, Tokyo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City, Hokkaido	3-6-22 Higashi,Shibuya Ward, Tokyo	3-21-5 Shimo, Kita Ward, Tokyo
Transport Access			About 12 minute walk from Hirose-Dori Station on Sendai Subway Nanboku Line	About 9 minute walk from Miyaginohara Station on JR Sengoku Line	About 7 minute walk from Kakuozan Station on Nagoya Subway Higashiyama Line	About 10 minute walk from Daitabashi Station on Keio Line	About 2 minute walk from Honjo-azumabashi Station on Toei Line	Hosui Susukino Station on Sapporo Subway Toho Line	About 8 minute walk from Ebisu Station on JR Line	About 1 minute walk from Shimo Station on Tokyo Metro Line
Price information	Acquisition Price (JPY mn)		415	330	255	977	511	1,180	7,010	1,660
		Investment ratio	0.5%	0.4%	0.3%	1.3%	0.7%	1.5%	9.0%	2.1%
	Book Value (mn JPY)		393	307	240	906	468	1,057	6,693	1,656
	Appraisal Value as of Jun. 2014 (mn JPY)		508	422	244	1,040	549	1,120	6,930	1,720
Leasing information	Total Rentable Units		51	39	8	43	33	120	109	52
	Total Leasable Area (㎡)		1,929.59	1,528.58	705.75	1,430.64	784.74	4,460.56	7,794.91	3,574.70
	Leased area (㎡)		1,748.21	1,488.53	705.75	1,299.82	760.04	4,095.17	7,015.54	3,177.27
	Occupancy Rate	Jun. 30, 2014	90.6%	97.4%	100.0%	90.9%	96.9%	91.8%	90.0%	88.9%
		Dec. 31, 2013	95.0%	97.4%	100.0%	93.7%	100.0%	97.1%	89.2%	96.6%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		24,956	18,023	11,774	31,377	17,881	50,486	186,312	63,037
		Rent, common area fees (ths JPY)	21,547	16,021	10,782	29,604	17,433	48,129	165,420	53,332
		Other income (ths JPY)	3,409	2,001	991	1,773	448	2,357	20,891	9,704
	(2) Property related expenses (ths JPY)		13,619	8,376	6,692	15,081	8,529	27,278	72,808	30,448
		Facility management fees (ths JPY)	6,870	2,578	2,872	3,022	1,710	7,455	15,468	14,324
		(Repair costs (ths JPY))	490	-	104	40	-	813	1,346	4,000
		(Utility expenses (ths JPY))	2,008	660	178	571	346	1,746	2,514	4,334
		Tax and other public charges (ths JPY)	1,591	1,148	920	1,544	809	2,147	8,662	3,508
		Insurance expenses (ths JPY)	61	38	22	42	30	120	241	125
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	978	1,059	1,092	2,468	1,085	3,434	11,561	2,595
		(3)Depreciation expenses (ths JPY)	4,118	3,550	1,784	8,002	4,893	14,119	36,874	9,894
	(4) NOI = (1) - (2) + (3)		15,454	13,198	6,866	24,299	14,245	37,327	150,378	42,482
		NOI yield based on Acquisition price	7.5%	8.1%	5.4%	5.0%	5.6%	6.4%	4.3%	5.2%
		NOI yield based on Appraisal value	6.1%	6.3%	5.7%	4.7%	5.2%	6.7%	4.4%	5.0%
	(5) Rental income = (1)-(2) (ths JPY)		11,336	9,647	5,081	16,296	9,352	23,208	113,503	32,588
	(6) Capital expenditure (ths JPY)		2,328	361	-	-	-	742	595	567
	(7) NCF = (4) - (6) (ths JPY)		13,125	12,837	6,866	24,299	14,245	36,584	149,782	41,915
Reference Information	Expense ratio = ((2) - (3)) / (1)		38.1%	26.8%	41.7%	22.6%	20.3%	26.1%	19.3%	32.6%
	Property Tax 2014 (ths JPY)		3,063	2,233	1,739	3,062	1,600	8,497	17,192	7,000
	Mortgagee*		New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	First Lending B

Property Number			A77	A78	A79	A80	A81	A82	A83	A84
Property Name			Invoice Shin-Kobe Residence	Cosmo Court Motomachi	Revest Honjin	Revest Matsubara	Sun Terrace Minami Ikebukuro	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian
Acquisition Date			September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012
Completion Date			January, 2007	March, 2007	March, 2007	March, 2007	February, 1998	November, 2006	February, 2007	November, 2006
Address			3-3-8 Ikutacho Chuo Ward,Kobe City, Hyogo Prefecture	3-12-20 Motomachi Dori Chuo Ward,Kobe City, Hyogo Prefecture	2-13 Torii Dori Nakamura Ward,Nagoya City, Aichi Prefecture	3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture	2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo	3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City, Aichi Prefecture	2-13-33 Meiekiminami, Nakamura Ward, Nagoya City, Aichi Prefecture	2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture
Transport Access			About 6 minute walk from Shin-Kobe Station on Kobe Municipal Subway Seishin-Yamate Line	About 1 minute walk from Motomachi Station on JR Tokaido Main Line	About 2 minute walk from Honjin Station on Nagoya Municipal Subway Higashiyama Line	About 12 minute walk from Higashi Betsuin Station on Nagoya Municipal Subway Meijo Line	About 5 minute walk from Ikebukuro Station on JR Line	About 7 minute walk from Kamejima Station on Nagoya Municipal Subway Higashiyama Line	About 9 minute walk from Nagoya Station on JR Tokaido Main Line	About 3 minute walk from Heian-dori Station on Nagoya Municipal Subway Meijo Line
Price information	Acquisition Price (JPY mn)		1,260	973	674	657	625	608	597	595
		Investment ratio	1.6%	1.2%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%
	Book Value (mn JPY)		1,250	966	669	653	620	604	594	591
	Appraisal Value as of Jun. 2014 (mn JPY)		1,300	1,040	718	720	667	644	649	619
Leasing information	Total Rentable Units		81	82	80	70	38	64	61	40
	Total Leasable Area (㎡)		2,773.71	2,310.49	1,933.80	1,955.40	898.70	1,731.68	1,634.60	1,554.03
	Leased area (㎡)		2,617.83	2,088.16	1,836.65	1,784.06	804.10	1,587.26	1,529.79	1,529.03
	Occupancy Rate	Jun. 30, 2014	94.4%	90.4%	95.0%	91.2%	89.5%	91.7%	93.6%	98.4%
		Dec. 31, 2013	95.4%	98.7%	93.7%	98.8%	97.4%	96.5%	98.5%	98.4%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		45,927	36,802	31,304	28,954	21,891	25,422	24,919	23,570
		Rent, common area fees (ths JPY)	42,909	35,916	28,523	27,166	19,487	24,288	23,708	22,942
		Other income (ths JPY)	3,018	886	2,781	1,788	2,403	1,134	1,210	627
	(2) Property related expenses (ths JPY)		25,249	17,931	15,064	13,051	11,045	13,383	12,638	10,560
		Facility management fees (ths JPY)	6,928	4,572	3,989	3,335	4,037	3,741	3,056	2,045
		(Repair costs (ths JPY))	114	592	763	21	575	963	246	2
		(Utility expenses (ths JPY))	603	613	358	366	438	357	558	304
		Tax and other public charges (ths JPY)	2,754	2,307	1,784	1,855	906	1,729	1,650	1,404
		Insurance expenses (ths JPY)	73	71	63	57	30	57	60	42
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	4,041	1,007	1,846	838	1,212	1,005	1,002	708
		(3)Depreciation expenses (ths JPY)	11,451	9,972	7,380	6,963	4,857	6,849	6,868	6,359
	(4) NOI = (1) - (2) + (3)		32,130	28,843	23,620	22,867	15,703	18,888	19,150	19,369
		NOI yield based on Acquisition price	5.1%	6.0%	7.1%	7.0%	5.1%	6.3%	6.5%	6.6%
		NOI yield based on Appraisal value	5.0%	5.6%	6.6%	6.4%	4.7%	5.9%	6.0%	6.3%
	(5) Rental income = (1)-(2) (ths JPY)		20,678	18,871	16,239	15,903	10,845	12,039	12,281	13,010
	(6) Capital expenditure (ths JPY)		-	-	545	594	-	-	542	-
	(7) NCF = (4) - (6) (ths JPY)		32,130	28,843	23,075	22,272	15,703	18,888	18,607	19,369
Reference Information	Expense ratio = ((2) - (3)) / (1)		30.0%	21.6%	24.5%	21.0%	28.3%	25.7%	23.2%	17.8%
	Property Tax 2014 (ths JPY)		5,115	4,595	3,557	3,699	1,773	3,448	3,289	2,797
	Mortgagee*		Second Lending B	Second Lending B	Third Lending B	Third Lending B	Second Lending B	Fourth Lending B	First Lending B	Fourth Lending B

Property Number			A85	A86	A87	A88	A89	A90	A91	A92
Property Name			Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka	Luna Court Edobori	Winntage Kobe Motomachi	Queen's Court Fukuzumi	Corp Higashinotoin	Belair Oimachi
Acquisition Date			September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012
Completion Date			February, 2007	January, 2007	January, 2007	February, 2004	May, 2007	September, 2006	February, 2004	April, 2006
Address			1-2-15 Hama Otsu,Otsu City, Shiga Prefecture	2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka Prefecutre	128-1 Yamabukicho Shinjuku Ward,Tokyo	3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture	7-2-2 Motomachi Dori, Chuo Ward,Kobe City, Hyogo Prefecture	1-3-10 Fukuzumi, Koto Ward, Tokyo	380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudaru, Chukyo Ward Kyoto City, Kyoto Prefecture	5-14-17 Higashi Oi, Shinagawa Ward, Tokyo
Transport Access			About 1 minute walk from Hamaotsu Station on Keihan Keishin Line and Ishiyama Sakamoto Line	About 6 minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line	About 6 minutes walk from Edogawabashi Station on Tokyo Metoro Line	About 4 minute walk from Awaza Station on Osaka Municipal Subway Chuo Line	About 2 minute walk from Nishi-Motomachi Station on Kobe Kosoku Line	About 7 minute walk from Monzen-Nakacho Station on Tokyo Metro Line	About 5 minute walk from Karasuma Oike Station on Kyoto Municipal Subway Karasuma Line	About 3 minute walk from Oimachi Station on JR Line
Price information	Acquisition Price (JPY mn)		581	544	543	525	512	456	446	412
		Investment ratio	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.5%
	Book Value (mn JPY)		576	542	542	522	508	454	444	411
	Appraisal Value as of Jun. 2014 (mn JPY)		669	577	569	549	553	497	474	455
Leasing information	Total Rentable Units		81	54	33	50	57	25	42	26
	Total Leasable Area (㎡)		2,670.66	1,428.12	701.92	1,185.50	1,433.35	765.18	1,029.05	530.60
	Leased area (㎡)		2,516.01	1,307.25	681.29	1,044.08	1,305.31	765.18	929.56	510.10
	Occupancy Rate	Jun. 30, 2014	94.2%	91.5%	97.1%	88.1%	91.1%	100.0%	90.3%	96.1%
		Dec. 31, 2013	100.0%	96.7%	91.2%	98.0%	86.0%	100.0%	95.1%	96.4%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
	(1) Rental revenues (ths JPY)		32,426	23,992	17,842	20,912	22,148	16,521	16,980	15,415
		Rent, common area fees (ths JPY)	30,246	22,950	17,357	19,991	21,410	15,320	15,776	14,404
		Other income (ths JPY)	2,180	1,042	484	921	737	1,200	1,204	1,011
	(2) Property related expenses (ths JPY)		15,567	11,050	8,227	9,404	12,601	7,829	8,346	6,003
		Facility management fees (ths JPY)	5,203	3,155	1,873	2,633	2,879	2,465	2,638	1,571
		(Repair costs (ths JPY))	-	91	234	102	25	701	28	-
		(Utility expenses (ths JPY))	2,206	956	293	924	503	200	663	215
		Tax and other public charges (ths JPY)	1,954	1,577	778	1,173	1,587	761	903	656
		Insurance expenses (ths JPY)	68	47	28	36	44	25	32	21
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,383	825	1,351	496	2,284	1,382	991	1,077
		(3)Depreciation expenses (ths JPY)	6,958	5,444	4,194	5,064	5,805	3,195	3,780	2,675
	(4) NOI = (1) - (2) + (3)		23,817	18,386	13,809	16,572	15,351	11,886	12,414	12,087
		NOI yield based on Acquisition price	8.3%	6.8%	5.1%	6.4%	6.0%	5.3%	5.6%	5.9%
		NOI yield based on Appraisal value	7.2%	6.4%	4.9%	6.1%	5.6%	4.8%	5.3%	5.4%
	(5) Rental income = (1)-(2) (ths JPY)		16,859	12,942	9,615	11,508	9,546	8,691	8,634	9,412
	(6) Capital expenditure (ths JPY)		-	-	-	-	-	-	-	-
	(7) NCF = (4) - (6) (ths JPY)		23,817	18,386	13,809	16,572	15,351	11,886	12,414	12,087
Reference Information	Expense ratio = ((2) - (3)) / (1)		26.6%	23.4%	22.6%	20.8%	30.7%	28.1%	26.9%	21.6%
	Property Tax 2014 (ths JPY)		3,901	2,969	1,476	2,336	3,164	1,453	1,804	1,321
	Mortgagee*		Fourth Lending B	First Lending B	Second Lending B	First Lending B	First Lending B	Third Lending B	Third Lending B	Fourth Lending B

Property Number			A93	A94	A95	A96	A97	A98	A99	Subtotal of Residential
Property Name			Siete Minami-Tsukaguchi	Prime Life Sannomiya Isogami Koen	HERMITAGE NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachibashi	Prime Life Mikage	
Acquisition Date			September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	September 28, 2012	–
Completion Date			January, 2007	November, 2006	December, 2006	September, 2001	October, 1991	June, 2007	January, 2007	–
Address			3-18 Minami Tsukaguchimachi, Amagasaki City, Hyogo Prefecture	4-3-23 Isogamidori ,Chuo Ward, Kobe City Hyogo Prefecture	4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka Prefecture	4-1-2 Shinkawamachi Minato Ward,Nagoya City, Aichi Prefecture	1-5-17 Nishi,Kunitachi City, Tokyo	1-34 Honmachibashi Chuo Ward, Okasa City, Osaka Prefecture	2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture	–
Transport Access			About 7 minute walk from Tsukaguchi Station on JR Fukuchiyama Line	About 8 minute walk from Sannomiya Station on JR Tokaido Main Line	About 4 minute walk from Sakuragawa Station on Osaka Municipal Subway Sennichimae Line	About 9 minute walk from Tokai-dori Station on Nagoya Municipal Subway Meiko Line	About 14 minute walk from Nishi-Kunitachi Station on JR Line	About 8 minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line	About 5 minute walk from Ishiyagawa Station on Hanshin Main Line	–
Price information	Acquisition Price (JPY mn)		374	373	355	335	331	310	297	58,083
		Investment ratio	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	74.5%
	Book Value (mn JPY)		373	371	355	334	328	310	295	55,874
	Appraisal Value as of Jun. 2014 (mn JPY)		402	389	382	372	338	335	312	58,865
Leasing information	Total Rentable Units		40	32	21	44	40	31	28	3,413
	Total Leasable Area (㎡)		1,020.86	789.12	992.76	1,477.62	794.80	974.81	761.18	109,584.45
	Leased area (㎡)		944.44	789.12	913.48	1,477.62	675.58	914.91	711.13	102,771.60
	Occupancy Rate	Jun. 30, 2014	92.5%	100.0%	92.0%	100.0%	85.0%	93.9%	93.4%	93.8%
		Dec. 31, 2013	97.5%	93.8%	96.0%	97.7%	90.0%	96.9%	96.6%	95.4%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	–
	(1) Rental revenues (ths JPY)		16,437	14,640	14,842	17,190	12,666	12,971	11,809	2,022,623
		Rent, common area fees (ths JPY)	15,330	13,936	14,211	14,491	11,859	12,880	11,623	1,872,228
		Other income (ths JPY)	1,106	703	631	2,698	807	90	185	150,395
	(2) Property related expenses (ths JPY)		8,623	7,156	7,681	8,244	7,387	6,238	5,953	909,743
		Facility management fees (ths JPY)	3,323	1,719	2,013	2,173	2,629	1,734	1,383	285,689
		(Repair costs (ths JPY))	15	92	-	40	163	-	-	35,457
		(Utility expenses (ths JPY))	383	236	272	243	225	289	162	43,380
		Tax and other public charges (ths JPY)	983	846	1,022	886	566	943	760	110,390
		Insurance expenses (ths JPY)	44	24	28	41	22	25	20	3,584
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,031	1,140	1,258	1,344	1,238	829	827	112,991
		(3)Depreciation expenses (ths JPY)	3,240	3,426	3,359	3,798	2,931	2,705	2,960	397,087
	(4) NOI = (1) - (2) + (3)		11,053	10,910	10,521	12,744	8,210	9,439	8,816	1,509,967
		NOI yield based on Acquisition price	6.0%	5.9%	6.0%	7.7%	5.0%	6.1%	6.0%	5.2%
		NOI yield based on Appraisal value	5.5%	5.7%	5.6%	6.9%	4.9%	5.7%	5.7%	5.2%
	(5) Rental income = (1)-(2) (ths JPY)		7,813	7,483	7,161	8,945	5,278	6,733	5,856	1,112,880
	(6) Capital expenditure (ths JPY)		-	-	483	1,281	753	-	-	78,747
	(7) NCF = (4) - (6) (ths JPY)		11,053	10,910	10,038	11,462	7,457	9,439	8,816	1,431,220
Reference Information	Expense ratio = ((2) - (3)) / (1)		32.8%	25.5%	29.1%	25.9%	35.2%	27.2%	25.3%	25.3%
	Property Tax 2014 (ths JPY)		1,956	1,684	1,927	1,746	1,123	1,878	1,516	219,897
	Mortgagee*		Fourth Lending B	Third Lending B	Second Lending B	Fourth Lending B	Fourth Lending B	Second Lending B	Fourth Lending B	–

Property Number			B8	B9	B14	B15	B16	B17	B18	Subtotal of Offices and Commercial Facilities
Property Name			Kindai Kagaku Sha Building	Shinjuku Island	Lexington Plaza Nishigotanda	Cross Square NAKANO	Ohki Aoba Building	Lexington Plaza Hachiman	AEON TOWN Sukagawa	
Acquisition Date			August 1, 2006	March 26, 2007	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	–
Completion Date			June, 1991	January, 1995	June, 1993	January, 1993	July, 1997	December, 2005	October, 2005	–
Address			2-7-15, Ichigaya Tamachi,Shinjuku Ward, Tokyo	6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo	5-2-4 Nishigotanda,Shinagawa Ward, Tokyo	5-24-18 Nakano, Nakano Ward, Tokyo	9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi Prefecture	3-1-50 Hachiman, Aoba-ku,Sendai City, Miyagi Prefecture	105 Furukawa,Sukagawa City, Fukushima Prefecture	–
Transport Access			About 3 minute walk from Ichigaya Station on Tokyo Metro Line	About 3 minute walk from Nishi-Shinjuku Station on Tokyo Metro Line	About 4 minute walk from Fudomae Station on Tokyu Line	About 9 minute walk from Nakano Station on JR Line	About 5 minute walk from Kita-Yobancho Station on Sendai Subway Nanboku Line	–	–	–
Price information	Acquisition Price (JPY mn)		1,301	715	4,880	1,060	816	3,280	2,320	14,372
		Investment ratio	1.7%	0.9%	6.3%	1.4%	1.0%	4.2%	3.0%	18.4%
	Book Value (mn JPY)		1,234	712	4,801	1,070	761	3,184	2,091	13,855
	Appraisal Value as of Jun. 2014 (mn JPY)		1,010	556	4,140	938	644	3,330	2,190	12,808
Leasing information	Total Rentable Units		13	1	11	45	13	18	1	102
	Total Leasable Area (㎡)		1,451.54	526.43	6,033.58	2,145.00	2,178.41	8,419.15	18,440.58	39,194.69
	Leased area (㎡)		1,379.14	526.43	6,033.58	1,378.38	2,178.41	8,419.15	18,440.58	38,355.67
	Occupancy Rate	Jun. 30, 2014	95.0%	100.0%	100.0%	64.3%	100.0%	100.0%	100.0%	97.9%
		Dec. 31, 2013	100.0%	100.0%	90.1%	67.6%	100.0%	100.0%	100.0%	96.7%
Information on Profits and losses	Days of operation		181 days	181 days	181 days	181 days	181 days	181 days	181 days	–
	(1) Rental revenues (ths JPY)		38,735	(Note)	126,690	28,685	40,559	163,313	142,116	557,297
		Rent, common area fees (ths JPY)	34,055	(Note)	111,945	23,568	32,159	131,345	142,116	492,387
		Other income (ths JPY)	4,680	(Note)	14,745	5,116	8,399	31,967	-	64,909
	(2) Property related expenses (ths JPY)		23,660	(Note)	75,701	15,223	30,247	79,412	94,359	328,462
		Facility management fees (ths JPY)	7,736	(Note)	27,322	6,795	11,061	46,193	56,124	160,072
		(Repair costs (ths JPY))	830	(Note)	1,533	390	1,206	1,089	-	5,048
		(Utility expenses (ths JPY))	3,742	(Note)	16,703	2,616	5,166	33,854	-	62,082
		Tax and other public charges (ths JPY)	4,366	(Note)	12,684	3,851	4,016	11,555	7,967	47,578
		Insurance expenses (ths JPY)	74	(Note)	200	85	106	165	205	918
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1,850	(Note)	9,350	740	829	743	623	14,137
		(3)Depreciation expenses (ths JPY)	9,632	(Note)	26,144	3,749	14,233	20,755	29,438	105,755
	(4) NOI = (1) - (2) + (3)		24,707	(Note)	77,133	17,211	24,545	104,655	77,195	334,591
		NOI yield based on Acquisition price	3.8%	2.6%	3.2%	3.3%	6.1%	6.4%	6.7%	4.7%
		NOI yield based on Appraisal value	4.9%	3.3%	3.8%	3.7%	7.7%	6.3%	7.1%	5.3%
	(5) Rental income = (1)-(2) (ths JPY)		15,075	(Note)	50,989	13,461	10,312	83,900	47,756	228,835
	(6) Capital expenditure (ths JPY)		17,423	-	16,148	225	16,075	7,175	-	57,049
	(7) NCF = (4) - (6) (ths JPY)		7,283	(Note)	60,984	16,985	8,469	97,480	77,195	277,541
Reference Information	Expense ratio = ((2) - (3)) / (1)		36.2%	46.8%	39.1%	40.0%	39.5%	35.9%	45.7%	40.0%
	Property Tax 2014 (ths JPY)		8,478	6,228	23,672	7,664	7,737	22,399	13,848	90,028
	Mortgagee*		New Syndicate B	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	New Syndicate A	–

Property Number			C1	Subtotal of Seniors and Parking lots
Property Name			Stop Parking Kanda-Sudacho	
Acquisition Date			January 22, 2007	—
Completion Date			-	—
Address			1-22-7, 1-22-15 Kanda sudacho, Chiyoda Ward, Tokyo	—
Transport Access			About 4 minutes walk from Kanda Station on JR Line	—
Price information	Acquisition Price (JPY mn)		97	97
		Investment ratio	0.1%	0.1%
	Book Value (mn JPY)		100	100
	Appraisal Value as of Jun. 2014 (mn JPY)		105	105
Leasing information	Total Rentable Units		1	1
	Total Leasable Area (㎡)		81.04	81.04
	Leased area (㎡)		81.04	81.04
	Occupancy Rate	Jun. 30, 2014	100.0%	100.0%
		Dec. 31, 2013	100.0%	100.0%
Information on Profits and losses	Days of operation		181 days	—
	(1) Rental revenues (ths JPY)		2,443	2,443
		Rent, common area fees (ths JPY)	2,443	2,443
		Other income (ths JPY)	-	-
	(2) Property related expenses (ths JPY)		706	706
		Facility management fees (ths JPY)	-	-
		(Repair costs (ths JPY))	-	-
		(Utility expenses (ths JPY))	-	-
		Tax and other public charges (ths JPY)	253	253
		Insurance expenses (ths JPY)	-	-
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	439	439
		(3)Depreciation expenses (ths JPY)	13	13
	(4) NOI = (1) - (2) + (3)		1,750	1,750
		NOI yield based on Acquisition price	3.6%	3.6%
		NOI yield based on Appraisal value	3.4%	3.4%
	(5) Rental income = (1)-(2) (ths JPY)		1,736	1,736
	(6) Capital expenditure (ths JPY)		-	-
	(7) NCF = (4) - (6) (ths JPY)		1,750	1,750
Reference Information	Expense ratio = ((2) - (3)) / (1)		28.4%	28.4%
	Property Tax 2014 (ths JPY)		505	505
	Mortgagee*		New Syndicate A	—

Property Number			D1	D2	Subtotal of Hotels
Property Name			Hotel MyStays Kanda	Hotel MyStays Asakusa	Subtotal of Hotels
Acquisition Date			May 23, 2014	May 23, 2014	-
Completion Date			December, 2005	January, 1990	-
Address			1-2-2 Iwamoto-cho, Chiyoda Ward, Tokyo	1-21-11 Honjo, Sumida Ward, Tokyo	-
Transport Access			About 6 minute walk from Kanada Station on JR Yamanote Line and Tokyo Metro Line	About 4 minute walk from Kuramae Station on Toei Oedo Line	-
Price information	Acquisition Price (JPY mn)		2,851	2,584	5,435
		Investment ratio	3.7%	3.3%	7.0%
	Book Value (mn JPY)		2,907	2,625	5,532
	Appraisal Value as of Jun. 2014 (mn JPY)		2,880	2,610	5,490
Leasing information	**Total Rentable Units**		126	160	286
	Total Leasable Area (㎡)		2,585.72	3,327.38	5,913.10
	Leased area (㎡)		2,585.72	3,327.38	5,913.10
	Occupancy Rate	Jun. 30, 2014	100.0%	100.0%	100.0%
		Dec. 31, 2013	—	—	—
Information on Profits and losses	Days of operation		39 days	39 days	—
	(1) Rental revenues (ths JPY)		27,512	29,903	57,416
		GOP (ths JPY)	27,512	29,903	57,416
		Other income (ths JPY)	-	-	-
	(2) Property related expenses (ths JPY)		3,464	3,754	7,219
		Facility management fees (land rent) (ths JPY) -(a)	-	-	-
		(Repair costs (ths JPY))	-	-	-
		(Utility expenses (ths JPY))	-	-	-
		Tax and other public charges (ths JPY)-(b)	-	-	-
		Insurance expenses (ths JPY)-(c)	11	5	17
		Other expenses (Trust fees) (ths JPY) -(d)	107	106	214
		(3)Depreciation expenses (ths JPY)	3,345	3,641	6,987
	(4) NOI = (1) - (2) + (3)		27,392	29,791	57,184
		NOI yield based on Acquisition price	9.0%	10.8%	9.8%
		NOI yield based on Appraisal value	8.9%	10.7%	9.7%
	(5) Rental income = (1)-(2) (ths JPY)		24,047	26,149	50,196
	(6) Capital expenditure (ths JPY)		-	-	-
	(7) NCF = (4) - (6) (ths JPY)		27,392	29,791	57,184
Reference Information	Expense ratio = ((2) - (3)) / (1)		0.4%	0.4%	0.4%
	Property Tax 2014 (ths JPY)		8,777	7,846	16,623
	Mortgagee*		New Syndicate B	New Syndicate B	-
	(8) Total Revenues (ths JPY)		32,409	35,337	67,746
		Room Income (ths JPY)	31,694	32,871	64,565
		Other Income (ths JPY)	715	2,465	3,181
	(9) Operating Costs (not including (a)-(d) above) (ths JPY)		4,897	5,433	10,330
	GOP (8) - (9) (ths JPY)		27,512	29,903	57,416
	ADR (JPY)		6,819	5,650	6,169
	RevPAR (JPY)		6,450	5,268	5,789
	Room Occupancy Rates		94.6%	93.2%	93.8%
	GOP Ratio		84.9%	84.6%	84.8%
	D	Daily	75.9%	69.7%	72.7%
	M	Weekly	6.1%	12.1%	9.2%
	W	Monthly	18.0%	18.2%	18.1%

Property Number			Total
Property Name			Total
Acquisition Date			-
Completion Date			-
Address			-
Transport Access			-
Price information	Acquisition Price (JPY mn)		77,988
		Investment ratio	100.0%
	Book Value (mn JPY)		75,363
	Appraisal Value as of Jun. 2014 (mn JPY)		77,268
Leasing information	**Total Rentable Units / Rooms**		3,802
	Total Leasable Area (㎡)		154,773.28
	Leased area (㎡)		147,121.41
	Occupancy Rate	Jun. 30, 2014	95.1%
		Dec. 31, 2013	96.3%
Information on Profits and losses	Days of operation		—
	(1) Rental revenues (ths JPY)		2,639,781
		Rent, common area fees / GOP (ths JPY)	2,424,476
		Other income (ths JPY)	215,305
	(2) Property related expenses (ths JPY)		1,246,132
		Facility management fees (ths JPY)	445,761
		(Repair costs (ths JPY))	40,506
		(Utility expenses (ths JPY))	105,463
		Tax and other public charges (ths JPY)	158,222
		Insurance expenses (ths JPY)	4,520
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	127,783
		(3)Depreciation expenses (ths JPY)	509,843
	(4) NOI = (1) - (2) + (3)		1,903,493
		NOI yield based on Acquisition price	5.2%
		NOI yield based on Appraisal value	5.0%
	(5) Rental income = (1)-(2) (ths JPY)		1,393,649
	(6) Capital expenditure (ths JPY)		135,796
	(7) NCF = (4) - (6) (ths JPY)		1,767,696
Reference Information	Expense ratio = ((2) - (3)) / (1)		27.9%
	Property Tax 2014 (ths JPY)		327,056
	Mortgagee*		-
	(8) Total Revenues (ths JPY)		67,746
		Room Income (ths JPY)	64,565
		Other Income (ths JPY)	3,181
	(9) Operating Costs (not including (a)-(d) above) (ths JPY)		10,330
	GOP (8) - (9) (ths JPY)		57,416
	ADR (JPY)		6,169
	RevPAR (JPY)		5,789
	Room Occupancy Rates		93.8%
	GOP Ratio		84.8%
	D	Daily	72.7%
	M	Weekly	9.2%
	W	Monthly	18.1%

Property Number			C21	C22	C23	C24	C25	C26	C27	Properties Sold
Property Name			Bon Sejour Chitose Funabashi	Bon Sejour Yotsugi	Bon Sejour Hino	Bon Sejour Musashi-Shinjo	Bon Sejour Komaki	Bon Sejour Hadano Shibusawa	Bon Sejour Itami	
Acquisition Date			February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 1, 2010	—
Completion Date			March, 1988	March, 1989	May, 1990	February, 1985	March, 1991	July, 1991	March, 1989	—
Address			1-37-3 Funabashi, Setagaya Ward, Tokyo	3-1-11 Higashi-Yotsugi, Katsushika Ward, Tokyo	438-1 Ochigawa,Hino City, Tokyo	773-2 Aza-kitaura, Chitose, Takatsu-ku, Kawasaki City, Kanagawa Prefecture	3-1 Shiroyama, Komaki City, Aichi Prefecture	1-6-60 Shibusawa-Kami, Hadano City, Kanagawa Prefecture	1-2-25 Chuo, Itami City, Hyogo Prefecture	—
Transport Access			About 5 minutes walk from Chitose-funabashi Station on Odakyu Line	About 9 minute walk from Yotsugi Station on Keisei Line	About 3 minute walk from Mogusaen Station on Keio Line	About 13 minute walk from Musashi-Shinjo Station on JR Line	Kasugai Station on JR Line	About 10 minute walk from Shibusawa Station on Odakyu Line	About 2 minute walk from Itami Station on Hankyu Railway Itami Line	—
Price information	Acquisition Price (JPY mn)		685	652	574	486	1,050	681	480	4,608
		Investment ratio	—	—	—	—	—	—	—	—
	Book Value as of Sale (mn JPY)		657	622	551	468	984	633	449	4,367
	Gain or Loss on Sale (mn JPY)		168	149	173	114	283	95	18	1,003
Leasing information	**Total Rentable Units**		42	62	56	46	123	100	62	491
	Total Leasable Area (㎡)		2,342.17	1,962.87	1,984.17	1,710.43	8,858.49	3,435.79	2,129.87	22,423.79
	Leased area (㎡)		—	—	—	—	—	—	—	—
	Occupancy Rate	Jun. 30, 2014	—	—	—	—	—	—	—	—
		Dec. 31, 2013	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Information on Profits and losses	Days of operation		142 days	142 days	142 days	142 days	142 days	142 days	142 days	—
	(1) Rental revenues (ths JPY)		18,592	17,485	16,639	13,809	35,226	18,441	12,442	132,637
		Rent, common area fees (ths JPY)	17,481	17,485	16,639	13,809	35,226	18,183	12,442	131,270
		Other income (ths JPY)	1,110	-	-	-	-	257	-	1,367
	(2) Property related expenses (ths JPY)		4,692	3,794	3,456	2,731	10,814	5,981	4,187	35,659
		Facility management fees (ths JPY)	150	149	142	111	134	142	96	927
		(Repair costs (ths JPY))	-	-	-	-	-	-	-	-
		(Utility expenses (ths JPY))	-	-	-	-	-	-	-	-
		Tax and other public charges (ths JPY)	2,261	1,302	1,539	1,209	5,767	2,365	1,781	16,228
		Insurance expenses (ths JPY)	50	33	38	35	160	68	45	431
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	1	-	-	-	-	-	-	1
		(3)Depreciation expenses (ths JPY)	2,229	2,309	1,736	1,374	4,752	3,404	2,263	18,071
	(4) NOI = (1) − (2) + (3)		16,129	16,000	14,919	12,452	29,164	15,864	10,518	115,049
		NOI yield based on Acquisition price	6.1%	6.3%	6.7%	6.6%	7.1%	6.0%	5.6%	6.4%
		NOI yield based on Appraisal value	—	—	—	—	—	—	—	—
	(5) Rental income = (1)−(2) (ths JPY)		13,899	13,691	13,182	11,077	24,412	12,459	8,254	96,978
	(6) Capital expenditure (ths JPY)		-	-	-	-	-	-	-	-
	(7) NCF = (4) − (6) (ths JPY)		16,129	16,000	14,919	12,452	29,164	15,864	10,518	115,049
Reference Information	Expense ratio = ((2) − (3)) / (1)		13.2%	8.5%	10.3%	9.8%	17.2%	14.0%	15.5%	13.3%
	Property Tax 2013 (ths JPY)		3,538	2,047	2,405	1,885	9,220	3,710	2,800	25,608
	Mortgagee*		—	—	—	—	—	—	—	—

Property Number			Total (Incl. the properties sold)
Property Name			
Acquisition Date			—
Completion Date			—
Address			—
Transport Access			—
Price information	Acquisition Price (JPY mn)		—
		Investment ratio	—
	Book Value (mn JPY)		—
	Appraisal Value as of Jun. 2014 (mn JPY)		—
Leasing information	**Total Rentable Units / Rooms**		—
	Total Leasable Area (㎡)		—
	Leased area (㎡)		—
	Occupancy Rate	Jun. 30, 2014	—
		Dec. 31, 2013	—
Information on Profits and losses	Days of operation		—
	(1) Rental revenues (ths JPY)		2,772,419
		Rent, common area fees / GOP (ths JPY)	2,555,746
		Other income (ths JPY)	216,673
	(2) Property related expenses (ths JPY)		1,281,791
		Facility management fees (ths JPY)	446,688
		(Repair costs (ths JPY))	40,506
		(Utility expenses (ths JPY))	105,463
		Tax and other public charges (ths JPY)	174,451
		Insurance expenses (ths JPY)	4,952
		Other expenses (commissions paid, Trust fees, etc.) (ths JPY)	127,784
		(3)Depreciation expenses (ths JPY)	527,914
	(4) NOI = (1) - (2) + (3)		2,018,542
		NOI yield based on Acquisition price	5.3%
		NOI yield based on Appraisal value	-
	(5) Rental income = (1)-(2) (ths JPY)		1,490,627
	(6) Capital expenditure (ths JPY)		135,796
	(7) NCF = (4) - (6) (ths JPY)		1,882,745
Reference Information	Expense ratio = ((2) - (3)) / (1)		27.2%
	Property Tax 2014 (ths JPY)		352,664
	Mortgagee*		—

Appraisal Values & Book Values as of the end of Jun. 2014

No.	Property Name	Book Value as of Jun. 2014	Appraisal Value						Cap Rate		
			As of Acquisition	As of Jun. 2013	As of Dec. 2013	As of Jun. 2014	Compared to Dec. 2013		As of Dec. 2013	As of Jun. 2014	Changes
		(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)	(%)
A26	Nisshin Palacestage Daitabashi	1,138,204	1,300,000	1,120,000	1,130,000	1,140,000	10,000	0.9	5.20	5.10	-0.10
A27	Nisshin Palaistage Higashi-Nagasaki	1,118,757	1,300,000	1,220,000	1,240,000	1,240,000	-	-	5.20	5.10	-0.10
A28	Growth Maison Gotanda	846,684	991,000	916,000	922,000	931,000	9,000	1.0	4.90	4.80	-0.10
A29	Growth Maison Kameido	1,012,752	1,110,000	1,040,000	1,040,000	1,060,000	20,000	1.9	5.00	4.90	-0.10
A30	Emerald House	1,419,461	1,570,000	1,170,000	1,180,000	1,190,000	10,000	0.8	5.20	5.10	-0.10
A31	Harmonie Ochanomizu	1,380,696	1,710,000	1,210,000	1,230,000	1,250,000	20,000	1.6	4.90	4.80	-0.10
A32	Suncrest Shakujii Koen	1,069,979	1,220,000	997,000	998,000	1,010,000	12,000	1.2	5.10	5.00	-0.10
A33	Growth Maison Shin Yokohama	994,590	1,110,000	1,040,000	1,060,000	1,080,000	20,000	1.9	5.10	5.00	-0.10
A34	Belle Face Ueno Okachimachi	983,124	1,100,000	918,000	928,000	924,000	-4,000	-0.4	4.90	4.80	-0.10
A35	Grand Rire Kameido	855,242	930,000	895,000	909,000	918,000	9,000	1.0	5.10	5.00	-0.10
A36	Growth Maison Ikebukuro	777,307	856,000	798,000	827,000	838,000	11,000	1.3	4.90	4.80	-0.10
A37	Growth Maison Yoga	764,399	831,000	669,000	674,000	682,000	8,000	1.2	5.00	4.90	-0.10
A38	Route Tachikawa	653,797	749,000	584,000	591,000	595,000	4,000	0.7	5.20	5.10	-0.10
A39	Shibuya Honmachi Mansion	655,887	678,000	579,000	588,000	591,000	3,000	0.5	5.10	5.00	-0.10
A40	City Heights Kinuta	646,518	707,000	448,000	454,000	457,000	3,000	0.7	5.10	5.00	-0.10
A41	Acseeds Tower Kawaguchi Namiki	571,590	698,000	666,000	676,000	684,000	8,000	1.2	5.80	5.70	-0.10
A42	Capital Heights Kagurazaka	616,870	647,000	528,000	534,000	540,000	6,000	1.1	5.00	4.90	-0.10
A43	College Square Machida	570,376	597,000	519,000	525,000	529,000	4,000	0.8	5.60	5.50	-0.10
A44	Belair Meguro	572,581	608,000	529,000	545,000	551,000	6,000	1.1	4.70	4.60	-0.10
A45	Wacore Tsunashima I	547,391	665,000	491,000	496,000	499,000	3,000	0.6	5.30	5.20	-0.10
A46	Foros Nakamurabashi	530,840	634,000	526,000	532,000	550,000	18,000	3.4	5.00	4.90	-0.10
A47	Growth Maison Kaijin	531,412	603,000	451,000	455,000	454,000	-1,000	-0.2	5.70	5.60	-0.10
A48	College Square Machiya	477,575	521,000	487,000	494,000	500,000	6,000	1.2	5.10	5.00	-0.10
A51	City House Tokyo Shinbashi	2,405,343	2,520,000	2,610,000	2,650,000	2,720,000	70,000	2.6	5.00	4.90	-0.10
A52	Winbell Kagurazaka	3,128,104	3,260,000	3,400,000	3,420,000	3,490,000	70,000	2.0	4.70	4.60	-0.10
A53	Nishiwaseda Cresent Mansion	1,849,182	1,880,000	2,010,000	2,140,000	2,180,000	40,000	1.9	5.00	4.90	-0.10
A54	Lexington Square Akebonobashi	1,377,399	1,450,000	1,550,000	1,570,000	1,600,000	30,000	1.9	4.90	4.80	-0.10
A56	Casa Eremitaggio	996,550	1,070,000	996,000	980,000	996,000	16,000	1.6	4.90	4.80	-0.10
A59	Towa City Coop Shin-otsuka II	831,041	866,000	930,000	930,000	949,000	19,000	2.0	5.40	5.30	-0.10

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			As of Acquisition	As of Jun. 2013	As of Dec. 2013	As of Jun. 2014	Compared to Dec. 2013		As of Dec. 2013	As of Jun. 2014	Changes
		(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)	(%)
A61	Bichsel Musashiseki	558,613	577,000	595,000	631,000	634,000	3,000	0.5	5.20	5.10	-0.10
A62	Lexel Mansion Ueno Matsugaya	899,370	970,000	1,050,000	1,050,000	1,070,000	20,000	1.9	5.00	4.90	-0.10
A63	Towa City Coop Sengencho	1,046,034	1,110,000	1,210,000	1,230,000	1,250,000	20,000	1.6	6.00	5.90	-0.10
A64	Royal Park Omachi	393,761	415,000	450,000	484,000	508,000	24,000	5.0	6.40	6.30	-0.10
A65	Lexington Square Haginomachi	307,009	330,000	391,000	405,000	422,000	17,000	4.2	6.40	6.30	-0.10
A66	Visconti Kakuozan	240,018	255,000	226,000	232,000	244,000	12,000	5.2	5.90	5.80	-0.10
A71	Lexington Square Daitabashi	906,744	977,000	995,000	1,020,000	1,040,000	20,000	2.0	4.90	4.80	-0.10
A72	Lexington Square Honjo-Azumabashi	468,164	511,000	516,000	536,000	549,000	13,000	2.4	5.00	4.90	-0.10
A73	AMS TOWER Minami 6-Jo	1,057,865	1,180,000	1,050,000	1,080,000	1,120,000	40,000	3.7	6.00	5.90	-0.10
A75	Spacia Ebisu	6,693,006	7,010,000	6,810,000	6,860,000	6,930,000	70,000	1.0	4.80	4.70	-0.10
A76	Neo Prominence	1,656,390	1,660,000	1,680,000	1,710,000	1,720,000	10,000	0.6	5.30	5.30	-
A77	Invoice Shin-Kobe Residence	1,250,971	1,260,000	1,280,000	1,300,000	1,300,000	-	-	5.70	5.60	-0.10
A78	Cosmo Court Motomachi	966,629	980,000	1,000,000	1,020,000	1,040,000	20,000	2.0	5.60	5.50	-0.10
A79	Revest Honjin	669,981	679,000	697,000	705,000	718,000	13,000	1.8	6.20	6.10	-0.10
A80	Revest Matsubara	653,241	662,000	684,000	705,000	720,000	15,000	2.1	5.80	5.70	-0.10
A81	Sun Terrace Minami Ikebukuro	620,515	625,000	631,000	644,000	667,000	23,000	3.6	5.00	4.90	-0.10
A82	Alba Noritake Shinmachi	604,597	608,000	626,000	637,000	644,000	7,000	1.1	5.70	5.60	-0.10
A83	Revest Meieki Minami	594,044	597,000	609,000	626,000	649,000	23,000	3.7	5.50	5.40	-0.10
A84	Revest Heian	591,665	599,000	605,000	610,000	619,000	9,000	1.5	5.80	5.70	-0.10
A85	Vendir Hamaotsu Ekimae	576,620	638,000	645,000	650,000	669,000	19,000	2.9	6.50	6.40	-0.10
A86	Salvo Sala	542,894	548,000	557,000	567,000	577,000	10,000	1.8	5.80	5.70	-0.10
A87	Excellente Kagurazaka	542,115	543,000	552,000	558,000	569,000	11,000	2.0	4.80	4.70	-0.10
A88	Luna Court Edobori	522,002	525,000	538,000	547,000	549,000	2,000	0.4	5.60	5.60	-
A89	Winntage Kobe Motomachi	508,635	516,000	537,000	545,000	553,000	8,000	1.5	5.70	5.60	-0.10
A90	Queen's Court Fukuzumi	454,403	456,000	468,000	477,000	497,000	20,000	4.2	4.90	4.80	-0.10
A91	Corp Higashinotoin	444,421	446,000	457,000	468,000	474,000	6,000	1.3	5.50	5.50	-
A92	Belair Oimachi	411,596	412,000	420,000	428,000	455,000	27,000	6.3	4.90	4.80	-0.10
A93	Siete Minami-Tsukaguchi	373,525	377,000	388,000	394,000	402,000	8,000	2.0	5.90	5.80	-0.10
A94	Prime Life Sannomiya Isogami Koen	371,535	373,000	375,000	383,000	389,000	6,000	1.6	5.60	5.50	-0.10

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		(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(ths JPY)	(%)	(%)	(%)	(%)
A95	HERMITAGE NANBA WEST	355,169	358,000	366,000	382,000	382,000	-	-	5.70	5.60	-0.10
A96	Century Park Shinkawa 1-bankan	334,456	337,000	337,000	349,000	372,000	23,000	6.6	6.20	6.10	-0.10
A97	West Avenue	328,495	333,000	330,000	334,000	338,000	4,000	1.2	5.80	5.70	-0.10
A98	Little River Honmachibashi	310,309	312,000	321,000	329,000	335,000	6,000	1.8	5.50	5.40	-0.10
A99	Prime Life Mikage	295,988	299,000	300,000	307,000	312,000	5,000	1.6	5.90	5.80	-0.10
Subtotal of Residences		**55,874,464**	**59,659,000**	**56,993,000**	**57,921,000**	**58,865,000**	**944,000**	**1.6**	**-**	**-**	**-**
B8	Kindai Kagaku Sha Building	1,234,100	1,340,000	1,010,000	1,020,000	1,010,000	-10,000	-1.0	5.00	4.90	-0.10
B9	Shinjuku Island	712,290	871,000	531,000	542,000	556,000	14,000	2.6	5.20	5.10	-0.10
B14	Lexington Plaza Nishigotanda	4,801,941	4,880,000	4,070,000	4,050,000	4,140,000	90,000	2.2	5.10	5.00	-0.10
B15	Cross Square NAKANO	1,070,043	1,060,000	938,000	930,000	938,000	8,000	0.9	5.30	5.20	-0.10
B16	Ohki Aoba Building	761,574	816,000	602,000	633,000	644,000	11,000	1.7	6.30	6.20	-0.10
B17	Lexington Plaza Hachiman	3,184,450	3,280,000	3,210,000	3,270,000	3,330,000	60,000	1.8	6.40	6.30	-0.10
B18	AEON TOWN Sukagawa	2,091,188	2,320,000	2,150,000	2,150,000	2,190,000	40,000	1.9	7.00	6.90	-0.10
Subtotal of Offices		**13,855,590**	**14,567,000**	**12,511,000**	**12,595,000**	**12,808,000**	**213,000**	**1.7**	**-**	**-**	**-**
C1	Stop Parking Kanda-Sudacho	100,825	100,000	92,300	92,800	105,000	12,200	13.1	4.60	4.50	-0.10
Subtotal of Parking lots		**100,825**	**100,000**	**92,300**	**92,800**	**105,000**	**12,200**	**13.1**	**-**	**-**	**-**
D1	Hotel MyStays Kanda	2,907,285	2,880,000	-	-	2,880,000	-	-	-	5.70	-
D2	Hotel MyStays Asakusa	2,625,056	2,610,000	-	-	2,610,000	-	-	-	6.10	-
Subtotal of Hotels		**5,532,341**	**5,490,000**	**-**	**-**	**5,490,000**	**-**	**-**	**-**	**-**	**-**
Total		**75,363,220**	**79,816,000**	**69,596,300**	**70,608,800**	**77,268,000**	**6,659,200**	**9.4**	**-**	**-**	**-**

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