December 2016 Fiscal Period Results

(July 1, 2016 to December 31, 2016)

March 23, 2017

Invincible Investment Corporation

Invincible Investment Corporation

TSE Code: 8963

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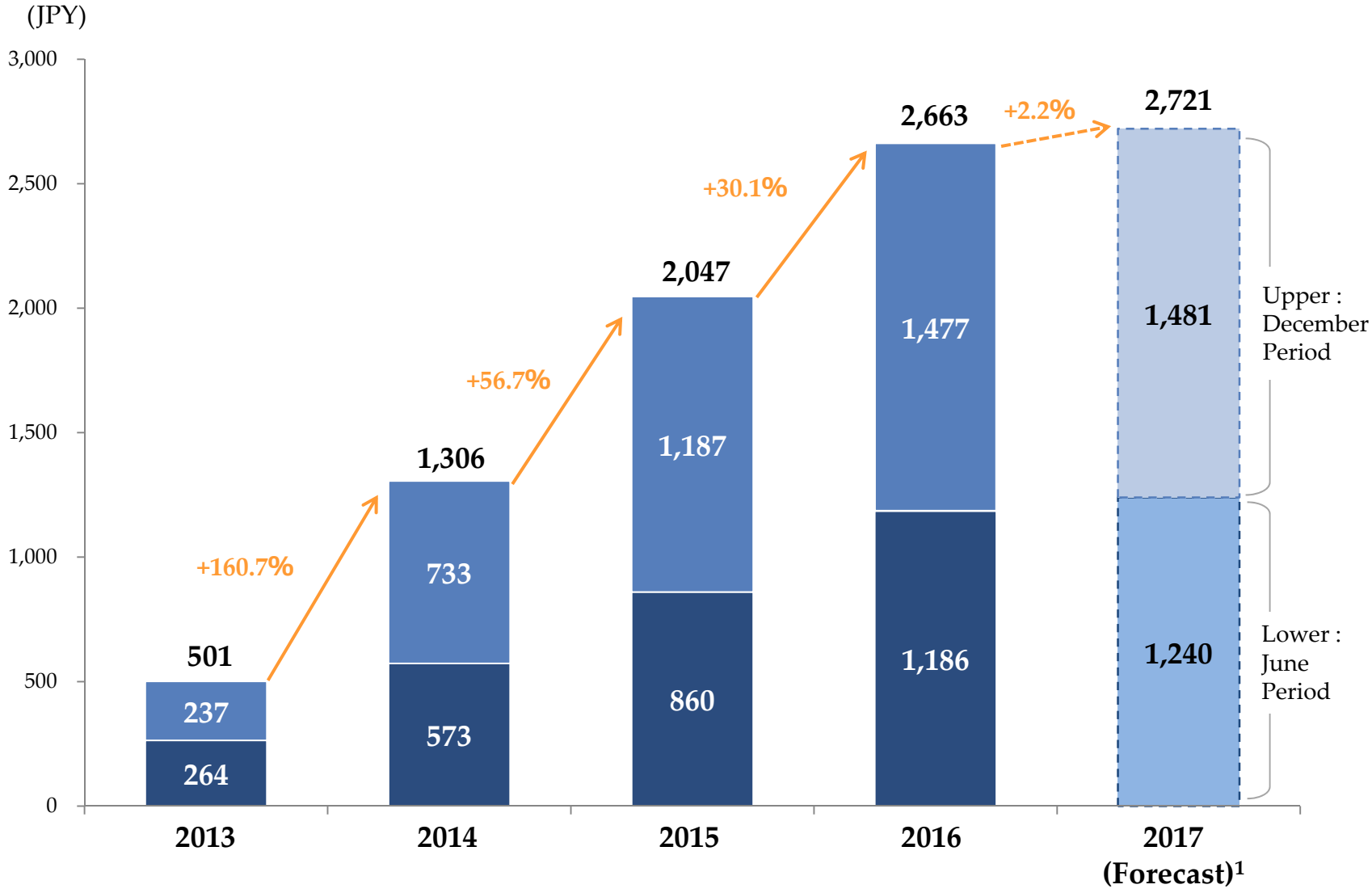
CY2016	■ 2H 2016 DPU achieved JPY1,477, Full-Year 2016 DPU of JPY2,663 (+30.1% YoY) (→Page 4) ■ Hotel portfolio: ADR +3.7% YoY, occupancy 90.2% with a slight decline YoY, RevPAR +3.3% YoY, GOP +3.8% YoY (→Page 18) ■ Residential portfolio: Rent increase program achieved a rent increase for 51.0% of new lease contracts with an average rent increase of 1.2% compared to the previous rent across all new leases, and a rent increase for 39.1% of contract renewals for an average rent increase of 1.2% compared to the previous rent across all renewal leases (→Page 32) ■ The average rent and NOI for the residential portfolio increased by 1.5% and 4.4% YoY respectively (→Page 33) ■ Bank formation was further strengthened by the addition of new lenders including DBJ and Japan Post Bank (→Page 39) ■ Obtained an initial credit rating of "A" from Japan Credit Rating (JCR) with a "Positive" outlook (→Page 39)
March 2017	■ Acquired two high quality residential assets within the Tokyo 23 wards, including the largest asset among INV's residential portfolio, for a total of JPY24.5 billion via public offering with an average appraisal NOI yield of 5.4% (→Page 8-11) ■ Portfolio increased to 126 properties with an AUM of JPY 291,181 million, with a strong concentration in the Greater Tokyo area (65.4%) (→Page 12-13) ■ Post-acquisition, rental revenue from the portfolio consists of 70.0% from fixed hotel rent, residential rent and rent from other assets, providing further stability (→Page 14) ■ Post-transaction LTV based on appraisal value is 44.4% (→Page 39) ■ Three lenders were newly added, further reinforcing the lender formation (→Page 39)
CY2017	■ Full-year 2017 DPU is expected to grow to JPY 2,721 (1H 2017: JPY 1,240 / 2H 2017: JPY 1,481), an increase of 2.2% YoY (→Page 4) ■ Hotel portfolio YoY growth forecasts: ADR remains flat, occupancy +0.8pt, RevPAR +1.0%, GOP +1.7% (→Page 19) ■ Residential portfolio YoY growth forecasts: Rent increase program expected to maintain progress with an average rent increase of 0.8% and NOI increase of 1.2% (→Page 33)

Results Summary

DPU Growth

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Internal and external growth have provided continuous DPU growth since 2013. 2017 DPU is expected to increase by 2.2% compared to 2016

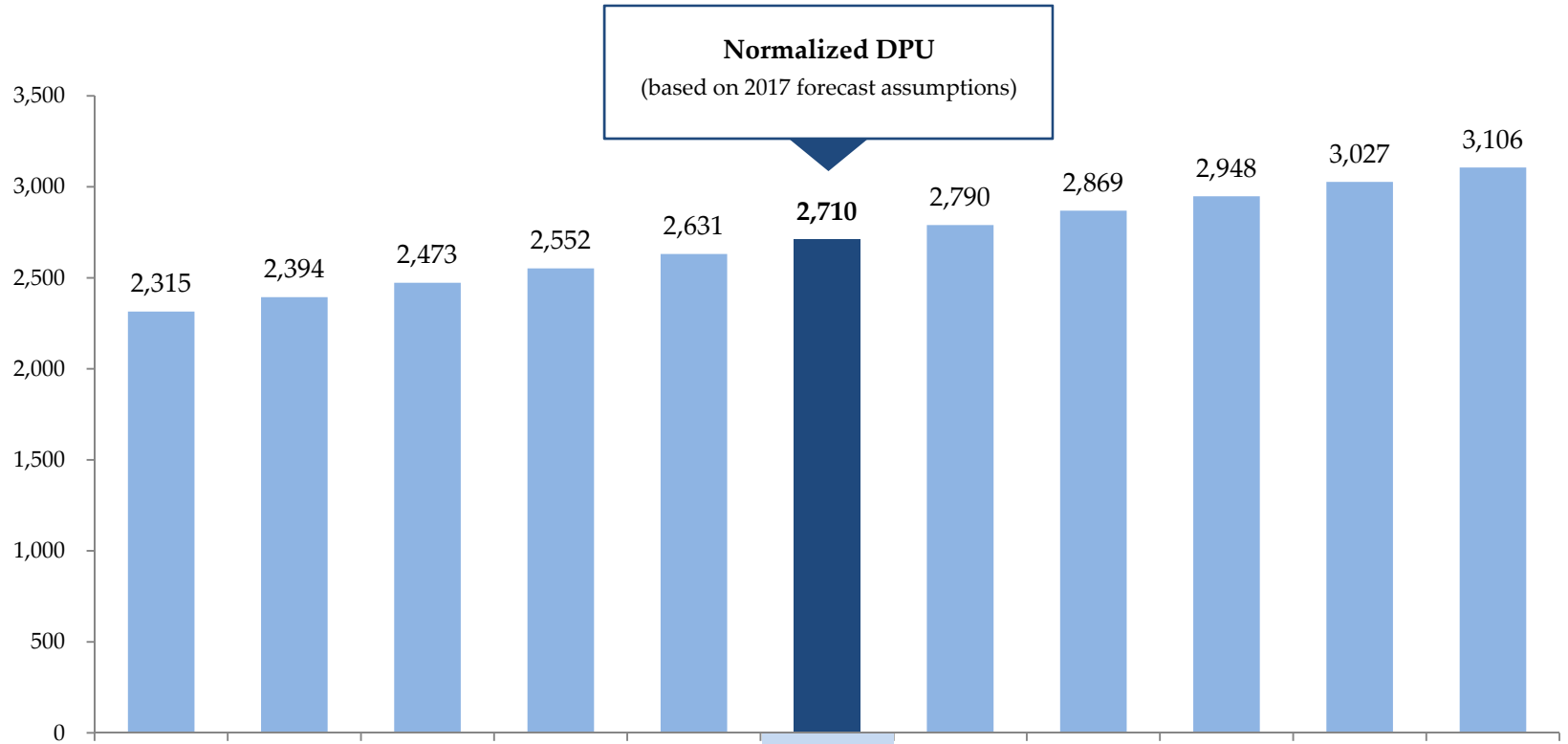


(Note 1) The forecast figures assume all the anticipated units (9,250 units) to be issued by third-party allotment as was announced in tandem with the public offering in March 2017

Normalized DPU and DPU Sensitivity (vs RevPAR Growth)

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- Normalized DPU of JPY 2,710 based on 2017 forecast assumptions
- A 10% increase in RevPAR translates to a +14.6% increase in DPU



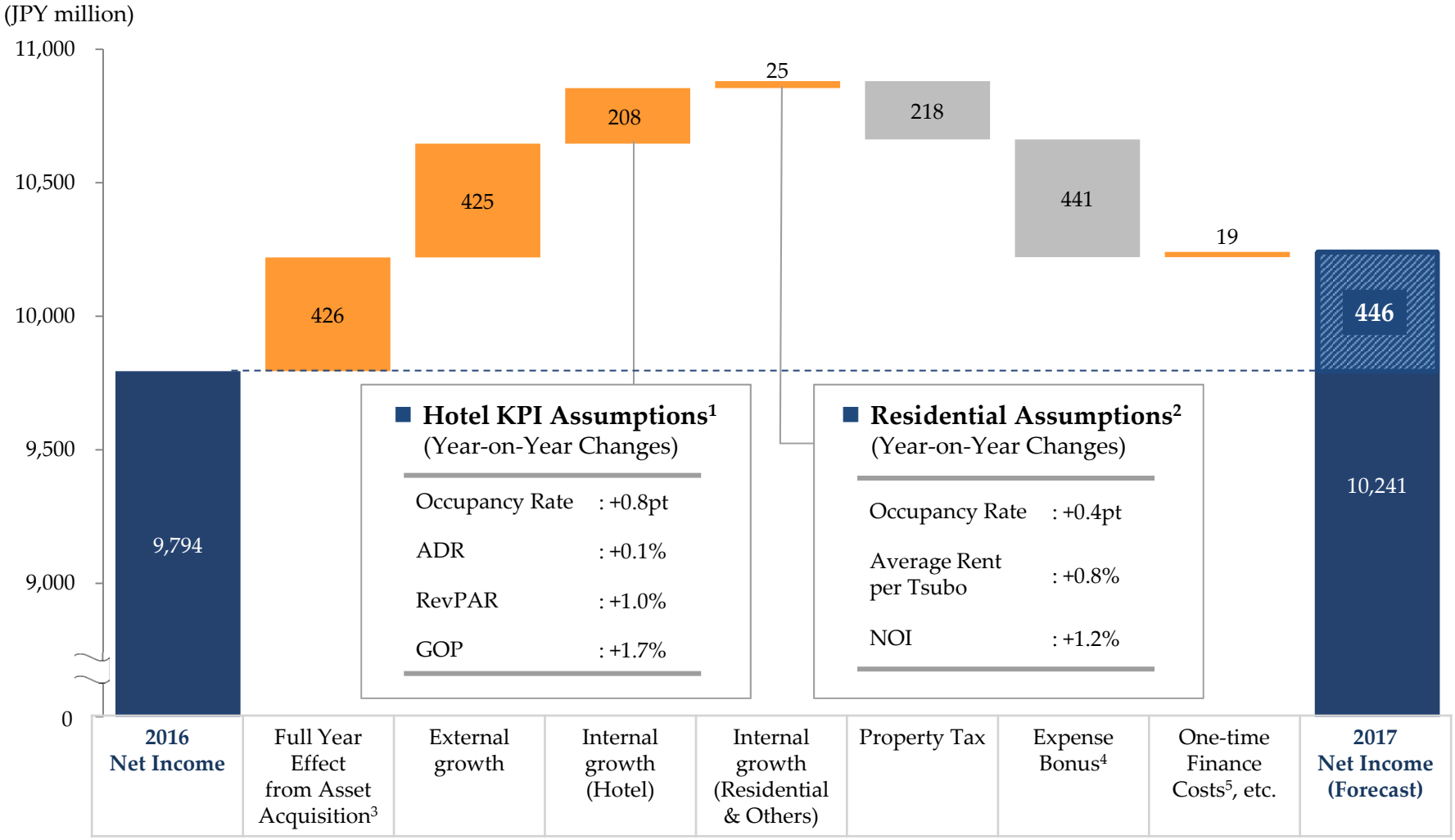
RevPAR Growth[1]	-10%	-8%	-6%	-4%	-2%	**0%**	+2%	+4%	+6%	+8%	+10%
Hotel RevPAR[2]	7,874	8,048	8,223	8,398	8,573	**8,748**	8,923	9,098	9,273	9,448	9,623
Simulated DPU Growth[3]	-14.6%	-11.7%	-8.8%	-5.9%	-3.0%	**–**	+3.0%	+5.9%	+8.8%	+11.7%	+14.6%

(Note 1) "RevPAR Growth" is shown as a % change from the RevPAR assumption for the 2017 forecast for the 39 hotels with a variable rent scheme owned by INV as of today
(Note 2) "Hotel RevPAR" is average of RevPAR of the said 39 hotels.
(Note 3) "Simulated DPU Growth" is a simulated data based on the normalized DPU, which is annualized, on the assumption that all assumptions for the simulated distribution per unit with regard to all of INV's assets as of today except for the RevPAR remain the same.

INV Net Income Impact Analysis

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Full-year 2017 net income is expected to increase by JPY 446 million YoY, which includes external growth via asset acquisition in March 2017 (+JPY425 million) and internal growth of existing assets (+JPY 234 million)



(Note 1) Based on 38 hotel properties; of the total 48 hotels in INV's portfolio, 9 hotels with fixed-rent lease agreements as well as one hotel which was renovated in 2016, Hotel MyStays Kanda, are excluded
(Note 2) Based on 66 residential properties owned as of the end of December 2015
(Note 3) Full year rent contribution, minus the increased expenses and ongoing finance costs from the assets acquired in 2016
(Note 4) For the first one month after the hotel acquisition, GOP increases because it is calculated without deducting hotel expenses, which are recorded on a cash basis in the following month, as stated in the lease agreement. Profit decreases after expenses start being deducted from the second month.
(Note 5) One-off financing costs for public offering and debt financing decrease in 2017

Invincible Portfolio

Acquisition in March 2017 (1) : Royal Parks Tower Minami-Senju

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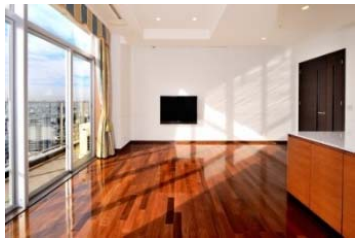
Characteristics

- A high quality asset in the Minami-Senju area
- 39 floors, 557[1] units residential tower built in 2008
- Five minute walk to Minami-Senju Station with service from three train lines and is adjacent to a shopping mall
- Attractive common facilities for the residents including party room, an Onsen (Hot Spring) / Sauna, a gym and library
- The Tower was originally developed by Daiwa House as part of the Minami-Senju master redevelopment project

Acquisition Price	JPY 21,879 mn
Appraisal Price	JPY 22,100 mn
Appraisal NOI Yield[2]	5.4%
Address	Minami-Senju 4-chome, Arakawa-ku, Tokyo
Access	5 minute walk from Minami-Senju Station (Tokyo Metro Hibiya Line, JR Joban Line, Tsukuba Express Line)
Completion Date	May 2008
No. of Units	557 (Apartments 555, Nursing home 1, Shop 1)[1]
Leasable Area / Land Area	39,113.46 m^2 / 8,738.44 m^2
NOI (Adjusted)[3]	JPY 1,072 mn
Map	













(Note 1) The nursing home and the shop are counted as 1 unit, respectively, for the counting of the number of units
(Note 2) Appraisal NOI yield is calculated by dividing the NOI derived from the direct cap method in appraisal reports by acquisition price
(Note 3) (Annualized rents based on monthly rent as of December 2016) – (Actual annual expenses in 2016)

Track Record on Rent Increase for Royal Parks Tower Minami-Senju

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- Royal Parks Tower Minami-Senju will be the largest residential asset and second largest asset in the portfolio[1]
- New lease rent[2] of JPY 11,231 per tsubo per month in 2016 was 17.3% higher than for previous leases
- The appraisal rents[3] are 7.7% above in-place rents[4] , providing INV ample room to increase rents

New Lease Analysis (Rent per tsubo)

Room Type	Total No. of Units	New Leases[2] in 2016			In-place Rent[3] per tsubo per month (JPY)	Appraisal Rent[4] per tsubo per month (JPY)	Rent Gap[6]
		No. of New Leases	New Lease Rent[2] per tsubo per month (JPY)	% Rent Increase[5]			
Studio	48	10	12,381	16.3%	11,476	11,731	2.2%
1DK	44	13	11,987	18.4%	11,141	11,562	3.8%
1LDK	195	46	11,107	18.3%	10,151	11,103	9.4%
2LDK	184	40	11,210	19.0%	10,147	10,873	7.2%
3LDK	72	13	11,037	11.7%	10,029	10,941	9.1%
4LDK	12	2	10,152	13.9%	9,166	9,762	6.5%
Total / Average	**555**	**124**	**11,231**	**17.3%**	**10,207**	**10,994**	**7.7%**

(Note 1) Based on acquisition price
(Note 2) "New leases" means the leases with the end-tenants newly signed in 2016 and "new lease rent" means the weighted average of rents as of the end of December, 2016 of new leases based on leased area. All kinds of rent or rent revenue include common area charge. Hereafter the same.
(Note 3) "In-place rent" means the average of rent per month as provided in lease contracts with the end-tenants as of December 31, 2016 weighted by leased area
(Note 4) "Appraisal rent" means the rent per month which is estimated as reasonable by Japan Real Estate Institute based on quality of the property and market value for each room type as of January 1, 2017, and indicates the weighted average per tsubo for the units leased as of December 31, 2016. Appraisal rent does not indicate that the in-place rents with the existing tenants can be increased up to such appraisal rent and also does not guarantee that INV can enter into lease agreements with new tenants at such appraisal rent.
(Note 5) Compared with previous rent
(Note 6) Difference between appraisal rent and in-place rent. Investors should be aware that the above rent gap does not guarantee the increase of rents to fill the gap in a short term or at all

Acquisition in March 2017 (2) : Royal Parks Seasir Minami-Senju

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Characteristics

- 10 minute walk to Minami-Senju Station with service from three train lines
- Master-leased on a fixed rent basis to Daiwa Living, a subsidiary of Daiwa House
- 113 units, high quality residential asset with concierge available at the front desk
- Unit size ranging from approximately 40m^2 to approximately 120m^2, targeting primarily singles, DINKS[1] and families

Acquisition Price	JPY 2,683 mn
Appraisal Price	JPY 2,710 mn
Appraisal NOI Yield[2]	5.3%
Address	Minami-Senju 3-chome, Arakawa-ku, Tokyo
Access	10 minute walk from Minami-Senju Station (Tokyo Metro Hibiya Line, JR Joban Line, Tsukuba Express Line)
Completion Date	August 2006
No. of Units	113
Leasable Area / Land Area	6,496.86 m^2 / 3,570.00 m^2
NOI (Adjusted)[3]	JPY 145 mn
Map	







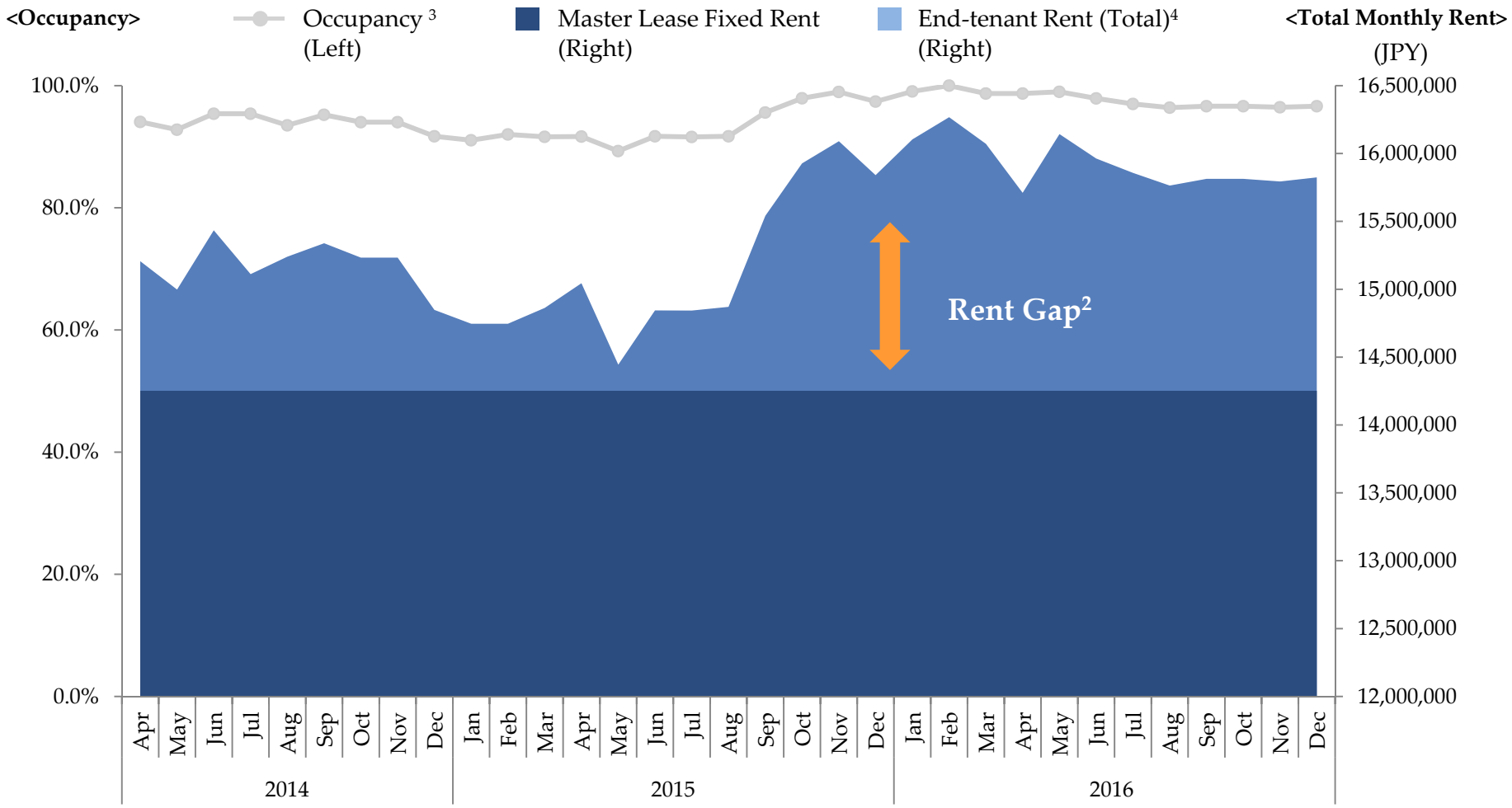


(Note 1) DINKS stands for "Double Income No Kids"
(Note 2) Appraisal NOI yield is calculated by dividing the NOI derived from the direct cap method in appraisal reports by acquisition price
(Note 3) (Annualized rents based on monthly rent as of December 2016) – (Actual annual expenses in 2016)

Rent Gap between End-tenant Rents and Master Lease Fixed Rent

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The rent gap between end-tenant rents and the master lease fixed rent has grown to over JPY 1,000 per tsubo per month[1]; INV may enjoy some upside upon expiry of the master lease in November, 2019[2]



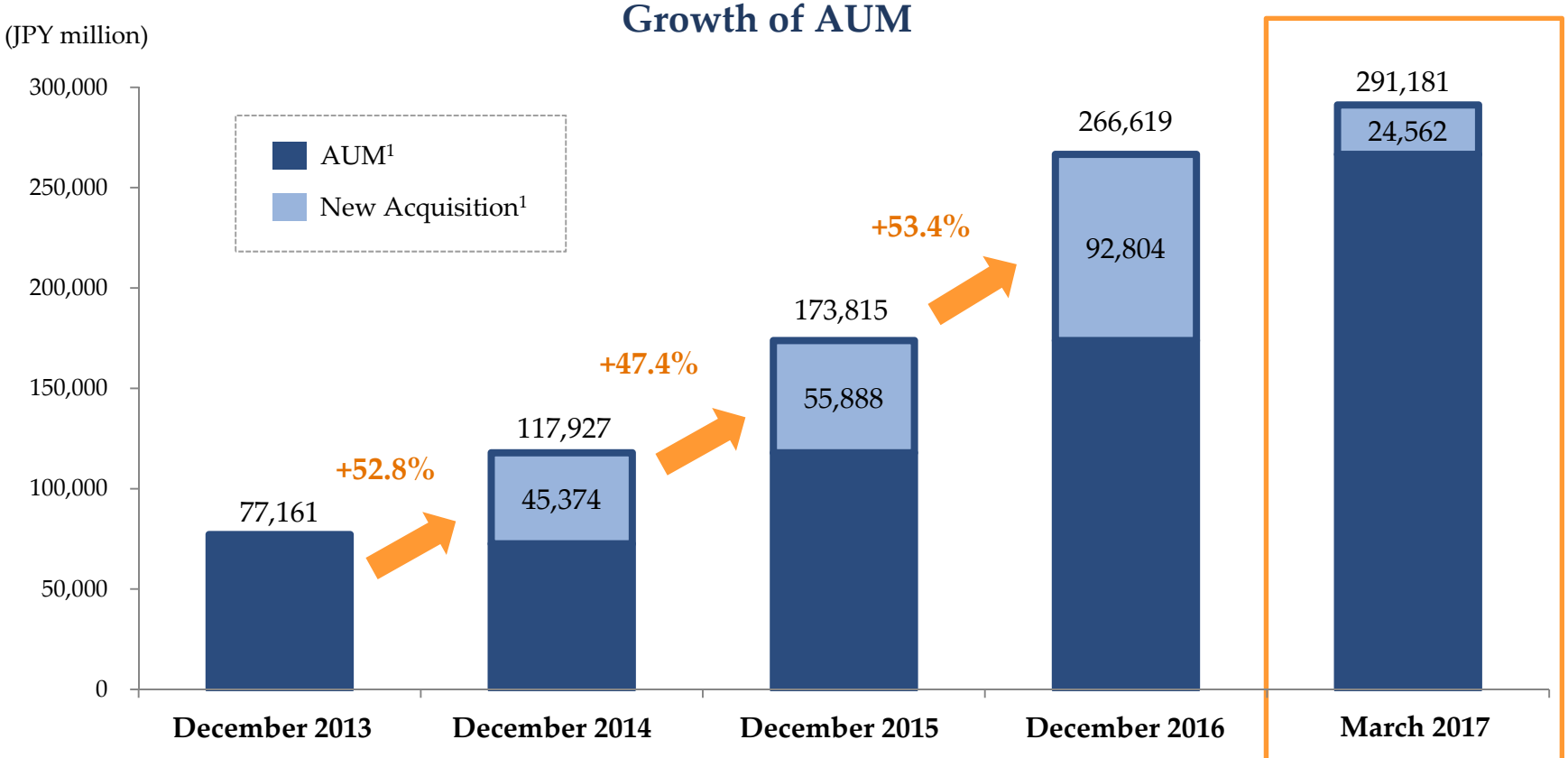
(Note 1) Calculated by in-place rent including common area charges as of December 31, 2016 divided by leased area as of the same date
(Note 2) The rent gap shows the difference between (i) the actual rent paid by the master lessee under the rent-guarantee type master lease agreement and (ii) the actual rent paid by the end tenants. This rent gap indicates the potential increase in the rental income that INV might have enjoyed if INV had adopted a pass-through type master lease agreement instead of the in place rent-guarantee type master lease agreement. Investors should be aware that the above chart does not guarantee such increase in rental income will be realized upon the expiration of the in place rent-guarantee type master lease agreement expected to be in November, 2019. Moreover, since we do not take into consideration the changes in expenses after adopting a pass-through type master lease agreement, the increase in rental income will not necessarily equal to an increase in NOI of INV
(Note 3) Occupancy is calculated by dividing the sum of total leased area to the end-tenants by the sum of total leasable area at the end of each month
(Note 4) Based on lease agreements effective at the end of each month

Track Record of External Growth

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- Strong track record of acquiring core assets
- Robust pipeline provides opportunity for acquisitions of properties contributing to portfolio growth and stability

Growth of AUM



No. of properties	**71**	**91**	**111**	**124**	**126**
Residential	**63**	**63**	**66**	**68**	**70**
Hotels	**0**	**20**	**37**	**48**	**48**

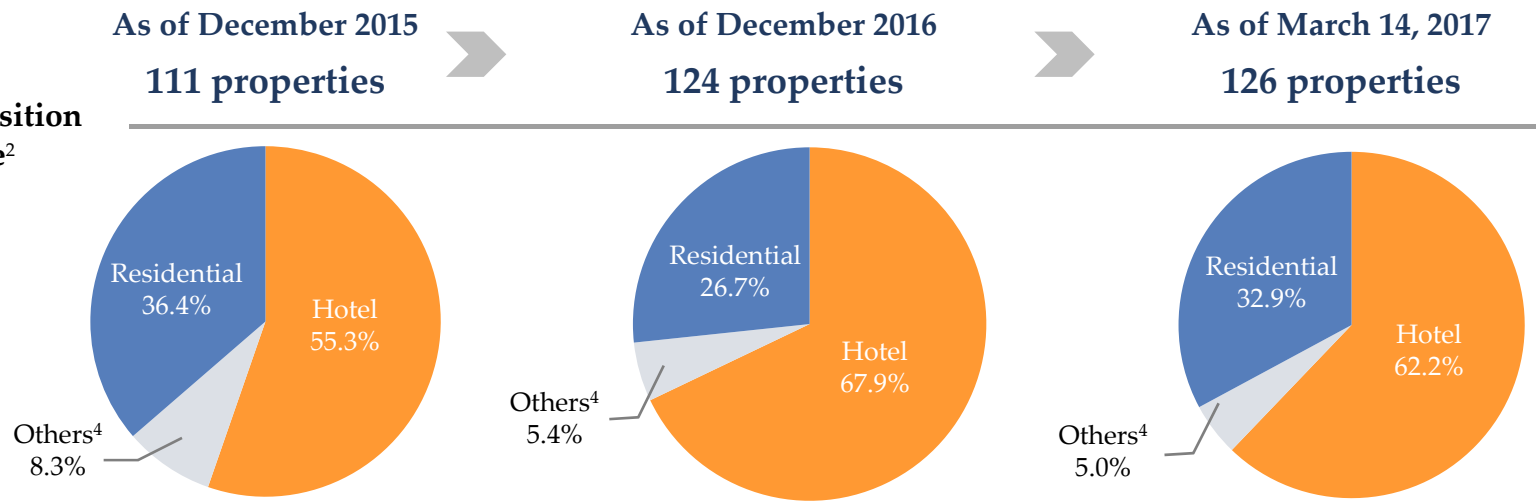
(Note 1) "AUM" is total acquisition amount of the properties owned as of the end of the relevant year or March 2017, and "New Acquisition" shows total acquisition amount for the properties acquired in the relevant year

Portfolio Growth

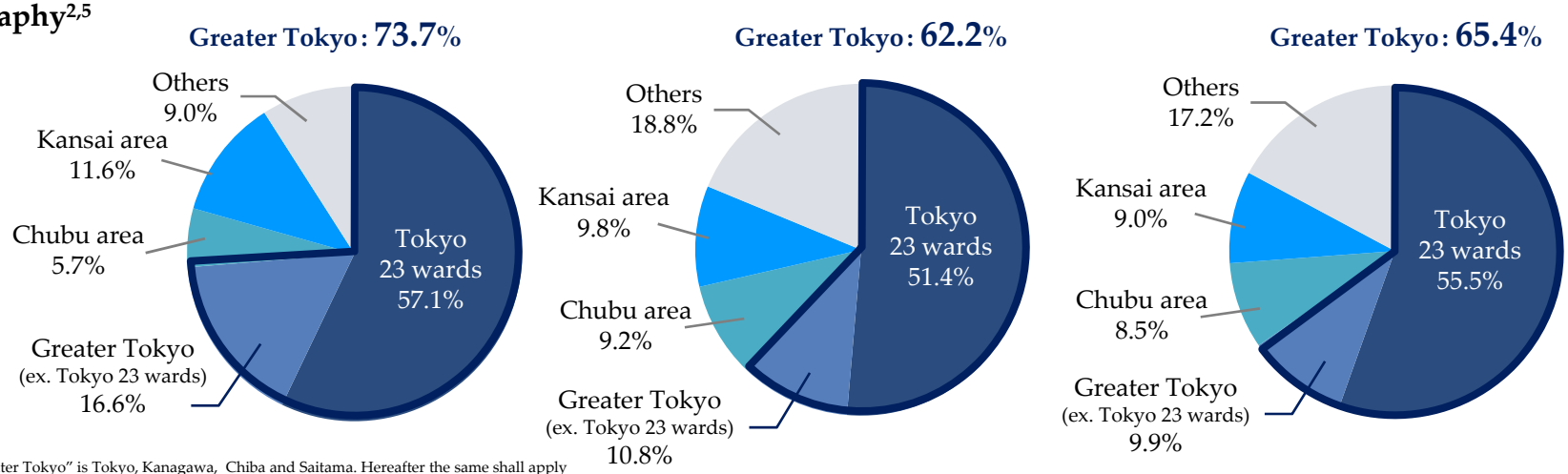
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- The acquisition of two residential assets adds stability to the portfolio, as well as an increased presence in Greater Tokyo[1] of 65.4%[2]
- The current portfolio has 126 properties, (Residential: 70, Hotels: 48) with 4,778[3] Apartment Units and 7,027 Hotel Rooms

Portfolio Composition by Property Type[2]



Portfolio Composition by Geography[2,5]



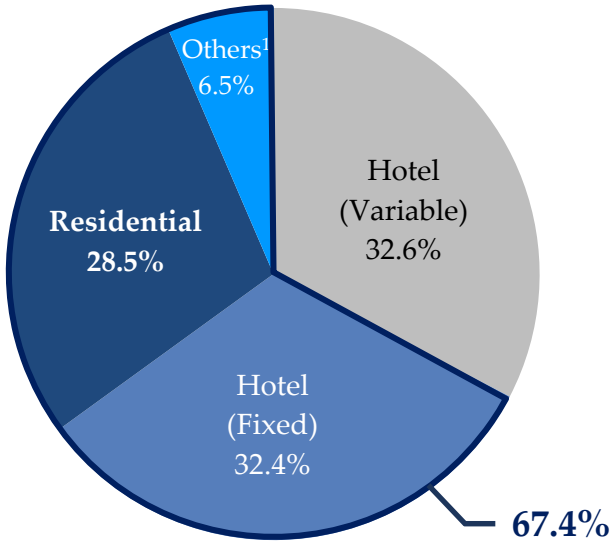
(Note 1) "Greater Tokyo" is Tokyo, Kanagawa, Chiba and Saitama. Hereafter the same shall apply
(Note 2) Based on acquisition price
(Note 3) The number includes shops, offices and nursing homes which are counted as one unit by each compartment
(Note 4) "Others" includes Offices, Commercial facilities and Parking lots
(Note 5) Defined as follows: Greater Tokyo (ex, Tokyo 23 wards) is Tokyo (ex. Tokyo 23 Wards), Kanagawa, Chiba and Saitama. Kansai area is Osaka, Hyogo ,Kyoto, Shiga, Wakayama and Nara. Chubu area is Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui.

Revenue Impact on Acquisition of Two Royal Parks Assets

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After acquisition on March 14, 2017, rent revenue from hotels with fixed rent, residential assets and other assets[1] will account for 70.0%[2] of revenue, which is enhancing the stability of portfolio

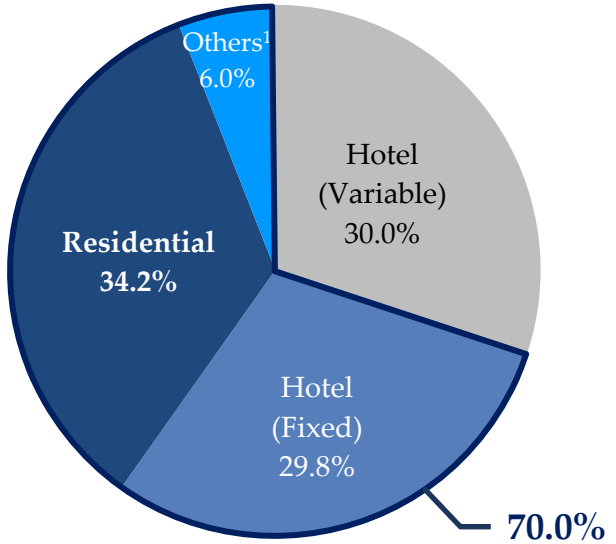
Pre-Acquisition



(JPY million)

Revenue[2]			
Hotel	(Variable)	5,912	32.6%
	(Fixed)	5,872	32.4%
Residential		5,165	28.5%
Others[1]		1,174	6.5%
Total		18,124	100.0%

Post-Acquisition



(JPY million)

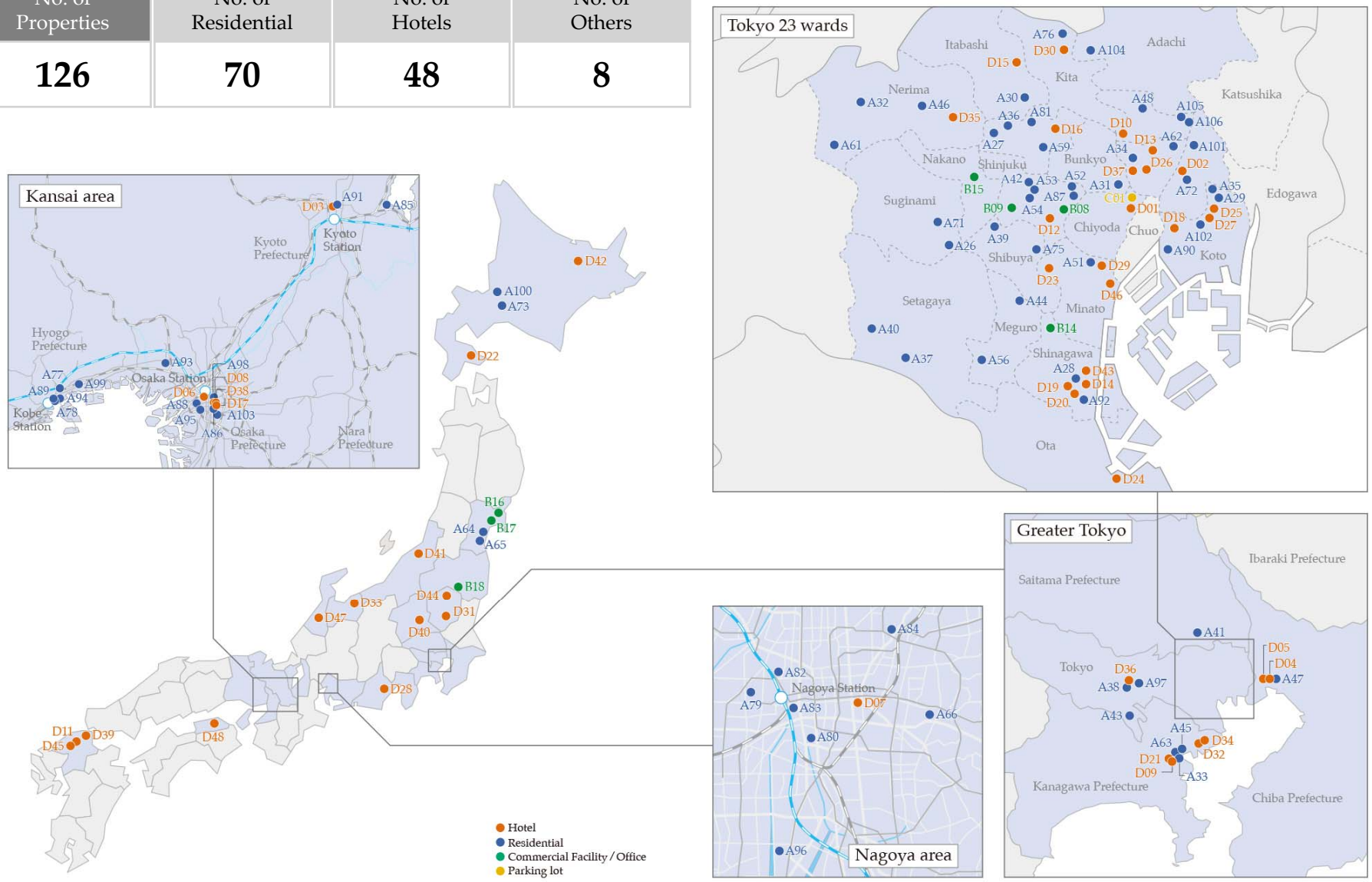
Revenue[2]			
Hotel	(Variable)	5,912	30.0%
	(Fixed)	5,872	29.8%
Residential		6,746	34.2%
Others[1]		1,174	6.0%
Total		19,704	100.0%

(Note 1) Include Offices, Commercial facilities and Parking lots
(Note 2) Annual revenue, assuming all of INV's assets as of relevant point of time (pre-acquisition/post-acquisition) were owned as of January 1, 2016, calculated based on actual 2016 full year results. Performance of the properties acquired from January 1, 2016 to March 14, 2017 for the pre-acquisition period is based on actual results provided by sellers.
(Note 3) The percentages are rounded to one decimal place

Portfolio Map (As of March 14, 2017)

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No. of Properties	No. of Residential	No. of Hotels	No. of Others
126	70	48	8



(Note) Please refer to Portfolio Properties on page 64 through 66 for the details of property for each property number

Hotel Performance

Hotel Details For the Calculation of KPI's

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Hotels owned by INV

48 properties

Fixed Rent Hotels

- 9 properties

D29 : Super Hotel Shinbashi/ Karasumoriguchi
D33 : Comfort Hotel Toyama
D36 : Super Hotel Tokyo-JR Tachikawa Kitaguchi
D37 : Super Hotel JR Ueno-iriyaguchi
D39 : Comfort Hotel Kurosaki
D40 : Comfort Hotel Maebashi
D41 : Comfort Hotel Tsubamesanjo
D42 : Comfort Hotel Kitami
D48 : Takamatsu Tokyu REI Hotel

2014 vs 2015

- 4 properties (Except D24 and D47 (Opened in 2014), D38 and D43 (Renovated in 2015)) = **Based on 35 properties**

2015 vs 2016

- 3 properties (Except D01, D38 and D43 (Renovated in 2015 or 2016)) = **Based on 36 properties**

2016 vs 2017

- 1 properties (Except D01 (Renovated in 2016)) = **Based on 38 properties**

※Opening and renovation status of owned hotels

No.	Property Name	Open ／ Renovation	2014	2015	2016	2017
D01	Hotel MyStays Kanda	Renovation (May 2016 - August 2016)			×	
D24	Hotel MyStays Haneda	Opened in September 2014	×			
D38	Hotel MyStays Shinsaibashi	Renovation (January 2015 - March 2015)		×		
D43	Hotel MyStays Gotanda Station	Renovation (March 2015 - November 2015)		×		
D47	Hotel MyStays Premier Kanazawa	Opened in November 2014	×			

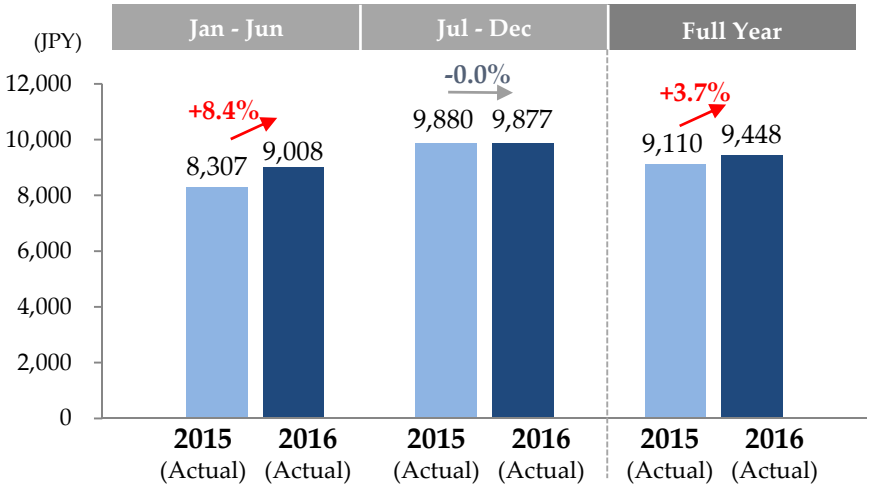
× : Relevant year for renovation or open

Hotel Property Performance Indicators (2016 Actual) *Based on 36 Properties

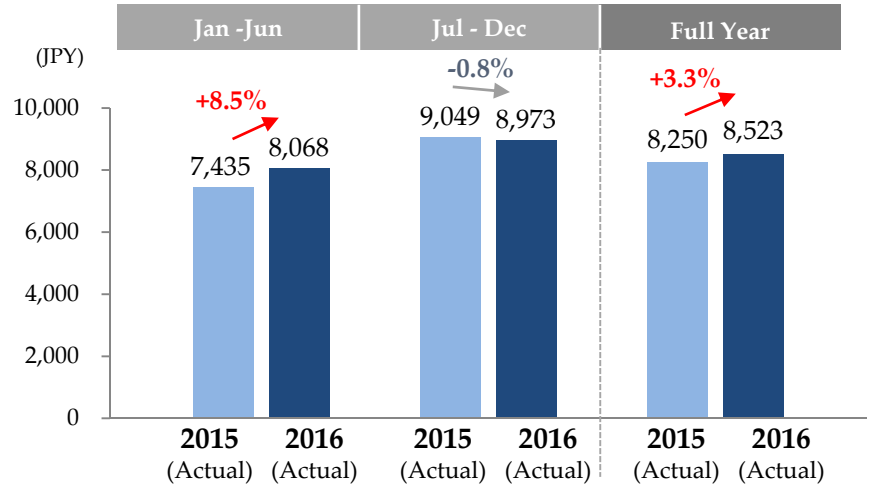
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In 2016 INV achieved ADR growth of 3.7%, RevPAR growth of 3.3%, GOP growth of 3.8% compared with 2015

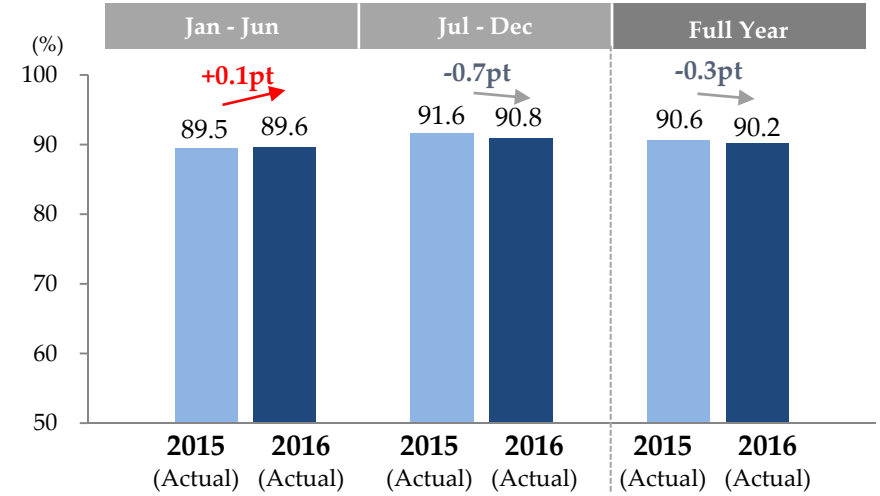
ADR[1]



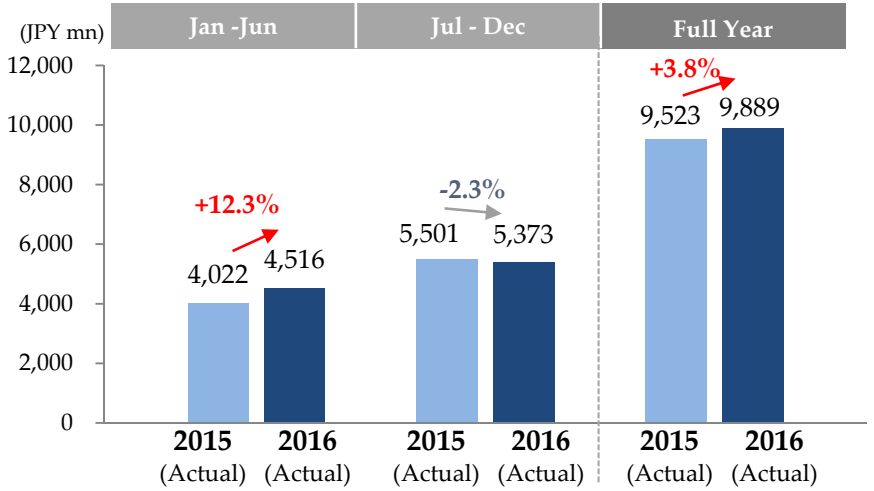
RevPAR[1]



Occupancy[1]



GOP[1,2]



(Note 1) Based on 36 hotel properties; of the 48 hotel properties in our portfolio as of December 31, 2016, 9 hotels with fixed-rent lease agreements as well as 3 hotels(Hotel MyStays Gotanda Station, Hotel MyStays Shinsaibashi and Hotel MyStays Kanda), which were renovated during the period from January 2015 to December 2016, are excluded

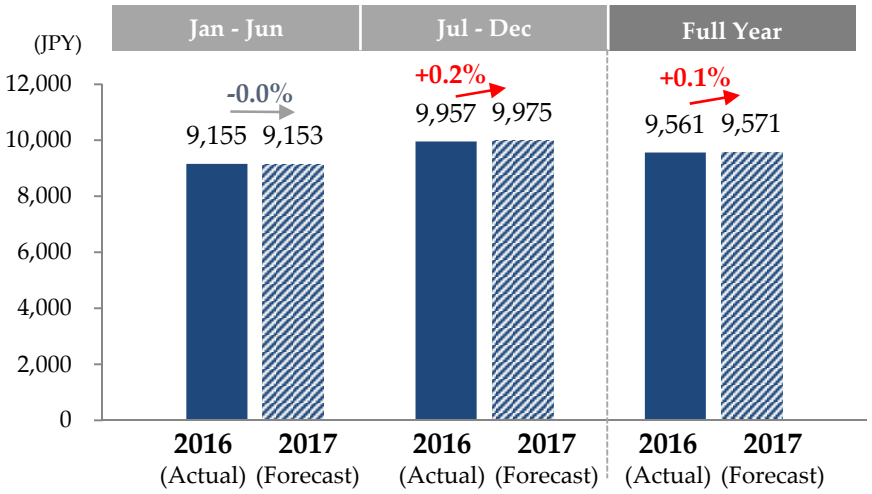
(Note 2) In calculating the GOP, the rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel since GOP is not disclosed by the operator

Performance Indicators of Hotel Properties (2017 Forecast) *Based on 38 Properties

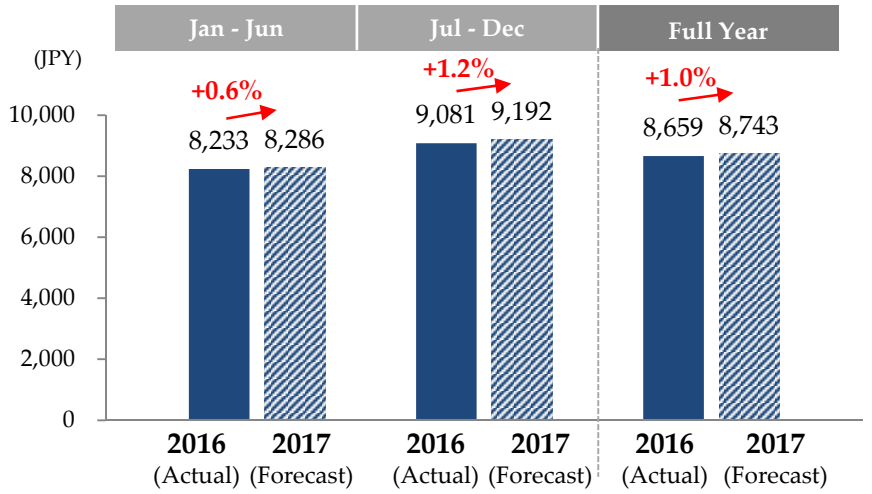
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For the 2017 full year, INV forecasts ADR at the same rate as the previous year, occupancy growth of 0.8pt, RevPAR growth of 1.0% and GOP growth of 1.7% compared with 2016

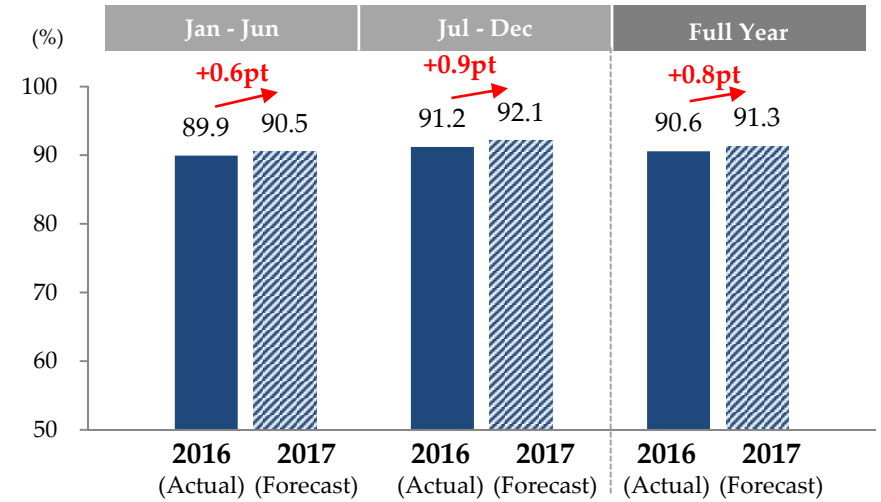
ADR[1]



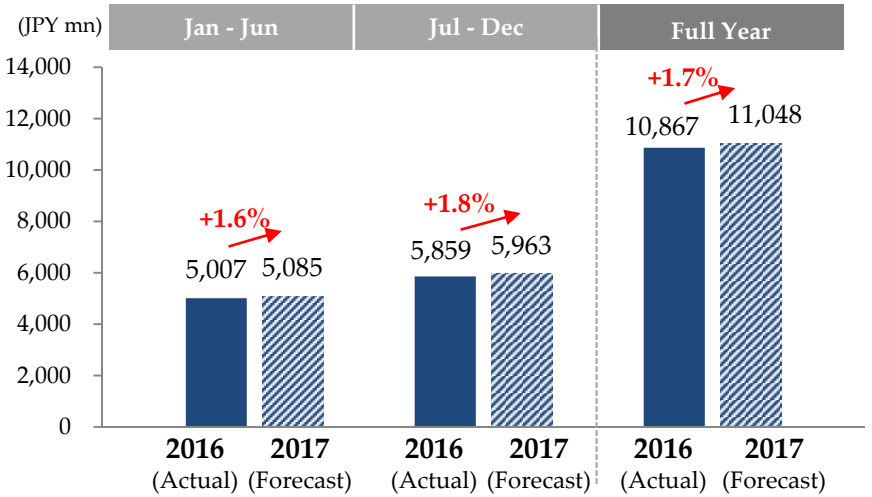
RevPAR[1]



Occupancy[1]



GOP[1,2]



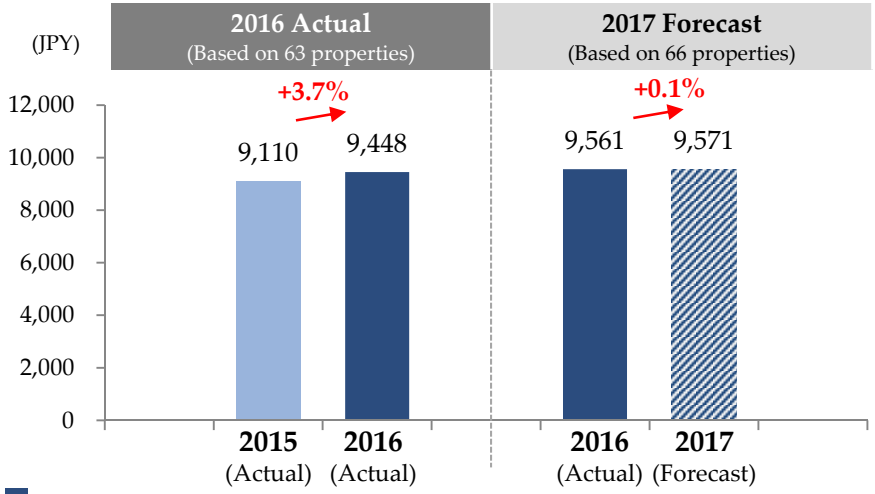
(Note 1) Based on 36 hotel properties; of the 48 hotel properties in our portfolio as of December 31, 2016, 9 hotels with fixed-rent lease agreements as well as Hotel MyStays Kanda, which were renovated in 2016, are excluded
(Note 2) In calculating the GOP, the rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel since GOP is not disclosed by the operator

Performance Indicators of Hotel Properties (2016 Actual and 2017 Forecast)

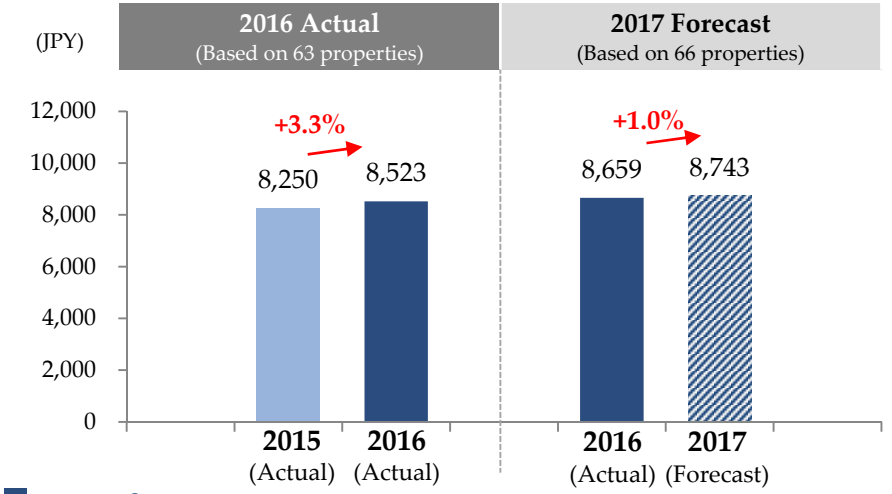
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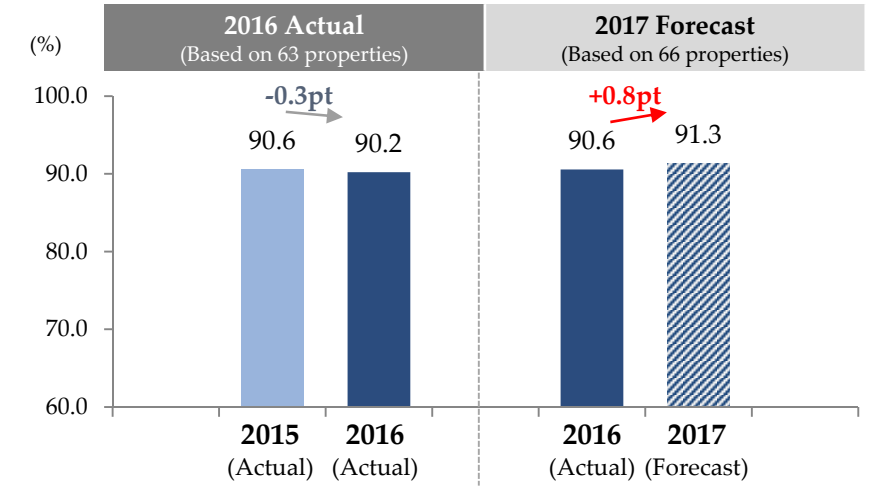
ADR



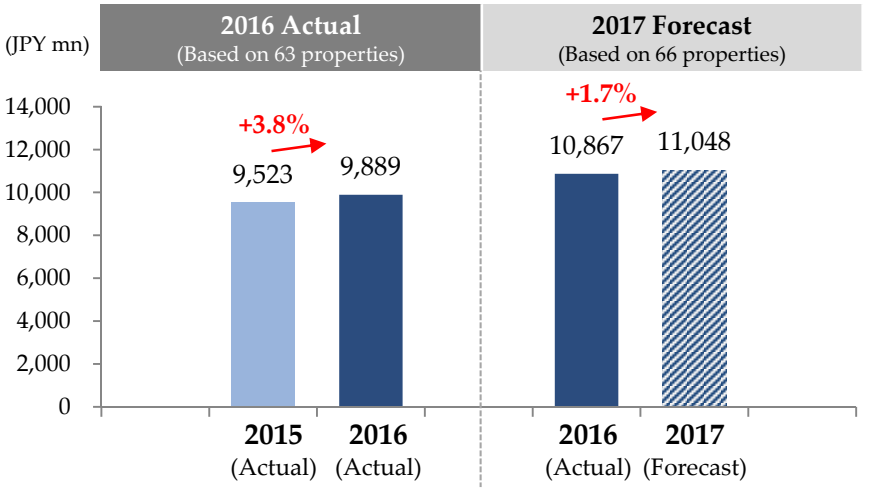
RevPAR



Occupancy



GOP[3]



(Note 1) Based on 36 hotel properties; of the 48 hotel properties in our portfolio as of December 31, 2016, 9 hotels with fixed-rent lease agreements as well as 3 hotels(Hotel MyStays Gotanda Station, Hotel MyStays Shinsaibashi and Hotel MyStays Kanda), which were renovated during the period from January 2015 to December 2016, are excluded
(Note 2) Based on 36 hotel properties; of the 48 hotel properties in our portfolio as of December 31, 2016, 9 hotels with fixed-rent lease agreements as well as Hotel MyStays Kanda, which were renovated in 2016, is excluded
(Note 3) In calculating the GOP, the rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel since GOP is not disclosed by the operator

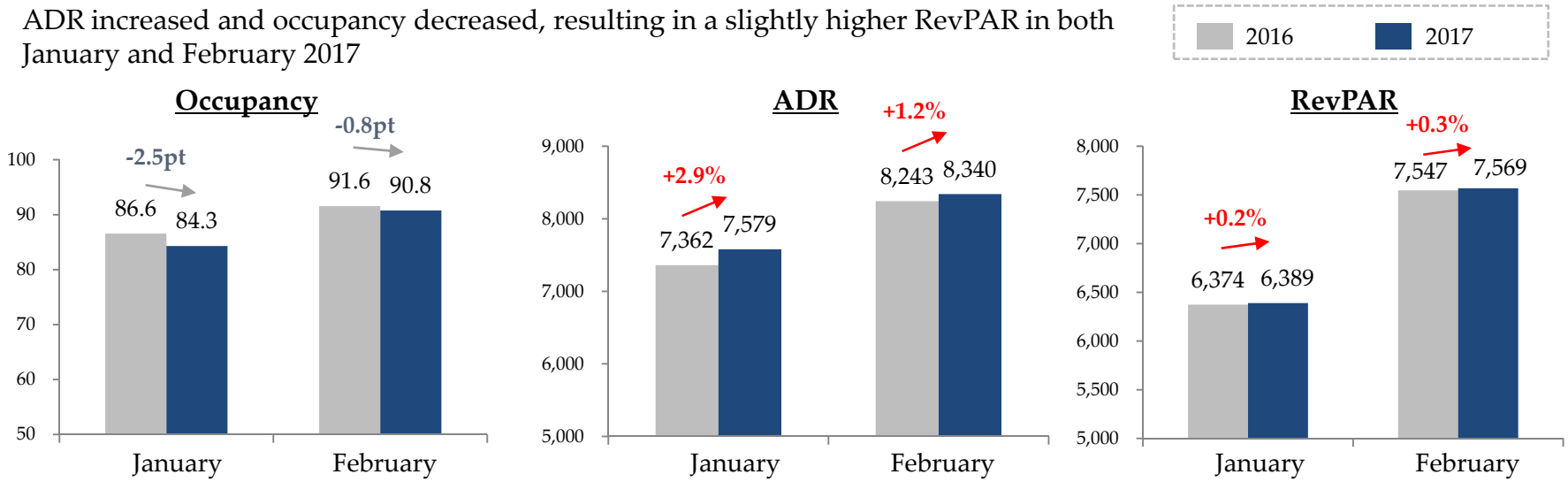
Hotel Property Comparison

Based on 38 hotels, for which YoY comparisons can be made under the same conditions for January and February 2017 (out of a total of 48 hotels owned by INV, 9 hotels with fixed-rent and Hotel Epinard Nasu, which is under renovation, are excluded)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016					Renovation Work at Hotel MyStays Kanda							
2017	Renovation Work at Hotel Epinard Nasu											

Hotel Performance (Year-on-Year)

ADR increased and occupancy decreased, resulting in a slightly higher RevPAR in both January and February 2017



Impact of Chinese New Year

Chinese New Year 2016: February 2017: January and February

: Chinese New Year Holiday

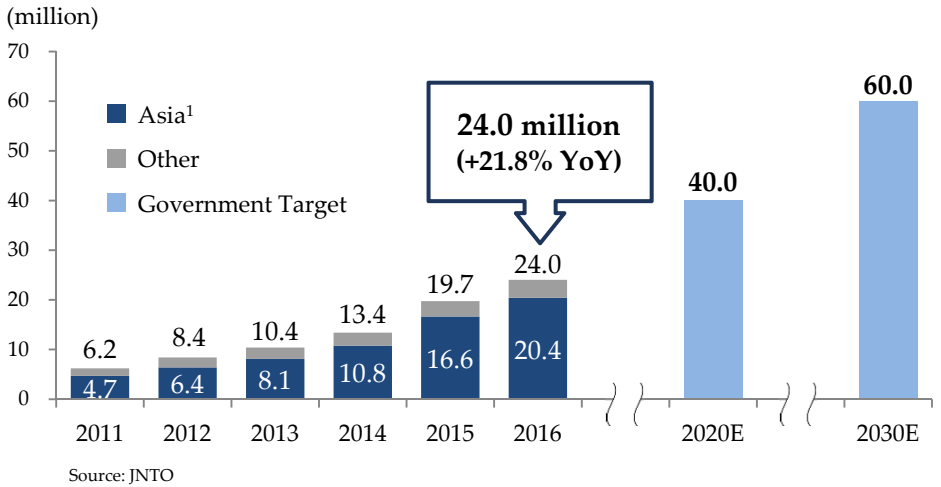
	January					February											
	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13
2016																		
2017																		

Inbound Market (1)

Invincible Investment Corporation

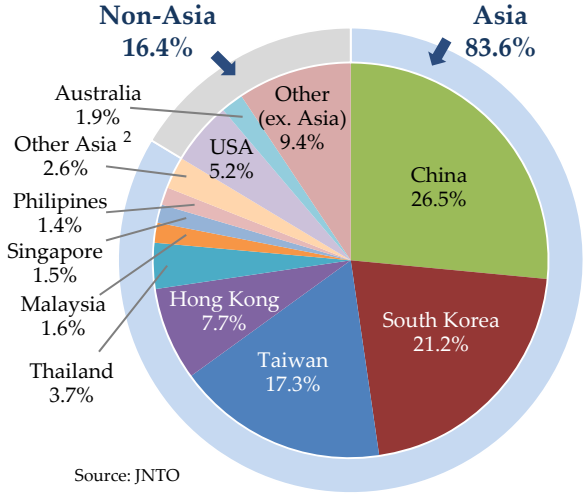
- Inbound visitors reached a record high of 24.0 million (+21.8% YoY) in 2016
- Japan's large array of attractive cities, tourist activities, food, culture, etc. encourage repeat Asian visitors

No. of Inbound Visitors to Japan



Source: JNTO

Inbound Visitors Composition by Country

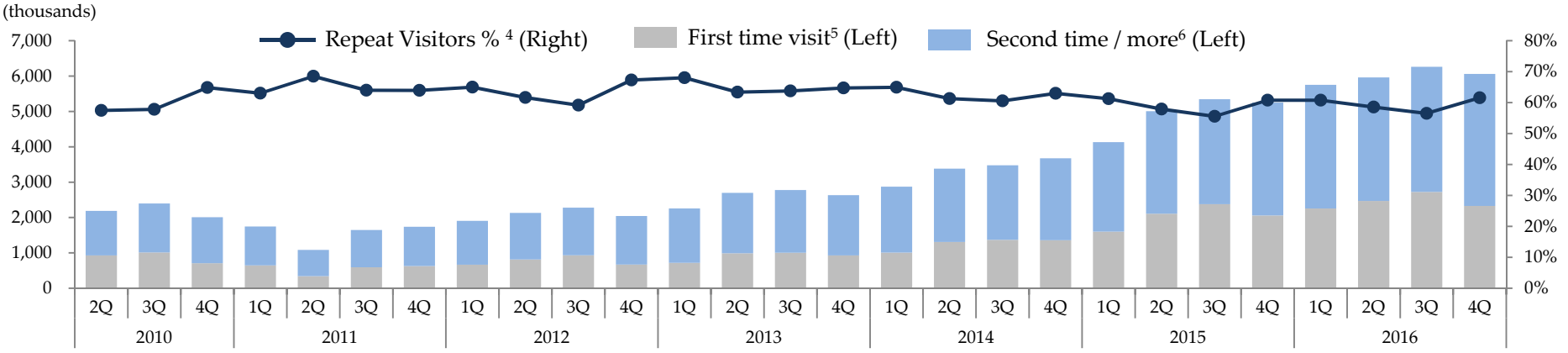


Source: JNTO

Top 5 Countries by Inbound Growth Rate

#1	Indonesia	+ 32.1%
#2	Philippines	+ 29.6%
#3	Malaysia	+ 29.1%
#4	China	+ 27.6%
#5	South Korea	+ 27.2%

No. of Visitors to Japan and the Percent as Repeat Visitors



Source: JNTO, MLIT

(Note 1) Asia includes China, South Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, Philippines, Vietnam, and India
(Note 2) Other Asia includes Indonesia, Vietnam and India
(Note 3) "Repeat Visitor %" indicates percentage of inbound who answered their visit to Japan was for the second time or more in the survey "Consumption Trend Survey for Foreigners Visiting Japan" conducted by Japan Travel Agency
(Note 4) "First time visit" indicates the number of foreign visitors to Japan which is calculated by multiplying the total number of inbound announced by JNTO in the relevant period by (1- Repeat Visitor % in the relevant period)
(Note 5) "Second time or more" indicates the number of foreign visitors to Japan which is calculated by multiplying the total number of inbound announced by JNTO in the relevant period by Repeat Visitor % in the relevant period

Inbound Market (2)

Invincible Investment Corporation

- Japanese government initiatives focusing on increasing the number of inbound visitors has paid off, growth in inbound tourism has increased by 20% or more in each of the last five years
- While inbound from Asia continues to grow highly, inbound from Europe, the United States and Australia is also steadily growing
- Double-digit increase of total inbound visitors continues in 2017. Southeast Asian countries sustain strong growth momentum

Inbound Visitors to Japan by Country

(thousand of persons)

	2012	YoY	2013	YoY	2014	YoY	2015	YoY	2016	YoY	2017 Jan-Feb	YoY
China	1,425	+36.6%	1,314	-7.8%	2,409	+83.3%	4,994	+107.3%	6,373	+27.6%	1,140	+17.0%
South Korea	2,043	+23.2%	2,456	+20.2%	2,755	+12.2%	4,002	+45.3%	5,090	+27.2%	1,225	+21.8%
Taiwan	1,466	+47.5%	2,211	+50.8%	2,830	+28.0%	3,677	+29.9%	4,167	+13.3%	694	+3.6%
Hong Kong	482	+32.0%	746	+54.9%	926	+24.1%	1,524	+64.6%	1,839	+20.7%	326	+17.8%
Thailand	261	+79.8%	454	+74.0%	658	+45.0%	797	+21.2%	901	+13.1%	140	+14.6%
Malaysia	130	+59.7%	177	+35.6%	250	+41.4%	305	+22.4%	394	+29.1%	61	+23.0%
Indonesia	101	+63.9%	137	+34.8%	159	+16.0%	205	+29.2%	271	+32.1%	40	+57.2%
Philippines	85	+34.8%	108	+27.4%	184	+70.0%	268	+45.7%	348	+29.6%	52	+39.7%
Vietnam	55	+34.4%	84	+53.1%	124	+47.1%	185	+49.2%	234	+26.1%	44	+34.6%
USA	717	+26.7%	799	+11.5%	892	+11.6%	1,033	+15.9%	1,243	+20.3%	162	+12.7%
UK	174	+24.2%	192	+10.2%	220	+14.7%	258	+17.5%	293	+13.2%	40	+5.6%
France	130	+36.6%	155	+18.8%	179	+15.3%	214	+20.0%	253	+18.3%	28	+6.1%
Canada	135	+33.6%	153	+12.9%	183	+19.7%	231	+26.5%	273	+18.0%	41	+17.7%
Australia	206	+27.0%	245	+18.5%	303	+23.8%	376	+24.3%	445	+18.4%	102	+10.7%
Other	947	+35.2%	1,134	+19.6%	1,343	+18.5%	1,666	+24.0%	1,914	+14.9%	236	+10.1%
Total	**8,358**	**+34.4%**	**10,364**	**+24.0%**	**13,413**	**+29.4%**	**19,737**	**+47.1%**	**24,039**	**+21.8%**	**4,332**	**+15.7%**

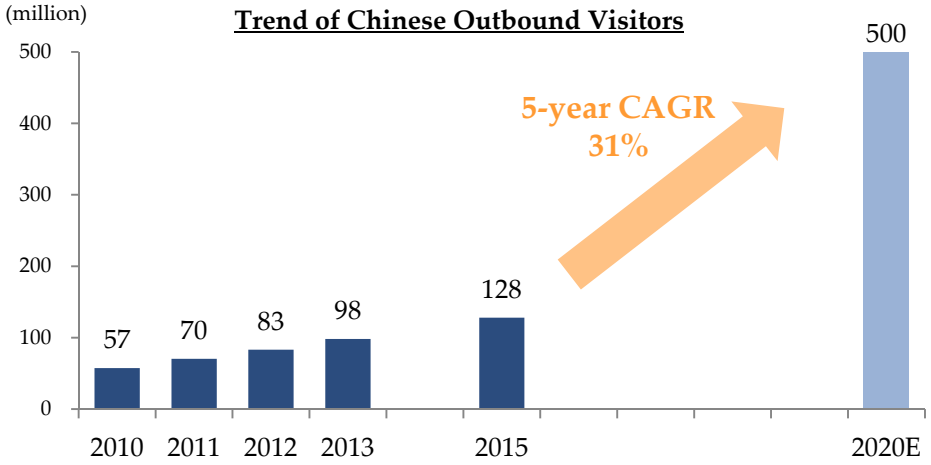
Source: JNTO

Chinese Outbound Tourism Growth

Invincible Investment Corporation

1 Chinese outbound tourists growth: +31% CAGR by 2020

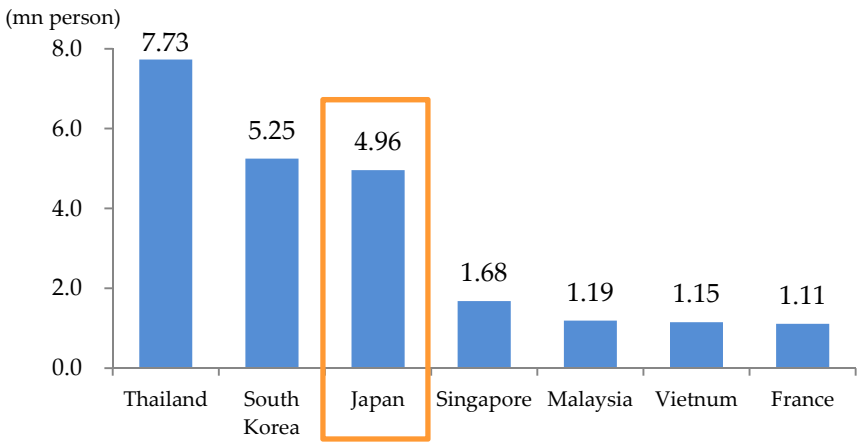
Trend of Chinese Outbound Visitors



Source: CNTA and UNWTO

2 Japan is the third most popular destination for Chinese

Top 7 Foreign Destinations[1] for Chinese Tourists in 2015



Source: CNTA

(Note 1) Excludes Hong Kong, Taiwan and Macau

3 Japan has gradually relaxed visa requirements for Chinese citizens. Significant upside for further relaxation.

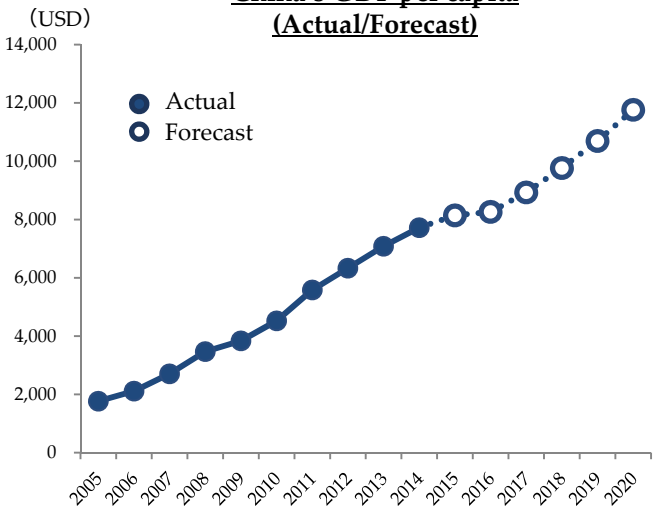
Relaxation of Visa Requirement for Chinese Citizens

Start Month/Year		Relaxation Measures
January 2015	1.	Multi-entry visas for business purpose, and cultural or intellectual figures
	2.	Multi-entry visas for individual tourists visiting Okinawa or one of three prefectures in Tohoku
	3.	Multi-entry visas for individuals with high incomes
October 2016	4.	Multi-entry visas for business purpose, and cultural or intellectual figures
	5.	Single-entry visas for students and alumni of certain universities

Source: Ministry of Foreign Affairs of Japan

4 China's GDP per capita is expected to grow 1.5x from 2014 to 2020

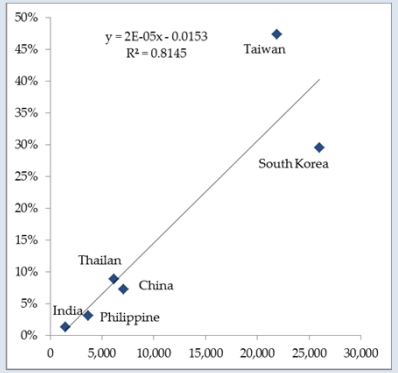
China's GDP per capita (Actual/Forecast)



Source: IMF and CEIC

*A positive correlation between GDP per capita and outbound visitor ratio can be found in Asian countries.
(When GDP per capita is higher, outbound visitor ratio is also higher)

GDP per capita (horizontal axis) and outbound visitor ratio as % of population (vertical axis) in 2013



Source: IMF, World Bank and UNWTO

Key Drivers to Accelerate Tourism Growth (1)

Government initiatives drive further growth

Japan Revitalization Strategy 2016

- As the third arrow of Abenomics, the Cabinet established the "Japan Revitalization Strategy" on June 2, 2016, positioning tourism as one of the key industries of Japan. The Government will deploy effective measures comprehensively and strategically
- Aim to increase foreign visitors from 19.7 million in 2015, to 40 million in 2020 and 60 million in 2030
- Aim to boost foreign visitor consumption from JPY 3.5 trillion in 2015 to JPY 8 trillion in 2020 and JPY 15 trillion in 2030
- Relax visa requirements, expand consumption tax refund system, strengthen air transport network including increasing landing slots for international flights to/from Tokyo International Airport (Haneda Airport), enhance ports for cruise ships (aiming for 5 million passengers by 2020), and improve access to Haneda Airport / Narita International Airport by trains and buses, etc.

Other Measures

- Japan plans to implement a preclearance program to streamline the immigration and customs process in Japan. Japan aims to implement the program by 2017 starting with South Korea and Taiwan

Key Drivers to Accelerate Tourism Growth (2)

Invincible Investment Corporation

Eight of the top 10 airports have further plans to increase capacity

Enhance Airport Capacity

Tokyo International Airport (Haneda Airport) / Narita International Airport	■ Increase international flight capacity by building or extending runways as both airports will reach their annual capacity limit of 750,000 landing slots by early 2020 according to the government's forecast ■ Haneda Airport will undergo a large-scale renovation in response to an expected surge in flight numbers prior to the 2020 Olympics ■ The number of landing slots at Haneda Airport is expected to increase by up to 39,000 from the current 447,000 annually by 2020, mainly by establishing new approach routes over central Tokyo ■ Narita International Airport opened an exclusive LCC terminal in April 2015, increasing flights bound for Asia including Taiwan and Hong Kong. Landing slots for international flights increased to 184,000 (+6,000 slots YoY) in FY2015, and Narita International Airport Corporation forecasts an increase to 194,000 (+11,000 slots YoY) in FY2016 ■ Narita International Airport plans to build a new runway
Kansai International Airport	■ New Terminal 2, an airline terminal dedicated for international LCCs, opened in January 2017, to double its annual LCC passenger capacity to 8.3 million from 4.0 million ■ Kansai International Airport recorded a historic high 169,304 landings (+17% YoY) in FY2015, due to an increase of LCC flights. LCC flights account for 30% of all international flights
Fukuoka Airport	■ Fukuoka Airport plans to build an additional runway as it has already exceeded its capacity of 145,000 landing slots due to the introduction of LCC flights
Naha Airport	■ New runway planned by March 2020 as reaching capacity limits due to an increase in LCC flights
Chubu Centrair International Airport	■ Building a new exclusive LCC terminal to attract LCC's to Chubu as their hub, and considering a plan for a second runway
New Chitose Airport	■ Implement measures to expand aprons for international flights, build new taxiways, and improve customs, immigration and quarantine system
Sendai Airport	■ Build an exclusive LCC terminal building, increase bus routes to/from airport and improve retail facilities

Source: MLIT, Cabinet Office, Narita International Airport Corporation, Central Japan International Airport Co., Ltd., and Nikkei

MyStays Hotel Management (MHM) Presence in Japan (1)

Invincible Investment Corporation

MyStays has emerged as one of the most sophisticated domestic hotel management companies, and ranks among the largest in terms of the number of hotels managing in Tokyo

Hotel Market in Japan

- In Japan, the presence of international brands is small so that the hotel market is fragmented; 43%[1] are domestic chained brands and 5%[1] are international chained brands
- In the setting above, MyStays is among the largest operators in Tokyo

Top 10 hotel brands in Tokyo
(in terms of the number of hotels under management)

Rank	Hotel Chain	No. of Hotels
1	APA Hotels & Resorts	47
2	Toyoko Inn	37
3	MyStays Hotel Chain	30
4	Super Hotel	20
5	Tokyu Stay Hotel	17
6	LiveMax Hotels & Resorts	16
7	Hotel Villa Fontaine&Village	13
8	Sotetsu Fresa Inn	11
8	Sunroute Hotel Chain	11
10	Tokyo West Hotel Group	10
10	Tokyu Hotels	10
10	Hotel Mets	10
10	Hankyu-Hanshin Daiichi Hotel	10

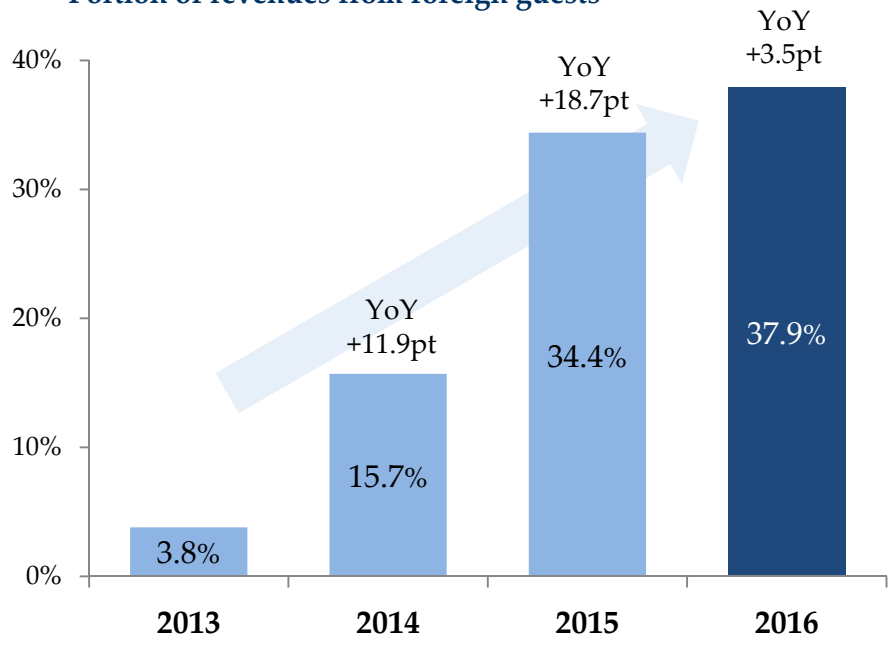
(Source) Management company webpages as of February 1, 2017

MHM Profile

- MyStays manages 77 hotels (12,072 rooms)[2] in Japan as of February 1, 2017
- MyStays was founded in 1999 and was acquired in 2012 by Fortress
- MyStays had 2,095 employees[2] as of December 31,2016

Broader International Customer Base

Portion of revenues from foreign guests[3]



(Note 1) Based on the data in the material used for the conference held by Ministry of Education, Culture, Sports, Science and Technology on June 29, 2015, which shows the shares based on the number of rooms in 2013
(Note 2) Includes hotels managed by MyStays Hotel Management subsidiary Naqua Hotels and Resorts
(Note 3) Overseas Sales Ratio refers to the sales revenue booked through overseas Online Travel Agents as a percent of the total room revenue, and is calculated based on the 29 hotels out of the 35 hotels managed by MHM for INV's portfolio as of the end of December 2016, and does not include the six hotels, Hotel MyStays Nagoya-Sakae, Hotel MyStays Haneda, Hotel MyStays Utsunomiya, Hotel MyStays Gotanda Station, Hotel Epinard Nasu, Hotel MyStays Haneda, and Hotel MyStays Premier Kanazawa, which have no data for the period from 2013 through 2016

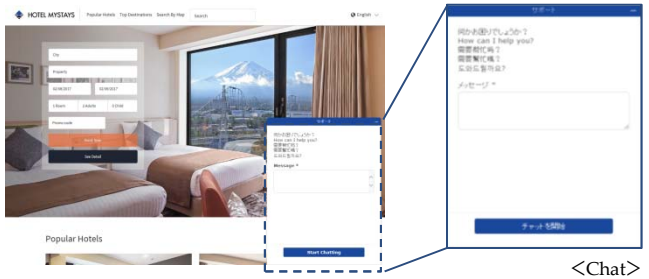
MyStays Hotel Management (MHM) Presence in Japan (2)

Invincible Investment Corporation

MyStays has significantly improved its website and social media capabilities to increase its customer base and direct bookings

Updated Website and Features

- Updated website with easier booking navigation and star ratings from TrustYou[1]
- In process of streamlining the information architecture and rewriting most copyright in order to have better user experience and SEO[2]
- Increased chat to four languages and 9am – 11pm, 7 days per week
- Increased multi-lingual capabilities at the front desks
- Launched 5%off campaign to increase direct bookings to save commissions and encourage repeat customers



<Chat>
four languages
9am – 11pm

Additional Key Initiatives for Changing Customer Base

- Enhance customer services by utilizing analysis of word-of-mouth reviews provided by TrustYou[1]
- Plan to convert over 600 rooms from smoking to non-smoking which has higher RevPAR due to updated customer preferences[3]
- Strategically increased overbooking ratios to achieve higher RevPAR and to offset last minute cancelations

Signage at Narita International Airport

MHM is actively promoting advertising to further strengthen MHM's branding in transport facilities such as airports



Narita International Airport, Terminal 3, 1F

MyStays has many highly evaluated hotels

23 hotels out of the 35 hotels in INV's portfolio managed by MHM achieved more than 3.8 grade[4] on a scale of 1.0 to 5.0, which apply to "Good", "Very Good" or "Excellent"[5]



HOTEL MYSTAYS PREMIER

HOTEL MYSTAYS PREMIER Kanazawa

2-13-5, Hirooka, Kanazawa-shi, Ishikawa 920-0031, Japan | +81-76-290-5255

4.4 Excellent 6,790 reviews

Customer reviews[4] are posted on the website of MHM

(Note 1) TrustYou analyzes hundreds of millions of travel reviews and is one of the world's largest guest feedback platforms
(Note 2) SEO (search engine optimization) is a methodology of strategies, techniques and tactics used to increase the amount of visitors to a website by obtaining a high-ranking placement in the search results page of a search engine
(Note 3) The initiative has started in December 2016. As of the end of January 2017, 68 rooms have been converted to non-smoking room, and another 574 rooms will be changed to non-smoking room by the end of December 2017
(Note 4) Average value of customer reviews of guests who stayed at each hotels, which are based on analysis by TrustYou
(Note 5) As of January 16, 2017

Sponsor Pipeline

Invincible Investment Corporation

- Two residential assets were acquired from sponsor pipeline on March 14, 2017
- Robust pipeline of 31 core assets provide opportunity for growth and stability, even after the acquisition

Properties Covered by the MOU[1,2]

Hotels

No.	Property name	Location	Type[3]	No. of Rooms	Status	Renovation / Construction Completion
1	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Limited	327	In Operation	Jul 2016
2	Hotel MyStays Yokohama Kannai	Yokohama, Kanagawa	Limited	166	In Operation	Oct 2016
3	Rihga Royal Hotel Kyoto	Kyoto, Kyoto	Full	489	In Operation	Sep 2016
4	Narita Excel Hotel Tokyu	Narita, Chiba	Full	706	In Operation	-
5	Hotel MyStays Premier Sapporo Park	Sapporo, Hokkaido	Full	418	In Operation	Jul 2015
6	Hotel MyStays Sapporo Station	Sapporo, Hokkaido	Limited	242	In Operation	-
7	Hotel MyStays Oita	Oita, Oita	Limited	145	In Operation	-
8	Art Hotel Hirosaki City	Hirosaki, Aomori	Full	134	In Operation	-
9	Beppu Kamenoi Hotel	Beppu, Oita	Resort	322	In Operation	Oct 2015
10	Fusaki Resort Village	Ishigaki, Okinawa	Resort	195	In Operation	Jun 2015
11	Sheraton Grande Tokyo Bay Hotel	Urayasu, Chiba	Full	1,016	In Operation	Dec 2016
12	Hotel MyStays Shin Osaka Conference Center	Osaka, Osaka	Limited	397	In Operation	Jun 2016
13	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265	In Operation	-
14	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206	In Operation	Mar 2016
15	Hotel JAL City Matsuyama	Matsuyama, Ehime	Full	161	In Operation	-
16	Hotel MyStays Ueno East	Taito-ku, Tokyo	Limited	150	In Operation	Mar 2016
17	(tentative) Hotel MyStays Honmachi 3-chome	Osaka, Osaka	Limited	120	Under Construction	Nov 2017
18	Hotel Mystays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86	In Operation	May 2016
19	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70	In Operation	Sep 2016
20	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161	In Operation	Jun 2016
21	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	Limited	120	In Operation	Nov 2016
22	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Limited	220	In Operation	Nov 2016

Residential properties

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

No. of Hotel Rooms

6,116

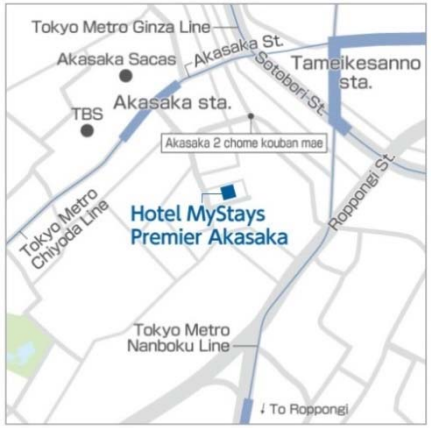
No. of Apartment Units

743

(Note 1) MOU providing preferential negotiation rights.
(Note 2) We do not intend to acquire any of the properties listed above as of the date of this material and there is no assurance that we will acquire any of these properties in the future
(Note 3) "Limited" refers to "Limited Service Hotel", "Full" refers to "Full Service Hotel", and "Resort" refers to "Resort Hotel"

Hotel MyStays Premier Akasaka (327 rooms)





Sheraton Grande Tokyo Bay Hotel (1,016 rooms)





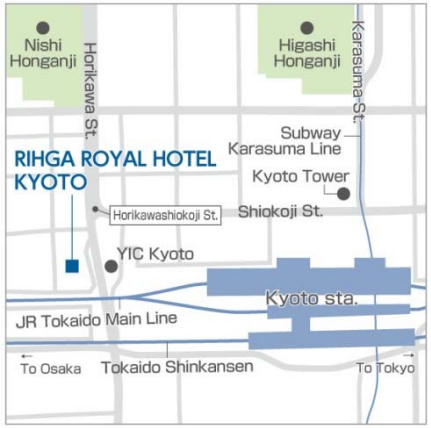
Hotel MyStays Premier Sapporo Park (418 rooms)





Rihga Royal Hotel Kyoto (489 rooms)





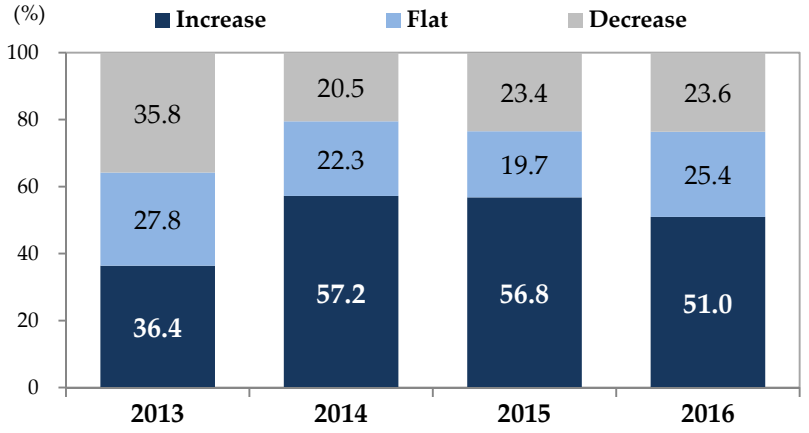
Residential Performance

Residential Rent Increase Initiative

Invincible Investment Corporation

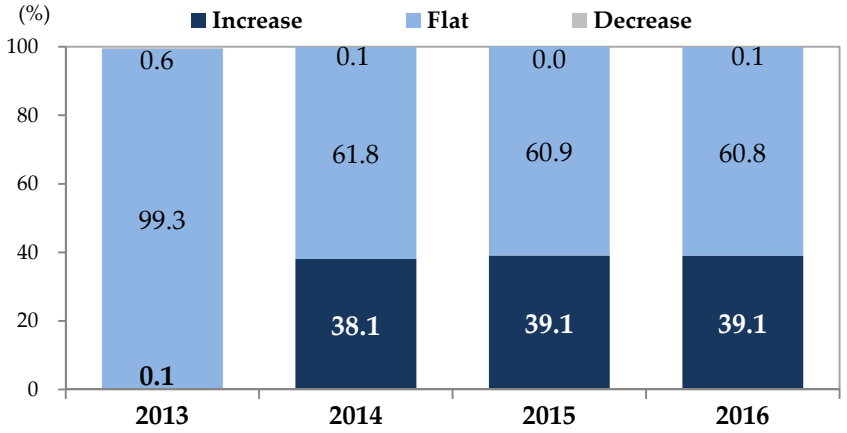
In 2014, INV initiated a Rent Increase Program to increase rents on new and renewal contracts

Change in Rent for New Contracts[1]



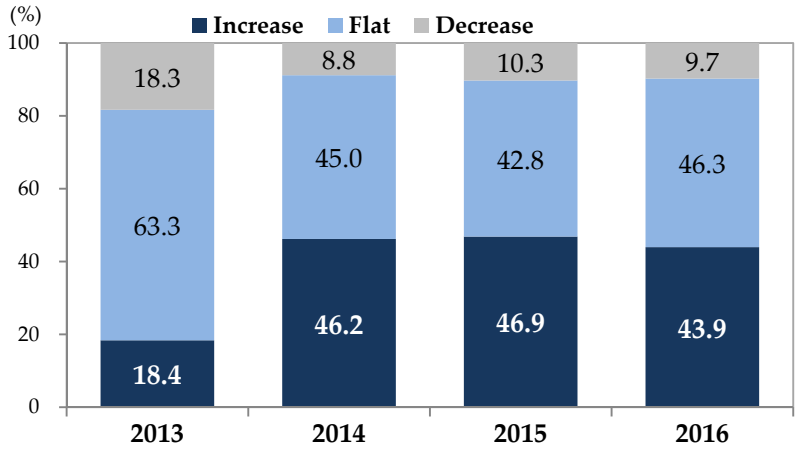
	2013	2014	2015	2016
No. of New Contracts	827	649	943	783
Occupancy[2] (%)	**95.5**	**94.0**	**94.7**	**95.9**
Net Leasing Cost (No. of months)[3]	**1.15**	**1.01**	**1.23**	**1.15**

Change in Rent for Renewal Contracts[1]

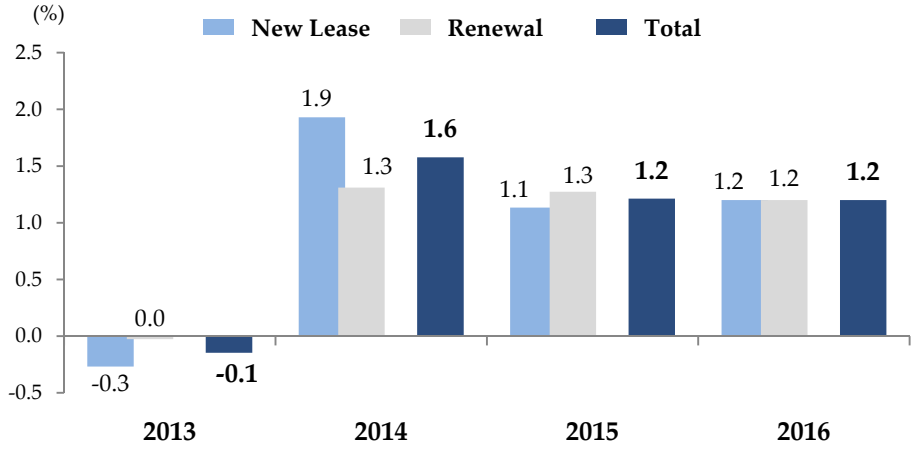


	2013	2014	2015	2016
No. of Renewals	818	872	1,209	1,126
Renewal Rate[4] (%)	**81.2**	**84.7**	**85.4**	**83.7**

Change in Rent for All Contracts[1]



Average Rent Increase / Decrease[5]



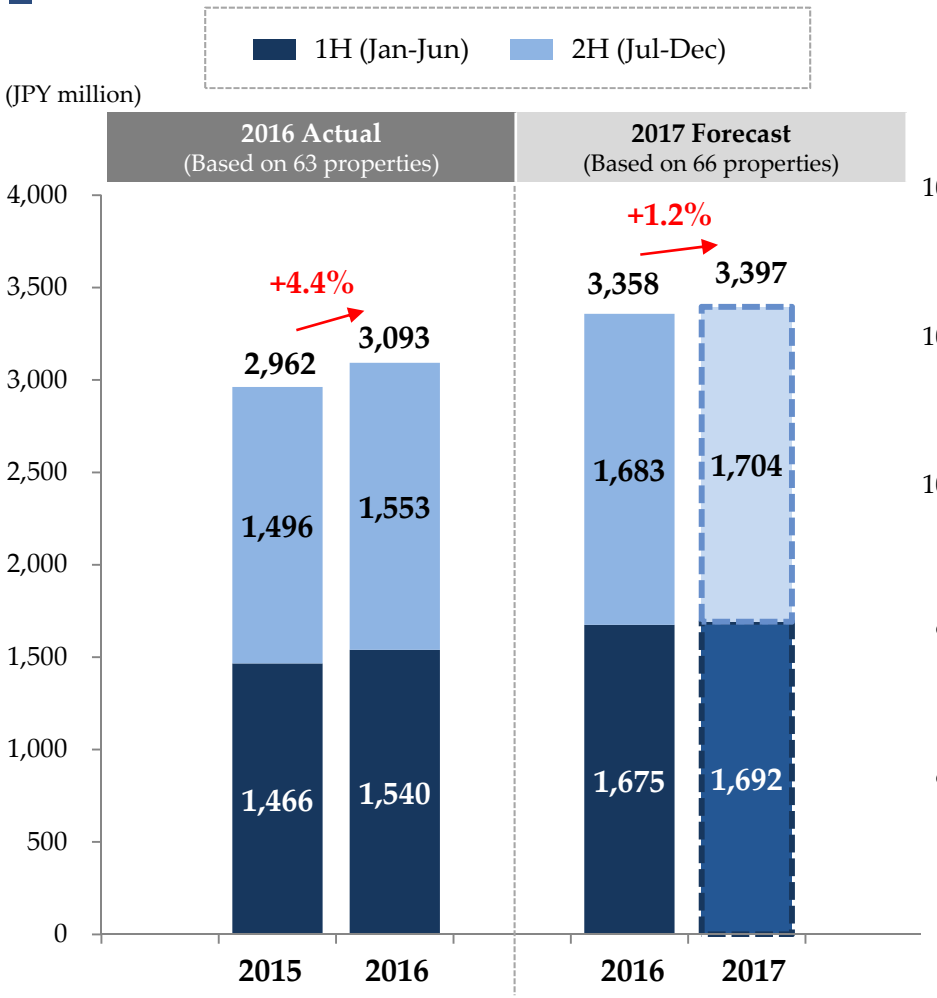
(Note 1) Based on the properties owned at the end of period. 63 properties for 2013, 63 properties for 2014, 66 properties for 2015, and 68 properties for 2016
(Note 2) Occupancy is calculated by dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month of each year
(Note 3) Net Leasing Cost (Multiple of Monthly Rent) = Advertising Expenses (Multiple of Monthly Rent) + Free Rent (Multiple of Monthly Rent) – Key Money (Multiple of Monthly Rent)
(Note 4) Renewal rate is calculated by "Number of Renewals during the Period" ÷"Number of Cases Targeted for Renewal during the Period"
(Note 5) Weighted average of monthly rent increase or decrease (%) of new or renewal contracts, or the total of both, compared with previous contracts of properties owned at the end of period

Internal Growth in Residential Portfolio (2016 Actual and 2017 Forecast)

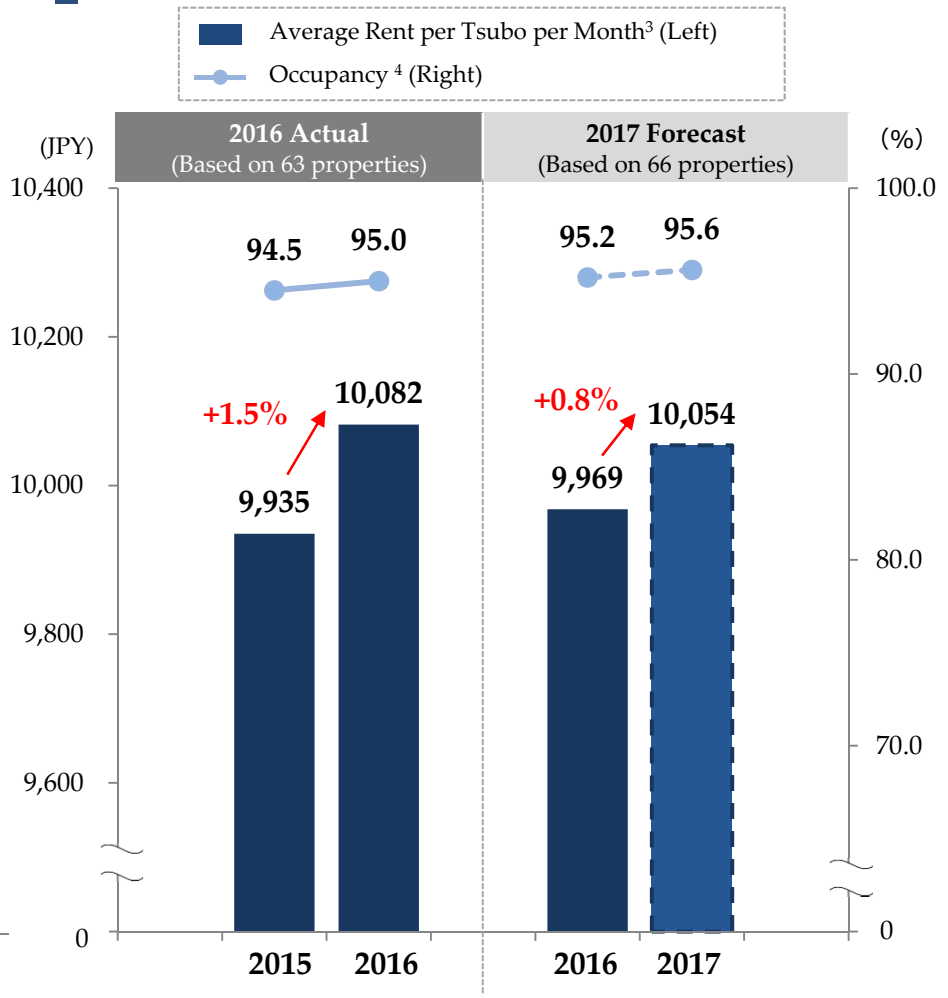
Invincible Investment Corporation

- Sustained proactive asset management resulted in 2016 residential NOI up by 4.4% and rents up by 1.5%
- Implementing the rent increase program proactively, INV forecasts 1.2% YoY growth for NOI and 0.8% YoY growth for average rent per tsubo per month in 2017

NOI[1,2]



Occupancy and Average Rent per Tsubo per Month[1]



(Note 1) Based on the 63 properties owned as of the end of 2014 for "2016 actual" and the 66 residential properties owned as of the end of 2015 for "2017 forecast"
(Note 2) Excludes one-off insurance-related revenues and expenses
(Note 3) Average Rent per Tsubo is calculated by dividing the total residential rental revenue including common area charges for each month by the sum of total residential leasable area at the end of each month
(Note 4) Occupancy is calculated by dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month of each year

Changes of ML/PM and Performance of Residential Portfolio After The Changes

Invincible Investment Corporation

- INV changed the master lessee and property manager (ML/PM) for 17 residential properties in December 2016 and January 2017 aiming to further improve its operational efficiency and property performance
- After the change, residential rents in our portfolio increased at 62.7% of new and renewal leases with an average increase of 2.1% in January and February 2017

Details of Changes of ML/PM

No.	Property Name	New ML/PM
A41	Acseeds Tower Kawaguchi-Namiki	Goodworks Co., Ltd.
A64	Royal Park Omachi	
A65	Lexington Square Haginomachi	
A71	Lexington Square Daitabashi	
A77	Invoice Shin-Kobe Residence	
A78	Cosmo Court Motomachi	
A86	Salvo Sala	
A88	Luna Court Edobori	
A89	Winntage Kobe Motomachi	
A91	Corp Higashinotoin	
A94	Prime Life Sannomiya Isogami Koen	
A95	HERMITAGE NANBA WEST	
A97	West Avenue	
A99	Prime Life Mikage	
A72	Lexington Square Honjo Azumabashi	Mitsui Home Estate Co., Ltd.
A101	Lieto Court Mukojima	
A102	Lieto Court Nishi-Ojima	

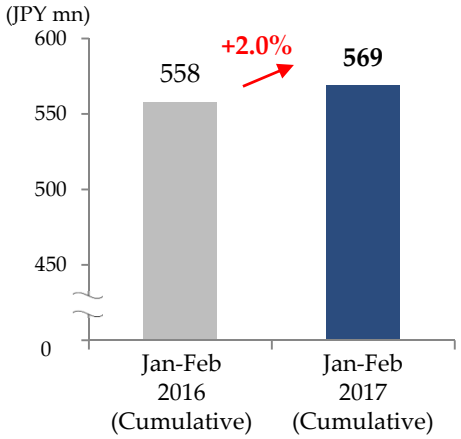


Performance of Residential Portfolio (Jan - Feb, 2017)

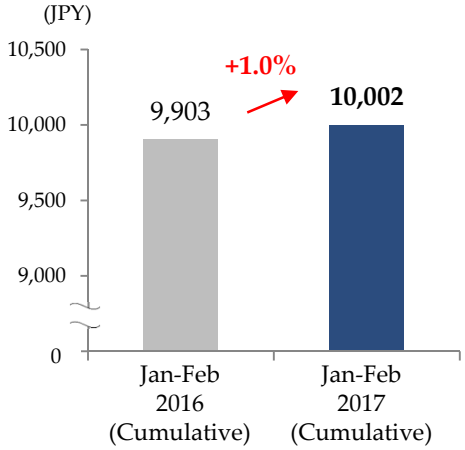
◆ Change in Rent for Contracts

		New (A)	Renewal (B)	All (A)+(B)
No. of Contracts		136	170	306
Change in Rent for Contracts	Increase	**64.7%**	**61.2%**	**62.7%**
	Flat	21.3%	38.8%	31.0%
	Decrease	14.0%	0.0%	6.2%
Average Rent Increase		**+1.7%**	**+2.5%**	**+2.1%**

◆ NOI[1,2]



◆ Average Rent per Tsubo per Month[1]



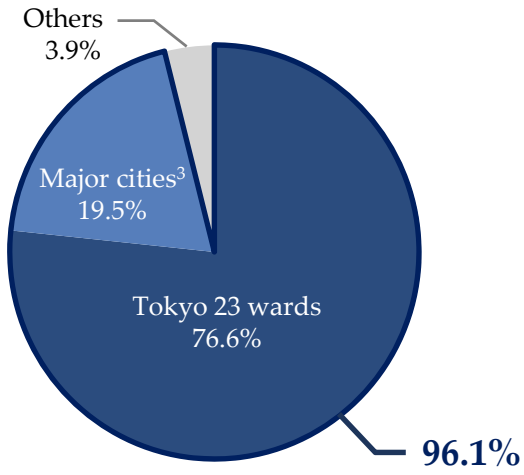
(Note 1) Based on the 66 residential properties owned as of the end of 2015
(Note 2) Excludes one-off insurance-related revenues and expenses

Residential Portfolio Summary (As of March 14, 2017)

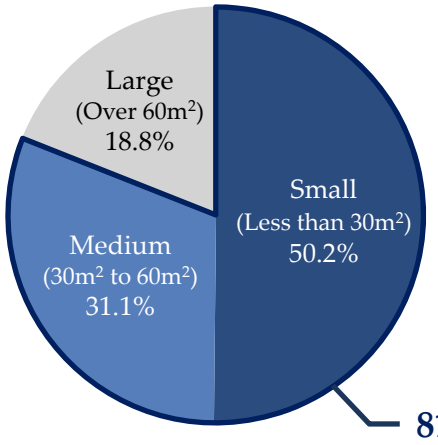
Invincible Investment Corporation

- Residential Portfolio consists of 70 properties and 4,778[1] units
  - 96.1%[2] of the residential portfolio is concentrated in Tokyo 23 wards and other major cities[3]
  - 81.2%[5] of the residential units are smaller than 60m², suitable for singles or small households
  - 81.0%[5] of the residential units are affordable with the rent of JPY less than 150k per month. Average rent per tsubo per month is JPY 9,590[7]

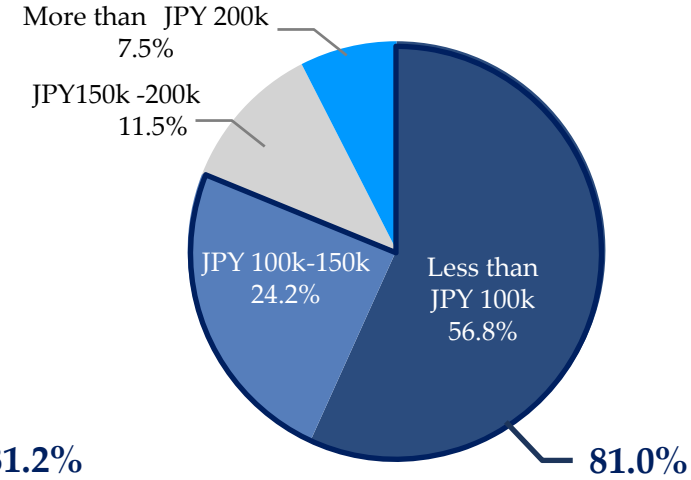
Location[2]



Room Type[4,5]



Rent Range (Monthly)[5,6]




City House Tokyo Shinbashi


Spacia Ebisu


Royal Parks Shinden


Winbell Kagurazaka


Prime Life Mikage

(Note 1) The number includes shops, offices and nursing homes in the assets, which are counted as one unit by each compartment
(Note 2) Based on acquisition price
(Note 3) Major cities refers to "Government ordinance cities" in Japan with a population of 500 thousand or more.
(Note 4) Based on the number of units excluding unit of shops, offices and nursing homes as of December 31, 2016
(Note 5) INV defines "Small" as a rentable unit with an area of less than 30m², "Medium" as a rentable unit with an area of 30m² to 60m² and "Large" as a rentable unit with an area of 60m² or more
(Note 6) The amount of rent is based on monthly rent plus common-area charge for each unit as of December 31, 2016
(Note 7) Weighted average rents calculated by dividing the monthly rents plus common area charge per tsubo by lease area as of the end of December, 2016, based on all residential properties owned by INV

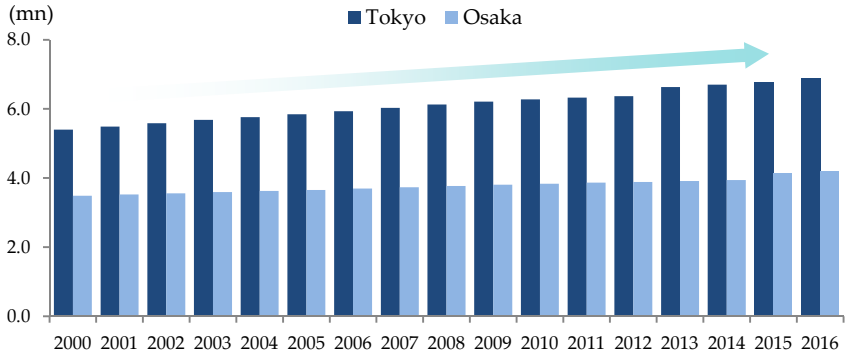
Residential Market (1)

Invincible Investment Corporation

- Number of households continue to increase in Tokyo and Osaka, Japan's largest cities
- Rising construction costs expected to result in reduced supply of new residential properties

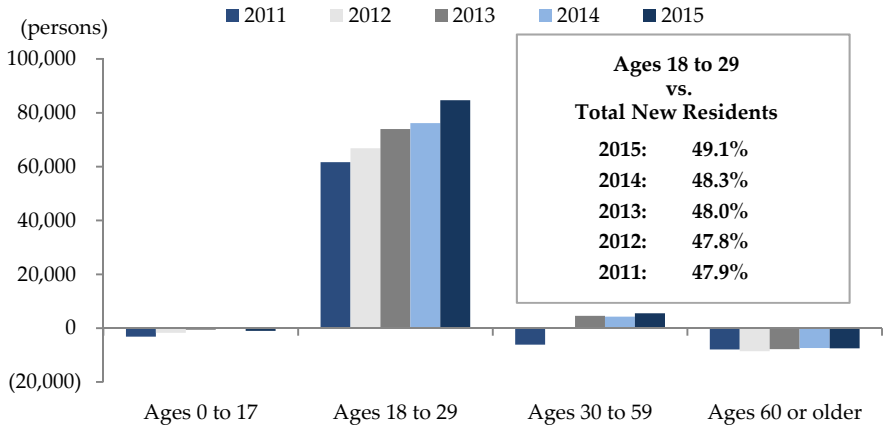
Increased Demand

Number of Households in Tokyo and Osaka



Source: Tokyo Metropolitan Government, Osaka Prefectural Government

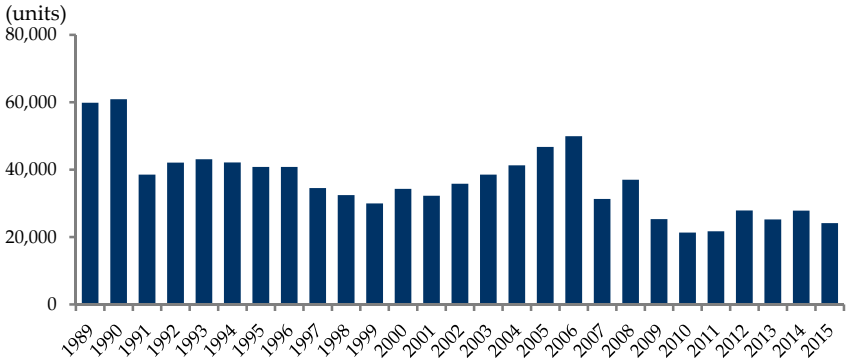
Tokyo Net Migration by Age Group



Source: Tokyo Metropolitan Government

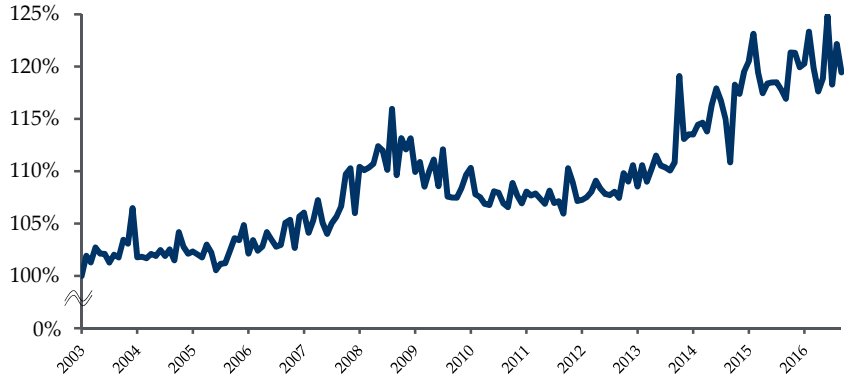
Decreased Supply

Trend of Rental Apartment Housing Starts in Tokyo



Source: MLIT

Residential Construction Costs[1]



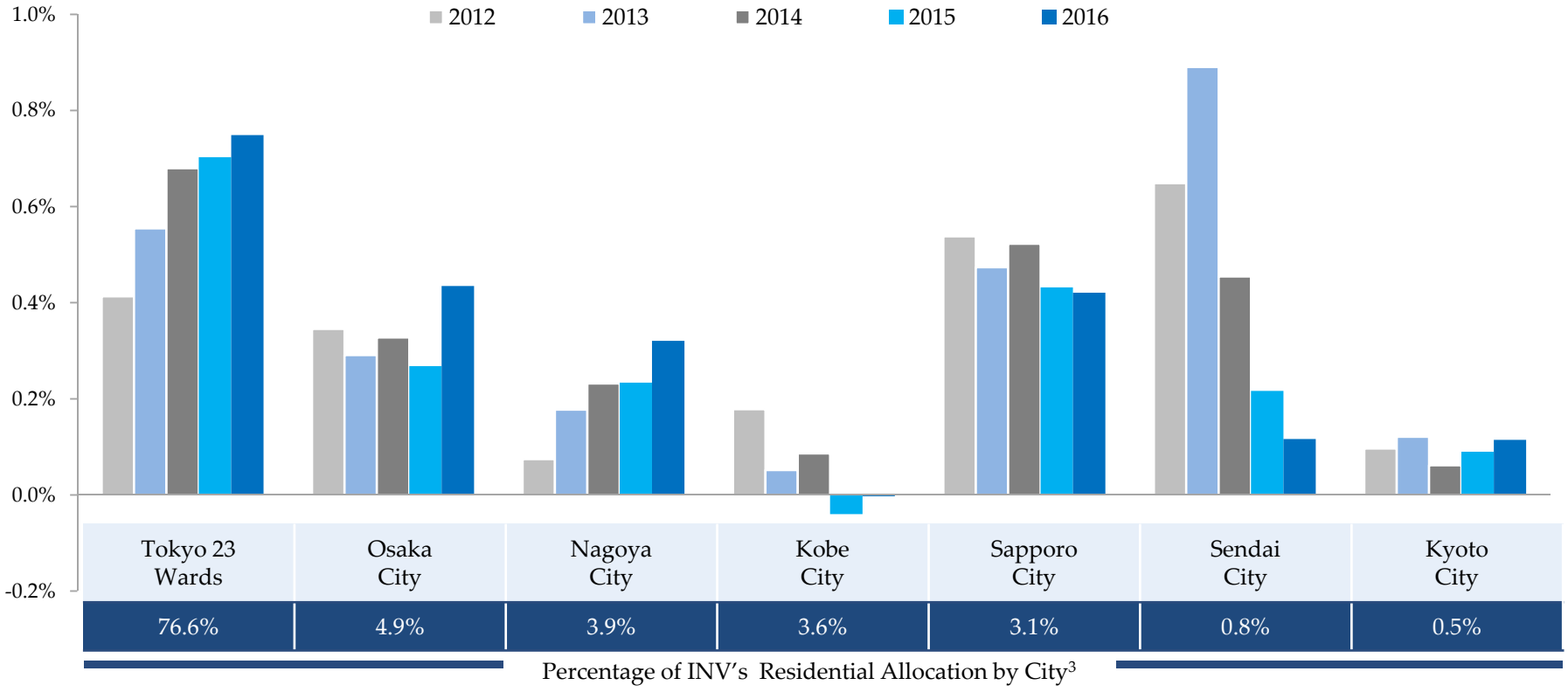
Source: MLIT

(Note 1) Figures are from April 2003 to October 2016. Projected construction cost per unit area as of April 2003 is indexed as 100%. Projected construction cost per unit area = totalized monthly projected construction cost / totalized monthly floor area for type of dwellings used exclusively for living and used also for commerce or other purposes

Residential Market (2)

The population increase in major cities supports INV's well-positioned residential portfolio

Net Migration[1] as Percent of Population[2] in Major Cities



Source: Ministry of Internal Affairs and Communications and respective cities

(Note 1) Net migration is the difference of immigrants and emigrants with regard to the subject city. A positive value represents more people entering the city than leaving it, while a negative value means more people leaving than entering it
(Note 2) Calculated by dividing net migration of previous year by total population. Total population is as of the end of March for Osaka City and Kobe City, and January 1 for the remaining cities
(Note 3) Percentage of the properties owned by INV in each city in INV's residential portfolio based on acquisition price

Financial Status

Financial Condition

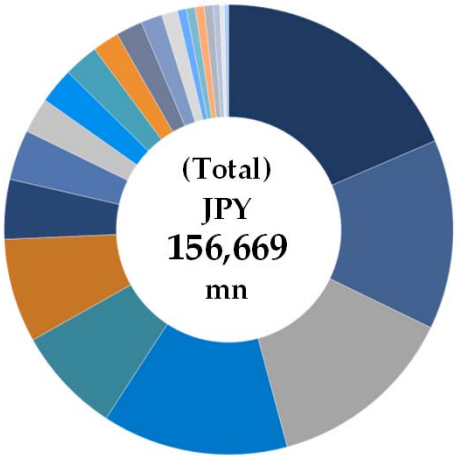
Invincible Investment Corporation

- INV obtained its credit rating of 'A' with a 'Positive' outlook from Japan Credit Rating Agency (JCR)
- The bank formation is further reinforced by the additions of nine new lenders in 2016 and three new lenders via new borrowing on March 14, 2017 (No. of lenders increased to 22)

Rating

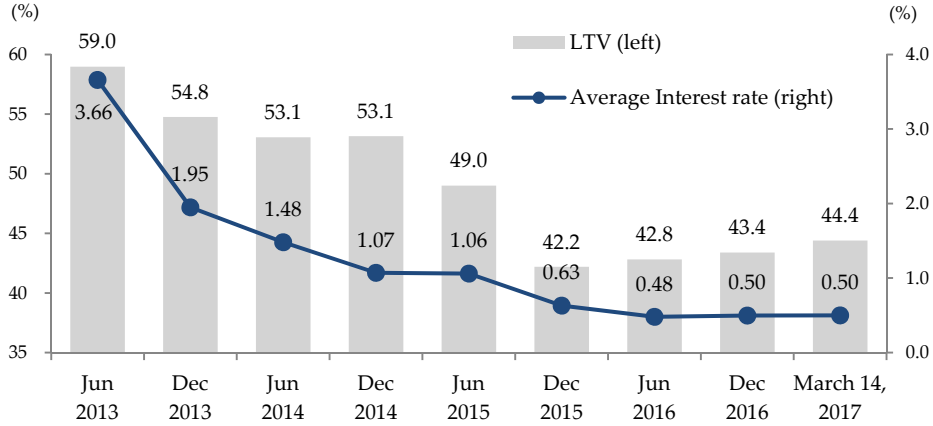
Rating Agency	Rating Object	Rating	Outlook
JCR	Long-term Issuer Rating	A	Positive

Bank Formation (As of March 14, 2017)

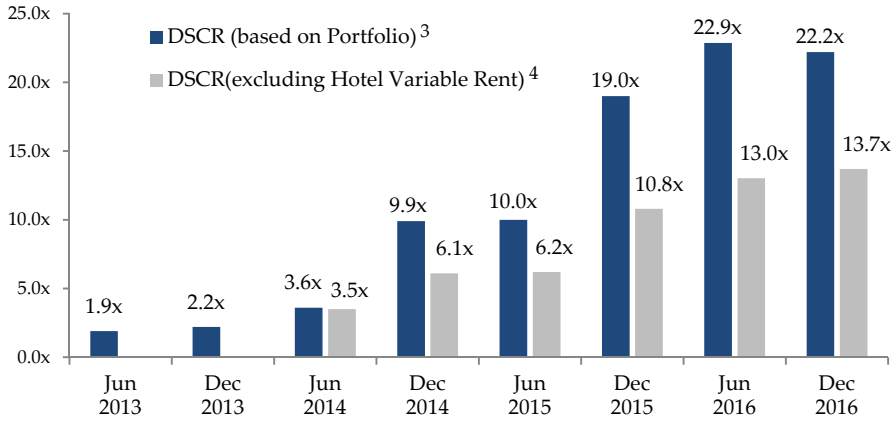


Mizuho Bank	18.5%
BTMU	13.6%
SMTB	13.6%
SMBC	13.4%
Citibank Japan	7.7%
Shinsei Bank	7.5%
Resona Bank	4.3%
MUTB	3.6%
Tokyo Star Bank	2.6%
Japan Post Bank	2.6%
Aeon Bank	2.5%
DBJ	1.9%
Fukuoka Bank	1.9%
Shizuoka Bank	1.5%
Nomura TB	1.2%
Kagawa Bank	0.6%
Daishi Bank	0.6%
Hyakugo Bank	0.6%
Hiroshima Bank	0.6%
Towa Bank	0.5%
Dai-ichi Life Insurance	0.3%
Gunma Bank	0.3%

LTV(Appraisal Value Base)[1] and Weighted Average Interest Rate[2]



DSCR

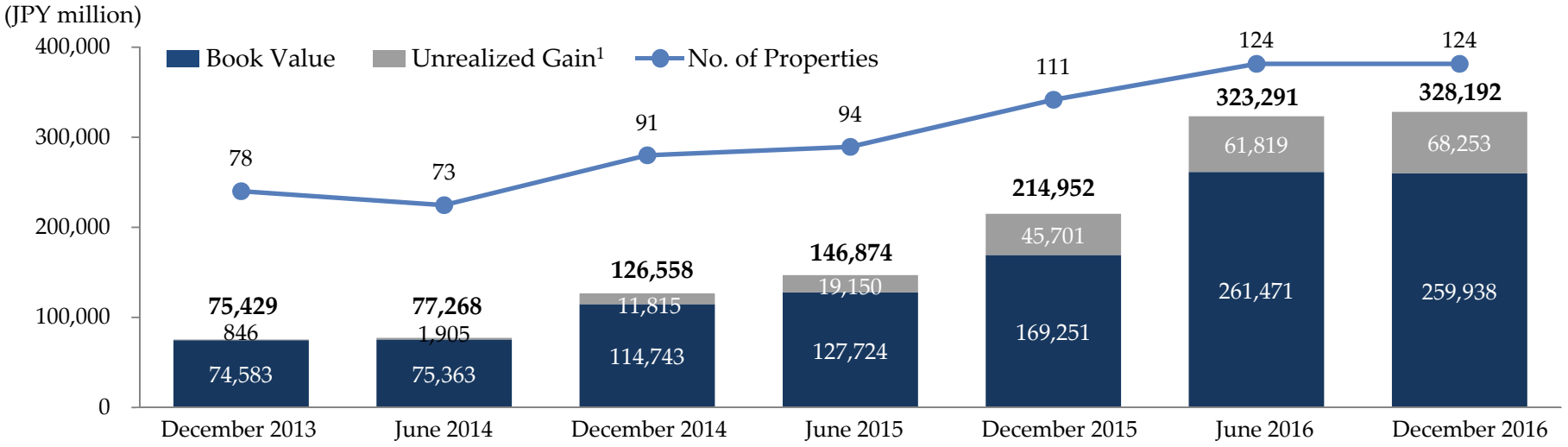


(Note 1) LTV (Appraisal Value Base) is calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period) / (Total appraisal value as of the end of the same period)
LTV (Appraisal Value Base) as of March 14, 2017 calculated by the following formula:
(Interest-bearing debts at the end of December, 2016 + Total amount of new borrowings) / (Total appraisal value as of the end of December, 2016 + Total appraisal value for the properties acquired on March 14, 2017 as of December 1, 2016)
(Note 2) The average interest rate is calculated by the following formula: (Total loan amount outstanding at the end of each fiscal period or as of March 14, 2017 multiplied by applicable interest rate at the end of each fiscal period for each loans or as of March 14, 2017) / The loan amount outstanding at the end of each fiscal period or as of March 14, 2017
(Note 3) DSCR is calculated by dividing operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property by scheduled prepayments of loans payable and interest expense for the relevant period
(Note 4) DSCR (excluding hotel variable rent) is in the same manner as DSCR, except for excluding hotel variable rent from operating income

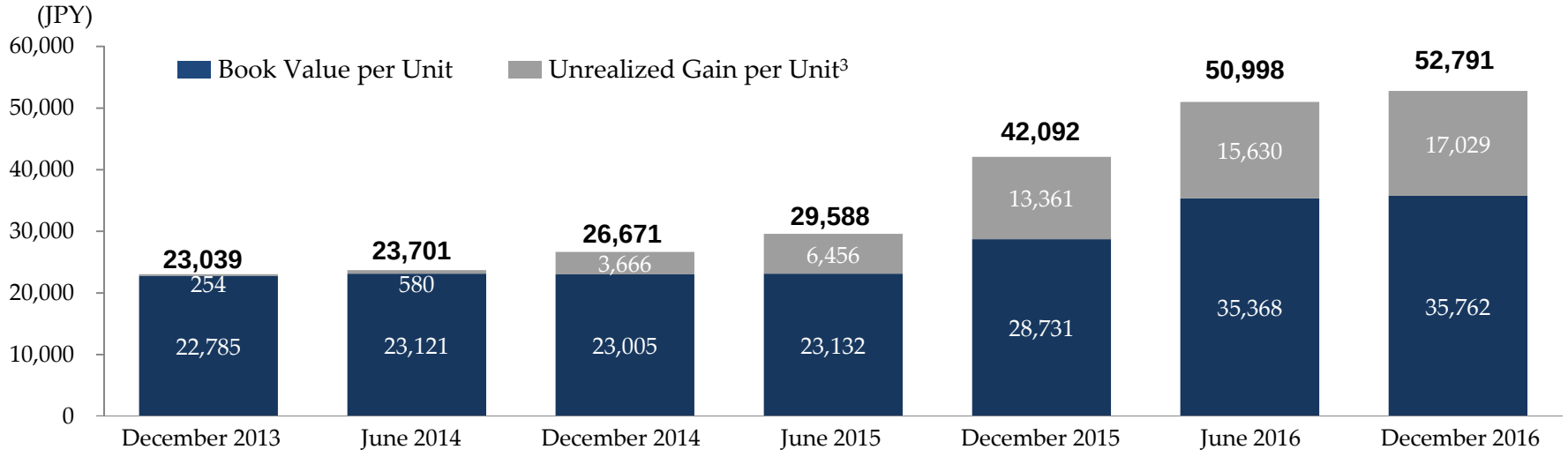
Summary of Appraisal Value

Invincible Investment Corporation

Trend of Appraisal Value



Trend of NAV per Unit[2]



(Note 1) Unrealized Gain = End-of-period Appraisal Value – End-of-period Book Value
(Note 2) NAV per unit is calculated by the following formula: (End-of-period Amount of Net Assets - Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)) ÷ Investment Units outstanding as of the end of each fiscal period; and NAV per unit for the end of December 2016 is calculated based on unaudited financial data.
(Note 3) Unrealized Gain per Unit = NAV per Unit - Book Value per Unit

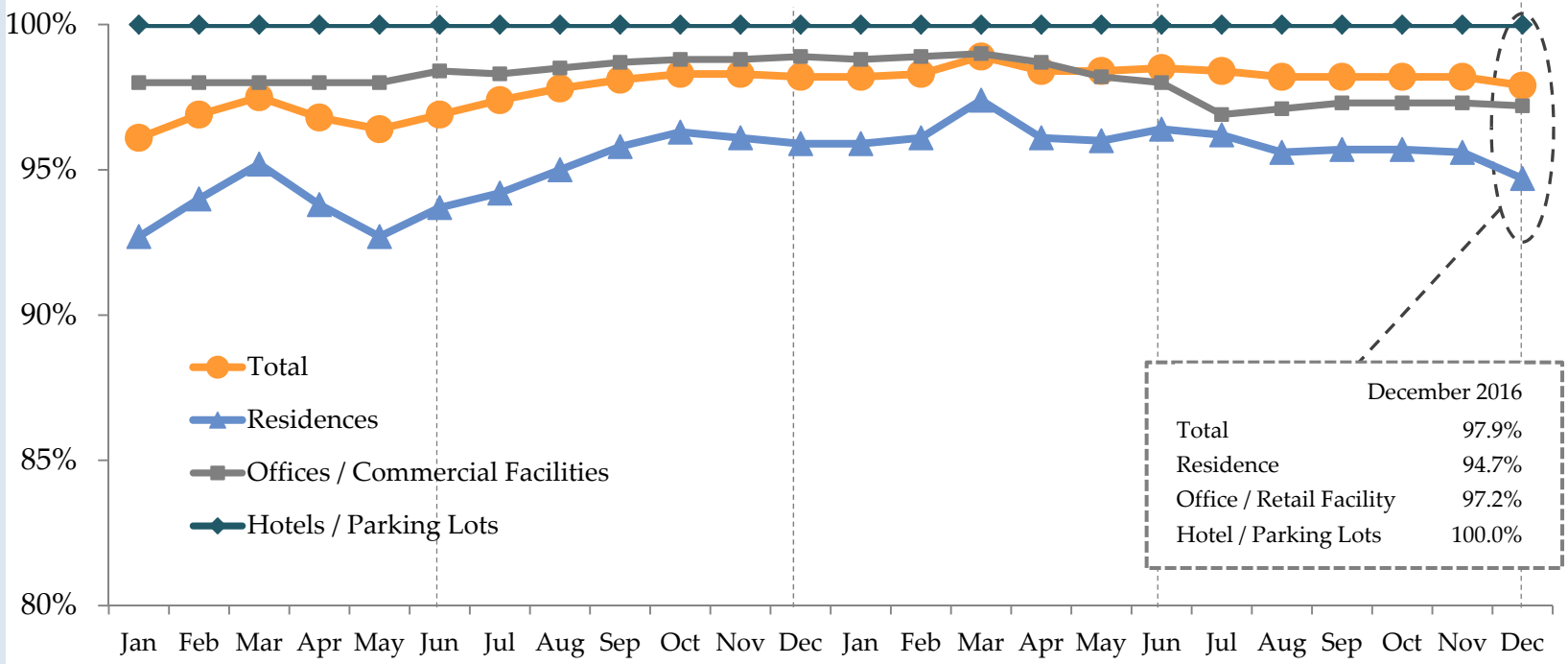
Appendix

	December 2015 Period (Actual) (A)	June 2016 Period (Actual)	December 2016 Period (Actual) (B)	Change (B-A)
Operational Status (JPY million)				
Operating Revenues	6,843	8,158	**9,511**	+2,668
Operating Income	4,369	5,073	**5,934**	+1,565
Ordinary Income	2,953	4,364	**5,431**	+2,478
Net Income	2,952	4,363	**5,431**	+2,479
DPU (JPY)				
DPU (Total)	1,187	1,186	**1,477**	+290
DPU without distribution in excess of earnings	948	1,125	**1,477**	+529
DPU in excess of earnings	239	61	**0**	-239
Others				
NOI (JPY million)	5,961	7,137	**8,414**	+2,453
Number of Units Outstanding	3,193,686	3,675,824	**3,675,824**	+482,138

Portfolio Occupancy

Invincible Investment Corporation

Monthly Occupancy Rate



Average Occupancy Rate

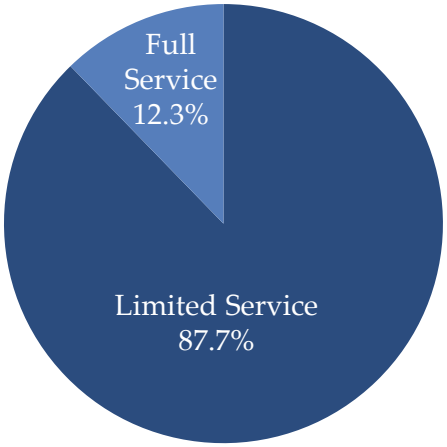
June 2015	December 2015	June 2016	December 2016
Total 96.8%	Total 98.0%	Total 98.5%	**Total 98.2%**
Residence 93.7%	Residence 95.6%	Residence 96.3%	**Residence 95.6%**
Office/Retail Facility 98.1%	Office/Retail Facility 98.6%	Office/Retail Facility 98.6%	**Office/Retail Facility 97.2%**
Hotel/Parking Lots 100.0%	Hotel/Parking Lots 100.0%	Hotel/Parking Lots 100.0%	**Hotel/Parking Lots 100.0%**

Hotel Portfolio Summary

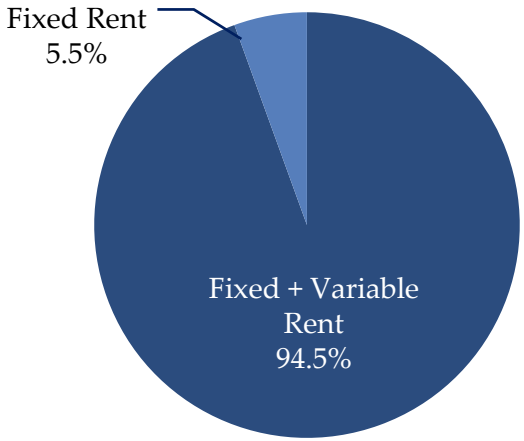
Invincible Investment Corporation

- Hotel portfolio comprises 48 properties, of which 87.7% are limited-service hotels, and 94.5% are variable-rent hotels[1]
- 57.2% of the portfolio is located in the Greater Tokyo area (including the Tokyo 23 wards) and 9.2% in Kansai area[1]
- Revenues from the hotels are split between 50% variable rents and 50% fixed rents (total hotel revenue basis)

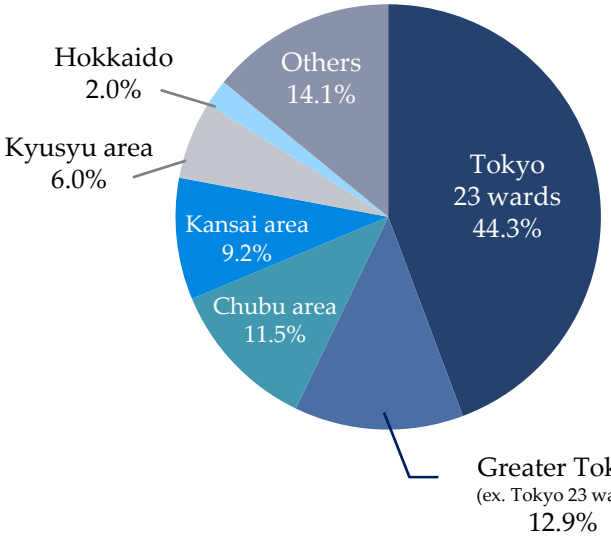
Hotel Type[1]



Rent Structure[1]

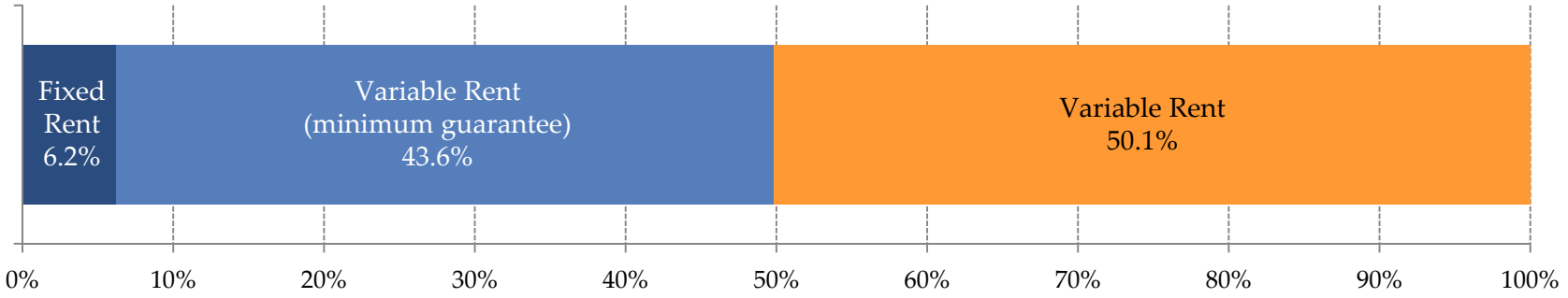


Location[1]



(Note 1) Based on acquisition price

Composition by Rental Revenue (in 2016)

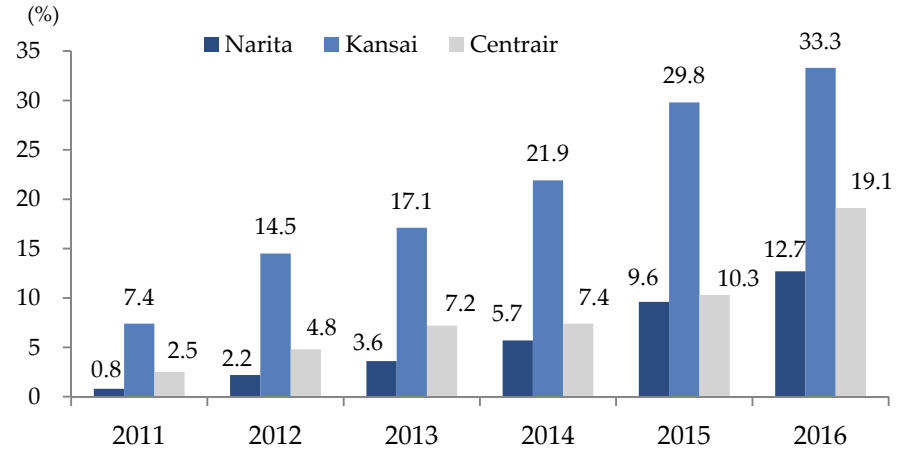


Upside Potential of Hotel Market

Invincible Investment Corporation

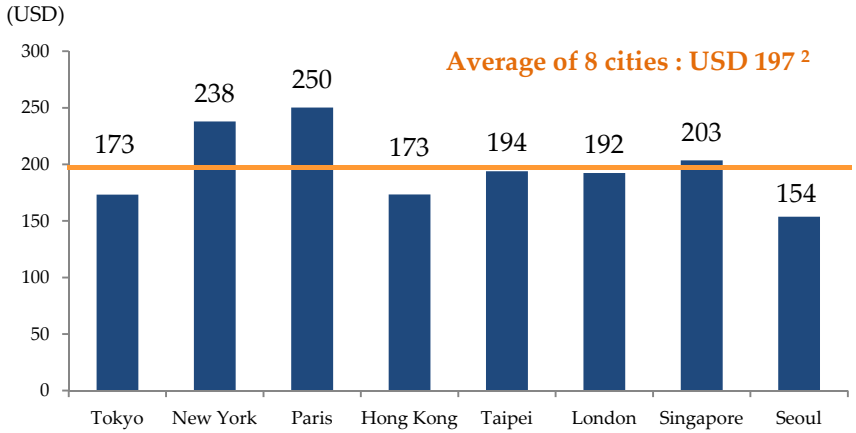
- Continued growth of Low Cost Carriers (LCC) facilitates movement to and throughout Japan, benefitting INV's diverse hotel portfolio
- ADR of hotels in Tokyo is below the average ADR of 8 major cities in the world
- Japan still has a low number of foreign tourists compared to its population, indicating room for more growth

% of LCC in Japan Major Airports



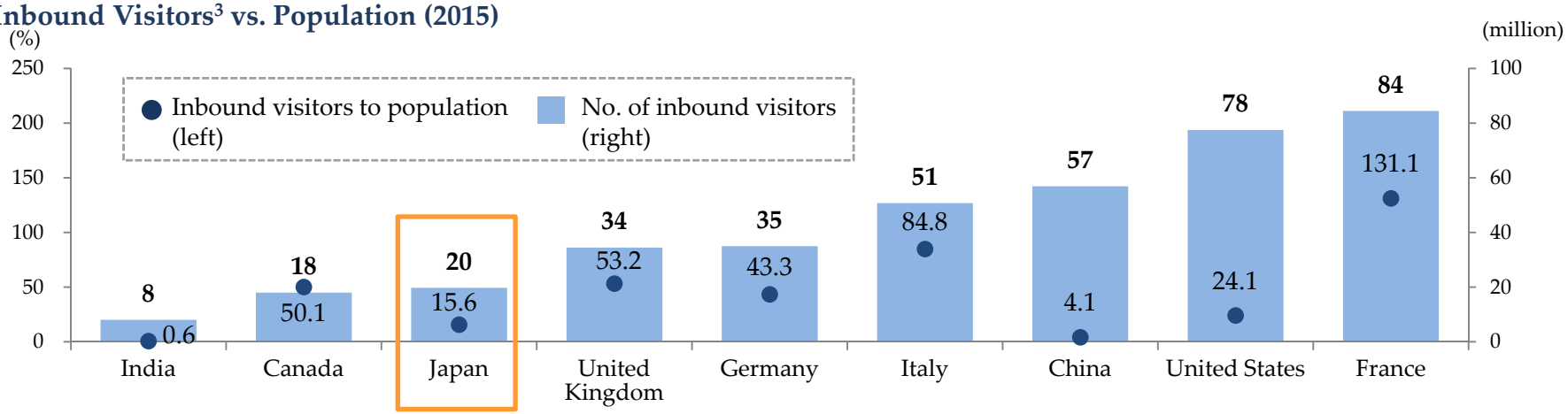
Source: Narita International Airport, Kansai International Airport and Chubu Centrair International Airport

Global Comparison of ADR[1]



Source: STR Global Limited (Asia Pacific Hotel Industry Performance for the Month of June 2016)

Inbound Visitors[3] vs. Population (2015)



Source : JNTO and World Population Prospects, the 2015 Revision

(Note 1) Year to date average as of June 2016
(Note 2) It represents the simple average of the eight cities.
(Note 3) Chosen the countries which are ranked both in the top 10 in terms of GDP and in the top 40 in terms of number of inbound visitors in the world in 2015. "Inbound visitors" are visitors from abroad for each country

Key Operational Data for Residential Properties

Invincible Investment Corporation

Overall NOI continues to grow due to both external and internal growth

All Residential Properties

	2015		2016		2017	
	June Period (Actual)	December Period (Actual)	June Period (Actual)	December Period (Actual)	June Period (Forecast)	December Period (Forecast)
No. of Properties	**63**	**66**	**68**	**68**	**70**	**70**
(vs. Previous Period)	—	+3	+2	—	—	—
No. of Units	**3,413**	**3,713**	**4,108**	**4,108**	**4,778**	**4,778**
(vs. Previous Period)	—	+300	+395	—	—	—
Average Occupancy[1]	**93.7%**	**95.6%**	**96.3%**	**95.6%**	**96.1%**	**95.7%**
(vs. Previous Period)	+1.1pt	+1.9pt	+0.7pt	-0.7pt	+0.5pt	-0.4pt
Average Rent per Tsubo per Month[2] (JPY)	**9,913**	**9,860**	**9,641**	**9,545**	**9,565**	**9,661**
(vs. Previous Period)	-42	-53	-219	-96	+22	+96
NOI[3] (JPY million)	**1,466**	**1,626**	**1,854**	**1,963**	**2,347**	**2,630**
(vs. Previous Period)	-7	+159	+228	+104	+384	+282

Property Comparison on a Like for Like Basis

	2015		2016		2017	
	June Period (Actual)	December Period (Actual)	June Period (Actual)	December Period (Actual)	June Period (Forecast)	December Period (Forecast)
No. of Properties	**63**	**63**	**63**	**63**	**66**	**66**
(vs. Previous Period)	—	—	—	—	+3	—
No. of Units	**3,413**	**3,413**	**3,413**	**3,413**	**3,713**	**3,713**
(vs. Previous Period)	—	—	—	—	+300	—
Average Occupancy[1]	**93.7%**	**95.3%**	**95.5%**	**94.4%**	**95.8%**	**95.4%**
(vs. Previous Period)	+1.1pt	+1.6pt	+0.2pt	-1.1pt	+1.1pt[4]	-0.4pt
Average Rent per Tsubo per Month[2] (JPY)	**9,913**	**9,957**	**10,040**	**10,125**	**10,029**	**10,079**
(vs. Previous Period)	-42	+45	+82	+85	+18[4]	+50
NOI[3] (JPY million)	**1,466**	**1,496**	**1,540**	**1,553**	**1,692**	**1,704**
(vs. Previous Period)	-7	+30	+43	+13	+9[4]	+11

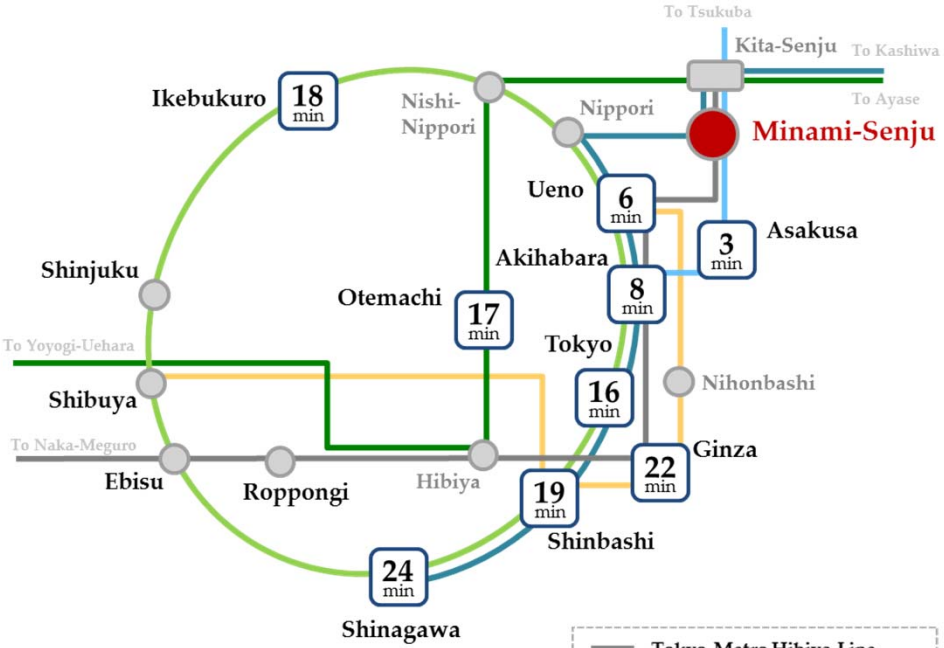
(Note 1) Occupancy is calculated by dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month of each year
(Note 2) Average Rent per Tsubo per Month is calculated by dividing the total residential rental revenue including common area charges for each month by the sum of total residential leasable area at the end of each month, indicating the average rent per Tsubo weighted by leased area
(Note 3) Excludes one-off insurance-related revenues and expenses
(Note 4) Variance compared with the result for previous period based on 66 properties

Minami-Senju Area

Invincible Investment Corporation

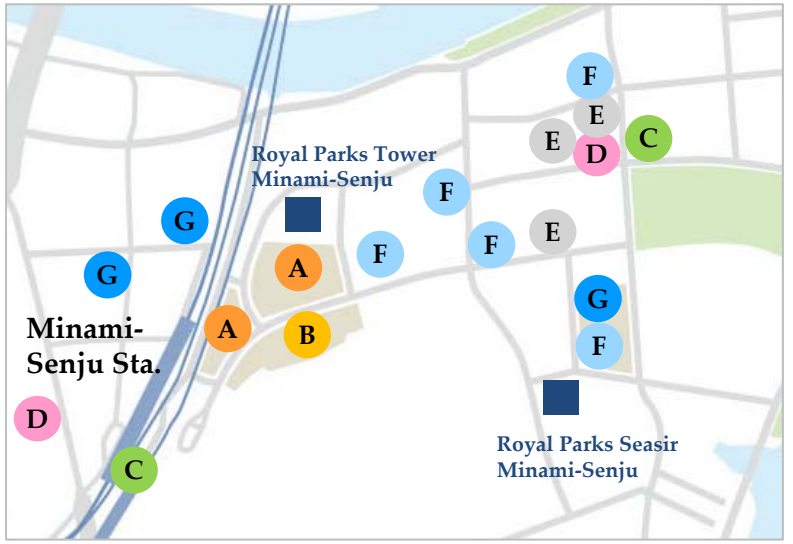
- Minami-Senju is located approximately 7 kilometers northeast of Tokyo Station and it takes as little as 16 minutes to get to Tokyo Station from Minami-Senju Station by train, excluding transfer time
- Minami-Senju Station is accessible by three lines; Tokyo Metro Hibiya Line, JR Joban Line and Tsukuba Express Line with direct access to destinations such as Ueno, Ginza, Roppongi and Akihabara Stations
- Minami-Senju Station front and its surrounding areas have undergone a redevelopment in recent years, creating a revitalized and vibrant area with a combination of high rise condominiums and commercial developments including shopping centers

Access from Minami-Senju Station*



* Excludes transfer time.

The Environment Surrounding Minami-Senju



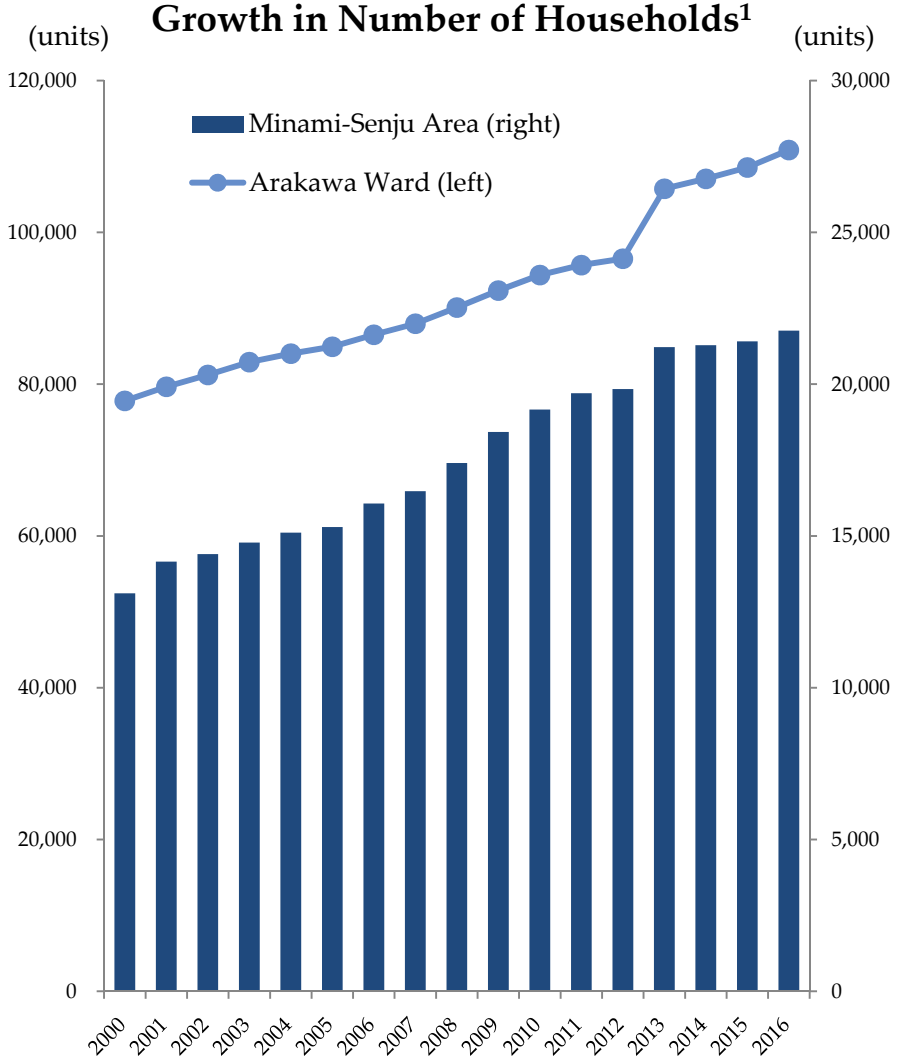
<Commercial Facility>		<Public Facility>		<Educational Institution>	
A	Shopping Mall	D	Post Office	F	Nursery / Kindergarten
B	Home Center	E	Hospital / Clinic	G	Elementary School / Junior High School
C	Supermarket				

(As of January 31, 2017)

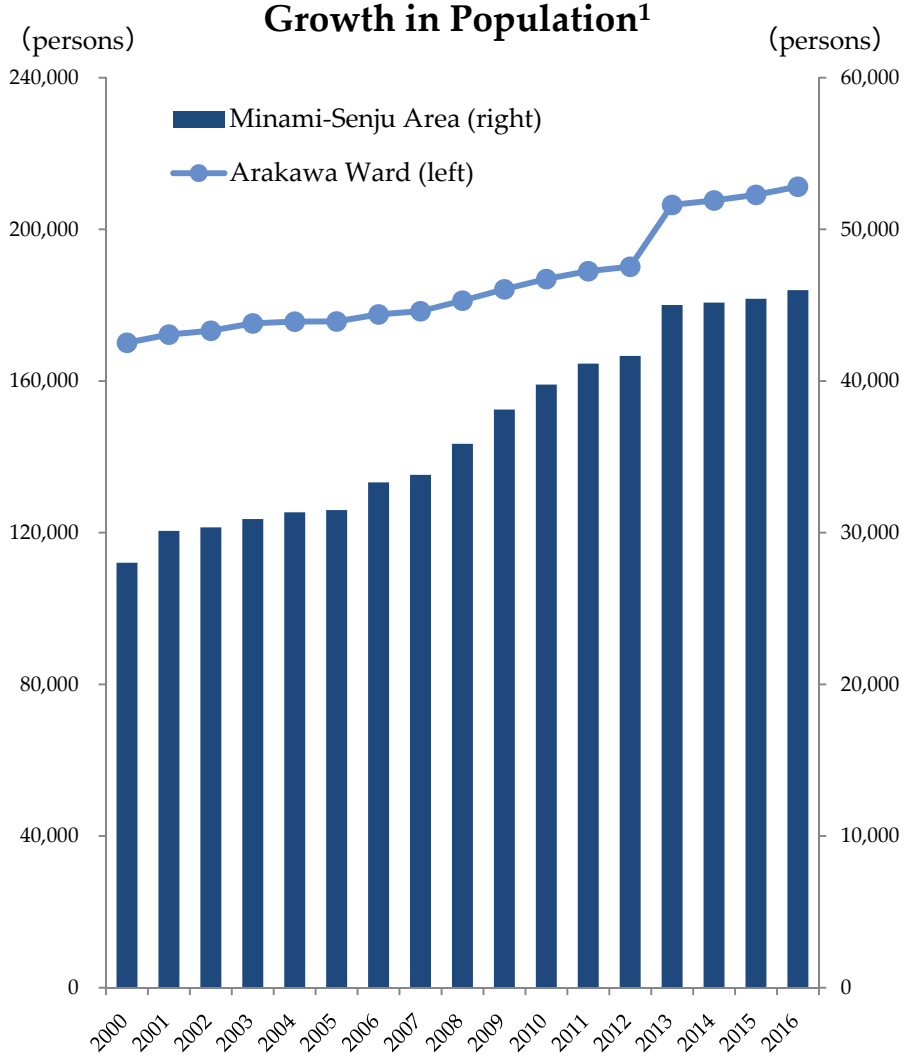
Growth in Number of Households and Population in Arakawa Ward / Minami-Senju Area

Both number of households and population have been increasing since 2000

Growth in Number of Households[1]



Growth in Population[1]



Source : Arakawa Ward

(Note 1) It shows the population and the number of households as of January 1 of each year

Appendix - Financial and Operational Data

Key Operational Data for Hotel Properties

Property			Location	# of rooms	Acquisition Month	Occupancy		ADR (JPY)		RevPAR (JPY)		GOP (JPY million)		Daily Ratio		Overseas Sales Ratio	
						July-Dec 2016 Actual	YoY (pt)	July-Dec 2016 Actual	YoY (pt)	July-Dec 2016 Actual	YoY (pt)	July-Dec 2016 Actual	YoY (pt)	July-Dec 2016 Actual	YoY (pt)	July-Dec 2016 Actual	YoY (pt)
MyStays Hotel Management (MHM)																	
	Hotel MyStays																
	D1	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	126	May 2014	85.5%	-	8,874	-	7,584	-	95	-	100.0%	0.3	35.0%	-11.1
	D2	Hotel MyStays Asakusa	Sumida-ku, Tokyo	160	May 2014	91.7%	-3.0	7,644	-9.7%	7,009	-12.6%	115	-19.3%	96.7%	-2.7	58.1%	-8.2
	D3	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	224	Jul 2014	89.9%	-6.8	15,443	6.5%	13,890	-1.0%	367	-0.9%	100.0%	0.5	63.8%	7.6
	D4	MyStays Shin-Urayasu Conference Center	Urayasu, Chiba	175	Jul 2014	93.2%	-0.3	11,792	2.2%	10,991	1.9%	212	-2.5%	100.0%	1.7	13.0%	3.4
	D5	Hotel MyStays Maihama	Urayasu, Chiba	90	Jul 2014	92.9%	-1.4	19,193	1.0%	17,830	-0.5%	183	-2.7%	100.0%	0.0	21.3%	-2.3
	D7	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	270	Jul 2014	96.9%	-0.2	7,542	-4.3%	7,310	-4.5%	197	-1.7%	99.9%	2.3	28.9%	-2.8
	D8	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	190	Jul 2014	91.3%	-1.2	10,553	-10.5%	9,632	-11.6%	201	-16.2%	100.0%	6.1	49.6%	7.5
	D9	Hotel MyStays Yokohama	Yokohama, Kanagawa	190	Jul 2014	87.7%	0.9	7,831	-9.9%	6,872	-9.0%	118	-11.5%	100.0%	1.4	15.3%	1.6
	D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	93	Jul 2014	91.3%	-2.5	7,766	-12.0%	7,092	-14.4%	65	-21.9%	100.0%	0.0	50.1%	-5.7
	D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	177	Jul 2014	93.7%	0.4	8,515	7.9%	7,979	8.4%	137	9.9%	100.0%	0.1	32.6%	14.0
	D13	Hotel MyStays Ueno-Inaricho	Taito-ku, Tokyo	72	Jul 2014	91.8%	-2.0	7,938	-12.7%	7,288	-14.5%	51	-15.7%	94.7%	-3.2	76.7%	-3.0
	D17	Hotel MyStays Otemae	Osaka, Osaka	110	Jul 2014	94.8%	-0.4	12,062	17.4%	11,438	16.9%	144	18.9%	99.6%	8.6	57.2%	0.3
	D24	Hotel MyStays Haneda	Ota-ku, Tokyo	174	Jul 2015	96.5%	0.8	11,078	-2.5%	10,692	-1.7%	178	-6.3%	100.0%	3.3	33.2%	10.1
	D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	265	Jul 2015	88.5%	3.2	6,341	-1.2%	5,615	2.4%	186	1.8%	57.6%	-6.6	19.0%	1.6
	D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	97	Jul 2015	94.9%	0.4	9,964	-12.5%	9,452	-12.1%	98	-14.8%	100.0%	0.5	56.3%	2.7
	D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	175	Jul 2015	91.5%	2.9	6,665	3.2%	6,098	6.6%	130	3.7%	80.8%	8.6	29.4%	10.1
	D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	116	Jul 2015	95.7%	1.2	7,232	4.5%	6,923	5.8%	64	-3.1%	100.0%	6.4	13.0%	5.5
	D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	54	Jan 2016	96.4%	4.4	15,226	-3.8%	14,682	0.8%	90	-1.2%	100.0%	0.0	70.2%	13.0
	D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	333	Mar 2016	96.0%	-	10,323	-	9,913	-	395	-	100.0%	-	18.3%	-
	D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	217	Mar 2016	95.5%	-0.5	8,461	5.5%	8,078	4.9%	190	2.8%	100.0%	0.1	43.5%	9.8
	D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	105	Mar 2016	95.6%	-1.0	11,030	-11.0%	10,545	-11.9%	115	-16.3%	100.0%	0.2	53.2%	-6.4
	D47	Hotel MyStays Premier Kanazawa	Kanazawa, Ishikawa	244	Jun 2016	93.9%	5.5	11,601	-5.4%	10,891	0.4%	321	3.9%	100.0%	0.3	27.2%	8.2
	FlexStay Inn																
	D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	59	Jul 2014	89.6%	-4.2	9,833	-1.4%	8,814	-5.8%	52	-12.0%	100.0%	2.5	27.1%	-6.6
	D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	55	Jul 2014	96.9%	1.2	9,280	-7.5%	8,993	-6.3%	50	-11.2%	100.0%	5.4	32.0%	0.5
	D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	129	Jul 2014	76.4%	-9.6	5,419	4.6%	4,140	-7.1%	60	-13.1%	47.2%	10.7	28.4%	3.3
	D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	104	Jul 2014	78.5%	-3.3	5,850	1.3%	4,594	-2.8%	54	-4.4%	46.8%	-5.5	11.0%	1.8
	D18	Flexstay Inn Kiyosumi-Shirakawa	Koto-ku, Tokyo	55	Jul 2014	85.5%	-3.1	7,673	-1.2%	6,563	-4.6%	39	-8.3%	95.6%	9.8	45.3%	13.7
	D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	39	Jul 2014	86.7%	-4.8	6,234	-0.3%	5,402	-5.5%	21	-11.6%	84.2%	19.7	17.7%	4.7
	D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	22	Jul 2014	90.7%	-3.3	5,531	-3.5%	5,018	-7.0%	11	-13.2%	76.8%	15.1	13.8%	3.5
	D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	84	Feb 2015	82.5%	-5.0	7,035	1.9%	5,806	-4.0%	54	-4.7%	63.3%	11.8	13.9%	-1.2
	D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	88	Jul 2015	88.2%	3.8	5,768	-3.5%	5,089	0.8%	40	-3.5%	100.0%	0.9	54.7%	4.1
	D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	64	Jul 2015	80.8%	-6.5	5,640	6.0%	4,557	-1.9%	32	-4.8%	32.7%	5.8	6.9%	5.3
	D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	62	Jul 2015	86.7%	-1.9	4,877	2.2%	4,230	0.0%	28	-4.8%	29.6%	12.4	8.0%	0.4
	D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	210	Aug 2015	82.5%	-3.2	5,247	0.5%	4,328	-3.3%	110	-5.2%	43.5%	-7.3	14.2%	8.0
	Others																
	D44	Hotel Epinard Nasu	Nasu, Tochigi	310	Mar 2016	92.8%	-1.0	25,356	5.8%	23,521	4.6%	1,041	0.8%	-	-	0.2%	-
Non-MHM Operators																	
	D6	Hotel Vista Premio Dojima	Osaka, Osaka	141	Jul 2014	90.9%	-3.8	12,554	0.6%	11,409	-3.5%	215	-0.7%	-	-	23.4%	-4.2
	D21	Apahotel Yokohama-Kannai	Yokohama, Kanagawa	451	Feb 2015	94.4%	-0.2	7,802	-3.2%	7,363	-3.4%	234	-0.5%	-	-	-	-
	D22	Hotel Nets Hakodate	Hakodate, Hokkaido	202	Feb 2015	87.0%	0.5	8,873	20.6%	7,719	21.3%	160	29.4%	-	-	5.0%	-
	D28	Hotel Vista Shimizu	Shizuoka, Shizuoka	152	Jul 2015	85.0%	1.3	6,743	-3.7%	5,732	-2.3%	83	-2.9%	-	-	12.1%	3.4
Subtotal (by brand)																	
MHM																	
	Mysytays		-	3,144	-	92.9%	0.0	9,718	-2.1%	9,026	-2.1%	3,081	-3.8%	96.8%	1.3	37.8%	3.3
	FlexStay Inn		-	971	-	83.7%	-3.6	6,282	0.2%	5,259	-4.0%	556	-7.7%	67.0%	4.0	23.6%	3.1
	Others		-	310	-	92.8%	-1.0	25,356	5.8%	23,521	4.6%	1,041	0.8%	-	-	0.2%	-
	Total		-	4,425	-	90.9%	-0.8	10,156	-0.3%	9,228	-1.2%	4,678	-3.3%	92.3%	1.8	29.2%	2.4
Non-MHM Operators			-	946	-	90.8%	-0.4	8,571	1.4%	7,780	1.1%	694	4.7%	-	-	13.8%	-1.2
Total (36 properties) ※			-	5,371	-	90.8%	-0.7	9,877	-0.0%	8,973	-0.8%	5,373	-2.3%	92.3%	1.8	27.9%	2.0

(Note) Based on 39 hotels in Invincible's portfolio, which are owned as of the end of December 31, 2016 which includes all hotels with variable rent structures. In addition, "Subtotal (by brand)"and "Total" figure above are based on 36 hotels, which exclude Hotel MyStays Kanda, which underwent renovation in 2016, and Hotel MyStays Shinsaibashi as well as Hotel MyStays Gotanda Station, which underwent renovation in 2015.

Items	December 2014	June 2015	December 2015	June 2016	December 2016
	Jul 1, 2014- Dec 31, 2014	Jan 1, 2015- Jun 30, 2015	Jul 1, 2015- Dec 31, 2015	Jan 1, 2016- Jun 30, 2016	Jul 1, 2016- Dec 31, 2016
Amount of Total Assets (JPY million)	130,477	136,299	185,918	284,106	277,361
Amount of Net Assets (JPY million)	61,392	61,731	91,758	130,005	131,455
Capital-to-Asset Ratio	47.1%	45.3%	49.4%	45.8%	47.4%
Total Amount of Investment (JPY million)	53,096	53,096	82,465	120,367	120,367
End-of-period total number of units issued	2,668,686	2,668,686	3,193,686	3,675,824	3,675,824
Amount of Net Assets per Unit (JPY)	23,005	23,132	28,731	35,368	35,762
Return on Asset (ROA) (annualized)	3.0%	3.4%	3.2%	3.6%	3.9%
Return on Equity (ROE) (annualized)	6.4%	7.5%	6.4%	7.5%	8.3%
Amount of interest-bearing debts (JPY million)	67,260	72,301	91,699	141,917	142,419
Weighted average interest rate	1.1%	1.0%	0.6%	0.5%	0.5%
Loan to Value (LTV 1)	53.1%	54.9%	50.8%	53.0%	53.1%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	51.5%	53.0%	49.3%	50.0%	51.3%
Net Operating Income (NOI) (JPY million)	3,861	4,127	5,961	7,136	8,414
NOI yield (annualized)	6.8%	6.5%	7.0%	6.6%	6.3%
Depreciation Expenses (JPY million)	837	986	1,275	1,676	2,065
Funds From Operations (FFO) (JPY million)	2,795	3,282	4,228	6,040	2,064
NAV(JPY million)	71,175	78,960	134,430	187,461	194,049
NAV per Unit (JPY)	26,671	29,588	42,093	50,998	52,791
NAV ratio	1.9	2.2	1.7	1.3	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 3
- ROE(annualized) = Net Income / Weighted Average Net Assets during the period x 100/days during the period x 365
- LTV(1) = End-of-period Interest-Bearing Debt / (End-of-period Interest-Bearing Debt + Unitholders' Capital + Unitholders' Capital Surplus)x100
- LTV(2) = End-of-period Interest-Bearing Debt / End-of-period Total Assets x 100
- NOI = Rental Revenues - 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 Net Assets – Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)
- NAV ratio = period-end unit price/ Amount of Net Assets per Unit

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

December 2016 Results — Comparison with June 2016

(JPY million, otherwise stated)

	Jun 2016 Period Jan 1, 2016- Jun 30, 2016	Dec 2016 Period Jul 1, 2016- Dec 31, 2016	Change		Reasons for changes
Operating revenues	8,158	**9,511**	**1,353**	+16.6%	・Rent, common area fees, etc. +1,347 (Residence +102, Office/Retail +11, Hotel +1,233) ・Utilization income from parking lot +13 ・Key money income (10) ・Renewal income (7) ・Renewal fee revenue (14) ・Utility expenses income +19
Rental revenues	8,158	**9,511**	**1,353**	+16.6%	
Operating expenses	3,084	**3,577**	**492**	+16.0%	・Depreciation expenses +388 ・Maintenance costs +26 (Restoration costs (13), Utility expenses +14 , Repair costs (6), miscellaneous expenses (5) , PM Fee +2 , Building management fees +13 , Land lease fees +21) ・Advertisement cost, etc (26) ・Property tax ,etc +75 ・General commissioned survey +10 ・Asset custodian fees +4 ・Other taxes and dues (7) ・Trust fees +1
Repair costs	30	**24**	**(6)**	(20.8%)	
Operating Income	5,073	**5,934**	**860**	+17.0%	
Non-operating revenues	2	**43**	**40**	+1,387.7%	・Refund of consumption tax +35, Interest on tax refund +6
Non-operating expenses	712	**545**	**(166)**	(23.4%)	
Interest Expenses	295	**359**	**64**	+21.8%	・Increased new loan's interest expenses lended on 26th Period.
Finance-related costs	280	**186**	**(94)**	(33.6%)	・Lended new loan on 26th Period.
Other non-operating expenses	137	**0**	**(137)**	(100.0%)	・Investment unit issuance costs of global offering on 26th Period.
Net Income	4,363	**5,431**	**1,067**	+24.5%	
Net Income per Unit (JPY)	1,125	**1,477**	**352**	+31.3%	
Reversal of Surplus per Unit (JPY)	-	**-**	**-**	**-**	
Excess dividend per Unit (JPY)	61	**-**	**-**	**-**	
Distribution per Unit (JPY)	1,186	**1,477**	**291**	24.5%	
NOI	7,134	**8,414**	**1,280**	+17.9%	
NOI yield	6.6%	**6.3%**	**(0.3%)**	—	

Income Statement

Items	Jun 2016 Period Jan 1, 2016- Jun 30, 2016		Dec 2016 Period Jul 1, 2016- Dec 31, 2016		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Operating revenues	8,158,220	100.0	9,511,466	100.0	1,353,246	16.6
Rental revenues (1)	8,158,220		9,511,466		1,353,246	
Operating expenses	3,084,315	36.3	3,577,255	37.6	492,939	16.0
Property related expenses (2)	2,697,986		3,162,067		464,081	
Depreciation expenses (3)	1,676,736		2,065,066		388,329	
NOI (1)-(2)+(3)	**7,136,971**	**87.5**	**8,414,465**	**88.5**	**1,277,494**	**17.9**
Asset management fees	250,000		250,000		-	
Directors' compensation	4,800		4,800		-	
Asset custody fees	9,128		14,026		4,897	
Administrative service fees	24,010		27,890		3,880	
Provision of allowance for doubtful accounts	269		1,123		853	
Other	98,120		117,347		19,227	
Operating income	5,073,905	63.7	5,934,211	62.4	860,306	17.0
Non-operating income	2,902	0.0	43,186	0.5	40,283	1,388.1
Interest income	1,316		129		(1,187)	
Interest on tax refund	1,372		6,722		5,349	
Refund on consumption tax	-		35,949		35,949	
Other	213		385		172	
Non-operating expenses	712,782	20.7	545,789	5.7	(166,992)	(23.4)
Interest expenses	295,185		359,540		64,355	
Loan-related costs	280,326		186,249		(94,077)	
Investment unit issuance expenses	137,270		-		(137,270)	
Ordinary income	4,364,025	43.0	5,431,608	57.1	(166,992)	(3.8)
Income before income taxes	4,364,025	43.0	5,431,608	57.1	1,067,583	24.5
Income taxes	605		605		-	
Net income	4,363,420	43.0	5,431,003	57.1	1,067,583	24.5
Retained earnings brought forward	-		228,827		228,827	
Unappropriated retained earnings / loss at the end of the period	4,363,420		5,659,831		1,296,410	

Balance Sheet - Assets

Items	Jun 2016 Period (As of Jun 30, 2016)		Dec 2016 Period (As of Dec 31, 2016)		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Assets						
Current assets						
Cash and bank deposits	11,322,762		8,714,907		(2,607,854)	
Cash and bank deposits in trust	5,441,316		5,499,826		58,509	
Accounts receivables	201		19		(181)	
Rental receivables	1,375,846		1,398,433		22,587	
Prepaid expenses	394,524		387,328		(7,195)	
Consumption tax receivable	2,672,787		-		(2,672,787)	
Others	35		32		(3)	
Allowance for doubtful accounts	(2,764)		(1,334)		1,430	
Total current assets	21,204,709	7.5	15,999,214	5.8	(5,205,495)	(24.5)
Non-current assets						
Property and equipment						
Buildings	75,965		75,424		(541)	
Buildings and accompanying facilities	17,487		16,712		(774)	
Structures	1,377		1,311		(65)	
Land	711,834		711,834		-	
Buildings in trust	96,298,370		95,228,689		(1,069,680)	
Buildings and accompanying facilities in trust	19,600,442		19,067,773		(532,669)	
Structures in trust	188,742		181,579		(7,162)	
Tools, furniture and fixtures in trust	320,869		429,823		108,954	
Land in trust	135,384,518		135,384,518		-	
Construction in progress in trust	46,368		-		(46,368)	
Total property and equipment	252,645,976	88.9	251,097,667	90.5	(1,548,308)	(0.6)
Intangible assets						
Leasehold rights in trust	8,871,542		8,840,627		(30,914)	
Total intangible assets	8,871,542	3.1	8,840,627	3.2	(30,914)	(0.3)
Investment and other assets						
Guarantee deposits	613,914		613,914		-	
Long-term prepaid expenses	729,351		616,340		(113,010)	
Derivatives assets	-		151,259		151,259	
Others	40,640		42,851		2,211	
Total investment and other assets	1,383,905	0.5	1,424,366	0.5	40,460	2.9
Total non-current assets	262,901,424	92.5	261,362,660	94.2	(1,538,763)	(0.6)
Total assets	284,106,133	100.0	277,361,874	100.0	(6,744,258)	(2.4)

Balance Sheet – Liabilities/Net Assets

Items	Jun 2016 Period (As of Jun 30, 2016)		Dec 2016 Period (As of Dec 31, 2016)		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Liabilities						
Current liabilities						
Accounts payable	188,362		182,601		(5,760)	
Short-term loans payable	3,498,000		-		(3,498,000)	
Accounts payable-other	8,957,286		51,825		(8,905,460)	
Accrued expenses	186,571		166,066		(20,504)	
Income taxes payable	605		605		-	
Consumption taxes payable	-		460,521		460,521	
Advances received	507,135		522,072		14,936	
Deposits received	21,072		13,583		(7,489)	
Total current liabilities	13,359,034	4.7	1,397,276	0.5	(11,961,757)	(89.5)
Non-current liabilities						
Long-term loans payable	138,419,000		142,419,000		4,000,000	
Tenant leasehold and security deposits in trust	2,035,843		2,030,396		(5,446)	
Tenant leasehold and security deposits	28,663		28,663		-	
Derivatives liabilities	227,532		-		(227,532)	
Asset retirement obligations	31,050		31,260		209	
Total non-current liabilities	140,742,089	49.5	144,509,319	52.1	3,767,230	2.7
Total liabilities	154,101,123	54.2	145,906,596	52.6	(8,194,527)	(5.3)
Net assets						
Unitholders' equity						
Unitholders' capital	120,367,271	42.4	120,367,271	43.4	-	-
Surplus						
Capital surplus	6,264,432		6,264,432		-	
Deduction of captial surplus						
Allowance for temporary differences adjustment	-		(224,225)		(224,225)	
Other deduction of capital surplus	(763,290)		(763,290)		-	
Total deduction of captial surplus	(763,290)		(987,516)		-	
Capital surplus (net)	5,501,141		5,276,915		(224,225)	
Voluntary retained earnings	708		-		(708)	
Retained earnings	4,363,420		5,659,831		1,296,410	
Total surplus	9,865,270	3.5	10,936,747	3.9	1,072,185	10.9
Total unitholders' equity	130,232,542	45.8	131,304,019	47.3	1,071,476	0.8
Valuation and translation adjustments						
Deferred gains or losses on hedges	(227,532)		151,259		378,792	
Total valuation and translation adjustments	(227,532)	(0.1)	151,259	0.1	378,792	(166.5)
Total net assets	130,005,009	45.8	131,455,278	47.4	1,450,268	1.1
Total liabilities and net assets	284,106,133	100.0	277,361,874	100.0	(6,744,258)	(2.4)

Cash Flow Statement and Dividend Distribution

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

Items		Jun 2016 Period Jan 1, 2016- Jun 30, 2016	Dec 2016 Period Jul 1, 2016- 2016/12/31
Unappropriated retained earnings	(JPY thousand)	4,363,420	5,659,831
Reversal of Reserve for temporary differences adjustment	(JPY thousand)	708	-
Incorporation into unitholders' captital	(JPY thousand)	-	224,225
Of which, reversal of allowance for temporary differences adjustment	(JPY thousand)	-	224,225
Distributions in excess of retained earnings	(JPY thousand)	224,225	-
Of which, allowance for temporary differences adjustment	(JPY thousand)	224,225	-
Distributions	(JPY thousand)	4,359,527	5,429,192
Of which, distributions of earnings	(JPY thousand)	4,135,302	5,429,192
Of which, allowance for adjustment of temporary differences	(JPY thousand)	224,225	-
Distribution per unit	(JPY)	1,186	1,477
Of which, distributions of earnings per unit	(JPY)	1,125	1,477
Of which, allowance for adjustment of temporary differences per unit	(JPY)	61	-
Retained earnings carried forward	(JPY thousand)	228,827	6,414

Property Income (1/4)

(in JPY thousand)

Property Number	A26	A27	A28	A29	A30	A31	A32	A33	A34	A35	A36	A37	A38	A39	A40	A41	A42
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	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
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	39,494	43,857	27,345	33,416	43,288	41,703	34,586	34,347	30,471	26,619	26,733	22,092	20,282	19,621	16,158	24,556	18,565
Rent, common area fees / GOP(1)	36,658	39,804	26,772	31,406	40,688	39,125	30,483	31,628	30,132	26,619	25,404	21,164	18,551	18,655	15,382	23,083	17,824
Other revenue	2,835	4,052	573	2,009	2,600	2,578	4,103	2,718	338	-	1,328	928	1,730	966	776	1,473	741
② Property related expenses	17,422	25,912	8,279	14,498	17,537	13,933	21,125	16,755	12,883	7,948	10,126	9,615	8,978	6,690	7,601	11,183	7,233
Facility management fees	4,889	6,561	2,049	4,592	4,790	3,347	7,119	4,617	5,134	169	2,912	2,798	2,263	2,290	3,281	3,365	2,266
(of which, repair cost)	121	680	42	152	153	286	353	154	371	109	340	17	106	193	103	447	199
(of which, utility expenses)	1,412	1,801	242	520	870	640	1,228	586	447	-	542	351	367	193	71	383	307
Tax and other public charges	1,615	2,688	1,326	1,684	2,556	1,883	3,124	2,415	1,661	1,722	1,047	1,369	1,070	938	982	1,125	1,088
Insurance expenses	56	86	34	48	91	50	83	62	44	50	33	33	36	29	27	36	32
Depreciation expenses(⑦)	8,891	13,064	4,369	5,933	9,410	7,270	8,618	6,186	5,355	5,506	5,312	4,125	4,282	2,265	1,829	5,038	2,529
Other expenses	1,969	3,510	500	2,238	688	1,381	2,179	3,473	687	500	819	1,288	1,325	1,166	1,480	1,616	1,316
③ Rental income(①−②)	22,071	17,945	19,065	18,918	25,751	27,769	13,461	17,591	17,588	18,670	16,606	12,477	11,303	12,931	8,557	13,373	11,331
④ NOI (①−②+⑦)	30,963	31,009	23,435	24,851	35,161	35,039	22,080	23,778	22,943	24,177	21,919	16,603	15,585	15,196	10,386	18,411	13,861
⑤ Capital expenditure	3,476	9,930	226	118	516	5,335	17,115	129	-	-	353	1,587	2,516	2,891	6,696	-	5,070
⑥ NCF(④−⑤)	27,486	21,078	23,208	24,733	34,645	29,704	4,965	23,649	22,943	24,177	21,566	15,015	13,069	12,305	3,689	18,411	8,790

Property Number	A43	A44	A45	A46	A47	A48	A51	A52	A53	A54	A56	A59	A61	A62	A63	A64	A65
Property Name	College Square Machida	Belair Meguro	Wacore Tsunashima I	Foros Nakamurabashi	Growth Maison Kaijin	College Square Machiya	City House Tokyo Shinbashi	Winbell Kagurazaka	Nishiwaseda Cresent Mansion	Lexington Square Akebonobashi	Casa Eremitaggio	Towa City Coop Shin-otsuka II	Bichsel Musashiseki	Lexel Mansion Ueno Matsugaya	Towa City Coop Sengencho	Royal Park Omachi	Lexington Square Haginomachi
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	17,484	16,259	18,690	17,597	22,145	14,706	92,285	101,878	73,724	49,405	34,594	35,150	22,918	34,740	56,386	25,432	17,590
Rent, common area fees / GOP(1)	17,484	15,266	17,652	16,279	20,284	14,706	86,557	95,642	69,704	47,502	29,888	33,884	22,255	32,138	50,951	21,923	15,990
Other revenue	-	993	1,038	1,318	1,861	-	5,728	6,236	4,019	1,902	4,706	1,266	663	2,602	5,435	3,509	1,600
② Property related expenses	3,983	5,928	8,631	9,265	14,841	5,084	37,528	40,418	20,799	20,390	14,790	13,849	9,439	14,060	29,024	15,915	8,289
Facility management fees	33	1,746	2,808	2,507	4,584	76	14,182	11,308	6,409	6,425	3,206	4,733	4,061	2,689	14,377	6,910	2,177
(of which, repair cost)	33	44	139	190	99	76	923	429	438	947	337	60	499	220	131	847	172
(of which, utility expenses)	-	161	587	314	984	-	-	1,328	628	452	803	-	499	501	18	1,773	764
Tax and other public charges	1,520	877	887	990	2,116	933	4,952	6,361	3,610	2,214	1,665	1,404	1,193	1,872	3,003	2,371	1,718
Insurance expenses	31	22	30	28	70	23	105	190	133	53	41	48	42	52	95	54	34
Depreciation expenses(⑦)	1,898	2,328	3,986	4,896	6,856	3,551	13,264	16,318	8,568	8,745	9,169	5,290	2,823	8,451	7,547	4,762	3,550
Other expenses	500	954	919	842	1,213	500	5,023	6,238	2,076	2,951	707	2,373	1,318	993	4,000	1,816	808
③ Rental income(①−②)	13,500	10,331	10,059	8,331	7,304	9,621	54,756	61,459	52,925	29,014	19,804	21,301	13,478	20,680	27,362	9,517	9,300
④ NOI (①−②+⑦)	15,398	12,659	14,045	13,228	14,161	13,172	68,021	77,778	61,493	37,760	28,973	26,591	16,302	29,132	34,909	14,279	12,851
⑤ Capital expenditure	-	226	135	5,171	4,306	-	513	8,181	5,746	820	3,724	2,433	5,076	1,862	7,574	4,186	-
⑥ NCF(④−⑤)	15,398	12,432	13,910	8,057	9,854	13,172	67,508	69,597	55,746	36,939	25,249	24,158	11,226	27,269	27,334	10,093	12,851

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.
(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Property Income (2/4)

(in JPY thousand)

Property Number	A66	A71	A72	A73	A75	A76	A77	A78	A79	A80	A81	A82	A83	A84	A85	A86	A87
Property Name	Visconti Kakuozan	Lexington Square Daitabashi	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Spacia Ebisu	Neo Prominence	Invoice Shin-Kobe Residence	Cosmo Court Motomachi	Revest Honjin	Revest Matsubara	Sun Terrace Minami Ikebukuro	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian	Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	11,857	32,254	19,035	45,686	205,456	64,271	46,782	35,528	31,699	28,164	23,830	25,917	25,956	23,023	32,640	24,657	18,252
Rent, common area fees / GOP[1]	10,650	30,676	17,875	43,038	184,250	54,893	42,581	34,825	29,810	26,185	21,429	24,314	24,490	22,323	30,375	23,869	17,802
Other revenue	1,206	1,577	1,159	2,648	21,206	9,377	4,201	703	1,888	1,978	2,401	1,603	1,465	700	2,265	788	449
② Property related expenses	6,153	14,899	8,797	31,738	73,052	29,083	21,028	17,065	13,274	14,820	10,275	13,693	12,620	11,045	16,093	10,495	7,776
Facility management fees	2,720	3,391	1,701	6,397	12,935	12,676	4,662	3,766	3,107	4,228	2,903	3,529	2,981	2,474	5,589	2,628	2,110
(of which, repair cost)	206	428	65	885	1,225	479	124	542	198	214	166	342	62	205	45	36	313
(of which, utility expenses)	188	464	350	706	1,815	3,560	530	572	379	364	392	341	538	306	2,353	906	254
Tax and other public charges	902	1,544	810	6,433	8,809	3,554	2,714	2,305	1,803	1,870	907	1,736	1,664	1,400	1,961	1,556	771
Insurance expenses	20	38	27	109	214	140	81	82	59	55	33	56	56	41	76	47	29
Depreciation expenses(⑦)	1,767	8,039	5,034	14,123	37,649	10,388	11,490	9,984	7,441	7,045	5,212	6,934	6,968	6,410	7,013	5,444	4,194
Other expenses	742	1,885	1,223	4,673	13,443	2,324	2,079	925	862	1,622	1,218	1,436	949	718	1,452	818	670
③ Rental income(①−②)	5,704	17,354	10,237	13,948	132,403	35,187	25,753	18,463	18,424	13,343	13,555	12,224	13,336	11,978	16,547	14,162	10,475
④ NOI (①−②+⑦)	7,472	25,393	15,271	28,071	170,053	45,576	37,244	28,447	25,866	20,388	18,768	19,158	20,304	18,388	23,560	19,607	14,670
⑤ Capital expenditure	-	-	250	-	22,203	4,913	-	-	-	308	-	181	200	421	-	-	-
⑥ NCF(④−⑤)	7,472	25,393	15,021	28,071	147,849	40,663	37,244	28,447	25,866	20,079	18,768	18,977	20,103	17,967	23,560	19,607	14,670

Property Number	A88	A89	A90	A91	A92	A93	A94	A95	A96	A97	A98	A99	A100	A101	A102	A103	A104
Property Name	Luna Court Edobori	Winntage Kobe Motomachi	Queen's Court Fukuzumi	Corp Higashinotoin	Belair Oimachi	Siete Minami-Tsukaguchi	Prime Life Sannomiya Isogami Koen	HERMITAGE NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachibashi	Prime Life Mikage	City Court Kitaichijo	Lieto Court Mukojima	Lieto Court Nishi-Ojima	Royal Parks Momozaka	Royal Parks Shinden
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	21,499	19,673	16,843	17,203	14,448	16,605	13,769	15,516	17,409	12,254	13,795	11,566	65,467	53,665	48,105	139,988	215,643
Rent, common area fees / GOP[1]	20,402	19,380	16,119	16,567	13,572	15,788	13,359	14,070	14,432	11,730	13,771	11,461	60,162	51,370	47,324	129,478	200,266
Other revenue	1,096	293	724	635	875	816	409	1,445	2,976	524	24	105	5,304	2,295	780	10,510	15,377
② Property related expenses	11,623	11,294	6,792	8,630	7,005	7,739	6,354	8,066	8,580	7,395	5,962	6,009	39,782	26,953	21,176	85,664	105,097
Facility management fees	3,868	2,549	1,616	2,332	2,080	2,594	1,446	2,386	2,229	2,037	1,609	1,482	7,234	7,048	4,921	39,877	33,898
(of which, repair cost)	591	147	-	236	42	171	46	144	119	79	43	-	560	799	119	210	2,199
(of which, utility expenses)	871	475	169	616	169	359	220	204	217	204	329	157	1,242	545	704	-	-
Tax and other public charges	1,183	1,587	750	921	672	982	848	1,009	872	563	952	762	7,741	2,511	2,177	-	-
Insurance expenses	43	49	28	36	22	35	25	30	41	22	28	23	164	88	69	248	493
Depreciation expenses(⑦)	5,069	5,824	3,205	3,799	2,675	3,240	3,426	3,446	4,017	3,070	2,874	2,960	22,587	15,293	12,272	45,130	70,295
Other expenses	1,459	1,283	1,191	1,541	1,554	886	607	1,193	1,418	1,700	496	781	2,054	2,010	1,734	407	410
③ Rental income(①−②)	9,875	8,379	10,051	8,572	7,442	8,865	7,414	7,449	8,828	4,859	7,832	5,556	25,684	26,712	26,929	54,324	110,546
④ NOI (①−②+⑦)	14,944	14,203	13,256	12,372	10,117	12,105	10,840	10,896	12,846	7,930	10,707	8,516	48,272	42,006	39,201	99,454	180,842
⑤ Capital expenditure	321	-	224	-	-	-	-	-	1,374	359	-	-	-	313	-	132	1,036
⑥ NCF(④−⑤)	14,623	14,203	13,032	12,372	10,117	12,105	10,840	10,896	11,471	7,570	10,707	8,516	48,272	41,692	39,201	99,321	179,805

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.
(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Property Income (3/4)

(in JPY thousand)

Property Number		subtotal	B08	B09	B14	B15	B16	B17	B18	subtotal	C01	subtotal	D01	D02	D03	D04	D05	D06
Property Name			Kindai Kagaku Sha Building	Shinjuku Island	Lexington Plaza Nishigotanda	Cross Square NAKANO	Ohki Aoba Building	Lexington Plaza Hachiman	AEON TOWN Sukagawa		Times Kanda-Sudacho 4th		Hotel MyStays Kanda	Hotel MyStays Asakusa	Hotel MyStays Kyoto-Shijo	MyStays Shin-Urayasu Conference Center	Hotel MyStays Maihama	Hotel Vista Premio Dojima
number of operating days		-	184	184	184	184	184	184	184	-	184	-	184	184	184	184	184	184
① Rental revenues		2,562,556	38,162		140,640	44,623	34,522	163,789	142,027	580,963	2,700	2,700	95,222	115,200	367,441	212,187	183,694	215,896
	Rent, common area fees / GOP(1)	2,390,287	34,265		124,083	37,438	27,245	131,105	142,027	513,363	2,700	2,700	95,222	115,200	367,441	212,187	183,694	215,224
	Other revenue	172,269	3,897		16,556	7,184	7,277	32,684	-	67,599	-	-	-	-	-	-	-	672
② Property related expenses		1,175,151	22,362		67,094	17,191	23,484	84,488	93,864	318,020	257	257	28,088	20,677	59,770	50,220	39,180	60,485
	Facility management fees	347,036	6,224		24,460	6,416	9,223	45,110	56,124	152,526	-	-	-	-	-	-	-	8,208
	(of which, repair cost)	20,339	67		255	96	488	28	-	934	-	-	-	-	-	-	-	-
	(of which, utility expenses)	39,203	3,020		15,079	2,366	4,059	34,216	-	58,742	-	-	-	-	-	-	-	-
	Tax and other public charges	130,285	4,523	(Note 2)	12,324	3,867	6,076	16,953	7,436	54,286	256	256	4,417	3,888	10,432	8,161	3,195	11,716
	Insurance expenses	4,519	67		177	76	94	183	250	931	-	-	76	98	274	174	88	240
	Depreciation expenses(⑦)	576,340	10,750		26,543	4,647	7,356	21,276	29,438	101,393	1	1	23,082	16,174	48,547	41,376	35,386	39,807
	Other expenses	116,970	797		3,589	2,183	732	964	614	8,882	-	-	511	516	515	509	510	512
③ Rental income (①−②)		1,387,405	15,799		73,545	27,431	11,038	79,301	48,163	262,942	2,442	2,442	67,133	94,522	307,670	161,966	144,513	155,410
④ NOI (①−②+⑦)		1,963,745	26,549		100,088	32,079	18,395	100,577	77,601	364,336	2,444	2,444	90,216	110,696	356,218	203,342	179,899	195,218
⑤ Capital expenditure		137,845	616		5,470	15,186	-	12,416	-	33,689	-	-	155,588	5,577	4,288	6,785	5,168	23,945
⑥ NCF(④−⑤)		1,825,900	25,933		94,618	16,892	18,395	88,161	77,601	330,646	2,444	2,444	-65,371	105,119	351,929	196,557	174,731	171,273

Property Number		D07	D08	D09	D10	D11	D12	D13	D14	D15	D16	D17	D18	D19	D20	D21	D22	D23
Property Name		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	Flexstay Inn Nakanobu P2	APA Hotel Yokohama-Kannai	Hotel Nets Hakodate	Flexstay Inn Shirogane
number of operating days		184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues		197,906	201,529	118,878	65,615	137,361	52,029	51,818	50,600	60,368	54,852	144,286	39,669	21,653	11,371	234,973	160,872	54,444
	Rent, common area fees / GOP(1)	197,906	201,529	118,878	65,615	137,361	52,029	51,818	50,600	60,368	54,852	144,286	39,669	21,653	11,371	234,973	160,872	54,444
	Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses		68,586	26,676	30,597	17,313	19,548	14,903	14,719	8,794	11,378	14,384	13,852	11,549	5,417	2,758	88,657	47,624	9,813
	Facility management fees	17,163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(of which, repair cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tax and other public charges	4,602	6,399	4,476	1,764	5,076	4,504	1,474	1,663	3,414	2,871	3,616	3,394	954	528	11,856	15,493	1,918
	Insurance expenses	209	113	172	57	90	78	40	33	71	58	103	68	21	12	260	164	48
	Depreciation expenses(⑦)	46,104	19,655	25,434	14,986	13,876	9,813	12,696	6,591	7,387	10,949	9,626	7,581	3,935	1,710	76,035	31,457	7,340
	Other expenses	507	507	513	505	505	507	507	506	505	505	506	505	505	506	505	508	506
③ Rental income (①−②)		129,319	174,853	88,281	48,301	117,812	37,125	37,099	41,805	48,989	40,467	130,434	28,120	16,235	8,613	146,316	113,248	44,631
④ NOI (①−②+⑦)		175,424	194,509	113,715	63,287	131,688	46,939	49,795	48,397	56,377	51,416	140,060	35,701	20,171	10,323	222,351	144,706	51,971
⑤ Capital expenditure		14,678	4,432	10,661	1,189	3,025	9,977	1,266	2,065	2,675	2,375	4,400	4,317	939	1,578	3,155	3,144	2,495
⑥ NCF(④−⑤)		160,746	190,076	103,054	62,098	128,663	36,962	48,529	46,332	53,702	49,041	135,660	31,384	19,232	8,745	219,196	141,562	49,476

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.
(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Property Income (4/4)

(in JPY thousand)

Property Number	D24	D25	D26	D27	D28	D29	D30	D31	D32	D33	D34	D35	D36	D37	D38	D39	D40
Property Name	Hotel MyStays Haneda	Hotel MyStays Kameido P1	Hotel MyStays Ueno Iriyaguchi	Hotel MyStays Kameido P2	Hotel Vista Shimizu	Super Hotel Shinbashi/ Karasumori	Flexstay Inn Higashi-Jujo	Hotel MyStays Utsunomiya	Flexstay Inn Kawasaki-Kaizuka	Comfort Hotel Toyama	Flexstay Inn Kawasaki-Ogawacho	Flexstay Inn Ekoda	Super Hotel Tokyo-JR Tachikawa	Super Hotel JR Ueno-iriyaguchi	Hotel MyStays Shinsaibashi	Comfort Hotel Kurosaki	Comfort Hotel Maebashi
number of operating days	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
① Rental revenues	178,271	186,026	98,762	130,259	83,319	39,426	40,126	64,742	32,535	35,928	28,421	110,022	31,787	27,275	90,819	37,894	43,811
Rent, common area fees / GOP[1]	178,267	186,026	98,762	130,259	83,319	39,426	40,126	64,742	32,535	35,928	28,421	110,022	31,787	27,275	90,819	37,894	43,811
Other revenue	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	67,937	40,435	24,595	30,201	24,773	8,978	7,915	31,473	11,807	13,053	7,138	37,257	13,174	10,002	19,313	14,930	24,735
Facility management fees	-	-	2,455	-	480	706	-	-	889	-	-	-	1,391	1,070	-	900	5,969
(of which, repair cost)	-	-	-	-	-	702	-	-	-	-	-	-	1,091	770	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges	8,162	6,390	1,248	3,842	2,055	3,109	1,945	13,720	817	3,789	961	4,694	2,842	2,142	-	-	-
Insurance expenses	194	162	80	101	87	36	46	306	36	76	25	104	50	34	53	68	95
Depreciation expenses (⑦)	59,171	33,476	20,403	25,852	21,747	4,717	5,517	17,031	9,655	8,778	5,746	32,051	8,482	6,346	18,852	13,552	18,257
Other expenses	410	406	407	404	404	407	405	414	408	409	405	407	408	408	406	409	413
③ Rental income (①−②)	110,334	145,590	74,167	100,058	58,545	30,448	32,210	33,268	20,728	22,874	21,282	72,764	18,612	17,273	71,506	22,963	19,075
④ NOI (①−②+⑦)	169,505	179,067	94,571	125,910	80,293	35,166	37,727	50,300	30,383	31,653	27,028	104,816	27,094	23,619	90,359	36,516	37,333
⑤ Capital expenditure	-	1,927	300	3,954	1,030	-	667	14,253	2,785	-	742	5,172	-	-	2,485	377	-
⑥ NCF (④−⑤)	169,505	177,140	94,271	121,956	79,262	35,166	37,060	36,047	27,598	31,653	26,286	99,644	27,094	23,619	87,874	36,139	37,333

Property Number	D41	D42	D43	D44	D45	D46	D47	D48	subtotal	Total
Property Name	Comfort Hotel Tsubamesanjo	Comfort Hotel Kitami	Hotel MyStays Gotanda Station	Hotel Epinard Nasu	Hotel MyStays Fukuoka Tenjin	Hotel MyStays Hamamatsucho	Hotel MyStays Premier Kanazawa	Takamatsu Tokyu REI Hotel		
number of operating days	184	184	184	184	184	184	184	184	-	-
① Rental revenues	34,949	30,300	396,612	1,040,790	190,416	115,208	343,391	106,269	6,365,246	9,511,466
Rent, common area fees / GOP[1]	32,861	30,300	395,634	1,040,790	190,416	115,208	343,391	76,200	6,331,433	9,237,784
Other revenue	2,088	-	978	-	-	-	-	30,069	33,812	273,682
② Property related expenses	11,444	12,871	38,935	325,022	42,326	27,938	112,221	45,149	1,668,637	3,162,067
Facility management fees	436	911	1,987	9,335	-	-	-	29,429	81,333	580,896
(of which, repair cost)	10	-	-	-	-	-	-	221	2,796	24,069
(of which, utility expenses)	-	-	-	-	-	-	-	16,479	16,479	114,426
Tax and other public charges	-	-	-	-	-	-	-	-	171,544	356,372
Insurance expenses	82	67	350	1,061	131	68	313	161	6,356	11,807
Depreciation expenses (⑦)	10,512	11,481	36,191	314,045	41,790	27,464	111,504	15,139	1,387,331	2,034,151
Other expenses	413	411	407	579	405	404	403	418	22,071	147,924
③ Rental income (①−②)	23,505	17,428	357,676	715,768	148,089	87,270	231,170	61,119	4,696,608	6,349,399
④ NOI (①−②+⑦)	34,017	28,910	393,868	1,029,814	189,879	114,734	342,674	76,259	6,083,939	8,414,465
⑤ Capital expenditure	2,219	1,293	1,354	37,830	5,399	1,270	2,460	1,385	360,628	532,163
⑥ NCF (④−⑤)	31,798	27,617	392,514	991,983	184,480	113,464	340,214	74,874	5,723,311	7,882,302

(Note 1) Rent and common area fees are entered for residence, office building and retail commercial facility. Rent is entered for parking lot. GOP is entered for hotel.
(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

Appraisal Value (1/3)

(in JPY thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2016			As of the end of December 2016			Change		Appraiser(1)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A26	Nisshin Palacestage Daitabashi	1,251,830	1,128,564	1,150,000	4.8%	1,123,149	1,150,000	4.8%	0	-	Assets R&D
A27	Nisshin Palacestage Higashi-Nagasaki	1,229,070	1,095,161	1,270,000	4.9%	1,092,028	1,270,000	4.9%	0	-	Assets R&D
A28	Growth Maison Gotanda	888,200	831,889	993,000	4.5%	827,746	994,000	4.5%	1,000	-	Assets R&D
A29	Growth Maison Kameido	1,070,850	990,073	1,110,000	4.6%	984,258	1,110,000	4.6%	0	-	Assets R&D
A30	Emerald House	1,505,161	1,383,232	1,370,000	4.8%	1,374,338	1,380,000	4.8%	10,000	-	Assets R&D
A31	Harmonie Ochanomizu	1,428,024	1,357,730	1,320,000	4.5%	1,355,795	1,330,000	4.5%	10,000	-	Assets R&D
A32	Suncrest Shakujii-Koen	1,088,979	1,082,475	1,070,000	4.7%	1,090,972	1,070,000	4.7%	0	-	Assets R&D
A33	Growth Maison Shin-Yokohama	1,059,457	972,694	1,180,000	4.7%	966,636	1,180,000	4.7%	0	-	Assets R&D
A34	Belle Face Ueno-Okachimachi	1,023,074	961,703	1,040,000	4.5%	956,347	1,040,000	4.5%	0	-	Assets R&D
A35	Grand Rire Kameido	906,121	835,386	979,000	4.7%	829,879	979,000	4.7%	0	-	Assets R&D
A36	Growth Maison Ikebukuro	825,411	757,252	878,000	4.5%	752,292	882,000	4.5%	4,000	-	Assets R&D
A37	Growth Maison Yoga	795,986	752,949	703,000	4.6%	750,411	703,000	4.6%	0	-	Assets R&D
A38	Route Tachikawa	676,951	643,256	641,000	4.8%	641,490	641,000	4.8%	0	-	Assets R&D
A39	Shibuya-Honmachi Mansion	651,474	654,716	620,000	4.7%	655,342	624,000	4.7%	4,000	-	Assets R&D
A40	City Heights Kinuta	646,337	645,546	492,000	4.7%	650,413	492,000	4.7%	0	-	Assets R&D
A41	Acseeds Tower Kawaguchi-Namiki	620,893	551,436	716,000	5.4%	546,397	716,000	5.4%	0	-	Assets R&D
A42	Capital Heights Kagurazaka	604,858	619,253	567,000	4.6%	621,794	567,000	4.6%	0	-	Assets R&D
A43	College Square Machida	589,553	564,124	534,000	5.2%	562,226	534,000	5.2%	0	-	Assets R&D
A44	Belair Meguro	589,004	563,454	601,000	4.3%	561,353	601,000	4.3%	0	-	Assets R&D
A45	Wacore Tsunashima Ⅰ	572,914	535,274	515,000	4.9%	531,422	515,000	4.9%	0	-	Assets R&D
A46	Foros Nakamurabashi	566,980	524,155	565,000	4.6%	524,430	566,000	4.6%	1,000	-	Assets R&D
A47	Growth Maison Kaijin	557,256	525,748	449,000	5.3%	523,198	449,000	5.3%	0	-	Assets R&D
A48	College Square Machiya	510,721	463,639	536,000	4.7%	460,087	536,000	4.7%	0	-	Assets R&D
A51	City House Tokyo Shinbashi	2,520,000	2,355,135	3,090,000	4.5%	2,342,383	3,160,000	4.4%	70,000	-0.1pt	JREI
A52	Winbell Kagurazaka	3,260,000	3,071,816	3,850,000	4.2%	3,063,678	3,850,000	4.2%	0	-	Morii
A53	Nishiwaseda Cresent Mansion	1,880,000	1,886,559	2,400,000	4.5%	1,883,737	2,400,000	4.5%	0	-	Morii
A54	Lexington Square Akebonobashi	1,450,000	1,346,028	1,780,000	4.4%	1,338,103	1,780,000	4.4%	0	-	Tanizawa
A56	Casa Eremitaggio	1,070,000	967,262	1,050,000	4.4%	961,817	1,090,000	4.3%	40,000	-0.1pt	JREI
A59	Towa City Coop Shin-otsuka Ⅱ	866,000	827,864	1,050,000	4.9%	824,845	1,070,000	4.8%	20,000	-0.1pt	JREI
A61	Bichsel Musashiseki	577,000	553,828	705,000	4.7%	556,081	705,000	4.7%	0	-	Morii
A62	Lexel Mansion Ueno Matsugaya	970,000	870,632	1,170,000	4.5%	864,043	1,180,000	4.5%	10,000	-	Tanizawa
A63	Towa City Coop Sengencho	1,110,000	1,022,343	1,350,000	5.5%	1,022,370	1,350,000	5.4%	0	-0.1pt	JREI
A64	Royal Park Omachi	415,000	398,600	549,000	5.8%	398,024	556,000	5.6%	7,000	-0.2pt	JREI
A65	Lexington Square Haginomachi	330,000	292,807	446,000	5.9%	289,257	446,000	5.8%	0	-0.1pt	JREI
A66	Visconti Kakuozan	255,000	234,326	260,000	5.4%	232,558	266,000	5.3%	6,000	-0.1pt	Tanizawa
A71	Lexington Square Daitabashi	977,000	875,201	1,150,000	4.4%	867,162	1,150,000	4.4%	0	-	Tanizawa
A72	Lexington Square Honjo-Azumabashi	511,000	451,283	593,000	4.5%	446,500	594,000	4.5%	1,000	-	Tanizawa
A73	AMS TOWER Minami 6-Jo	1,180,000	1,001,372	1,200,000	5.5%	987,249	1,230,000	5.4%	30,000	-0.1pt	Tanizawa
A75	Spacia Ebisu	7,010,000	6,566,107	7,840,000	4.3%	6,550,661	7,900,000	4.3%	60,000	-	JREI
A76	Neo Prominence	1,660,000	1,628,196	1,870,000	4.9%	1,622,721	1,920,000	4.8%	50,000	-0.1pt	JREI
A77	Invoice Shin-Kobe Residence	1,260,000	1,205,972	1,420,000	5.0%	1,194,482	1,420,000	5.0%	0	-	JREI
A78	Cosmo Court Motomachi	973,000	927,998	1,070,000	4.9%	918,014	1,080,000	4.8%	10,000	-0.1pt	JREI
A79	Revest Honjin	674,000	642,445	785,000	5.6%	635,003	790,000	5.6%	5,000	-	JREI

(Note 1) The names of the appraisers in the chart are abridged. Official names are as follows:
Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: Morii Appraisal & Investment Consulting, Inc., Tanizawa：The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa：Daiwa Real Estate Appraisal Co., Ltd.

Appraisal Value (2/3)

(in JPY thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2016			As of the end of December 2016			Change		Appraiser(1)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A80	Revest Matsubara	657,000	629,470	769,000	5.2%	622,734	787,000	5.2%	18,000	-	JREI
A81	Sun Terrace Minami Ikebukuro	625,000	605,776	709,000	4.6%	600,563	724,000	4.5%	15,000	-0.1pt	JREI
A82	Alba Noritake Shinmachi	608,000	580,277	715,000	5.1%	573,524	721,000	5.1%	6,000	-	JREI
A83	Revest Meieki Minami	597,000	570,890	723,000	4.9%	564,122	728,000	4.9%	5,000	-	JREI
A84	Revest Heian	595,000	567,866	667,000	5.2%	561,876	678,000	5.1%	11,000	-0.1pt	JREI
A85	Vendir Hamaotsu Ekimae	581,000	549,520	684,000	5.9%	542,507	713,000	5.8%	29,000	-0.1pt	JREI
A86	Salvo Sala	544,000	521,115	623,000	5.2%	515,671	625,000	5.2%	2,000	-	JREI
A87	Excellente Kagurazaka	543,000	525,337	615,000	4.3%	521,142	615,000	4.3%	0	-	JREI
A88	Luna Court Edobori	525,000	502,061	568,000	5.1%	496,987	570,000	5.0%	2,000	-0.1pt	JREI
A89	Winntage Kobe Motomachi	512,000	487,300	601,000	5.0%	481,476	606,000	4.9%	5,000	-0.1pt	JREI
A90	Queen's Court Fukuzumi	456,000	442,248	568,000	4.4%	439,266	584,000	4.4%	16,000	-	JREI
A91	Corp Higashinotoin	446,000	429,579	502,000	4.9%	425,780	513,000	4.8%	11,000	-0.1pt	JREI
A92	Belair Oimachi	412,000	400,895	490,000	4.4%	398,220	491,000	4.4%	1,000	-	JREI
A93	Siete Minami-Tsukaguchi	374,000	360,564	427,000	5.2%	357,324	433,000	5.2%	6,000	-	JREI
A94	Prime Life Sannomiya Isogami Koen	373,000	357,830	433,000	4.9%	354,403	434,000	4.9%	1,000	-	JREI
A95	HERMITAGE NANBA WEST	355,000	343,002	419,000	5.1%	339,555	421,000	5.1%	2,000	-	JREI
A96	Century Park Shinkawa 1-bankan	335,000	326,546	422,000	5.5%	323,903	424,000	5.5%	2,000	-	JREI
A97	West Avenue	331,000	319,204	322,000	5.3%	316,493	322,000	5.3%	0	-	JREI
A98	Little River Honmachibashi	310,000	301,148	383,000	4.9%	298,274	391,000	4.8%	8,000	-0.1pt	JREI
A99	Prime Life Mikage	297,000	284,148	337,000	5.2%	281,188	337,000	5.2%	0	-	JREI
A100	City Court Kitaichijo	1,782,000	1,858,314	1,890,000	5.2%	1,835,726	1,920,000	5.1%	30,000	-0.1pt	JREI
A101	Lieto Court Mukojima	1,683,000	1,746,471	1,700,000	4.7%	1,731,491	1,720,000	4.6%	20,000	-0.1pt	JREI
A102	Lieto Court Nishi-Ojima	1,634,000	1,685,655	1,700,000	4.5%	1,673,383	1,710,000	4.4%	10,000	-0.1pt	JREI
A103	Royal Parks Momozaka	2,910,000	3,040,784	2,970,000	4.8%	2,995,786	3,000,000	4.8%	30,000	-	Morii
A104	Royal Parks Shinden	5,024,000	5,272,981	5,050,000	5.0%	5,203,722	5,110,000	5.0%	60,000	-	Morii
	Subtotal of Residential	71,116,112	68,274,496	77,214,000	-	67,835,839	77,843,000	-	629,000	-	-
B08	Kindai Kagaku Sha Building	1,301,357	1,217,437	1,040,000	4.7%	1,207,303	1,040,000	4.7%	0	-	Assets R&D
B09	Shinjuku Island	715,000	705,844	537,000	4.7%	704,463	541,000	4.6%	4,000	-0.1pt	Morii
B14	Lexington Plaza Nishigotanda	4,880,000	4,705,628	4,030,000	4.7%	4,684,555	4,100,000	4.6%	70,000	-0.1pt	JREI
B15	Cross Square NAKANO	1,060,000	1,100,470	945,000	4.9%	1,111,009	1,050,000	4.8%	105,000	-0.1pt	JREI
B16	Ohki Aoba Building	816,000	741,006	667,000	5.8%	733,649	675,000	5.7%	8,000	-0.1pt	Tanizawa
B17	Lexington Plaza Hachiman	3,280,000	3,114,091	3,510,000	5.9%	3,105,231	3,550,000	5.8%	40,000	-0.1pt	Morii
B18	AEON TOWN Sukagawa	2,320,000	1,973,433	2,330,000	6.5%	1,943,995	2,340,000	6.4%	10,000	-0.1pt	Morii
	Subtotal of Offices and Commercial Facilities	14,372,357	13,557,912	13,059,000	-	13,490,208	13,296,000	-	237,000	-	-
C01	Times Kanda-Sudacho 4th	97,978	100,820	113,000	4.2%	100,819	113,000	4.2%	0	-	Assets R&D
	Subtotal of Parking Lots	97,978	100,820	113,000	-	100,819	113,000	-	0	-	-
D01	Hotel MyStays Kanda	2,851,000	2,933,882	5,180,000	4.9%	3,066,388	5,260,000	4.8%	80,000	-0.1pt	JREI
D02	Hotel MyStays Asakusa	2,584,000	2,572,585	5,520,000	5.5%	2,561,988	5,530,000	5.5%	10,000	-	JREI
D03	Hotel MyStays Kyoto-Shijo	6,024,460	5,862,608	13,900,000	5.5%	5,818,349	15,600,000	4.9%	1,700,000	-0.6pt	JREI
D04	MyStays Shin- Urayasu Conference Center	4,930,200	4,795,174	7,000,000	5.0%	4,760,583	7,140,000	4.9%	140,000	-0.1pt	JREI
D05	Hotel MyStays Maihama	4,870,312	4,752,374	6,550,000	5.0%	4,722,156	6,690,000	4.9%	140,000	-0.1pt	JREI
D06	Hotel Vista Premio Dojima	3,845,400	3,722,586	7,370,000	5.1%	3,706,723	7,370,000	5.1%	0	-	JREI
D07	Hotel MyStays Nagoya-Sakae	2,958,000	2,824,333	5,660,000	6.0%	2,792,906	5,850,000	5.8%	190,000	-0.2pt	JREI

(Note 1) The names of the appraisers in the chart are abridged. Official names are as follows:
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Appraisal Value (3/3)

(in JPY thousand)

Property Number	Property Name	Acquisition Price	As of the end of June 2016			As of the end of December 2016			Change		Appraiser(1)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
D08	Hotel MyStays Sakaisuji-Honmachi	2,514,820	2,456,858	8,440,000	5.8%	2,441,635	8,580,000	5.7%	140,000	-0.1pt	JREI
D09	Hotel MyStays Yokohama	2,119,900	2,054,154	3,500,000	5.6%	2,039,381	3,500,000	5.5%	0	-0.1pt	JREI
D10	Hotel MyStays Nippori	1,898,540	1,852,764	3,760,000	5.4%	1,838,966	3,630,000	5.6%	-130,000	0.2pt	JREI
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1,570,520	1,537,412	4,170,000	5.9%	1,526,561	4,390,000	5.6%	220,000	-0.3pt	JREI
D12	Flexstay Inn Iidabashi	1,381,660	1,366,823	2,170,000	4.9%	1,366,986	2,180,000	4.9%	10,000	-	JREI
D13	Hotel MyStays Ueno Inaricho	1,331,960	1,291,852	2,680,000	5.0%	1,280,422	2,580,000	5.2%	-100,000	0.2pt	JREI
D14	Flexstay Inn Shinagawa	1,242,500	1,226,246	2,120,000	5.0%	1,221,719	2,130,000	5.0%	10,000	-	JREI
D15	Flexstay Inn Tokiwadai	1,242,500	1,234,798	2,300,000	5.1%	1,230,085	2,300,000	5.1%	0	-	JREI
D16	Flexstay Inn Sugamo	1,192,800	1,165,743	2,160,000	5.3%	1,157,169	2,170,000	5.3%	10,000	-	JREI
D17	Hotel MyStays Otemae	1,192,800	1,174,813	4,250,000	5.4%	1,169,586	4,720,000	4.9%	470,000	-0.5pt	JREI
D18	Flexstay Inn Kiyosumi Shirakawa	749,476	741,052	1,320,000	5.2%	737,787	1,320,000	5.2%	0	-	JREI
D19	Flexstay Inn Nakanobu P1	589,442	581,980	837,000	5.3%	578,983	837,000	5.3%	0	-	JREI
D20	Flexstay Inn Nakanobu P2	283,290	284,205	403,000	5.3%	284,073	403,000	5.3%	0	-	JREI
D21	APA Hotel Yokohama-Kannai	8,350,000	8,190,389	9,500,000	4.5%	8,117,509	9,660,000	4.4%	160,000	-0.1pt	JREI
D22	Hotel Nets Hakodate	2,792,000	2,735,521	3,360,000	5.6%	2,707,207	3,580,000	5.3%	220,000	-0.3pt	JREI
D23	Flexstay Inn Shirogane	2,119,000	2,113,150	2,260,000	5.2%	2,108,305	2,310,000	5.1%	50,000	-0.1pt	JREI
D24	Hotel MyStays Haneda	7,801,000	7,700,825	8,480,000	4.8%	7,641,654	8,490,000	4.8%	10,000	-	JREI
D25	Hotel MyStays Kameido P1	5,594,000	5,546,200	7,040,000	5.5%	5,514,651	7,150,000	5.4%	110,000	-0.1pt	JREI
D26	Hotel MyStays Ueno Iriyaguchi	3,821,000	3,790,914	4,520,000	5.5%	3,770,811	4,520,000	5.5%	0	-	JREI
D27	Hotel MyStays Kameido P2	3,742,000	3,702,980	4,720,000	5.6%	3,681,082	4,840,000	5.5%	120,000	-0.1pt	JREI
D28	Hotel Vista Shimizu	2,198,000	2,165,638	2,360,000	6.0%	2,144,921	2,400,000	5.9%	40,000	-0.1pt	JREI
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,624,000	1,623,100	1,800,000	3.9%	1,618,382	1,800,000	3.9%	0	-	JREI
D30	Flexstay Inn Higashi-Jujo	1,277,000	1,276,147	1,430,000	5.6%	1,271,296	1,430,000	5.6%	0	-	JREI
D31	Hotel MyStays Utsunomiya	1,237,000	1,241,770	1,280,000	6.5%	1,238,992	1,280,000	6.5%	0	-	JREI
D32	Flexstay Inn Kawasaki-Kaizuka	980,000	969,362	1,150,000	5.1%	962,491	1,180,000	5.0%	30,000	-0.1pt	JREI
D33	Comfort Hotel Toyama	979,000	971,961	1,080,000	5.4%	963,182	1,090,000	5.3%	10,000	-0.1pt	JREI
D34	Flexstay Inn Kawasaki-Ogawacho	906,000	901,832	1,030,000	5.3%	896,827	1,060,000	5.2%	30,000	-0.1pt	JREI
D35	Flexstay Inn Ekoda	5,069,000	5,028,453	5,220,000	5.4%	5,001,574	5,040,000	5.6%	-180,000	0.2pt	JREI
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,170,000	1,165,253	1,210,000	4.4%	1,156,770	1,230,000	4.3%	20,000	-0.1pt	Daiwa
D37	Super Hotel JR Ueno-iriyaguchi	1,130,000	1,128,027	1,200,000	3.9%	1,121,681	1,220,000	3.8%	20,000	-0.1pt	Daiwa
D38	Hotel MyStays Shinsaibashi	3,160,000	3,154,120	3,290,000	5.7%	3,137,752	3,410,000	5.5%	120,000	-0.2pt	JREI
D39	Comfort Hotel Kurosaki	1,148,000	1,147,871	1,180,000	5.4%	1,134,695	1,200,000	5.3%	20,000	-0.1pt	Daiwa
D40	Comfort Hotel Maebashi	1,128,000	1,154,263	1,150,000	5.0%	1,136,215	1,160,000	4.9%	10,000	-0.1pt	Daiwa
D41	Comfort Hotel Tsubamesanjo	1,010,000	1,014,787	1,040,000	5.4%	1,006,493	1,060,000	5.3%	20,000	-0.1pt	Daiwa
D42	Comfort Hotel Kitami	851,000	853,933	875,000	5.6%	843,744	890,000	5.5%	15,000	-0.1pt	Daiwa
D43	Hotel MyStays Gotanda Station	24,674,000	24,686,910	24,800,000	4.9%	24,652,073	24,800,000	4.9%	0	-	Morii
D44	Hotel Epinard Nasu	20,981,000	20,896,279	21,300,000	6.3%	20,620,063	21,600,000	6.2%	300,000	-0.1pt	Morii
D45	Hotel MyStays Fukuoka Tenjin	8,059,000	8,058,420	8,270,000	4.9%	8,022,028	8,280,000	4.9%	10,000	-	Morii
D46	Hotel MyStays Hamamatsucho	7,959,000	7,961,791	8,010,000	4.7%	7,935,597	8,010,000	4.7%	0	-	Morii
D47	Hotel MyStays Premier Kanazawa	13,761,000	13,776,589	13,900,000	5.4%	13,667,545	13,900,000	5.4%	0	-	Morii
D48	Takamatsu Tokyu REI Hotel	2,139,000	2,149,171	2,160,000	5.3%	2,135,416	2,170,000	5.2%	10,000	-0.1pt	Daiwa
	Subtotal of Hotels	181,032,580	179,537,920	232,905,000	-	178,511,427	236,940,000	-	4,035,000	-	-
	Total	266,619,027	261,471,150	323,291,000	-	259,938,294	328,192,000	-	4,901,000	-	-

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Portfolio Properties (as of December 31, 2016) (1/3)

Property Number[1]	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price[2] (JPY mn)	Investment Ratio[3] (%)	Rentable Unit[4]	Leasable Area (m^2)	Leased Area (m^2)	Occupancy Rate (%)
A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	Jul 28, 2005	Dec 1992	1,251	0.5	98	1,771.13	1,718.47	97.0
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima-ku, Tokyo	Jul 28, 2005	Mar 1989	1,229	0.5	60	2,681.94	2,500.76	93.2
A28	Growth Maison Gotanda	Shinagawa-ku, Tokyo	Jan 30, 2006	Jul 2005	888	0.3	48	1,051.50	1,051.50	100.0
A29	Growth Maison Kameido	Koto-ku, Tokyo	Mar 30, 2006	Oct 2005	1,070	0.4	66	1,367.96	1,306.58	95.5
A30	Emerald House	Itabashi-ku, Tokyo	Aug 1, 2006	Feb 1995	1,505	0.6	96	2,152.31	2,152.31	100.0
A31	Harmonie Ochanomizu	Bunkyo-ku, Tokyo	Aug 3, 2006	Mar 1997	1,428	0.5	65	1,748.24	1,748.24	100.0
A32	Suncrest Shakujii Koen	Nerima-ku, Tokyo	Aug 3, 2006	Mar 1990	1,088	0.4	29	3,029.16	2,554.28	84.3
A33	Growth Maison Shin-Yokohama	Yokohama, Kanagawa	Aug 3, 2006	Mar 2006	1,059	0.4	68	1,858.44	1,667.12	89.7
A34	Belle Face Ueno Okachimachi	Taito-ku, Tokyo	Aug 1, 2006	Feb 2006	1,023	0.4	64	1,351.11	1,328.76	98.3
A35	Grand Rire Kameido	Koto-ku, Tokyo	Aug 3, 2006	Mar 2006	906	0.3	72	1,562.26	1,562.26	100.0
A36	Growth Maison Ikebukuro	Toshima-ku, Tokyo	Aug 3, 2006	Jan 2006	825	0.3	42	952.89	929.60	97.6
A37	Growth Maison Yoga	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 2006	795	0.3	39	1,015.34	989.58	97.5
A38	Route Tachikawa	Tachikawa, Tokyo	Aug 3, 2006	Mar 1997	676	0.3	24	1,368.57	1,275.69	93.2
A39	Shibuya Honmachi Mansion	Shibuya-ku, Tokyo	Aug 3, 2006	Dec 1986	651	0.2	25	1,167.50	1,119.76	95.9
A40	City Heights Kinuta	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 1983	646	0.2	19	1,235.93	1,235.93	100.0
A41	Acseeds Tower Kawaguchi Namiki	Kawaguchi, Saitama	Aug 3, 2006	Feb 2006	620	0.2	57	1,210.74	1,147.32	94.8
A42	Capital Heights Kagurazaka	Shinjuku-ku, Tokyo	Aug 3, 2006	May 1987	604	0.2	26	1,126.65	1,095.18	97.2
A43	College Square Machida	Machida, Tokyo	Aug 1, 2006	Mar 1984	589	0.2	62	1,047.75	1,047.75	100.0
A44	Belair Meguro	Meguro-ku, Tokyo	Aug 1, 2006	Oct 2005	589	0.2	25	557.05	535.51	96.1
A45	Wacore Tsunashima Ⅰ	Yokohama, Kanagawa	Aug 3, 2006	Feb 1991	572	0.2	50	907.46	889.51	98.0
A46	Foros Nakamurabashi	Nerima-ku, Tokyo	Aug 3, 2006	Sep 2001	566	0.2	37	815.77	784.90	96.2
A47	Growth Maison Kaijin	Funabashi, Chiba	Aug 1, 2006	Oct 1993	557	0.2	34	2,040.27	1,993.03	97.7
A48	College Square Machiya	Arakawa-ku, Tokyo	Aug 3, 2006	Mar 2006	510	0.2	43	871.35	871.35	100.0
A51	City House Tokyo Shinbashi	Minato-ku, Tokyo	Feb 1, 2010	Aug 2004	2,520	0.9	86	3,364.00	3,234.05	96.1
A52	Winbell Kagurazaka	Shinjuku-ku, Tokyo	Feb 1, 2010	Feb 2004	3,260	1.2	118	4,032.70	3,975.60	98.6
A53	Nishiwaseda Cresent Mansion	Shinjuku-ku, Tokyo	Feb 1, 2010	Jul 1987	1,880	0.7	69	4,310.77	4,310.77	100.0
A54	Lexington Square Akebonobashi	Shinjuku-ku, Tokyo	Feb 1, 2010	Dec 2004	1,450	0.5	88	1,987.88	1,896.21	95.4
A56	Casa Eremitaggio	Meguro-ku, Tokyo	Feb 1, 2010	Dec 2003	1,070	0.4	17	1,197.19	1,197.19	100.0
A59	Towa City Coop Shin-otsuka Ⅱ	Toshima-ku, Tokyo	Feb 1, 2010	May 1993	866	0.3	58	1,627.13	1,588.26	97.6
A61	Bichsel Musashiseki	Nerima-ku, Tokyo	Feb 1, 2010	Feb 1992	577	0.2	70	1,220.24	1,168.30	95.7
A62	Lexel Mansion Ueno Matsugaya	Taito-ku, Tokyo	Feb 1, 2010	Jan 2005	970	0.4	29	1,969.45	1,969.45	100.0
A63	Towa City Coop Sengencho	Yokohama, Kanagawa	Feb 1, 2010	Oct 1992	1,110	0.4	154	3,426.36	3,122.84	91.1
A64	Royal Park Omachi	Sendai, Miyagi	Feb 1, 2010	Feb 1993	415	0.2	51	1,929.59	1,865.35	96.7
A65	Lexington Square Haginomachi	Sendai, Miyagi	Feb 1, 2010	Aug 2005	330	0.1	39	1,528.58	1,528.58	100.0
A66	Visconti Kakuozan	Nagoya, Aichi	Feb 1, 2010	Sep 2003	255	0.1	8	705.75	705.75	100.0
A71	Lexington Square Daitabashi	Suginami-ku, Tokyo	Feb 1, 2010	Nov 2006	977	0.4	43	1,430.64	1,390.60	97.2
A72	Lexington Square Honjo-Azumabashi	Sumida-ku, Tokyo	Feb 1, 2010	Oct 2006	511	0.2	33	784.74	738.10	94.1
A73	AMS TOWER Minami 6-Jo	Sapporo, Hokkaido	Feb 1, 2010	Feb 2007	1,180	0.4	120	4,460.56	3,905.53	87.6
A75	Spacia Ebisu	Shibuya-ku, Tokyo	Feb 1, 2010	Feb 2003	7,010	2.6	109	7,794.91	7,147.78	91.7
A76	Neo Prominence	Kita-ku, Tokyo	Sep 28, 2012	Apr 1994	1,660	0.6	52	3,574.70	3,440.35	96.2
A77	Invoice Shin-Kobe Residence	Kobe, Hyogo	Sep 28, 2012	Jan 2007	1,260	0.5	81	2,773.71	2,724.13	98.2
A78	Cosmo Court Motomachi	Kobe, Hyogo	Sep 28, 2012	Mar 2007	973	0.4	82	2,310.49	2,225.98	96.3
A79	Revest Honjin	Nagoya, Aichi	Sep 28, 2012	Mar 2007	674	0.3	80	1,933.80	1,885.62	97.5

(Note 1) "Property number" refers to the asset owned by INV, classifying the residential asset as A, the office / commercial facility as B, the parking lot as C, the hotel as D according to the use of each property. The numbers with A, B, C, and D indicate the order of acquisition dates and properties with the same acquisition date are arranged in the order of acquisition price
(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen
(Note 3) "Investment ratio" is the ratio to the total acquisition price of INV, rounded down to the second decimal place
(Note 4) "Rentable units" includes commercial and office space

Portfolio Properties (as of December 31, 2016) (2/3)

Property Number[1]	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price[2] (JPY mn)	Investment Ratio[3] (%)	Rentable Unit[4]	Leasable Area (m^2)	Leased Area (m^2)	Occupancy Rate (%)
A80	Revest Matsubara	Nagoya, Aichi	Sep 28, 2012	Mar 2007	657	0.2	70	1,955.40	1,734.13	88.7
A81	Sun Terrace Minami Ikebukuro	Toshima-ku, Tokyo	Sep 28, 2012	Feb 1998	625	0.2	38	898.70	898.70	100.0
A82	Alba Noritake Shinmachi	Nagoya, Aichi	Sep 28, 2012	Nov 2006	608	0.2	64	1,731.68	1,683.48	97.2
A83	Revest Meieki Minami	Nagoya, Aichi	Sep 28, 2012	Feb 2007	597	0.2	61	1,634.60	1,579.51	96.6
A84	Revest Heian	Nagoya, Aichi	Sep 28, 2012	Nov 2006	595	0.2	40	1,554.03	1,554.03	100.0
A85	Vendir Hamaotsu Ekimae	Otsu, Shiga	Sep 28, 2012	Feb 2007	581	0.2	81	2,670.66	2,544.87	95.3
A86	Salvo Sala	Osaka, Osaka	Sep 28, 2012	Jan 2007	544	0.2	54	1,428.12	1,428.12	100.0
A87	Excellente Kagurazaka	Shinjuku-ku,Tokyo	Sep 28, 2012	Jan 2007	543	0.2	33	701.92	681.40	97.1
A88	Luna Court Edobori	Osaka, Osaka	Sep 28, 2012	Feb 2004	525	0.2	50	1,185.50	1,138.36	96.0
A89	Winntage Kobe Motomachi	Kobe, Hyogo	Sep 28, 2012	May 2007	512	0.2	57	1,433.35	1,232.99	86.0
A90	Queen's Court Fukuzumi	Koto-ku, Tokyo	Sep 28, 2012	Sep 2006	456	0.2	25	765.18	712.60	93.1
A91	Corp Higashinotoin	Kyoto, Kyoto	Sep 28, 2012	Feb 2004	446	0.2	42	1,029.05	934.14	90.8
A92	Belair Oimachi	Shinagawa-ku, Tokyo	Sep 28, 2012	Apr 2006	412	0.2	26	530.60	530.60	100.0
A93	Siete Minami-Tsukaguchi	Amagasaki, Hyogo	Sep 28, 2012	Jan 2007	374	0.1	40	1,020.86	995.58	97.5
A94	Prime Life Sannomiya Isogami Koen	Kobe Hyogo	Sep 28, 2012	Nov 2006	373	0.1	32	789.12	739.80	93.8
A95	HERMITAGE NANBA WEST	Osaka, Osaka	Sep 28, 2012	Dec 2006	355	0.1	21	992.76	992.76	100.0
A96	Century Park Shinkawa 1-bankan	Nagoya, Aichi	Sep 28, 2012	Sep 2001	335	0.1	44	1,477.62	1,410.28	95.4
A97	West Avenue	Kunitachi, Tokyo	Sep 28, 2012	Oct 1991	331	0.1	40	794.80	675.60	85.0
A98	Little River Honmachibashi	Okasa, Osaka	Sep 28, 2012	Jun 2007	310	0.1	31	974.81	974.81	100.0
A99	Prime Life Mikage	Kobe, Hyogo	Sep 28, 2012	Jan 2007	297	0.1	28	761.18	736.14	96.7
A100	City Court Kitaichijo	Sapporo, Hokkaido	Jul 16, 2015	Nov 2007	1,782	0.7	127	5,230.18	5,002.95	95.7
A101	Lieto Court Mukojima	Sumida-ku, Tokyo	Jul 16, 2015	Feb 2008	1,683	0.6	82	2,940.20	2,846.03	96.8
A102	Lieto Court Nishi-Ojima	Koto-ku, Tokyo	Jul 16, 2015	Feb 2008	1,634	0.6	91	2,048.28	2,007.00	98.0
A103	Royal Parks Momozaka	Okasa, Osaka	Jan 22, 2016	Jun 2007	2,910	1.1	147	8,776.26	8,776.26	100.0
A104	Royal Parks Shinden	Adachi-ku, Tokyo	Mar 31, 2016	Jun 2007	5,024	1.9	248	15,797.29	15,797.29	100.0
	Subtotal of Residential				71,116	26.7	4,108	144,376.66	139,133.26	96.4
B08	Kindai Kagaku Sha Building	Shinjuku-ku, Tokyo	Aug 1, 2006	Jun 1991	1,301	0.5	13	1,451.54	1,451.54	100.0
B09	Shinjuku Island	Shinjuku-ku, Tokyo	Mar 26, 2007	Jan 1995	715	0.3	1	526.43	526.43	100.0
B14	Lexington Plaza Nishigotanda	Shinagawa-ku, Tokyo	Feb 1, 2010	Jun 1993	4,880	1.8	11	6,033.58	6,033.58	100.0
B15	Cross Square NAKANO	Nakano-ku, Tokyo	Feb 1, 2010	Jan 1993	1,060	0.4	45	2,145.00	1,803.64	84.1
B16	Ohki Aoba Building	Sendai, Miyagi	Feb 1, 2010	Jul 1997	816	0.3	13	2,178.37	1,820.39	83.6
B17	Lexington Plaza Hachiman	Sendai, Miyagi	Feb 1, 2010	Dec 2005	3,280	1.2	18	8,419.15	8,319.97	98.8
B18	AEON TOWN Sukagawa	Sukagawa, Fukushima	Feb 1, 2010	Oct 2005	2,320	0.9	1	18,440.58	18,440.58	100.0
	Subtotal of Offices and Commercial Facilities				14,372	5.4	102	39,194.65	38,396.13	98.0
C01	Times Kanda-Sudacho 4th	Chiyoda-ku, Tokyo	Jan 22, 2007	-	97	0.0	1	81.04	81.04	100.0
	Subtotal of Parking Lots				97	0.0	1	81.04	81.04	100.0
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	May 23, 2014	Dec 2005	2,851	1.1	126	2,585.72	2,585.72	100.0
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	May 23, 2014	Jan 1990	2,584	1.0	161	3,327.38	3,327.38	100.0
D03	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	Jul 17, 2014	Jan 2008	6,024	2.3	225	7,241.51	7,241.51	100.0
D04	MyStays Shin- Urayasu Conference Center	Urayasu, Chiba	Jul 17, 2014	Mar 2009	4,930	1.8	175	6,232.30	6,232.30	100.0
D05	Hotel MyStays Maihama	Urayasu, Chiba	Jul 17, 2014	Jun 2005	4,870	1.8	90	2,456.36	2,456.36	100.0
D06	Hotel Vista Premio Dojima	Osaka, Osaka	Jul 17, 2014	Aug 1990	3,845	1.4	153	9,445.32	9,445.32	100.0
D07	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	Jul 17, 2014	Nov 1979	2,958	1.1	279	9,064.71	9,064.71	100.0

(Note 1) "Property number" refers to the asset owned by INV, classifying the residential asset as A, the office / commercial facility as B, the parking lot as C, the hotel as D according to the use of each property. The numbers with A, B, C, and D indicate the order of acquisition dates and properties with the same acquisition date are arranged in the order of acquisition price
(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen
(Note 3) "Investment ratio" is the ratio to the total acquisition price of INV, rounded down to the second decimal place
(Note 4) "Rentable units" includes commercial and office space

Portfolio Properties (as of December 31, 2016) (3/3)

Property Number[1]	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price[2] (JPY mn)	Investment Ratio[3] (%)	Rentable Unit[4]	Leasable Area (m^2)	Leased Area (m^2)	Occupancy Rate (%)
D08	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	Jul 17, 2014	Jul 2008	2,514	0.9	191	4,188.83	4,188.83	100.0
D09	Hotel MyStays Yokohama	Yokohama, Kanagawa	Jul 17, 2014	Oct 1974	2,119	0.8	190	7,379.43	7,379.43	100.0
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Jul 17, 2014	Apr 1987	1,898	0.7	93	1,719.29	1,719.29	100.0
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	Jul 17, 2014	Feb 2008	1,570	0.6	177	3,412.71	3,412.71	100.0
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Jul 17, 2014	Dec 1990	1,381	0.5	62	2,953.38	2,953.38	100.0
D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	Jul 17, 2014	Dec 1986	1,331	0.5	72	1,150.76	1,150.76	100.0
D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	Jul 17, 2014	Oct 1986	1,242	0.5	55	1,134.52	1,134.52	100.0
D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	Jul 17, 2014	Dec 1989	1,242	0.5	130	2,539.75	2,539.75	100.0
D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	Jul 17, 2014	Jan 1992	1,192	0.4	105	2,089.86	2,089.86	100.0
D17	Hotel MyStays Otemae	Osaka, Osaka	Jul 17, 2014	Dec 1986	1,192	0.4	111	4,956.66	4,956.66	100.0
D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	Jul 17, 2014	May 1992	749	0.3	56	2,673.64	2,673.64	100.0
D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	Jul 17, 2014	Sep 1986	589	0.2	39	770.56	770.56	100.0
D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	Jul 17, 2014	Mar 1989	283	0.1	22	391.49	391.49	100.0
D21	APA Hotel Yokohama-Kannai	Yokohama, Kanagawa	Feb 6, 2015	Apr 2005	8,350	3.1	452	6,568.51	6,568.51	100.0
D22	Hotel Nets Hakodate	Hakodate, Hokkaido	Feb 6, 2015	Feb 2008	2,792	1.0	205	7,961.26	7,961.26	100.0
D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	Feb 6, 2015	Dec 1984	2,119	0.8	84	1,754.06	1,754.06	100.0
D24	Hotel MyStays Haneda	Ota-ku, Tokyo	Jul 16, 2015	Apr 2001	7,801	2.9	174	5,400.16	5,400.16	100.0
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	5,594	2.1	266	4,349.67	4,349.67	100.0
D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	Jul 16, 2015	Nov 1985	3,821	1.4	97	2,247.92	2,247.92	100.0
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	3,742	1.4	177	2,793.99	2,793.99	100.0
D28	Hotel Vista Shimizu	Shimizu, Shizuoka	Jul 16, 2015	Jan 2007	2,198	0.8	152	3,559.81	3,559.81	100.0
D29	Super Hotel Shinbashi/ Karasumoriguchi	Minato-ku, Tokyo	Jul 16, 2015	Feb 2008	1,624	0.6	74	1,403.89	1,403.89	100.0
D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	Jul 16, 2015	Jun 1986	1,277	0.5	89	1,714.53	1,714.53	100.0
D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	Jul 16, 2015	Jan 1990	1,237	0.5	126	11,733.23	11,733.23	100.0
D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1990	980	0.4	64	1,190.57	1,190.57	100.0
D33	Comfort Hotel Toyama	Toyama, Toyama	Jul 16, 2015	Mar 2007	979	0.4	150	3,305.64	3,305.64	100.0
D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1989	906	0.3	62	725.60	725.60	100.0
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Aug 28, 2015	Jan 1989	5,069	1.9	210	3,932.93	3,932.93	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa, Tokyo	Aug 28, 2015	Nov 2007	1,170	0.4	96	1,832.97	1,832.97	100.0
D37	Super Hotel JR Ueno-iriyaguchi	Taito-ku, Tokyo	Aug 28, 2015	Mar 2006	1,130	0.4	69	1,279.16	1,279.16	100.0
D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	Jan 22, 2016	Sep 1984	3,160	1.2	57	1,942.01	1,942.01	100.0
D39	Comfort Hotel Kurosaki	Kitakyusyu, Fukuoka	Jan 22, 2016	Feb 2009	1,148	0.4	151	3,207.60	3,207.60	100.0
D40	Comfort Hotel Maebashi	Maebashi, Gunma	Jan 22, 2016	Mar 2009	1,128	0.4	154	3,660.96	3,660.96	100.0
D41	Comfort Hotel Tsubamesanjo	Sanjyo, Niigata	Jan 22, 2016	Jun 2007	1,010	0.4	133	3,099.90	3,099.90	100.0
D42	Comfort Hotel Kitami	Kitami, Hokkaido	Jan 22, 2016	Mar 2008	851	0.3	127	3,009.50	3,009.50	100.0
D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	Mar 31, 2016	Aug 1984, Mar 1974	24,674	9.3	335	8,752.42	8,752.42	100.0
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Mar 31, 2016	Feb 1992, Jun 1995	20,981	7.9	310	37,702.33	37,702.33	100.0
D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	Mar 31, 2016	Aug 2008	8,059	3.0	217	5,083.06	5,083.06	100.0
D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	Mar 31, 2016	Oct 2008	7,959	3.0	105	1,951.90	1,951.90	100.0
D47	Hotel MyStays Premier Kanazawa	Kanazawa, Ishikawa	Jun 15, 2016	Oct 2014	13,761	5.2	261	13,250.03	13,250.03	100.0
D48	Takamatsu Tokyu REI Hotel	Takamatsu, Kagawa	Jun 15, 2016	Apr 1982	2,139	0.8	193	7,148.17	7,148.17	100.0
	Subtotal of Hotels				181,032	67.9	7,102	226,275.96	226,275.96	100.0
	Total				266,619	100.0	11,313	409,928.31	403,886.39	98.5

(Note 1) "Property number" refers to the asset owned by INV, classifying the residential asset as A, the office / commercial facility as B, the parking lot as C, the hotel as D according to the use of each property. The numbers with A, B, C, and D indicate the order of acquisition dates and properties with the same acquisition date are arranged in the order of acquisition price
(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen
(Note 3) "Investment ratio" is the ratio to the total acquisition price of INV, rounded down to the second decimal place
(Note 4) "Rentable units" includes commercial and office space

Borrowing (as of March 14, 2017) (1/2)

Name	Lender	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Fixed / Floating	Borrowing Date	Maturity Date
New Syndicate Loan (E)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Citibank Japan Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited. Mitsubishi UFJ Trust and Banking Corporation	28,979	0.37500% [1]	Fixed interest rate (swap)	July 16, 2015	July 16, 2018
		28,979	0.48000% [1]	Fixed interest rate (swap)	July 16, 2015	July 16, 2019
		28,979	0.59000% [1]	Fixed interest rate (swap)	July 16, 2015	July 16, 2020
Term Loan (A)	Mizuho Bank, Ltd.	3,682	0.48000% [1]	Fixed interest rate (swap)	August 28, 2015	August 28, 2019
Term Loan (B)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation	4,250	0.34300% [1]	Fixed interest rate (swap)	January 22, 2016	January 22, 2019
		4,250	0.60000% [1]	Fixed interest rate (swap)	January 22, 2016	January 22, 2021
New Syndicate Loan (F)	Sumitomo Mitsui Trust Bank, Limited Japan Post Bank Co., Ltd. Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Bank of Fukuoka, Ltd. Mitsubishi UFJ Trust and Banking Corporation The Shizuoka Bank, Ltd. Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. The Kagawa Bank, Ltd. The Daishi Bank, Ltd. The Hyakugo Bank, Ltd. The Hiroshima Bank, Ltd. The Nomura Trust and Banking Co., Ltd.	11,434	0.43000% [2]	Floating interest rate (JPY 1 month TIBOR+0.40%)	March 31, 2016	March 30, 2019
		10,433	0.53000% [2]	Floating interest rate (JPY 1 month TIBOR+0.50%)	March 31, 2016	March 30, 2020
		10,433	0.63000% [2]	Floating interest rate (JPY 1 month TIBOR+0.60%)	March 31, 2016	March 30, 2021
Term Loan (C)	Citibank Japan Ltd.	1,000	0.43000% [2]	Floating interest rate (JPY 1 month TIBOR+0.40%)	June 15, 2016	June 15, 2019
		1,000	0.53000% [2]	Floating interest rate (JPY 1 month TIBOR+0.50%)	June 15, 2016	June 15, 2020
		1,000	0.63000% [2]	Floating interest rate (JPY 1 month TIBOR+0.60%)	June 15, 2016	June 15, 2021

(Note 1) The interest rates are after reflecting interest rate swap
(Note 2) The interest rates are applicable for the period from February 28, 2017 to March 30, 2017
(Note 3) The interest rates are applicable for the period from March 14, 2017 to March 30, 2017
(Note 4) The average interest rate (annual) is the weighted average, and is rounded to five decimal places
(Note 5) Borrowing amount is rounded down to indicated unit

Borrowing (as of March 14, 2017) (2/2)

Name	Lender	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Fixed / Floating	Borrowing Date	Maturity Date
Term Loan (D)	Development Bank of Japan Inc.	1,000	0.43000% [2]	Floating interest rate (JPY 1 month TIBOR+0.40%)	June 30, 2016	June 30, 2019
	AEON Bank, Ltd.	3,000	0.63000% [2]	Floating interest rate (JPY 1 month TIBOR+0.60%)	June 30, 2016	June 30, 2021
Term Loan (E)	The Tokyo Star Bank, Limited	700	0.43000% [2]	Floating interest rate (JPY 1 month TIBOR+0.40%)	July 20, 2016	July 20, 2019
		1,600	0.53000% [2]	Floating interest rate (JPY 1 month TIBOR+0.50%)	July 20, 2016	July 20, 2020
		1,700	0.63000% [2]	Floating interest rate (JPY 1 month TIBOR+0.60%)	July 20, 2016	July 20, 2021
New Syndicate Loan (G)	Mizuho Bank, Ltd. Development Bank of Japan, Inc. Resona Bank, Limited The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd. The Towa Bank, Ltd. The Shizuoka Bank, Ltd. The Dai-ichi Life Insurance Company, Limited The Gunma Bank, Ltd.	3,250	0.43000% [3]	Floating interest rate (JPY 1 month TIBOR+0.40%)	March 14, 2017	March 14, 2020
		3,250	0.53000% [3]	Floating interest rate (JPY 1 month TIBOR+0.50%)	March 14, 2017	March 14, 2021
		4,750	0.63000% [3]	Floating interest rate (JPY 1 month TIBOR+0.60%)	March 14, 2017	March 14, 2022
Term Loan (F)	Sumitomo Mitsui Banking Corporation	3,000	0.48000% [3]	Floating interest rate (JPY 1 month TIBOR+0.45%)	March 14, 2017	September 14, 2020
Subtotal of Short Term Debt		-				
Subtotal of Long Term Debt		156,669				
Total Debt		156,669	0.50011% [4]			

(Note 1) The interest rates are after reflecting interest rate swap
(Note 2) The interest rates are applicable for the period from February 28, 2017 to March 30, 2017
(Note 3) The interest rates are applicable for the period from March 14, 2017 to March 30, 2017
(Note 4) The average interest rate (annual) is the weighted average, and is rounded to five decimal places
(Note 5) Borrowing amount is rounded down to indicated unit

Overview of Unitholders

Major Unitholders (TOP10)

As of June 30, 2016

	Name	Number of units held	(%)
1	Calliope Godo Kaisha	609,942	16.59
2	The Master Trust Bank of Japan, Ltd. (trust account)	440,880	11.99
3	Japan Trustee Services Bank, Ltd. (trust account)	432,104	11.75
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	327,680	8.91
5	The Nomura Trust and Banking Co., Ltd. (investment trust account)	157,460	4.28
6	Rayo Godo Kaisha	149,925	4.07
7	STATE STREET BANK AND TRUST COMPANY 505225	77,714	2.11
8	STATE STREET BANK AND TRUST COMPANY	77,540	2.10
9	JP MORGAN CHASE BANK 385628	65,090	1.77
10	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	59,149	1.60
	Total	2,397,484	65.22

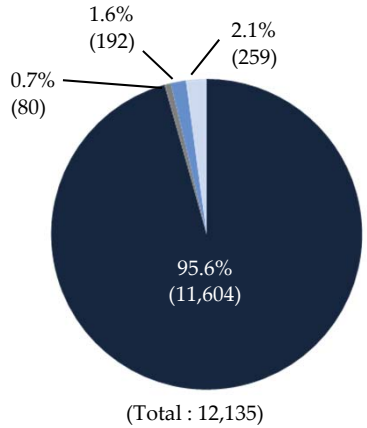
As of December 31, 2016

	Name	Number of units held	(%)
1	Calliope Godo Kaisha	609,942	16.59
2	Japan Trustee Services Bank, Ltd. (trust account)	472,402	12.85
3	Trust & Custody Services Bank, Ltd. (securities investment trust account)	395,034	10.74
4	The Master Trust Bank of Japan, Ltd. (trust account)	349,820	9.51
5	Rayo Godo Kaisha	149,925	4.07
6	The Nomura Trust and Banking Co., Ltd. (investment trust account)	141,012	3.83
7	THE BANK OF NEW YORK 133970	87,087	2.36
8	THE BANK OF NEW YORK MELLON SA/NV 10	75,674	2.05
9	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	52,849	1.43
10	JP MORGAN CHASE BANK 385628	47,626	1.29
	Total	2,381,371	64.78

*Percentages are rounded down to the second decimal place.

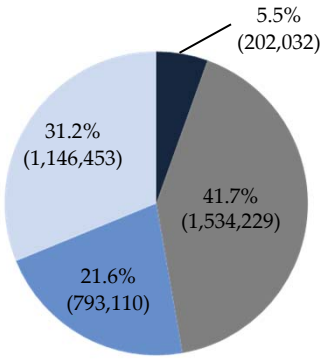
Unitholders Composition

<Number of Unitholders>



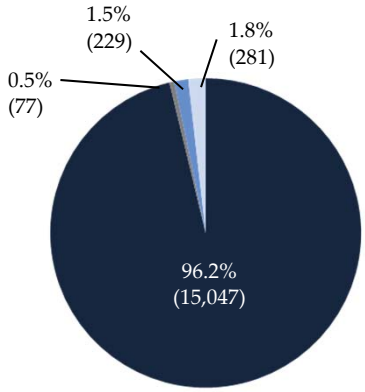
(Total : 12,135)

<Number of Units held by Unitholders>



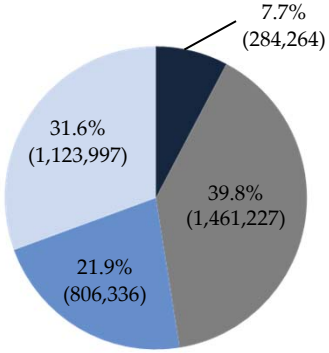
(Total : 3,675,824 units)

<Number of Unitholders>



(Total : 15,634)

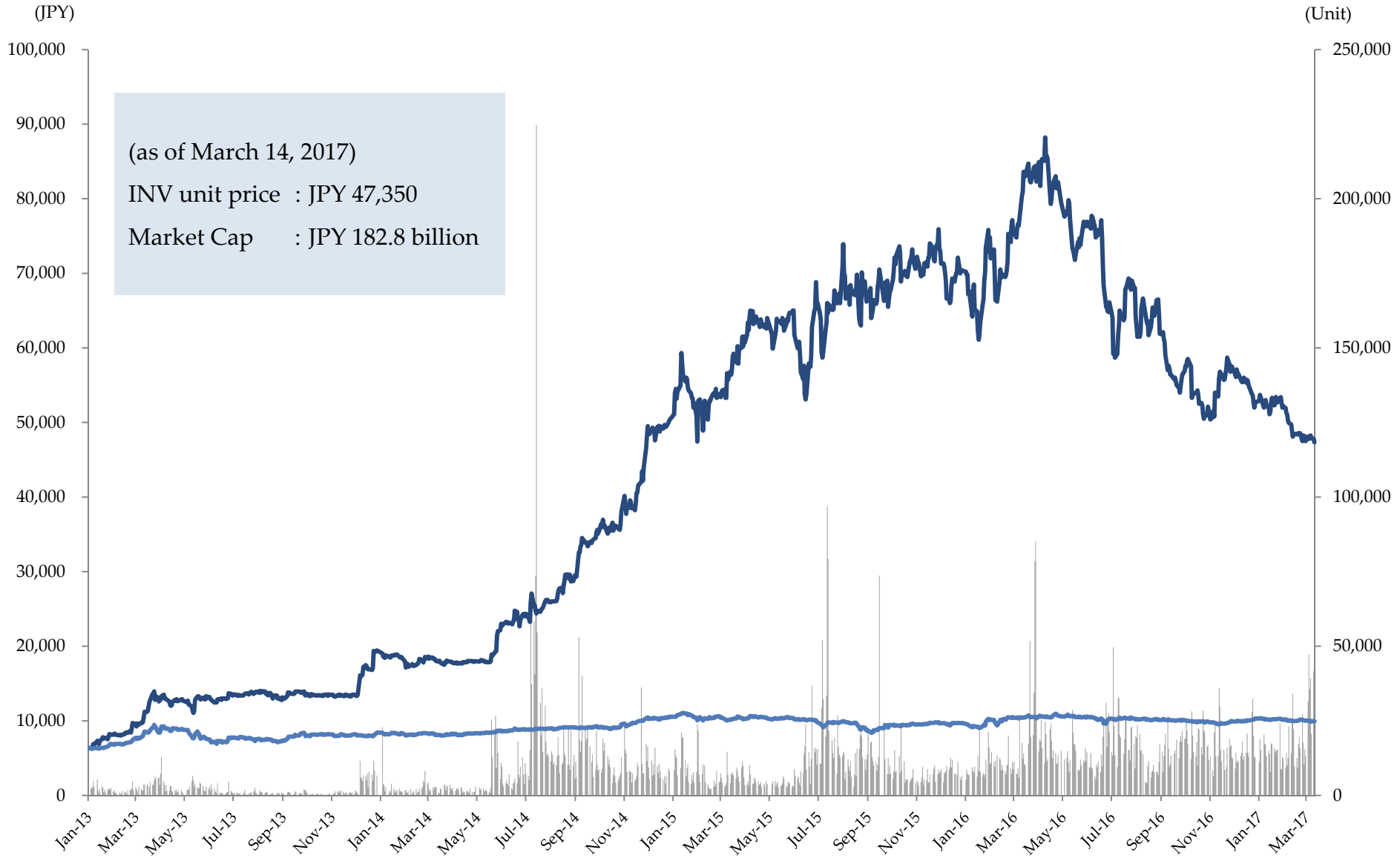
<Number of Units held by Unitholders>



(Total : 3,675,824 units)

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

Unit Price Information



Source: TSE and Bloomberg

(Note 1) It shows the change in the price from January 4, 2013 until March 14, 2017

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

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Consonant
Investment Management

INQUIRIES:

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