Invincible Investment Corporation

June 2018 Fiscal Period Results
(January 1, 2018 to June 30, 2018)

TSE Code : 8963

August 22, 2018

Executive Summary

Invincible Investment Corporation

DPU	■ 1H 2018 DPU achieved ¥1,430 (+13.1% YoY), Full-Year 2018 DPU forecasted ¥3,113 (+10.1% YoY)
External Growth	**(Latest Acquisition in August 2018)** ■ Acquisition of overseas assets (through a TK Investment): The Westin Grand Cayman Seven Mile Beach & Resort ("Westin") and Sunshine Suites Resort ("Sunshine Resorts") - At a combined 10.8% 2018 simulated property NOI yield[1] and 9.4% TK investment (NOI minus SPC expenses) yield[2] ■ Acquisition of 4 hotels in Japan: Hotel MyStays Premier Akasaka, Hotel MyStays Ueno East, Hotel MyStays Premier Sapporo Park and Hotel MyStays Midosuji Honmachi - 4.4% NOI yield[3] (weighted average based on the acquisition price) based on 2018 simulated NOI for the 4 MyStays hotels **(Portfolio Rebalance)** ■ Continuing portfolio rebalance from July 2017, INV executed additional portfolio rebalancing transactions whereby INV acquired a total of 6 hotels in February and June 2018, and sold 6 residences, 5 offices and 1 parking lot ■ Positive impact on 2018 simulated EBIT[4] of ¥350 million **(Portfolio and AUM)** ■ After rebalance and latest acquisition above, Portfolio will have 132 properties with an AUM of JPY 449,113 million[5]
Internal Growth	■ Hotel portfolio 2018 YoY growth forecasts[6]: Including 5 renovated hotels, Occupancy, ADR, RevPAR, and GOP forecasted to increase 0.3pt, 0.9%, 1.2%, 1.3% respectively, whereas excluding 5 renovated hotels, the KPIs' increase expected to be 0.9pt, 1.4%, 2.4%, 2.6% respectively ■ 2018 Residential NOI[7] expected to increase 3.2% YoY due to the continued success of the Rent Increase Program
Finance	■ Issued INV's first Investment Corporation Bonds in May 2018 for ¥2 billion with 5 and 10-year maturities and coupon rate of 40 and 80 bps respectively, to diversify the financing sources of INV, while lowering its borrowing costs and extending the maturity of its debt
Sponsorship	■ The SoftBank Group, who is the parent company of Fortress Investment Group LLC, acquired 100% (directly and indirectly) of the shares of Consonant Investment Management (CIM) in March 2018, providing permanent institutional sponsorship of INV which significantly enhances the resources available to support INV's long-term growth ■ Continued pipeline support from Fortress through amended MOU; INV is granted preferential negotiation rights on 28 assets (19 Hotels and 9 Residential assets)

(Note 1) Calculated by dividing the sum of 2018 simulated NOI (Jan-Jun: Actual / Jul-Dec: Forecast + Budget) of Westin and Sunshine Resort by the anticipated acquisition price of the two properties by the Cayman SPC that will hold the Westin and Sunshine Resort
(Note 2) Calculated by dividing 2018 simulated NOI minus SPC expenses by the anticipated acquisition price of the TK investment interest. "NOI minus SPC expenses" is calculated by adding simulated depreciation to the 2018 simulated TK dividend amount. We believe this figure is more comparable to NOI for other properties than the simulated TK dividend amount, which is post depreciation. The 2018 simulated TK dividend yield is 6.9%
(Note 3) Calculated by dividing 2018 simulated NOI by the total acquisition price of the properties
(Note 4) The difference of total simulated NOI after depreciation of the newly acquired properties and total actual NOI after depreciation for the sold assets. The amount of increase is an estimated amount and does not show the actual impact on NOI after depreciation of these asset replacements. INV does not guarantee that such amount will increase in NOI after depreciation of INV's portfolio
(Note 5) Calculated by applying the amount of contribution by INV to the TMK that holds SGTB to the acquisition price of SGTB in INV's portfolio. Also, Westin and Sunshine Resort are counted as two properties for INV's portfolio, and the amount of TK investment by INV to the SPC which will hold the leasehold of these properties is deemed to be the acquisition price for such proportion. The anticipated TK investment amount (US dollar amount) is converted into JP yen based on the foreign exchange forward executed on July 26, 2018
(Note 6) For the KPIs' calculation, please refer to the notes on page 32
(Note 7) Based on the 64 residential properties owned as of today. Includes one-off insurance-related revenues and expenses

DPU Growth

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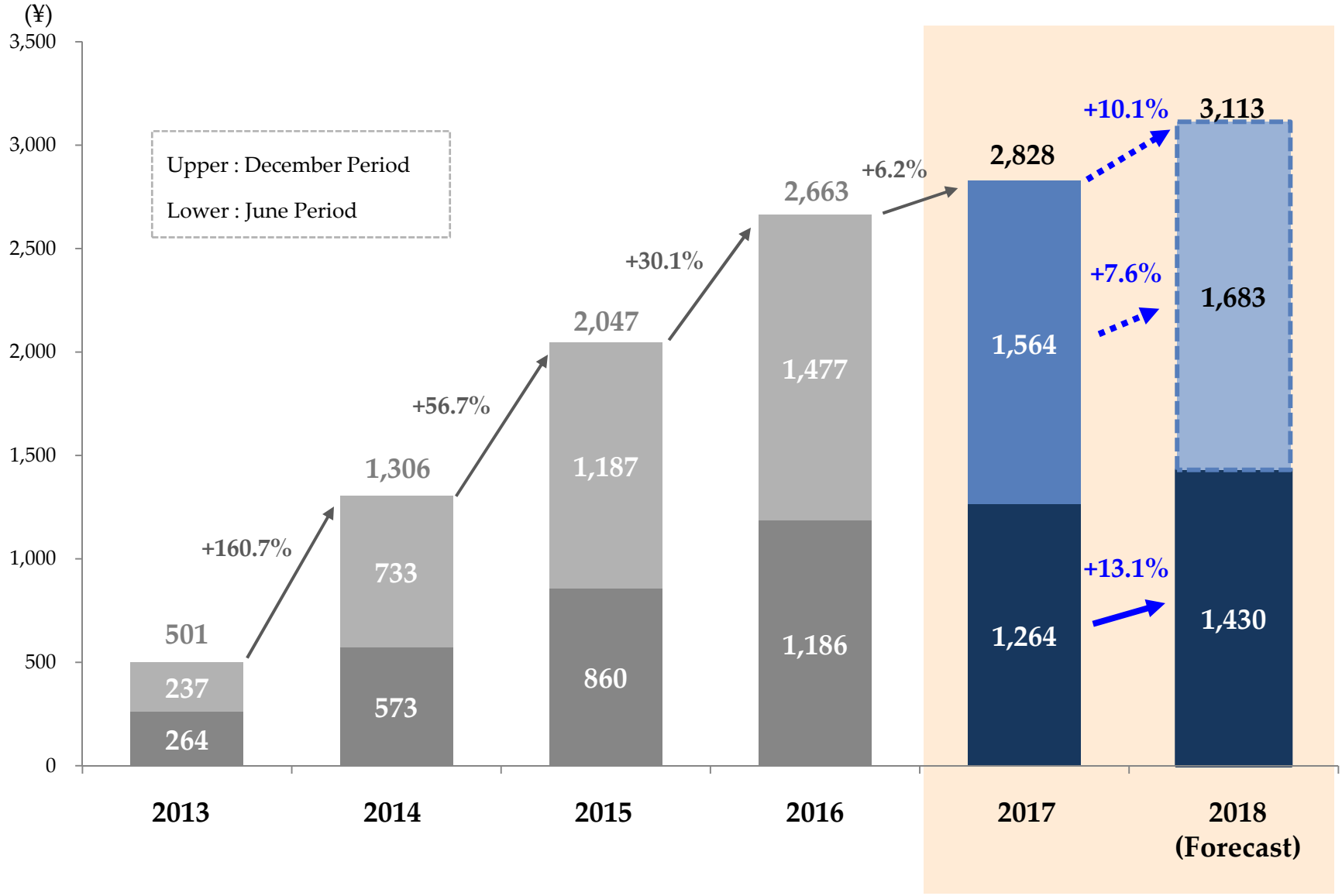
June 2018 fiscal period DPU achieved ¥1,430 (+13.1% YoY), and 2018 projected to have DPU growth of 10.1% over 2017, making five straight years of DPU growth



Changes in 2018 Forecasted DPU

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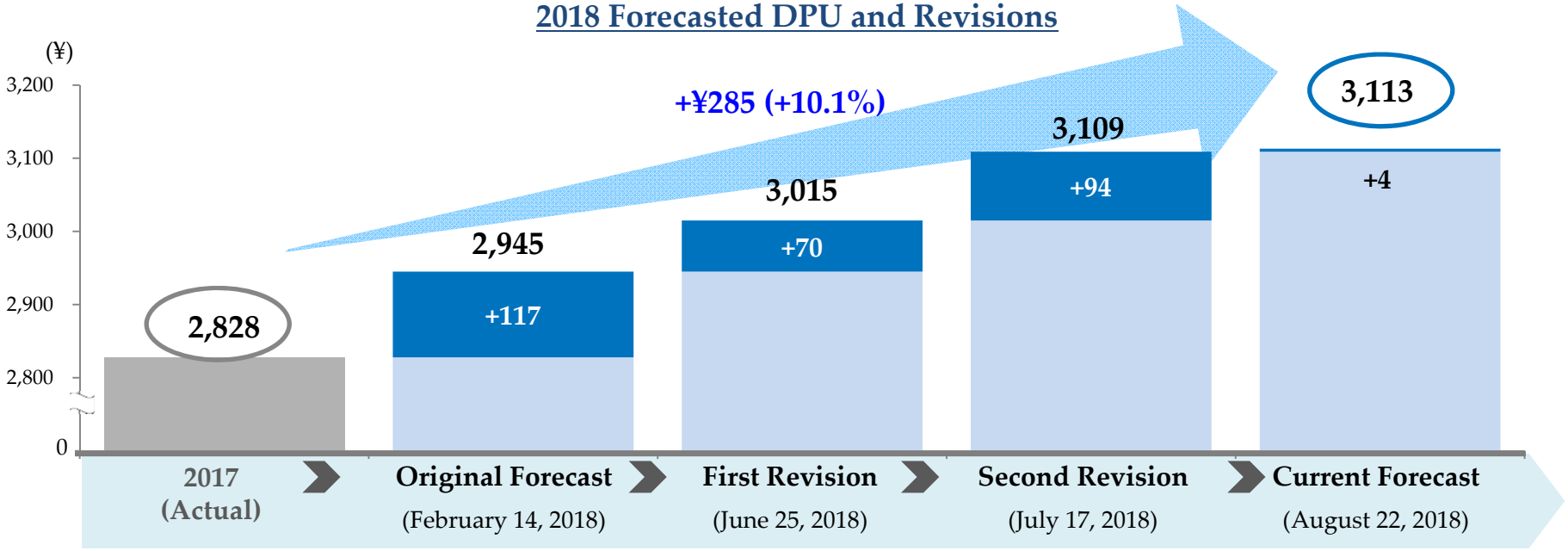
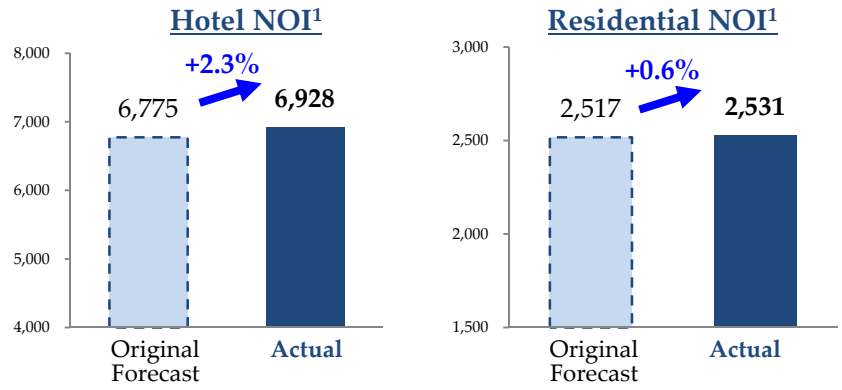
Both Hotel and Residential NOI growth plus external growth support DPU growth of ¥285 or 10.1%

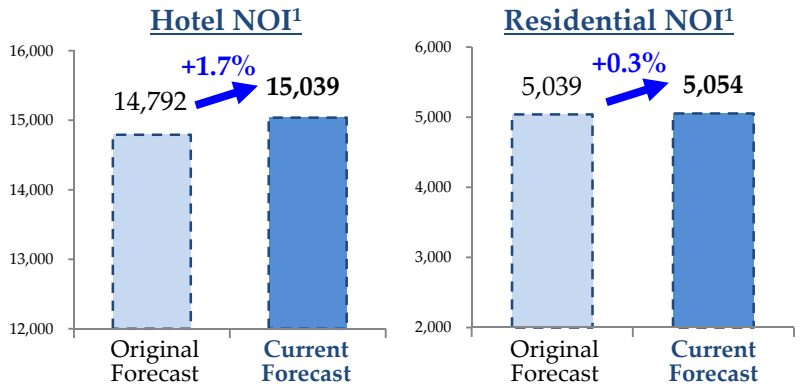
2018 Forecasted DPU and Revisions



Jan – Jun 2018 "Actual" vs "Original Forecast"



Full Year "Current Forecast" vs "Original Forecast"



(Note 1) Hotel: Based on 45 hotel properties; of the 54 hotel properties in our portfolio at the beginning of June 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded. Includes the dividends from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel, assuming INV owned the preferred equity interest of TMK from the beginning of 2017 / Residential: Based on the 64 residential properties owned as of today. Excludes one-off insurance-related revenues and expenses / The pre-acquisition period of the properties acquired in 2017 is based on actual results provided by sellers

Major Events in June 2018 Fiscal Period and Recent Months

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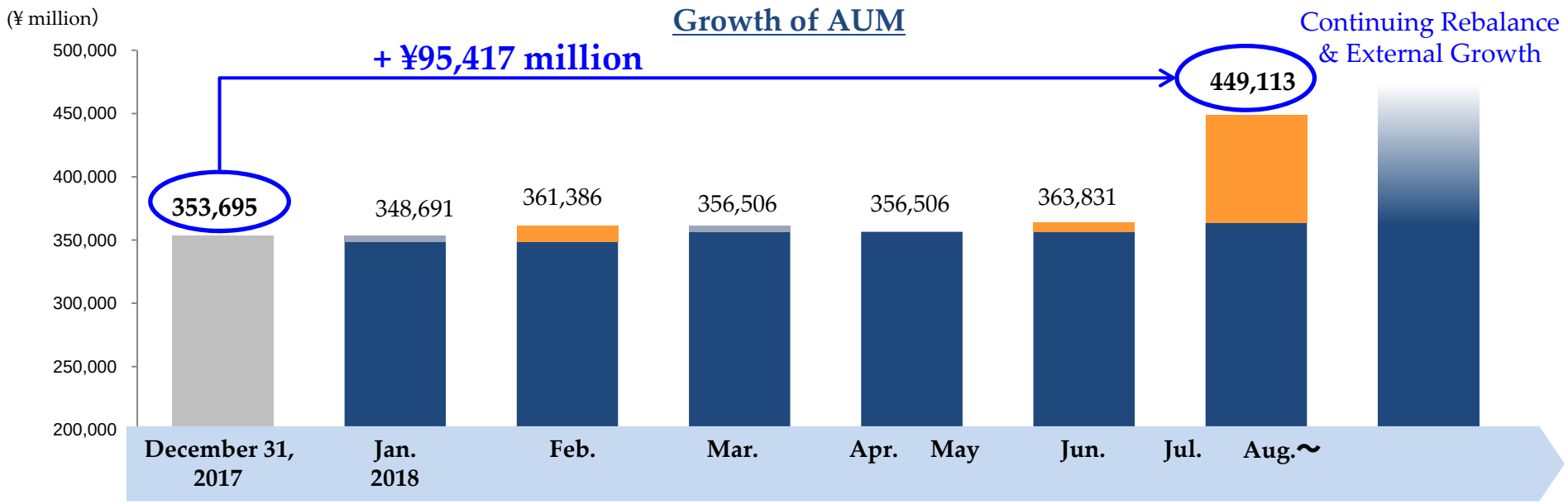

Portfolio Rebalance	Acquisition	Acquired 4 hotels (Feb.); Acquired 2 hotels (Jun.); Acquired 4 hotels (Jul.); TK contribution (Overseas) (Aug.～)
	Disposition	Sold 5 properties (Residential 3, Office 2) (Jan.); Sold 1 property (Office) (Mar.)
Finances	PO	Global Offering (Aug.～)
	Borrowings	Issued Corporation Bonds (Apr.); New borrowing (May); New borrowing (Aug.～)
Others		SBG[1] acquired 100% (directly& indirectly) of the shares of CIM (Mar.); Unitholder benefit Program in effect (Apr.～)

(Note 1) SoftBank Group Corp.

Summary of Acquisition in August 2018

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Acquisition of 2 hotels in Grand Cayman (through a TK Investment) and 4 domestic hotels at a simulated 6.6% NOI Yield

Property Name	Location	Rooms	Acquisition[1] Price (¥ mn)	2018 NOI[2] (simulated) (¥ mn)	2018 NOI Yield[2] (simulated)	Hotel Performance[2] (2018 simulated) ADR	Occupancy
Grand Cayman Hotels							
The Westin Grand Cayman Seven Mile Beach Resort & Spa	Grand Cayman	343	28,083	3,080	11.0%[3]	US$360.32	79.6%
Sunshine Suites Resort	Grand Cayman	131	5,467	548	10.0%[3]	US$201.35	76.7%
TK Investment (NOI minus SPC expenses)		**474**	**37,534**	**3,538**[4]	**9.4%**[4]		
MHM Managed Hotels							
Hotel MyStays Premier Akasaka	Tokyo	327	20,691	817	3.9%	¥12,097	94.4%
Hotel MyStays Premier Sapporo Park	Sapporo	419	16,731	805	4.8%	¥11,894	84.2%
Hotel MyStays Ueno East	Tokyo	150	5,286	255	4.8%	¥9,699	95.3%
Hotel MyStays Midosuji Honmachi	Osaka	108	5,039	209	4.2%	¥11,616	90.4%
Subtotal / Average		**1,004**	**47,747**	**2,087**	**4.4%**		
Grand Total / Average[5]		**1,478**	**85,281**	**5,626**	**6.6%**		



The Westin Grand Cayman Seven Mile Beach Resort & Spa



Sunshine Suites Resort



Hotel MyStays Premier Akasaka



Hotel MyStays Premier Sapporo Park



Hotel MyStays Ueno East



Hotel MyStays Midosuji Honmachi

(Note 1) The acquisition price of Westin and Sunshine Resort are applied by the amount of TK investment by INV to the SPC which will hold the leasehold of these properties

(Note 2) 2018 simulated NOI is calculated by combining the actual monthly performance from January to June 2018 and forecasted monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV excluding any future foreign exchange hedging. For both Grand Cayman hotels, NOI are calculated at the exchange rate of US$1 to ¥110
Calculated as the sum if "Total / Average" for MHM managed hotels and the amount of the TK investment. "Average" is calculated by dividing the sum of 2018 simulated NOI of the properties and TK investment interest acquired listed above by the sum of acquisition price for the same properties and TK investment interest

(Note 3) Calculated by dividing 2018 simulated NOI by the anticipated acquisition price of the properties to be acquired by the SPC, excluding stamp taxes

(Note 4) Calculated by dividing 2018 simulated NOI minus SPC expenses by the anticipated acquisition price of the TK investment interest. "NOI minus SPC expenses" is calculated by adding simulated depreciation to the 2018 simulated TK dividend amount. We believe this figure is more comparable to NOI for other properties than the simulated TK dividend amount, which is post depreciation. The 2018 simulated TK dividend yield is 6.9%

(Note 5) Indicates the sum or the average of "Subtotal / Average" of MHM managed hotels and "TK investment"

Westin Sits on Largest Stretch of Oceanfront on Seven Mile Beach

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Westin has the premier location on Grand Cayman, situated in the center of "Seven Mile Beach." Guests staying at Sunshine can enjoy the amenities and pristine beach as the sister property of Westin



The Westin Grand Cayman Seven Mile Beach Resort & Spa

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Characteristics

- A 4 star hotel located in a premier area in Grand Cayman with approx. 700 feet of beach frontage, ample meeting rooms, a large spa, family recreational facilities, and six food and beverage outlets
- Franchised as a Westin branded hotel (now a part of Marriott International, Inc.)
- US$42 million full renovation of all guest rooms completed in December 2017

Address	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands
Interest	Leasehold at US$1 equivalent per year, 99-year term (terminates in 2115)
Completion Date	1994
Renovation Date	May 2016 - December 2017
No. of Rooms	343 rooms, including 18 suites
Land Area	7.249 acres
Management	Pyramid Cayman Hotel Limited
Franchise Brand	Westin (with a right to terminate[1])
Food & Beverage	6 outlets
Meeting Space	9,600 SF indoor; 73,000 SF outdoor; 1,200 SF reception tent
Retail (Leased)	Dive shop, Jewelry shop, clothing / gift shop, car rental
Spa	Hibiscus Spa (13 treatment rooms)
Parking	220 guest spaces
Other Amenities	Westin kids club, fitness studio, watersport activities, oversized outdoor pool, beach cabanas, towel concierge
Resort Fee[2]	US$65

(Note 1) The termination notice period is between March 2021 and February 2022
(Note 2) Separate from the lodging bill and excluded from ADR but charged per guest and per day





2018 Hotel KPIs (Jan. – Jun. actual and Jul. – Dec. forecast)

Occupancy	ADR	RevPAR	Simulated NOI[3]
79.6%	US$360.32	US$286.71	US$28.0 mn

(Note 3) Calculated by combining the actual monthly performance from January to June 2018 and anticipated monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect insurance premiums assuming the properties had been held by INV in TK form

Sunshine Suites Resort

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Characteristics

- The sister hotel to the Westin since 2015, which offers guests more affordable options including great beach access and one of the top 10 restaurants on the island
- Benefits from all of the amenities and beach frontage at the Westin
- All rooms include a fully equipped kitchen that includes a full-sized refrigerator, two-burner stove top, microwave, toaster, coffeemaker and cookware

Address	1465 Esterley Tibbetts Hwy, Grand Cayman, Cayman Islands
Interest	Leasehold at KY$1 equivalent per year, 99-year term (terminates in 2115)
Completion Date	1999
Renovation Date	October 2016
No. of Rooms	131 rooms, including 60 suites
Land Area	6.290 acres (including excess land of 3.089 acres)
Management	Pyramid
Brand	Unencumbered

Food & Beverage	Sunshine Grill, Sunshine Cafe
Meeting Space	356 SF conference room
Parking	84 guest spaces
Other Amenities	Free breakfast, Pool, Business Center, Grab 'n go, Kitchenette in bedroom, Popular and well-known restaurant in Cayman Islands
Resort Fee[1]	US$35, which also provides access to Westin recreational

(Note 1) Separate from the lodging bill and excluded from ADR but charged per guest and per day







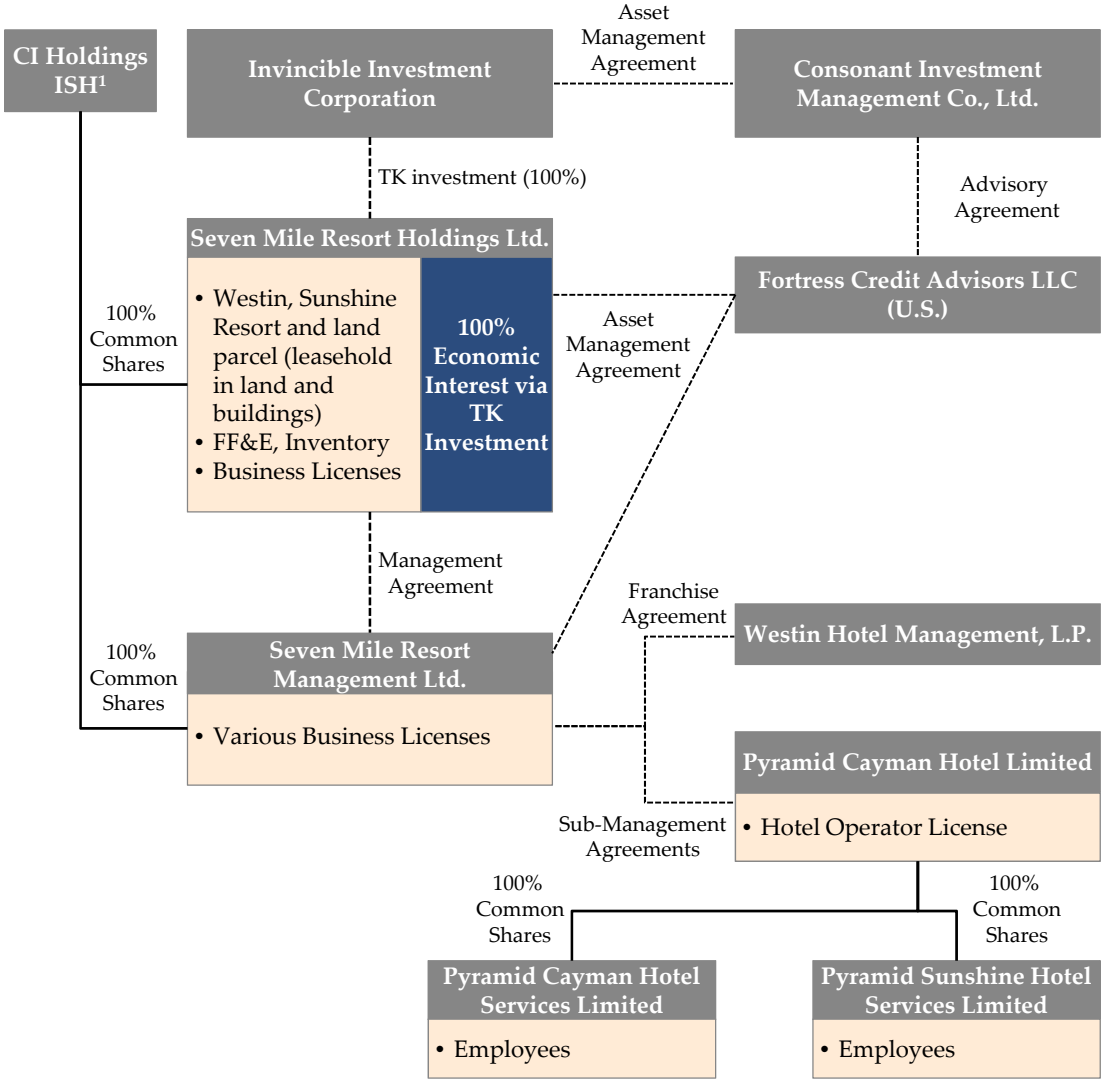
2018 Hotel KPIs (Jan. – Jun. actual and Jul. – Dec. forecast)

Occupancy	ADR	RevPAR	Simulated NOI[2]
76.7%	US$201.35	US$154.47	US$4.9 mn

(Note 3) Calculated by combining the actual monthly performance from January to June 2018 and anticipated monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect insurance premiums assuming the properties had been held by INV in TK form

Grand Cayman Hotels Acquisition Structure

- INV will make a TK investment into the Cayman company that will acquire two hotels and adjacent vacant land
- This TK structure allows INV to invest in overseas assets while complying with regulatory and tax considerations
- TK Structure eliminates requirement to pay stamp taxes on lease payments



TK Investment (NOI minus SPC expenses) Simulation (2018)

	(¥ million)
Simulated NOI for full year 2018	3,628
Asset Management Fee	(46)
Accounting, Appraisal and Other Expenses	(42)
Simulated TK Investment (NOI minus SPC expenses) for full year 2018	**3,538**
Simulated TK Investment (NOI minus SPC expenses) Yield for full year 2018	***9.4%***

Key Characteristics of Structure

- **Cayman Island's taxation system**
  - No taxation on TK dividends from Cayman SPC: no income tax, real estate tax, withholding tax in Cayman Island
  - Estimated US$22 million of stamp tax will be imposed and incorporated into the properties' aggregate acquisition price
- **Currency hedging**
  - Plan to use 6 and 12 month forward contracts to hedge costs for converting US dollar based income into Japanese yen[2]
  - Efficient hedging market due to the currency peg between the Cayman dollar and the US dollar

(Note 1) ISH stands for "Ippan Shadan Hojin," which is a type of trust formed under Japanese law and is characterized mainly by no distribution of its profit to its members. In the above scheme, CI Holdings ISH will hold 100% common shares of Seven Mile Resort Holdings Ltd. and Seven Mile Resort Management Ltd. for the purpose of bankruptcy remoteness
(Note 2) For purposes of this presentation, we have used a convenience translation of ¥110 to US$1

Overview of Cayman Islands (1)

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The Cayman Islands boast the highest Moody's sovereign credit rating within the Caribbean islands

Status	British Overseas Territory (under the British Crown) 
Land Area[1]	264 km^2
Population[2]	63,415 (As of December 2017)
Currency	Cayman Islands Dollar (KY$) (US$1.00 = KY$0.82 Fixed Exchange Rate System)
Official Language	English
Capital	George Town
GDP[1]	US$3.726 billion (US$62,132 per capita) (As of December 2017)
Key Information	• A thriving offshore financial center ✓ Over 280 banks, 700 insurers, and 10,500 mutual funds[3] ✓ Ranked 22nd in Global Financial Center Index (above Osaka, Paris, Geneva, etc.)[4] • First-class tourist destination in the Caribbean ✓ Attracts tourists from all over the English speaking world ✓ Cayman Islands boast some of the finest tropical weather between 23° C and 30° C[5] ✓ The Seven Mile Beach on Grand Cayman ranked 5th in the annual TripAdvisor Travelers' Choice Awards for 2018

(Note 1) Source: United Nations
(Note 2) Source: Government of Cayman Islands, Economics and Statistics Office
(Note 3) Source: CIA Would Factbook
(Note 4) Source: Z/Yen, China Development Institute, Financial Centre Futures, "The Global Financial Centres Index 23"
(Note 5) Source: Cayman Islands Government, National Weather Service



Moody's Sovereign Credit Rating

Aaa	12 Countries (USA, Germany, etc.)
Aa	16 Countries (Cayman Islands, France, etc.)
A	18 Countries (Japan, China, etc.)
Baa	18 Countries (Spain, Italy, etc.)
Ba	21 Countries (Russia, Brazil, etc.)
B	41 Countries
~ C	Others

Overview of Cayman Islands (2)

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Stable Jurisdiction	• Grand Cayman is an overseas territory of the United Kingdom and Moody's has assigned an Aa3 rating to its sovereign debt[1]. Its legal system is based upon UK common law • Global banking institutions and mutual funds have historically valued its political stability, high credit rating and integrity of its legal system. As a result there are 155 banks located in Grand Cayman, and it ranks eighth in the world in cross-border banking assets and has over 10,000 mutual funds domiciled there[2]
Acclaimed Leisure Destination	• Grand Cayman remains one of the most highly-rated destinations in the Caribbean, and Seven Mile Beach is consistently listed as among the top beaches in the world • Grand Cayman offers direct flights from 14 major US cities in the East Coast and Midwest within 4 hours • The Cayman Islands continue to experience record tourism after a strong 2017, and for 1H 2018 stayover visitors were 15.9% higher than the same period of the previous year[3] due in part to increased tourism promotion by the government • A US$55 million expansion of Owen Roberts International Airport on Grand Cayman is expected to be completed in late 2018, which is expected to quadruple the capacity to accommodate up to 2 million passengers a year[4]
Tax Efficient Jurisdiction	• The Cayman Islands government does not impose tax income or capital gains. There are no payroll or property taxes. The government receives the majority of its income from indirect taxation, duty on imported goods and stamp taxes
Stable Exchange Rate	• The Cayman dollar is fixed against the US dollar (US$1 equals to KY$0.82). The fixed exchange rate between the Cayman Dollar and the US dollar facilitates a deep and efficient foreign exchange hedging market
Smoothing of Seasonality	• INV's current hotels benefit from strong leisure demand in the second half of the year whereas the peak leisure demand for the Westin and Sunshine Resorts is the first half of the year. The acquisition of Westin and Sunshine Resort is expected to moderate this seasonality

(Note 1) Source: Bloomberg
(Note 2) As of the end of September 2017. Includes both head offices and branch offices. Source: The Economics and Statistics Offices, Cayman Islands Government and Cayman Islands Monetary Authority
(Note 3) Source: The Cayman Islands Department of Tourism
(Note 4) Source: Cayman Islands Airport Authority

Cayman Islands: Direct Flight Access from Over 13 Major US Cities

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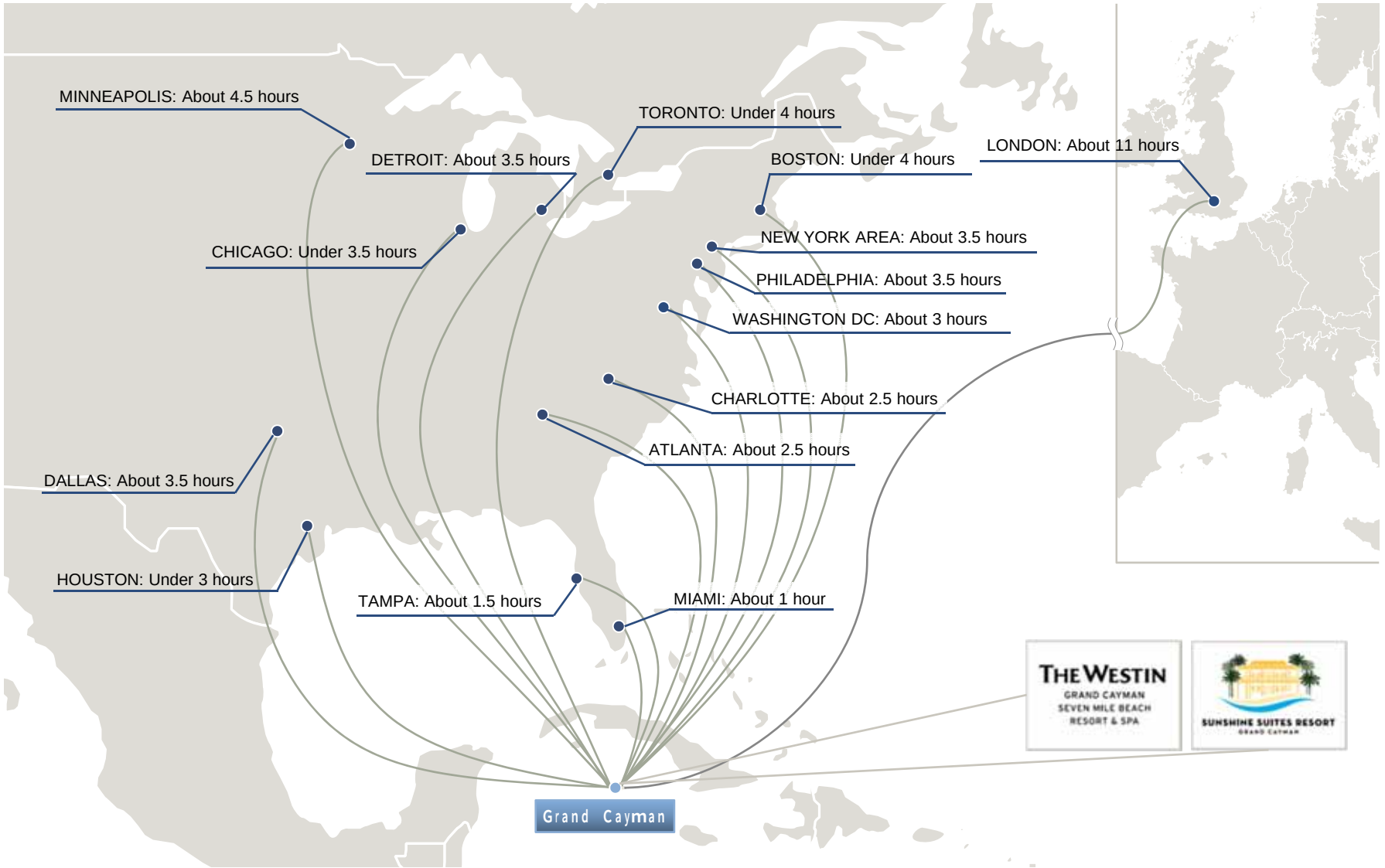
Abundant, stable and affordable flights into the Cayman Islands, with direct access from most major eastern US cities within 4 hours



Increasing Airport Capacity to Accommodate Record Breaking Visitor Count

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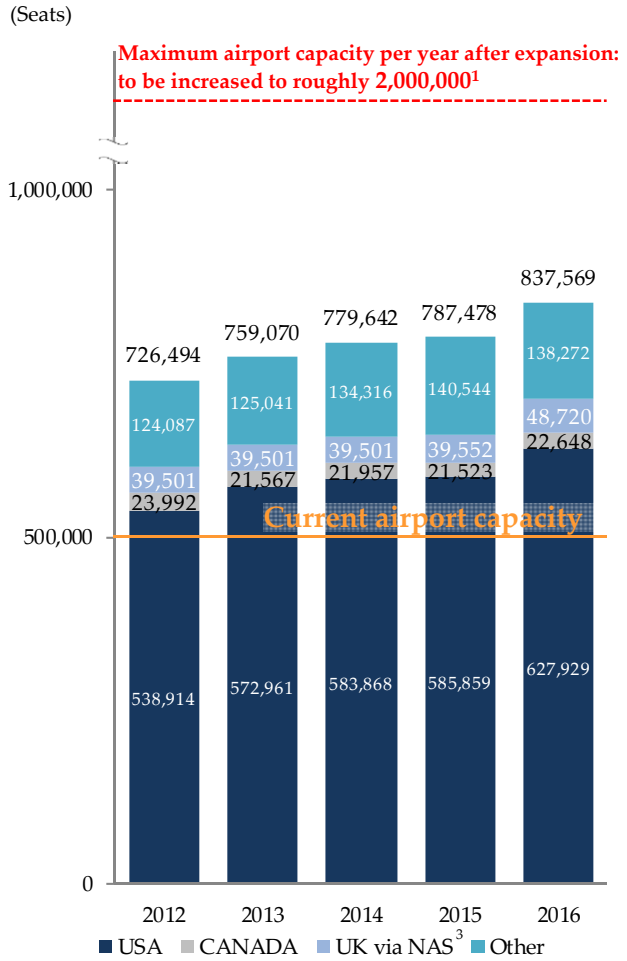
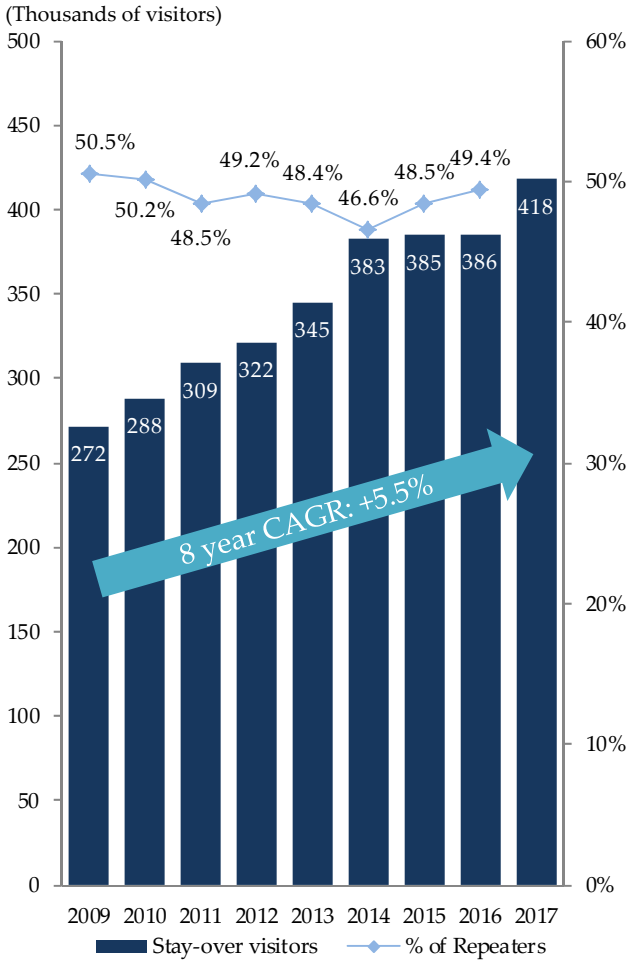
- Expansion underway at Owen Roberts International Airport to cope with overcapacity, will quadruple current visitor capacity to roughly 2 million per year[1]
- Since June 2017, air arrivals in Grand Cayman have exceeded numbers each month as compared to the previous year
- Growing demand from stay-over visitors has outpaced the fairly stagnant growth of accommodation supplies

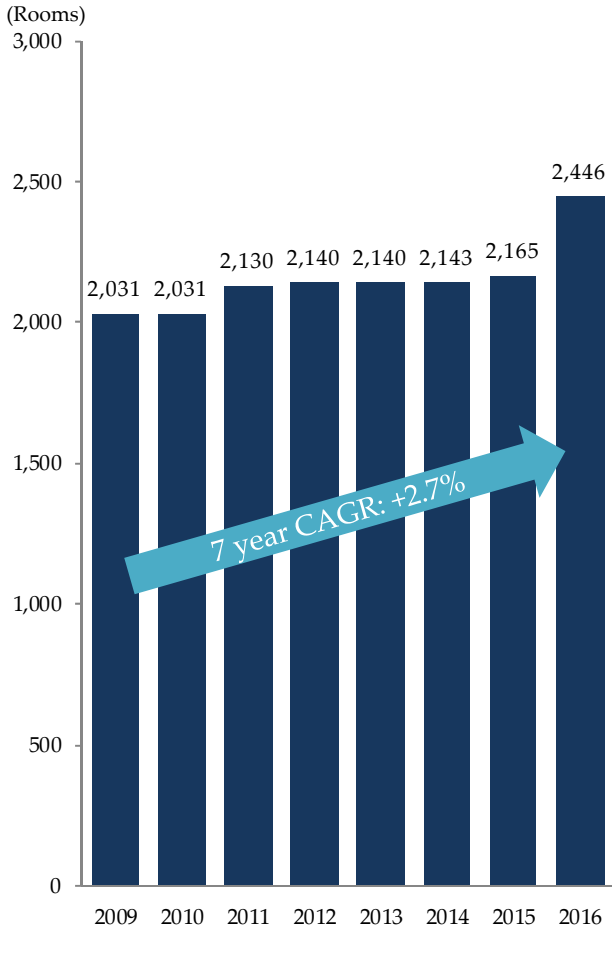
Number and Origination of Inbound Flights[2]



Number of Stay-over Visitors / Repeaters[4]



Number of Hotel Rooms[5]



(Note 1) Based on the announce by Cayman Islands Airport Authority as of August 23, 2017. There is a possibility that the plan might have already been changed or would be changed in the future
(Note 2) Inbound Flights represent the number of airplane seats coming into Cayman Islands. Source: Government of the Cayman Islands Economics and Statistics Office, Cayman Islands Department of Tourism
(Note 3) NAS stands for Nassau
(Note 4) "Repeat Visitors" indicates air arrival visitors that answered "One" or "Two or more" for "Previous visits" in an annual survey conducted by Cayman Islands Immigration Department that was published on October 18, 2017
(Note 5) Figures from 2009 to 2013 are as of the end of September each year and figures from 2014 to 2016 are as of the end of December each year

Grand Cayman: One of the Most Valuable Resort in the World

Invincible Investment Corporation

Grand Cayman has a vast selection of tourist attractions, including "Seven Mile Beach", which is one of the most popular beaches in the world



1. Cayman Turtle Farm
2. Kittiwake Shipwreck & Artificial Reef
3. Cayman Horse Riding
4. Diving Tours
5. Dolphin Cove
6. Governor's Beach (Seven Mile Beach)
7. Camana Bay
8. Watersport activities and tours
9. Cayman Spirits Co. Distillery
10. Pure Art
11. Smith's Cove
12. Cayman Safari Adventures
13. Cayman Islands Brewery
14. Pedro St. James National Historic Site
15. Starfish Point
16. Stingray City
17. Rum Point
18. Joe's Tourist Cave Tours
19. Mastic Trail
20. Queen Elizabeth II Botanic Garden
21. Davinoff's Concrete Sculpture Garden
22. Tortuga Divers

Owen Roberts International Airport

Hotels located along “Seven Mile Beach”

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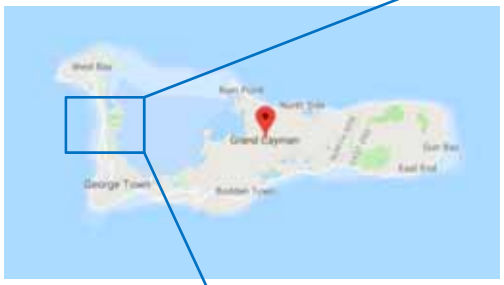
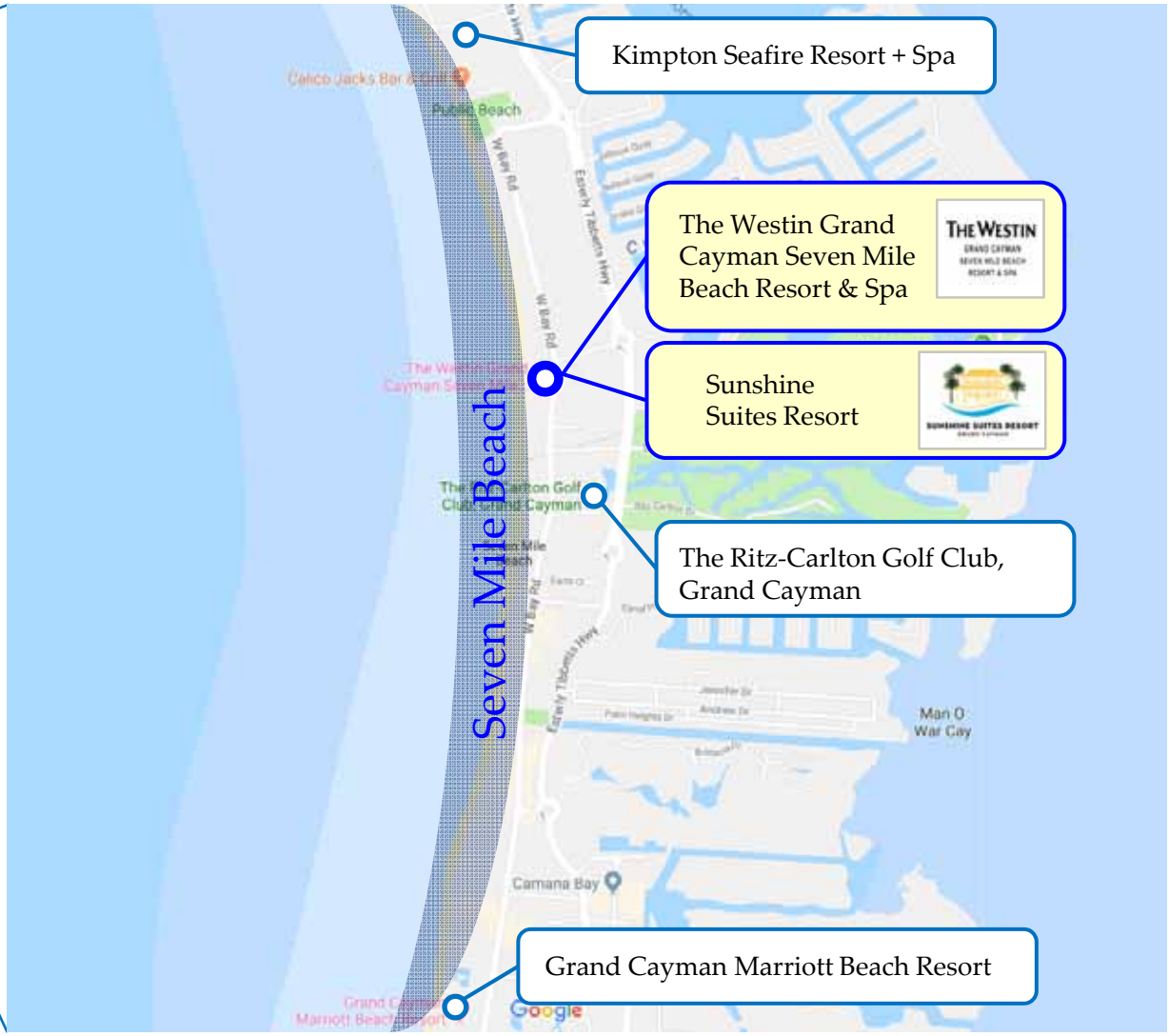
- The number of hotels located on Seven Mile Beach is limited, and Westin has the best location among them
- New hotel supply on Grand Cayman is not expected to increase significantly in the future

Grand Cayman





Expansion Potential of Westin – Illustrative Purposes Only

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Current ownership has analyzed the longer-term feasibility of adding two additional floors to the Westin. Studies indicate that current zoning and structural strength allows for such potential expansion

- INV has received studies and engineering surveys that supports the feasibility of constructing up to approximately 100 rooms on the top of the Westin Hotel:
  - A Cayman Island law firm has prepared a legal memo confirming the zoning feasibility including height and setback
  - INV has reviewed a memo from the original architect of record confirming the ability to build two additional stories

For Illustrative Purposes Only



(Note) INV or its asset manager has not determined to pursue an expansion. Any such property expansion would be subject to further review and consideration, including factors related to zoning, environmental assessments, structural feasibility, market conditions and available financing

Potential Enhancements to Westin - Meeting Space Expansion

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While the Westin has a significant amount of meeting space, there is potential to add additional meeting space to establish a stronger group base during all seasons to drive rate, particularly in off season



Potential Opportunity through expansion

- Replace and vertically expand the single story restaurant / meeting space and back of house area
- Create premium rooms on the ground floor
- Convert Kid's Club into additional F&B space
- Renovate and re-concept the restaurants and introduce additional outdoor seating
- Relocate gym above the spa to create a wellness center and add additional 2,000 SF of retail in existing gym space
- Renovate the spa and drive in-house business

(Note) INV or its asset manager has not determined to pursue an expansion. Any such property expansion would be subject to further review and consideration, including factors related to zoning, environmental assessments, structural feasibility, market conditions and available financing

Hotel MyStays Premier Akasaka

Invincible Investment Corporation

Characteristics

- Newly opened in July 2016, the stylish hotel is a 4-minute walk to Akasaka Station, one of the Tokyo's major stations
- Ideally positioned for exploration of Tokyo, and close to Roppongi Hills, Tokyo Midtown, and the restaurants and commercial facilities of Akasaka
- Excellent for both tourists and business travelers, offering a relaxing space from the bustling city with well-designed Double and Twin rooms

Hotel Type	Limited Service
Address	17-54 Akasaka 2-chome, Minato-ku, Tokyo
Access	4-minute walk from Akasaka Station (Tokyo Metro Chiyoda Line) 7-minute walk from Tameike-Sanno Station (Tokyo Metro Ginza Line and Namboku Line)
Completion Date	June 2016
No. of Rooms	327 rooms
Rentable Space	8,620.69 m^2
Land Area	2,024.64 m^2
Map	









2018 Hotel KPIs (Jan. – Jun. actual and Jul. – Dec. forecast)

Occupancy	ADR	RevPAR	Simulated NOI[1]
94.4%	¥12,097	¥11,420	¥817 mn

(Note 1) Calculated by combining the actual monthly performance from January to June 2018 and anticipated monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV

Hotel MyStays Premier Sapporo Park

Invincible Investment Corporation

Characteristics

- Ideally located a 3-minute walk from Nakajima Koen Station, this newly renovated hotel has a wide selection of room types and a natural hot spring, providing a relaxing environment for guests
- Sapporo, the largest city in Hokkaido, had a record high number of inbound stays of 1.1 mn from Apr. - Sep. 2017, +24.1% YoY
- Odori Park, Sapporo Beer Museum, Susukino entertainment district and Sapporo Clock Tower are a few of the many nearby attractions

Hotel Type	Full Service
Address	2-10 Nishi 2-chome, Minami 9-jo, Chuo-ku, Sapporo-shi, Hokkaido
Access	3-minute walk from Nakajima Koen Station (Sapporo Subway Namboku Line)
Completion Date	March 1998
Renovation Period	November 2017 - April 2018
No. of Rooms	419 rooms
Rentable Space	21,670.64 m^2
Land Area	3,451.54 m^2
Map	









2018 Hotel KPIs (Jan. – Jun. actual and Jul. – Dec. forecast)

Occupancy	ADR	RevPAR	Simulated NOI[1]
84.2%	¥11,894	¥10,011	¥805 mn

(Note 1) Calculated by combining the actual monthly performance from January to June 2018 and anticipated monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV

Hotel MyStays Ueno East

Invincible Investment Corporation

Characteristics

- Located a 2-minute walk from Inaricho Station and a 9-minute walk from JR Ueno Station, easy access to both Haneda Airport and Narita Airport
- Rooms were fully renovated in May 2016
- Awarded TripAdvisor's Certificate of Excellence 2016
- Nearby the 300-acre Ueno Park, home of the Ueno Zoo, as well as popular attractions like the Tokyo National Museum, the National Science Museum, National Western Art Museum, Tokyo Metropolitan Art Museum, and the legendary shopping street of Ameya-Yokocho

Hotel Type	Limited Service
Address	5-6 Higashi Ueno 5-chome, Taito-ku, Tokyo
Access	2-minute walk from Inaricho Station (Tokyo Metro Ginza Line) 9-minute walk from Ueno Station (JR Line)
Completion Date	September 1991
Renovation Period	December 2015 - May 2016
No. of Rooms	150 rooms
Rentable Space	4,396.02 m^2
Land Area	856.48 m^2
Map	









2018 Hotel KPIs (Jan. – Jun. actual and Jul. – Dec. forecast)

Occupancy	ADR	RevPAR	Simulated NOI[1]
95.3%	¥9,699	¥9,244	¥255 mn

(Note 1) Calculated by combining the actual monthly performance from January to June 2018 and anticipated monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV

Hotel MyStays Midosuji Honmachi

Invincible Investment Corporation

Characteristics

- Newly opened in December 2017, a 3-minute walk to Hommachi Station, providing access to the Midosuji Line, Chuo Line and Yotsubashi Line
- Easy access to the aquatic cityscape of Nakanoshima, Osaka Castle and its famed cherry blossoms, and the world-renowned aquarium
- Its twin and four-bed rooms are ideal for families and groups of two or more

Hotel Type	Limited Service
Address	2-10 Honmachi 3-chome, Chuo-ku, Osaka-shi, Osaka
Access	3-minute walk from Hommachi Station (Osaka Metro Midosuji Line) 4-minute walk from Sakaisuji Hommachi Station (Osaka Metro Sakaisuji Line)
Completion Date	October 2017
Renovation Period	-
No. of Rooms	108 rooms
Rentable Space	3,429.43 m^2
Land Area	398.37 m^2
Map	









2018 Hotel KPIs (Jan. – Jun. actual and Jul. – Dec. forecast)

Occupancy	ADR	RevPAR	Simulated NOI[1]
90.4%	¥11,616	¥10,503	¥209 mn

(Note 1) Calculated by combining the actual monthly performance from January to June 2018 and anticipated monthly performance from July to December 2018 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV

Recent Changes in Minpaku (Private Lodging Business) Affecting Airbnb Japan

Invincible Investment Corporation

- New Minpaku regulations became effective on June 15, 2018, resulting in a noticeable decrease at least temporarily in Minpaku listings, which is currently expected to benefit Hotel MyStays hotels and the hotel industry in the near term. The number of properties registered on Airbnb[1], the industry leader in Minpaku, fell by 51.3%[2] across Japan, equivalent to 8.1%[3] of the hotel stock in Tokyo and Osaka
- Penalties for non-compliance include possible imprisonment and/or significant fines

Overview of New Regulations Applied to Minpaku

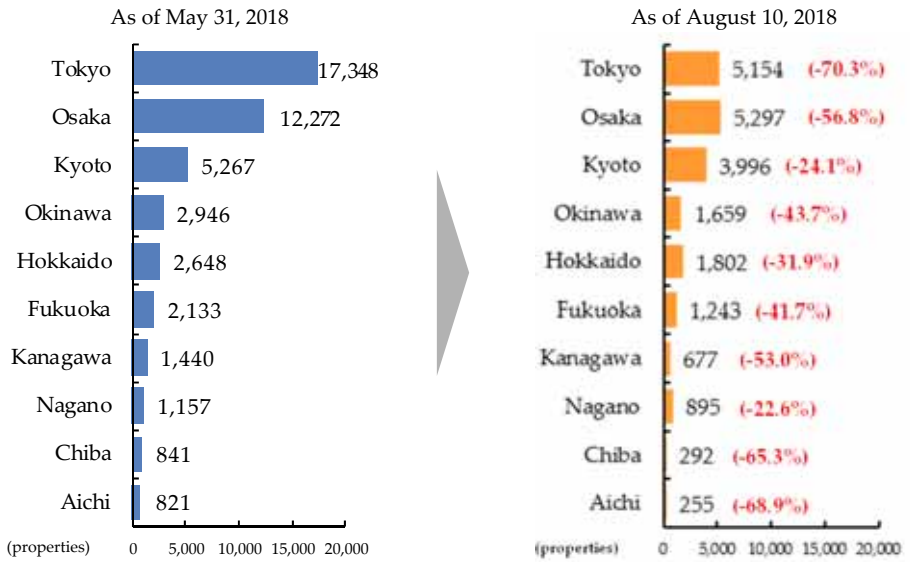
- The number of days a property is used for lodging must not exceed 180 days a year
- Notification with the relevant prefectural governor is required, as well as a document that proves that the property meets the residence requirements
- Some local governments impose additional restrictions, especially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

  - ✓ Secure 3.3m^2 or wider of floor space per lodger for the lodging room
  - ✓ Install emergency lighting equipment and display the evacuation route
  - ✓ Provide foreign language guidance on transport and emergency contacts
  - ✓ Must maintain 3 years of records of guest names, addresses, occupancies and date of stay
  - ✓ Explain to lodgers the matters to be considered for preventing harmful effects on the living environment in the surrounding area
  - ✓ Quick and adequate response to complaints and inquiries
  - ✓ Report the details of lodging to the prefectural governor once every two months

Penalties for Non-Compliance

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

Representative Change in Airbnb Listings from May 31, 2018 to August 10, 2018 [2]



(Note 1) Company based in San Francisco that operates an online marketplace and hospitality service for people to lease or rent short-term lodging including holiday cottages, apartments, homestays, hostel beds, or hotel rooms, to participate in or facilitate experiences related to tourism such as walking tours, and to make reservations at restaurants

(Note 2) Figures in red represent the comparison between data as of May 31, 2018 and August 10, 2018. Source: MinpakuDatabank. This is only a temporary, market snapshot immediately after introduction of new regulations and does not guarantee that number of listings will remain low in the future

(Note 3) Calculated by dividing the change in the total number of listings on Airbnb in Tokyo and Osaka from May 31, 2018 to August 10, 2018, by the total number of rooms of hotels and Ryokans in Tokyo and Osaka as of March 31, 2017 Source: Ministry of Health, Labor and Welfare

Portfolio Rebalance Transactions with NOI Accretion and Improvement in Portfolio Quality

Invincible Investment Corporation

Since July 2017 and prior to this offering, INV has sold 12 properties and used the proceeds to acquire 6 high quality hotels. The 2018 simulated EBIT differential after depreciation is ¥350 million[3]

Acquisitions

Property Name	Property Type	Date of Acquisition	Acquisition Price (¥million)	2018 Simulated NOI[1] (¥million)	2018 Simulated NOI[1] NOI Yield	2018 Simulated EBIT[1] (¥million)	2018 Simulated EBIT[1] EBIT Yield
Hotel MyStays Yokohama Kannai	Hotel	February 2018	5,326	259	4.9%	193	3.6%
Art Hotel Joetsu	Hotel	February 2018	2,772	230	8.3%	161	5.8%
Art Hotel Hirosaki City	Hotel	February 2018	2,723	193	7.1%	104	3.8%
Hotel MyStays Oita	Hotel	February 2018	1,604	117	7.3%	72	4.5%
Hotel MyStays Gotanda	Hotel	June 2018	4,068	193	4.8%	181	4.5%
Hotel MyStays Tachikawa	Hotel	June 2018	3,257	158	4.9%	130	4.0%
Total			**19,750**	**1,152**	**5.8%**	**843**	**4.3%**

Dispositions

Property Name	Property Type	Date of Sale	Sales Price (¥million)	Actual NOI[2] (¥million)	Actual NOI[2] NOI Yield	2017 Actual EBIT[2] (¥million)	2017 Actual EBIT[2] EBIT Yield
Kindai Kagaku Sha Building	Office	July 2017	1,361	48	3.6%	27	2.0%
Times Kanda-Sudacho 4th	Parking	July 2017	130	4	3.8%	4	3.8%
Shinjuku Island	Office	December 2017	705	19	2.8%	16	2.4%
Casa Eremitaggio	Residential	December 2017	1,312	52	4.0%	33	2.6%
Lexel Mansion Ueno Matsugaya	Residential	December 2017	1,329	51	3.9%	34	2.6%
Sun Terrace Minami-Ikebukuro	Residential	December 2017	934	32	3.5%	22	2.4%
Harmonie Ochanomizu	Residential	January 2018	1,603	65	4.1%	49	3.1%
Growth Maison Ikebukuro	Residential	January 2018	1,057	41	4.0%	31	3.0%
Capital Heights Kagurazaka	Residential	January 2018	732	30	4.1%	24	3.4%
Cross Square NAKANO	Office	January 2018	1,350	66	4.9%	56	4.2%
Ohki Aoba Building	Office	January 2018	721	41	5.8%	27	3.8%
Lexington Plaza Nishi-Gotanda	Office	March 2018	5,160	217	4.2%	164	3.2%
Total			**16,397**	**672**	**4.1%**	**492**	**3.0%**

After Acquisition and Disposition

2018 Simulated EBIT Differential[3] : +¥350 million

(Note 1) "2018 simulated NOI" is calculated by combining the actual monthly performance from January to June 2018 and forecasted monthly performance from July to December 2018 estimated by INV. "2018 simulated EBIT" is calculated by deducting the depreciation amount from the simulated NOI. The depreciation amount is based on the estimate by CIM. Simulated NOI Yield and EBIT Yield are calculated by dividing the NOI or EBIT by the Acquisition Price

(Note 2) "Actual NOI" indicates actual NOI from July 2016 to June 2017 for the two properties sold in July 2017, or NOI for 2017 full year for the other ten properties. "2017 Actual EBIT" is calculated by deducting the depreciation amount from NOI. Of the above properties, four properties (Shinjuku Island, Casa Eremitaggio, Lexel Mansion Ueno Matsugaya and Sun Terrace Minami-Ikebukuro) were sold on December 28, 2017. Therefore, for such four properties, December 1, 2017 through December 28, 2017, or the disposition date, is deemed the operating period for the month of December 2017. NOI Yield and EBIT Yield are calculated by dividing the NOI by the sales price

(Note 3) The difference of total simulated EBIT of the newly acquired properties and total actual NOI after depreciation for the sold assets. The amount of increase is an estimated amount and does not show the actual impact on NOI after depreciation, or EBIT, of these asset replacements. INV does not guarantee that such amount will increase NOI after depreciation of INV's portfolio

Overview of 6 Hotels Acquired in June 2018 Fiscal Period

Invincible Investment Corporation

Property	Hotel MyStays Yokohama Kannai	Art Hotel Joetsu	Art Hotel Hirosaki City	Hotel MyStays Oita	Hotel MyStays Gotanda	Hotel MyStays Tachikawa
Hotel Type[1]	Limited Service	Full Service	Full Service	Limited Service	Limited Service	Limited Service
Exterior						
Location	Yokohama-shi, Kanagawa	Joetsu-shi, Niigata	Hirosaki-shi, Aomori	Oita-shi, Oita	Shinagawa-ku, Tokyo	Tachikawa-shi, Tokyo
Completion Date	August 2016	November 1993	August 1989	July 2007	June 1988	May 1991
Renovation Period	-	-	March 2008	-	August 2016	April - June 2016
No. of Rooms	165 rooms	198 rooms	134 rooms	145 rooms	110 rooms	121 rooms
Map						
Point	Newly opened in October 2016, the stylish hotel is a one-minute walk to Kannai Station and five minutes by train to Yokohama Station	This 198 room hotel offers a variety of services to fit the needs of business or leisure travelers alike, with conference space, a wedding chapel, beer garden, and two restaurants	Located in northern Japan's beautiful Hirosaki City, the hotel offers a wide variety of room types, with ample space for travelling families, and is situated directly opposite JR Hirosaki Station	Conveniently located a 10-minute walk from Oita Station, on the coast of Kyushu Island. The hotel features high ceilings and large windows providing spatial comfort	Located a six-minute walk from Gotanda Station on the JR Yamanote Line, one of Tokyo's busiest and important lines, connecting Tokyo's major stations and urban centers	Located an eight-minute walk from Tachikawa Station on the Chuo Main Line, a major artery with direct access to Shinjuku Station and Tokyo Station

(Note 1) "Limited" refers to "Limited Service Hotel, which means a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities", "Full" refers to "Full Service Hotel, which means a hotel having segments of stay, foods and beverages, and banquet", and "Resort" refers to "Resort Hotel, which means a hotel located at tourist destinations or recreational lots, having segments of stay, foods and beverages, and incidental facilities"

INV has a High Quality Portfolio of Residential and Commercial Properties for Potential Recycling

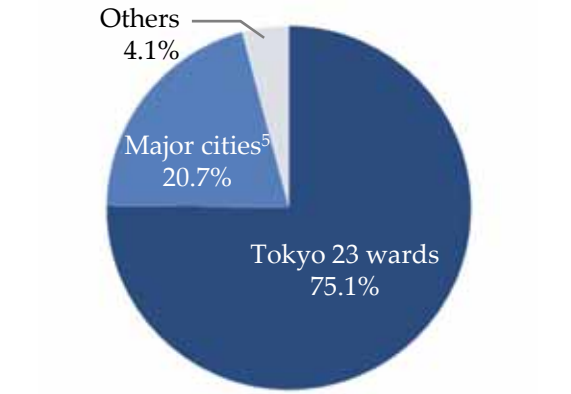
Invincible Investment Corporation

- The 64 residential properties and two commercial properties have a combined appraisal value of ¥106.5 billion[1] and a book value of ¥91.4 billion[1]
- The portfolio has a 2018 simulated NOI yield[2] of 5.9% on Book Value and 5.1% on Appraisal Value
- The residential portfolio is primarily located in Tokyo and characterized by consistent 95%+ occupancy rates, an average rent of ¥109,065 per month, and has averaged 1.8% rent increases over the past three years[3]

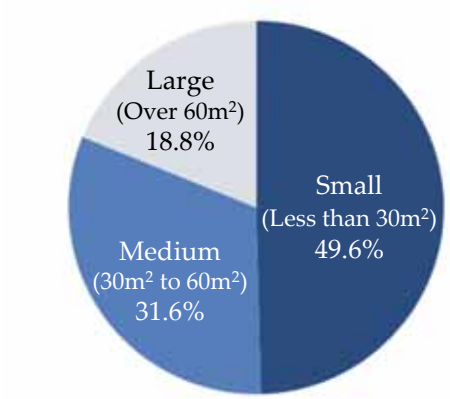
		# of Properties	2018 Simulated NOI[2] (¥ mn)	Appraisal Value (¥ mn)	2018 Simulated NOI Yield on Appraisal Value	Book Value (¥ mn)	2018 Simulated NOI Yield on Book Value
Residential	Tokyo 23 Wards	32	3,690	75,048	4.9%	65,836	5.6%
	Major Cities[4]	25	1,141	21,428	5.3%	17,306	6.6%
	Other Areas	7	222	3,911	5.7%	3,426	6.5%
	Subtotal	**64**	**5,054**	**100,387**	**5.0%**	**86,569**	**5.8%**
Commercial		**2**	**368**	**6,170**	**6.0%**	4,912	7.5%
Total		**66**	**5,422**	**106,557**	**5.1%**	**91,481**	**5.9%**

Residential Portfolio Composition

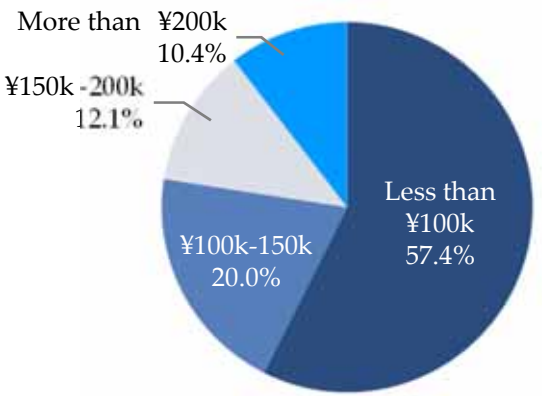
Location[5]



Room Type[5,6]



Rent Range (Monthly)[7]



(Note 1) As of the end of June 2018 fiscal period.
(Note 2) 2018 simulated NOI (Jan-Jun: Actual / Jul-Dec: Forecast) is based on the residential properties owned by INV as of June 30, 2018
(Note 3) Based on the residential properties owned by INV from January 2015 to June 2018. The properties INV acquired or disposed during the period are included only for the term when owned by INV. Calculations are as follows: Occupancy rate: Dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month for the term. / Average rent per month: Dividing the total residential rental revenue including common area charges for each month by the sum of the number of available residential lease contacts at the end of each month for the term. / Rent Increase: Weighted average of monthly rent increase% of new and renewal contracts compared with previous contracts of properties owned at the end of each month for the term
(Note 4) Major cities refers to "Government ordinance cities" in Japan with a population of 500 thousand or more
(Note 5) Based on acquisition price of the properties owned by INV as of June 30, 2018
(Note 6) Based on the number of units excluding unit of shops, offices and nursing homes for the properties at the end of June 2018. 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 7) The amount of rent is based on monthly rent plus common-area charge for each unit for the properties at the end of June 2018

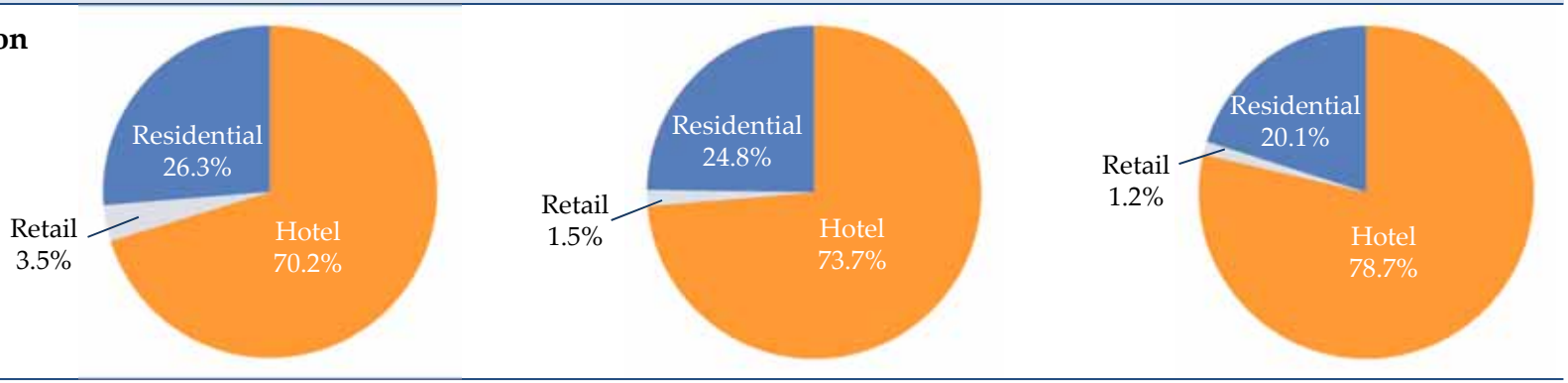
Portfolio Growth

Invincible Investment Corporation

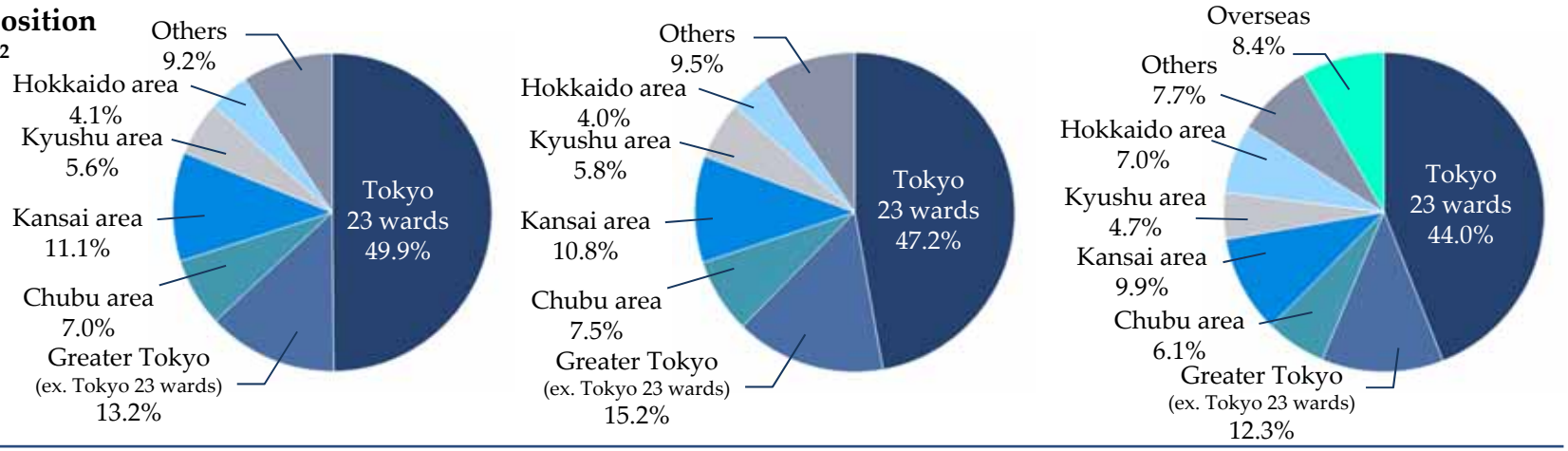
The latest acquisitions and portfolio rebalance increase the portfolio composition of hotel, one of the core assets

	As of December 2017	As of June 2018	As of September 30, 2018
No. of properties[1]	**126**	**126**	**132**
Hotel	54	60	66
Residential	67	64	64
Others	5	2	2

Portfolio Composition by Property Type[1]



Portfolio Composition by Geography[1,2]



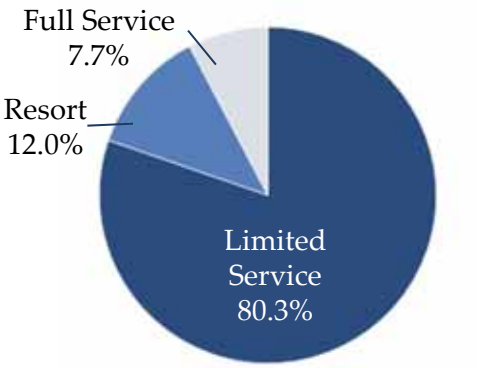
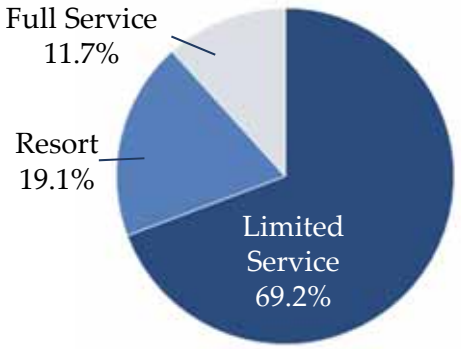
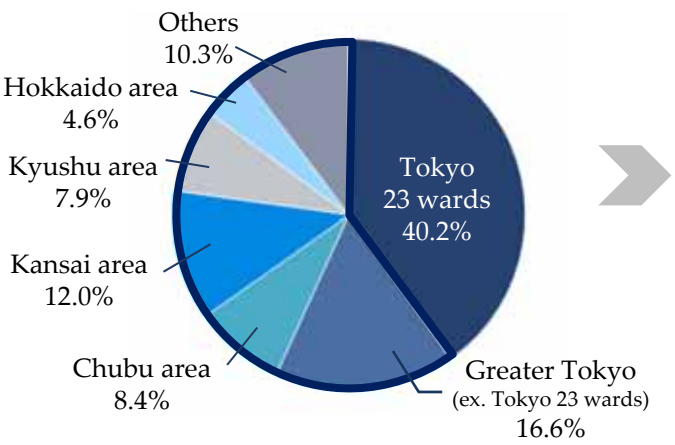
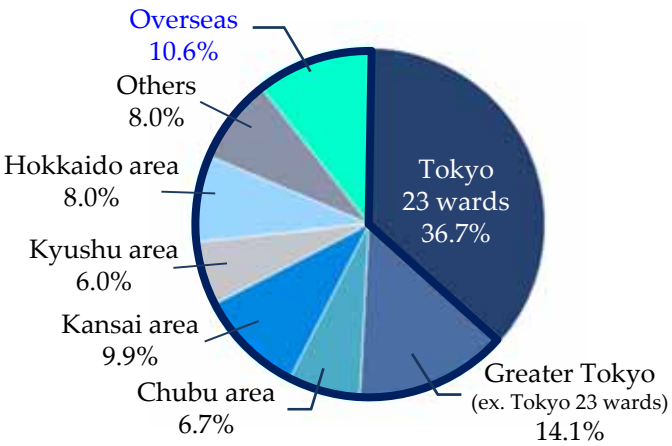
(Note 1) Based on acquisition price. The 49% preferred equity interest in the JV TMK that holds Sheraton Grande Tokyo Bay Hotel (SGTB) is counted as one property for INV's portfolio, and acquisition price of SGTB interest in INV's portfolio is calculated by applying the amount of preferred equity interest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

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

Diversity of Hotel Portfolio

Invincible Investment Corporation

The acquisition of hotels in 2018, including overseas assets, provides further diversification in hotel type and geographic footprint

	As of December 31, 2017	As of September 30, 2018
No. of Hotels[1]	**54** properties	**66** properties
Portfolio Composition by Hotel Type[1]		
Portfolio Composition by Geography[1,2]	**Other than Tokyo 23 wards : 59.8%** 	**Other than Tokyo 23 wards : 63.3%** 

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

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

Hotel Portfolio For the Calculation of KPI's

Invincible Investment Corporation

Based on Beginning Portfolio of June 2018 FP

Hotels owned by INV
As of January 1, 2018
54 properties[1]

45 properties

40 properties

Base hotel properties for assumption of 2018 forecast as of February 2018

Based on Ending Portfolio of June 2018 FP

Hotels owned by INV
As of June 30, 2018
60 properties[1]

51 properties

46 properties

Base hotel properties for assumption of 2018 forecast as of July 2018

Excluding Fixed Rent Hotels
- 9 properties

Excluding Renovated Hotels in 2018
- 5 properties

Newly Acquired Hotels in June 2018 FP

1. Hotel MyStays Yokohama Kannai
2. Art Hotel Joetsu
3. Art Hotel Hirosaki City
4. Hotel MyStays Oita
5. Hotel MyStays Gotanda
6. Hotel MyStays Tachikawa

Fixed Rent Hotels

1. Super Hotel Shinbashi/ Karasumoriguchi
2. Comfort Hotel Toyama
3. Super Hotel Tokyo-JR Tachikawa Kitaguchi
4. Super Hotel JR Ueno-iriyaguchi
5. Comfort Hotel Kurosaki
6. Comfort Hotel Maebashi
7. Comfort Hotel Tsubamesanjo
8. Comfort Hotel Kitami
9. Takamatsu Tokyu REI Hotel

Renovated Hotels in 2018

1. Hotel MyStays Kyoto-Shijo
2. MyStays Shin-Urayasu CC.
3. Hotel MyStays Maihama
4. Hotel MyStays Premier Dojima
5. Hotel MyStays Hakodate-Goryokaku

(Note 1) Including Sheraton Grande Tokyo Bay Hotel as one property

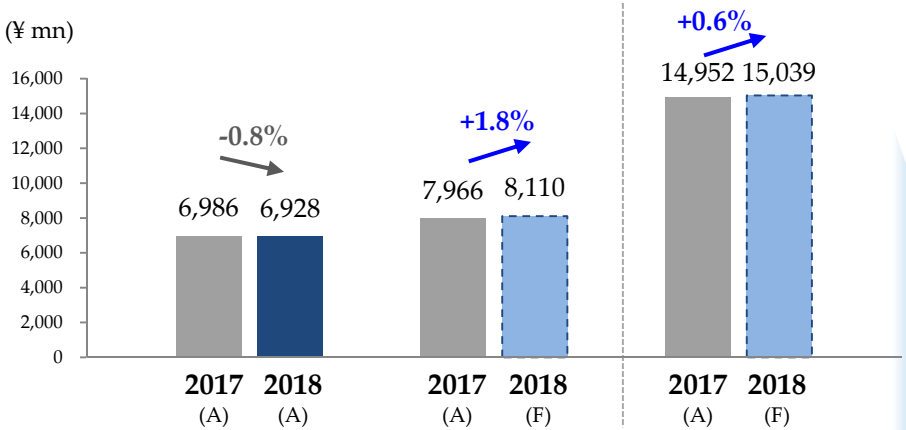
2018 NOI (Actual / Forecast) *Based on 45 hotel portfolio as of the beginning of June 2018 FP

Invincible Investment Corporation

The 2018 1H actual includes downtime from 5 hotels (MS Kyoto-Shijo, MS Shin-Urayasu CC., MS Maihama, MSP Dojima and MS Hakodate-Goryokaku) in which INV renovated the rooms and other areas to improve ADR growth, impacting forecasted results. If those 5 hotels were excluded, the Total NOI Growth would be 2.2% for full year

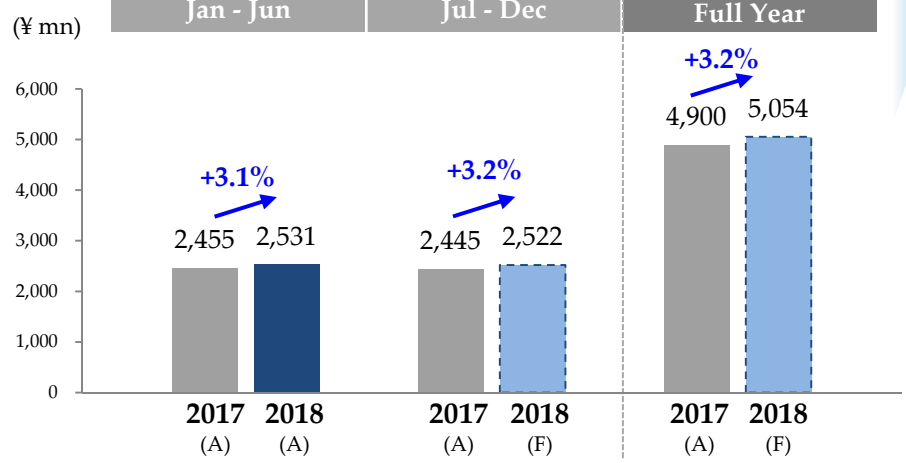
Hotel NOI[1]

Jan - Jun	Jul – Dec[5]	Full Year
*excluding 5 renovated hotels		
+2.6%	+1.4%	+1.9%



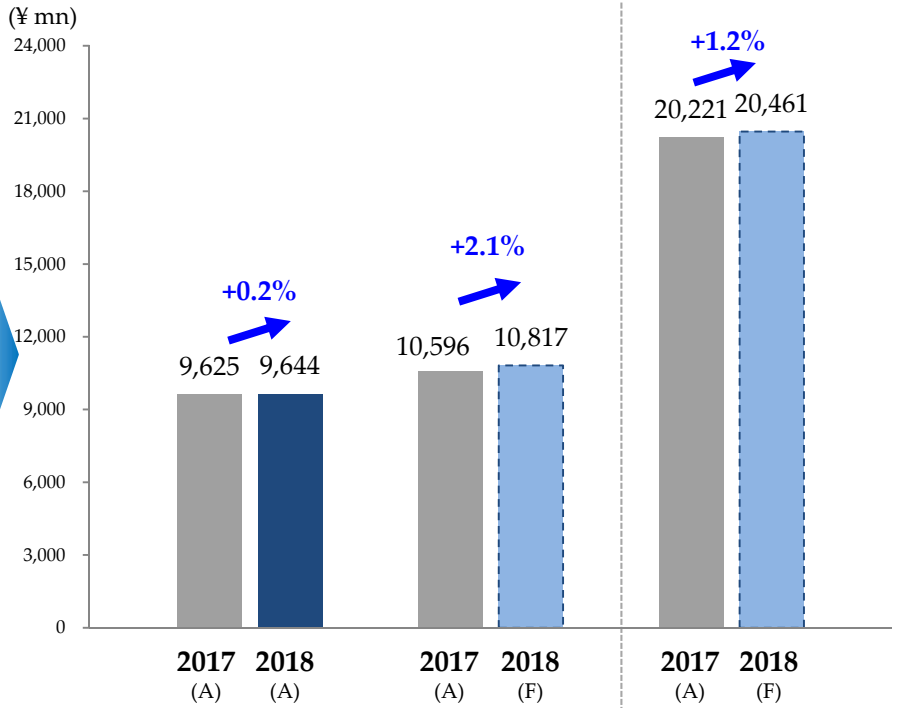
Residential NOI[2]

Jan - Jun	Jul - Dec	Full Year



Total NOI (Hotel + Residential + Others[3])

Jan - Jun	Jul – Dec[5]	Full Year
*excluding 5 renovated hotels		
+2.7%	+1.8%	+2.2%



(Note 1) Based on 45 hotel properties; of the 54 hotel properties in our portfolio at the beginning of June 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded. Includes the dividends from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel, assuming INV owned the preferred equity interest of TMK from the beginning of 2017

(Note 2) Based on the 64 residential properties owned as of today. Excludes one-off insurance-related revenues and expenses

(Note 3) Based on 2 commercial properties owned by INV as of today

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

(Note 5) With respect to hotel NOI (Actual) and total NOI (Actual) for the period of Jul - Dec 2017, the figures have been recalculated, since GOP of three hotels (MyStays Premier Dojima, Hotel MyStays Premier Omori and Beppu Kamenoi Hotel) was not calculated according to INV's accounting policy. As a result, the figures of hotel NOI and total NOI for the period of Jul - Dec 2017 in this presentation differ from the figure (¥7,996 million and ¥10,328 million) disclosed in the presentation material entitled "December 2017 Fiscal Period Results (July 1, 2017 to December 31, 2017)" dated February 20, 2018 . However, such NOI for the period of Jul - Dec 2017 is calculated for the purpose of showing the trend in the performance indicator of INV's portfolio on the assumption that the properties acquired during the relevant fiscal period would contribute through the entire fiscal period and financial results for the fiscal period ended December 31, 2017 will not be changed or revised due to this recalculation

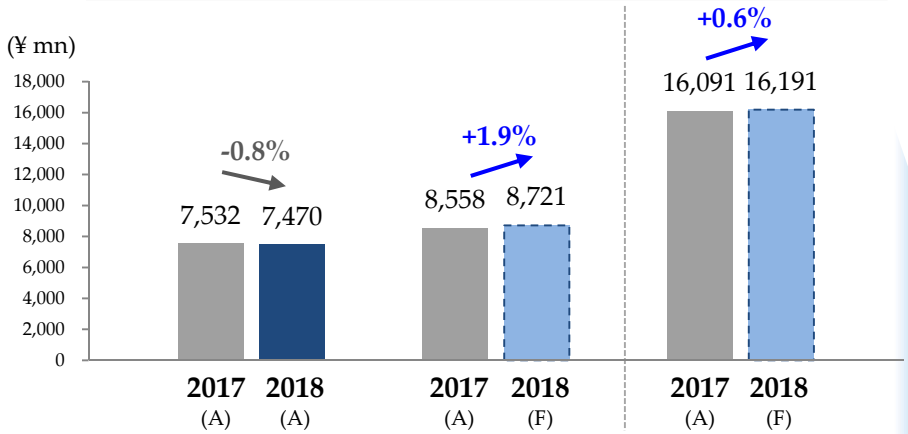
2018 NOI (Actual / Forecast) *Based on 51 hotel portfolio as of the end of June 2018 FP

Invincible Investment Corporation

The 2018 1H actual includes downtime from 5 hotels (MS Kyoto-Shijo, MS Shin-Urayasu CC., MS Maihama, MSP Dojima and MS Hakodate-Goryokaku) in which INV renovated the rooms and other areas to improve ADR growth, impacting forecasted results. If those 5 hotels were excluded, the Total NOI Growth would be 2.2% for full year

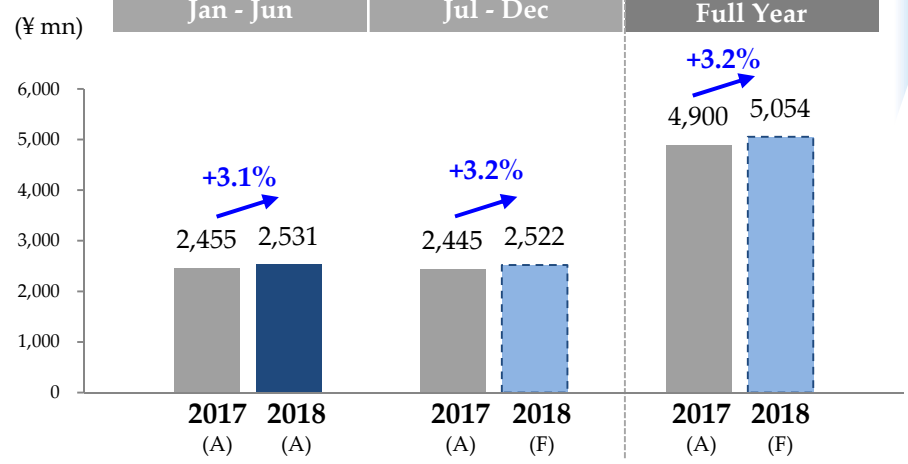
Hotel NOI[1]

Jan - Jun	Jul – Dec[5]	Full Year
*excluding 5 renovated hotels		
+2.4%	+1.5%	+1.9%



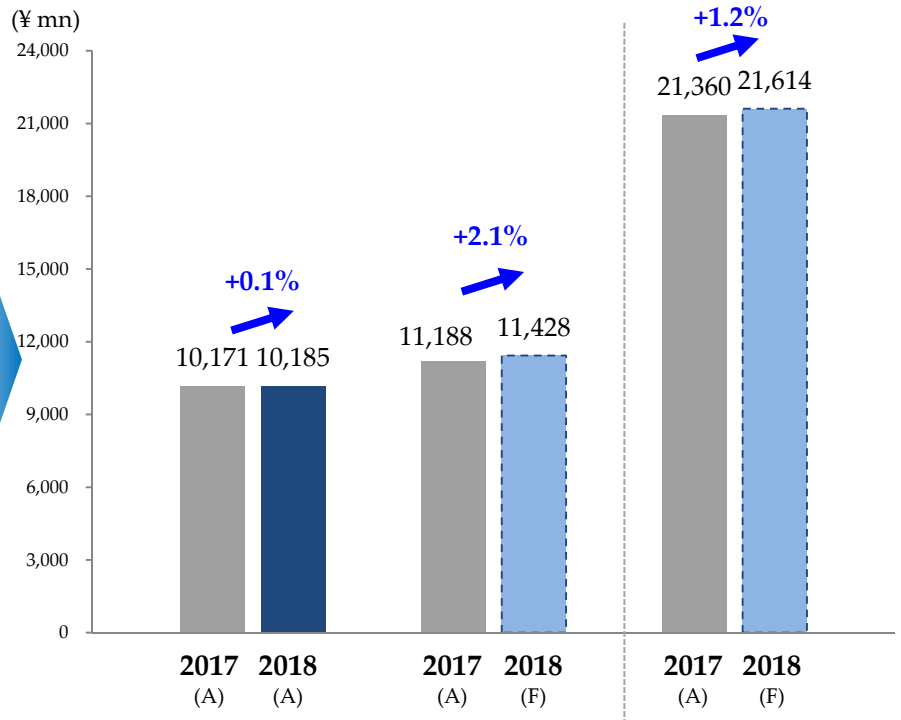
Residential NOI[2]

Jan - Jun	Jul - Dec	Full Year



Total NOI (Hotel + Residential + Others[3])

Jan - Jun	Jul – Dec[5]	Full Year
*excluding 5 renovated hotels		
+2.5%	+1.9%	+2.2%



(Note 1) Based on 51 hotel properties; of the 60 hotel properties in our portfolio as of the end of June 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded. Includes the dividends from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel, assuming INV owned the preferred equity interest of TMK from the beginning of 2017

(Note 2) Based on the 64 residential properties owned as of today. Excludes one-off insurance-related revenues and expenses

(Note 3) Based on 2 commercial properties owned by INV as of today

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

(Note 5) With respect to hotel NOI (Actual) and total NOI (Actual) for the period of Jul - Dec 2017, the figures have been recalculated, since GOP of three hotels (MyStays Premier Dojima, Hotel MyStays Premier Omori and Beppu Kamenoi Hotel) was not calculated according to INV's accounting policy. However, such NOI for the period of Jul - Dec 2017 is calculated for the purpose of showing the trend in the performance indicator of INV's portfolio on the assumption that the properties acquired during the relevant fiscal period would contribute through the entire fiscal period and financial results for the fiscal period ended December 31, 2017 will not be changed or revised due to this recalculation

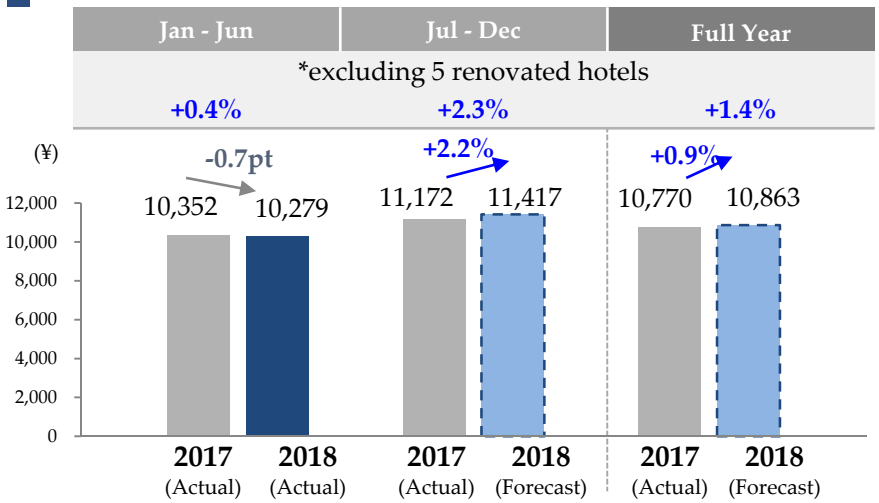
Performance Indicators of Hotel Properties (2018 Actual / Forecast)

***Based on 45 hotel portfolio as of the beginning of June 2018 FP**

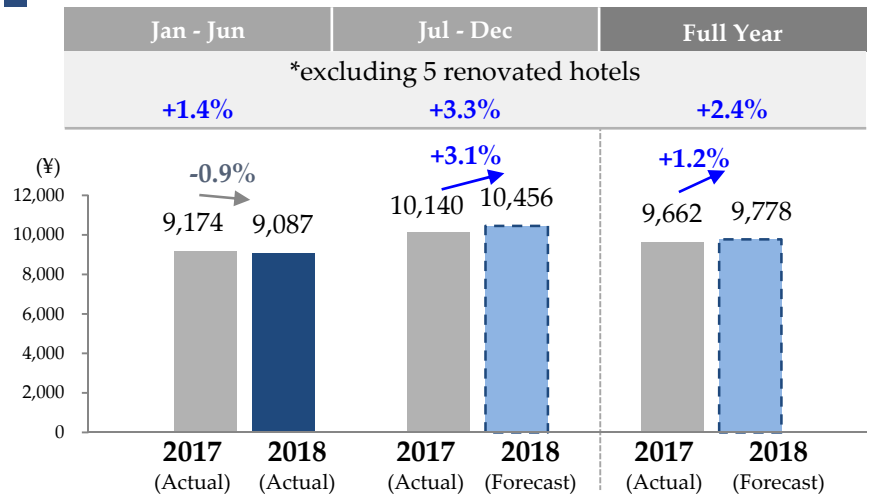
Invincible Investment Corporation

The 2018 1H actual includes downtime from 5 hotels (MS Kyoto-Shijo, MS Shin-Urayasu CC., MS Maihama, MSP Dojima and MS Hakodate-Goryokaku) in which INV renovated the rooms and other areas to improve ADR growth, impacting forecasted results. If those 5 hotels were excluded, the GOP Growth would be 2.6% for full year

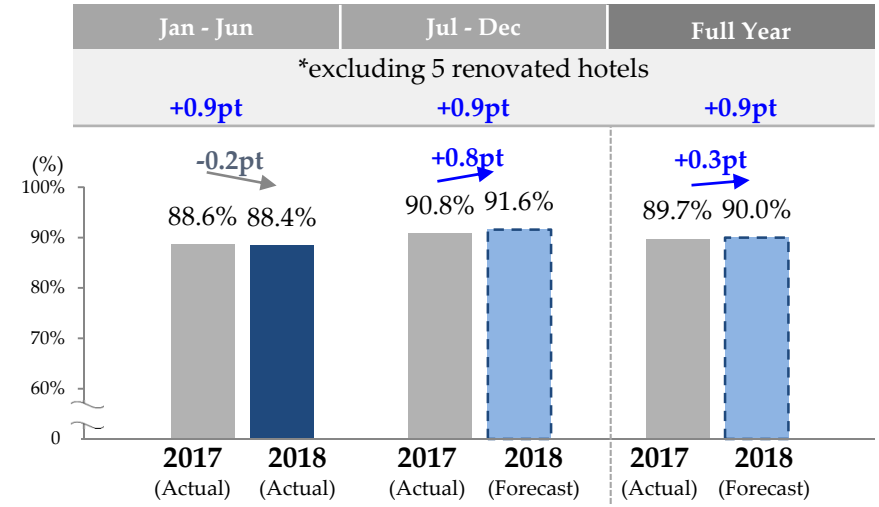
ADR[1]



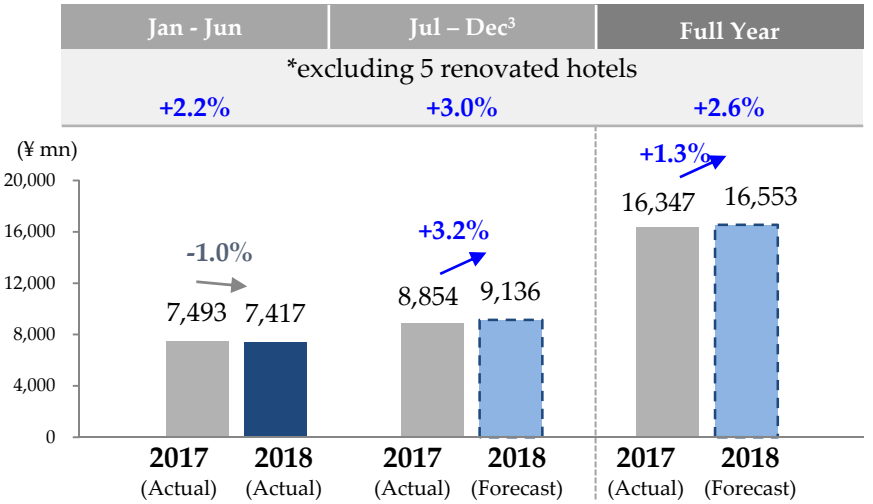
RevPAR[1]



Occupancy[1]



GOP[1,2]



(Note 1) Based on 45 hotel properties; of the 54 hotel properties in our portfolio at the beginning of June 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded. The pre-acquisition period of the properties acquired in 2017 is based on actual results provided by sellers
(Note 2) In calculating the GOP, added the 49% of GOP for Sheraton Grande Tokyo Bay Hotel, which means INV's pro rata portion of the amount of JV TMK's preferred equity owned by INV. The rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel
(Note 3) With respect to GOP (Actual) for the period of Jul - Dec 2017, the figure has been recalculated, since GOP of three hotels (MyStays Premier Dojima, Hotel MyStays Premier Omori and Beppu Kamenoi Hotel) was not calculated according to INV's accounting policy. As a result, the figure of GOP for the period of Jul - Dec 2017 in this presentation differs from the figure (¥8,972 million) disclosed in the presentation material entitled "December 2017 Fiscal Period Results (July 1, 2017 to December 31, 2017)" dated February 20, 2018. However, such GOP for the period of Jul - Dec 2017 is calculated for the purpose of showing the trend in the performance indicator of hotel properties on the assumption that the properties acquired during the relevant fiscal period would contribute through the entire fiscal period and financial results for the fiscal period ended December 31, 2017 will not be changed or revised due to this recalculation

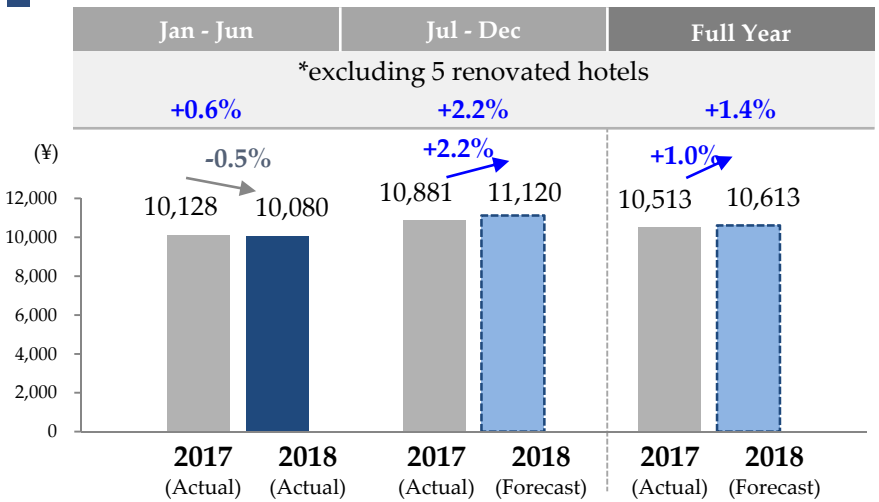
Performance Indicators of Hotel Properties (2018 Actual / Forecast)

***Based on 51 hotel portfolio as of the end of June 2018 FP**

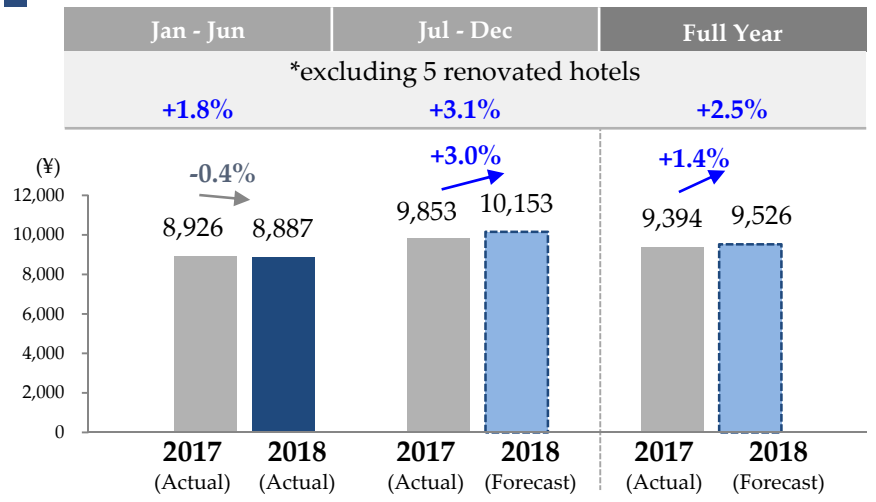
Invincible Investment Corporation

The 2018 1H actual includes downtime from 5 hotels (MS Kyoto-Shijo, MS Shin-Urayasu CC., MS Maihama, MSP Dojima and MS Hakodate-Goryokaku) in which INV renovated the rooms and other areas to improve ADR growth, impacting forecasted results. If those 5 hotels were excluded, the GOP Growth would be 2.5% for full year

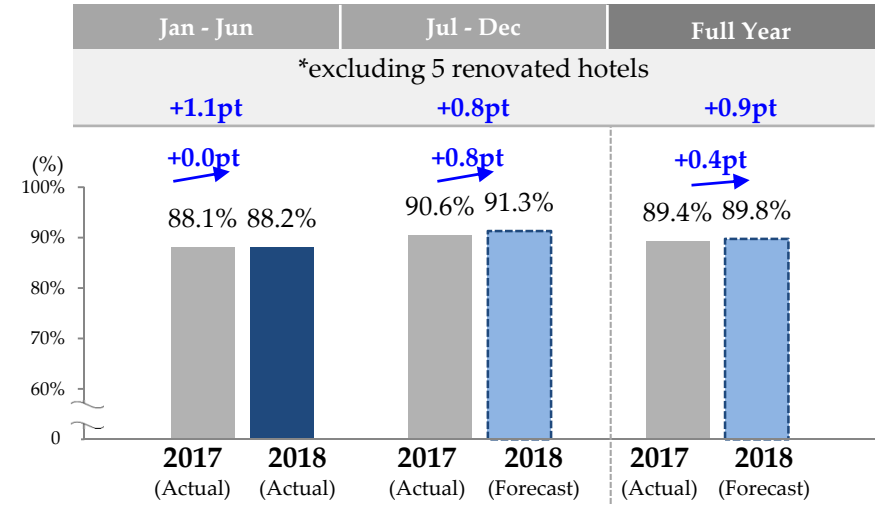
ADR[1]



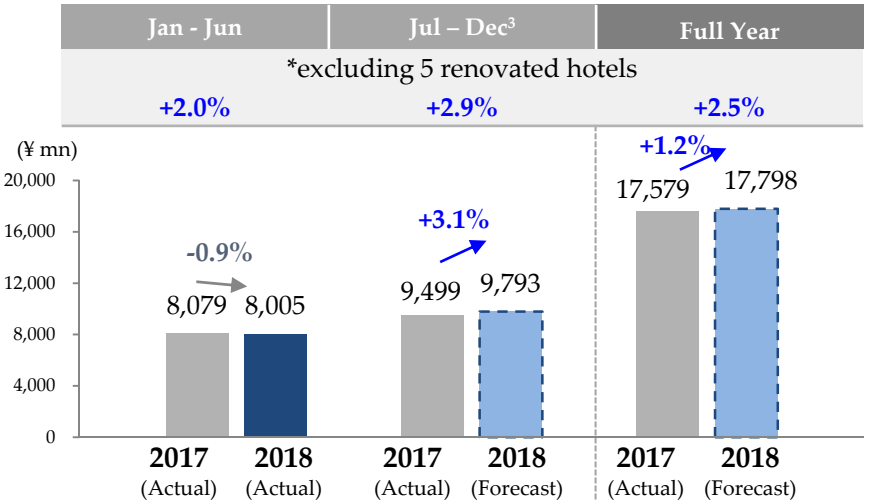
RevPAR[1]



Occupancy[1]



GOP[1,2]



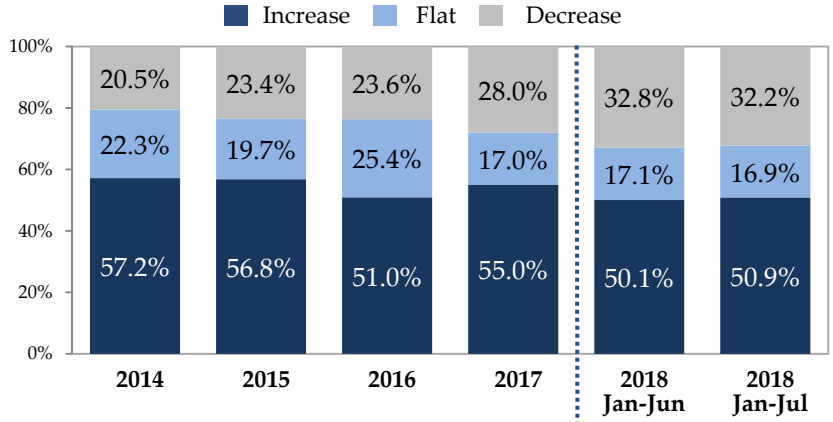
(Note 1) Based on 51 hotel properties; of the 60 hotel properties in our portfolio as of the end of June 2018 fiscal period, 9 hotels with fixed-rent lease agreements are excluded The pre-acquisition period of the properties acquired between January 2017 and June 2018 is based on actual results provided by sellers
(Note 2) In calculating the GOP, added the 49% of GOP for Sheraton Grande Tokyo Bay Hotel, which means INV's pro rata portion of the amount of JV TMK's preferred equity owned by INV. The rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel
(Note 3) With respect to GOP (Actual) for the period of Jul - Dec 2017, the figure has been recalculated, since GOP of three hotels (MyStays Premier Dojima, Hotel MyStays Premier Omori and Beppu Kamenoi Hotel) was not calculated according to INV's accounting policy. However, such GOP for the period of Jul - Dec 2017 is calculated for the purpose of showing the trend in the performance indicator of hotel properties on the assumption that the properties acquired during the relevant fiscal period would contribute through the entire fiscal period and financial results for the fiscal period ended December 31, 2017 will not be changed or revised due to this recalculation

Residential Rent Increase Initiative

Invincible Investment Corporation

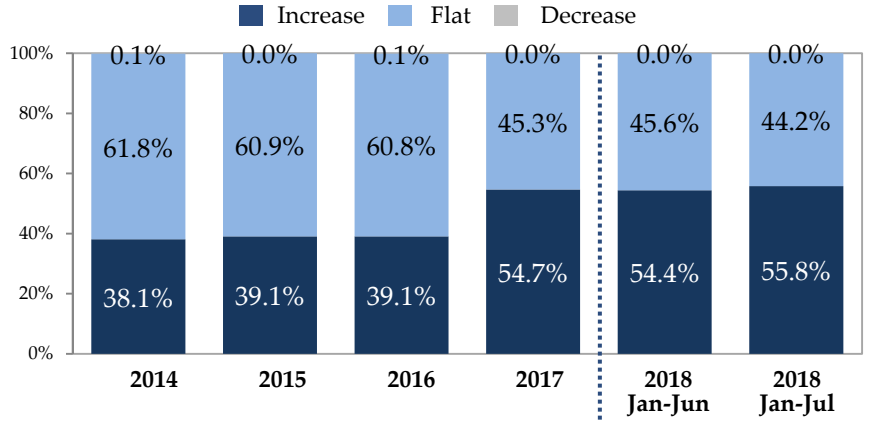
- In 2014, INV initiated a Rent Increase Program to increase rents on new and renewal contracts
- INV replaced the property managers at 16 properties in December 2016 and at four properties in June 2017, focusing on property managers with a track record of successfully raising rents on INV's residential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

Change in Rent for New Contracts[1]



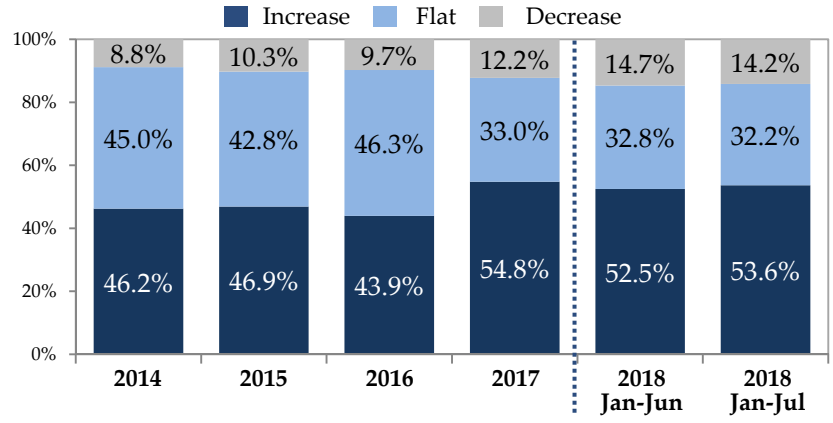
	2014	2015	2016	2017	2018 Jan-Jun	2018 Jan-Jul
No. of New Contracts	649	943	783	1,030	609	676
Occupancy[2] (%)	**94.0**	**94.7**	**95.9**	**95.0**	**95.6**	**95.5**
Net Leasing Cost (No. of months)[3]	**1.01**	**1.23**	**1.15**	**1.02**	**0.71**	**0.70**

Change in Rent for Renewal Contracts[1]

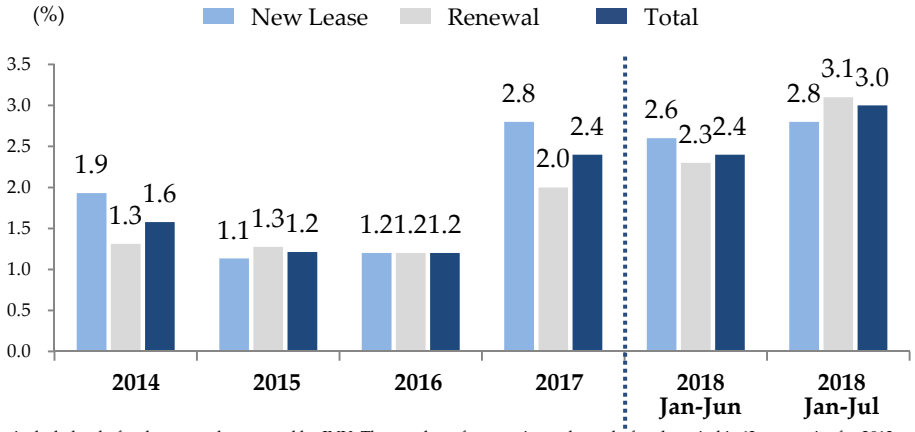


	2014	2015	2016	2017	2018 Jan-Jun	2018 Jan-Jul
No. of Renewals	872	1,209	1,126	1,337	753	864
Renewal Rate[4] (%)	**84.7**	**85.4**	**83.7**	**82.8**	**84.9**	**83.9**

Change in Rent for All Contracts[1]



Average Rent Increase / Decrease[5]



(Note 1) Based on the properties owned by INV for the relevant period. The properties INV acquired / disposed during the period are included only for the term when owned by INV. The number of properties at the end of each period is 63 properties for 2013, 63 properties for 2014, 66 properties for 2015, and 68 properties for 2016, 70 properties for 2017, and 64 properties for "2018 Jan-Jun" or "2018 Jan-Jul"
(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

Successive Rent Increase Implementation for Residential Portfolio

Invincible Investment Corporation

- In its overall residential portfolio, INV has been able to achieve rent increases of 2.4% over the last 12 months[1]
- In 2017, INV acquired two substantial assets in Minami Senju, Tokyo providing for strong occupancy and rental growth
- Royal Parks Tower Minami-Senju is the largest residential asset at 22.6% of the residential portfolio by value[2] and has averaged 10.8% rent increases[3] since the date acquired by INV
- Royal Parks Seasir Minami-Senju is the 6th largest residential asset and has averaged 3.4% rent increases since the date acquired by INV

Performance of Royal Parks Tower Minami-Senju since the date acquired by INV (From March 14, 2017 to July 31, 2018)

◆ Change in Rent for Lease Contracts

		New (A)	Renewal (B)	Total (A) + (B)
No. of Contracts		209	109	318
Change in Rent for All Contracts	Increase	93.8%	91.7%	93.1%
	Flat	3.8%	8.3%	5.3%
	Decrease	2.4%	0.0%	1.6%
Average Rent Increase[3]		10.7%	10.9%	10.8%

(Note 1) Based on the properties owned by INV from January 2017 to June 2018. The properties INV acquired or disposed during the period are included only for the term when owned by INV. Weighted average of monthly rent increase percentage for new and renewal contracts compared with previous contracts of properties owned at the end of each month for the term
(Note 2) Based on appraisal reports as of the end of June 2018 period of the properties owned by INV as of June 30, 2018
(Note 3) Weighted average of monthly rent increase percentage for new and renewal contracts compared with the previous contracts of properties owned at the end of each month for the term


Royal Parks Tower Minami-Senju

Sponsor Pipeline (1)

Invincible Investment Corporation

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

Properties Covered by the MOU [1,2]

Hotels

No.	Property name	Location	Type[3]	No. of Rooms
1	Rihga Royal Hotel Kyoto	Kyoto, Kyoto	Full	489
2	Hotel MyStays Premier Narita	Narita, Chiba	Full	711
3	Fusaki Resort Village	Ishigaki, Okinawa	Resort	188
4	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265
5	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206
6	Hotel MyStays Matsuyama	Matsuyama, Ehime	Full	162
7	Hotel Mystays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86
8	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70
9	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161
10	Hotel MyStays Fuji Onsen Resort	Fujiyoshida, Yamanashi	Resort	159
11	Hotel Nord Otaru	Otaru, Hokkaido	Limited	98
12	Hotel Sonia Otaru	Otaru, Hokkaido	Limited	94
13	Art Hotel Niigata Station	Niigata, Niigata	Full	304
14	Art Hotel Ishigakijima	Ishigaki, Okinawa	Resort	245
15	Hotel MyStays Shinsaibashi East	Osaka, Osaka	Limited	85
16	Hotel MyStays Sapporo Aspen	Sapporo, Hokkaido	Limited	305
17	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo, Hokkaido	Limited	80
18	Hotel MyStays Sapporo Susukino	Sapporo, Hokkaido	Limited	104
19	Hotel MyStays Nayoro	Nayoro, Hokkaido	Limited	70
	Total			**3,882**

Residential properties

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

No. of Hotel Rooms

3,882

No. of Apartment Units

743

(Note 1) MOU providing preferential negotiation rights
(Note 2) We have not decided to acquire any of the properties listed above as of the date of this material and there is no assurance that we will acquire any of these properties in the future
(Note 3) "Limited" refers to "Limited Service Hotel, which means a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities", "Full" refers to "Full Service Hotel, which means a hotel having segments of stay, foods and beverages, and banquet", and "Resort" refers to "Resort Hotel, which means a hotel located at tourist destinations or recreational lots, having segments of stay, foods and beverages, and incidental facilities"

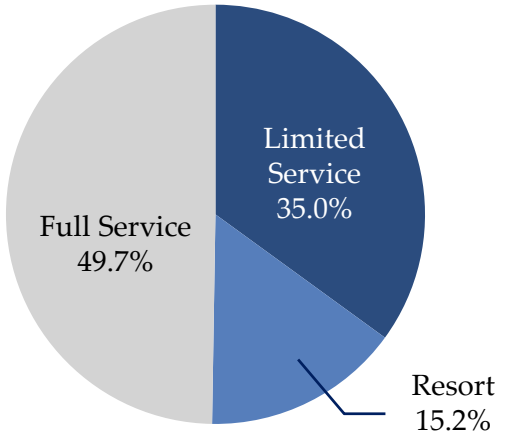
Sponsor Pipeline (2)

Invincible Investment Corporation

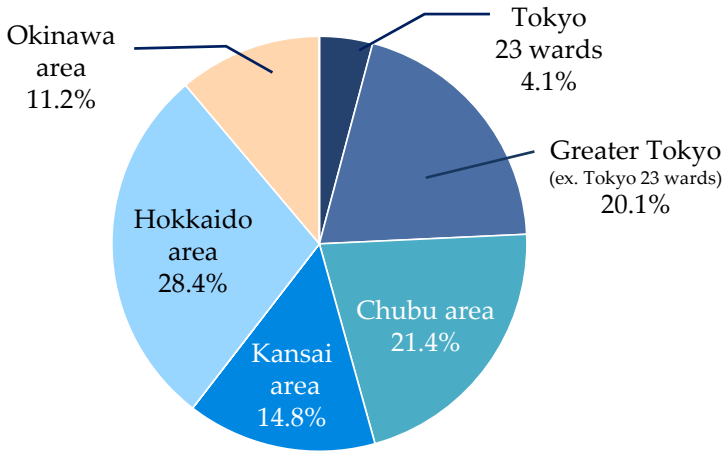
Pipeline of Hotel assets are diversified by hotel type and geographic footprint

Hotel Composition (Based on No. of Hotel Rooms)

By Property Type



By Geography













Sponsorship

Invincible Investment Corporation

- Since January 2017 and prior to the August 2018 offering, INV has acquired 15 hotels and residential assets[1] from the Sponsor for a combined acquisition price of ¥136 billion[2]
- These acquisitions have contributed to INV's growth in light of the size and quality of the portfolio

Property	Royal Parks Tower Minami-Senju	Royal Parks Seasir Minami-Senju	Hotel MyStays Premier Hamamatsucho	Hotel MyStays Gotanda Station[5]	Sheraton Grande Tokyo Bay Hotel (Preferred Equity)	Beppu Kamenoi Hotel	Hotel MyStays Premier Omori
							
Acquisition Date	February 2017	February 2017	May 2017	October 2017	October 2017	October 2017	October 2017
Acquisition Price[2] (¥ million)	21,879	2,683	8,000	26,523	17,845[2]	8,870	9,781
2018 Simulated NOI Increase[3]	+3.8%	+13.7%	+5.2%	+11.0%	+4.3%[3]	+12.7%	+5.9%
Contribution to 2018 Total Simulated NOI[4]	5.3%	0.7%	1.9%	4.0%	7.3%[3]	3.3%	2.3%

Hotel MyStays Shin-Osaka Conference Center	Hotel MyStays Sapporo Station	Hotel MyStays Yokohama Kannai	Art Hotel Joetsu	Art Hotel Hirosaki City	Hotel MyStays Oita	Hotel MyStays Gotanda	Hotel MyStays Tachikawa
							
October 2017	October 2017	February 2018	February 2018	February 2018	February 2018	June 2018	June 2018
13,068	7,880	5,326	2,772	2,723	1,604	4,068	3,257
(4.4%)	+10.0%	+2.9%	+5.5%	(2.4%)	+8.3%	(0.4%)	+4.2%
3.5%	2.1%	1.2%	1.0%	0.9%	0.5%	0.9%	0.7%

Total 2018 simulated NOI increase: **+5.1**%, Contribution to 2018 Total Simulated NOI: **35.8**%

(Note 1) Preferred equity interest in the JV TMK which holds SGTB is counted as one hotel property
(Note 2) Calculated by applying the investment amount of preferred equity contribution by INV to the JV TMK for the acquisition price of SGTB in INV's portfolio
(Note 3) Calculated by comparing 2018 simulated NOI versus 2017 simulated NOI. NOI for the pre-acquisition period of the properties is based on actual results provided by sellers. The amount of the estimated annual dividend for 49% preferred equity investment by JV TMK, which holds 100% of SGTB, for NOI of SGTB
(Note 4) 2018 total simulated NOI is based on the properties owned by INV as of June 30, 2018
(Note 5) Originally main building was acquired on March 2016, and additionally annex building was acquired on October 2017. NOI for full year 2018 is based on both main building and annex building; NOI of the annex building for the pre-construction period in 2017 of annex building is not considered

Financial Condition

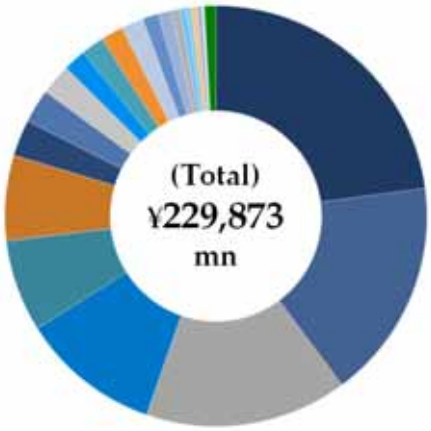
Invincible Investment Corporation

Issued first investment corporation bonds to diversify INV's financing sources, while lowering its borrowing costs and extending the maturity of its debt

Investment Corporation Bonds (Issued on May 25, 2018)

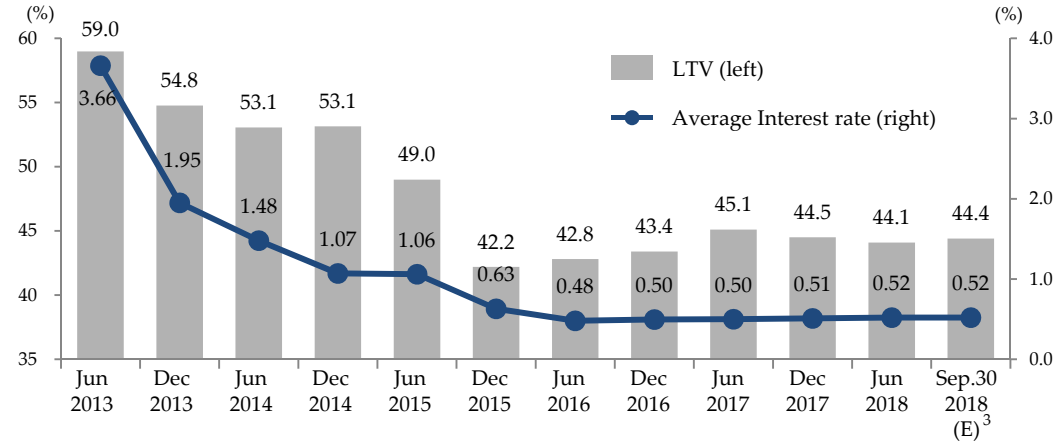
Bonds name	Term (years)	Balance (¥ mn)	Annual Interest Rate	Rating
1st Series Investment Corporation Bonds	5.0	1,000	0.40%	A (JCR)
2nd Series Investment Corporation Bonds	10.0	1,000	0.80%	A (JCR)
Total / Average	7.5	2,000	0.60%	

Lender Formation (as of September 30, 2018)

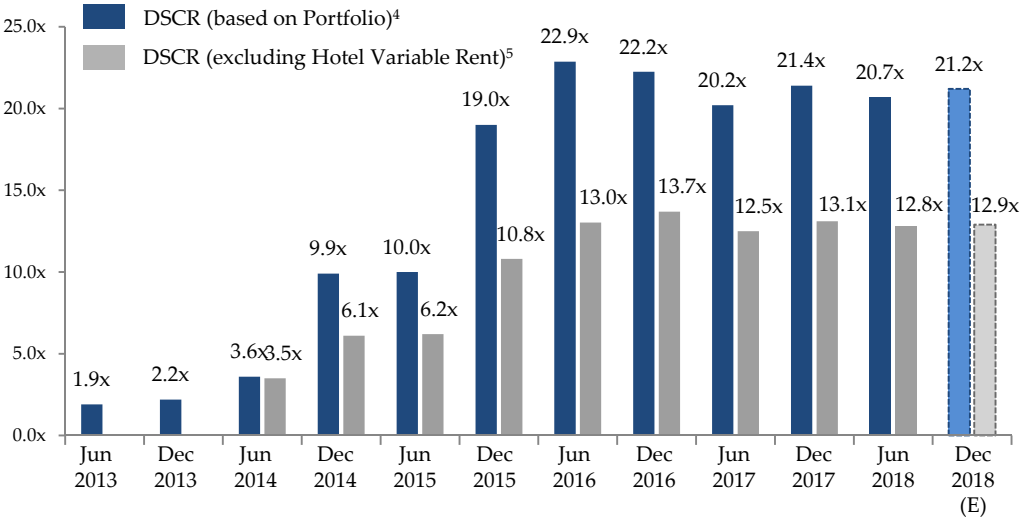


Mizuho Bank	22.9%
SMBC	16.9%
MUFG	15.5%
SMTB	10.7%
Shinsei Bank	7.1%
Citibank	6.6%
Resona Bank	2.8%
DBJ	2.6%
Aeon Bank	2.4%
Japan Post Bank	1.7%
Tokyo Star Bank	1.7%
Dai-ichi Life Insurance	1.7%
Fukuoka Bank	1.7%
Nomura TB	1.2%
Shizuoka Bank	1.0%
Hiroshima Bank	0.7%
Kagawa Bank	0.4%
Daishi Bank	0.4%
Hyakugo Bank	0.4%
Towa Bank	0.3%
Gunma Bank	0.2%
REIT Bond	0.9%

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



DSCR



(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For "Sep. 30, 2018 (E)", calculated by following formula: (Interest-bearing debts as of September 30, 2018, excluding short-term consumption tax loan of ¥1,099 million) / (Total appraisal value for the August 2018 acquisitions + Total appraisal value as of the end of June 2018 for the existing properties)
Total appraisal value includes the amount of preferred equity interest contribution by INV to the JV TMK and the amount of INV's TK investment backed by Westin and Sunshine Resort in the calculation of LTV after acquisition of them, for which no appraisal value is available
(Note 2) Calculated by the following formula: (Total loan amount outstanding at the end of each fiscal period multiplied by applicable interest rate at the end of each fiscal period for each loans) / (The loan amount outstanding at the end of each fiscal period). For "Sep. 30, 2018 (E)", calculated by following formula: (Total anticipated loan amount outstanding at of September 30, 2018 multiplied by applicable interest rate assuming 1 month TIBOR as of July 27, 2018 was applied as base rate) / (The loan amount outstanding at September 30, 2018)
(Note 4) DSCR is calculated by dividing (i) by (ii) for the relevant period; (i)operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property (ii)scheduled prepayments of loans payable, interest expense and the amount of redemption of bond
(Note 5) DSCR (excluding hotel variable rent) is in the same manner as DSCR, except for excluding hotel variable rent from operating income

Appendix

Investment Policy on Overseas Real Estate

Invincible Investment Corporation

- CIM has changed its investment guidelines to allow INV to invest in overseas real estate related assets
- With regard to investment in overseas real estate related assets, INV intends to obtain information on the country and area in which the relevant property is located, and analyze the subject country's real estate market trends, legal system, accounting, taxation, customs and practices from a macroeconomic standpoint, including political situation, demographics and economic growth
- In addition, INV intends to consider the validity of investment schemes, legal, accounting and taxation risk, currency risk, as well as country risk related to investment and capitalization in order to conduct thorough investment analysis

Investment Intent / Rationale

Enhance stability of revenue by adding overseas hotels to existing Japanese hotel and residential portfolio

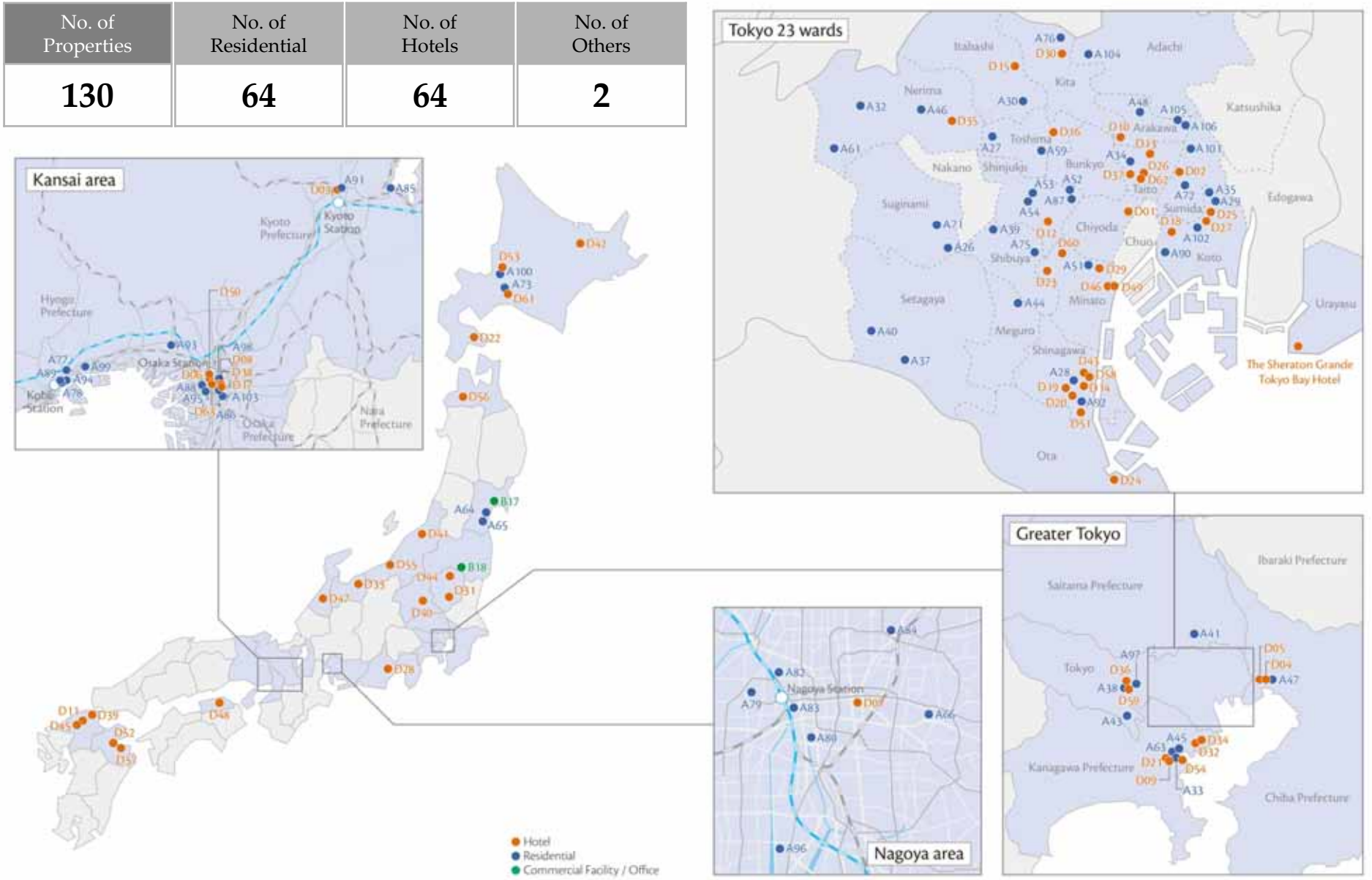
Investment Guidelines of CIM for overseas real estate

1. Investment criteria	
Property type	• INV currently expects to limit investment in overseas properties to hotels
Investment target country/area	• Of the countries and areas in North America, Europe and Asia, INV will invest in developed countries and areas with stable political, economic and financial systems; and where the transparency in laws and regulations, accounting, taxation, and the real estate market is ensured
Investment target hotel	• INV selectively invests in high quality hotels that offer stable demand; are operated by international hotel operators with global operation experiences, strong marketing and sales capabilities; whose operation knowhow, systems and brand name are provided by such global operators • In principle, INV initially plans to invest only in overseas hotels developed, owned or operated by our sponsor, Fortress Group. We believe this allows INV to ensure that it has sufficient information to make sound investment decisions and obtain adequate operational support after acquisition
2. Investment ratio	
INV's policy is to limit the allocation of overseas real estate related assets to less than 15% of its total investment portfolio (on an acquisition price basis). The acquisition price of overseas properties will be converted into Japanese yen at the exchange rate at the time INV enters into definitive agreements for the investment in such overseas properties	

Domestic Portfolio Map (as of August 2, 2018)

Invincible Investment Corporation

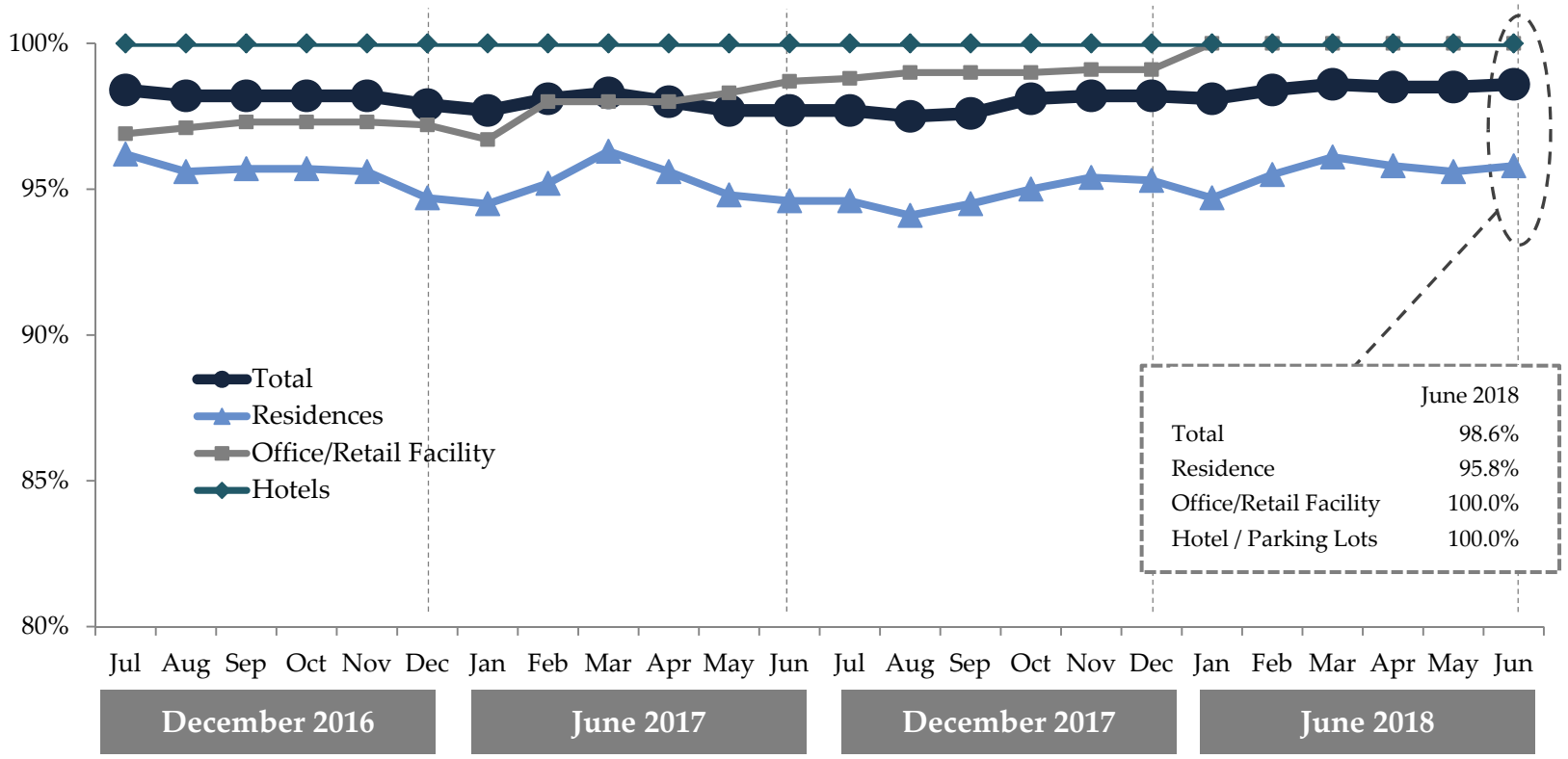
No. of Properties	No. of Residential	No. of Hotels	No. of Others
130	**64**	**64**	**2**



Portfolio Occupancy

Invincible Investment Corporation

Monthly Occupancy Rate



	June 2018
Total	98.6%
Residence	95.8%
Office/Retail Facility	100.0%
Hotel / Parking Lots	100.0%

Average Occupancy Rate

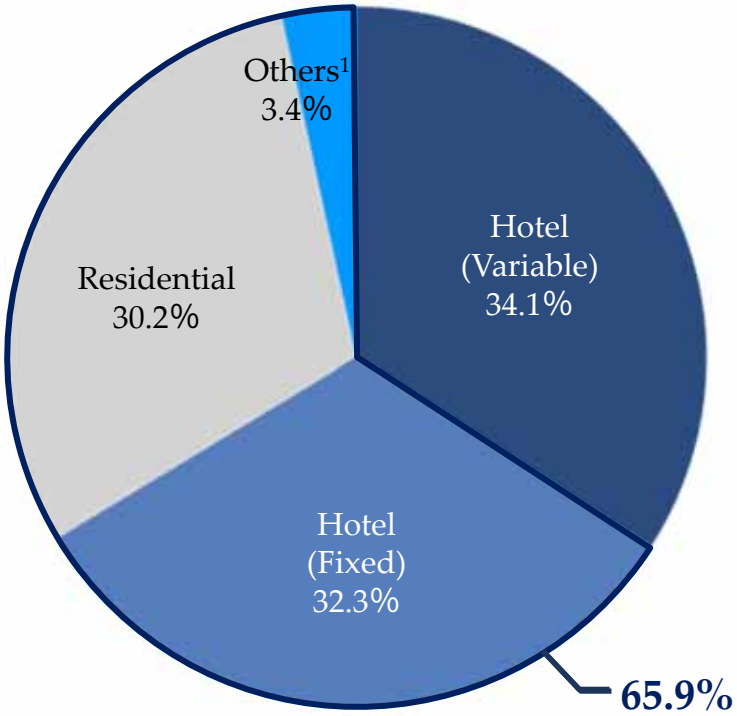
December 2016	June 2017	December 2017	June 2018
Total 98.2%	Total 97.9%	Total 97.9%	**Total 98.5%**
Residence 95.6%	Residence 95.2%	Residence 94.8%	**Residence 95.6%**
Office/Retail Facility 97.2%	Office/Retail Facility 98.0%	Office/Retail Facility 99.0%	**Office/Retail Facility 100.0%**
Hotel/Parking Lots 100.0%	Hotel/Parking Lots 100.0%	Hotel/Parking Lots 100.0%	**Hotel/Parking Lots 100.0%**

Balanced Source of Revenue

Invincible Investment Corporation

Residential rents, hotel fixed rents, and office/retail rents comprise 65.9% of actual rent revenue for June 2018 fiscal period

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



(¥ million)

2017 Rent Revenue			
Hotel	Variable	3,790	34.1%
	Fixed	3,587	32.3%
Residential		3,363	30.2%
Others[1]		380	3.4%
Total		11,122	100.0%

(Note 1) Commercial facilities

Addressing Portfolio Earnings Seasonality

Invincible Investment Corporation

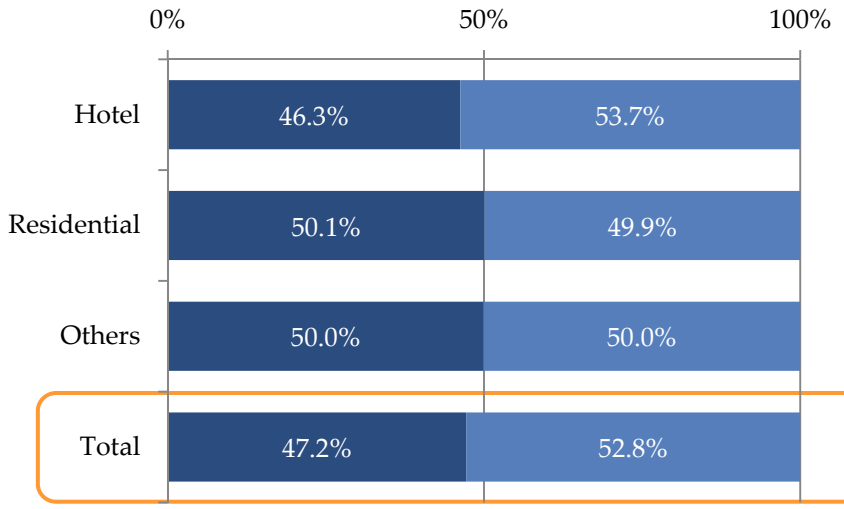
- Prior to the August 2018 acquisition, the split between NOI and dividend income estimated to be recorded in the first half of the year compared to the second half of the year was 47.2% versus 52.8%, on a simulated basis for 2018
- The acquisition of Westin and Sunshine Resort is expected to moderate this seasonality such that the first half of the year compared to the second half of the year is estimated to be 49.4% versus 50.6% on a simulated basis for 2018

2018 Simulated NOI, TMK and TK Dividends by Property Type

Pre-Acquisition (simulated)[1]

(¥ million)

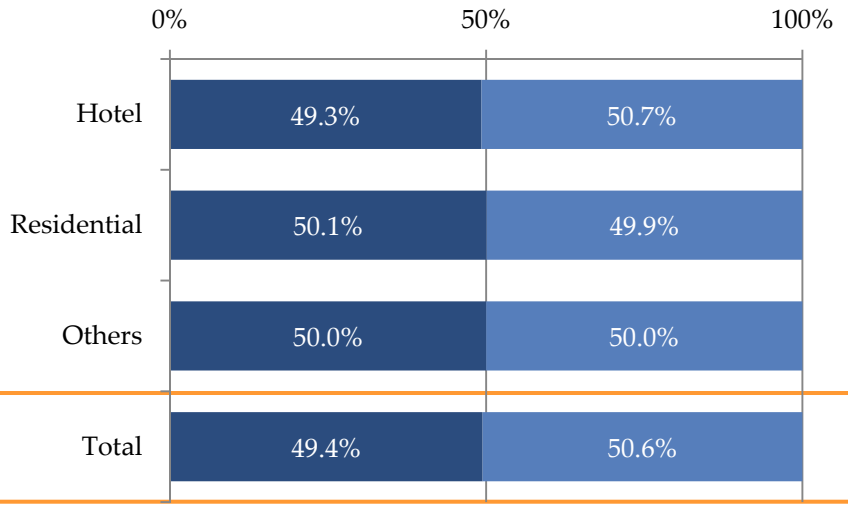
	1H	2H	Full Year
Hotel[1]	7,780	9,012	16,793
Residential	2,531	2,522	5,054
Others	184	184	368
Total	**10,496**	**11,719**	**22,216**



Post-Acquisition (simulated)[2]

(¥ million)

	1H	2H	Full Year
Hotel[2]	10,575	10,885	21,461
Residential	2,531	2,522	5,054
Others	184	184	368
Total	**13,291**	**13,592**	**26,884**



(Note 1) Based on 2018 simulated NOI of the properties owned by INV as of the end of June 2018, assuming all properties were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns SGTB, assuming TMK dividend contributed 2018 full year of INV. The pre-acquisition period of the properties acquired between January 2018 and June 2018 is based on actual results provided by sellers

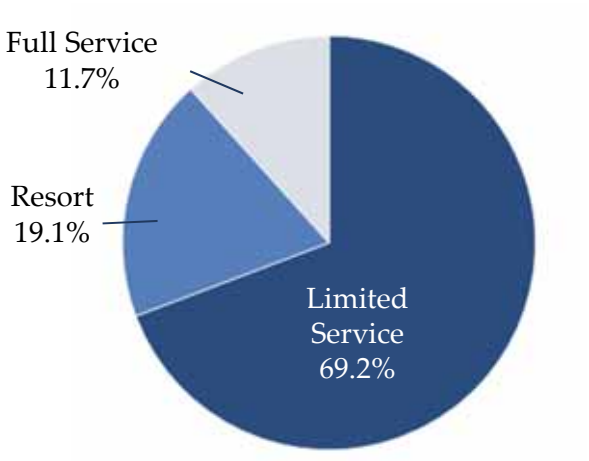
(Note 2) Taking into consideration 2018 simulated NOI (or dividend amount) from the properties (to be) acquired including estimated TK dividend backed by two Cayman hotels, assuming all properties were owned since the beginning of 2018 and TK dividend contributed 2018 full year of INV

Hotel Portfolio Summary

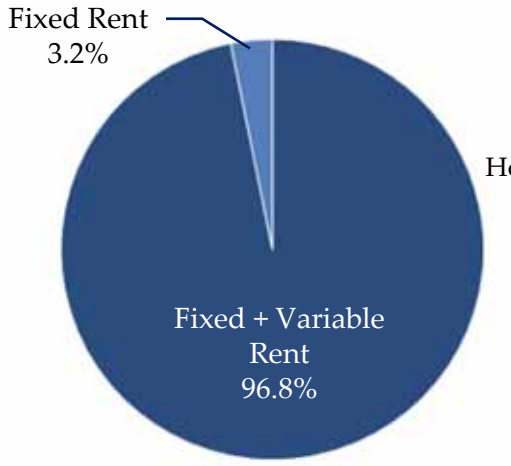
Invincible Investment Corporation

- Hotel portfolio comprises 66 properties, of which 69.2% are limited-service hotels, and 96.8% are variable-rent hotels[1]
- 50.8% of the portfolio is located in the Greater Tokyo area (including the Tokyo 23 wards) and 9.9% in Kansai area[1]
- Revenues from the hotels are approximately split between 50% variable rents and 50% fixed rents (total hotel revenue basis)

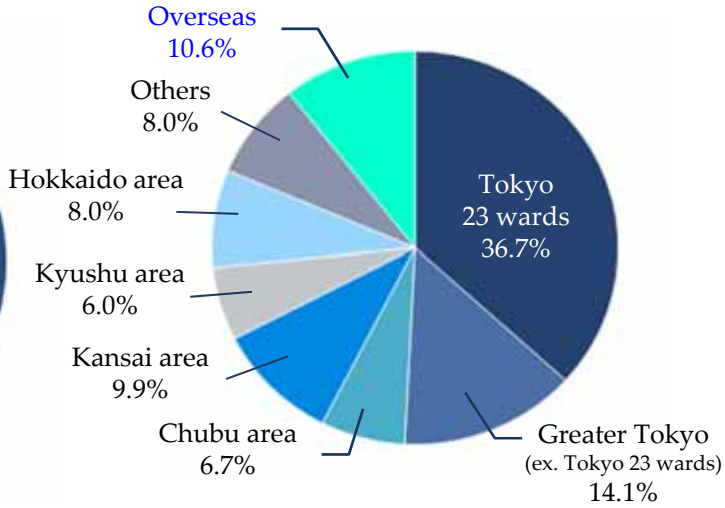
Hotel Type[1]



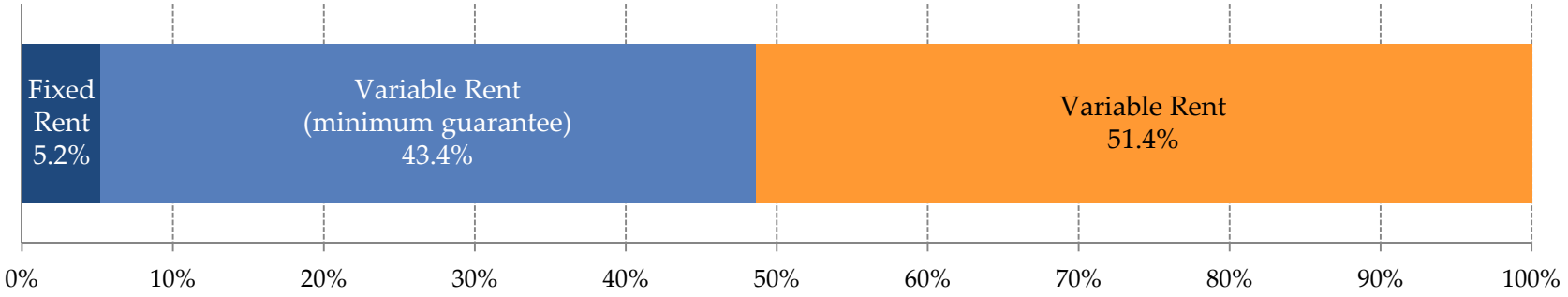
Rent Structure[1]



Location[1,2]



Composition by Rental Revenue[3] (in June 2018 Fiscal Period)



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

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

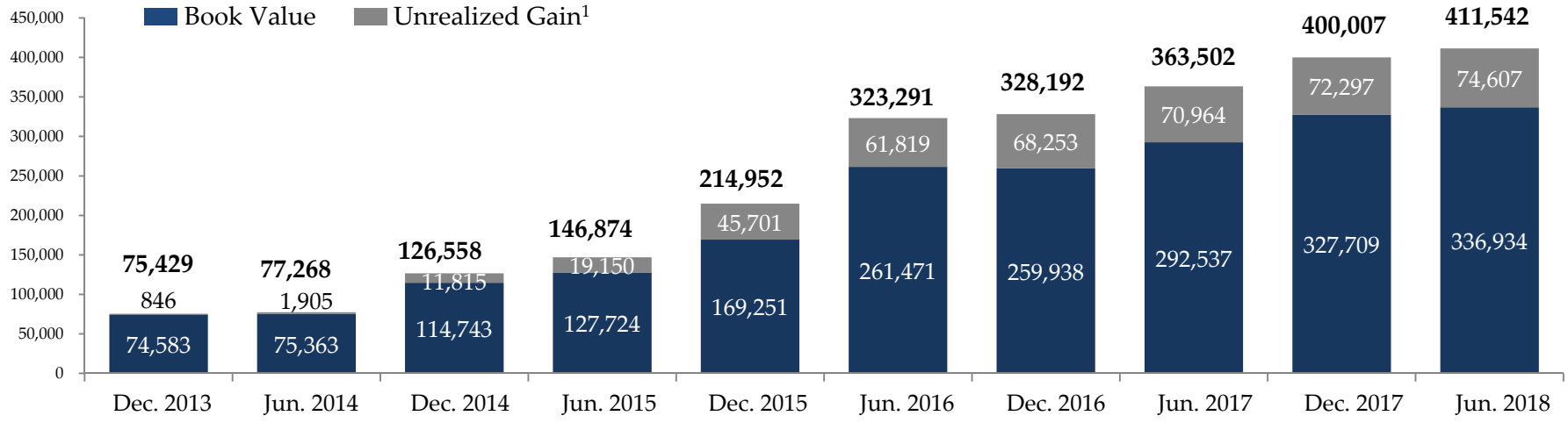
(Note 3) Excluding the amount of the dividend by JV TMK which holds 100% of Sheraton Grande Tokyo Bay Hotel

Summary of Appraisal Value

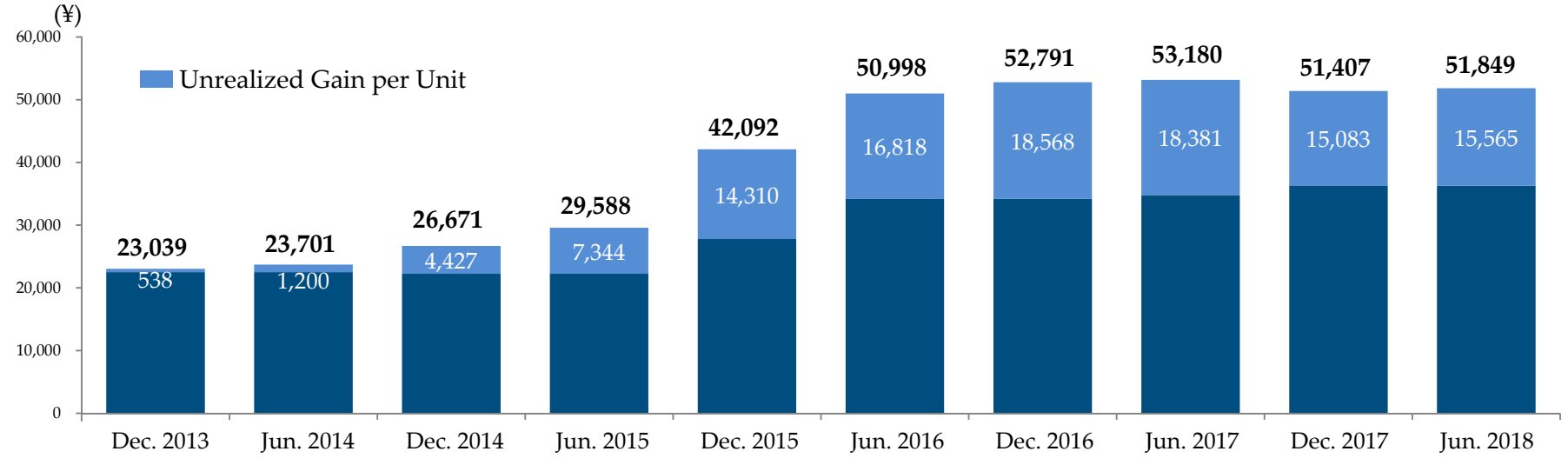
Invincible Investment Corporation

Trend of Appraisal Value

(¥ million)



Trend of NAV per Unit[3]



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

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

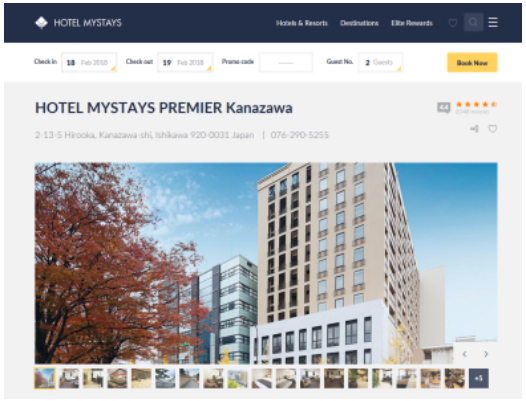
MyStays Hotel Operations and Initiatives

Invincible Investment Corporation

MyStays Uniquely Caters to Inbound Tourists

MYSTAYS HOTEL MANAGEMENT CO.,LTD.

- MHM manages **52 hotels** owned by INV and manages **87 hotels** overall in Japan (as of August 22, 2018)
- MHM recently launched its new website as well as its new international reservation engine in order to increase direct bookings
- Overseas sales ratio resulted to be 33.7% of total revenue for MHM hotels owned by INV[1]



MHM Websites

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

Revenue Management Expertise (INV owned MyStays hotels)

- ✓ Increased revenue share from direct corporate sales from 6.4% in Jan. - Jun. (YTD) 2016 to 7.4% in YTD 2017 and up to 8.2% in YTD 2018 which diversifies the channel mix and saves commissions
- ✓ Increased 95%+ occupied nights from 2,354 to 2,527 YoY for YTD, that are owned by INV as of June 2018[2]
- ✓ New revenue management system based on machine learning to improve the overbooking algorithms to help offset cancelation and improve revenue

Extensive Online Marketing

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

Alliance with Alibaba Group (Fliggy)

- ✓ 63 MHM hotels on the Fliggy platform, of which 35 hotels are owned by INV

Cost Cutting Initiatives

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

(Note 1) Refers to the sales revenue booked through overseas Online Travel Agents as a percent of the total room revenue, and is calculated based on the 47 hotels of 48 hotels managed by MHM for INV's portfolio as of the end of July 2018 excluding "Hotel Epinard Nasu", which is operated by MyStays Hotel Management subsidiary Naqua Hotels and Resorts
(Note 2) For 28 INV properties that have been operating fully for the subject period. Excluded periods for properties that were under renovation and conversion period for the subject period. YTD means Jan to June actual

Unitholder Benefit Program for Invincible Unitholders

Invincible Investment Corporation

- Invincible is proud to introduce the Unitholder Benefit Program to celebrate the acquisition of Sheraton Grande Tokyo Bay Hotel as the flagship asset in the portfolio, and to showcase the nationwide reach of the Hotel MyStays brand
- Invincible unitholders will receive 10% off the Best Available Rate at the Sheraton Grande Tokyo Bay Hotel and at all 87 MyStays hotels

Overview of Unitholder Special Benefit Program[1]

Applicable Hotels	■ Sheraton Grande Tokyo Bay Hotel ■ All hotels managed by MyStays	
Eligible Unitholders	Unitholders who hold 10 or more Invincible units and whose names are on Invincible's Unitholders' Registry as of these record dates: ✓ June 30 and December 31 of each year	
Benefit Program	①	②
Eligible Hotels	Sheraton Grande Tokyo Bay Hotel	All MyStays Hotels
Details	10% discount from BAR[3]	10% discount from BAR[2]
Hotel Reservation	via dedicated website of Sheraton Grande Tokyo Bay Hotel or MyStays	
Available Period[3]	■ From April 1 to September 30 (eligible unitholders as of December 31) ■ From October 1 to March 31 (eligible unitholders as of June 30)	

(Note 1) The details of the unitholder benefit program described above is what Invincible plans as of today, and the program may be changed or abolished even after it is actually introduced
(Note 2) BAR (Best Available Rate) refers to the lowest price at the time of booking
(Note 3) Available Period represents a period during which you can lodge by using the unitholder benefit program. To enjoy the unitholder benefit program, you actually need to lodge during the availability period

Eligible Hotels: Sheraton Grande Tokyo Bay Hotel and All 82 MyStays Hotels

Sheraton Grande Tokyo Bay Hotel



HOTEL MYSTAYS



Hotel MyStays Premier Kanazawa



Fusaki Resort Village



Hotel Epinard Nasu



Hotel MyStays Premier Akasaka

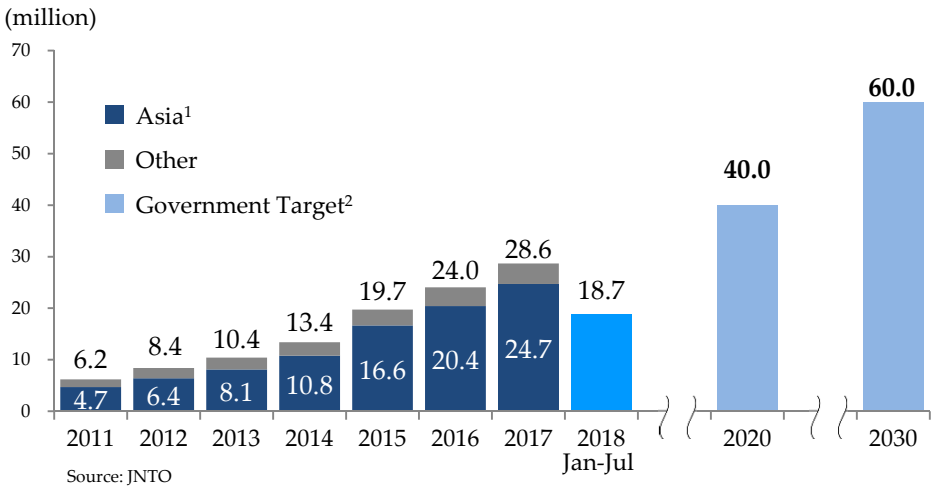


Beppu Kamenoi Hotel

Inbound Market (1)

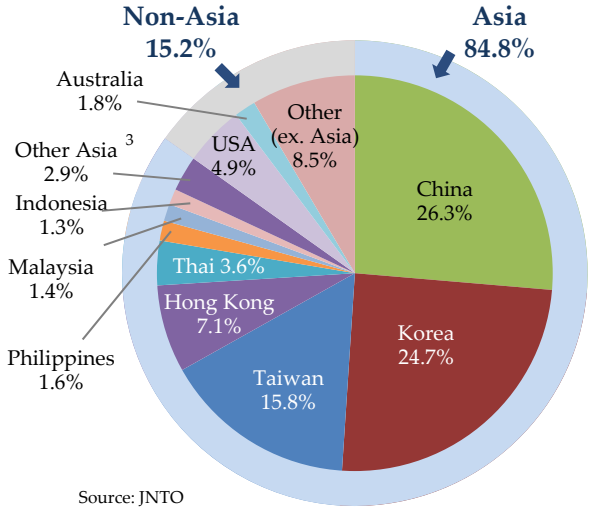
- In July 2018, inbound visitors reached a record high for July and increased a cumulative 13.9% YTD through July 2018
- Japan still has a low number of foreign tourists compared to its population, indicating room for more growth

No. of Inbound Visitors to Japan



Source: JNTO

Inbound Visitors Composition by Country (Jan-Jul 2018)

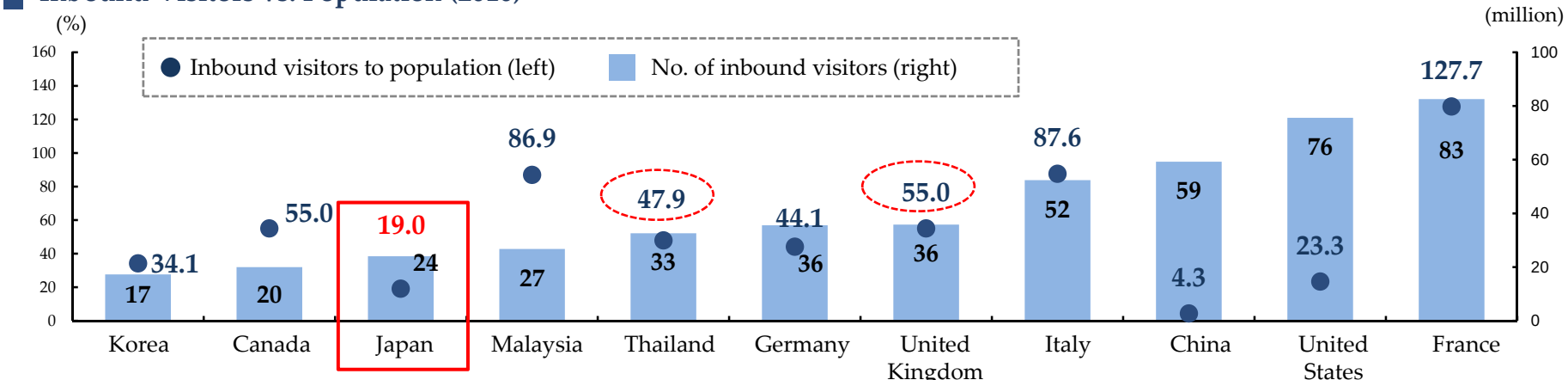


Source: JNTO

Top 5 Countries by Inbound Growth Rate

#1	Russian	+ 28.9%
#2	Vietnam	+ 25.3%
#3	Philippines	+ 22.3%
#4	China	+ 21.5%
#5	Italy	+ 19.1%

Inbound Visitors vs. Population (2016)



Source : JNTO and World Population Prospects, the 2015 Revision

(Note 1) Asia includes China, South Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, Philippines, Vietnam, and India
(Note 2) Government targets are figures announced by the Government of Japan, and there is no assurance that such targets will be achieved
(Note 3) Other Asia includes Indonesia, Vietnam and India

Inbound Market

Invincible Investment Corporation

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

Inbound Visitors to Japan by Country

(thousands of people)

	2012	YoY	2013	YoY	2014	YoY	2015	YoY	2016	YoY	2017	YoY	2018 Jan-Jul	YoY
China	1,425	+36.6%	1,314	(7.8%)	2,409	+83.3%	4,994	+107.3%	6,373	+27.6%	7,356	+15.4%	4,936	+21.5%
South Korea	2,043	+23.2%	2,456	+20.2%	2,755	+12.2%	4,002	+45.3%	5,090	+27.2%	7,140	+40.3%	4,624	+14.5%
Taiwan	1,466	+47.5%	2,211	+50.8%	2,830	+28.0%	3,677	+29.9%	4,167	+13.3%	4,564	+9.5%	2,966	+8.5%
Hong Kong	482	+32.0%	746	+54.9%	926	+24.1%	1,524	+64.6%	1,839	+20.7%	2,232	+21.3%	1,337	+1.5%
Thailand	261	+79.8%	454	+74.0%	658	+45.0%	797	+21.2%	901	+13.1%	987	+9.5%	681	+15.9%
Malaysia	130	+59.7%	177	+35.6%	250	+41.4%	305	+22.4%	394	+29.1%	440	+11.5%	259	+10.0%
Indonesia	101	+63.9%	137	+34.8%	159	+16.0%	205	+29.2%	271	+32.1%	352	+30.0%	241	+15.5%
Philippines	85	+34.8%	108	+27.4%	184	+70.0%	268	+45.7%	348	+29.6%	424	+21.9%	305	+22.3%
Vietnam	55	+34.4%	84	+53.1%	124	+47.1%	185	+49.2%	234	+26.1%	309	+32.1%	228	+25.3%
USA	717	+26.7%	799	+11.5%	892	+11.6%	1,033	+15.9%	1,243	+20.3%	1,375	+10.6%	921	+11.5%
UK	174	+24.2%	192	+10.2%	220	+14.7%	258	+17.5%	293	+13.2%	311	+6.2%	196	+8.7%
France	130	+36.6%	155	+18.8%	179	+15.3%	214	+20.0%	253	+18.3%	269	+5.9%	183	+14.5%
Canada	135	+33.6%	153	+12.9%	183	+19.7%	231	+26.5%	273	+18.0%	306	+11.9%	193	+7.6%
Australia	206	+27.0%	245	+18.5%	303	+23.8%	376	+24.3%	445	+18.4%	495	+11.2%	329	+12.4%
Others	947	+35.2%	1,134	+19.6%	1,343	+18.5%	1,666	+24.0%	1,914	+14.9%	2,133	+11.4%	1,333	+12.6%
Total	**8,358**	**+34.4%**	**10,364**	**+24.0%**	**13,413**	**+29.4%**	**19,737**	**+47.1%**	**24,039**	**+21.8%**	**28,691**	**+19.3%**	**18,731**	**+13.9%**

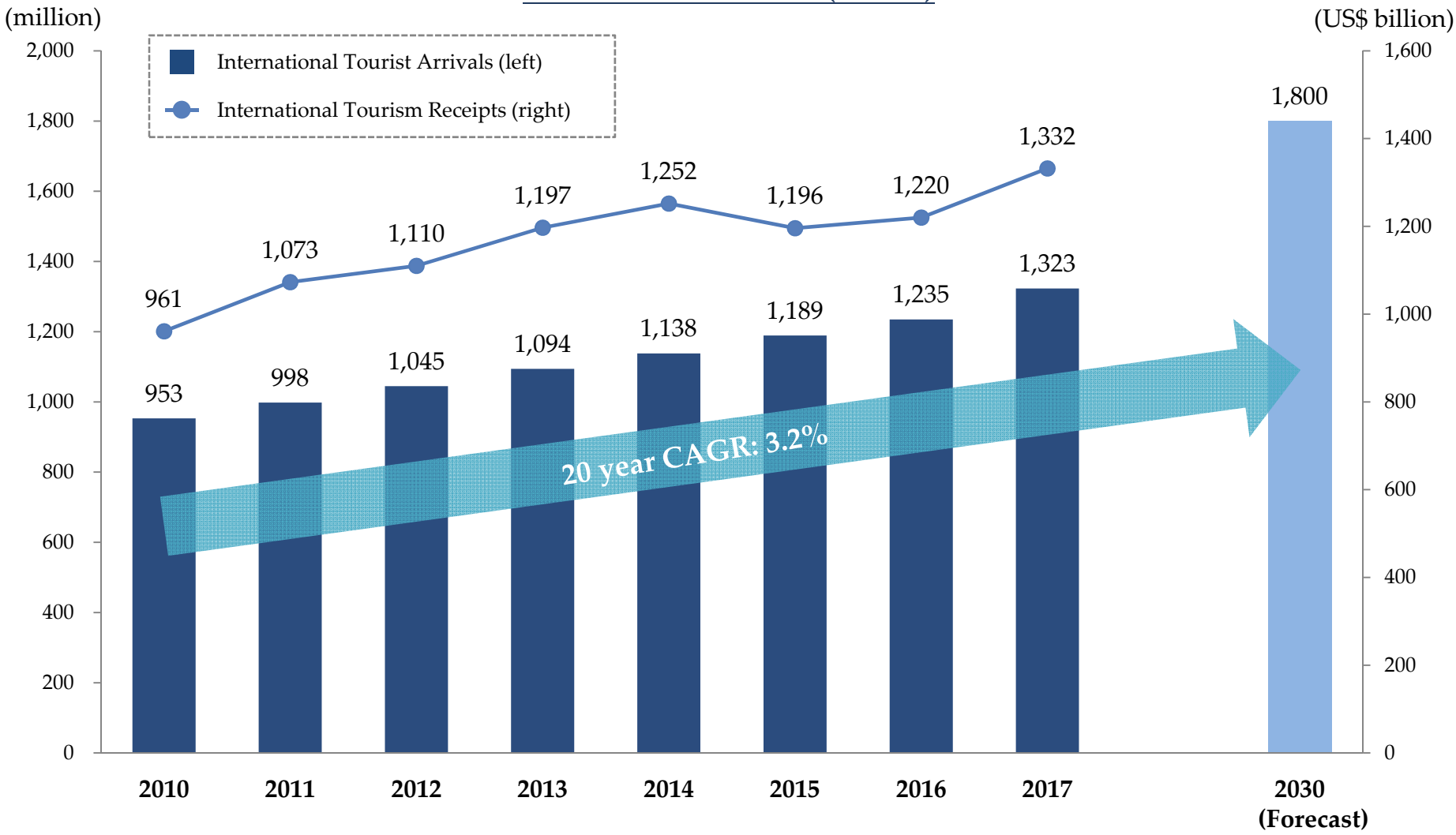
(Note) Source: Japan Tourism Agency, Japan National Tourism Organization, Prime Minister of Japan and His Cabinet

Growth of International Tourists

Invincible Investment Corporation

According to UNWTO, the number of international tourists reached 1,322 million in 2017 in the world, which renewed the records for the eighth consecutive year, and UNWTO expects international tourists to reach 1.8 billion by 2030

International Tourism (2010〜)

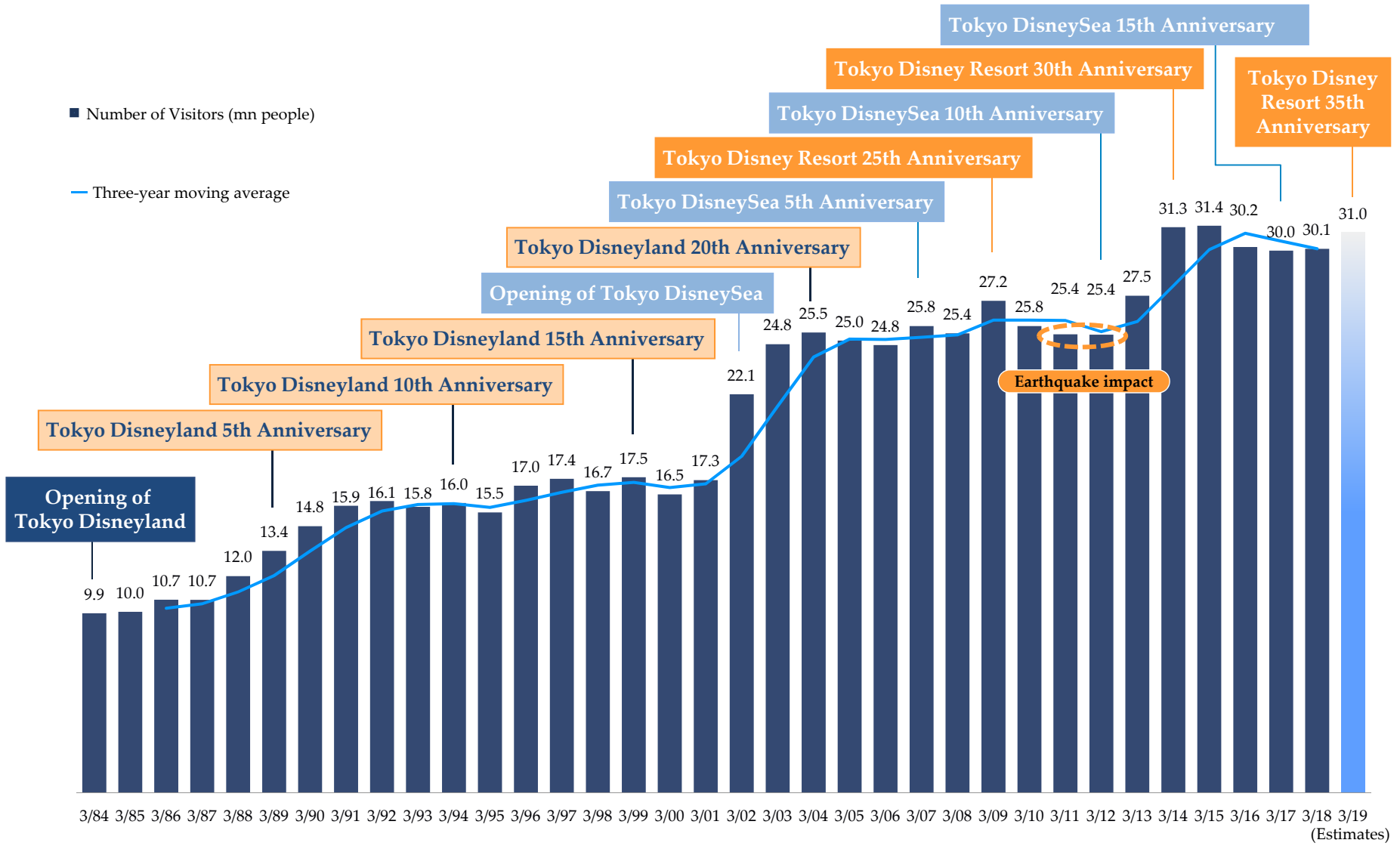


Source: UNWTO

Sustainable Growth of Tokyo Disney Resort

Invincible Investment Corporation

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



Source: Corporate disclosure from OLC

Sheraton Grande Tokyo Bay Hotel: Attractive Tokyo Disney Resort Market

Invincible Investment Corporation

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

Recent new attractions in TDR

Nemo & Friends SeaRider
Opened on May 12, 2017 (Investment value: approx. ¥5.0 billion)

Turtle Talk to be refurbished
Reopened on May 12, 2017

Tokyo Disneyland Electrical Parade Dreamlights to be redesigned
Restarted on July 11, 2017

It's a Small World to be refurbished
Scheduled to reopen in FY3/19

New daytime parade
Scheduled to start in FY3/19
(Investment value: approx. ¥2.4 billion)

New nighttime spectacular
Scheduled to start in FY3/19
(Investment value: approx. ¥2.4 billion)

Tokyo Disneyland

Tokyo DisneySea

Soarin' (tentative name)
Scheduled to open in FY3/20

Large-scale investment project
Scheduled to open in spring 2020

2018 Tokyo Disney Resort 35th Anniversary

Large-scale extension project
Scheduled to open in FY3/22

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

Theme park	Projects	Time of introduction / Investment value
Tokyo DisneySea	Major attraction	FY3/20
	Soarin' (tentative name)	Approx. ¥18.0 bn
Tokyo Disneyland	■ Beauty and the Beast Area (tentative name) —Major attraction	Spring 2020
	■ Live Entertainment Theater ■ New attraction based on the film, Big Hero 6 ■ New Disney Character Greeting Facility	Approx. ¥75.0 bn
Tokyo DisneySea	■ Frozen — attraction ×1 , restaurant ×1 ■ Tangled — attraction ×1 , restaurant ×1 ■ Peter Pan — attraction ×2 , restaurant ×1 ■ New Hotel located inside the Park	FY3/22 Approx. ¥250.0 bn

Recent new attractions in TDR



Source: Corporate disclosure from OLC

Westin: Guest Rooms, Food and Beverage

Invincible
Investment Corporation



Presidential Suite

- ✓Located on the third floor of the hotel with a direct view of Seven Mile Beach
- ✓This suite offers a 1500' verandah with patio furniture and lounge chairs, which offers complete privacy



Two Bedroom Oceanfront Suite

- ✓Located on the fifth floor of the hotel and offers a view of the pool area as well as of Seven Mile Beach
- ✓Contains a furnished parlor/living room with a breakfast bar



Deluxe Ocean Front

- ✓Located directly on Seven Mile Beach with offering an unobstructed view of the ocean
- ✓These rooms appear on the first and the second floors only
- ✓The ground level rooms carry patios and the 2nd floor rooms carry balconies



Island View

- ✓Offers a view of the interior island
- ✓The upper level rooms from the third floor and above offer a view of the Safe Haven golf course and the northeastern end of the island
- ✓These rooms also look out onto the main road, West Bay road



Tortuga

- ✓A "Beach Casual" restaurant with a menu designed around exciting light and healthy fare
- ✓Very casual "toes in the sand" style menu has items such as, great salads, grilled fish, proteins and poultry, tacos and much more



Beach House

- ✓An upscale yet casual restaurant offering incredible view of Seven Mile Beach and inviting, intimate atmosphere
- ✓The cuisine is centered on coastal living and foods from the Caribbean, Mediterranean and Asia



Beach Terrace

- ✓Located adjacent to Beach House restaurant with stunning view of Seven Mile Beach
- ✓Having an open air feel with comfortable furniture and tropical plants



Ferdinand's

- ✓A "Caribbean Casual" restaurant focusing on local foods, spices and flavors
- ✓Enjoy dining inside or out with spectacular views of Seven Mile Beach

Westin: Prime Beach with Superior Buildings and Facilities

Invincible
Investment Corporation



Pool Area

- ✓The largest freshwater pool in Grand Cayman
- ✓Enjoy the relaxation of two hot tubs, poolside courtyard café and pool bar
- ✓This poolside location also serves as an excellent venue to host welcome receptions and capture the beautiful Cayman sunset



Gazebo Wedding

- ✓Our seven inviting event spaces accommodate parties of up to 400 guests, while spectacular outdoor settings offer many more appealing options



Hibiscus Spa

- ✓Promoting a total lifestyle approach that encompasses the entire person – body, mind and soul – in order to provide the most complete and beneficial services for guests



Conference / Event Hall

- ✓Our conference facilities feature a total of seven breakout areas that can accommodate meetings of up to 400 participants
- ✓Or host your event in one of our two executive boardrooms, Governor's Ballroom and Galleon Ballroom



Watersport Activities

- ✓Offering activities to suit every member of the family which can choose from waverunner safaris, sailing, stand-up paddleboarding, snorkeling and more



Fitness Studio

- ✓The WestinWORKOUT® Fitness Studio is the perfect place to keep up with your daily exercise routine
- ✓Featuring free weights, treadmills, elliptical machines and universal weight machines



Westin Kids Club

- ✓A fantastic space for making new friends and enjoying fun activities for kids ages 4 to 12

Appendix - Financial and Operational Data

Key Operational Data for Variable Rent Hotels (1)

Property	# of rooms	Acquisition Month	Occupancy		ADR (¥)		RevPAR (¥)		GOP (¥ mn)		Daily Ratio[3]		Overseas Sales Ratio[4]	
			Jan-Jun 2018 Actual	Y-o-Y (pt)	Jan-Jun 2018 Actual	Y-o-Y	Jan-Jun 2018 Actual	Y-o-Y	Jan-Jun 2018 Actual	Y-o-Y	Jan-Jun 2018 Actual	Y-o-Y	Jan-Jun 2018 Actual	Y-o-Y
D1 MS Kanda	126	May 2014	97.1%	3.0	8,825	-4.0%	8,569	-0.9%	111	5.5%	99.9%	2.3	40.3%	-1.1
D2 MS Asakusa	160	May 2014	93.3%	-1.2	6,710	-11.0%	6,258	-12.2%	106	-8.7%	84.1%	-8.6	58.0%	-7.7
D3 MS Kyoto-Shijo	224	Jul 2014	74.0%	-11.7	11,771	-19.6%	8,712	-30.6%	190	-40.7%	100.0%	0.0	59.8%	-8.6
D4 MS Shin-Urayasu CC.	175	Jul 2014	88.0%	-3.1	9,827	-0.6%	8,646	-4.0%	170	-3.3%	100.0%	0.0	21.1%	3.3
D5 MS Maihama	90	Jul 2014	80.1%	-10.4	15,551	-2.2%	12,450	-13.4%	110	-17.7%	100.0%	0.0	31.1%	-0.5
D6 MS Dojima	141	Jul 2014	80.8%	-10.2	11,639	-3.8%	9,409	-14.6%	180	-11.0%	100.0%	-	38.4%	-
D7 MS Nagoya-Sakae	270	Jul 2014	91.3%	-3.4	7,599	4.0%	6,936	0.2%	189	0.6%	100.0%	0.0	42.2%	8.5
D8 MS Sakaisuji-Honmachi	190	Jul 2014	86.7%	-2.7	8,223	-12.0%	7,132	-14.7%	134	-16.9%	100.0%	0.0	38.9%	-10.4
D9 MS Yokohama	190	Jul 2014	90.1%	5.9	7,551	-2.1%	6,805	4.8%	118	9.4%	100.0%	0.0	21.1%	-0.3
D10 MS Nippori	93	Jul 2014	91.1%	2.5	7,229	-2.1%	6,588	0.7%	61	3.4%	89.8%	-3.4	47.4%	-3.7
D11 MS Fukuoka-Tenjin-Minami	177	Jul 2014	95.2%	-0.3	8,798	6.2%	8,379	5.9%	145	9.2%	100.0%	0.0	39.4%	-2.3
D13 MS Ueno-Inaricho	72	Jul 2014	94.5%	2.5	7,220	-10.2%	6,825	-7.7%	49	-10.6%	90.4%	3.4	48.3%	-20.5
D17 MS Otemae	110	Jul 2014	88.7%	-4.1	10,417	-8.5%	9,245	-12.6%	94	-24.4%	100.0%	0.0	55.3%	-6.3
D22 MS Hakodate-Goryokaku	208	Feb 2015	61.5%	-12.7	7,794	-2.4%	4,792	-19.1%	76	-32.0%	100.0%	0.0	4.3%	-
D24 MS Haneda	174	Jul 2015	94.8%	-1.2	11,056	-1.3%	10,479	-2.6%	183	0.8%	100.0%	0.0	40.8%	1.1
D25 MS Kameido P1	265	Jul 2015	90.6%	4.8	6,165	-1.2%	5,588	4.3%	183	4.7%	45.7%	-4.0	14.3%	-1.9
D26 MS Ueno-Iriyaguchi	97	Jul 2015	94.9%	0.7	9,886	-4.0%	9,381	-3.2%	95	-0.3%	100.0%	0.0	67.5%	0.4
D27 MS Kameido P2	175	Jul 2015	93.7%	4.4	6,107	-4.1%	5,724	0.6%	120	1.8%	61.3%	-5.9	26.1%	0.6
D31 MS Utsunomiya	116	Jul 2015	96.9%	-0.3	7,604	6.4%	7,370	6.1%	100	12.2%	100.0%	0.0	15.9%	0.8
D38 MS Shinsaibashi	54	Jan 2016	94.8%	-1.6	12,344	-10.8%	11,706	-12.4%	67	-17.9%	100.0%	0.0	73.8%	0.7
D43 MS Gotanda Station	383	Mar 2016	93.7%	-1.7	10,949	3.3%	10,256	1.5%	481	18.3%	100.0%	0.0	24.1%	1.9
D45 MS Fukuoka Tenjin	217	Mar 2016	94.8%	-1.8	9,597	14.2%	9,093	12.1%	218	13.7%	100.0%	0.0	48.1%	1.2
D46 MS Hamamatsucho	105	Mar 2016	96.6%	2.2	10,750	-3.5%	10,383	-1.2%	112	-2.2%	100.0%	0.0	46.8%	-5.9
D47 MSP Kanazawa	244	Jun 2016	90.5%	1.5	11,300	3.7%	10,230	5.5%	306	7.0%	100.0%	0.0	29.4%	-0.7
D49 MSP Hamamatsucho[1]	120	May 2017	93.1%	-	17,537	-	16,327	-	223	-	100.0%	-	65.7%	-
D50 MS Shin Osaka CC[1]	397	Oct 2017	91.0%	-	8,188	-	7,455	-	393	-	100.0%	-	33.8%	-
D51 MSP Omori[1]	232	Oct 2017	92.4%	-	12,843	-	11,871	-	273	-	100.0%	-	40.3%	-
D53 MS Sapporo Station[1]	242	Oct 2017	91.6%	-	9,591	-	8,789	-	221	-	100.0%	-	35.7%	-
D54 MS Yokohama Kannai[1,2]	165	Feb 2018	94.5%	-	9,193	-	8,689	-	133	-	100.0%	-	29.4%	-
D57 MS Oita[1,2]	145	Feb 2018	93.8%	-	5,859	-	5,496	-	69	-	100.0%	-	19.3%	-
D58 MS Gotanda[1,2]	110	Jun 2018	99.5%	-	9,740	-	9,696	-	3	-	100.0%	-	22.4%	-
D59 MS Tachikawa[1,2]	121	Jun 2018	86.8%	-	8,193	-	7,110	-	3	-	100.0%	-	19.1%	-
MyStays (32properties) Subtotal	5,588	-	89.2%	-1.7	9,206	-2.7%	8,215	-4.5%	3,609	-3.6%	95.3%	-0.7	37.7%	0.8

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(Note 3) There is no data for Hotel Epinard Nasu, Apahotel Yokohama-Kannai and Hotel Vista Shimizu
(Note 4) The data for Apahotel Yokohama-Kannai is not disclosed
(Note 5) Excludes the data of the properties whose holding period in the June 2018 fiscal period of INV or the same period in the previous year is less than 6 months for the calculation of total or subtotal except for the number of rooms

Key Operational Data for Variable Rent Hotels (2)

Invincible
Investment Corporation

Property	# of rooms	Acquisition Month	Occupancy		ADR (¥)		RevPAR (¥)		GOP (¥ mn)		Daily Ratio[3]		Overseas Sales Ratio[4]	
			Jan-Jun 2018 Actual		Jan-Jun 2018 Actual		Jan-Jun 2018 Actual		Jan-Jun 2018 Actual		Jan-Jun 2018 Actual		Jan-Jun 2018 Actual	
				Y-o-Y (pt)		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y
D12 FSI Iidabashi	59	Jul 2014	93.7%	2.6	9,543	-0.2%	8,940	2.7%	53	5.4%	96.4%	-2.6	32.2%	0.1
D14 FSI Shinagawa	55	Jul 2014	94.4%	0.2	8,712	-6.6%	8,226	-6.4%	43	-8.4%	97.4%	-2.6	28.0%	-8.3
D15 FSI Tokiwadai	129	Jul 2014	75.1%	-3.0	5,221	-1.4%	3,920	-5.2%	55	-6.9%	42.4%	-3.7	16.0%	-2.6
D16 FSI Sugamo	104	Jul 2014	78.7%	2.2	6,069	-2.6%	4,779	0.3%	55	-2.5%	48.6%	3.2	10.0%	-0.2
D18 FSI Kiyosumi-Shirakawa	55	Jul 2014	90.9%	0.8	6,942	-6.8%	6,312	-6.0%	36	-9.5%	69.0%	-12.4	37.4%	-1.4
D19 FSI Nakanobu P1	39	Jul 2014	93.0%	5.3	5,864	-2.4%	5,452	3.4%	22	10.5%	35.9%	-29.8	7.8%	-3.9
D20 FSI Nakanobu P2	22	Jul 2014	93.3%	5.6	5,602	-1.4%	5,225	4.9%	11	6.3%	53.6%	-14.9	14.4%	-2.5
D23 FSI Shirogane	84	Feb 2015	83.4%	-4.3	7,245	2.4%	6,044	-2.6%	55	-7.7%	47.4%	4.4	22.7%	8.5
D30 FSI Higashi-Jujo	88	Jul 2015	88.6%	0.7	5,331	-7.5%	4,723	-6.8%	38	-5.2%	79.8%	-20.2	37.5%	-15.7
D32 FSI Kawasaki-Kaizuka	64	Jul 2015	87.1%	0.5	5,486	1.5%	4,778	2.1%	32	0.1%	33.3%	0.8	10.7%	2.3
D34 FSI Kawasaki-Ogawacho	62	Jul 2015	85.7%	4.3	4,902	-1.6%	4,202	3.5%	25	-1.6%	29.2%	-9.8	6.6%	-1.2
D35 FSI Ekoda	210	Aug 2015	85.4%	-0.2	5,392	1.6%	4,606	1.4%	115	0.2%	36.3%	-1.7	7.5%	-1.9
FlexStay Inn（12properties）Subtotal	971	-	85.4%	0.4	6,169	-1.7%	5,267	-1.3%	546	-2.6%	56.4%	-5.4	19.6%	0.9
D44 Hotel Epinard Nasu	310	Mar 2016	79.1%	4.8	21,089	2.2%	16,681	8.8%	576	5.1%	-	-	0.3%	0.1
D52 Beppu Kamenoi Hotel[1]	322	Oct 2017	89.7%	-	10,549	-	9,459	-	347	-	100.0%	-	23.9%	-
D55 Art Hotel Joetsu[1,2]	198	Feb 2018	74.6%	-	8,288	-	6,184	-	145	-	100.0%	-	3.9%	-
D56 Art Hotel Hirosaki City[1,2]	134	Feb 2018	75.4%	-	10,119	-	7,634	-	152	-	100.0%	-	7.3%	-
Others（4properties）Subtotal	964	-	79.1%	4.8	21,089	2.2%	16,681	8.8%	576	5.1%	-	-	0.3%	0.1
MHM	7,523	-	87.9%	-0.9	9,290	-1.7%	8,170	-2.7%	4,732	-2.5%	89.8%	-1.4	30.8%	0.6
D21 Apahotel Yokohama-Kannai	451	Feb 2015	92.1%	-0.1	7,130	1.3%	6,566	1.2%	229	-0.4%	-	-	-	-
D28 Hotel Vista Shimizu	152	Jul 2015	78.9%	-2.8	6,781	1.3%	5,347	-2.2%	61	-18.9%	-	-	10.5%	-0.5
Non-MHM Operators	603	-	88.8%	-0.8	7,052	1.4%	6,259	0.4%	290	-5.0%	-	-	10.5%	-0.5
Total	8,126	-	88.0%	-0.9	9,061	-1.4%	7,976	-2.4%	5,023	-2.7%	89.8%	-1.4	30.4%	0.6

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

Items	June 2016	December 2016	June 2017	December 2017	June 2018
	Jan 1, 2016- Jun 30, 2016	Jul 1, 2016- Dec 31, 2016	Jan 1, 2017- Jun 30, 2017	Jul 1, 2017- Dec 31, 2017	Jan 1, 2018- Jun 30, 2018
Amount of Total Assets (JPY million)	284,106	277,361	306,421	371,758	374,512
Amount of Net Assets (JPY million)	130,005	131,455	139,062	181,320	181,523
Capital-to-Asset Ratio	45.8%	47.4%	45.4%	48.8%	48.5%
Total Amount of Investment (JPY million)	120,367	120,367	128,984	168,798	168,798
End-of-period total number of units issued	3,675,824	3,675,824	3,860,824	4,793,181	4,793,181
Amount of Net Assets per Unit (JPY)	35,368	35,762	36,019	37,829	37,871
Return on Asset (ROA) (annualized)	3.6%	3.9%	3.2%	4.3%	4.2%
Return on Equity (ROE) (annualized)	7.5%	8.3%	7.0%	9.1%	8.6%
Amount of interest-bearing debts (JPY million)	141,917	142,419	163,990	186,983	189,415
Weighted average interest rate	0.5%	0.5%	0.5%	0.5%	0.5%
Loan to Value (LTV 1)	53.0%	53.1%	55.0%	51.8%	52.1%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	50.0%	51.3%	53.5%	50.3%	50.6%
Net Operating Income (NOI) (JPY million)	7,136	8,414	8,023	10,008	9,758
NOI yield (annualized)	6.6%	6.3%	5.7%	6.3%	5.8%
Depreciation Expenses (JPY million)	1,676	2,065	2,281	2,567	2,772
Funds From Operations (FFO) (JPY million)	6,040	7,496	6,983	8,626	9,244
NAV(JPY million)	187,461	194,049	205,318	246,404	248,519
NAV per Unit (JPY)	50,998	52,791	53,180	51,407	51,849
NAV ratio	1.3	1.0	0.9	0.9	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 (¥)" and "NAV per Unit (¥)" are rounded to nearest yen

June 2018 Results — Comparison with December 2017

(¥ million, otherwise stated)

	Dec 2017 Period Jul 1, 2017- Dec 31, 2017	Jun 2018 Period Jan 1, 2018- Jun 30, 2018	Change		Reasons for changes
Operating revenues	12,647	**13,104**	**457**	+3.6%	・Dividend income +732 ・Rent, common area fees, etc. (290) (Residence (74), Retail (175), Hotel (40)) ・Key money income +17 ・Renewal income +6 ・Utilization income from parking lot (5) ・Gain on sales of properties +5 ・Others (8)
Rental revenues	11,403	**11,122**	**(280)**	(2.5%)	
Operating expenses	4,423	**4,671**	**247**	+5.6%	・Depreciation expenses +205 ・Asset management fees +25 ・Advertisement cost, etc +11 ・Maintenance costs (43) (Repair costs +2 , Restoration costs (3) , Other building management fees (3) , PM Fee (8) , Building management fees (12) , Utility expenses (17)) ・Impairment (15) ・Others +64
Repair costs	21	**24**	**2**	+10.5%	
Operating Income	8,223	**8,433**	**209**	+2.6%	
Non-operating revenues	0	**4**	**3**	+445.6%	
Non-operating expenses	920	**715**	**(205)**	(22.3%)	
Interest expenses & Interest expenses on investment corporation bonds	445	**480**	**34**	+7.8%	・Lended new loan on 29th Period and issued new investment corporation bond on 30th.
Finance-related costs	304	**234**	**(69)**	(23.0%)	・One time cost of new loan on 29th Period.
Other non-operating expenses	170	**0**	**(170)**	(99.7%)	・Investment unit issuance costs of global offering on 29th Period.
Net Income	7,303	**7,721**	**418**	+5.7%	
Net Income per Unit (JPY)	1,523	**1,611**	**88**	+5.8%	
Reversal of Surplus per Unit (JPY)	—	**—**	**—**	**—**	
Excess dividend per Unit (JPY)	36	**—**	**—**	—	
Distribution per Unit (JPY)	1,564	**1,430**	**(134)**	(8.6%)	
NOI	10,008	**10,491**	**482**	+4.8%	
NOI yield	6.3%	**5.8%**	**(0.5%)**	—	

Income Statement

Items	Dec 2017 Period Jul 1, 2017- Dec 31, 2017		Jun 2018 Period Jan 1, 2018- Jun 30, 2018		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Operating revenues	12,647,270	100.0	13,104,841	100.0	457,571	3.6
Rental revenues (1)	11,403,236		11,122,481		(280,754)	
Gain on sales of properties	1,244,033		1,249,645		5,611	
Dividend income	-		732,714		732,714	
Operating expenses	4,423,618	37.6	4,671,320	35.6	247,702	5.6
Property related expenses (2)	3,962,183		4,136,619		174,435	
Depreciation expenses (3)	2,567,215		2,772,510		205,295	
NOI (1)-(2)+(3)	**10,008,268**	**88.5**	**9,758,373**	**74.5**	**(249,894)**	(2.5)
Asset management fees	250,000		275,000		25,000	
Impairment	15,677		-		(15,677)	
Directors' compensation	4,800		4,800		-	
Asset custody fees	15,230		18,162		2,931	
Administrative service fees	37,347		39,697		2,349	
Provision of allowance for doubtful accounts	89		2		(86)	
Other	138,288		197,039		58,750	
Operating income	8,223,652	62.4	8,433,520	64.4	209,868	2.6
Non-operating income	796	0.5	4,347	0.0	3,550	446.0
Interest income	54		78		24	
Interest on tax refund	234		3,086		2,852	
Other	507		1,181		673	
Non-operating expenses	920,746	5.7	715,314	5.5	(205,432)	(22.3)
Interest expenses	445,855		479,456		33,601	
Interest expenses on investment corporation bonds	-		1,216		1,216	
Amortization of investment corporation bond issuance costs	-		379		379	
Loan-related costs	304,073		234,197		(69,875)	
Investment unit issuance expenses	170,817		-		(170,817)	
Other	-		64		64	
Ordinary income	7,303,702	57.1	7,722,553	58.9	418,851	5.7
Income before income taxes	7,303,702	57.1	7,722,553	58.9	418,851	5.7
Income taxes	605		605		-	
Net income	7,303,097	57.1	7,721,948	58.9	418,851	5.7
Retained earnings / losses brought forward	(90,516)		(111,399)		(20,883)	
Unappropriated retained earnings / losses at the end of the period	7,212,580		7,610,548		397,968	

Balance Sheet - Assets

Items	Dec 2017 Period (As of Dec 30, 2017)		Jun 2018 Period (As of Jun 30, 2018)		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Assets						
Current assets						
Cash and bank deposits	14,367,140		8,505,792		(5,861,348)	
Cash and bank deposits in trust	6,326,653		6,566,761		240,107	
Accounts receivables	-		6,483		6,483	
Rental receivables	1,984,728		1,826,596		(158,132)	
Prepaid expenses	489,098		428,536		(60,561)	
Income taxes receivable	8		149,632		149,624	
Consumption tax receivable	613,566		-		(613,566)	
Others	0		0		-	
Allowance for doubtful accounts	(89)		(89)		0	
Total current assets	23,781,107	6.4	17,483,714	4.7	(6,297,393)	(26.5)
Non-current assets						
Property and equipment						
Tools, furniture and fixtures	2,973		2,748		(225)	
Buildings in trust	119,455,782		123,099,357		3,643,575	
Buildings and accompanying facilities in trust	22,695,639		22,680,292		(15,346)	
Structures in trust	150,055		138,854		(11,201)	
Tools, furniture and fixtures in trust	730,651		1,002,969		272,318	
Land in trust	167,845,958		173,298,062		5,452,103	
Total property and equipment	310,881,062	83.6	320,222,285	85.5	9,341,223	3.0
Intangible assets						
Leasehold rights in trust	16,828,843		16,712,637		(116,205)	
Total intangible assets	16,828,843	4.5	16,712,637	4.5	(116,205)	(0.7)
Investment and other assets						
Investment securities	17,854,460		17,856,387		1,927	
Guarantee deposits	1,651,565		1,681,565		30,000	
Long-term prepaid expenses	587,753		426,222		(161,531)	
Derivatives assets	113,592		92,561		(21,030)	
Others	59,869		12,667		(47,201)	
Total investment and other assets	20,267,241	5.5	20,069,404	5.4	(197,836)	(1.0)
Total non-current assets	347,977,146	93.6	357,004,327	95.3	9,027,181	2.6
Deferred assets						
Investment corporation bond issuance costs	-		24,945		24,945	
Total deferred assets	-	-	24,945	0.0	24,945	-
Total assets	371,758,254	100.0	374,512,988	100.0	2,754,733	0.7

Balance Sheet – Liabilities/Net Assets

Items	Dec 2017 Period (As of Dec 30, 2017)		Jun 2018 Period (As of Jun 30, 2018)		Changes	
	JPY thousand	%	JPY thousand	%	JPY thousand	%
Liabilities						
Current liabilities						
Accounts payable	254,936		598,870		343,933	
Short-term loans payable	3,068,000		2,000,000		(1,068,000)	
Current portion of long-term loans payable	28,979,000		46,663,000		17,684,000	
Accounts payable-other	51,836		131,783		79,947	
Accrued expenses	270,486		195,481		(75,004)	
Income taxes payable	605		605		-	
Consumption taxes payable	-		14,902		14,902	
Advances received	600,752		551,506		(49,246)	
Deposits received	29,190		21,697		(7,493)	
Total current liabilities	33,254,807	8.9	50,177,846	13.4	16,923,038	50.9
Non-current liabilities						
Investment corporation bonds	-		2,000,000		2,000,000	
Long-term loans payable	154,936,000		138,752,000		(16,184,000)	
Tenant leasehold and security deposits in trust	2,215,299		2,026,400		(188,898)	
Derivatives liabilities	-		1,586		1,586	
Asset retirement obligations	31,680		31,891		210	
Total non-current liabilities	157,182,980	42.3	142,811,878	38.1	(14,371,101)	(9.1)
Total liabilities	190,437,787	51.2	192,989,724	51.5	2,551,936	1.3
Net assets						
Unitholders' equity						
Unitholders' capital	168,798,455	45.4	168,798,455	45.1	-	-
Surplus						
Capital surplus	6,264,432		6,264,432		-	
Deduction of captial surplus						
Allowance for temporary differences adjustment	(46,329)		(46,329)		-	
Other deduction of capital surplus	(1,022,263)		(1,194,818)		(172,554)	
Total deduction of captial surplus	(1,068,593)		(1,241,148)		(172,554)	
Capital surplus (net)	5,195,838		5,023,283		(172,554)	
Voluntary retained earnings	-		-		-	
Retained earnings	7,212,580		7,610,548		397,968	
Total surplus	12,408,419	3.3	12,633,832	3.4	225,413	1.8
Total unitholders' equity	181,206,874	48.7	181,432,288	48.4	225,413	0.1
Valuation and translation adjustments						
Deferred gains or losses on hedges	113,592		90,975		△ 22,616	
Total valuation and translation adjustments	113,592	0.0	90,975	0.0	△22,616	(19.9)
Total net assets	181,320,466	48.8	181,523,263	48.5	202,796	0.1
Total liabilities and net assets	371,758,254	100.0	374,512,988	100.0	2,754,733	0.7

Cash Flow Statement and Dividend Distribution

Items	Dec 2017 Period Jul 1, 2017- Dec 31, 2017	June 2018 Period Jan 1, 2018- Jun 30, 2018
	JPY thousand	JPY thousand
Cash flows from operating activities		
Income before income taxes	7,303,702	7,722,553
Depreciation and amortization	2,567,215	2,772,510
Impairment	15,677	-
Investment unit issuance costs	170,817	-
Amortization of investment corporation bond issuance costs	-	379
Loan-related costs	304,073	234,197
Interest income	(54)	(78)
Interest expenses	445,855	480,672
Increase (decrease) in allowance for doubtful accounts	55	0
Decrease (increase) in rental receivables	(564,535)	158,132
Decrease (Increase) in refundable income taxes	2	(149,624)
Decrease (increase) in consumption taxes receivable	(640,464)	661,287
Increase (decrease) in accounts payable	(7,867)	39,752
Increase (decrease) in consumption taxes payable	47,721	(32,819)
Increase (decrease) in accounts payable-other	(67,922)	49,627
Increase (decrease) in accrued expenses	98,065	(75,177)
Increase (decrease) in advances received	60,077	(49,246)
Increase (decrease) in deposits received	(7,567)	(47,348)
Decrease in property and equipment, due to sale	802,750	-
Decrease in property and equipment, due to sale in trust	3,590,653	9,181,866
Others	(1,277)	20,177
Subtotal	14,116,980	20,966,865
Interest income received	54	78
Interest expenses paid	(439,861)	(483,261)
Income taxes paid	(605)	(605)
Cash flows from operating activities	13,676,568	20,483,077
Cash flows from investment activities		
Purchases of property and equipment	(797)	-
Purchases of property and equipment in trust	(42,111,738)	(20,847,991)
Purchases of investment securities	(17,854,460)	(1,927)
Repayments of tenant leasehold and security deposits	(28,663)	-
Repayments of tenant leasehold and security deposits in trust	(139,629)	(320,542)
Proceeds from tenant leasehold and security deposits in trust	115,173	132,593
Payments of tenant leasehold and security deposits	-	(30,000)
Others	(14,807)	47,201
Cash flows from investment activities	(60,034,922)	(21,020,665)
Cash flows from financing activities		
Proceeds from short-term loans payable	3,068,000	-
Repayments of short-term loans payable	-	(1,068,000)
Proceeds from long-term loans payable	19,925,000	1,500,000
Proceeds from issuance of investment corporation bonds	-	1,977,436
Payments for loan-related costs	(325,727)	(40,494)
Payments of distributions of earnings	(4,776,561)	(7,280,040)
Payments of distributions in excess of retained earnings from allowance for temporary differences adjustment	(46,329)	-
Payments of other distributions in excess of retained earnings	(34,747)	(172,554)
Proceeds from issuance of investment units	39,644,352	-
Cash flows from financing activities	57,453,986	(5,083,652)
Net increase (decrease) in cash and cash equivalents	11,095,633	(5,621,240)
Cash and cash equivalents at beginning of period	9,598,161	20,693,794
Cash and cash equivalents at end of period	20,693,794	15,072,553

Items		Dec 2017 Period Jul 1, 2017- Dec 31, 2017	Jun 2018 Period Jan 1, 2018- Jun 30, 2018
Unappropriated retained earnings	(JPY thousand)	7,212,580	7,610,548
Distributions in excess of retained earnings	(JPY thousand)	172,554	-
Of which, deduction from unitholders capital surplus	(JPY thousand)	172,554	-
Distributions	(JPY thousand)	7,496,535	6,854,248
Of which, distributions of earnings	(JPY thousand)	7,323,980	6,854,248
Of which, deduction from unitholders capital surplus	(JPY thousand)	172,554	-
Distribution per unit	(JPY)	1,564	1,430
Of which, distributions of earnings per unit	(JPY)	1,528	1,430
Of which, deduction from unitholders capital surplus per unit	(JPY)	36	-
Retained earnings / losses carried forward	(JPY thousand)	(111,999)	756,300

Property Income (1/4)

(in ¥ 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	181	181	181	181	181	31	181	181	181	181	31	181	181	181	181	181	31
① Rental revenues	38,880	47,087	27,485	35,011	49,218	6,624	37,634	36,661	33,499	26,619	4,168	22,616	21,540	19,472	18,102	24,754	3,226
Rent, common area fees / GOP(Note 1)	35,759	42,347	26,916	32,350	39,421	6,143	33,982	33,538	29,028	26,619	4,067	21,465	20,067	19,094	17,100	23,510	3,049
Other revenue	3,120	4,739	569	2,661	9,797	481	3,652	3,122	4,471	-	101	1,150	1,473	377	1,002	1,244	176
② Property related expenses	18,267	24,728	8,641	16,461	22,804	3,244	17,502	16,723	16,294	9,232	2,347	9,990	7,266	5,640	6,057	13,356	2,182
Facility management fees (a)	4,664	5,263	2,135	5,828	5,583	809	3,957	4,147	6,186	1,457	543	2,535	1,414	1,468	1,812	3,728	335
(of which, repair cost)	46	465	104	351	190	146	129	100	347	542	6	36	29	224	169	238	-
(of which, utility expenses)	1,786	2,139	260	541	918	270	888	516	482	-	231	319	250	209	71	384	136
Tax and other public charges (b)	1,639	2,682	1,328	1,681	2,555	1,265	3,128	2,409	1,659	1,728	695	1,372	1,071	937	990	1,117	724
Insurance expenses (c)	44	68	27	38	71	8	65	48	35	39	5	26	28	23	21	28	5
Depreciation expenses (⑦)	9,462	13,950	4,655	6,055	9,340	-	8,891	6,304	5,373	5,511	-	4,217	4,246	2,072	2,094	5,082	-
Other expenses (d)	2,456	2,763	495	2,858	5,252	1,160	1,459	3,812	3,039	495	1,101	1,838	505	1,138	1,138	3,397	1,116
③ Rental income (①−②)	20,613	22,358	18,843	18,549	26,414	3,380	20,131	19,937	17,205	17,387	1,821	12,625	14,274	13,832	12,045	11,398	1,044
④ NOI (①−②+⑦)	30,075	36,309	23,498	24,604	35,755	3,380	29,023	26,242	22,578	22,899	1,821	16,843	18,520	15,905	14,139	16,481	1,044
⑤ Capital expenditure	6,046	6,497	32,006	824	4,693	-	1,059	1,981	123	-	-	118	1,384	4,362	359	599	-
⑥ NCF (④−⑤)	24,028	29,812	-8,507	23,780	31,061	3,380	27,963	24,260	22,455	22,899	1,821	16,724	17,136	11,543	13,779	15,881	1,044

Property Number	A43	A44	A45	A46	A47	A48	A51	A52	A53	A54	A59	A61	A63	A64	A65	A66	A71
Property Name	College Square Machida	Belair Meguro	Wacore Tsunashima I	Foros Nakamura-bashi	Growth Maison Kaijin	College Square Machiya	City House Tokyo Shinbashi	Winbell Kagurazaka	Nishiwased a Cresent Mansion	Lexington Square Akebonobashi	Towa City Coop Shin-otsuka II	Bichsel Musashiseki	Towa City Coop Sengencho	Royal Park Omachi	Lexington Square Haginomachi	Visconti Kakuozan	Lexington Square Daitabashi
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	17,484	16,143	18,127	18,716	22,200	14,706	92,985	109,221	74,348	51,097	35,917	24,762	54,977	27,001	18,145	11,157	33,079
Rent, common area fees / GOP(Note 1)	17,484	15,462	17,246	16,832	20,443	14,706	89,082	99,370	71,827	48,071	34,625	22,797	51,424	23,757	16,496	9,908	31,457
Other revenue	-	680	881	1,883	1,757	-	3,903	9,850	2,520	3,025	1,291	1,965	3,552	3,243	1,649	1,249	1,621
② Property related expenses	3,307	6,882	10,340	9,348	13,796	5,165	35,756	38,394	19,110	19,922	13,630	10,320	28,927	13,493	8,279	6,714	16,481
Facility management fees (a)	359	2,013	3,298	2,143	4,178	141	12,817	7,206	4,889	5,168	3,896	3,745	13,129	5,446	2,334	2,541	3,538
(of which, repair cost)	359	200	491	57	146	141	369	550	438	38	120	240	119	-	90	88	159
(of which, utility expenses)	-	165	444	344	858	-	9	1,495	587	483	7	459	29	1,816	632	140	455
Tax and other public charges (b)	507	883	880	985	2,081	932	4,979	6,396	3,661	2,229	1,409	1,186	3,004	1,581	1,146	911	1,550
Insurance expenses (c)	25	17	23	22	54	18	84	149	104	42	38	33	74	43	27	15	30
Depreciation expenses (⑦)	1,919	2,395	4,017	5,095	6,560	3,578	13,379	16,982	8,902	8,844	5,606	3,144	7,453	4,852	3,587	1,746	8,081
Other expenses (d)	495	1,572	2,120	1,100	921	495	4,495	7,660	1,551	3,637	2,678	2,209	5,265	1,569	1,184	1,499	3,280
③ Rental income (①−②)	14,176	9,260	7,787	9,368	8,404	9,540	57,228	70,826	55,237	31,175	22,287	14,442	26,049	13,507	9,865	4,442	16,597
④ NOI (①−②+⑦)	16,096	11,656	11,804	14,464	14,965	13,118	70,607	87,808	64,140	40,019	27,894	17,587	33,503	18,359	13,453	6,189	24,679
⑤ Capital expenditure	376	602	1,504	1,915	4,452	-	2,083	3,680	7,202	656	2,415	636	5,954	767	1,590	1,552	1,073
⑥ NCF (④−⑤)	15,719	11,053	10,300	12,548	10,512	13,118	68,524	84,128	56,938	39,362	25,478	16,951	27,549	17,591	11,862	4,637	23,605

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel
(Note 2) Under this lease contract, "fixed rent plus total variable rent" is collected as rental business income. Rental business income in GOP column

Property Income (2/4)

(in ¥ thousand)

Property Number	A72	A73	A75	A76	A77	A78	A79	A80	A82	A83	A84	A85	A86	A87	A88	A89	A90
Property Name	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Spacia Ebisu	Neo Prominence	Invoice Shin-Kobe Residence	Cosmo Court Motomachi	Revest Honjin	Revest Matsubara	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian	Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka	Luna Court Edobori	Winntage Kobe Motomachi	Queen's Court Fukuzumi
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	18,426	42,761	208,597	67,322	50,828	38,268	31,286	30,439	28,107	25,584	23,865	33,886	25,210	19,969	21,320	22,778	18,525
Rent, common area fees / GOP(Note 1)	17,815	40,078	184,494	56,477	46,041	37,400	28,320	28,166	24,225	23,240	22,931	30,898	23,962	18,511	19,973	22,408	16,334
Other revenue	610	2,682	24,103	10,845	4,787	868	2,965	2,272	3,882	2,344	934	2,987	1,248	1,457	1,346	370	2,190
② Property related expenses	9,090	27,053	70,074	28,455	21,711	16,870	16,370	13,871	14,641	13,817	11,661	16,703	12,415	8,939	10,864	11,096	9,043
Facility management fees (a)	2,119	6,247	10,068	10,564	3,102	2,848	4,698	3,265	3,662	3,295	2,579	5,866	4,130	2,183	3,074	1,973	1,939
(of which, repair cost)	395	535	1,102	357	51	55	345	138	202	127	70	260	77	230	393	22	51
(of which, utility expenses)	333	1,383	1,903	3,085	473	527	349	312	293	458	271	2,504	901	225	716	417	198
Tax and other public charges (b)	818	2,147	8,889	3,580	2,700	2,309	1,806	1,880	1,737	1,667	1,404	1,962	1,548	769	1,190	1,589	745
Insurance expenses (c)	21	85	170	109	63	64	47	43	44	43	32	60	36	23	31	38	22
Depreciation expenses (⑦)	5,050	14,271	38,434	10,376	11,593	10,042	7,478	7,084	6,997	7,002	6,452	7,075	5,444	4,234	5,087	5,842	3,220
Other expenses (d)	1,080	4,300	12,512	3,825	4,251	1,606	2,340	1,598	2,199	1,809	1,192	1,738	1,254	1,728	1,480	1,652	3,115
③ Rental income (①−②)	9,335	15,708	138,523	38,867	29,116	21,398	14,915	16,568	13,466	11,767	12,203	17,182	12,795	11,030	10,455	11,682	9,481
④ NOI (①−②+⑦)	14,386	29,979	176,957	49,243	40,710	31,440	22,394	23,652	20,463	18,769	18,656	24,258	18,240	15,265	15,542	17,524	12,702
⑤ Capital expenditure	871	3,940	13,808	7,394	3,103	1,545	508	631	1,520	791	1,222	539	-	729	191	709	181
⑥ NCF (④−⑤)	13,514	26,039	163,149	41,848	37,606	29,895	21,885	23,021	18,943	17,978	17,433	23,719	18,240	14,535	15,351	16,815	12,520

Property Number	A91	A92	A93	A94	A95	A96	A97	A98	A99	A100	A101	A102	A103	A104	A105	A106	subtotal
Property Name	Corp Higashinotoin	Belair Oimachi	Siete Minami-Tsukaguchi	Prime Life Sannomiya Isogami Koen	HERMITAGE NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachi-bashi	Prime Life Mikage	City Court Kitaichijo	Lieto Court Mukojima	Lieto Court Nishi-Ojima	Royal Parks Momozaka	Royal Parks Shinden	Royal Parks Tower Minami-Senju	Royal Parks Seasir Minami-Senju	
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	-
① Rental revenues	19,154	15,490	17,437	15,488	16,083	20,955	12,185	14,005	12,672	66,770	55,654	48,968	155,151	217,076	763,803	113,119	3,363,873
Rent, common area fees / GOP(Note 1)	17,374	14,662	15,697	14,503	15,556	14,545	11,580	13,530	12,103	60,747	53,119	48,415	139,268	200,266	696,829	103,894	3,088,838
Other revenue	1,779	827	1,739	984	527	6,409	605	474	568	6,023	2,534	553	15,882	16,809	66,973	9,224	275,034
② Property related expenses	11,171	7,136	8,210	6,929	7,479	8,104	6,288	7,657	6,804	35,460	26,661	20,573	113,625	115,399	469,123	69,573	1,693,497
Facility management fees (a)	3,855	2,132	1,889	1,453	2,017	1,992	1,257	2,136	1,447	7,072	5,347	5,011	54,471	29,682	115,157	20,992	456,261
(of which, repair cost)	380	129	11	73	77	172	177	48	143	165	171	300	893	1,584	1,665	929	18,067
(of which, utility expenses)	529	152	279	192	256	229	232	253	137	2,321	575	652	1,322	-	20,476	1,053	60,358
Tax and other public charges (b)	926	677	984	849	1,003	869	569	952	763	2,575	2,501	2,168	7,773	14,129	18,428	3,151	156,393
Insurance expenses (c)	28	18	27	20	24	32	17	22	18	128	70	55	195	386	972	272	4,627
Depreciation expenses (⑦)	3,812	2,707	3,307	3,432	3,446	4,287	2,763	2,874	2,982	22,652	15,476	12,287	45,071	70,506	307,611	40,254	892,573
Other expenses (d)	2,548	1,601	2,000	1,172	988	921	1,680	1,671	1,592	3,030	3,264	1,051	6,114	695	26,953	4,901	183,642
③ Rental income (①−②)	7,983	8,353	9,227	8,558	8,603	12,851	5,896	6,348	5,867	31,309	28,992	28,395	41,525	101,676	294,679	43,545	1,670,375
④ NOI (①−②+⑦)	11,795	11,060	12,534	11,991	12,050	17,138	8,660	9,222	8,849	53,962	44,469	40,682	86,597	172,183	602,290	83,800	2,562,948
⑤ Capital expenditure	216	1,119	2,344	456	-	4,451	2,622	-	277	1,971	3,468	432	1,592	13,445	50,716	8,588	225,918
⑥ NCF (④−⑤)	11,579	9,940	10,190	11,534	12,050	12,686	6,037	9,222	8,572	51,990	41,001	40,250	85,004	158,738	551,574	75,211	2,337,030

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel
(Note 2) Under this lease contract, "fixed rent plus total variable rent" is collected as rental business income. Rental business income in GOP column

Property Income (3/4)

(in ¥ thousand)

Property Number	B14	B15	B16	B17	B18	subtotal	D01	D02	D03	D04	D05	D06	D07	D08	D09	D10	D11
Property Name	Lexington Plaza Nishigotanda	Cross Square NAKANO	Ohki Aoba Building	Lexington Plaza Hachiman	AEON TOWN Sukagawa		Hotel MyStays Kanda	Hotel MyStays Asakusa	Hotel MyStays Kyoto-Shijo	MyStays Shin-Urayasu Conference Center	Hotel MyStays Maihama	Hotel MyStays Premier Dojima	Hotel MyStays Nagoya-Sakae	Hotel MyStays Sakaisuji-Honmachi	Hotel MyStays Yokohama	Hotel MyStays Nippori	Hotel MyStays Fukuoka-Tenjin-Minami
number of operating days	68	31	31	181	181	-	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	59,893	7,963	6,862	164,195	141,593	380,507	111,338	106,530	190,995	170,174	110,898	180,563	189,920	134,391	118,488	61,962	145,371
Rent, common area fees / GOP(Note 1)	50,424	6,598	4,671	132,145	141,593	335,433	111,338	106,530	190,995	170,174	110,898	180,563	189,920	134,391	118,488	61,962	145,371
Other revenue	9,468	1,364	2,190	32,050	-	45,074	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	31,638	2,370	11,423	79,317	93,605	218,355	29,275	20,971	61,892	52,125	41,102	60,648	70,760	28,211	29,861	14,992	20,326
Facility management fees (a)	10,761	1,250	2,044	45,042	56,124	115,224	-	-	-	-	-	8,208	17,163	-	-	-	-
(of which, repair cost)	194	157	133	672	-	1,157	-	-	-	-	-	-	-	-	-	-	-
(of which, utility expenses)	6,916	516	1,036	33,030	-	41,500	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	10,602	-	8,197	11,571	7,221	37,592	5,026	3,804	10,401	8,192	3,223	11,598	4,444	6,500	4,214	1,766	5,136
Insurance expenses (c)	58	12	15	152	203	443	62	76	224	138	72	189	166	84	134	41	73
Depreciation expenses (⑦)	8,864	-	-	21,808	29,438	60,111	23,677	16,571	50,750	43,287	37,295	39,358	48,479	21,119	25,003	12,679	14,611
Other expenses (d)	1,351	1,106	1,165	743	616	4,983	509	518	516	507	511	1,293	507	506	509	506	505
③ Rental income (①−②)	28,254	5,592	-4,561	84,878	47,988	162,152	82,062	85,559	129,103	118,048	69,796	119,915	119,160	106,180	88,626	46,970	125,044
④ NOI (①−②+⑦)	37,118	5,592	-4,561	106,686	77,426	222,263	105,740	102,130	179,853	161,336	107,091	159,273	167,640	127,300	113,629	59,649	139,655
⑤ Capital expenditure	-	-	-	6,422	-	6,422	5,555	438	115,288	71,931	219,683	186,604	15,051	4,043	6,273	3,185	3,360
⑥ NCF (④−⑤)	37,118	5,592	-4,561	100,264	77,426	215,840	100,184	101,692	64,564	89,404	-112,591	-27,330	152,589	123,257	107,356	56,464	136,295

Property Number	D12	D13	D14	D15	D16	D17	D18	D19	D20	D21	D22	D23	D24	D25	D26	D27	D28
Property Name	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 (Note 2)	Hotel MyStays Hakodate-Goryokaku	Flexstay Inn Shirogane	Hotel MyStays Haneda	Hotel MyStays Kameido P1	Hotel MyStays Ueno Iriyaguchi	Hotel MyStays Kameido P2	Hotel Vista Shimizu
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	53,416	49,251	43,770	55,215	55,232	94,122	36,792	22,984	11,873	229,000	76,850	55,163	183,749	183,133	95,011	120,229	61,652
Rent, common area fees / GOP(Note 1)	53,416	49,251	43,770	55,215	55,232	94,122	36,792	22,984	11,873	229,000	76,850	55,163	183,749	183,133	95,011	120,229	61,652
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	14,876	13,131	8,553	11,462	11,967	13,333	11,002	5,321	3,084	88,601	40,101	10,203	63,920	40,791	25,002	30,874	26,408
Facility management fees (a)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,533	-	480
(of which, repair cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	4,471	1,475	1,659	3,407	2,856	3,579	3,398	980	538	11,651	5,140	1,934	4,038	6,347	1,183	3,801	4,084
Insurance expenses (c)	61	31	25	56	46	85	53	17	10	212	134	38	154	128	60	80	69
Depreciation expenses (⑦)	9,836	11,119	6,361	7,492	8,561	9,162	7,044	3,818	2,031	76,232	34,320	7,723	59,318	33,907	20,815	26,585	21,368
Other expenses (d)	506	505	506	506	504	505	505	504	503	505	505	507	409	406	408	407	405
③ Rental income (①−②)	38,539	36,120	35,217	43,753	43,264	80,789	25,790	17,663	8,788	140,399	36,748	44,959	119,828	142,342	70,008	89,355	35,244
④ NOI (①−②+⑦)	48,376	47,239	41,579	51,246	51,825	89,952	32,835	21,481	10,820	216,631	71,069	52,682	179,147	176,250	90,824	115,940	56,612
⑤ Capital expenditure	5,716	2,350	3,114	4,656	2,258	4,428	3,727	2,641	3,950	1,791	227,174	4,648	2,000	2,503	4,773	4,148	730
⑥ NCF (④−⑤)	42,660	44,889	38,464	46,590	49,567	85,523	29,107	18,840	6,870	214,839	-156,105	48,034	177,147	173,746	86,051	111,792	55,882

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel
(Note 2) Under this lease contract, "fixed rent plus total variable rent" is collected as rental business income. Rental business income in GOP column

Property Income (4/4)

(in ¥ thousand)

Property Number	D29	D30	D31	D32	D33	D34	D35	D36	D37	D38	D39	D40	D41	D42	D43	D44	D45
Property Name	Super Hotel Shinbashi/ Karasumori guchi	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 Kitaguchi	Super Hotel JR Ueno-iriyaguchi	Hotel MyStays Shinsaibashi	Comfort Hotel Kurosaki	Comfort Hotel Maebashi	Comfort Hotel Tsubamesanjo	Comfort Hotel Kitami	Hotel MyStays Gotanda Station	Hotel Epinard Nasu	Hotel MyStays Fukuoka Tenjin
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	39,426	38,349	99,599	32,101	35,928	25,463	115,864	31,787	27,275	67,682	37,894	43,811	34,949	30,300	482,750	576,941	218,700
Rent, common area fees / GOP(Note 1)	39,426	38,349	99,599	32,101	35,928	25,463	115,864	31,787	27,275	67,682	37,894	43,811	32,861	30,300	481,772	576,941	218,700
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	2,088	-	978	-	-
② Property related expenses	9,000	8,337	33,557	11,949	13,374	7,232	38,027	13,120	10,014	22,384	18,122	26,105	15,174	14,126	65,722	368,414	50,324
Facility management fees (a)	706	-	-	906	171	-	-	1,391	1,070	-	600	5,669	426	600	8,381	9,335	-
(of which, repair cost)	702	-	-	-	171	-	-	1,091	770	-	-	-	-	-	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	3,138	1,954	13,550	824	3,764	954	4,643	2,798	2,161	2,533	3,415	1,636	3,793	1,632	16,104	28,016	7,139
Insurance expenses (c)	29	36	239	28	60	20	83	39	27	44	54	76	66	53	493	855	105
Depreciation expenses (⑦)	4,717	5,941	19,355	9,781	8,968	5,852	32,894	8,482	6,346	19,398	13,643	18,310	10,476	11,429	40,100	329,780	42,671
Other expenses (d)	407	404	412	407	410	405	405	408	408	407	408	412	411	410	642	426	407
③ Rental income (①−②)	30,426	30,011	66,041	20,152	22,553	18,231	77,836	18,666	17,260	45,298	19,772	17,706	19,774	16,174	417,028	208,527	168,376
④ NOI (①−②+⑦)	35,144	35,953	85,397	29,934	31,521	24,083	110,731	27,149	23,606	64,696	33,416	36,016	30,251	27,604	457,129	538,307	211,047
⑤ Capital expenditure	-	4,942	17,273	1,198	2,145	885	3,222	-	-	5,137	-	1,412	250	1,312	10,946	72,035	1,247
⑥ NCF (④−⑤)	35,144	31,010	68,124	28,735	29,376	23,198	107,509	27,149	23,606	59,558	33,416	34,603	30,001	26,292	446,183	466,272	209,800

Property Number	D46	D47	D48	D49	D50	D51	D52	D53	D54	D55	D56	D57	D58	D59	subtotal	Total
Property Name	Hotel MyStays Hamamatsucho	Hotel MyStays Kanazawa	Takamatsu Tokyu REI Hotel	Hotel MyStays Premier Hamamatsu-cho	Hotel MyStays Shin Osaka Conference Center	Hotel MyStays Premier Omori	Beppu Kamenoi Hotel	Hotel MyStays Sapporo Station	Hotel MyStays Yokohama Kannai	Art Hotel Joetsu	Art Hotel Hirosaki City	Hotel MyStays Oita	Hotel MyStays Gotanda	Hotel MyStays Tachikawa		
number of operating days	181	181	181	181	181	181	181	181	143	143	143	143	4	4	-	-
① Rental revenues	112,104	306,064	105,549	223,983	393,186	273,325	347,901	221,703	133,413	145,193	152,005	69,444	3,843	3,472	7,378,100	11,122,481
Rent, common area fees / GOP(Note 1)	112,104	306,064	76,200	223,866	393,186	273,262	347,901	221,703	133,413	145,193	152,005	69,444	3,843	3,472	7,345,505	10,769,777
Other revenue	-	-	29,349	116	-	62	-	-	-	-	-	-	-	-	32,595	352,704
② Property related expenses	35,208	125,476	55,215	28,522	41,120	47,551	154,901	63,852	23,998	25,274	33,030	16,388	132	300	2,224,765	4,136,619
Facility management fees (a)	-	-	35,943	-	-	21	-	-	-	-	-	-	-	-	93,608	665,093
(of which, repair cost)	-	-	2,090	-	-	-	-	-	-	-	-	-	-	-	4,826	24,050
(of which, utility expenses)	-	-	20,051	-	-	-	-	-	-	-	-	-	-	-	20,051	121,909
Tax and other public charges (b)	6,758	13,289	2,737	5,379	5,912	7,490	5,953	6,256	-	-	8	-	-	-	276,706	470,692
Insurance expenses (c)	52	251	148	168	413	320	670	229	95	146	358	73	-	-	7,774	12,845
Depreciation expenses (⑦)	27,991	111,530	15,682	22,569	34,369	39,314	147,569	56,960	23,584	24,808	32,343	15,996	123	292	1,819,826	2,772,510
Other expenses (d)	405	404	702	405	424	405	707	406	318	320	319	318	9	8	26,850	215,476
③ Rental income (①−②)	76,896	180,588	50,333	195,460	352,066	225,773	193,000	157,850	109,414	119,918	118,975	53,055	3,711	3,171	5,153,334	6,985,862
④ NOI (①−②+⑦)	104,888	292,118	66,016	218,030	386,435	265,088	340,569	214,811	132,999	144,726	151,319	69,052	3,834	3,463	6,973,161	9,758,373
⑤ Capital expenditure	1,388	-	6,021	1,763	6,681	8,084	18,512	878	-	1,629	4,176	-	-	-	1,083,167	1,315,508
⑥ NCF (④−⑤)	103,499	292,118	59,994	216,266	379,754	257,004	322,057	213,933	132,999	143,097	147,142	69,052	3,834	3,463	5,889,993	8,442,865

(Note 1) Rent and common area fees are entered for residential, office building and retail facility. Rent is entered for parking lot. GOP is entered for hotel
(Note 2) Under this lease contract, "fixed rent plus total variable rent" is collected as rental business income. Rental business income in GOP column

Appraisal Value (1/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2017			As of the end of June 2018			Change[1]		Appraiser[2]
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A26	Nisshin Palacestage Daitabashi	1,251,830	1,115,946	1,180,000	4.7%	1,112,531	1,210,000	4.9%	30,000	0.2pt	Assets R&D
A27	Nisshin Palacestage Higashi-Nagasaki	1,229,070	1,083,767	1,300,000	4.8%	1,076,313	1,330,000	5.0%	30,000	0.2pt	Assets R&D
A28	Growth Maison Gotanda	888,200	821,497	1,030,000	4.4%	848,849	1,040,000	4.5%	10,000	0.2pt	Assets R&D
A29	Growth Maison Kameido	1,070,850	974,127	1,130,000	4.5%	968,896	1,140,000	4.6%	10,000	0.2pt	Assets R&D
A30	Emerald House	1,505,161	1,357,700	1,410,000	4.7%	1,353,053	1,430,000	4.8%	20,000	0.2pt	Assets R&D
A31	Harmonie Ochanomizu	1,428,024	1,346,373	1,420,000	4.3%	-	-	-	-	-	Assets R&D
A32	Suncrest Shakujii-Koen	1,088,979	1,081,043	1,090,000	4.6%	1,073,212	1,090,000	4.8%	-	0.2pt	Assets R&D
A33	Growth Maison Shin-Yokohama	1,059,457	956,686	1,180,000	4.6%	952,363	1,180,000	4.8%	-	0.2pt	Assets R&D
A34	Belle Face Ueno-Okachimachi	1,023,074	946,067	1,070,000	4.3%	940,817	1,090,000	4.4%	20,000	0.1pt	Assets R&D
A35	Grand Rire Kameido	906,121	819,494	999,000	4.6%	813,982	1,010,000	4.7%	11,000	0.2pt	Assets R&D
A36	Growth Maison Ikebukuro	825,411	743,660	915,000	4.4%	-	-	-	-	-	Assets R&D
A37	Growth Maison Yoga	795,986	744,076	730,000	4.4%	739,978	747,000	4.5%	17,000	0.1pt	Assets R&D
A38	Route Tachikawa	676,951	639,947	660,000	4.7%	637,085	669,000	4.9%	9,000	0.3pt	Assets R&D
A39	Shibuya-Honmachi Mansion	651,474	661,807	638,000	4.6%	664,096	638,000	4.8%	-	0.2pt	Assets R&D
A40	City Heights Kinuta	646,337	655,939	499,000	4.6%	654,204	499,000	4.9%	-	0.3pt	Assets R&D
A41	Acseeds Tower Kawaguchi-Namiki	620,893	536,850	726,000	5.3%	532,367	746,000	5.4%	20,000	0.2pt	Assets R&D
A42	Capital Heights Kagurazaka	604,858	623,868	587,000	4.5%	-	-	-	-	-	Assets R&D
A43	College Square Machida	589,553	558,705	535,000	5.2%	557,162	535,000	5.5%	-	0.3pt	Assets R&D
A44	Belair Meguro	589,004	557,901	607,000	4.2%	556,108	621,000	4.3%	14,000	0.1pt	Assets R&D
A45	Wacore Tsunashima Ⅰ	572,914	525,962	515,000	4.9%	523,450	515,000	5.2%	-	0.3pt	Assets R&D
A46	Foros Nakamurabashi	566,980	518,740	570,000	4.5%	515,560	573,000	4.7%	3,000	0.2pt	Assets R&D
A47	Growth Maison Kaijin	557,256	515,531	476,000	5.1%	513,424	486,000	5.2%	10,000	0.1pt	Assets R&D
A48	College Square Machiya	510,721	453,697	548,000	4.6%	450,119	554,000	4.7%	6,000	0.2pt	Assets R&D
A51	City House Tokyo Shinbashi	2,520,000	2,316,703	3,260,000	4.3%	2,305,407	3,270,000	4.4%	10,000	0.1pt	JREI
A52	Winbell Kagurazaka	3,260,000	3,040,404	4,030,000	4.0%	3,027,102	4,150,000	4.1%	120,000	0.1pt	Morii
A53	Nishiwaseda Cresent Mansion	1,880,000	1,880,441	2,540,000	4.3%	1,878,741	2,590,000	4.4%	50,000	0.3pt	Morii
A54	Lexington Square Akebonobashi	1,450,000	1,322,118	1,860,000	4.2%	1,313,931	1,910,000	4.3%	50,000	0.1pt	Tanizawa
A59	Towa City Coop Shin-otsukaⅡ	866,000	821,060	1,080,000	4.8%	817,869	1,110,000	4.9%	30,000	0.1pt	JREI
A61	Bichsel Musashiseki	577,000	554,135	719,000	4.5%	551,626	722,000	4.6%	3,000	0.1pt	Morii
A63	Towa City Coop Sengencho	1,110,000	1,013,558	1,350,000	5.4%	1,012,058	1,370,000	5.5%	20,000	0.1pt	JREI
A64	Royal Park Omachi	415,000	390,695	560,000	5.6%	386,610	574,000	5.6%	14,000	0.0pt	JREI
A65	Lexington Square Haginomachi	330,000	282,275	446,000	5.7%	280,279	453,000	5.8%	7,000	0.1pt	JREI
A66	Visconti Kakuozan	255,000	230,261	273,000	5.1%	230,067	281,000	5.2%	8,000	0.1pt	Tanizawa
A71	Lexington Square Daitabashi	977,000	852,656	1,200,000	4.2%	845,648	1,240,000	4.3%	40,000	0.1pt	Tanizawa

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period
(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows:
Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa：The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa：Daiwa Real Estate Appraisal Co., Ltd.
(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017

Appraisal Value (2/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2017			As of the end of June 2018			Change[1]		Appraiser[2]
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A72	Lexington Square Honjo-Azumabashi	511,000	436,424	624,000	4.3%	432,245	640,000	4.4%	16,000	0.1pt	Tanizawa
A73	AMS TOWER Minami 6-Jo	1,180,000	960,098	1,270,000	5.2%	949,766	1,290,000	5.3%	20,000	0.1pt	Tanizawa
A75	Spacia Ebisu	7,010,000	6,487,856	8,060,000	4.2%	6,463,230	8,110,000	4.4%	50,000	0.2pt	JREI
A76	Neo Prominence	1,660,000	1,613,699	1,980,000	4.7%	1,610,717	2,050,000	4.8%	70,000	0.1pt	JREI
A77	Invoice Shin-Kobe Residence	1,260,000	1,172,837	1,430,000	4.9%	1,164,347	1,400,000	5.0%	-30,000	0.1pt	JREI
A78	Cosmo Court Motomachi	973,000	898,896	1,090,000	4.8%	890,399	1,100,000	4.9%	10,000	0.1pt	JREI
A79	Revest Honjin	674,000	620,933	813,000	5.5%	613,963	816,000	5.9%	3,000	0.4pt	JREI
A80	Revest Matsubara	657,000	609,557	797,000	5.1%	603,104	800,000	5.2%	3,000	0.1pt	JREI
A82	Alba Noritake Shinmachi	608,000	560,015	733,000	5.0%	554,539	743,000	5.1%	10,000	0.1pt	JREI
A83	Revest Meieki Minami	597,000	550,490	715,000	4.8%	544,279	734,000	4.9%	19,000	0.1pt	JREI
A84	Revest Heian	595,000	549,202	694,000	5.0%	543,972	709,000	5.1%	15,000	0.1pt	JREI
A85	Vendir Hamaotsu Ekimae	581,000	529,086	738,000	5.8%	522,550	717,000	5.9%	-21,000	0.1pt	JREI
A86	Salvo Sala	544,000	504,782	648,000	5.1%	499,338	637,000	5.2%	-11,000	0.1pt	JREI
A87	Excellente Kagurazaka	543,000	513,741	635,000	4.2%	510,236	635,000	4.3%	-	0.1pt	JREI
A88	Luna Court Edobori	525,000	487,195	570,000	4.9%	482,298	573,000	5.0%	3,000	0.1pt	JREI
A89	Winntage Kobe Motomachi	512,000	470,455	609,000	4.9%	465,322	615,000	5.0%	6,000	0.1pt	JREI
A90	Queen's Court Fukuzumi	456,000	433,098	604,000	4.3%	430,059	619,000	4.4%	15,000	0.1pt	JREI
A91	Corp Higashinotoin	446,000	418,788	516,000	4.8%	415,192	530,000	5.0%	14,000	0.2pt	JREI
A92	Belair Oimachi	412,000	392,870	511,000	4.3%	391,283	530,000	4.4%	19,000	0.1pt	JREI
A93	Siete Minami-Tsukaguchi	374,000	351,601	449,000	5.1%	350,638	438,000	5.2%	-11,000	0.1pt	JREI
A94	Prime Life Sannomiya Isogami Koen	373,000	348,006	438,000	4.8%	345,030	447,000	4.9%	9,000	0.1pt	JREI
A95	HERMITAGE NANBA WEST	355,000	332,662	433,000	5.0%	329,215	439,000	5.1%	6,000	0.1pt	JREI
A96	Century Park Shinkawa 1-bankan	335,000	321,356	425,000	5.4%	321,520	436,000	5.5%	11,000	0.1pt	JREI
A97	West Avenue	331,000	313,018	313,000	5.2%	312,877	320,000	5.3%	7,000	0.1pt	JREI
A98	Little River Honmachibashi	310,000	292,526	398,000	4.8%	289,652	389,000	4.9%	-9,000	0.1pt	JREI
A99	Prime Life Mikage	297,000	276,521	337,000	5.1%	273,816	327,000	5.2%	-10,000	0.1pt	JREI
A100	City Court Kitaichijo	1,782,000	1,791,159	1,950,000	5.1%	1,770,478	1,990,000	5.2%	40,000	0.1pt	JREI
A101	Lieto Court Mukojima	1,683,000	1,705,114	1,730,000	4.6%	1,693,106	1,760,000	4.7%	30,000	0.1pt	JREI
A102	Lieto Court Nishi-Ojima	1,634,000	1,649,005	1,720,000	4.4%	1,637,150	1,770,000	4.5%	50,000	0.1pt	JREI
A103	Royal Parks Momozaka	2,910,000	2,908,767	3,080,000	4.6%	2,865,288	3,080,000	4.7%	-	0.1pt	Morii
A104	Royal Parks Shinden	5,024,000	5,072,734	5,490,000	4.8%	5,015,672	5,510,000	4.9%	20,000	0.1pt	Morii
A105	Royal Parks Tower Minami-Senju	21,879,000	22,645,641	22,700,000	5.1%	22,388,745	22,700,000	5.7%	-	0.6pt	JREI
A106	Royal Parks Seasir Minami-Senju	2,683,000	2,787,842	2,720,000	5.2%	2,756,176	2,760,000	5.9%	40,000	0.7pt	JREI
	Subtotal of Residential	93,013,104	89,949,664	102,353,000	-	86,569,109	100,387,000	-	956,000	-	-

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period
(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows:
Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa：The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa：Daiwa Real Estate Appraisal Co., Ltd.
(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017

Appraisal Value (3/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2017			As of the end of June 2018			Change[1]		Appraiser[2]
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
B14	Lexington Plaza Nishigotanda	4,880,000	4,639,658	4,250,000	4.5%	-	-	-	-	-	JREI
B15	Cross Square NAKANO	1,060,000	1,125,669	1,170,000	4.7%	-	-	-	-	-	JREI
B16	Ohki Aoba Building	816,000	709,605	710,000	5.5%	-	-	-	-	-	Tanizawa
B17	Lexington Plaza Hachiman	3,280,000	3,072,175	3,690,000	5.6%	3,056,789	3,720,000	5.6%	30,000	0.0pt	Morii
B18	AEON TOWN Sukagawa	2,320,000	1,885,118	2,410,000	6.2%	1,855,679	2,450,000	6.4%	40,000	0.2pt	Morii
	Subtotal of Offices and Commercial Facilities	12,356,000	11,432,223	12,230,000	-	4,912,468	6,170,000	-	70,000	-	-
D01	Hotel MyStays Kanda	2,851,000	3,022,075	5,020,000	5.0%	3,003,953	4,920,000	5.2%	-100,000	0.2pt	JREI
D02	Hotel MyStays Asakusa	2,584,000	2,569,554	4,970,000	6.1%	2,553,420	4,670,000	6.4%	-300,000	0.3pt	JREI
D03	Hotel MyStays Kyoto-Shijo	6,024,460	5,757,328	15,100,000	5.0%	5,821,866	15,100,000	5.2%	-	0.2pt	JREI
D04	MyStays Shin-Urayasu Conference Center	4,930,200	4,701,991	7,140,000	4.9%	4,730,635	7,140,000	5.1%	-	0.2pt	JREI
D05	Hotel MyStays Maihama	4,870,312	4,666,356	6,580,000	5.0%	4,848,744	6,580,000	5.1%	-	0.1pt	JREI
D06	Hotel MyStays Premier Dojima	3,845,400	3,663,527	7,340,000	4.9%	3,810,773	7,340,000	5.1%	-	0.2pt	JREI
D07	Hotel MyStays Nagoya-Sakae	2,958,000	2,751,346	5,950,000	5.7%	2,717,918	6,290,000	5.5%	340,000	-0.2pt	JREI
D08	Hotel MyStays Sakaisuji-Honmachi	2,514,820	2,431,218	7,750,000	6.3%	2,414,141	7,240,000	6.6%	-510,000	0.3pt	JREI
D09	Hotel MyStays Yokohama	2,119,900	2,017,990	3,500,000	5.5%	1,999,260	3,500,000	5.7%	-	0.2pt	JREI
D10	Hotel MyStays Nippori	1,898,540	1,830,724	3,100,000	6.5%	1,821,230	2,960,000	6.7%	-140,000	0.2pt	JREI
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1,570,520	1,518,752	5,060,000	5.0%	1,507,500	5,460,000	4.9%	400,000	-0.1pt	JREI
D12	Flexstay Inn Iidabashi	1,381,660	1,371,063	2,020,000	5.3%	1,366,942	1,980,000	5.4%	-40,000	0.1pt	JREI
D13	Hotel MyStays Ueno Inaricho	1,331,960	1,270,859	2,350,000	5.7%	1,262,090	2,240,000	6.0%	-110,000	0.3pt	JREI
D14	Flexstay Inn Shinagawa	1,242,500	1,215,293	2,040,000	5.2%	1,212,046	1,950,000	5.5%	-90,000	0.3pt	JREI
D15	Flexstay Inn Tokiwadai	1,242,500	1,220,741	2,210,000	5.3%	1,217,904	2,090,000	5.7%	-120,000	0.4pt	JREI
D16	Flexstay Inn Sugamo	1,192,800	1,143,376	2,140,000	5.4%	1,137,072	2,050,000	5.7%	-90,000	0.3pt	JREI
D17	Hotel MyStays Otemae	1,192,800	1,158,056	4,700,000	4.9%	1,153,322	4,530,000	5.3%	-170,000	0.4pt	JREI
D18	Flexstay Inn Kiyosumi Shirakawa	749,476	732,893	1,300,000	5.3%	729,575	1,270,000	5.5%	-30,000	0.2pt	JREI
D19	Flexstay Inn Nakanobu P1	589,442	574,928	810,000	5.5%	573,751	763,000	5.8%	-47,000	0.3pt	JREI
D20	Flexstay Inn Nakanobu P2	283,290	288,784	390,000	5.5%	290,702	367,000	5.8%	-23,000	0.3pt	JREI
D21	APA Hotel Yokohama-Kannai	8,350,000	7,971,850	9,650,000	4.4%	7,897,409	9,650,000	4.6%	-	0.2pt	JREI
D22	Hotel MyStays Hakodate-Goryokaku	2,792,000	2,655,174	3,790,000	5.0%	2,848,028	3,640,000	5.2%	-150,000	0.2pt	JREI
D23	Flexstay Inn Shirogane	2,119,000	2,104,789	2,310,000	5.1%	2,101,713	2,220,000	5.4%	-90,000	0.3pt	JREI
D24	Hotel MyStays Haneda	7,801,000	7,527,663	8,320,000	4.9%	7,470,344	8,160,000	5.1%	-160,000	0.2pt	JREI
D25	Hotel MyStays Kameido P1	5,594,000	5,486,044	7,020,000	5.5%	5,454,640	7,020,000	5.6%	-	0.1pt	JREI
D26	Hotel MyStays Ueno Iriyaguchi	3,821,000	3,744,816	4,130,000	6.0%	3,728,773	3,900,000	6.3%	-230,000	0.3pt	JREI
D27	Hotel MyStays Kameido P2	3,742,000	3,671,948	4,750,000	5.6%	3,649,511	4,670,000	5.8%	-80,000	0.2pt	JREI
D28	Hotel Vista Shimizu	2,198,000	2,103,346	2,450,000	5.8%	2,082,707	2,430,000	6.1%	-20,000	0.3pt	JREI

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

Appraisal Value (4/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2017			As of the end of June 2018			Change[1]		Appraiser[2]
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,624,000	1,608,947	1,790,000	3.9%	1,604,229	1,790,000	4.1%	-	0.2pt	JREI
D30	Flexstay Inn Higashi-Jujo	1,277,000	1,269,071	1,390,000	5.8%	1,268,072	1,340,000	6.1%	-50,000	0.3pt	JREI
D31	Hotel MyStays Utsunomiya	1,237,000	1,232,875	1,430,000	5.9%	1,230,792	1,540,000	5.8%	110,000	-0.1pt	JREI
D32	Flexstay Inn Kawasaki-Kaizuka	980,000	945,373	1,180,000	5.0%	936,790	1,150,000	5.3%	-30,000	0.3pt	JREI
D33	Comfort Hotel Toyama	979,000	948,740	1,090,000	5.3%	941,917	1,090,000	5.5%	-	0.2pt	JREI
D34	Flexstay Inn Kawasaki-Ogawacho	906,000	889,064	1,050,000	5.2%	884,097	1,030,000	5.5%	-20,000	0.3pt	JREI
D35	Flexstay Inn Ekoda	5,069,000	4,969,240	4,880,000	5.8%	4,939,567	4,800,000	5.9%	-80,000	0.1pt	JREI
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,170,000	1,139,806	1,230,000	4.3%	1,131,323	1,230,000	4.5%	-	0.7pt	Daiwa
D37	Super Hotel JR Ueno-iriyaguchi	1,130,000	1,108,989	1,220,000	3.8%	1,102,643	1,220,000	4.0%	-	-0.3pt	Daiwa
D38	Hotel MyStays Shinsaibashi	3,160,000	3,109,405	3,410,000	5.5%	3,095,145	3,220,000	5.8%	-190,000	0.3pt	JREI
D39	Comfort Hotel Kurosaki	1,148,000	1,110,310	1,220,000	5.2%	1,096,666	1,220,000	5.4%	-	0.2pt	Daiwa
D40	Comfort Hotel Maebashi	1,128,000	1,101,475	1,170,000	4.8%	1,084,788	1,160,000	4.8%	-10,000	0.0pt	Daiwa
D41	Comfort Hotel Tsubamesanjo	1,010,000	985,425	1,070,000	5.2%	975,198	1,070,000	5.4%	-	0.2pt	Daiwa
D42	Comfort Hotel Kitami	851,000	822,677	904,000	5.4%	812,559	905,000	5.6%	1,000	0.2pt	Daiwa
D43	Hotel MyStays Gotanda Station (Note 3)	26,523,000	26,493,832	27,400,000	4.9%	26,464,678	27,500,000	5.1%	100,000	0.4pt	Morii
D44	Hotel Epinard Nasu	20,981,000	20,476,742	22,400,000	6.0%	20,218,997	23,100,000	6.1%	700,000	0.3pt	Morii
D45	Hotel MyStays Fukuoka Tenjin	8,059,000	7,953,031	8,450,000	4.8%	7,911,607	8,740,000	4.9%	290,000	0.3pt	Morii
D46	Hotel MyStays Hamamatsucho	7,959,000	7,892,054	7,760,000	4.6%	7,865,450	7,480,000	4.7%	-280,000	0.3pt	Morii
D47	Hotel MyStays Premier Kanazawa	13,761,000	13,450,915	14,200,000	5.3%	13,339,384	14,500,000	5.4%	300,000	0.3pt	Morii
D48	Takamatsu Tokyu REI Hotel	2,139,000	2,116,155	2,210,000	5.1%	2,106,494	2,220,000	5.3%	10,000	0.2pt	Daiwa
D49	Hotel MyStays Premier Hamamatsucho	8,000,000	8,000,855	8,080,000	4.4%	7,980,049	8,270,000	4.5%	190,000	0.1pt	JREI
D50	Hotel MyStays Shin Osaka Conference Center	13,068,000	13,066,970	13,200,000	4.7%	13,039,282	13,200,000	4.9%	-	0.2pt	Tanizawa
D51	Hotel MyStays Premier Omori	9,781,000	9,777,628	9,880,000	4.4%	9,746,397	9,930,000	4.6%	50,000	0.2pt	Tanizawa
D52	Beppu Kamenoi Hotel	8,870,000	8,818,674	8,960,000	6.1%	8,689,617	9,010,000	6.3%	1,050,000	0.2pt	Tanizawa
D53	Hotel MyStays Sapporo Station	7,880,000	7,867,283	7,960,000	4.7%	7,811,200	8,140,000	4.8%	-820,000	0.1pt	Tanizawa
D54	Hotel MyStays Yokohama Kannai	5,326,000	-	-	-	5,324,462	5,380,000	4.7%	-	-	Tanizawa
D55	Art Hotel Joetsu	2,772,000	-	-	-	2,769,042	2,810,000	6.0%	-	-	Tanizawa
D56	Art Hotel Hirosaki City	2,723,000	-	-	-	2,730,101	2,760,000	6.1%	-	-	Tanizawa
D57	Hotel MyStays Oita	1,604,000	-	-	-	1,600,652	1,640,000	5.9%	-	-	Tanizawa
D58	Hotel MyStays Gotanda	4,068,000	-	-	-	4,077,905	4,120,000	4.5%	-	-	Tanizawa
D59	Hotel MyStays Tachikawa	3,257,000	-	-	-	3,268,270	3,290,000	4.6%	-	-	Daiwa
	Subtotal of Hotels	250,230,580	226,328,017	285,424,000	-	245,453,345	304,985,000	-	-439,000	-	
	Total	355,599,684	327,709,905	400,007,000	-	336,934,923	411,542,000	-	587,000	-	

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

Portfolio Properties (as of August 2, 2018) (1/3)

Property Number[1] (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price[2] (JPY mn)	Investment Ratio[3] (%)	Rentable Unit[4,5]	Leasable Area[5] (m^2)	Leased Area[5] (m^2)	Occupancy Rate[5] (%)
A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	Jul 28, 2005	Dec 1992	1,251	0.3	98	1771.13	1684.22	95.1
A27	Nisshin Palacestage Higashi-Nagasaki	Toshima-ku, Tokyo	Jul 28, 2005	Mar 1989	1,229	0.3	60	2681.94	2681.94	100.0
A28	Growth Maison Gotanda	Shinagawa-ku, Tokyo	Jan 30, 2006	Jul 2005	888	0.2	48	1051.50	1051.50	100.0
A29	Growth Maison Kameido	Koto-ku, Tokyo	Mar 30, 2006	Oct 2005	1,070	0.3	66	1367.96	1305.52	95.4
A30	Emerald House	Itabashi-ku, Tokyo	Aug 1, 2006	Feb 1995	1,505	0.4	96	2152.31	2152.31	100.0
A32	Suncrest Shakujii-Koen	Nerima-ku, Tokyo	Aug 3, 2006	Mar 1990	1,088	0.3	29	3029.16	2942.22	97.1
A33	Growth Maison Shin-Yokohama	Yokohama, Kanagawa	Aug 3, 2006	Mar 2006	1,059	0.3	68	1858.44	1830.44	98.5
A34	Belle Face Ueno-Okachimachi	Taito-ku, Tokyo	Aug 1, 2006	Feb 2006	1,023	0.2	64	1351.11	1308.81	96.9
A35	Grand Rire Kameido	Koto-ku, Tokyo	Aug 3, 2006	Mar 2006	906	0.2	72	1562.26	1562.26	100.0
A37	Growth Maison Yoga	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 2006	795	0.2	39	1015.34	989.41	97.4
A38	Route Tachikawa	Tachikawa, Tokyo	Aug 3, 2006	Mar 1997	676	0.2	24	1368.57	1368.57	100.0
A39	Shibuya-Honmachi Mansion	Shibuya-ku, Tokyo	Aug 3, 2006	Dec 1986	651	0.2	25	1167.50	1076.52	92.2
A40	City Heights Kinuta	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 1983	646	0.2	19	1235.93	1235.93	100.0
A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi, Saitama	Aug 3, 2006	Feb 2006	620	0.2	57	1210.74	1189.12	98.2
A43	College Square Machida	Machida, Tokyo	Aug 1, 2006	Mar 1984	589	0.1	62	1047.75	1047.75	100.0
A44	Belair Meguro	Meguro-ku, Tokyo	Aug 1, 2006	Oct 2005	589	0.1	25	557.05	535.51	96.1
A45	Wacore Tsunashima Ⅰ	Yokohama, Kanagawa	Aug 3, 2006	Feb 1991	572	0.1	50	907.46	871.56	96.0
A46	Foros Nakamurabashi	Nerima-ku, Tokyo	Aug 3, 2006	Sep 2001	566	0.1	37	815.77	775.39	95.1
A47	Growth Maison Kaijin	Funabashi, Chiba	Aug 1, 2006	Oct 1993	557	0.1	34	2040.27	1907.41	93.5
A48	College Square Machiya	Arakawa-ku, Tokyo	Aug 3, 2006	Mar 2006	510	0.1	43	871.35	871.35	100.0
A51	City House Tokyo Shinbashi	Minato-ku, Tokyo	Feb 1, 2010	Aug 2004	2,520	0.6	86	3364.00	3295.78	98.0
A52	Winbell Kagurazaka	Shinjuku-ku, Tokyo	Feb 1, 2010	Feb 2004	3,260	0.8	118	4032.70	3961.22	98.2
A53	Nishiwaseda Cresent Mansion	Shinjuku-ku, Tokyo	Feb 1, 2010	Jul 1987	1,880	0.5	69	4310.77	4242.90	98.4
A54	Lexington Square Akebonobashi	Shinjuku-ku, Tokyo	Feb 1, 2010	Dec 2004	1,450	0.4	88	1987.88	1967.13	99.0
A59	Towa City Coop Shin-otsuka Ⅱ	Toshima-ku, Tokyo	Feb 1, 2010	May 1993	866	0.2	58	1627.13	1563.09	96.1
A61	Bichsel Musashiseki	Nerima-ku, Tokyo	Feb 1, 2010	Feb 1992	577	0.1	70	1220.24	1202.39	98.5
A63	Towa City Coop Sengencho	Yokohama, Kanagawa	Feb 1, 2010	Oct 1992	1,110	0.3	154	3426.36	3188.64	93.1
A64	Royal Park Omachi	Sendai, Miyagi	Feb 1, 2010	Feb 1993	415	0.1	51	1929.59	1860.47	96.4
A65	Lexington Square Haginomachi	Sendai, Miyagi	Feb 1, 2010	Aug 2005	330	0.1	39	1528.58	1488.53	97.4
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	0.2	43	1430.64	1400.45	97.9
A72	Lexington Square Honjo-Azumabashi	Sumida-ku, Tokyo	Feb 1, 2010	Oct 2006	511	0.1	33	784.74	784.74	100.0
A73	AMS TOWER Minami 6-Jo	Sapporo, Hokkaido	Feb 1, 2010	Feb 2007	1,180	0.3	120	4460.56	3697.19	82.9
A75	Spacia Ebisu	Shibuya-ku, Tokyo	Feb 1, 2010	Feb 2003	7,010	1.7	109	7794.91	7452.16	95.6
A76	Neo Prominence	Kita-ku, Tokyo	Sep 28, 2012	Apr 1994	1,660	0.4	52	3574.70	3513.35	98.3
A77	Invoice Shin-Kobe Residence	Kobe, Hyogo	Sep 28, 2012	Jan 2007	1,260	0.3	81	2773.71	2748.92	99.1
A78	Cosmo Court Motomachi	Kobe, Hyogo	Sep 28, 2012	Mar 2007	973	0.2	82	2310.49	2281.50	98.7
A79	Revest Honjin	Nagoya, Aichi	Sep 28, 2012	Mar 2007	674	0.2	80	1933.80	1812.56	93.7
A80	Revest Matsubara	Nagoya, Aichi	Sep 28, 2012	Mar 2007	657	0.2	70	1955.40	1918.74	98.1
A82	Alba Noritake Shinmachi	Nagoya, Aichi	Sep 28, 2012	Nov 2006	608	0.1	64	1731.68	1647.21	95.1
A83	Revest Meieki Minami	Nagoya, Aichi	Sep 28, 2012	Feb 2007	597	0.1	61	1634.60	1480.07	90.5
A84	Revest Heian	Nagoya, Aichi	Sep 28, 2012	Nov 2006	595	0.1	40	1554.03	1504.03	96.8
A85	Vendir Hamaotsu Ekimae	Otsu, Shiga	Sep 28, 2012	Feb 2007	581	0.1	81	2670.66	2436.54	91.2
A86	Salvo Sala	Osaka, Osaka	Sep 28, 2012	Jan 2007	544	0.1	54	1428.12	1321.78	92.6
A87	Excellente Kagurazaka	Shinjuku-ku,Tokyo	Sep 28, 2012	Jan 2007	543	0.1	33	701.92	660.77	94.1

(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 shops, offices and nursing homes which are counted as one unit by each compartment

(Note 5) "Rentable Unit","Leasable Area","Leased Area"and "Occupancy Rate"are data as of June 30, 2018

Portfolio Properties (as of August 2, 2018) (2/3)

Property Number[1] (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price[2] (JPY mn)	Investment Ratio[3] (%)	Rentable Unit[4,5]	Leasable Area[5] (m^2)	Leased Area[5] (m^2)	Occupancy Rate[5] (%)
D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	Feb 6, 2015	Dec 1984	2,119	0.5	84	1754.06	1754.06	100.0
D24	Hotel MyStays Haneda	Ota-ku, Tokyo	Jul 16, 2015	Apr 2001	7,801	1.9	174	5400.16	5400.16	100.0
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	5,594	1.4	266	4349.67	4349.67	100.0
D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	Jul 16, 2015	Nov 1985	3,821	0.9	97	2247.92	2247.92	100.0
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	3,742	0.9	177	2793.99	2793.99	100.0
D28	Hotel Vista Shimizu	Shimizu, Shizuoka	Jul 16, 2015	Jan 2007	2,198	0.5	152	3559.81	3559.81	100.0
D29	Super Hotel Shinbashi/ Karasumoriguchi	Minato-ku, Tokyo	Jul 16, 2015	Feb 2008	1,624	0.4	74	1403.89	1403.89	100.0
D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	Jul 16, 2015	Jun 1986	1,277	0.3	89	1714.53	1714.53	100.0
D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	Jul 16, 2015	Jan 1990	1,237	0.3	126	11733.23	11733.23	100.0
D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1990	980	0.2	64	1190.57	1190.57	100.0
D33	Comfort Hotel Toyama	Toyama, Toyama	Jul 16, 2015	Mar 2007	979	0.2	150	3305.64	3305.64	100.0
D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1989	906	0.2	62	725.60	725.60	100.0
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Aug 28, 2015	Jan 1989	5,069	1.2	210	3932.93	3932.93	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa, Tokyo	Aug 28, 2015	Nov 2007	1,170	0.3	96	1832.97	1832.97	100.0
D37	Super Hotel JR Ueno-iriyaguchi	Taito-ku, Tokyo	Aug 28, 2015	Mar 2006	1,130	0.3	69	1279.16	1279.16	100.0
D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	Jan 22, 2016	Sep 1984	3,160	0.8	57	1942.01	1942.01	100.0
D39	Comfort Hotel Kurosaki	Kitakyusyu, Fukuoka	Jan 22, 2016	Feb 2009	1,148	0.3	151	3207.60	3207.60	100.0
D40	Comfort Hotel Maebashi	Maebashi, Gunma	Jan 22, 2016	Mar 2009	1,128	0.3	154	3660.96	3660.96	100.0
D41	Comfort Hotel Tsubamesanjo	Sanjyo, Niigata	Jan 22, 2016	Jun 2007	1,010	0.2	133	3099.90	3099.90	100.0
D42	Comfort Hotel Kitami	Kitami, Hokkaido	Jan 22, 2016	Mar 2008	851	0.2	127	3009.50	3009.50	100.0
D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	Mar 31, 2016	Mar 1974, Aug 1984	26,523	6.4	385	10137.88	10137.88	100.0
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Mar 31, 2016	Feb 1992, Jun 1995	20,981	5.1	310	37702.33	37702.33	100.0
D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	Mar 31, 2016	Aug 2008	8,059	2.0	217	5083.06	5083.06	100.0
D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	Mar 31, 2016	Oct 2008	7,959	1.9	105	1951.90	1951.90	100.0
D47	Hotel MyStays Premier Kanazawa	Kanazawa, Ishikawa	Jun 15, 2016	Oct 2014	13,761	3.3	261	13250.03	13250.03	100.0
D48	Takamatsu Tokyu REI Hotel	Takamatsu, Kagawa	Jun 15, 2016	Apr 1982	2,139	0.5	193	7148.17	7148.17	100.0
D49	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	May 29, 2017	Jun 1994	8,000	1.9	134	6151.93	6151.93	100.0
D50	Hotel MyStays Shin Osaka Conference Center	Osaka, Osaka	Oct 13, 2017	Jun 1974	13,068	3.2	397	13026.99	13026.99	100.0
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Oct 13, 2017	Feb 1995	9,781	2.4	256	11849.61	11849.61	100.0
D52	Beppu Kamenoi Hotel	Beppu, Oita	Oct 13, 2017	May 1997	8,870	2.2	323	19422.08	19422.08	100.0
D53	Hotel MyStays Sapporo Station	Sapporo, Hokkaido	Oct 13, 2017	Oct 2007	7,880	1.9	243	7267.88	7267.88	100.0
D54	Hotel MyStays Yokohama Kannai	Yokohama, Kanagawa	Feb 7, 2018	Aug 2016	5,326	1.3	166	4501.18	4501.18	100.0
D55	Art Hotel Joetsu	Joetsu, Niigata	Feb 7, 2018	Nov 1993	2,772	0.7	198	7563.60	7563.60	100.0
D56	Art Hotel Hirosaki City	Hirosaki, Aomori	Feb 7, 2018	Aug 1989	2,723	0.7	158	14826.30	14826.30	100.0
D57	Hotel MyStays Oita	Oita , Oita	Feb 7, 2018	Jul 2007	1,604	0.4	145	3254.69	3254.69	100.0
D58	Hotel MyStays Gotanda	Shinagawa-ku, Tokyo	Jun 27,2018	Jun 1988	4,068	1.0	110	1839.77	1839.77	100.0
D59	Hotel MyStays Tachikawa	Tachikawa-shi, Tokyo	Jun 27,2018	May 1991	3,257	0.8	122	3844.64	3844.64	100.0
D60	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Aug 2,2018	Jun 2016	20,691	5.0	329	8620.69	8620.69	100.0
D61	Hotel MyStays Premier Sapporo Park	Sapporo-shi, Hokkaido	Aug 2,2018	Mar 1998	16,731	4.1	419	21670.64	21670.64	100.0
D62	Hotel MyStays Ueno East	Taito-ku, Tokyo	Aug 2,2018	Sep 1991	5,286	1.3	150	4396.02	4396.02	100.0
D63	Hotel MyStays Midosuji Honmachi	Osaka-shi, Osaka	Aug 2,2018	Oct 2017	5,039	1.2	108	3429.43	3429.43	100.0
-	Sheraton Grande Tokyo Bay Hotel (preferred equity interest)	Urayasu-shi, Chiba	Oct 13, 2017	Mar 1988	17,845	4.3	-	-	-	-
	Subtotal of Hotels				315,823	76.7	10,417	359,326.87	359,326.87	100.0
	Total				411,578	100.0	14,997	568,280.46	560,690.55	98.6

(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 shops, offices and nursing homes which are counted as one unit by each compartment

(Note 5) "Rentable Unit","Leasable Area","Leased Area"and "Occupancy Rate"are data as of June 30, 2018

Portfolio Properties (as of August 2, 2018) (3/3)

Property Number[1] (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Acquisition Price[2] (JPY mn)	Investment Ratio[3] (%)	Rentable Unit[4,5]	Leasable Area[5] (m^2)	Leased Area[5] (m^2)	Occupancy Rate[5] (%)
A88	Luna Court Edobori	Osaka, Osaka	Sep 28, 2012	Feb 2004	525	0.1	50	1185.50	1138.36	96.0
A89	Winntage Kobe Motomachi	Kobe, Hyogo	Sep 28, 2012	May 2007	512	0.1	57	1433.35	1409.18	98.3
A90	Queen's Court Fukuzumi	Koto-ku, Tokyo	Sep 28, 2012	Sep 2006	456	0.1	25	765.18	765.18	100.0
A91	Corp Higashinotoin	Kyoto, Kyoto	Sep 28, 2012	Feb 2004	446	0.1	42	1029.05	1029.05	100.0
A92	Belair Oimachi	Shinagawa-ku, Tokyo	Sep 28, 2012	Apr 2006	412	0.1	26	530.60	530.60	100.0
A93	Siete Minami-Tsukaguchi	Amagasaki, Hyogo	Sep 28, 2012	Jan 2007	374	0.1	40	1020.86	1020.86	100.0
A94	Prime Life Sannomiya Isogami Koen	Kobe Hyogo	Sep 28, 2012	Nov 2006	373	0.1	32	789.12	789.12	100.0
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	1477.62	1309.27	88.6
A97	West Avenue	Kunitachi, Tokyo	Sep 28, 2012	Oct 1991	331	0.1	40	794.80	774.94	97.5
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	761.18	100.0
A100	City Court Kitaichijo	Sapporo, Hokkaido	Jul 16, 2015	Nov 2007	1,782	0.4	127	5230.18	5148.41	98.4
A101	Lieto Court Mukojima	Sumida-ku, Tokyo	Jul 16, 2015	Feb 2008	1,683	0.4	82	2940.20	2911.94	99.0
A102	Lieto Court Nishi-Ojima	Koto-ku, Tokyo	Jul 16, 2015	Feb 2008	1,634	0.4	91	2048.28	2027.36	99.0
A103	Royal Parks Momozaka	Okasa, Osaka	Jan 22, 2016	Jun 2007	2,910	0.7	147	8776.26	7900.49	90.0
A104	Royal Parks Shinden	Adachi-ku, Tokyo	Mar 31, 2016	Jun 2007	5,024	1.2	248	15797.29	15797.29	100.0
A105	Royal Parks Tower Minami-Senju	Arakawa-ku, Tokyo	Mar 14, 2017	May 2008	21,879	5.3	557	39113.46	36405.23	93.1
A106	Royal Parks Seasir Minami-Senju	Arakawa-ku, Tokyo	Mar 14, 2017	Aug 2006	2,683	0.7	113	6496.86	6294.27	96.9
	Subtotal of Residential				90,154	21.9	4,561	182093.86	174503.95	95.8
B17	Lexington Plaza Hachiman	Sendai, Miyagi	Feb 1, 2010	Dec 2005	3,280	0.8	18	8419.15	8419.15	100.0
B18	AEON TOWN Sukagawa	Sukagawa, Fukushima	Feb 1, 2010	Oct 2005	2,320	0.6	1	18440.58	18440.58	100.0
	Subtotal of Commercial Facilities				5,600	1.4	19	26859.73	26859.73	100.0
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	May 23, 2014	Dec 2005	2,851	0.7	126	2585.72	2585.72	100.0
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	May 23, 2014	Jan 1990	2,584	0.6	161	3327.38	3327.38	100.0
D03	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	Jul 17, 2014	Jan 2008	6,024	1.5	225	7241.51	7241.51	100.0
D04	MyStays Shin-Urayasu Conference Center	Urayasu, Chiba	Jul 17, 2014	Mar 2009	4,930	1.2	175	6232.30	6232.30	100.0
D05	Hotel MyStays Maihama	Urayasu, Chiba	Jul 17, 2014	Jun 2005	4,870	1.2	90	2456.36	2456.36	100.0
D06	Hotel MyStays Premier Dojima	Osaka, Osaka	Jul 17, 2014	Aug 1990	3,845	0.9	153	9445.32	9445.32	100.0
D07	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	Jul 17, 2014	Nov 1979	2,958	0.7	279	9064.71	9064.71	100.0
D08	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	Jul 17, 2014	Jul 2008	2,514	0.6	191	4188.83	4188.83	100.0
D09	Hotel MyStays Yokohama	Yokohama, Kanagawa	Jul 17, 2014	Oct 1974	2,119	0.5	190	7379.43	7379.43	100.0
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Jul 17, 2014	Apr 1987	1,898	0.5	93	1719.29	1719.29	100.0
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	Jul 17, 2014	Feb 2008	1,570	0.4	178	3412.71	3412.71	100.0
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Jul 17, 2014	Dec 1990	1,381	0.3	62	2953.38	2953.38	100.0
D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	Jul 17, 2014	Dec 1986	1,331	0.3	72	1150.76	1150.76	100.0
D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	Jul 17, 2014	Oct 1986	1,242	0.3	55	1134.52	1134.52	100.0
D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	Jul 17, 2014	Dec 1989	1,242	0.3	130	2539.75	2539.75	100.0
D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	Jul 17, 2014	Jan 1992	1,192	0.3	105	2089.86	2089.86	100.0
D17	Hotel MyStays Otemae	Osaka, Osaka	Jul 17, 2014	Dec 1986	1,192	0.3	111	4956.66	4956.66	100.0
D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	Jul 17, 2014	May 1992	749	0.2	56	2673.64	2673.64	100.0
D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	Jul 17, 2014	Sep 1986	589	0.1	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	2.0	452	6568.51	6568.51	100.0
D22	Hotel MyStays Hakodate-Goryokaku	Hakodate, Hokkaido	Feb 6, 2015	Feb 2008	2,792	0.7	211	7961.26	7961.26	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 shops, offices and nursing homes which are counted as one unit by each compartment

(Note 5) "Rentable Unit","Leasable Area","Leased Area"and "Occupancy Rate"are data as of June 30, 2018

Borrowings

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing (Anticipated) Date	Maturity (Anticipated) Date
New Syndicate Loan (E)	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Citibank, N.A., Tokyo Branch Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited.	28,979	Fixed interest rate (swap)	0.48000% [1]	July 16, 2015	July 16, 2019
		28,979	Fixed interest rate (swap)	0.59000% [1]	July 16, 2015	July 16, 2020
Term Loan (A)	Mizuho Bank, Ltd.	3,682	Fixed interest rate (swap)	0.48000% [1]	August 28, 2015	August 28, 2019
Term Loan (B)	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.	4,250	Fixed interest rate (swap)	0.34300% [1]	January 22, 2016	January 22, 2019
		4,250	Fixed interest rate (swap)	0.60000% [1]	January 22, 2016	January 22, 2021
New Syndicate Loan (F)	Sumitomo Mitsui Trust Bank, Limited Japan Post Bank Co., Ltd. Mizuho Bank, Ltd. MUFG Bank, Ltd. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. 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	Floating interest rate	JPY 1 month TIBOR+0.40%	March 31, 2016	March 30, 2019
		10,433	Floating interest rate	JPY 1 month TIBOR+0.50%	March 31, 2016	March 30, 2020
		10,433	Floating interest rate	JPY 1 month TIBOR+0.60%	March 31, 2016	March 30, 2021
Term Loan (C)	Citibank, N.A., Tokyo Branch	1,000	Floating interest rate	JPY 1 month TIBOR+0.40%	June 15, 2016	June 15, 2019
		1,000	Floating interest rate	JPY 1 month TIBOR+0.50%	June 15, 2016	June 15, 2020
		1,000	Floating interest rate	JPY 1 month TIBOR+0.60%	June 15, 2016	June 15, 2021
Term Loan (D)	Development Bank of Japan Inc.	1,000	Floating interest rate	JPY 1 month TIBOR+0.40%	June 30, 2016	June 30, 2019
	AEON Bank, Ltd.	3,000	Floating interest rate	JPY 1 month TIBOR+0.60%	June 30, 2016	June 30, 2021

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.
(Note 2) Borrowing amount is rounded down to indicated unit.

Borrowings and Investment Corporation Bonds (2/3)

*Anticipated as of September 30, 2018

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing (Anticipated) Date	Maturity (Anticipated) Date
Term Loan (E)	The Tokyo Star Bank, Limited	700	Floating interest rate	JPY 1 month TIBOR+0.40%	July 20, 2016	July 20, 2019
		1,600	Floating interest rate	JPY 1 month TIBOR+0.50%	July 20, 2016	July 20, 2020
		1,700	Floating interest rate	JPY 1 month TIBOR+0.60%	July 20, 2016	July 20, 2021
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	Floating interest rate	JPY 1 month TIBOR+0.40%	March 14, 2017	March 14, 2020
		3,250	Floating interest rate	JPY 1 month TIBOR+0.50%	March 14, 2017	March 14, 2021
		4,750	Floating interest rate	JPY 1 month TIBOR+0.60%	March 14, 2017	March 14, 2022
Term Loan (F)	Sumitomo Mitsui Banking Corporation	3,000	Floating interest rate	JPY 1 month TIBOR+0.45%	March 14, 2017	September 14, 2020
Term Loan (G)	Mizuho Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	7,321	Floating interest rate Floating interest rate	JPY 1 month TIBOR+0.55%	May 29, 2017	November 29, 2021
New Syndicate Loan (H)	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. AEON Bank, Ltd. The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	2,000	Floating interest rate	JPY 1 month TIBOR+0.20%	October 13, 2017	October 13, 2018
		3,700	Floating interest rate	JPY 1 month TIBOR+0.25%	October 13, 2017	October 13, 2019
		1,868	Floating interest rate	JPY 1 month TIBOR+0.30%	October 13, 2017	October 13, 2020
		1,867	Floating interest rate	JPY 1 month TIBOR+0.40%	October 13, 2017	October 13, 2021
		5,365	Floating interest rate	JPY 1 month TIBOR+0.60%	October 13, 2017	October 13, 2022
		3,565	Floating interest rate	JPY 1 month TIBOR+0.70%	October 13, 2017	October 13, 2023
		3,560	Floating interest rate	JPY 1 month TIBOR+0.80%	October 13, 2017	October 11, 2024
Term Loan (H)	MUFG Bank, Ltd. Shinsei Bank, Limited	1,500	Fixed interest rate (swap)	0.74950% [1]	June 27, 2018	June 27, 2023
New Syndicate Loan (I)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch	9,660	Floating interest rate	JPY 1 month TIBOR+0.30%	July 17, 2018	July 17, 2021
		9,660	Floating interest rate	JPY 1 month TIBOR+0.40%	July 17, 2018	July 17, 2022
		9,659	Floating interest rate	JPY 1 month TIBOR+0.50%	July 17, 2018	July 14, 2023

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.
(Note 2) Borrowing amount is rounded down to indicated unit.

Borrowings and Investment Corporation Bonds (3/3)

*Anticipated as of September 30, 2018

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing (Anticipated) Date	Maturity (Anticipated) Date
New Syndicate Loan (J)	Mizuho Bank, Ltd. Sumitomo Mitsui Banking MUFG Bank, Ltd.	1,099	Floating interest rate	JPY 1 month TIBOR+0.20%	August 2, 2018	August 2, 2019
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.	2,359	Floating interest rate	JPY 1 month TIBOR+0.30%	August 2, 2018	August 2, 2021
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Development Bank of Japan, Inc. The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.	10,761	Floating interest rate	JPY 1 month TIBOR+0.30%	September 12, 2018 [3]	September 12, 2021 [3]
		13,120	Floating interest rate	JPY 1 month TIBOR+0.40%	September 12, 2018 [3]	September 12, 2022 [3]
		13,119	Floating interest rate	JPY 1 month TIBOR+0.50%	September 12, 2018 [3]	September 12, 2023 [3]
Subtotal of Short Term Debt		3,099				
Subtotal of Long Term Debt		224,774				
Total Debt		227,873				

Investment Corporation Bonds

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

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.
(Note 2) Borrowing amount is rounded down to indicated unit.
(Note 3) Indicated borrowing date, interest payment date and principal maturity date anticipated as of today and those are subject to change

Overview of Unitholders

Major Unitholders (TOP 10)

As of December 31, 2017

	Name	Number of units held	(%)
1	Calliope Godo Kaisha	609,942	12.72
2	The Master Trust Bank of Japan, Ltd. (trust account)	599,567	12.50
3	Japan Trustee Services Bank, Ltd. (trust account)	464,824	9.69
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	194,917	4.06
5	Rayo Godo Kaisha	149,925	3.12
6	The Nomura Trust and Banking Co., Ltd. (investment trust account)	146,937	3.06
7	THE BANK OF NEW YORK MELLON SA/NV 10	130,716	2.72
8	JP MORGAN CHASE BANK 385628	74,626	1.55
9	STATE STREET BANK - WEST PENSION FUND CLIENTS -EXEMPT 505233	61,082	1.27
10	STATE STREET BANK AND TRUST COMPANY 505223	57,916	1.20
	Total	2,490,452	51.95

*Percentages are rounded down to the second decimal place

Issued investment units: 4,793,181

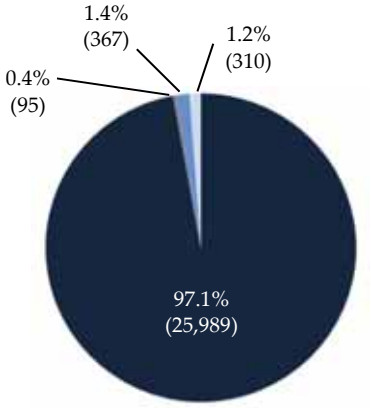
As of June 30, 2018

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

Issued investment units: 4,893,181

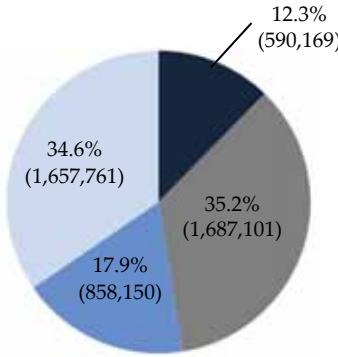
Unitholders Composition

<Number of Unitholders>



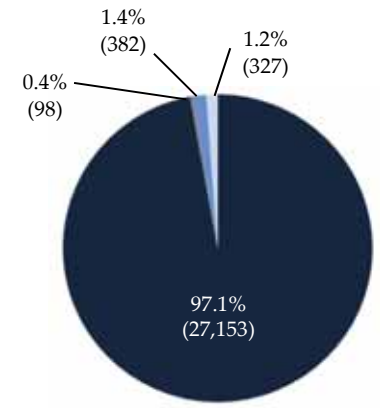
(Total : 26,761)

<Number of Units held by Unitholders>



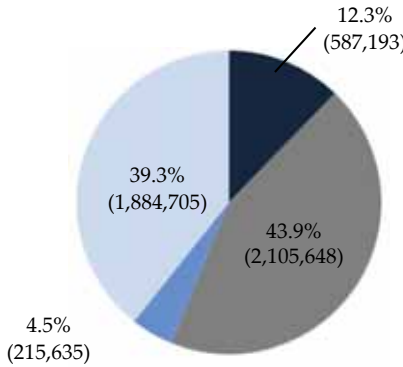
(Total : 4,793,181 units)

<Number of Unitholders>



(Total : 27,960)

<Number of Units held by Unitholders>



(Total : 4,793,181 units)

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

*Percentages are rounded to one decimal place

Unit Price Information



Source: TSE and Bloomberg

(Note 1) It shows the change in the price from January 4, 2013 until August 17, 2018

(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

Disclaimer

Invincible Investment Corporation

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Consonant Investment Management

INQUIRIES:

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