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Invincible Investment Corporation

Asset Management Report

Fiscal Period ended June 30, 2024 (January 1, 2024 to June 30, 2024)

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

We would like to take this opportunity to express our sincere gratitude to all unitholders of Invincible Investment Corporation ("INV") for your continued support. We hereby provide you with a report on INV's asset management and financial results for the 42nd fiscal period (from January 1, 2024 to June 30, 2024) (the "Reporting Period").

In the Reporting Period, the performance of the hotels achieved steady growth compared to the previous year due to the rapid recovery and growth of inbound demand, coupled with steady domestic demand. Although occupancy rates at each hotel were slightly below 2019 levels prior to COVID-19, ADR remained well above 2019 levels, absorbing cost increases, resulting in an increase in GOP compared to the same period in 2019.

The residential portfolio also performed well, with the average occupancy rate reaching 96.7%, the highest in the past nine fiscal periods. The average rent per tsubo also increased, reflecting the trend of the population returning to urban centers.

On the financing side, the stability of our financial base has been greatly enhanced through the first issuance of investment corporation bonds to individual investors to further diversify fund procurement methods, the lengthening of borrowing periods, diversification of repayment terms, as well as significantly increasing the ratio of fixed-rate borrowings. We are striving to manage our finances by keeping a close eye on interest rate trends since the Bank of Japan lifted its negative interest rate policy.

Overall, INV announced a distribution per unit (the "DPU") of JPY 1,917 by recording operating revenue of JPY 21,136 million, operating income of JPY 14,635 million, and net income of JPY 12,900 million in the Reporting Period. The DPU is the highest DPU achieved since February 2010 when the corporate name changed to Invincible Investment Corporation.

In July, after the end of the Reporting Period, we implemented a global offering for the second consecutive year and acquired 12 domestic hotels including "Art Hotel Osaka Bay Tower & Solaniwa Onsen", a full-service hotel. INV's portfolio has further expanded to exceed JPY 650 billion in assets under management (based on acquisition price) through this large asset acquisition exceeding a total acquisition price of JPY 100 billion.

We will continue to work diligently to capture banquet and meeting demand which have significantly been recovering after the COVID-19 pandemic, as well as inbound demands to local areas, and to further increase DPU through asset acquisitions and additional strategic investments such as renovation of domestic and overseas hotels.

Your continued support is highly appreciated.

Naoki Fukuda

Executive Director, Invincible Investment Corporation

President & CEO, Consonant Investment Management Co., Ltd.

Summary of Financial Results

	Period from January 1, 2022 to June 30, 2022	Period from July 1, 2022 to December 31, 2022	Period from January 1, 2023 to June 30, 2023	Period from July 1, 2023 to December 31, 2023	Period from January 1, 2024 to June 30, 2024
Operating Revenues (JPY million)	7,680	11,929	15,914	18,819	21,136
Ordinary Income (JPY million)	1,015	5,075	8,914	11,033	12,901
Net Income (JPY million)	1,015	5,075	8,913	11,032	12,900
Net Assets (JPY million)	246,211	250,321	254,024	290,305	292,766
Total Assets (JPY million)	490,118	494,237	496,819	563,393	569,016
Net Assets per Unit (JPY)	40,383	41,058	41,665	43,090	43,455
Net Assets/Total Assets (%)	50.2	50.6	51.1	51.5	51.5
Distribution per Unit (JPY)	166	832	1,464	1,640	1,917
Number of Units Issued (Unit)	6,096,840	6,096,840	6,096,840	6,737,121	6,737,121

Distribution per unit for the 42nd fiscal period
(the fiscal period ended June 2024)

JPY 1,917

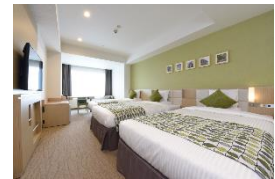
(Note) The forward-looking statements, forecasts and goals described in this report are based on available information, assumptions and estimates as of August 31, 2024. These assumptions and estimates are unavoidably uncertain, and could be affected by various risks and factors beyond INV's control. Thus, no guarantee can be made regarding the realization of such future forecasts and targets, and actual results may vary significantly.

Overview of the Asset Acquired

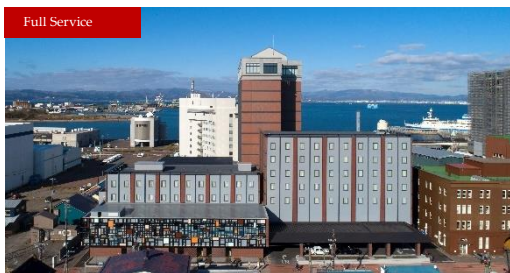
Art Hotel Osaka Bay Tower & Solaniwa Onsen



Location	Osaka-shi, Osaka
No. of Rooms	454 rooms
GFA (m ²)	44,759.49 (Note 1)
Acquisition price	JPY 31,185 million



Hakodate Kokusai Hotel



Location	Hakodate-shi, Hokkaido
No. of Rooms	435 rooms
GFA (m ²)	34,511.60
Acquisition price	JPY 16,830 million



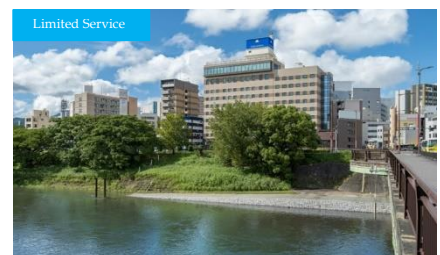
Art Hotel Nippori Lungwood



Location	Arakawa-ku, Tokyo
No. of Rooms	134 rooms
GFA (m ²)	10,984.28 (Note 2)
Acquisition price	JPY 16,335 million



Hotel MyStays Kumamoto



Location	Kumamoto-shi, Kumamoto
No. of Rooms	194 rooms
GFA (m ²)	6,347.65
Acquisition price	JPY 6,831 million

(Note 1) "GFA" of exclusively-owned area acquired by INV on July 31, 2024. GFA of the entire building is 175,604.98 m².

(Note 2) "GFA" of exclusively-owned area acquired by INV (excluding parking area) on July 31, 2024. GFA of the entire building is 21,601.47 m².

Art Hotel Aomori

Full Service



Location	Aomori-shi, Aomori
No. of Rooms	211 rooms
GFA (m ²)	9,176.79
Acquisition price	JPY 5,672 million

Kamenoi Hotel Izukogen

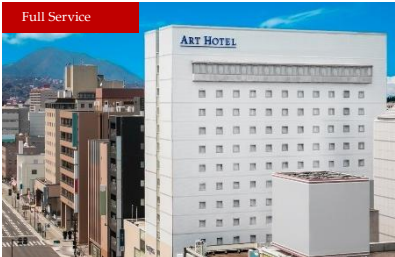
Resort



Location	Ito-shi, Shizuoka
No. of Rooms	55 rooms
GFA (m ²)	8,891.36
Acquisition price	JPY 5,563 million

Art Hotel Oita

Full Service



Location	Oita-shi, Oita
No. of Rooms	228 rooms
GFA (m ²)	8,782.34
Acquisition price	JPY 5,484 million

Art Hotel Kokura New Tagawa

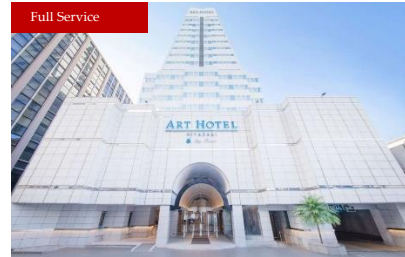
Full Service



Location	Kitakyushu-shi, Fukuoka
No. of Rooms	90 rooms (Note 3)
GFA (m ²)	14,055.23
Acquisition price	JPY 4,672 million

Art Hotel Miyazaki Sky Tower

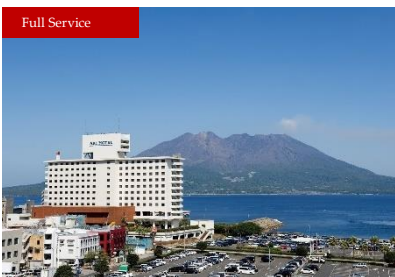
Full Service



Location	Miyazaki-shi, Miyazaki
No. of Rooms	135 rooms
GFA (m ²)	8,766.25
Acquisition price	JPY 3,821 million

Art Hotel Kagoshima

Full Service



Location	Kagoshima-shi, Kagoshima
No. of Rooms	208 rooms
GFA (m ²)	14,854.67
Acquisition price	JPY 3,395 million

Kamenoi Hotel Hikone

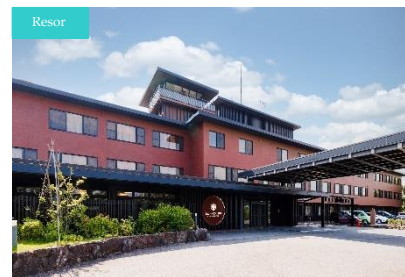
Resort



Location	Hikone-shi, Shiga
No. of Rooms	48 rooms
GFA (m ²)	6,060.87
Acquisition price	JPY 2,603 million

Kamenoi Hotel Nara

Resort



Location	Nara-shi, Nara
No. of Rooms	42 rooms
GFA (m ²)	5,041.02
Acquisition price	JPY 2,029 million

(Note 3) There is a building operated as "Suisui Garden Ryokan" within the site of the property. However, since such building is not included in the acquisition, the figures do not include the three guest rooms of the building.

■ ESG Initiatives

INV recognizes the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the viewpoint of sustainability such as economic and social development and contributing to global environmental conservation, and regard improvement of sustainability as an important management issue and implement initiatives to contribute to make our society sustainable.

Issuance of the ESG report

Issued the first ESG report in June 2024 in order to inform our unitholders and various other stakeholders about the major ESG-related initiatives implemented by INV and CIM and promote their understanding of these efforts. The report will be issued annually.

https://www.invincible-inv.co.jp/en/upd/ESGreport2024_EN.pdf



Creation of Comfortable Work Environment and Initiatives to Develop and Maintain Excellent Human Resources

Established DEI (Note 1) policy to nourish an inclusive organizational culture and to establish an inclusive value chain, and introduced a "Qualification Acquisition Support Program" to cover a certain amount of expenses required to acquire and maintain qualifications for employees every year to create a comfortable work environment and develop and maintain excellent human resources.

(Note 1) D (Diversity), E (Equity) and I (Inclusion).

Green Finance

■ Green Finance Framework

INV has established the Green Finance Framework to procure funds necessary to realize a sustainable environment and society through Green Bonds and Green Loans. It acquired "Green1 (F)", the highest rating on JCR's Green Finance Framework Evaluation



■ Total Amount of Green Finance

Executed refinance with green loans in January and March in 2024 based on the green finance framework established to implement green finance. INV will consider leveraging green finance as a financial method appropriately.

Name of Investment Corporation Bonds/ Lenders	Issue Date/ Borrowing Date	Term	Amount (JPY million)
9th series unsecured corporate bonds (Green bond)	Sep. 21, 2023	5 years	1,700
10th series unsecured corporate bonds (Green bond)	Dec. 14, 2023	5 years	1,800
Mizuho Bank, MUFG Bank., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Development Bank of Japan, San ju San Bank, The Nomura Trust and Banking (Green loan)	Jan. 16, 2024	6 years	8,970
Mizuho Bank, MUFG Bank., Sumitomo Mitsui Trust Bank, Development Bank of Japan (Green loan)	Mar. 14, 2024	6 years	1,029

External Certifications

Acquired additional external environmental certification for seven hotels and one residential property bringing the number of hotels with environmental certification to 22 properties.



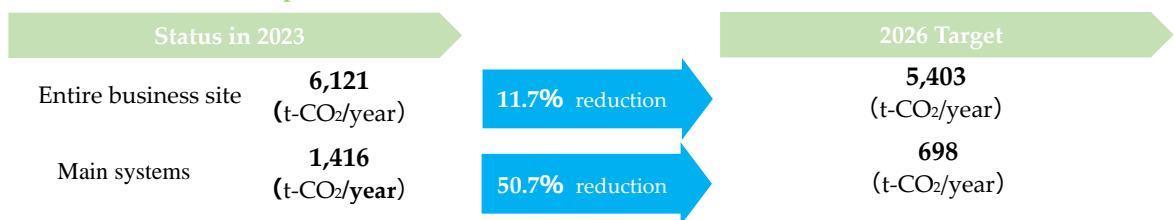
E Initiatives for Environment

■ Energy-saving construction using Ministry of the Environment subsidy (SHIFT Project)

Hotel Epinard Nasu, Hotel MyStays Gotanda Station, Hotel MyStays Ueno East and Hotel MyStays Nagoya-Sakae received subsidies of JPY 96.8 million in total (about one-third of the total investment) from the Ministry of the Environment’s “Project for the Promotion of Leading Decarbonization Initiatives in Factories and Business Sites (SHIFT Project*)” to replace steam boilers, hot water boilers, etc. with heat pump chillers. The hotels aim to reduce CO₂ emissions and energy costs through reduction of fuel consumption by improvement of energy efficiency and reduction of energy power consumption by removing cooling water pumps and cooling towers.

* Projects that support initiatives that serve as role models for decarbonization (setting reduction targets, formulating reduction plans, and implementing facility upgrades, electrification, fuel conversion, and operational improvements) at factories and business sites to achieve Japan’s 2030 GHG reduction targets and achieve carbon neutrality in 2050.

◆ CO2 Reduction Plan (Hotel Epinard Nasu)



S Initiatives for Society

■ Promotion of diversity in human resources (Initiative by INV’s main hotel operator)

Opened “Narita Hospitality Academy” on June 1, 2023, in Narita city, Chiba prefecture, which is a post-arrival training facility specializing in hospitality internships for foreign technical interns. The training contributes to the development of hospitality personnel by providing a general Japanese language program as well as the spirit and culture of Japanese hospitality, in the aim to make them acquire the knowledge and specialized skills as hotel staff. Since its opening, total 159 interns¹ participated in the training and started to work at MHM managed hotels. In 2024, further 107 interns will participate in the training.



(Note 1) Total number of interns from the first term to the fifth term (graduated in July 2024)

■ Collaboration with local community

- Art Hotel Nippori Lungwood (acquired on July 31, 2024)

Showcases displaying and selling traditional crafts created by artisans in Arakawa Ward were installed on the first-floor lobby, utilizing Arakawa Ward’s “Subsidy to Promote Utilization of Accommodation Facilities Utilization”. In addition, cloth pouches and hairpins made at welfare facilities in the Arakawa Ward are also displayed for sale. It contributes to promote communication with guests, to appeal attractiveness of Arakawa Ward as a representative hotel in the area, and to strengthening relations with local community.



< Cost >

Total project cost: approx. JPY 2.3 million (of which, approx. JPY 1.4million of subsidy)

■ SDGs Event “Mystays Charity Market”

- Art Hotel Osaka Bay Tower (acquired on July 31, 2024)

Expanded the “Matching Project”, a project that had been implemented among group hotels to reuse products as much as possible, to the general public and organized an event at Art Hotel Osaka Bay Tower to sell items such as tableware, furniture, appliances, etc. that are no longer used in the establishments due to renovation or renewal. Hotel received 635 visitors and approximately JPY 1 million of profits were donated to an international NGO “Plan International”.



■ Unitholder Benefit Program

INV has introduced the unitholder benefit program to improve the satisfaction of its unitholders and expand the unitholder base. Eligible unitholders can stay at Sheraton Grande Tokyo Bay Hotel and all MyStays group hotels at special discount rates. INV decided to expand the available period by two months (from six months to eight months) for stay from the December 2022 Fiscal Period and onwards.

Overview of the Unitholder Benefit Program^(Note 1)

Applicable Hotels	<ul style="list-style-type: none"> ◎ Sheraton Grande Tokyo Bay Hotel ◎ All hotels managed by MyStays ^(Note 2)
Eligible Unitholders	<p>All Unitholders whose names are recorded on Invincible's Unitholders' Registry as of the relevant record dates:</p> <p>*INV decided to remove the eligibility requirement of "holding 10 or more units" to enable all INV unitholders to utilize the Unitholder Benefit Program from the June 2020 Fiscal Period and onwards</p>
Record Date	The last day of every fiscal period (June 30 and December 31 of each year)
Program Details	Stay with unitholder special discount rates at the above applicable hotels
Hotel Reservation	<ul style="list-style-type: none"> ◎ Sheraton Grande Tokyo Bay Hotel Reservation via phone or Email ◎ All MyStays hotels and Kamenoi Hotels Reservation via official website or phone
Available Period ^(Note 3)	<p>From April 1 to November 30 (eligible unitholders as of December 31)</p> <p>From October 1 to May 31 (eligible unitholders as of June 30)</p>

Sheraton Grande Tokyo Bay Hotel



Hotel Epinard Nasu



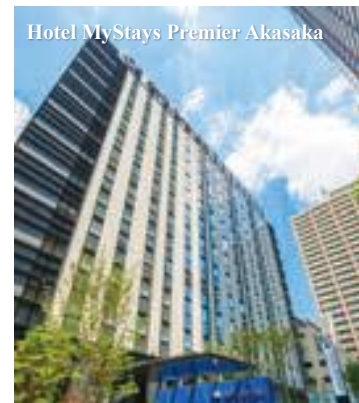
Fusaki Beach Resort Hotel & Villas



Hotel MyStays Premier Kanazawa



Hotel MyStays Premier Akasaka



(Note 1) The details of the unitholder benefit program described above are as planned by Invincible as of August 31, 2024, and the program may be changed or abolished even after it has been introduced.

(Note 2) Refers to all hotels under MyStays brand managed by MHM, and hotels shown on the MyStays Hotel Group's official website (<https://www.mystays.com/en-us/>) will be applicable.

(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.

I. Asset Management Report

Overview of Asset Management

1 Trends in Investment Corporation's Operating Results

By Period		38th fiscal period	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period	
Reporting period		Jan. 1, 2022 to Jun. 30, 2022	Jul. 1, 2022 to Dec. 31, 2022	Jan. 1, 2023 to Jun. 30, 2023	Jul. 1, 2023 to Dec. 31, 2023	Jan. 1, 2024 to Jun. 30, 2024	
Operating Results	Operating revenue	(JPY thousand)	7,680,227	11,929,599	15,914,981	18,819,119	21,136,007
	(Rental revenue – real estate)	(JPY thousand)	(5,198,229)	(10,182,751)	(12,000,955)	(16,696,076)	(14,933,032)
	Operating expenses	(JPY thousand)	5,565,846	5,672,588	5,558,241	6,230,207	6,500,276
	(Property-related expenses)	(JPY thousand)	(4,498,723)	(4,606,538)	(4,488,341)	(5,096,717)	(5,107,042)
	Operating income (loss)	(JPY thousand)	2,114,380	6,257,011	10,356,739	12,588,912	14,635,731
	Ordinary income (loss)	(JPY thousand)	1,015,760	5,075,941	8,914,347	11,033,176	12,901,166
	Net income (loss)	(JPY thousand)	1,015,155	5,075,336	8,913,742	11,032,571	12,900,561
Assets	Total assets (change from last period)	(a) (JPY thousand) (%)	490,118,752 (-1.0)	494,237,781 (0.8)	496,819,930 (0.5)	563,393,061 (13.4)	569,016,514 (1.0)
	Interest-bearing debt	(JPY thousand)	241,372,000	240,797,000	239,190,000	269,100,000	271,154,000
	Net assets (change from last period)	(b) (JPY thousand) (%)	246,211,129 (0.0)	250,321,091 (1.7)	254,024,091 (1.5)	290,305,021 (14.3)	292,766,734 (0.8)
	Unitholders' capital	(JPY thousand)	235,701,512	235,701,512	235,701,512	270,101,249	270,101,249
Dividend Status	Total distributions	(c) (JPY thousand)	1,012,075	5,072,570	8,925,773	11,048,878	12,915,060
	Dividend payout ratio	(Note 1) (%)	99.7	99.9	100.1	100.1	100.1
Information per Unit	Number of investment units issued and outstanding	(d) (Units)	6,096,840	6,096,840	6,096,840	6,737,121	6,737,121
	Net assets per unit	(b) / (d) (JPY)	40,383	41,058	41,665	43,090	43,455
	Distributions per unit (Distributions of earnings per unit)	(c) / (d) (JPY) (JPY)	166 (166)	832 (832)	1,464 (1,464)	1,640 (1,640)	1,917 (1,917)
	(Distributions in excess of retained earnings per unit)	(JPY)	(-)	(-)	(-)	(-)	(-)
Financial Measures	Return on assets (annualized)	(Note 2) (%)	0.2 (0.4)	1.0 (2.0)	1.8 (3.6)	2.1 (4.1)	2.3 (4.6)
	Return on equity (annualized)	(Note 2) (%)	0.4 (0.8)	2.0 (4.1)	3.5 (7.1)	4.1 (8.0)	4.4 (8.9)
	Capital ratio (change from last period)	(b) / (a) (Note 2) (%) (%)	50.2 (0.5)	50.6 (0.4)	51.1 (0.5)	51.5 (0.4)	51.5 (-0.1)
	NOI (Net Operating Income)	(Note 2) (JPY thousand)	4,936,210	10,509,695	14,523,824	17,205,671	19,634,102

(Note 1) Dividend payout ratio is calculated in accordance with the following formula and rounded to one decimal place:

$$\text{Dividend payout ratio} = \text{Distribution amount (Excluding distributions in excess of retained earnings)} / \text{Net income} \times 100$$

(Note 2) Figures above are calculated as below, and ratios are rounded to one decimal place. Figures annualized according to the number of days are also shown.

Return on assets = Ordinary income for relevant period / ((Total assets at start of relevant period + Total assets at end of relevant period) / 2) x 100.

Return on equity = Net income for relevant period / ((Net assets at start of relevant period + Net assets at end of relevant period) / 2) x 100.

Capital ratio = Net assets at end of relevant period / Total assets at end of relevant period x 100.

NOI = Rental revenue – Property-related expenses + Management contract revenue - Management contract expenses + Dividends of preferred equity interest + Depreciation expense for relevant period

The dividends of preferred equity interest has been included in the formula calculating NOI from the 41st fiscal period. Since no dividends of preferred equity interest was recorded from the 38th to the 41st fiscal period, this change makes no difference. However, since dividends of preferred equity interest was recorded in the 42nd fiscal period, dividends of preferred equity interest was included in NOI due to this change.

2 Overview of Asset Management for the Fiscal Period Ended June 2024

(a) Main Trends of INV

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

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

Ever since the commencement of sponsorship from the Fortress Group (Note 1), INV has been focusing its efforts on improving the profitability of its portfolio and establishing a revenue base in order to secure stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for external growth. With this platform as a base, in June 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (“CIM”) revised the Investment Guidelines for INV, positioned hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecasted to rise going forward, and has expanded its portfolio.

INV’s portfolio at the end of the Reporting Period comprised of 134 properties (92 hotels (Note 2) (Note 3), 41 residential properties and one retail facility) with a total acquisition price of JPY 548,646 million (Note 4). Furthermore, INV’s hotel portfolio has the largest asset size (Note 5) of JPY 507,861 million (92 properties, 16,624 rooms) among all J-REITs (real estate investment corporations which are listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market, hereinafter the same shall apply) hotel portfolios including Hotel J-REITs (Note 6).

(Note 1) Calliope transferred 80.0% of issued shares to Fortress CIM Holdings L.P., a subsidiary of SoftBank Group and 20.0% to SoftBank Group Corp. (“SoftBank Group”) on March 29, 2018, but the SoftBank Group transferred its issued shares of CIM to Fortress CIM Holdings L.P on May 23, 2023. Further, on May 15, 2024, the SoftBank Group transferred its interest in the indirect parent company of Fortress CIM Holdings L.P. to Mubadala Capital, a wholly-owned subsidiary of Mubadala Investment Company, an Abu Dhabi sovereign wealth fund. As a result, the SoftBank Group no longer falls under the parent company and specified related corporation of CIM.

(Note 2) The preferred equity interest held by INV is counted as one property. Such preferred equity interest issued by a special purpose company (*tokutei mokuteki kaisha*, “TMK”) refers to 178,458 units of the preferred equity interest issued by Kingdom Special Purpose Company (equivalent to 49.0% of the outstanding preferred equity interest), which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. The property is classified as a hotel, based on the use of Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest, and

INV's investment amount of the preferred equity interest is used as the acquisition price of the preferred equity interest, unless otherwise stated. The "underlying asset" refers to the real estate or the real estate related assets owned by an operator of an anonymous association (*tokumei kumiai*, "TK") interest or a TMK relating to the preferred equity interest which INV owns, thus the real estate or the real estate related assets which will be the revenue source of INV. Hereinafter the same shall apply.

- (Note 3) From September 28, 2018 (Cayman Island local time; September 29, 2018 in Japan local time), INV owned 100% of the TK interest in Seven Mile Resort Holdings Ltd. (the "Cayman SPC"), a Cayman Islands special purpose company that holds leasehold interests in Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort (collectively, the "Cayman Hotels") and ancillary assets as underlying assets. However, INV implemented the investment structure change (the "Structure Change" in some cases hereinafter) regarding the Cayman Hotels on May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time) and has directly held the Leasehold Interests, etc. of the Cayman Hotels thereafter. Both of the TK interest and the Cayman Hotels are counted as two properties before and after the Structure Change. In addition, the "Leasehold Interests, etc." means leasehold interests (rights equivalent to long-term real estate leases on land and buildings under the British Cayman laws) and furniture, fixtures, equipment, ornaments, kitchen instrument, and other assets required for hotel operations. Hereinafter the same shall apply.
- (Note 4) Due to the Structure Change, the book value of the leasehold interests of the Cayman Hotels recorded by the Cayman SPC as of May 9, 2019 (Cayman Island local time; May 10, 2019 in Japan local time), when INV succeeded the leasehold interests of the Cayman Hotels from the Cayman SPC via distribution in kind in connection with the termination of TK agreement, is deemed as the acquisition price of the Cayman Hotels. The book value is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts executed on July 26, 2018 and implemented on September 26, 2018 in connection with the investment in the TK interest by INV. Hereinafter the same shall apply.
- (Note 5) Hotel J-REIT is defined as the J-REIT whose majority part of portfolio consists of hotel assets.
- (Note 6) "The largest asset size ... among all J-REIT hotel portfolios" refers to the total acquisition price of 92 hotels owned by INV as compared with the total acquisition price of hotels (including inns and other accommodation facilities) owned by listed investment corporations other than INV as of June 30, 2024.

(b) Operational Performance

The portfolio NOI (Note 1) increased by 35.2% or JPY 5,110 million compared to the same period in the previous year (the June 2023 fiscal period) to JPY 19,634 million. Of which, the hotel portfolio NOI increased by JPY 5,096 million and the residential and retail portfolio NOI increased by JPY 14 million. Compared to the June 2019 fiscal period prior to the COVID-19 pandemic, the portfolio NOI increased by 33.2% or JPY 4,899 million, of which the hotel portfolio NOI increased by JPY 6,352 million and the residential and retail portfolio NOI decreased by JPY 1,453 million due to asset sales.

Commentary on hotel and residential performance is as described below.

Domestic hotel portfolio recovered to a level exceeding that of 2019, prior to the COVID-19 pandemic. Even with the end of the "National Travel Discount Campaign" program, the government's travel subsidy program, there has been no significant decline in demand due to the reaction from the elimination of the program. Coupled with the recovery of inbound demand with the help of the weak yen, each performance metric of the domestic hotel portfolio significantly exceeded the results of the same period last year. While occupancy rates (Note 2) were slightly below the 2019 levels, ADR (Note 3) and RevPAR (Note 4) were above the 2019 levels. The GOP (Note 5) for the Reporting Period of the 81 domestic hotels (Note 6) owned by INV increased by 17.2% compared to the same period in the previous year (figures exclude nine domestic hotels with fixed-rent lease agreements among the 90 domestic hotels owned by INV as of the end of the Reporting Period, including Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV). The 81 domestic hotels recorded an occupancy rate of 80.7%, ADR of JPY 12,787, and RevPAR of JPY 10,314. Compared to the June 2019 fiscal period prior to the COVID-19 pandemic, the GOP increased by 15.6%, the occupancy rate decreased by 5.7pt, ADR increased by 24.7%, and RevPAR increased

by 16.5%.

The Cayman Hotels recorded an average occupancy rate of 79.0%, ADR of USD 564, and RevPAR of USD 446 for the Reporting Period and the figures significantly exceeded the same period in the previous year. Compared to the June 2019 fiscal period prior to the COVID-19 pandemic, the occupancy rate decreased by 10.3pt, ADR increased by 35.8%, and RevPAR increased by 20.1%. Occupancy has not returned to 2019 levels as the number of commercial flights between the Cayman Islands and the U.S. have not recovered to 2019 levels, but ADR has grown significantly due to high demand, and RevPAR has remained above 2019 levels. Regarding the residential portfolio (Note 7), the occupancy rate (Note 8) of 41 residential properties slightly increased from 95.9% at the end of the previous fiscal period to 96.9% at the end of the Reporting Period. The average occupancy rate (Note 8) increased by 0.2 points YoY to 96.7%. The NOI (Note 9) for the Reporting Period increased by 1.2% YoY.

In the Reporting Period, INV realized a rent increase for 41.8% (based on the number of contracts) of the new residential lease contracts, and the new rent increased by 0.1% compared to the previous rent across all new leases (Note 10). INV achieved a rent increase for 38.7% (based on the number of contracts) of contract renewals with an average rent increase of 1.1% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate (Note 11) of 76.8%. Combined, new lease and renewal lease rents were signed at 0.7% higher than the previous leases. The average rent per tsubo per month (Note 12) for the Reporting Period increased by 0.5% YoY to JPY 9,235.

The total appraisal value of 133 properties was JPY 657,902 million (one out of the 134 properties owned by INV at the end of the Reporting Period is excluded from the appraisal calculation: Sheraton Grande Tokyo Bay Hotel (preferred equity interest) for which the appraisal value of such interest is not available). The portfolio has an unrealized gain of JPY 164,661 million (Note 13) and an unrealized gain ratio of 33.4% (Note 13). The total appraisal value of 133 properties which were owned throughout the Reporting Period increased by 4.6% from JPY 629,041 million at the end of the December 2023 fiscal period to JPY 657,902 million at the end of the Reporting Period.

Key Performance Indicators of 81 Domestic Hotel Properties (Note 6)

	June 2024 fiscal period	Year-on-year change	vs 1H 2019
Occupancy Rate (Note 2)	80.7%	+0.2pt	-5.7pt
ADR (JPY) (Note 3)	12,787	+10.8%	+24.7%
RevPAR (JPY) (Note 4)	10,314	+11.0%	+16.5%
GOP (JPY million) (Note 5)	13,729	+17.2%	+15.6%

Key Performance Indicators of Cayman Hotels

	June 2024 fiscal period	Year-on-year change	vs 1H 2019
Occupancy Rate (Note 2)	79.0%	+1.7pt	-10.3pt
ADR (USD) (Note 3)	564	+5.1%	+35.8%
RevPAR (USD) (Note 4)	446	+7.4%	+20.1%
GOP (USD) (Note 5)	31,586,150	+8.2%	+18.4%

Key Performance Indicators of 41 Residential Properties (Note 7)

	June 2024 fiscal period	Year-on-year change
Average Occupancy Rate (Note 8)	96.7%	+0.2pt
Average Rent per Tsubo per Month (JPY) (Note 12)	9,235	+0.5%
NOI (JPY million) (Note 9)	1,140	+1.2%

- (Note 1) "NOI" for the hotel properties is calculated in accordance with the following formula:

$$\text{NOI} = \text{Rental Revenues} - \text{Property Related Expenses} + \text{Depreciation Expenses} + \text{Dividend on the preferred equity interest (TMK dividend)} + (\text{Management Contract Revenue of the Cayman Hotels} - \text{Management Contract Expense})$$
- (Note 2) "Occupancy rate" for the hotel properties is calculated in accordance with the following formula:

$$\text{Occupancy rate} = \frac{\text{total number of occupied rooms during a certain period}}{\text{total number of rooms available during the same period (number of rooms} \times \text{number of days)}}$$
Hereinafter the same shall apply.
- (Note 3) "ADR" means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period. Hereinafter the same shall apply.
- (Note 4) "RevPAR" means revenues per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms \times number of days) during the same period, and is the same as the figure obtained by multiplying ADR by occupancy rates. Hereinafter the same shall apply.
- (Note 5) "GOP" means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel's revenues. In addition, GOP for the Sheraton Grande Tokyo Bay Hotel has been multiplied by 49%, or INV's ownership ratio of the preferred equity interest. Hereinafter the same shall apply.
- (Note 6) Of the 90 hotels held as of the end of June 2024 (including the Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV), the following nine hotels with fixed-rent lease agreements etc. are excluded: Super Hotel Shinbashi/Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel. In addition, the figures for the properties acquired after January 2019 are calculated on the assumption INV had acquired those properties on January 1, 2019, using the actual figures provided by the sellers of such properties for the period before the acquisition. "D48 Takamatsu Tokyu REI Hotel" changed its contract with its major tenant, TOKYU HOTELS & RESORTS CO., LTD., to fixed-rent with variable rent lease from April 25, 2023. However, in view of the comparison with the same fiscal period in 2023, this hotel will continue to be excluded. Hereinafter the same shall apply.
- (Note 7) Based on the 41 residential properties owned as of the end of June 2024. Hereinafter the same shall apply.
- (Note 8) "Occupancy Rate" and "Average Occupancy Rate" for the portfolio or the residential properties are calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month during the relevant period. Hereinafter the same shall apply.
- (Note 9) For the comparison of NOI for the residential properties, one-off insurance-related revenues and expenses are excluded. Hereinafter the same shall apply.
- (Note 10) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents. Hereinafter the same shall apply.
- (Note 11) Renewal rate is the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period.
- (Note 12) "Average Rent per Tsubo per Month" is calculated by dividing the total rental revenue (including common area charges) for each month by the sum of total leased area (tsubo) at the end of each month during the relevant period.
- (Note 13) The unrealized gain is calculated using the following formula: the appraisal value as of the end of the Reporting Period – book value as of the end of the Reporting Period.
The unrealized gain ratio is calculated using the following formula: the unrealized gain / book value as of the end of the Reporting Period.

(c) Overview of Fund Raising

As a result of the measures described below, INV's interest-bearing debt outstanding balance was JPY 271,154 million and the Interest-Bearing Debt ratio (Note 1) and LTV (appraisal value basis) (Note 2) were 47.7% and 41.9% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.85%.

(Note 1) Interest-Bearing Debt ratio uses the calculation formula below:

Interest-Bearing Debt ratio = total outstanding interest-bearing debt (excluding short-term consumption tax loans) / total assets × 100

(Note 2) LTV (appraisal value basis) uses the calculation formula below:

LTV = total outstanding interest-bearing debt (excluding short-term consumption tax loans) / total appraisal value (*) × 100

(*) Since appraisal value for Sheraton Grande Tokyo Bay Hotel (preferred equity interest) is not available, the acquisition price of the preferred equity interest (JPY 17,845 million) is deemed as appraisal value of Sheraton Grande Tokyo Bay Hotel (preferred equity interest). The appraisal value of the Cayman Hotels is converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contracts concluded on July 26, 2018 and executed on September 26, 2018.

(Note 3) The average interest rate (annual rate) is the weighted average based on the outstanding balance of borrowings and rounded to two decimal places.

(i) Borrowing of Funds

INV borrowed New Syndicate Loan (012) (total amount borrowed: JPY 31,303 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.60000% for a duration of six years, floating interest rate of 3-month JPY TIBOR plus 0.50000% for a duration of five years, floating interest rate of 3-month JPY TIBOR plus 0.50000% for a duration of five years, floating interest rate of 3-month JPY TIBOR plus 0.40000% (by the interest swap agreement on June 4, 2024, it is fixed, in effect, at 1.26500%) for a duration of four years, floating interest rate of 3-month JPY TIBOR plus 0.40000% (by the interest swap agreement on June 4, 2024, it is fixed, in effect, at 1.26500%) for a duration of four years, floating interest rate of 3-month JPY TIBOR plus 0.30000% for a duration of three years, floating interest rate of 1-month JPY TIBOR plus 0.20000% for a duration of one year), which was arranged by Mizuho Bank, Ltd. and Term Loan (019) (total amount borrowed: JPY 2,440 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.50000% for a duration of five years) which was arranged by The Tokyo Star Bank, Limited, on January 16, 2024 and on January 24, 2024 in order to repay a tranche of New Syndicate Loan (M) in the amount of JPY 5,796 million, a tranche of New Syndicate Loan (L) in the amount of JPY 4,805 million, New Syndicate Loan (N) in the amount of JPY 3,544 million, New Syndicate Loan (006) in the amount of JPY 10,408 million due on July 16, 2024 and Term Loan (010) in the amount of JPY 1,550 million, Term Loan (011) in the amount of JPY 1,700 million and Term Loan (012) in the amount of JPY 6,800 million due on January 24, 2024.

INV borrowed New Syndicate Loan (013) on March 14, 2024 and March 29, 2024 (total amount borrowed: JPY 7,114 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.60000% for a duration of six years, floating interest rate of 3-month JPY TIBOR plus 0.50000% for a duration of five years and floating interest rate of 3-month JPY TIBOR plus 0.50000% for a duration of five years, floating interest rate of 3-month JPY TIBOR plus 0.40000% for a duration of four years, floating interest rate of 3-month JPY TIBOR plus 0.30000% for a duration of three years, floating interest rate of 3-month JPY TIBOR plus 0.30000% for a duration of three years and floating interest rate of 3-month JPY TIBOR plus 0.20000% for a duration of two years), which was arranged by Mizuho Bank, Ltd. in order to repay a part of New Syndicate Loan (007) in the amount of JPY 4,713 million due on March 14, 2024 and a tranche of New Syndicate Loan (K) in the amount of JPY 2,401 million due on March 29, 2024.

Moreover, INV borrowed Term Loan (020) on April 15, 2024 (total amount borrowed: JPY 1,700 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.60000% for a duration of six years), which was arranged by San ju San Bank, Ltd. in order to repay a tranche of New Syndicate Loan (O) in the amount of JPY

1,700 million due on April 15, 2024.

Furthermore, INV borrowed Term Loan (021) on June 27, 2024 (total amount borrowed: JPY 1,000 million; interest rate: floating interest rate of 3-month JPY TIBOR plus 0.50000% for a duration of five years), which was arranged by SBI Shinsei Bank, Limited in order to repay Term Loan (015) in the amount of JPY 1,000 million due on June 27, 2024.

(ii) Prepayment of Loan

INV's Short-term consumption tax loan of New Syndicate Loan (010) (in the amount of JPY 3,086 million) was prepaid on April 30, 2024 with the refund of consumption taxes and regional consumption taxes on properties acquired on August 1, 2023 and cash on hand.

(iii) Issuance of Investment Corporation Bonds

INV issued investment corporation bonds as follows for the purpose of raising a portion of funds for repayment of existing borrowings while at the same time lengthening the average maturity period of its debt and further diversifying repayment dates for interest-bearing debt.

Bond Series	Issue Date	Issue Amount (JPY million)	Interest Rate (annual rate)	Redemption Date	Abstract
Eleventh Series Unsecured Investment Corporation Bonds (with pari passu conditions among investment corporate bonds) (nickname : INV Hotel Bonds)	February 9, 2024	6,000	1.470%	February 9, 2029	Unsecured / Unguaranteed Rating: A+ (JCR)

(d) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 2,316 million from the previous period (+12.3 %) to JPY 21,136 million, resulting in a net income of JPY 12,900 million, an increase of JPY 1,867 million from the previous period (+16.9%). Unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 8,641 million) is JPY 21,542 million. INV has decided to set the distribution per unit (excluding excess profit distribution) of JPY 1,917, which is the net income per unit (JPY 1,914) plus the reversal of retained earnings (JPY 3 per unit).

3 Changes in Total Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' capital for the past five years up to the end of the Reporting Period are as follows.

Date	Type of issue	Total number of investment units issued		Unitholders' capital (JPY)		Reference
		Increase	Total	Increase	Total	
July 18, 2019	Public offering	409,524	6,076,364	23,317,887,036	234,410,427,350	(Note 1)
August 15, 2019	Third-party allotment	20,476	6,096,840	1,165,882,964	235,576,310,314	(Note 2)
August 22, 2019	Reversal of allowance for temporary differences adjustment	-	6,096,840	125,201,855	235,701,512,169	(Note 3)
July 31, 2023	Public offering	609,792	6,706,632	32,761,684,992	268,463,197,161	(Note 4)
August 28, 2023	Third-party allotment	30,489	6,737,121	1,638,052,014	270,101,249,175	(Note 5)

(Note 1) New investment units were issued in a public offering at a price of JPY 58,898 per unit (JPY 56,939 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.

(Note 2) New investment units were issued in a third-party allotment at a price of JPY 56,939 per unit for the purpose of raising a part of the funds for the acquisition of specified assets.

(Note 3) INV decided at the Board of Directors' Meeting held on August 22, 2019, the reversal of allowance for temporary difference adjustments for incorporation into unitholders' capital.

(Note 4) New investment units were issued in a public offering at a price of JPY 55,566 per unit (JPY 53,726 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.

(Note 5) New investment units were issued in a third-party allotment at a price of JPY 53,726 per unit for the purpose of raising a part of the funds for the acquisition of specified assets.

Trends in Trading Prices of Investment Securities

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

Real Estate Investment and Trust Securities Section, Tokyo Securities Exchange

(Unit: JPY)

Period	38th fiscal period	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period
Closing month	June 2022	December 2022	June 2023	December 2023	June 2024
Highest	45,800	52,500	59,600	65,200	73,100
Lowest	34,000	36,250	48,250	53,800	58,700

4 Distribution Performance

With respect to distribution of earnings for the Reporting Period, INV decided that distribution per unit (excluding excess profit distribution) is JPY 1,917 without reversing retained earnings.

Period	38th fiscal period	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period
Calculated Period	Jan. 1, 2022 to Jun. 30, 2022	Jul. 1, 2022 to Dec. 31, 2022	Jan. 1, 2023 to Jun. 30, 2023	Jul. 1, 2023 to Dec. 31, 2023	Jan. 1, 2024 to Jun. 30, 2024
Unappropriated retained earnings (JPY thousand)	9,679,301	13,742,562	17,583,734	19,690,532	21,542,214
Reserved profit (JPY thousand)	8,667,226	8,669,991	8,657,960	8,641,653	8,627,153
Total cash distribution (JPY thousand)	1,012,075	5,072,570	8,925,773	11,048,878	12,915,060
(Distribution per unit) (JPY)	(166)	(832)	(1,464)	(1,640)	(1,917)
Total profit distribution (JPY thousand)	1,012,075	5,072,570	8,925,773	11,048,878	12,915,060
(Profit distribution per unit) (JPY)	(166)	(832)	(1,464)	(1,640)	(1,917)
Total refund of investment (JPY thousand)	-	-	-	-	-
(Refund of investment per unit) (JPY)	-	-	-	-	-
Total distribution from the allowance for temporary differences adjustment out of total refund of investment (JPY thousand)	-	-	-	-	-
(Distribution from the allowance for temporary differences adjustment per unit out of refund of investment per unit) (JPY)	-	-	-	-	-
Total distribution from unitholders' equity under the tax laws out of the total refund of investment (JPY thousand)	-	-	-	-	-
Distribution from unitholders' equity under the tax laws out of refund of investment per unit (JPY)	-	-	-	-	-

5 Future operational policy and issues to be addressed

Outlook for the Fiscal Period Ending December 31, 2024

The Japanese economy is considered to be levelling off with negative growth due to the suspension of production and shipments by some automakers. However, it is expected to return to a growth trajectory driven by domestic demand as those production and shipments have resumed. Furthermore, household income is expected to improve, and personal consumption is expected to pick up, reflecting the wage hikes of more than 5% logged in the spring labor negotiations (Shunto). Moreover, companies are estimated to maintain a strong investment appetite in line with improved business performance, and capital investment is expected to remain solid. In addition to this recovery in domestic demand, the decline in the risk of a slowdown in the overseas economy, particularly in the United States, and the continuous increase in inbound demand are expected to be tailwinds for the economy. On the other hand, if concerns about a recession in the U.S. economy emerge and the yen rises and stock prices fall rapidly, it could affect the Bank of Japan's monetary policy and become a strong headwind for the Japanese economy as a whole, including personal consumption.

In the hotel market, demand in both the domestic/inbound and leisure/business segments is expected to remain stable.

In the rental housing market, the population outflow trend from urban areas caused by the impact of the COVID-19 pandemic has recently turned to a trend of population inflow again, which is expected to lead to higher occupancy rates and higher unit rents in the future.

(a) Future operational policy and issues to be addressed

Since July 2011, INV has focused on improving the profitability of its portfolio and strengthening its financial base in order to enhance unitholder value with the Fortress Group as its sponsor. In addition to access to Fortress' global real estate expertise, INV will actively promote efforts to acquire new demand under the environment of "Post-Corona" and flexibly respond to changes in the external environment while emphasizing customer safety and security. Going forward, INV will continue to implement various strategies for further growth and financial stability, including the following measures.

- Further external growth utilizing sponsor support
- Asset recycling: property acquisitions using the proceeds from sales
- Internal growth at hotels through reducing costs, stimulating existing demand and creating new demand by collaborating with hotel operators
- Further internal growth at residential properties
- Response to the risk of rising interest rates

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

As its basic strategy, INV had moved forward with the acquisition of new properties focusing on hotels, where continued growth in portfolio revenues would be anticipated, and residential properties, especially where rental growth could be achieved, to build a portfolio with a good balance between growth and stability.

In regard to hotels, INV will take into consideration demands of business and leisure customers in nearby areas, and leasing contract types when making investment decisions, with the aim of acquiring properties where growth and stability of GOP and rental revenue are forecasted to increase.

In regard to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties among other factors, and consider acquiring properties with strong competitiveness, in which it believes it can achieve increases in rent.

Properties Acquired from affiliates of the Fortress Group (as of the date of this document)

Year	Properties acquired	Total acquisition price
2012	24 residential properties (Note 1)	JPY 14,043 million (Note 1)
2014	20 hotels	JPY 45,373 million
2015	14 hotels and three residential properties (Note 2)	JPY 45,238 million (Note 2)
2016	11 hotels and two residential properties	JPY 92,804 million
2017	six hotels and two residential properties (Note 3)	JPY 90,006 million (Note 3)
2018	12 hotels (Note 4)	JPY 104,280 million (Note 4)
2019	18 hotels	JPY 82,646 million
2020	Two hotels	JPY 16,236 million
2023	Six hotels	JPY 57,230 million
2024	12 hotels	JPY 104,420 million
Total	132 properties (of which 101 are hotels and 31 are residential properties)	JPY 652,278 million (of which hotels: JPY 600,640 million; residential: JPY 51,638 million)

(Note 1) Of the properties acquired from affiliates of the Fortress Group, 15 residential properties have been sold.

(Note 2) Of the properties acquired from affiliates of the Fortress Group, one residential property has been sold.

(Note 3) Of the properties acquired from affiliates of the Fortress Group, one residential property has been sold. Sheraton Grande Tokyo Bay Hotel was acquired through a special purpose company, of which INV owns the preferred equity interest, and is counted as one property and INV's investment amount of the preferred equity interest is counted as the acquisition price of the preferred equity interest.

(Note 4) The Cayman Hotels acquired by the Cayman SPC, of which INV owned the TK interest, are counted as two properties and INV's investment amount of the TK interest is used as the acquisition price of the TK interest. After the Structure Change, INV currently has direct ownership of the Leasehold of the Cayman Hotels.

Property Sales

INV considers the possibility of portfolio optimization upon consideration of the portfolio sector composition, geographic distribution, and competitiveness of each property as appropriate.

(ii) Strategy for internal growth
(Hotels)

Of the 90 domestic hotels (Note 1) owned by INV as of the end of the Reporting Period, 82 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives all of the gross operating profit (GOP) after deducting payment of management fees for the hotel operator as rents. For 79 hotels of the 82 hotels, MHM and subsidiaries of MHM have implemented sophisticated revenue management initiatives seeking to maximize revenue through effectively taking in accommodation demand. As a result, INV can directly enjoy the hotel revenue upside through this variable rent scheme.

In response to the reduction in hotel demand, the MHM Group is taking steps to reduce hotel operating expenses and recover revenues by reviewing its operational strategy. INV will strive to minimize the impact of rising costs such as utility costs and foodstuffs by means of a thorough review of staffing and work shifts, continuous efforts to reduce fixed costs, and strategies to maximize GOPPAR (GOP per the number of rooms available for sale).

The MHM Group vigorously worked to stimulate demand from domestic customers by providing corporate

customers with diverse options including a new lineup of meeting options highlighting strict measures to reduce the spread of COVID-19 and various options including educational tours and employee training while grasping changes in customer demand under the “Post-Corona” environment. In addition, the MHM Group is focusing on creating demand, including continuation of delivery and take-out services and the development of new menus through directly managed restaurants in the hotel.

For hotels, renovation of rooms and replacement of fixtures and fittings are indispensable to maintain and increase revenues and operate stably in a planned manner.

(Note 1) Including Sheraton Grande Tokyo Bay Hotel (the preferred equity interest).

(Residential properties and others)

INV will continue to strengthen its collaborative ties with property managers and brokers to further boost occupancy rates and earning capabilities of its properties. With respect to INV’s residential properties, INV will focus on increasing the occupancy rates and rents for both new lease contracts and lease renewals for all its properties as well as formulating net leasing cost reduction policies in order to continue maximizing profits. Further, the implementation of appropriate maintenance and repair plans is of the utmost importance in maintaining and enhancing the competitiveness and market value of the properties as well as ensuring high tenant satisfaction. Therefore, INV will continue to monitor current strategic plans with flexible implementation as it sees fit.

(iii) Financial strategy

INV will continue to extend the average interest-bearing debt repayment periods, diversify the loan maturity dates and diversify financing measures while paying attention to fund procurement costs, as well as maintaining an appropriate fixed interest rate ratio to mitigate the risk of rising interest rates.

In addition, INV will seek to improve the credit rating (the long-term issuer rating “A+” (Outlook: Stable)) obtained from Japan Credit Rating Agency, Ltd. (JCR) by proceeding with these measures.

(iv) Compliance risk management

While the executive director of INV concurrently serves as the representative director at CIM, two supervisory directors (an external attorney and an external certified public account) oversee the execution of the executive director’s duties via the Board of Directors of INV.

CIM has a compliance officer who is responsible for compliance with laws, regulations and other relevant matters as well as overall management of transactions with sponsor related parties. Moreover, it has in place a compliance committee which, chaired by such compliance officer, is in charge of deliberating on compliance with laws, regulations and other relevant matters as well as transactions with sponsor related parties. Compliance committee meetings are attended by an outside expert (an attorney) who, sitting in as a compliance committee member, conducts rigorous deliberations on the existence of conflicts of interest in transactions with sponsor related parties as well as strict examinations with respect to INV’s compliance with laws and regulations. No resolution will be adopted unless the outside expert agrees.

When INV conducts certain transactions such as asset acquisition from sponsor related parties, prior approvals by the Board of Directors of INV are required to ensure an objectivity in deliberation regarding conflicts of interests. In such agenda, only two supervisory directors (a lawyer and a certified public accountant) will participate in the vote, and the executive director who concurrently serves as the representative director of CIM will not participate in the vote as he is a special interested party.

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

(v) Initiatives for Sustainability

INV and CIM recognize the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the viewpoint of sustainability such as economic and social development and contributing to global environmental conservation, and regard improvement of sustainability as an important management issue. INV and CIM believe that the incorporation of ESG considerations into the real estate investment management business, which is our primary business, is essential to maximizing unitholder

value over the medium to long term and contributes to maximizing INV's investment returns. Thus, INV and CIM have established a "Sustainability Policy" to set basic policies for sustainability and put them into practice in our daily operations.

Under this policy, CIM has formulated the "Energy Conservation Policy", the "Greenhouse Gas Emissions Reduction Policy", the "Water Saving Policy" and the "Waste Management Policy" which stipulate efforts to reduce environmental impact as initiatives for environment. In addition, CIM has established the "Sustainable Procurement Policy" in order to promote initiatives for ESG throughout the value chain of INV's real estate portfolio and concluded the "Green Lease" contract with tenants to collaborate with tenants on measures related to the environmental consideration of real estate, such as proactive introductions of energy-saving equipment such as LED lighting.

Furthermore, as of the date of this document, INV acquired CASBEE Certification for Buildings (Existing Buildings) for two hotels, and Certification for CASBEE for Real Estate for two residential properties. CASBEE is a method that comprehensively assesses the quality of a building, and evaluates features such as interior comfort and scenic aesthetics, in consideration of environment practices including use of materials and equipment that save energy or achieve smaller environmental loads. Also, as of the date of this document, 19 hotels owned by INV acquired the certification of Building-Housing Energy-efficiency Labeling System ("BELS"). In particular, Hotel MyStays Premier Akasaka, Hotel MyStays Fukuoka Tenjin, Hotel MyStays Yokohama Kannai Hotel MyStays Oita, Hotel MyStays Haneda and Hotel MyStays Matsuyama have been rated five stars "★★★★★" due to high energy conservation performance.

Following the acquisition of environmental certifications for its properties, INV issued green bonds in September 2023 and December 2023 to further promote its sustainability initiatives and to strengthen its fund-raising base by expanding the investor base interested in ESG investment. Furthermore, INV executed refinancing with green loans in January 2024 and March 2024.

As initiatives for society, CIM is working on various measures for tenants and CIM's officers and employees. CIM conducts the "Tenant Satisfaction Survey" for residents of INV's residential properties to collect opinions and requests of residents and utilize them for asset management, and provides sustainability-focused training for all officers and employees at least once a year to help officers and employees acquire knowledge and raise awareness of sustainability considerations in line with business practices. Moreover, as initiatives for CIM's employees, CIM conducts an employee satisfaction survey once every three years with the aim of improving its working environment, and gives full subsidy for a comprehensive medical checkup without age restrictions. As a result of other sustainability promotion activities, INV received a "3-Star" rating in the 2023 GRESB Real Estate Assessment, an international benchmark assessment that measures ESG integration of real estate companies and funds, on a five-level rating scale, and an "A level" in the GRESB Public Disclosure assessment, the highest rating.

INV will continue to recognize its social responsibility to the environment and local communities as a J-REIT with hotels and residences as our core assets, and will proactively implement ESG-friendly investment management and sustainability initiatives that take advantage of asset characteristics and carry out social contribution activities.

6 Significant Subsequent Events

(a) Issuance of New Investment Units

INV resolved at its meetings of the Board of Directors held on July 18, 2024 and July 24, 2024 respectively to conduct the issuance of new investment units and secondary offering of investment units. Payment for the issuance of new investment units was completed on July 30, 2024. Payment for the third-party allotment in connection with overallotment will be completed on August 27, 2024. As a result, the unitholders' capital of INV is going to be JPY 326,079 million and the total number of issued investment units is going to be 7,646,453 units when the payment for 14,332 units subscribed for the third-party allotment is completed.

(i) Issuance of new investment units through Public Offering

Number of investment units to be offered	:	895,000 investment units
		Domestic public offering: 472,113 investment units
		Overseas offering: 422,887 investment units
Amount to be paid (issue value)	:	JPY 61,560 per unit
Total amount to be paid (total issue value)	:	JPY 55,096,200,000
Issue price (offer price)	:	JPY 63,602 per unit
Total issue price (total offer price)	:	JPY 56,923,790,000
Payment date	:	July 30, 2024

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

Number of investment units to be offered	:	14,332 investment units
Amount to be paid (issue value)	:	JPY 61,560 per unit
Total amount to be paid (total issue value)	:	JPY 882,277,920
Payment date	:	August 27, 2024
Allottee	:	Mizuho Securities Co., Ltd.

(b) Debt Financing

In order to fund a portion of the acquisition price for 12 hotel properties (domestic real estate trust beneficiary interests) acquired on July 31, 2024, INV resolved the following debt financing at a meeting of the Board of Directors held on July 18, 2024, and entered into a loan agreement on the same day.

New Syndicate Loan (015)

Lender	Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	July 31, 2024	3,425	Floating interest rate (Note 1)	July 31, 2025	Unsecured/ non guarantee
Mizuho Bank, Ltd.	July 31, 2024	1,500	Floating interest rate (Note 1)	July 31, 2025	Unsecured/ non guarantee
SBI Shinsei Bank, Limited The Bank of Fukuoka, Ltd. The Chiba Bank, Ltd. The Chukyo Bank, Ltd. The Kiyo Bank, Ltd. The San-In Godo Bank, Ltd. Suruga Bank Ltd.	July 31, 2024	6,500	Floating interest rate (Note 2)	July 16, 2029	Unsecured/ non guarantee
MUFG Bank, Ltd.	July 31, 2024	1,500	1.59750%	July 16, 2030	Unsecured/ non guarantee

Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan, Inc. San ju San Bank, Ltd. The Chiba Bank, Ltd. The Kiyo Bank, Ltd.	July 31, 2024	20,733	Floating interest rate (Note 3)	July 16, 2030	Unsecured/ non guarantee
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan, Inc. The Yamaguchi Bank Ltd. The Tochigi Bank Ltd. The Kagawa Bank Ltd.	July 31, 2024	23,067	Floating interest rate (Note 4)	July 16, 2031	Unsecured/ non guarantee
Total Debt		56,725			

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.20000%)

(Note 2) 3-month JPY TIBOR (Base Rate) + spread (0.50000%)

(Note 3) 3-month JPY TIBOR (Base Rate) + spread (0.60000%)

(Note 4) 3-month JPY TIBOR (Base Rate) + spread (0.70000%)

(c) Acquisition of Assets (Properties)

The Asset Manager decided to acquire 12 hotels as follows on July 18, 2024, and the acquisition of assets has been completed on July 31, 2024.

Property Number	Property Name	Acquisition Price (million yen)	Appraisal Value (million yen) (Note 1)	Seller
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	31,185	31,500	Ganges Tokutei Mokuteki Kaisha
D91	Hakodate Kokusai Hotel	16,830	17,000	Hakodate Tokutei Mokuteki Kaisha
D92	Art Hotel Nippori Lungwood	16,335	16,500	Nippori Tokutei Mokuteki Kaisha
D93	Hotel MyStays Kumamoto Riverside	6,831	6,900	Rishiri Tokutei Mokuteki Kaisha

D94	Art Hotel Aomori	5,672	5,730	Shiretoko Tokutei Mokuteki Kaisha
D95	Kamenoi Hotel Izukogen	5,563	5,620	Yakushima Tokutei Mokuteki Kaisha
D96	Art Hotel Oita	5,484	5,540	Shiretoko Tokutei Mokuteki Kaisha
D97	Art Hotel Kokura New Tagawa	4,672	4,720	Kawaguchiko Tokutei Mokuteki Kaisha
D98	Art Hotel Miyazaki Sky Tower	3,821	3,860	Rishiri Tokutei Mokuteki Kaisha
D99	Art Hotel Kagoshima	3,395	3,430	Shiretoko Tokutei Mokuteki Kaisha
D100	Kamenoi Hotel Hikone	2,603	2,630	Yakushima Tokutei Mokuteki Kaisha
D101	Kamenoi Hotel Nara	2,029	2,050	Yakushima Tokutei Mokuteki Kaisha
Total		104,420	105,480	

(Note 1) Appraisal Value is based on appraisal value stated in the appraisal report by the Japan Real Estate Institute., JLL Morii Valuation & Advisory K.K., The Tanizawa Sōgō Appraisal Co., Ltd. or Daiwa Real Estate Appraisal Co., Ltd. on the valuation date of June 1, 2024.

(Reference Information)

(a) Debt Financing

INV decided to borrow New Syndicate Loan (014) on July 11, 2024 and borrowed on July 16, 2024 in order to repay a tranche of New Syndicate Loan (L) in the amount of JPY 4,943 million, a tranche of New Syndicate Loan (M) in the amount of JPY 5,796 million, two tranches of New Syndicate Loan (009) in the amount of JPY 7,958 million, and Term Loan (W) in the amount of JPY 1,582 million due on July 16, 2024.

(i) New Syndicate Loan (014)

Lender	Borrowing Date	Borrowing Amount (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
SBI Shinsei Bank, Limited The Bank of Fukuoka, Ltd.	July 16, 2024	3,300	Floating interest rates (Note 1)	July 14, 2028	Unsecured/ non guarantee
Mizuho Bank, Ltd., SBI Shinsei Bank, Limited MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited The Nomura Trust and Banking Co., Ltd.	July 16, 2024	4,692	Floating interest rates (Note 2)	July 16, 2029	Unsecured/ non guarantee
Mizuho Bank, Ltd. SBI Shinsei Bank, Limited MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	July 16, 2024	2,791	Floating interest rates (Note 3)	July 16, 2030	Unsecured/ non guarantee

Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan, Inc.	July 16, 2024	5,079	Floating interest rates (Note 4)	July 16, 2031	Unsecured/non guarantee
Total		15,862			

(Note 1) 3-month JPY TIBOR (Base Rate) + spread (0.40000%)

(Note 2) 3-month JPY TIBOR (Base Rate) + spread (0.50000%)

(Note 3) 3-month JPY TIBOR (Base Rate) + spread (0.60000%)

(Note 4) 3-month JPY TIBOR (Base Rate) + spread (0.70000%)

Overview of the Investment Corporation

1 Overview of Investment

By Period	38th fiscal period	39th fiscal period	40th fiscal period	41st fiscal period	42nd fiscal period
Results Dates	As of Jun. 30, 2022	As of Dec. 31, 2022	As of Jun. 30, 2023	As of Dec. 31, 2023	As of Jun. 30, 2024
Number of issuable investment units (Unit)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Number of investment units issued and outstanding (Unit)	6,096,840	6,096,840	6,096,840	6,737,121	6,737,121
Unitholders' capital (JPY million)	235,701	235,701	235,701	270,101	270,101
Number of total unitholders	30,005	27,005	25,829	26,611	31,658

2 Notes regarding Unitholders

Major unitholders at the end of the Reporting Period are as below.

Name	Number of units held	% of total number of investment units issued and outstanding
The Master Trust Bank of Japan, Ltd. (trust account)	1,270,238	18.85
Custody Bank of Japan, Ltd. (trust account)	1,218,303	18.08
The Nomura Trust and Banking Co., Ltd. (investment trust account)	352,046	5.22
JPMorgan Securities Japan Co., Ltd.	170,162	2.52
SSBTC CLIENT OMNIBUS ACCOUNT	169,823	2.52
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	133,756	1.98
FJODF GP INV HOLDINGS LLC	115,931	1.72
GOLDMAN SACHS INTERNATIONAL	109,491	1.62
STATE STREET BANKWEST CLIENT - TREATY 505234	108,759	1.61
JP MORGAN CHASE BANK 380072	102,464	1.52
Total	3,750,973	55.67

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

3 Notes regarding Directors

Directors at the end of the Reporting Period are listed below.

Position	Name	Concurrent responsibilities	Directors' remuneration for operating period (JPY thousand)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co., Ltd. (current position)	-
Supervisory Director	Yoshihiro Tamura	Attorney, Shiba-Daimon Law Office Statutory Auditor, BEQONE PARTNERS, Inc. (current position)	2,400
	Marika Nagasawa	Certified Public Accountant, Avantia GP Marika Nagasawa Accounting Firm	2,400
Auditor	Ernst & Young ShinNihon LLC (Note 2)	-	20,900

(Note 1) The auditor's remuneration includes JPY 1,200 thousand for auditing English financial statements and JPY 2,000 thousand for the preparation of a comfort letter. In addition, non-audit remuneration to a person belonging to the same network as the accounting auditor is JPY 4,896 thousand.

(Note 2) Executive and supervisory directors do not hold INV's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with INV.

Determination policy for dismissal or non-reappointment of Auditor

The auditing agreement with the auditor is renewed every accounting period. Dismissals are made in accordance with the Investment Trust Act, and in addition, non-reappointments are considered by the board of directors of INV by comprehensively taking into account the auditing quality, auditor remuneration, and other various circumstances.

Notes regarding indemnification agreement between Directors and INV

Not applicable.

4 Notes regarding Directors Liability Insurance

Directors Liability Insurance concluded by INV is as below.

Insured Person	Overview of the Insurance Contract
All Executive Directors and Supervisory Directors	<p>(Outline of insured event covered by insurance) Damages and dispute costs incurred by the insured due to a claim for damages caused by the insured's actions as a director's duties will be covered.</p> <p>(Burden ratio of insurance premium) INV bears the insurance premiums except those for the special contract of unitholder derivative suits.</p> <p>(Measures to ensure that duties are executed properly) By excluding criminal acts such as bribery and damages of directors who intentionally commit illegal acts from compensation, measures are taken so that duties of directors are executed properly.</p>

5 Asset Management Company, Asset Custody Companies, and General Administrative Agents

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

Delegation category	Name
Asset management company	Consonant Investment Management Co., Ltd.
Asset custody company	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (administration of unitholders' registry, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (institutional operations (Note 1))	Consonant Investment Management Co., Ltd.
General administrative agent (accounting operations, etc.)	Sumitomo Mitsui Trust Bank, Limited
Special account management company	Mitsubishi UFJ Trust and Banking Corporation Limited (Note 2) / Sumitomo Mitsui Trust Bank, Limited (Note 3)
General administrative agent (Fiscal agent pertaining to investment corporation bonds, etc.)	Mizuho Bank, Ltd.

(Note 1) (i) Tasks related to the running of general unitholders' meetings for INV (excluding tasks related to the mailing of general unitholders' meetings and the receipt and counting of voting forms), (ii) tasks related to the running of the meetings of the Board of Directors of INV, and (iii) or tasks incidental or related to that mentioned in (i) or (ii) are delegated.

(Note 2) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the INV before the merger (former Tokyo Growth REIT Investment Inc.) as well as tasks related to other transfer savings account registers.

(Note 3) Conducts administrative tasks related to the creation, maintenance, and disposition of transfer savings account registers for special accounts of unitholders of the former LCP as well as tasks related to other transfer savings account registers.

Status of Investment Corporation's Assets under Management

1 Composition of INV's Assets

Type of asset	Purpose	Geographic area (Note 1)	Fiscal period ended December 31, 2023 (as of December 31, 2023)		Fiscal period ended June 30, 2024 (as of June 30, 2024)	
			Amount held (JPY million) (Note 2)	Percentage of total assets (%)	Amount held (JPY million) (Note 2)	Percentage of total assets (%)
Real estate	Hotels	Greater Tokyo Area (Note 3)	2	0.0	1	0.0
		Major regional cities	-	-	-	-
		Overseas (Note 4)	32,814	5.8	32,496	5.7
		Subtotal	32,817	5.8	32,498	5.7
Total real estate			32,817	5.8	32,498	5.7
Real estate in trust	Residences	Greater Tokyo area	28,301	5.0	28,164	4.9
		Major regional cities	5,784	1.0	5,733	1.0
		Subtotal	34,086	6.1	33,897	6.0
	Offices /Commercial Facilities	Greater Tokyo area	-	-	-	-
		Major regional cities	1,592	0.3	1,575	0.3
		Subtotal	1,592	0.3	1,575	0.3
	Hotels	Greater Tokyo area	167,674	29.8	167,379	29.4
		Major regional cities	259,612	46.1	257,890	45.3
		Subtotal	427,286	75.8	425,269	74.7
	Total real estate in trust			462,965	82.2	460,742
Preferred equity interest (Note 5)			17,856	3.2	17,856	3.1
Deposits and other assets			49,754	8.8	57,919	10.2
Total assets (Note 6)			563,393 (495,782)	100.0 (88.0)	569,016 (493,241)	100.0 (86.7)

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

(Note 2) "Amount held" is from the balance sheet as of the end of the Reporting Period (book value after depreciation for real estate, leasehold and real estate in trust). The amounts held for hotels are calculated by including book value of accompanying FF&E, in principle.

(Note 3) While Hotel MyStays Haneda is held as trust beneficiary interests, part of accompanying FF&E is held in kind, which falls under this category.

(Note 4) The Leasehold of the Cayman Hotels falls under the category of "Real estate" for "Overseas." The leasehold interests are the rights equivalent to long-term real estate leasehold rights for buildings and land under the laws of the Cayman Islands (Term: 99 years; annual lease payment: USD 1 or KYD 1). INV implemented an investment structure change regarding "Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" on May 9, 2019 (Cayman Island local time), a change from making investments based on the TK agreement to directly owning the Leasehold of the Cayman Hotels, which are the underlying assets of the TK interest.

(Note 5) Preferred equity interest issued by Kingdom Special Purpose Company, with the Sheraton Grande Tokyo Bay Hotel as an underlying asset (asset in trust of trust beneficiary interest acquired by Kingdom Special Purpose Company, which is the real estate that serves as the main source of revenue for Kingdom Special

Purpose Company).

(Note 6) The figures indicated in parenthesis under “Total assets” show the amounts related to owned real estate (excluding the amount of preferred equity securities owned).

2 Major Properties

The overview of INV’s major properties (top 10 properties by book value) (Note 1) at the end of the Reporting Period is as below.

	Name of property	Book value (JPY million)	Leasable area (m ²) (Note 2)	Leased area (m ²)	Occupancy rate (%) (Note 3)	Ratio of rental revenue (%) (Note 4)	Main use
D84	Fusaki Beach Resort Hotel & Villas	39,821	23,573.57	23,573.57	100.0	4.2	Hotel
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	27,368	21,528.23	21,528.23	100.0	-	Hotel
D43	Hotel MyStays Gotanda Station	26,059	10,137.88	10,137.88	100.0	4.1	Hotel
D60	Hotel MyStays Premier Akasaka	19,980	8,620.69	8,620.69	100.0	4.5	Hotel
D44	Hotel Epinard Nasu	17,874	37,702.33	37,702.33	100.0	4.1	Hotel
D61	Hotel MyStays Premier Sapporo Park	15,700	21,670.64	21,670.64	100.0	1.9	Hotel
D64	Hotel MyStays Sapporo Aspen	15,064	15,313.17	15,313.17	100.0	2.1	Hotel
D50	Hotel MyStays Shin Osaka Conference Center	12,723	13,026.99	13,026.99	100.0	2.0	Hotel
D47	Hotel MyStays Premier Kanazawa	12,046	13,121.00	13,121.00	100.0	2.0	Hotel
D51	Hotel MyStays Premier Omori	9,666	11,849.61	11,849.61	100.0	2.6	Hotel
	Total	196,305	176,544.11	176,544.11	100.0	27.6	

(Note 1) Securities described in “6 Asset Portfolio of Securities” later in this document are excluded.

(Note 2) Leasable area of Westin Grand Cayman Seven Mile Beach Resort & Spa indicates the area subject to management contract.

(Note 3) “Occupancy rate” is calculated by dividing the leased area by leasable area, and rounded to one decimal place.

(Note 4) “Ratio of rental revenue” are rounded to one decimal place.

3 Asset Portfolio of Real Estate, etc.

The portfolio of the properties (real estate and trust beneficiary interest in real estate) held by INV at the end of the Reporting Period is as below.

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interest (Note 4)	1,771.13	1,360	1,075
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa- ku, Tokyo	Trust beneficiary interest	1,051.50	1,180	811
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	1,367.96	1,360	919
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interest	2,152.31	1,550	1,309
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	3,029.16	1,320	1,042
A33	Growth Maison Shin- Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	1,858.44	1,360	919
A34	Belle Face Ueno- Okachimachi	1-27-10 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest (Note 4)	1,351.11	1,220	888
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interest (Note 4)	1,562.26	1,140	752
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,015.34	891	704
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,368.57	752	690
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interest (Note 4)	1,167.50	764	711
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interest	1,235.93	657	657
A41	Acseeds Tower Kawaguchi- Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interest (Note 4)	1,210.74	851	480
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interest (Note 4)	1,047.75	548	547
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interest (Note 4)	557.05	694	542
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest (Note 4)	907.46	588	553

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interest (Note 4)	815.77	673	489
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interest (Note 4)	2,040.27	594	507
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interest (Note 4)	871.35	645	439
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest	1,627.13	1,390	788
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interest	1,220.24	866	576
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	3,426.36	1,560	992
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai- shi, Miyagi	Trust beneficiary interest	1,929.59	716	370
A65	Lexington Square Haginomachi	1-15-18 Haginomachi, Miyagino- ku, Sendai-shi, Miyagi	Trust beneficiary interest	1,528.58	464	250
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interest	705.75	304	224
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashi-Komagata, Sumida- ku, Tokyo	Trust beneficiary interest	784.74	804	400
A73	AMS TOWER Minami 6- Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	4,460.56	1,310	851
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,554.03	879	471
A87	Excellente Kagurazaka	128-1 Yamabukicho, Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interest	701.92	878	480
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	765.18	834	397
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	530.60	680	373
A93	Siete Minami-Tsukaguchi	3-18-29 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interest	1,020.86	585	330
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	789.12	579	323
A96	Century Park Shinkawa 1- bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,477.62	551	282
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interest	794.80	431	301
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interest	761.18	438	254
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interest	2,940.20	2,310	1,559

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interest	2,048.28	2,240	1,503
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interest	8,776.26	3,160	2,374
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interest	15,797.29	6,150	4,385
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interest	6,496.86	3,270	2,361
Subtotal				86,518.75	48,546	33,897
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interest	18,440.58	2,380	1,575
Subtotal				18,440.58	2,380	1,575
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,585.72	5,320	2,738
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interest	3,327.38	4,610	2,427
D03	Hotel MyStays Kyoto- Shijo	52 Kasabokocho, Higashiiru, Aburanokoji, Shijodori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interest	7,145.53	8,640	5,340
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interest	6,232.30	8,230	4,339
D05	Hotel MyStays Maihama	3-5-1 Tekkodori, Urayasu-shi, Chiba	Trust beneficiary interest	2,456.36	7,960	4,402
D06	Hotel MyStays Premier Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	9,445.32	6,890	3,617
D07	Hotel MyStays Nagoya- Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	9,064.71	5,650	2,456
D08	Hotel MyStays Sakaisuji- Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,188.83	3,420	2,182
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	7,379.43	4,510	2,070
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa- ku, Tokyo	Trust beneficiary interest	1,719.29	2,690	1,712
D11	Hotel MyStays Fukuoka- Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	3,412.71	6,070	1,355
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku- ku, Tokyo	Trust beneficiary interest	2,953.38	2,210	1,290
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interest	1,150.76	2,160	1,151
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,134.52	2,120	1,158
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interest	2,539.75	2,270	1,171

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interest	2,089.86	2,320	1,060
D17	Hotel MyStays Otemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,956.66	2,640	1,088
D18	Hotel MyStays Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interest	2,673.64	1,580	813
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	770.56	864	539
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interest	391.49	416	274
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	6,462.48	10,000	7,392
D22	Hotel MyStays Hakodate-Goryokaku	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interest	7,830.62	4,080	2,621
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interest	1,754.06	2,520	2,046
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interest	5,400.16	8,810	6,803
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	4,338.47	8,070	5,153
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interest	2,247.92	4,170	3,516
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	2,793.99	5,390	3,392
D28	Hotel MyStays Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interest	3,559.81	2,580	1,935
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interest	1,403.89	1,930	1,547
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interest	1,714.53	1,430	1,246
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interest	11,733.23	2,170	1,165
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,190.57	1,210	843
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interest	3,305.64	1,200	847
D34	Flexstay Inn Kawasaki-Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	725.60	948	841
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interest	3,932.93	4,870	4,659
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interest	1,832.97	1,240	1,029
D37	Super Hotel JR Ueno-iriyauchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interest	1,279.16	1,210	1,026

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,942.01	2,140	2,887
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interest	3,207.60	1,200	968
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interest	3,653.96	1,090	882
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interest	3,098.07	1,070	865
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interest	3,009.50	883	703
D43	Hotel MyStays Gotanda Station (Note 5)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	10,137.88	24,900	26,059
D44	Hotel Epinard Nasu (Note 6)	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi	Trust beneficiary interest	37,702.33	23,800	17,874
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	5,083.06	8,530	7,523
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	1,951.90	6,470	7,660
D47	Hotel MyStays Premier Kanazawa	2-13-5 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interest	13,121.00	12,700	12,046
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interest	7,148.17	1,740	2,070
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interest	6,151.93	10,900	7,862
D50	Hotel MyStays Shin Osaka Conference Center	6-2-19 Nishinakashima, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	13,026.99	13,400	12,723
D51	Hotel MyStays Premier Omori	6-19-3 Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest	11,849.61	11,200	9,666
D52	Kamenoi Hotel Beppu	5-17 Chucho, Beppu-shi, Oita	Trust beneficiary interest	19,422.08	9,920	7,425
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	7,267.88	9,000	7,335
D54	Hotel MyStays Yokohama Kannai	5-65, Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa and 3 other lots	Trust beneficiary interest	4,501.18	5,780	4,966
D55	Art Hotel Joetsu	5-1-11, Hon-cho Joetsu-shi, Niigata	Trust beneficiary interest	7,563.60	2,720	2,524
D56	Art Hotel Hirosaki City	1-1-2, 1-6, 1-7, 2-1, Omachi, Hirosaki-shi, Aomori	Trust beneficiary interest	14,806.73	2,540	2,549
D57	Hotel MyStays Oita	1-32, Niagemachi Oita-shi, Oita	Trust beneficiary interest	3,216.01	1,700	1,380
D58	Hotel MyStays Gotanda	2-5-4, Higashigotanda Shinagawa-ku, Tokyo	Trust beneficiary interest	1,839.77	4,490	4,023
D59	Hotel MyStays Tachikawa	1-8-14, Nishiki-cho Tachikawa-shi, Tokyo	Trust beneficiary interest	3,844.64	3,420	3,145

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D60	Hotel MyStays Premier Akasaka	2-17-54, Akasaka Minato-ku, Tokyo	Trust beneficiary interest	8,620.69	26,000	19,980
D61	Hotel MyStays Premier Sapporo Park	2-2-10, Minamikujo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	21,670.64	16,500	15,700
D62	Hotel MyStays Ueno East	5-5-6, Higashi Ueno, Taito-ku, Tokyo	Trust beneficiary interest	4,396.02	5,490	5,076
D63	Hotel MyStays Midosuji Honmachi	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,429.43	3,220	4,694
D64	Hotel MyStays Sapporo Aspen	5-1 Nishi 4-chome, Kita 8-jo, Kita-ku, Sapporo-shi, Hokkaido, and seven other lots	Trust beneficiary interest	15,313.17	15,400	15,064
D65	Art Hotel Ishigakijima	554-2 Nishimaji Okawa, Ishigaki-shi, Okinawa, and four other lots	Trust beneficiary interest	17,247.54	9,720	9,324
D66	Hotel MyStays Fuji Onsen Resort	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots	Trust beneficiary interest	5,498.49	11,500	8,346
D67	Hotel Sonia Otaru	1-4-20 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,509.41	6,920	5,389
D68	Hotel MyStays Kanazawa Castle	10-17 Konohana-machi, Kanazawa-shi, Ishikawa	Trust beneficiary interest	5,931.84	5,840	5,548
D69	Art Hotel Niigata Station	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interest	10,403.01	5,810	5,116
D70	Hotel MyStays Nagoya Nishiki	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	6,077.99	5,350	4,986
D71	Hotel Nord Otaru	1-4-16 Ironai, Otaru-shi, Hokkaido	Trust beneficiary interest	6,047.43	4,450	4,118
D72	Hotel MyStays Kagoshima Tenmonkan	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima	Trust beneficiary interest	7,659.55	3,550	3,273
D73	Art Hotel Asahikawa	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido	Trust beneficiary interest	25,131.84	3,410	2,779
D74	Hotel MyStays Matsuyama	1-10-10 Otemachi, Matsuyama-shi, Ehime	Trust beneficiary interest	8,274.37	3,220	2,759
D75	Hotel MyStays Sapporo Susukino	1-6 Nishi 5-Chome, Minami 7-jo, Chuo-ku, Sapporo-shi, Hokkaido, and one other lot	Trust beneficiary interest	2,853.26	3,000	2,933
D76	Hotel MyStays Sapporo Nakajima Park	1-20 Nishi 1-chome, Minami 14-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	5,473.41	2,020	2,128
D77	Hotel MyStays Sapporo Nakajima Park Annex	4-3 Nishi 1-chome, Minami 11-jo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	1,775.21	1,580	1,560
D78	Flexstay Inn Sakuragicho	2-72-2 Hanasaki-cho, Naka-ku, Yokohama-shi, Kanagawa, and four other lots	Trust beneficiary interest	1,308.61	1,510	1,371
D79	MyCUBE by MYSTAYS Asakusa Kuramae	2-6-7 Kuramae, Taito-ku, Tokyo	Trust beneficiary interest	2,156.70	1,290	1,248
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima	Trust beneficiary interest	2,047.70	1,240	1,133
D81	Hotel MyStays Nayoro	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot	Trust beneficiary interest	1,985.27	973	827

Name of property		Location (Note 1)	Type of asset	Leasable area (m ²) (Note 2)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 3)	Book value (JPY million)
D82	Hotel MyStays Premier Narita	40 Yokomine Oyama, Narita-shi, Chiba, and 14 other lots	Trust beneficiary interest	36,519.70	10,600	9,621
D83	Art Hotel Morioka	3-3-18 Odori, Morioka-shi, Iwate	Trust beneficiary interest	16,727.08	5,530	5,137
D84	Fusaki Beach Resort Hotel & Villas	1625-6 Arakawa Fusaki, Ishigaki-shi, Okinawa, and sixty other lots	Trust beneficiary interest	23,573.57	42,000	39,821
D85	Tateshina Grand Hotel Takinoyu	4035-187 Minamiyama Kuridaira yori Mimuro Oogaya made, Kitayama, Chino-shi, Nagano, and sixteen other lots	Trust beneficiary interest	20,577.41	8,620	8,334
D86	Hotel MyStays Okayama	9-16, Honmachi, Kita-ku, Okayama-shi, Okayama	Trust beneficiary interest	3,023.27	2,740	2,660
D87	Hotel MyStays Aomori Station	1-8-6 Shinmachi, Aomori-shi, Aomori	Trust beneficiary interest	3,963.86	2,510	2,381
D88	Hotel MyStays Soga	2-7-13 Minamicho, Chuo Ward, Chiba-shi, Chiba	Trust beneficiary interest	3,398.18	2,160	2,046
D89	Tazawako Lake Resort & Onsen	82-117 Shimotakano, Tazawako Obonai, Senboku-shi, Akita, and forty-one other lots	Trust beneficiary interest	7,289.75	1,490	1,495
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	30620 Seven Mile Beach Road, Grand Cayman, Cayman Islands	The Leasehold	21,528.23	78,312 (USD 486,200 thousand) (Note 7)	27,368
D201	Sunshine Suites Resort	1465 Esterley Tibbetts Highway, Grand Cayman, Cayman Islands	The Leasehold	6,723.11	13,030 (USD 80,900 thousand) (Note 7)	5,128
Subtotal				633,805.87	606,976	457,767
Total				738,765.20	657,902	493,241

(Note 1) "Location" is, in principle, based on the indicated address (jyukyohyoji), except that if the jyukyohyoji system has not been implemented for such property, the location is based on the land number (chiban).

(Note 2) Leasable areas of Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort indicate the areas subject to management contract.

(Note 3) "Appraisal value as of the end of the Reporting Period" is the value appraised or researched by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. or CBRE, Inc., in accordance with the Articles of Incorporation of INV and the regulations of The Investment Trusts Association, Japan.

(Note 4) Individual trust beneficiary interests were integrated into three groups with other trust beneficiary interests when INV procured funds through debt financing backed by trust assets in July 2011. As a result of disposition of assets and detachment of trust beneficiary interest from an integrated trust account thereafter, the grouping of trust beneficiary interests at the end of the Reporting Period is as follows:

Group 1

Nisshin Palacestage Daitabashi, Growth Maison Shin-Yokohama, Belle Face Ueno-Okachimachi, Growth Maison Yoga, Shibuya-Honmachi Mansion, and Foros Nakamurabashi.

Group 2

College Square Machida, Belair Meguro, and Wacore Tsunashima I.

Group 3

Suncrest Shakujii-Koen, Grand Rire Kameido, Acseeds Tower Kawaguchi-Namiki, Growth Maison Kaijin, and College Square Machiya.

- (Note 5) "Appraisal value as of the end of the Reporting Period" indicates appraisal value calculated deeming the owned portion and the floor expansion portion as one.
- (Note 6) "Appraisal value as of the end of the Reporting Period" indicates appraisal value calculated deeming the owned portion and the adjacent land portion as one.
- (Note 7) "Appraisal value as of the end of the Reporting Period" is converted into JPY using the exchange rate of USD 1 = JPY 161.07, which is the exchange rate on the closing date of the fiscal period (June 30, 2024).

Trends for the leasing operations of the properties owned by INV are as below.

	Name of property	41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
A26	Nisshin Palacestage Daitabashi	1	93.0	35,652	0.2	1	97.0	39,262	0.3
A28	Growth Maison Gotanda	1	100.0	28,508	0.2	1	100.0	28,880	0.2
A29	Growth Maison Kameido	1	96.9	35,632	0.2	1	98.5	36,117	0.2
A30	Emerald House	1	96.9	41,123	0.2	1	100.0	47,598	0.3
A32	Suncrest Shakujii-Koen	1	100.0	40,236	0.2	1	94.4	40,175	0.3
A33	Growth Maison Shin-Yokohama	1	95.5	37,798	0.2	1	100.0	39,624	0.3
A34	Belle Face Ueno-Okachimachi	1	100.0	32,119	0.2	1	96.8	34,442	0.2
A35	Grand Rire Kameido	1	100.0	26,619	0.2	1	100.0	26,619	0.2
A37	Growth Maison Yoga	1	94.9	23,200	0.1	1	100.0	23,521	0.2
A38	Route Tachikawa	1	100.0	22,096	0.1	1	96.6	21,643	0.1
A39	Shibuya-Honmachi Mansion	1	96.7	21,375	0.1	1	95.8	21,324	0.1
A40	City Heights Kinuta	1	94.6	19,420	0.1	1	100.0	19,778	0.1
A41	Acseeds Tower Kawaguchi- Namiki	1	93.0	26,107	0.2	1	94.7	25,894	0.2
A43	College Square Machida	1	100.0	16,609	0.1	1	100.0	16,609	0.1
A44	Belair Meguro	1	96.1	15,645	0.1	1	100.0	16,689	0.1
A45	Wacore Tsunashima I	1	82.0	16,625	0.1	1	91.9	18,227	0.1
A46	Foros Nakamurabashi	1	100.0	19,489	0.1	1	94.2	20,366	0.1
A47	Growth Maison Kaijin	1	100.0	24,102	0.1	1	100.0	23,391	0.2

Name of property		41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
A48	College Square Machiya	1	100.0	14,924	0.1	1	100.0	14,986	0.1
A59	Towa City Coop Shinotsuka II	1	93.7	36,589	0.2	1	97.3	36,553	0.2
A61	Bichsel Musashiseki	1	94.3	23,754	0.1	1	95.7	23,960	0.2
A63	Towa City Coop Sengencho	1	85.2	56,505	0.3	1	94.6	62,242	0.4
A64	Royal Park Omachi	1	93.9	26,712	0.2	1	93.9	26,061	0.2
A65	Lexington Square Haginomachi	1	92.4	17,477	0.1	1	92.2	17,422	0.1
A66	Visconti Kakuozan	1	77.0	9,664	0.1	1	100.0	9,643	0.1
A72	Lexington Square Honjo Azumabashi	1	93.9	18,816	0.1	1	100.0	19,233	0.1
A73	AMS TOWER Minami 6-Jo	1	94.7	46,700	0.3	1	91.8	46,243	0.3
A84	Revest Heian	1	95.2	23,957	0.1	1	100.0	24,209	0.2
A87	Excelente Kagurazaka	1	94.2	19,664	0.1	1	100.0	19,307	0.1
A90	Queen's Court Fukuzumi	1	93.1	17,037	0.1	1	100.0	17,974	0.1
A92	Belair Oimachi	1	96.1	15,564	0.1	1	100.0	16,071	0.1
A93	Siete Minami-Tsukaguchi	1	100.0	17,410	0.1	1	97.5	17,226	0.1
A94	Prime Life Sannomiya Isogami Koen	1	90.6	14,036	0.1	1	100.0	15,031	0.1
A96	Century Park Shinkawa 1-bankan	1	86.3	16,999	0.1	1	86.4	16,805	0.1
A97	West Avenue	1	100.0	13,678	0.1	1	92.5	13,156	0.1
A99	Prime Life Mikage	1	96.7	12,784	0.1	1	96.6	12,911	0.1
A101	Lieto Court Mukojima	1	100.0	58,439	0.4	1	100.0	58,831	0.4
A102	Lieto Court Nishi-Ojima	1	99.0	49,841	0.3	1	100.0	51,099	0.3
A103	Royal Parks Momozaka	1	93.2	154,475	0.9	1	94.5	160,851	1.1
A104	Royal Parks Shinden	1	100.0	224,389	1.3	1	100.0	223,962	1.5
A106	Royal Parks Seasir Minami-Senju	1	95.2	125,736	0.8	1	92.8	125,512	0.8
Subtotal		41	95.9	1,497,526	9.0	41	96.9	1,529,470	10.2
B18	AEON TOWN Sukagawa	1	100.0	141,190	0.8	1	100.0	141,279	0.9
Subtotal		1	100.0	141,190	0.8	1	100.0	141,279	0.9
D01	Hotel MyStays Kanda	1	100.0	105,281	0.6	1	100.0	126,759	0.8
D02	Hotel MyStays Asakusa	1	100.0	96,322	0.6	1	100.0	114,939	0.8

Name of property		41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D03	Hotel MyStays Kyoto-Shijo	1	100.0	167,899	1.0	1	100.0	199,439	1.3
D04	MyStays Shin-Urayasu Conference Center	1	100.0	244,704	1.5	1	100.0	234,535	1.6
D05	Hotel MyStays Maihama	1	100.0	246,837	1.5	1	100.0	230,119	1.5
D06	Hotel MyStays Premier Dojima	1	100.0	180,032	1.1	1	100.0	216,639	1.5
D07	Hotel MyStays Nagoya-Sakae	1	100.0	159,379	1.0	1	100.0	152,357	1.0
D08	Hotel MyStays Sakaisuji-Honmachi	1	100.0	77,610	0.5	1	100.0	97,926	0.7
D09	Hotel MyStays Yokohama	1	100.0	153,901	0.9	1	100.0	161,066	1.1
D10	Hotel MyStays Nippori	1	100.0	67,484	0.4	1	100.0	77,637	0.5
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1	100.0	163,288	1.0	1	100.0	147,393	1.0
D12	Flexstay Inn Iidabashi	1	100.0	55,975	0.3	1	100.0	64,969	0.4
D13	Hotel MyStays Ueno Inaricho	1	100.0	45,951	0.3	1	100.0	59,937	0.4
D14	Flexstay Inn Shinagawa	1	100.0	38,565	0.2	1	100.0	47,661	0.3
D15	Flexstay Inn Tokiwadai	1	100.0	54,606	0.3	1	100.0	57,902	0.4
D16	Flexstay Inn Sugamo	1	100.0	36,875	0.2	1	100.0	44,409	0.3
D17	Hotel MyStays Otemae	1	100.0	71,254	0.4	1	100.0	74,349	0.5
D18	Hotel MyStays Kiyosumi Shirakawa	1	100.0	66,497	0.4	1	100.0	74,545	0.5
D19	Flexstay Inn Nakanobu P1	1	100.0	14,418	0.1	1	100.0	17,389	0.1
D20	Flexstay Inn Nakanobu P2	1	100.0	6,954	0.0	1	100.0	8,237	0.1
D21	APA Hotel Yokohama-Kannai	1	100.0	233,921	1.4	1	100.0	219,885	1.5
D22	Hotel MyStays Hakodate-Goryokaku	1	100.0	125,107	0.7	1	100.0	95,829	0.6
D23	Flexstay Inn Shirogane	1	100.0	43,164	0.3	1	100.0	48,029	0.3
D24	Hotel MyStays Haneda	1	100.0	178,663	1.1	1	100.0	198,848	1.3
D25	Hotel MyStays Kameido P1	1	100.0	163,538	1.0	1	100.0	206,003	1.4
D26	Hotel MyStays Ueno Iriyaguchi	1	100.0	92,224	0.6	1	100.0	123,440	0.8
D27	Hotel MyStays Kameido P2	1	100.0	106,117	0.6	1	100.0	130,327	0.9
D28	Hotel MyStays Shimizu	1	100.0	81,478	0.5	1	100.0	72,407	0.5

Name of property		41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D29	Super Hotel Shinbashi/Karsumoriguchi	1	100.0	39,426	0.2	1	100.0	39,426	0.3
D30	Flexstay Inn Higashi-Jujo	1	100.0	24,681	0.1	1	100.0	31,754	0.2
D31	Hotel MyStays Utsunomiya	1	100.0	99,990	0.6	1	100.0	101,759	0.7
D32	Flexstay Inn Kawasaki-Kaizuka	1	100.0	23,035	0.1	1	100.0	26,775	0.2
D33	Comfort Hotel Toyama	1	100.0	35,928	0.2	1	100.0	35,928	0.2
D34	Flexstay Inn Kawasaki-Ogawacho	1	100.0	18,971	0.1	1	100.0	25,848	0.2
D35	Flexstay Inn Ekoda	1	100.0	92,666	0.6	1	100.0	115,648	0.8
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1	100.0	31,787	0.2	1	100.0	31,787	0.2
D37	Super Hotel JR Ueno-iriyaguchi	1	100.0	27,275	0.2	1	100.0	27,275	0.2
D38	Hotel MyStays Shinsaibashi	1	100.0	55,156	0.3	1	100.0	61,710	0.4
D39	Comfort Hotel Kurosaki	1	100.0	37,894	0.2	1	100.0	37,894	0.3
D40	Comfort Hotel Maebashi	2	100.0	44,171	0.3	2	100.0	44,171	0.3
D41	Comfort Hotel Tsubame-Sanjo	2	100.0	34,949	0.2	2	100.0	34,949	0.2
D42	Comfort Hotel Kitami	1	100.0	30,300	0.2	1	100.0	30,300	0.2
D43	Hotel MyStays Gotanda Station	1	100.0	547,745	3.3	1	100.0	607,460	4.1
D44	Hotel Epinard Nasu	1	100.0	1,064,067	6.4	1	100.0	615,343	4.1
D45	Hotel MyStays Fukuoka Tenjin	1	100.0	251,594	1.5	1	100.0	246,259	1.6
D46	Hotel MyStays Hamamatsucho	1	100.0	141,963	0.9	1	100.0	158,461	1.1
D47	Hotel MyStays Premier Kanazawa	1	100.0	250,639	1.5	1	100.0	295,409	2.0
D48	Takamatsu Tokyu REI Hotel	2	95.8	100,059	0.6	2	95.8	95,236	0.6
D49	Hotel MyStays Premier Hamamatsucho	1	100.0	311,193	1.9	1	100.0	361,375	2.4
D50	Hotel MyStays Shin Osaka Conference Center	1	100.0	276,624	1.7	1	100.0	302,456	2.0
D51	Hotel MyStays Premier Omori	1	100.0	354,021	2.1	1	100.0	390,656	2.6
D52	Kamenoi Hotel Beppu	1	100.0	404,812	2.4	1	100.0	442,696	3.0

Name of property		41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D53	Hotel MyStays Sapporo Station	1	100.0	266,550	1.6	1	100.0	185,603	1.2
D54	Hotel MyStays Yokohama Kannai	1	100.0	152,511	0.9	1	100.0	157,498	1.1
D55	Art Hotel Joetsu	1	100.0	75,707	0.5	1	100.0	87,143	0.6
D56	Art Hotel Hirosaki City	1	100.0	168,320	1.0	1	100.0	169,122	1.1
D57	Hotel MyStays Oita	1	100.0	70,454	0.4	1	100.0	86,501	0.6
D58	Hotel MyStays Gotanda	1	100.0	121,963	0.7	1	100.0	140,444	0.9
D59	Hotel MyStays Tachikawa	1	100.0	116,529	0.7	1	100.0	130,033	0.9
D60	Hotel MyStays Premier Akasaka	1	100.0	551,393	3.3	1	100.0	679,444	4.5
D61	Hotel MyStays Premier Sapporo Park	1	100.0	466,014	2.8	1	100.0	288,072	1.9
D62	Hotel MyStays Ueno East	1	100.0	124,986	0.7	1	100.0	165,284	1.1
D63	Hotel MyStays Midosuji Honmachi	1	100.0	68,801	0.4	1	100.0	86,155	0.6
D64	Hotel MyStays Sapporo Aspen	1	100.0	428,840	2.6	1	100.0	309,665	2.1
D65	Art Hotel Ishigakijima	1	100.0	306,281	1.8	1	100.0	112,519	0.8
D66	Hotel MyStays Fuji Onsen Resort	1	100.0	492,700	3.0	1	100.0	476,973	3.2
D67	Hotel Sonia Otaru	1	100.0	272,524	1.6	1	100.0	185,540	1.2
D68	Hotel MyStays Kanazawa Castle	1	100.0	112,164	0.7	1	100.0	160,537	1.1
D69	Art Hotel Niigata Station	1	100.0	225,183	1.3	1	100.0	190,509	1.3
D70	Hotel MyStays Nagoya Nishiki	1	100.0	132,088	0.8	1	100.0	130,561	0.9
D71	Hotel Nord Otaru	1	100.0	176,787	1.1	1	100.0	114,412	0.8
D72	Hotel MyStays Kagoshima Tenmonkan	2	100.0	133,442	0.8	2	100.0	89,705	0.6
D73	Art Hotel Asahikawa	1	100.0	259,916	1.6	1	100.0	115,574	0.8
D74	Hotel MyStays Matsuyama	1	100.0	118,838	0.7	1	100.0	98,597	0.7
D75	Hotel MyStays Sapporo Susukino	1	100.0	75,872	0.5	1	100.0	42,566	0.3
D76	Hotel MyStays Sapporo Nakajima Park	1	100.0	61,861	0.4	1	100.0	29,921	0.2
D77	Hotel MyStays Sapporo Nakajima Park Annex	1	100.0	37,568	0.2	1	100.0	18,745	0.1
D78	Flexstay Inn Sakuragicho	1	100.0	43,348	0.3	1	100.0	46,724	0.3
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1	100.0	32,837	0.2	1	100.0	43,153	0.3
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1	100.0	39,829	0.2	1	100.0	26,101	0.2

Name of property		41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Rental revenue (during period) (JPY thousand) (Note 3)	Ratio of rental revenue (%) (Note 2)
D81	Hotel MyStays Nayoro	1	100.0	31,745	0.2	1	100.0	26,703	0.2
D82	Hotel MyStays Premier Narita	1	100.0	283,896	1.7	1	100.0	215,420	1.4
D83	Art Hotel Morioka	1	100.0	127,167	0.8	1	100.0	109,853	0.7
D84	Fusaki Beach Resort Hotel & Villas	1	100.0	1,253,530	7.5	1	100.0	627,322	4.2
D85	Tateshina Grand Hotel Takinoyu	1	100.0	454,998	2.7	1	100.0	194,891	1.3
D86	Hotel MyStays Okayama	1	100.0	86,079	0.5	1	100.0	64,595	0.4
D87	Hotel MyStays Aomori Station	1	100.0	125,279	0.8	1	100.0	85,848	0.6
D88	Hotel MyStays Soga	1	100.0	89,340	0.5	1	100.0	78,379	0.5
D89	Tazawako Lake Resort & Onsen	1	100.0	94,988	0.6	1	100.0	28,574	0.2
Subtotal		93	100.0	15,057,360	90.2	93	100.0	13,262,282	88.8
Total		135	99.5	16,696,076	100.0	135	99.6	14,933,032	100.0

(Note 1) "Occupancy rate" is calculated by dividing the leased area by leasable area.

(Note 2) "Occupancy rate" and "Ratio of rental revenue" are rounded to one decimal place.

(Note 3) "Rental revenue (during period)" indicates leasing operation revenues during the fiscal period for each property and has been rounded down to the nearest thousand yen.

Name of property		41st fiscal period (July 1, 2023 to December 31, 2023)				42nd fiscal period (January 1, 2024 to June 30, 2024)			
		Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Management contract revenue (during period) (JPY thousand) (Note 3)	Ratio of management contract revenue (%) (Note 2)	Number of tenants (at end of period) (unit)	Occupancy rate (at end of period) (%) (Note 1) (Note 2)	Management contract revenue (during period) (JPY thousand) (Note 3)	Ratio of management contract revenue (%) (Note 2)
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	1	100.0	1,865,004	87.8	1	100.0	4,234,691	88.7
D201	Sunshine Suites Resort	1	100.0	258,038	12.2	1	100.0	539,581	11.3
Total		2	100.0	2,123,042	100.0	2	100.0	4,774,272	100.0

(Note 1) "Occupancy rate" is calculated using the area subject to management contract.

(Note 2) "Occupancy rate" and "Ratio of management contract revenue" are rounded to one decimal place.

(Note 3) "Management contract revenue" is converted to JPY using the exchange rate at the time of the transaction.

4 Asset Portfolio of Facilities Generating Renewable Energy, etc.

Not applicable

5 Asset Portfolio Including Rights to Operate Public Facilities, etc.

Not applicable

6 Asset Portfolio of Securities

The portfolio of the securities held by INV at the end of the Reporting Period is as below.

Name	Type	Quantity (units)	Book value (JPY million)		Fair value (JPY million)		Valuation gain or loss (JPY million)	Notes
			Unit price	Amount	Unit price	Amount		
Preferred equity securities in Kingdom Special Purpose Company	Preferred equity securities	178,458	-	17,856	-	24,420	6,563	(Note 1) (Note 2)
Total			-	17,856	-	24,420	6,563	

(Note 1) Book value of the preferred equity securities that is classified as investment in affiliates indicates the acquisition cost.

(Note 2) INV owns 178,458 units of preferred equity securities issued by Kingdom Special Purpose Company (equivalent to 49.0% of preferred equity securities issued and outstanding after the issuance of the said preferred equity securities), with the Sheraton Grande Tokyo Bay Hotel as an underlying asset.

7 Status of Contract Amount and Fair Value of Specified Transaction

As of the end of the Reporting Period, the contract amount and fair value of the outstanding transaction under the specified transaction account of INV are as follows.

(Unit: JPY thousand)

Category	Transaction type, etc.	Contract amount (Note 1)		Fair value (Note 2)
			Amounts due after one year	
Non-market transaction	Interest rate swap Receive floating rate/pay fixed rate	145,001,750	126,560,750	526,904
	Foreign Exchange Forward, Short USD	6,001,508	2,336,588	-634,088

(Note 1) The contract amount, etc. for interest rate swap are stated based on a notional principal.

(Note 2) Estimation method for fair value

Interest rate swap: Estimated based on the price, etc. presented by the correspondent financial institutions.

Foreign Exchange Forward: Indicates fair values of option fees, etc. presented by the correspondent financial institutions.

8 Status of Other Assets

Real estate and trust beneficiary interests in real estate are listed together in "3 Asset Portfolio of Real Estate, etc." above. As of the end of the Reporting Period, there are no investments in specified assets that are significant investment targets for INV outside of 3 and 6 above.

9 Assets Owned Outside of Japan or the Region

Assets owned outside of Japan or the region held by INV at the end of the Reporting Period are as below.

Country name	Amount held (JPY million) (Note 1)	Appraisal value as of the end of the Reporting Period (JPY million) (Note 2)		No. of properties (properties)
			Percentage of total assets (%)	
Japan	478,601	584,405	86.5	132
The Cayman Islands	32,496	91,342	13.5	2
Total	511,097	675,748	100.0	134

(Note 1) "Amount held" is from the balance sheet (book value after depreciation for real estate and trust beneficiary interest in real estate; and book value for preferred equity securities with real estate as underlying assets) as of the end of the Reporting Period.

(Note 2) "Appraisal value as of the end of the Reporting Period" indicates the real estate appraisal value as of the end of the Reporting Period, or the research value stated in the real estate research report and the appraisal value of investment securities. "Appraisal value as of the end of the Reporting Period" for preferred equity securities which INV holds in Japan indicates acquisition cost since their fair value is deemed extremely difficult to value. "Appraisal value as of the end of the Reporting Period" for assets which INV holds in the Cayman Islands indicates the amount converted to JPY using the exchange rate of USD 1 = JPY 161.07, which is the exchange rate on the closing date of the fiscal period (June 30, 2024).

Capital Expenditures for Properties Held by INV

1 Schedule for Capital Expenditures

The schedule for the principal capital expenditures for property maintenance construction, etc., as of the end of the Reporting Period for the real estate-related assets owned by INV is as follows.

Name of property	Location	Purpose	Scheduled time of implementation	Estimated cost (JPY thousand)			
				Total	Payment for the Reporting Period	Advance payments	
D201	Sunshine Suites Resort	Grand Cayman, Cayman Islands	Renovation work	From July 2024 To December 2024	1,615,837	-	-
D200	Westin Grand Cayman Seven Mile Beach Resort & SPA	Grand Cayman, Cayman Islands	Renewal of air conditioning facility (cooling water circulation device)	From July 2024 To December 2024	463,282	-	-
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Renovation work	From July 2024 To December 2024	331,066	-	-
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Renovation work	From July 2024 To December 2024	296,304	-	-
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Renewal of energy saving facility	From July 2024 To December 2024	172,000	-	-

2 Capital Expenditures for the Reporting Period

The principal construction work constituting capital expenditures for the real estate assets for the Reporting Period is as follows. Capital expenditures for the Reporting Period totaled JPY 1,823,031 thousand, and together with JPY 18,736 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 1,841,768 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D21	APA Hotel Yokohama-Kannai	Yokohama-shi, Kanagawa	Renewal of air conditioning facility (entire building)	From January 2024 To June 2024	355,000
D76	Hotel MyStays Sapporo Nakajima Park	Sapporo-shi, Hokkaido	Renewal of boiler, water heating facility and air conditioning facility	From January 2024 To June 2024	139,000
D04	MyStays Shin-Urayasu Conference Center	Urayasu-shi, Chiba	Renewal of gas heat pump facility (1F and 2F) and total heat exchangers	From January 2024 To June 2024	67,500
D53	Hotel MyStays Sapporo Station	Sapporo-shi, Hokkaido	Renewal of gas heat pump facility (2 floors)	From January 2024 To June 2024	60,000
D22	Hotel MyStays Hakodate-Goryokaku	Hakodate-shi, Hokkaido	Renewal of multistory parking lot pallet	From January 2024 To June 2024	40,000
Other construction					1,161,531
Total					1,823,031

3 Reserved Funds for Long-Term Maintenance Plan (repair reserves)

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

(Unit: JPY thousand)

Fiscal period	38th	39th	40th	41st	42nd
	fiscal period	fiscal period	fiscal period	fiscal period	fiscal period
	From January 1, 2022 to June 30, 2022	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024
Reserved funds at beginning of period	2,791,578	3,025,792	3,096,949	3,457,311	3,441,568
Amount reserved (Note 1)	737,881	968,000	1,027,418	1,152,988	2,481,954
Amount reversed (Note 1)	503,667	896,843	667,056	1,168,731	1,753,148
Amount carried over for next fiscal period	3,025,792	3,096,949	3,457,311	3,441,568	4,170,374

(Note 1) The amount reserved for the relevant fiscal period includes the reserves for acquired properties, and the amount reversed includes the reserves for sold properties.

Overview of Expenses and Liabilities

1 Statement of Operating Expenses

(JPY thousand)

Item	41st fiscal period		42nd fiscal period	
	July 1, 2023 to December 31, 2023		January 1, 2024 to June 30, 2024	
(a) Asset management fees	300,000		450,000	
(b) Asset custody fees	27,267		28,235	
(c) Administrative services fees	48,537		41,077	
(d) Directors' compensation	5,200		4,800	
(e) Other	17,761		132,787	
Total	398,767		656,900	

2 Borrowing Conditions

Borrowing conditions by financial institution at the end of the Reporting Period are as below.

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Mizuho Bank, Ltd.	Jan. 16, 2023	1,656,400	-	0.315	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,451,800	-					
	Sumitomo Mitsui Banking Corporation		2,318,200	-					
	Sumitomo Mitsui Trust Bank, Limited		1,312,600	-					
	Citibank, N.A., Tokyo Branch		1,500,000	-					
	SBI Shinsei Bank, Limited		169,000	-					
	Development Bank of Japan, Inc.		300,000	-					
	Resona Bank, Limited		600,000	-					
	The Nomura Trust and Banking Co., Limited		100,000	-					
	MUFG Bank, Ltd.	Jan. 24, 2023	1,700,000	-	0.315	Jan. 24, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Jan. 24, 2023	6,800,000	-	0.315	Jan. 24, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 14, 2023	333,000	-	0.305	Mar. 14, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		148,000	-					
	Sumitomo Mitsui Trust Bank, Limited		254,000	-					
	SBI Shinsei Bank, Limited		281,000	-					
	Development Bank of Japan, Inc.		100,000	-					
	The Nomura Trust and Banking Co., Limited		700,000	-					
	The Shizuoka Bank, Ltd.		1,845,000	-					
	The Bank of Fukuoka, Ltd.	858,000	-						
	MUFG Bank, Ltd.	Mar. 16, 2023	85,000	-	0.305	Mar. 14, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
Sumitomo Mitsui Trust Bank, Limited	109,000	-							
SBI Shinsei Bank, Limited	Jun. 27, 2023	1,000,000	-	0.433	Jun. 27, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee	
SBI Shinsei Bank, Limited	Jul. 19, 2023	5,513,000	5,513,000	0.395	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Resona Bank, Limited		1,335,000	1,335,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Short-term loans	Mizuho Bank, Ltd.	Aug. 1, 2023	960,400	-	0.395	Aug. 1, 2024 (Note 4)	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		742,000	-					
	Sumitomo Mitsui Banking Corporation		728,900	-					
	Sumitomo Mitsui Trust Bank, Limited		654,700	-					
	Resona Bank, Limited	Sep. 26, 2023	1,665,000	1,665,000	0.395	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Bank of Fukuoka, Ltd.		300,000	300,000					
Subtotal			36,520,000	8,813,000					

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Oct. 13, 2017	1,250,000	1,250,000	0.995	Oct. 11, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited		1,060,000	1,060,000					
	Sumitomo Mitsui Banking Corporation		1,250,000	1,250,000					
	Aozora Bank, Ltd.	Mar. 29, 2019	1,000,000	-	0.594	Mar. 29, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Nishi-Nippon City Bank, Ltd.		921,000	-					
	The Tochigi Bank, Ltd.		480,000	-					
	Kiraboshi Bank, Ltd.	Mar. 29, 2019	961,000	961,000	0.995	Mar. 29, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 16, 2019	571,400	-	0.499	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	-					
	Sumitomo Mitsui Banking Corporation		1,331,200	-					
	Sumitomo Mitsui Trust Bank, Limited		628,600	-					
	Citibank, N.A., Tokyo Branch		1,000,000	-					
	SBI Shinsei Bank, Limited		200,000	-					
	Resona Bank, Limited		600,000	-					
	Mizuho Bank, Ltd.	Jul. 16, 2019	1,171,400	1,171,400	0.563	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	Citibank, N.A., Tokyo Branch		1,000,000	1,000,000					
	SBI Shinsei Bank, Limited		200,000	200,000					
Mizuho Bank, Ltd.	Jul. 16, 2019		2,171,400	2,171,400					
MUFG Bank, Ltd.		1,464,800	1,464,800						
Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200						
Sumitomo Mitsui Trust Bank, Limited		628,600	628,600						
Citibank, N.A., Tokyo Branch		1,000,000	1,000,000						
SBI Shinsei Bank, Limited		200,000	200,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jul. 16, 2019	2,170,400	2,170,400	0.895	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,464,800	1,464,800					
	Sumitomo Mitsui Banking Corporation		1,331,200	1,331,200					
	Sumitomo Mitsui Trust Bank, Limited		628,600	628,600					
	SBI Shinsei Bank, Limited		200,000	200,000					
	Mizuho Bank, Ltd.	Jul. 19, 2019	712,000	-	0.525	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	-					
	Sumitomo Mitsui Banking Corporation		986,000	-					
	Sumitomo Mitsui Trust Bank, Limited		684,000	-					
	Citibank, N.A., Tokyo Branch		500,000	-					
	Development Bank of Japan, Inc.		300,000	-					
	AEON Bank, Ltd.		300,000	-					
	The Nomura Trust and Banking Co., Limited		100,000	-					
	Aozora Bank, Ltd.		237,000	-					
	Mizuho Bank, Ltd.	Jul. 19, 2019	712,000	712,000	0.580	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	986,000					
	Sumitomo Mitsui Banking Corporation		986,000	986,000					
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000					
	Citibank, N.A., Tokyo Branch		500,000	500,000					
	Development Bank of Japan, Inc.		300,000	300,000					
	AEON Bank, Ltd.		300,000	300,000					
	The Nomura Trust and Banking Co., Limited		100,000	100,000					
	Aozora Bank, Ltd.,		375,000	375,000					
	Mizuho Bank, Ltd.	Jul. 19, 2019	1,212,000	1,212,000	0.745	Jan. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		986,000	986,000					
	Sumitomo Mitsui Banking Corporation		986,000	986,000					
	Sumitomo Mitsui Trust Bank, Limited		684,000	684,000					
	Development Bank of Japan, Inc.		300,000	300,000					
	AEON Bank, Ltd.		300,000	300,000					
	The Nomura Trust and Banking Co., Limited		100,000	100,000					
	Aozora Bank, Ltd.		375,000	375,000					
	Mizuho Bank, Ltd.		Jul. 19, 2019	1,211,000					
	MUFG Bank, Ltd.	986,000		986,000					
	Sumitomo Mitsui Banking Corporation	986,000		986,000					
	Sumitomo Mitsui Trust Bank, Limited	684,000		684,000					
	Development Bank of Japan, Inc.	300,000		300,000					
AEON Bank, Ltd.	300,000	300,000							
The Nomura Trust and Banking Co., Limited	100,000	100,000							
Aozora Bank, Ltd.	375,000	375,000							

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Tokyo Star Bank, Limited	Jul. 22, 2019	700,000	700,000	0.895	Jul. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Aug. 28, 2019	2,882,000	-	0.462	Jan. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	San ju San Bank, Ltd.		662,000	-					
	San ju San Bank, Ltd.	Oct. 15, 2019	1,700,000	-	0.486	Apr. 15, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	San ju San Bank, Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.745	Apr. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Nishi-Nippon City Bank, Ltd.	Oct. 15, 2019	1,000,000	1,000,000	0.895	Oct. 15, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Trust Bank, Limited	Jan. 6, 2020	3,050,000	3,050,000	0.643	Jan. 6, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Momiji Bank, Ltd.		961,000	961,000					
	The Kiyo Bank		480,000	480,000					
	Mizuho Bank, Ltd.	Mar. 16, 2020	634,000	634,000	0.487	Mar. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Resona Bank, Limited		300,000	300,000					
	Development Bank of Japan, Inc.		1,000,000	1,000,000					
	The Bank of Fukuoka, Ltd.		333,000	333,000					
	The Nomura Trust and Banking Co., Limited		333,000	333,000					
	The Shizuoka Bank, Ltd.		200,000	200,000					
	The Yamaguchi Bank, Ltd.		411,000	411,000					
	Mizuho Bank, Ltd.		582,000	582,000					
	MUFG Bank, Ltd.	628,000	628,000	0.695	Mar. 16, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee	
	Sumitomo Mitsui Trust Bank, Limited	1,090,000	1,090,000						
	SBI Shinsei Bank, Limited	570,000	570,000						
	Resona Bank, Limited	500,000	500,000						
	The Nomura Trust and Banking Co., Limited	270,000	270,000						
	Aozora Bank, Ltd.	1,000,000	1,000,000						
	The Shizuoka Bank, Ltd.	270,000	270,000						
	The Kagawa Bank, Ltd.	500,000	500,000						
	The Yamaguchi Bank, Ltd.	550,000	550,000						
	The Chukyo Bank, Ltd.	961,000	961,000						
	Tokyo Star Bank, Limited	Jul. 20, 2021	1,582,000	1,582,000	0.545	Jul. 20, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jul. 20, 2022	600,000	600,000	0.545	Jul. 20, 2025	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Oct. 13, 2022	1,190,000	1,190,000	0.695	Oct. 13, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
Sumitomo Mitsui Trust Bank, Limited	Jan. 6, 2023	1,550,000	-	0.315	Jan. 24, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Mizuho Bank, Ltd.	Mar. 14, 2023	3,001,500	3,001,500	0.712	Mar. 14, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee	
MUFG Bank, Ltd.		1,326,000	1,326,000						
Sumitomo Mitsui Trust Bank, Limited		2,293,500	2,293,500						
Development Bank of Japan, Inc.		900,000	900,000						
MUFG Bank, Ltd.	Mar. 16, 2023	765,000	765,000	0.707	Mar. 14, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee	
The Chiba Bank, Ltd.		981,000	981,000						
Development Bank of Japan, Inc.	Jun. 19, 2023	1,000,000	1,000,000	0.597	Jun. 19, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee	
MUFG Bank, Ltd.	Jun. 27, 2023	500,000	500,000	0.597	Jun. 27, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee	

Type	Lender	Borrowing date	Balance at beginning of Reporting Period	Balance at end of Reporting Period	Average interest rate (%)	Repayment date	Repayment method	Purpose	Notes
			(JPY thousand)	(JPY thousand)	(Note 1)				
Long-term loans (Note 5)	SBI Shinsei Bank, Limited	Jul. 14, 2023	1,110,000	1,110,000	0.395	Jul. 16, 2024	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jul. 14, 2023	1,221,000	1,221,000	0.691	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,110,000	1,110,000					
	Sumitomo Mitsui Banking Corporation		998,500	998,500					
	Sumitomo Mitsui Trust Bank, Limited		445,000	445,000					
	Mizuho Bank, Ltd.	Jul. 19, 2023	5,821,500	5,821,500	0.696	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,783,500	5,783,500					
	Sumitomo Mitsui Banking Corporation		4,601,500	4,601,500					
	Sumitomo Mitsui Trust Bank, Limited		2,225,000	2,225,000					
	Development Bank of Japan, Inc.		333,000	333,000					
	The Ogaki Kyoritsu Bank, Ltd.		93,500	93,500					
	Mizuho Bank, Ltd.	Jul. 14, 2023	1,221,000	1,221,000	1.395	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,110,000	1,110,000					
	Sumitomo Mitsui Banking Corporation		998,500	998,500					
	Sumitomo Mitsui Trust Bank, Limited		445,000	445,000					
	Mizuho Bank, Ltd.	Jul. 19, 2023	5,821,500	5,821,500	1.395	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,783,500	5,783,500					
	Sumitomo Mitsui Banking Corporation		4,601,500	4,601,500					
	Sumitomo Mitsui Trust Bank, Limited		2,225,000	2,225,000					
	Development Bank of Japan, Inc.		333,000	333,000					
	The Ogaki Kyoritsu Bank, Ltd.		93,500	93,500					
	Mizuho Bank, Ltd.	Jul. 14, 2023	296,800	296,800	0.495	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		227,700	227,700					
	Sumitomo Mitsui Banking Corporation		224,100	224,100					
	Sumitomo Mitsui Trust Bank, Limited		203,000	203,000					
	Mizuho Bank, Ltd.	Jul. 19, 2023	1,519,600	1,519,600	0.495	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,165,900	1,165,900					
	Sumitomo Mitsui Banking Corporation		1,147,300	1,147,300					
	Sumitomo Mitsui Trust Bank, Limited		1,039,500	1,039,500					
	Development Bank of Japan, Inc.		296,100	296,100					
	Mizuho Bank, Ltd.	Aug. 1, 2023	2,454,000	2,454,000	0.691	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		1,784,600	1,784,600					
	Sumitomo Mitsui Banking Corporation		1,784,600	1,784,600					
	Sumitomo Mitsui Trust Bank, Limited		1,586,300	1,586,300					
	Tokyo Star Bank, Limited		793,100	793,100					
	Aozora Bank, Ltd.		793,100	793,100					
	Mizuho Bank, Ltd.	Aug. 1, 2023	3,681,000	3,681,000	1.069	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		2,677,000	2,677,000					
	Sumitomo Mitsui Banking Corporation		2,677,000	2,677,000					
	Sumitomo Mitsui Trust Bank, Limited		2,379,500	2,379,500					
Development Bank of Japan, Inc.	2,974,400		2,974,400						
Tokyo Star Bank, Limited	1,189,700		1,189,700						
Aozora Bank, Ltd.	1,189,700		1,189,700						
The Ogaki Kyoritsu Bank, Ltd.	806,000		806,000						

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Sumitomo Mitsui Trust Bank, Limited	Sep. 14, 2023	3,000,000	3,000,000	0.879	Jul. 16, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Sep. 26, 2023	6,947,000	6,947,000	0.894	Jul. 16, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		5,133,100	5,133,100					
	Sumitomo Mitsui Banking Corporation		6,717,200	6,717,200					
	Sumitomo Mitsui Trust Bank, Limited		2,679,950	2,679,950					
	Development Bank of Japan, Inc.		2,100,000	2,100,000					
	The Nomura Trust and Banking Co., Limited		756,000	756,000					
	Mizuho Bank, Ltd.	Oct. 13, 2023	875,000	875,000	0.879	Jul. 16, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation	875,000	875,000						
	Sumitomo Mitsui Trust Bank, Limited	Sep. 26, 2023	745,500	745,500	0.797	Jul. 16, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.		2,977,500	2,977,500					
	MUFG Bank, Ltd.		2,199,900	2,199,900					
	Sumitomo Mitsui Banking Corporation		2,878,800	2,878,800					
	Sumitomo Mitsui Trust Bank, Limited		1,148,550	1,148,550					
	Development Bank of Japan, Inc.		900,000	900,000					
	Mizuho Bank, Ltd.	Oct. 13, 2023	375,000	375,000	0.797	Jul. 16, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Sumitomo Mitsui Banking Corporation		375,000	375,000					
	Sumitomo Mitsui Trust Bank, Limited		319,500	319,500					
	SBI Shinsei Bank, Limited	Sep. 26, 2023	3,197,000	3,197,000	0.691	Jul. 16, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Sep. 26, 2023	1,900,000	1,900,000	1.054	Jul. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Nov. 29, 2023	4,321,000	4,321,000	0.897	Nov. 29, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Jan. 16, 2024	-	1,622,900	1.265	Mar. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	1,367,300					
	Sumitomo Mitsui Banking Corporation		-	1,292,700					
	Sumitomo Mitsui Trust Bank, Limited		-	732,100					
	Aozora Bank, Ltd.		-	237,000					
	The Nomura Trust and Banking Co., Limited		-	56,000					
	MUFG Bank, Ltd.		Jan. 24, 2024	-					
	Sumitomo Mitsui Trust Bank, Limited	-	4,175,000						
	Mizuho Bank, Ltd.	Jan. 16, 2024	-	1,622,900	0.797	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
MUFG Bank, Ltd.	-		1,367,300						
Sumitomo Mitsui Banking Corporation	-		1,292,700						
Sumitomo Mitsui Trust Bank, Limited	-		732,100						
Development Bank of Japan, Inc.	-		335,000						
The Nomura Trust and Banking Co., Limited	-		56,000						
MUFG Bank, Ltd.	Jan. 24, 2024		-	850,000					
Sumitomo Mitsui Trust Bank, Limited	-	4,175,000							

Type	Lender	Borrowing date	Balance at beginning of Reporting Period (JPY thousand)	Balance at end of Reporting Period (JPY thousand)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Purpose	Notes
Long-term loans (Note 5)	Mizuho Bank, Ltd.	Jan. 16, 2024	-	2,576,000	0.897	Mar. 14, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	2,168,000					
	Sumitomo Mitsui Banking Corporation		-	2,050,000					
	Sumitomo Mitsui Trust Bank, Limited		-	1,161,000					
	Development Bank of Japan, Inc.		-	265,000					
	San ju San Bank, Ltd.		-	662,000					
	The Nomura Trust and Banking Co., Limited		-	88,000					
	Resona Bank, Limited	Jan. 16, 2024	-	1,200,000	0.395	Mar. 16, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited	Jan. 16, 2024	-	369,000	0.597	Mar. 14, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Tokyo Star Bank, Limited	Jan. 16, 2024	-	2,440,000	0.797	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Mizuho Bank, Ltd.	Mar. 14, 2024	-	333,000	0.897	Mar. 14, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
	MUFG Bank, Ltd.		-	233,000					
	Sumitomo Mitsui Trust Bank, Limited		-	363,000					
	Development Bank of Japan, Inc.		-	100,000					
	The Nomura Trust and Banking Co., Limited	Mar. 14, 2024	-	350,000	0.797	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	Aozora Bank, Ltd.	Mar. 29, 2024	-	500,000	0.797	Mar. 14, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Tochigi Bank Ltd.		-	901,000					
	The Nomura Trust and Banking Co., Limited	Mar. 14, 2024	-	350,000	0.697	Mar. 14, 2028	(Note 3)	(Note 2)	Unsecured / with no guarantee
	SBI Shinsei Bank, Limited	Mar. 14, 2024	-	281,000	0.597	Mar. 14, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Shizuoka Bank Ltd.		-	1,000,000					
	The Bank of Fukuoka, Ltd.		-	465,000					
	Aozora Bank, Ltd.	Mar. 29, 2024	-	500,000	0.597	Mar. 14, 2027	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Nishi-Nippon City Bank, Ltd.		-	500,000					
	The Shizuoka Bank Ltd.	Mar. 14, 2024	-	845,000	0.497	Mar. 14, 2026	(Note 3)	(Note 2)	Unsecured / with no guarantee
	The Bank of Fukuoka, Ltd.		-	393,000					
	San ju San Bank, Ltd.	Apr. 15, 2024	-	1,700,000	0.897	Mar. 14, 2030	(Note 3)	(Note 2)	Unsecured / with no guarantee
SBI Shinsei Bank, Limited	Jun. 27, 2024	-	1,000,000	0.797	Jul. 16, 2029	(Note 3)	(Note 2)	Unsecured / with no guarantee	
Subtotal			217,680,000	241,441,000					
Total			254,200,000	250,254,000					

(Note 1) Average interest rate shows the interest rate for each loan agreement as of the end of the fiscal period, rounded to three decimal places. In regards to borrowings which interest rate swap transactions are entered into for the purpose of avoiding risk from interest rate fluctuation, interest rates reflecting the interest rate swap are shown. In regards to borrowings repaid during the Reporting Period, the interest rate for each loan agreement as of the repayment date rounded to three decimal places is shown.

(Note 2) The funds raised through borrowings are mainly used to acquire trust beneficiary interests in real estate and to repay the borrowings.

(Note 3) The balance at the end of the period will be repaid in full on the repayment date.

(Note 4) The loans were prepaid on April 30, 2024.

(Note 5) Long-term loans includes current portion of long-term loans payable.

3 Investment Corporation Bonds

Status of investment corporation bonds as of the end of the Reporting Period is as follows.

Bond Series	Issue Date	Balance at the beginning of the period (JPY thousand)	Balance at the end of the period (JPY thousand)	Interest Rate (%)	Redemption Date	Redemption method	Use of funds	Security/ Guaranty	
Second Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2018	1,000,000	1,000,000	0.800	May 25, 2028	(Note 3)	(Note 4)	Unsecured / with no guarantee	
Forth Series Unsecured Investment Corporation Bonds (Note 1)	October 28, 2019	1,000,000	1,000,000	0.480	October 28, 2024	(Note 3)	(Note 6)		
Fifth Series Unsecured Investment Corporation Bonds (Note 1)	October 28, 2019	2,000,000	2,000,000	0.900	October 26, 2029	(Note 3)	(Note 6)		
Sixth Series Unsecured Investment Corporation Bonds (Note 1)	March 13, 2020	1,200,000	1,200,000	0.850	March 13, 2030	(Note 3)	(Note 5)		
Seventh Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2023	5,000,000	5,000,000	1.000	May 25, 2026	(Note 3)	(Note 7)		
Eighth Series Unsecured Investment Corporation Bonds (Note 1)	May 25, 2023	1,200,000	1,200,000	1.200	May 25, 2028	(Note 3)	(Note 7)		
Ninth Series Unsecured Investment Corporation Bonds (Note 1)	September 21, 2023	1,700,000	1,700,000	1.200	September 21, 2028	(Note 3)	(Note 5)		
Tenth Series Unsecured Investment Corporation Bonds (Note 1)	December 14, 2023	1,800,000	1,800,000	1.297	December 14, 2028	(Note 3)	(Note 5)		
Eleventh Series Unsecured Investment Corporation Bonds (Note 2)	February 9, 2024	-	6,000,000	1.470	February 9, 2029	(Note 3)	(Note 7)		
Total		14,900,000	20,900,000	-	-	-	-		-

(Note 1) This is with pari passu conditions among specified corporate bonds.

(Note 2) This is with pari passu conditions among investment corporate bonds.

(Note 3) The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case where the laws and regulations or the depository otherwise stipulates.

(Note 4) The funds will be used to acquire trust beneficiary interest in real estate.

(Note 5) The funds will be used to repay borrowings.

(Note 6) The funds will be used in strategic capital expenditure.

(Note 7) The funds will be used to redeem investment corporation bonds and repay borrowings.

4 Short-Term Investment Corporation Bonds

Not applicable

5 Investment Unit Options

Not applicable

Acquisitions and Sales for the Reporting Period

1 Acquisitions and Sales of Real Estate, Asset-Backed Securities, Infrastructure Assets and Infrastructure Related-Assets

Not applicable

2 Acquisitions and Sales of Other Assets

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

3 Transaction Price Verification of Specified Assets

Not applicable

Other Transactions

Other transactions for which INV entrusted investigation are four foreign exchange forward transactions from January 1, 2024 to June 30, 2024. With regard to these transactions, INV has entrusted Akasaka Audit LLC with investigation on comparable prices based on the Article 201, Paragraph 2 of the Investment Trust Act, transaction dates, names of counterparties in the transactions, issues, agreed numerical values, type of financial instruments or monetary indicators, category of put or call, strike price, exercise periods, transaction periods and details of other over-the-counter derivative transactions, and has received the investigation report.

4 Transactions with Interested Parties

(1) Transactions

Not applicable

(2) Commissions Paid

Not applicable

5 Transactions between CIM and Its Other Businesses

As CIM does not engage in any other business, such as the type I financial instruments business and the type II financial instruments business, the building lots and buildings transaction business, or the real estate specified joint enterprise, there are no applicable transactions.

Financial Condition

1 Assets, Liabilities, Principal, and Profit and Loss

Please refer to "II. Balance Sheet," "III. Statement of Income and Retained Earnings," "IV. Statement of Changes in Net Assets," "V. Notes to Financial Statements" and "VI. Statement of Cash Distribution" later in this document.

The information of previous fiscal period in Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Net Assets, Notes to Financial Statements, and Statement of Cash Distribution is for reference only. It is not subject to audit by an auditor pursuant to the Article 130 of the Investment Trust Act for the Reporting Period.

2 Changes in the Calculation Method of Depreciation

Not applicable

3 Changes in the Evaluation Method of Real Estate and Infrastructure Assets, etc.

Not applicable

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

Not applicable

Other

1 Notice

Board of Directors of Investment Corporation

Of the execution and amendment of the agreement approved by INV's Board of Directors in the Reporting Period, principal summary is as follows.

Approval date	Item	Summary
January 19, 2024	Comprehensive resolution on issuance of investment corporation bonds	Board of Directors passed a comprehensive resolution on issuance of investment corporation bonds with a maximum total issue amount of JPY 7.0 billion and an issuance period from January 19, 2024 to February 29, 2024; and entrustment of administrative duties concerning offering of investment corporation bonds and general administrative duties as an issuing agent, fiscal agent, paying agent, etc. to a prescribed general administrative agent.
May 22, 2024	Conclusion of the Fixed-term Building Lease and Property Management Agreements with MHM Group	CIM concluded fixed-term building lease and property management agreements with MHM, a major tenant of INV, for two hotels (Hotel MyStays Kanda and Hotel MyStays Asakusa) operated by MHM, with a partial change in the variable rent calculation period, as the current fixed-term building lease and property management agreements expired on May 22, 2024.

2 Disclosure of Companies Owning Real Estate Overseas

Not applicable

3 Disclosure of Real Estate Owned by Companies Owning Real Estate Overseas

Not applicable

4 Other

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

II. Balance Sheet

(Unit: JPY thousand)

	(Reference) Fiscal period ended December 31, 2023 (as of December 31, 2023)	Fiscal period ended June 30, 2024 (as of June 30, 2024)
Assets		
Current assets:		
Cash and bank deposits	21,956,120	30,213,929
Cash and bank deposits in trust	12,936,394	12,346,894
Rental receivables	4,834,083	6,040,833
Deposits paid	1,976,184	2,414,240
Prepaid expenses	1,143,417	1,428,542
Income taxes receivable	21	24
Consumption tax receivable	2,615,543	-
Other	12,636	-
Total current assets	45,474,401	52,444,465
Non-current assets:		
Property and equipment		
Buildings at cost	19,484,168	19,487,456
Accumulated depreciation	-2,026,919	-2,246,260
Buildings, net	17,457,249	17,241,196
Buildings and accompanying facilities, at cost	5,311,876	5,311,876
Accumulated depreciation	-1,413,713	-1,567,255
Buildings and accompanying facilities, net	3,898,162	3,744,620
Structures, at cost	1,458	1,458
Accumulated depreciation	-249	-282
Structures, net	1,209	1,176
Tools, furniture and fixtures, at cost	1,365,816	1,495,664
Accumulated depreciation	-543,189	-622,265
Tools, furniture and fixtures, net	822,627	873,398
Construction in progress, at cost	754,330	1,055,651
Buildings in trust, at cost	184,088,728	184,336,400
Accumulated depreciation	-31,362,709	-33,929,448
Buildings in trust, net	152,726,019	150,406,952
Buildings and accompanying facilities in trust, at cost	40,943,104	42,057,231
Accumulated depreciation	-14,493,714	-15,555,045
Buildings and accompanying facilities in trust, net	26,449,389	26,502,186
Structures in trust, at cost	281,528	302,742
Accumulated depreciation	-121,916	-129,191
Structures in trust, net	159,611	173,551
Tools, furniture and fixtures in trust, at cost	3,767,991	4,049,883
Accumulated depreciation	-2,200,871	-2,413,909
Tools, furniture and fixtures in trust, net	1,567,120	1,635,974
Land in trust	264,666,397	264,666,397
Construction in progress in trust	198,056	240,499
Total property and equipment, net	468,700,175	466,541,605
Intangible assets		
Leasehold rights	10,637,811	10,637,811
Leasehold rights in trust	17,396,611	17,357,800
Total intangible assets	28,034,422	27,995,612
Investment and other assets		
Investment securities	17,856,387	17,856,387
Guarantee deposits	1,382,359	1,390,459
Long-term prepaid expenses	1,825,986	2,007,275
Derivatives assets	7,877	627,676
Others	22,667	32,667
Total investments and other assets	21,095,278	21,914,466
Total non-current assets	517,829,876	516,451,684
Deferred assets		
Investment corporation bond issuance costs	88,783	120,364
Total deferred assets	88,783	120,364
Total assets	563,393,061	569,016,514

(Unit: JPY thousand)

	(Reference) Fiscal period ended December 31, 2023 (as of December 31, 2023)	Fiscal period ended June 30, 2024 (as of June 30, 2024)
Liabilities		
Current liabilities:		
Accounts payable	800,491	709,906
Short-term loans payable	36,520,000	8,813,000
Current portion of investment corporation bonds	1,000,000	1,000,000
Current portion of long-term loans payable	36,787,000	44,553,000
Accounts payable-other	6,321	8,691
Accrued expenses	281,210	393,151
Income taxes payable	605	605
Consumption taxes payable	-	1,023,206
Advances received	305,676	313,582
Deposits received	55,107	18,589
Total current liabilities	75,756,412	56,833,732
Non-current liabilities:		
Investment corporation bonds	13,900,000	19,900,000
Long-term loans payable	180,893,000	196,888,000
Tenant leasehold and security deposits in trust	1,491,055	1,497,699
Derivatives liabilities	654,369	734,860
Asset retirement obligations	393,202	395,487
Total non-current liabilities	197,331,627	219,416,047
Total liabilities	273,088,040	276,249,780
Net assets		
Unitholders' equity:		
Unitholders' capital	270,101,249	270,101,249
Surplus:		
Capital surplus	6,264,432	6,264,432
Deduction of unitholders' capital surplus		
Allowance for temporary differences adjustment	*2 -6,130	-6,130
Other deduction of capital surplus	-5,524,006	-5,524,006
Total deduction of unitholders' capital surplus	-5,530,137	-5,530,137
Capital surplus, net	734,294	734,294
Retained earnings	19,690,532	21,542,214
Total surplus	20,424,826	22,276,509
Total unitholders' equity	290,526,075	292,377,758
Valuation and translation adjustments:		
Deferred gains or losses on hedges	-221,054	388,975
Total valuation and translation adjustments	-221,054	388,975
Total net assets	*1 290,305,021	292,766,734
Total liabilities and net assets	563,393,061	569,016,514

III. Statement of Income and Retained Earnings

				(Unit: JPY thousand)	
		(Reference)			
		Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)		
Operating revenue					
Rental revenue – real estate	*1	16,696,076	14,933,032		
Management contract revenue	*2	2,123,042	4,774,272		
Dividend income		-	1,428,702		
Total operating revenue		18,819,119	21,136,007		
Operating expenses					
Property-related expenses	*1	5,096,717	5,107,042		
Management contract expenses	*2	734,722	736,333		
Asset management fees		300,000	450,000		
Directors' compensation		5,200	4,800		
Asset custody fees		27,267	28,235		
Administrative service fees		48,537	41,077		
Other		17,761	132,787		
Total operating expenses		6,230,207	6,500,276		
Operating income					
		12,588,912	14,635,731		
Non-operating income					
Interest income		138	163		
Foreign exchange gains		-	423,972		
Interest on tax refund		-	2,615		
Miscellaneous income		314	891		
Total non-operating income		452	427,643		
Non-operating expenses					
Interest expenses		603,172	893,218		
Foreign exchange losses		76,288	-		
Interest expenses on investment corporation bonds		63,059	108,923		
Amortization of investment corporation bond issuance costs		10,839	15,608		
Loan-related costs		620,370	583,615		
Derivative losses		30,078	560,841		
Investment unit issuance costs		152,379	-		
Total non-operating expenses		1,556,188	2,162,208		
Ordinary income					
		11,033,176	12,901,166		
Extraordinary income					
Subsidy income		-	24,991		
Total extraordinary income		-	24,991		
Extraordinary losses					
Loss on reduction entry of non-current assets		-	24,991		
Total extraordinary losses		-	24,991		
Income before income taxes		11,033,176	12,901,166		
Income taxes		605	605		
Total income taxes		605	605		
Net income					
		11,032,571	12,900,561		
Retained earnings brought forward					
		8,657,960	8,641,653		
Unappropriated retained earnings					
		19,690,532	21,542,214		

IV. Statement of Changes in Net Assets

(Reference)

Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Deduction of capital surplus			Capital surplus (net)
Allowance for temporary differences adjustment	Other deduction of capital surplus		Total deduction of capital surplus			
Balance at the beginning of the period	235,701,512	6,264,432	-6,130	-5,524,006	-5,530,137	734,294
Changes during the period	—	—	—	—	—	—
Issuance of new investment units	34,399,737	—	—	—	—	—
Distributions from surplus	—	—	—	—	—	—
Net income	—	—	—	—	—	—
Changes other than unitholders' equity (net)	—	—	—	—	—	—
Total changes during the period	34,399,737	—	—	—	—	—
Balance at the end of the period	270,101,249	6,264,432	-6,130	-5,524,006	-5,530,137	734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings (deficit)	Total surplus				
Balance at the beginning of the period	17,583,734	18,318,029	254,019,541	4,550	4,550	254,024,091
Changes during the period	—	—	—	—	—	—
Issuance of new investment units	—	—	34,399,737	—	—	34,399,737
Distributions from surplus	-8,925,773	-8,925,773	-8,925,773	—	—	-8,925,773
Net income	11,032,571	11,032,571	11,032,571	—	—	11,032,571
Changes other than unitholders' equity (net)	—	—	—	-225,605	-225,605	-225,605
Total changes during the period	2,106,797	2,106,797	36,506,534	-225,605	-225,605	36,280,929
Balance at the end of the period	19,690,532	20,424,826	290,526,075	-221,054	-221,054	290,305,021

Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Deduction of capital surplus			Capital surplus (net)
Allowance for temporary differences adjustment	Other deduction of capital surplus		Total deduction of capital surplus			
Balance at the beginning of the period	270,101,249	6,264,432	-6,130	-5,524,006	-5,530,137	734,294
Changes during the period	—	—	—	—	—	—
Distributions from surplus	—	—	—	—	—	—
Net income	—	—	—	—	—	—
Changes other than unitholders' equity (net)	—	—	—	—	—	—
Total changes during the period	—	—	—	—	—	—
Balance at the end of the period	270,101,249	6,264,432	-6,130	-5,524,006	-5,530,137	734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings (deficit)	Total surplus				
Balance at the beginning of the period	19,690,532	20,424,826	290,526,075	-221,054	-221,054	290,305,021
Changes during the period	—	—	—	—	—	—
Distributions from surplus	-11,048,878	-11,048,878	-11,048,878	—	—	-11,048,878
Net income	12,900,561	12,900,561	12,900,561	—	—	12,900,561
Changes other than unitholders' equity (net)	—	—	—	610,029	610,029	610,029
Total changes during the period	1,851,682	1,851,682	1,851,682	610,029	610,029	2,461,712
Balance at the end of the period	21,542,214	22,276,509	292,377,758	388,975	388,975	292,766,734

V. Notes to Financial Statements

[Notes Concerning Significant Accounting Policies]

By Period Item	(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)																																
1. Evaluation standards and evaluation method of assets	<p>(a) Investment in affiliates Cost method through moving-average method is used.</p> <p>(b) Claims generated and debt incurred through derivative transactions Market value method is used.</p>	<p>(a) Investment in affiliates Cost method through moving-average method is used.</p> <p>(b) Claims generated and debt incurred through derivative transactions Market value method is used.</p>																																
2. Method of depreciation of non-current assets	<p>(a) Property and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">16-50 years</td> </tr> <tr> <td>Buildings and accompanying facilities</td> <td style="text-align: right;">5-29 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">20 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">3-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">5-67 years</td> </tr> <tr> <td>Buildings and accompanying facilities in trust</td> <td style="text-align: right;">3-33 years</td> </tr> <tr> <td>Structures in trust</td> <td style="text-align: right;">7-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">3-20 years</td> </tr> </table> <p>(b) Intangible assets For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used.</p> <p>(c) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	16-50 years	Buildings and accompanying facilities	5-29 years	Structures	20 years	Tools, furniture and fixtures	3-18 years	Buildings in trust	5-67 years	Buildings and accompanying facilities in trust	3-33 years	Structures in trust	7-55 years	Tools, furniture and fixtures in trust	3-20 years	<p>(a) Property and equipment The straight-line method is used. The useful lives of major property, plant and equipment are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">16-50 years</td> </tr> <tr> <td>Buildings and accompanying facilities</td> <td style="text-align: right;">5-29 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">20 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">3-18 years</td> </tr> <tr> <td>Buildings in trust</td> <td style="text-align: right;">5-67 years</td> </tr> <tr> <td>Buildings and accompanying facilities in trust</td> <td style="text-align: right;">3-33 years</td> </tr> <tr> <td>Structures in trust</td> <td style="text-align: right;">7-55 years</td> </tr> <tr> <td>Tools, furniture and fixtures in trust</td> <td style="text-align: right;">2-20 years</td> </tr> </table> <p>(b) Intangible assets For fixed-term land lease for business purposes in Japan, the straight-line method based on the lease period is used.</p> <p>(c) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	16-50 years	Buildings and accompanying facilities	5-29 years	Structures	20 years	Tools, furniture and fixtures	3-18 years	Buildings in trust	5-67 years	Buildings and accompanying facilities in trust	3-33 years	Structures in trust	7-55 years	Tools, furniture and fixtures in trust	2-20 years
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Buildings and accompanying facilities in trust	3-33 years																																	
Structures in trust	7-55 years																																	
Tools, furniture and fixtures in trust	2-20 years																																	
3. Accounting treatment of deferred assets	<p>Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.</p>	<p>Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over a period up to redemption of the investment corporation bonds.</p>																																
4. Method of calculating allowances	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>	<p>Allowance for doubtful accounts To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.</p>																																
5. Conversion of assets and liabilities in foreign currency into Japanese yen	<p>Receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate at the end of the fiscal period date, and differences arising from the translation are treated as a profit or loss.</p>	<p>Receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate at the end of the fiscal period date, and differences arising from the translation are treated as a profit or loss.</p>																																

By Period Item	(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
6. Revenue and expense recognition	<p>(a) Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was capitalized as part of the acquisition cost of real estate during the previous fiscal period is JPY 59,935 thousand.</p> <p>(b) Recognition of revenue The following is the content of principal performance obligations related to revenue from contracts with INV's customers and the normal timing for the satisfaction of such obligations (normal timing for revenue recognition). Sale of real estate, etc. For the sale of real estate, etc., revenue will be recognized at the time the control of such real estate, etc. is obtained by the purchaser, who is the customer, as the transfer obligation will be fulfilled pursuant to the contract pertaining to the sale of real estate.</p>	<p>(a) Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses. Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate instead of being charged as expense. The amount equivalent to property taxes that was capitalized as part of the acquisition cost of real estate during the Reporting Period is zero.</p> <p>(b) Recognition of revenue The following is the content of principal performance obligations related to revenue from contracts with INV's customers and the normal timing for the satisfaction of such obligations (normal timing for revenue recognition). Sale of real estate, etc. For the sale of real estate, etc., revenue will be recognized at the time the control of such real estate, etc. is obtained by the purchaser, who is the customer, as the transfer obligation will be fulfilled pursuant to the contract pertaining to the sale of real estate.</p>
7. Method of hedge accounting	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item Hedging instrument: interest rate swap Hedged item: interest on borrowings</p> <p>(c) Hedge policy INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.</p> <p>(d) Method of evaluating hedge effectiveness Hedge effectiveness is evaluated by</p>	<p>(a) Method of hedge accounting Deferred hedge accounting is used.</p> <p>(b) Hedging instrument and hedged item (Borrowings) Hedging instrument: interest rate swap Hedged item: interest on borrowings (Scheduled Foreign Currency Transaction) Hedging instrument: foreign exchange forward Hedged item: scheduled foreign currency transaction</p> <p>(c) Hedge policy INV enters into derivatives transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.</p> <p>(d) Method of evaluating hedge effectiveness Hedge effectiveness is evaluated by</p>

By Period Item	(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
	comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.	comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.
8. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment policy of trust beneficiary interests in real estate As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.</p> <p>(a) Cash and bank deposits in trust (b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in trust Land in trust Construction in progress in trust (c) Leasehold rights in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of non-deductible consumption taxes Non-deductible consumption taxes etc. regarding the acquisition of assets are capitalized at amounts of acquisition cost of each asset.</p>	<p>(1) Accounting treatment policy of trust beneficiary interests in real estate As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.</p> <p>(a) Cash and bank deposits in trust (b) Buildings in trust Buildings and accompanying facilities in trust Structures in trust Tools, furniture and fixtures in trust Land in trust Construction in progress in trust (c) Leasehold rights in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of non-deductible consumption taxes Non-deductible consumption taxes etc. regarding the acquisition of assets are capitalized at amounts of acquisition cost of each asset.</p>

[Notes to the Balance Sheet]

(Reference) Fiscal period ended December 31, 2023 (as of December 31, 2023)	Fiscal period ended June 30, 2024 (as of June 30, 2024)					
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations JPY 50,000 thousand	*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations JPY 50,000 thousand					
*2. Allowance for temporary differences adjustment						
(Reference) Fiscal period December 31, 2023 (from July 1, 2023 to December 31, 2023)						
1. Reasons, related assets and amounts						
(Unit: JPY thousand)						
Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period
Leasehold rights in trust	Amortization of leasehold rights	-131,332	-6,130	-	-	-6,130
Total		-131,332	-6,130	-	-	-6,130
2. Method of reversal						
(1) Leasehold rights in trust						
The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.						
Fiscal period ended ended June 30, 2024 (from January 1, 2024 to June 30, 2024)						
1. Reasons, related assets and amounts						
(Unit: JPY thousand)						
Related assets, etc.	Reason	Initial amount	Balance at the beginning of period	Allowance set aside during period	Reversal during period	Balance at the end of period
Leasehold rights in trust	Amortization of leasehold rights	-131,332	-6,130	-	-	-6,130
Total		-131,332	-6,130	-	-	-6,130
2. Method of reversal						
(1) Leasehold rights in trust						
The corresponding amount is scheduled to be reversed upon sale of the relevant properties, etc.						
Not applicable.	*3. Reduction entry of property and equipment acquired with government subsidies, etc. (Unit: JPY thousand) Buildings and accompanying facilities in trust 24,991					

[Notes to Statement of Income and Retained Earnings]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate (Rent/common area charges) (Note) 16,536,797</p> <p>(Other revenues) 159,279</p> <p>Total 16,696,076</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 438,212</p> <p>(Taxes and public dues) 754,133</p> <p>(Insurance expenses) 23,534</p> <p>(Depreciation expenses) 3,776,448</p> <p>(Other expenses) 104,388</p> <p>Total 5,096,717</p> <p>C. Real estate rental income (A-B) 11,599,359</p> <p>(Note) Of which, revenue from variable hotel rents 7,441,452</p>	<p>*1. Real estate rental revenues and expenses (Unit: JPY thousand)</p> <p>A. Real estate rental revenues</p> <p>Rental revenue – real estate (Rent/common area charges) (Note) 14,560,812</p> <p>(Other revenues) 372,220</p> <p>Total 14,933,032</p> <p>B. Real estate rental expenses</p> <p>Property-related expenses</p> <p>(Maintenance costs) 435,871</p> <p>(Taxes and public dues) 623,898</p> <p>(Insurance expenses) 24,541</p> <p>(Depreciation expenses) 3,889,859</p> <p>(Other expenses) 132,870</p> <p>Total 5,107,042</p> <p>C. Real estate rental income (A-B) 9,825,990</p> <p>(Note) Of which, revenue from variable hotel rents 7,074,645</p>
<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 6,309,635</p> <p>B. Hotel operating expenses 4,186,593</p> <p>C. Management contract revenue (A-B) 2,123,042</p> <p>D. Management contract expenses</p> <p>Non-life insurance expenses 218,735</p> <p>Depreciation expenses 441,542</p> <p>Other 74,443</p> <p>Total 734,722</p> <p>E. Management contract revenue and expenses (C-D) 1,388,320</p>	<p>*2. Management contract revenue and expenses (Unit: JPY thousand)</p> <p>A. Hotel operating revenue 10,383,590</p> <p>B. Hotel operating expenses 5,609,317</p> <p>C. Management contract revenue (A-B) 4,774,272</p> <p>D. Management contract expenses</p> <p>Non-life insurance expenses 213,122</p> <p>Depreciation expenses 451,610</p> <p>Other 71,600</p> <p>Total 736,333</p> <p>E. Management contract revenue and expenses (C-D) 4,037,939</p>

[Notes to Statement of Changes in Net Assets]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
<p>Total number of issuable investment units and number of investment units issued and outstanding</p> <p>Total number of investment units 10,000,000 units authorized</p> <p>Total number of investment units issued and outstanding 6,737,121 units</p>	<p>Total number of issuable investment units and number of investment units issued and outstanding</p> <p>Total number of investment units 10,000,000 units authorized</p> <p>Total number of investment units issued and outstanding 6,737,121 units</p>

[Notes Related to Tax Accounting]

(Reference) Fiscal period ended December 31, 2023 (as of December 31, 2023)					Fiscal period ended June 30, 2024 (as of June 30, 2024)	
1. Significant components of deferred tax assets and liabilities (Unit: JPY thousand)					1. Significant components of deferred tax assets and liabilities (Unit: JPY thousand)	
(Deferred tax assets)					(Deferred tax assets)	
Enterprise tax payable	615				Enterprise tax payable	615
Buildings and other (merger)	181,991				Buildings and other (merger)	178,783
Land (merger)	116,724				Land (merger)	116,724
Loss carried forward (Note 1)	1,277,967				Loss carried forward (Note 1)	1,277,967
Asset retirement obligations	123,701				Asset retirement obligations	124,420
Amortization of leasehold right	186,540				Amortization of leasehold right	198,750
Adjustment of acquisition prices (overseas properties)	441,696				Adjustment of acquisition prices (overseas properties)	437,750
Deposit	9,789				Excess depreciation	3,496
Subtotal	2,339,028				Deposit	1,753
Valuation allowance for tax loss carried forward	-1,277,967				Subtotal	2,340,262
Valuation allowance for the total of deductible temporary differences, etc.	-1,061,060				Valuation allowance for tax loss carried forward	-1,277,967
Subtotal (Note 2)	-2,339,028				Valuation allowance for the total of deductible temporary differences, etc.	-1,062,295
Total	-				Subtotal (Note 2)	-2,340,262
(Note 1) The amounts of tax loss carried forward and the deferred tax assets by carry-forward period are as follows. (Unit: JPY thousand)					Total	-
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	(Note 1) The amounts of tax loss carried forward and the deferred tax assets by carry-forward period are as follows. (Unit: JPY thousand)	
Tax loss carried forward (a)	-	-	-	-		Due within one year
Valuation allowance	-	-	-	-	Tax loss carried forward (a)	-
Deferred tax assets	-	-	-	-	Valuation allowance	-
	Due after four to five years	Due after five years	Total		Deferred tax assets	-
Tax loss carried forward (a)	-	1,277,967	1,277,967			Due after four to five years
Valuation allowance	-	-1,277,967	-1,277,967		Tax loss carried forward (a)	-
Deferred tax assets	-	-	-		Valuation allowance	-
(a) Tax loss carried forward is multiplied by statutory tax rate.					Deferred tax assets	-
(Note 2) Valuation allowance increased by JPY 117,295 thousand mainly due to an increase in the valuation allowance for asset retirement obligations.					(a) Tax loss carried forward is multiplied by statutory tax rate.	

(Reference) Fiscal period ended December 31, 2023 (as of December 31, 2023)	Fiscal period ended June 30, 2024 (as of June 30, 2024)
2. Significant difference between statutory tax rate and the effective tax rate	2. Significant difference between statutory tax rate and the effective tax rate
Statutory tax rate 31.46%	Statutory tax rate 31.46%
Deductible cash distributions -31.50%	Deductible cash distributions -31.44%
Changes in valuation allowance 1.06%	Changes in valuation allowance -0.02%
Others -1.01%	Others 0.00%
Effective tax rate 0.01%	Effective tax rate 0.00%

[Notes Related to Financial Instruments]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
1. Status of financial instruments	1. Status of financial instruments
(1) Policy for financial instruments INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term. The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans. Derivative transactions are to be entered into for the purpose of hedging against the risks of future interest rate fluctuations, exchange rate fluctuations, etc. and not for speculation. Surplus funds are managed after carefully taking into account safety, liquidity, the interest rate environment and financing.	(1) Policy for financial instruments INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term. The policy for raising funds is principally through issuing new investment units, investment corporation bonds, or borrowing loans. Derivative transactions are to be entered into for the purpose of hedging against the risks of future interest rate fluctuations, exchange rate fluctuations, etc. and not for speculation. Surplus funds are managed after carefully taking into account safety, liquidity, the interest rate environment and financing.
(2) Nature and extent of risks arising from financial instruments and risk management. The funds raised through borrowings and issuing investment corporation bonds are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loans. Liquidity risks relating to loan are managed by the finance department of CIM by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.	(2) Nature and extent of risks arising from financial instruments and risk management. The funds raised through borrowings and issuing investment corporation bonds are mainly used to acquire real estate properties or trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loans. Liquidity risks relating to loan are managed by the finance department of CIM by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.
(3) Supplemental information regarding fair value, etc. for financial instruments. Since certain assumptions, etc. are used in estimating the fair value of financial instruments, different assumptions, etc. may result in the variance of such value.	(3) Supplemental information regarding fair value, etc. for financial instruments. Since certain assumptions, etc. are used in estimating the fair value of financial instruments, different assumptions, etc. may result in the variance of such value.

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)				Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)																																																																								
<p>2. Estimated fair value of financial instruments. Book value, fair value and the difference between value as of December 31, 2023 are as follows. "Cash and bank deposits", "Cash and bank deposits in trust" and "Short-term loans payable" are omitted because their fair values are close to their book values since they are settled in cash and in a short period of time. Moreover, "Tenant leasehold and security deposits in trust" is omitted because they are not material.</p> <p style="text-align: right;">(Unit: JPY thousand)</p> <table border="1"> <thead> <tr> <th></th> <th>Book Value</th> <th>Fair Value</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>(1) Investment securities</td> <td>17,856,387</td> <td>21,102,242</td> <td>3,245,855</td> </tr> <tr> <td>Total assets</td> <td>17,856,387</td> <td>21,102,242</td> <td>3,245,855</td> </tr> <tr> <td>(2) Current portion of Investment Corporation Bonds</td> <td>(1,000,000)</td> <td>(994,700)</td> <td>5,300</td> </tr> <tr> <td>(3) Current portion of long-term loans payable</td> <td>(36,787,000)</td> <td>(36,787,000)</td> <td>-</td> </tr> <tr> <td>(4) Investment corporation bonds</td> <td>(13,900,000)</td> <td>(13,650,170)</td> <td>249,830</td> </tr> <tr> <td>(5) Long-term loans</td> <td>(180,893,000)</td> <td>(180,893,000)</td> <td>-</td> </tr> <tr> <td>Total liabilities</td> <td>(232,580,000)</td> <td>(232,324,870)</td> <td>255,130</td> </tr> <tr> <td>(6) Derivatives</td> <td>(646,492)</td> <td>(646,492)</td> <td>-</td> </tr> </tbody> </table> <p>(*1) Items recorded in the Liabilities Section are shown in parenthesis. (*2) Receivables and payables arising from derivative transactions are recorded in net amounts, and if the total net amount is a negative amount, such amount is shown in parenthesis. (Note 1) Methods to calculate fair value of financial instruments. (1) Investment securities For preferred equity interest, the assets and liabilities of the investee are valued at fair value, and the equity equivalent in the obtained net asset value is deemed as the fair value of the preferred equity interest. (2) Current portion of Investment Corporation Bonds (4) Investment corporation bonds Fair value is calculated using a method based on market price. (3) Current portion of long-term loans payable (5) Long-term loans payable Long-term loans with floating interest rates reflecting changes in market rates within a short-term period are stated at their book value as their book value approximate their fair value.</p>		Book Value	Fair Value	Difference	(1) Investment securities	17,856,387	21,102,242	3,245,855	Total assets	17,856,387	21,102,242	3,245,855	(2) Current portion of Investment Corporation Bonds	(1,000,000)	(994,700)	5,300	(3) Current portion of long-term loans payable	(36,787,000)	(36,787,000)	-	(4) Investment corporation bonds	(13,900,000)	(13,650,170)	249,830	(5) Long-term loans	(180,893,000)	(180,893,000)	-	Total liabilities	(232,580,000)	(232,324,870)	255,130	(6) Derivatives	(646,492)	(646,492)	-				<p>2. Estimated fair value of financial instruments. Book value, fair value and the difference between value as June 30, 2024 of are as follows. "Cash and bank deposits", "Cash and bank deposits in trust" and "Short-term loans payable" are omitted because their fair values are close to their book values since they are settled in cash and in a short period of time. 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(6) Derivatives (a) Derivatives transactions to which hedge accounting is not applied As for derivative transactions for which hedge accounting is not applied, the contract amount as of the closing date and the amount equivalent to the notional principal prescribed in the contract are as follows. (Unit: JPY thousand)						(6) Derivatives (a) Derivatives transactions to which hedge accounting is not applied As for derivative transactions for which hedge accounting is not applied, the contract amount as of the closing date and the amount equivalent to the notional principal prescribed in the contract are as follows. (Unit: JPY thousand)					
Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (*1)	Valuation gains/losses	Classification	Derivative transaction type, etc.	Contract amount, etc.		Fair value (*1)	Valuation gains/losses
		Amount due after one year						Amount due after one year			
OTC transaction	Currency forward transaction short USD	4,397,800	989,200	-425,438	-425,438	OTC transaction	Currency forward transaction short USD	758,400	-	-204,039	-204,039
(*1) Estimation method for fair value Currency option: Indicates fair values of option fees, etc. presented by the correspondent financial institutions. (b) Derivatives transactions to which hedge accounting is applied The contract amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below. (Unit: JPY thousand)						(*1) Estimation method for fair value Currency option: Indicates fair values of option fees, etc. presented by the correspondent financial institutions. (b) Derivatives transactions to which hedge accounting is applied The contract amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below. (Unit: JPY thousand)					
Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)	Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
			Amount due after one year						Amount due after one year		
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	130,282,250	101,297,250	-221,054	Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Borrowings	145,001,750	126,560,750	526,904
							Foreign Exchange Forward, short USD	Scheduled Foreign Currency Transaction	5,243,108 (*3)	2,336,588	-430,048 (*3)
(*1) The contract amount, etc. for interest rate swap are stated based on a notional principal. (*2) Estimation method for fair value Interest rate swap: Estimated based on the price, etc. presented by the correspondent financial institutions.						(*1) The contract amount, etc. for interest rate swap are stated based on a notional principal. (*2) Estimation method for fair value Interest rate swap, Foreign Exchange Forward: Estimated based on the price, etc. presented by the correspondent financial institutions. (*3) Of which, hedge accounting is partially applied to JPY 1,114,200 thousand of the contract amount, etc. and JPY -292,119 thousand of fair value is partially deferred.					

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)				Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)			
(Note 2) Repayment schedule of investment corporation bonds, long-term loans payable and other interest-bearing debts after the closing date of the fiscal period				(Note 2) Repayment schedule of investment corporation bonds, long-term loans payable and other interest-bearing debts after the closing date of the fiscal period			
(Unit: JPY thousand)				(Unit: JPY thousand)			
	Due within one year	Due after one to two years	Due after two to three years		Due within one year	Due after one to two years	Due after two to three years
Current portion of Investment Corporation Bonds	1,000,000	-	-	Current portion of Investment Corporation Bonds	1,000,000	-	-
Current portion of long-term loans payable	36,787,000	-	-	Current portion of long-term loans payable	44,553,000	-	-
Investment corporation bonds	-	-	5,000,000	Investment corporation bonds	-	5,000,000	-
Long-term loans payable	-	39,399,000	51,912,200	Long-term loans payable	-	25,042,000	44,260,200
Total	37,787,000	39,399,000	56,912,200	Total	45,553,000	30,042,000	44,260,200
	Due after three to four years	Due after four to five years	Due after five years		Due after three to four years	Due after four to five years	Due after five years
Current portion of Investment Corporation Bonds	-	-	-	Current portion of Investment Corporation Bonds	-	-	-
Current portion of long-term loans payable	-	-	-	Current portion of long-term loans payable	-	-	-
Investment corporation bonds	-	5,700,000	3,200,000	Investment corporation bonds	2,200,000	9,500,000	3,200,000
Long-term loans payable	31,018,750	53,281,050	5,282,000	Long-term loans payable	41,701,750	68,864,050	17,020,000
Total	31,018,750	58,981,050	8,482,000	Total	43,901,750	78,364,050	20,220,000

[Notes Related to Asset Retirement Obligations]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)																
<p>1. Summary of the asset retirement obligations for the period Part of INV's assets has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement and contractual and legal obligation to remove the asbestos.</p> <p>2. Calculation method for asset retirement obligations for the period The amount of the asset retirement obligations has been calculated by fixing the estimated period of use, based on the period until the expiration of the fixed-term land lease agreement (43 years) and the useful life of the buildings containing asbestos (15 to 31 years), and by using a discount rate of 1.342% and of 0.963 to 1.505%, respectively.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the end of the period (Unit: JPY thousand)</p>	<p>1. Summary of the asset retirement obligations for the period Part of INV's assets has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement and contractual and legal obligation to remove the asbestos.</p> <p>2. Calculation method for asset retirement obligations for the period The amount of the asset retirement obligations has been calculated by fixing the estimated period of use, based on the period until the expiration of the fixed-term land lease agreement (43 years) and the useful life of the buildings containing asbestos (15 to 31 years), and by using a discount rate of 1.342% and of 0.963 to 1.505%, respectively.</p> <p>3. Increase/decrease in the total amount of asset retirement obligations for the end of the period (Unit: JPY thousand)</p>																
<table border="1"> <tr> <td>Balance at the beginning of the period</td> <td style="text-align: right;">34,097</td> </tr> <tr> <td>Increase due to the acquisition of properties</td> <td style="text-align: right;">357,149</td> </tr> <tr> <td>Accretion expense</td> <td style="text-align: right;">1,955</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">393,202</td> </tr> </table>	Balance at the beginning of the period	34,097	Increase due to the acquisition of properties	357,149	Accretion expense	1,955	Balance at the end of the period	393,202	<table border="1"> <tr> <td>Balance at the beginning of the period</td> <td style="text-align: right;">393,202</td> </tr> <tr> <td>Increase due to the acquisition of properties</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Accretion expense</td> <td style="text-align: right;">2,285</td> </tr> <tr> <td>Balance at the end of the period</td> <td style="text-align: right;">395,487</td> </tr> </table>	Balance at the beginning of the period	393,202	Increase due to the acquisition of properties	-	Accretion expense	2,285	Balance at the end of the period	395,487
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[Notes Related to Rental Properties]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)					Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)				
<p>INV owns residential properties and hotels as core assets principally in the Greater Tokyo area and major regional cities with an aim to establish a portfolio focusing on both stability and growth potential. The book value changed during the period and the fair value at the end of the period are as follows.</p> <p style="text-align: right;">(Unit: JPY thousand)</p>					<p>INV owns residential properties and hotels as core assets principally in the Greater Tokyo area and major regional cities with an aim to establish a portfolio focusing on both stability and growth potential. The book value changed during the period and the fair value at the end of the period are as follows.</p> <p style="text-align: right;">(Unit: JPY thousand)</p>				
Use	Book value			Fair value at the end of the period	Use	Book value			Fair value at the end of the period
	Balance at the beginning of the period	Change during the period	Balance at the end of the period			Balance at the beginning of the period	Change during the period	Balance at the end of the period	
Residences	34,210,779	-124,698	34,086,080	48,229,000	Residences	34,086,080	-188,194	33,897,885	48,546,000
Commercial facilities	1,588,724	3,999	1,592,723	2,380,000	Commercial facilities	1,592,723	-17,055	1,575,668	2,380,000
Hotels	404,698,985	55,404,420	460,103,406	578,432,474	Hotels	460,103,406	-2,335,894	457,767,512	606,976,797
Total	440,498,489	55,283,722	495,782,211	629,041,474	Total	495,782,211	-2,541,143	493,241,067	657,902,797
<p>(Note 1) Book value is the figure calculated by subtracting amount of accumulated depreciation from acquisition price (including acquisition-related costs).</p> <p>(Note 2) The major factor for the increase for the previous fiscal period were construction work related to capital expenditure and acquisition of hotels.</p> <p>(Note 3) The major factor of the decrease was depreciation.</p> <p>(Note 4) The fair value at the end of the previous fiscal period is determined based on the appraisal value or survey value provided by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE, Inc.</p> <p>For information related to profits and losses from rental properties in the previous fiscal period, please refer to "Notes to Statement of Income and Retained Earnings."</p>					<p>(Note 1) Book value is the figure calculated by subtracting amount of accumulated depreciation from acquisition price (including acquisition-related costs).</p> <p>(Note 2) The major factors for the increase for the Reporting Period was construction work related to capital expenditure.</p> <p>(Note 3) The major factor of the decrease was depreciation.</p> <p>(Note 4) The fair value at the end of the Reporting Period is determined based on the appraisal value or survey value provided by Asset Research and Development Inc., Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K., The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE, Inc.</p> <p>For information related to profits and losses from rental properties in the Reporting Period, please refer to "Notes to Statement of Income and Retained Earnings."</p>				

[Notes Related to Restriction on Asset Management]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
Not applicable.	Not applicable.

[Notes Related to Transactions with Related Parties]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)

1 Interested parties of CIM

Classification	Name	Business or occupation	Percentage of voting rights owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Interested party of CIM	Sheffield Asset Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	40,293,000	-	-
	Heijo Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	9,840,000	-	-
	Nippori Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	4,652,000	-	-
	Shiretoko Tokutei Mokuteki Kaisha (Note 3)	Investment management business	-	Purchase of trust beneficiary interests in real estate (Note 2) (Note 4)	2,445,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	1,064,067	Accounts receivable	174,796
	MyStays Hotel Management Co., Ltd. (Note 3)	Hotel business	-	Rental revenues	10,473,047	Accounts receivable	3,915,256

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

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

(Note 3) Sheffield Asset Tokutei Mokuteki Kaisha, Heijo Tokutei Mokuteki Kaisha, Nippori Tokutei Mokuteki Kaisha, Shiretoko Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with CIM. However, these tenants and operators have received an anonymous partnership investment or investment through funds that are managed by affiliates of FIG (a subsidiary of SoftBank Group Corp., which was a parent company of CIM directly/indirectly owning 100% of its issued shares). Accordingly, INV treats Sheffield Asset Tokutei Mokuteki Kaisha, Heijo Tokutei Mokuteki Kaisha, Nippori Tokutei Mokuteki Kaisha, Shiretoko Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

(Note 4) The purchase of trust beneficiary interests pertains to the following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses for acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
D84	Fusaki Beach Resort Hotel & Villas	Sheffield Asset Tokutei Mokuteki Kaisha	40,293,000
D85	Tateshina Grand Hotel Takinoyu	Heijo Tokutei Mokuteki Kaisha	8,365,000
D86	Hotel MyStays Okayama	Nippori Tokutei Mokuteki Kaisha	2,613,000
D87	Hotel MyStays Aomori Station	Shiretoko Tokutei Mokuteki Kaisha	2,445,000
D88	Hotel MyStays Soga	Nippori Tokutei Mokuteki Kaisha	2,039,000
D89	Tazawako Lake Resort & Onsen	Heijo Tokutei Mokuteki Kaisha	1,475,000
Total			57,230,000

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	654,700	Short-term loans payable	9,130,300
				Repayment of short-term loan	7,278,500		
				Borrowing of long-term loan	15,441,800	Long-term loans payable	29,735,700
				Repayment of long-term loan	2,955,000		
				Finance-related fees (Note 2)	294,524	Prepaid expenses	121,723
						Long-term prepaid expenses	220,290
Interest expenses (Note 2)	88,063	Accrued expenses	1,504				

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

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

Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

1 Interested parties of CIM

Classification	Name	Business or occupation	Percentage of voting rights owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Interested party of CIM	Naqua Hotel & Resorts Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	614,990	Rental receivables	265,387
	Island Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	627,322	Rental receivables	265,933
	MyStays Hotel Management Co., Ltd. (Note 2)	Hotel business	-	Rental revenues	10,584,789	Rental receivables	3,952,343

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

(Note 2) Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd. and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with CIM. However, these tenants and operators have received an anonymous partnership investment or investment through funds that are managed by affiliates of FIG (a subsidiary of SoftBank Group Corp., which was a parent company of CIM directly/indirectly owning 100% of its issued shares until May 15, 2024 (Eastern Standard Time); a subsidiary of the parent company which indirectly holds 100% of the issued share of CIM on and after May 15, 2024 (Eastern Standard Time)). Accordingly, INV treats Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd. and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

2 Asset Custody Company

Classification	Name	Business or occupation	Percentage of investment units owned (%)	Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
Asset Custody Company	Sumitomo Mitsui Trust Bank, Limited	Banking and trust business	-	Borrowing of short-term loan	-	Short-term loans payable	-
				Repayment of short-term loan	9,130,300		
				Borrowing of long-term loan	11,338,200	Long-term loans payable	38,211,300
				Repayment of long-term loan	2,862,600		
				Finance-related fees (Note 2)	211,053	Prepaid expenses	152,054
						Long-term prepaid expenses	320,708
Interest expenses (Note 2)	116,299	Accrued expenses	2,295				

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

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

[Notes Related to Per Unit Information]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)		Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	
Net assets per unit	JPY 43,090	Net assets per unit	JPY 43,455
Net income per unit	JPY 1,639	Net income per unit	JPY 1,914
Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated, as there are no diluted units.		Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated, as there are no diluted units.	

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

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)		Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	
Net income for the period (JPY thousand)	11,032,571	Net income for the period (JPY thousand)	12,900,561
Amounts not attributable to common unitholders (JPY thousand)	-	Amounts not attributable to common unitholders (JPY thousand)	-
Net income attributable to common units (JPY thousand)	11,032,571	Net income attributable to common units (JPY thousand)	12,900,561
Average number of investment units during the period (units)	6,732,039	Average number of investment units during the period (units)	6,737,121

[Notes Related to Revenue Recognition]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)																																																				
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Major revenue from contracts with customers is proceeds from sale of real estate properties.</p> <p>2. Information utilized as the basis for understanding revenue from contracts with customers The information is as described in "Notes Concerning Significant Accounting Policies" above.</p> <p>3. 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[Notes Related to Significant Subsequent Events]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
Not applicable	<p>1. Issuance of new investment units</p> <p>INV resolved at its meetings of the Board of Directors held on July 18, 2024 and July 24, 2024 respectively to conduct the issuance of new investment units and secondary offering of investment units. Payment for the new investment units issued through the public offering was completed on July 30, 2024, in accordance with the following terms and conditions. Payment for the third-party allotment in connection with over-allotment will be completed on August 27, 2024. The unitholders' capital of INV will be JPY 326,079 million and the number of investment units issued and outstanding of INV will increase to 7,646,453 when the payment for 14,332 investment units subscribed for the third-party allotment is completed.</p> <p>(1) Issuance of new investment units through public offering</p> <p>Number of investment units offered : 895,000 investment units</p> <p>Of which</p> <p> domestic public offering : 472,113 investment units</p> <p> overseas offering : 422,887 investment units</p> <p>Issue price (offer price) : JPY 61,560 per unit</p> <p>Total issue price (total offer price) : JPY 55,096,200,000</p> <p>Paid amount (issue value) : JPY 63,602 per unit</p> <p>Total paid amount (total issue value) : JPY 56,923,790,000</p> <p>Payment date : July 30, 2024</p> <p>(2) Issuance of new investment units through third-party allotment</p> <p>Number of investment units offered : 14,332 investment units</p> <p>Amount to be paid (issue value) : JPY 61,560 per unit</p> <p>Total paid amount (total issue value) : JPY 882,277,920</p> <p>Payment date : August 27, 2024</p> <p>Allottee : Mizuho Securities Co., Ltd.</p> <p>2. Debt Financing</p> <p>In order to fund a portion of the acquisition price for 12 hotel properties (domestic real estate trust beneficiary interests) acquired on July 31, 2024, INV resolved the following debt financing at a meeting of the Board of Directors held on July 18, 2024, and entered into a loan agreement on the same day.</p> <p>New Syndicate Loan (015)</p> <p>Lender : Syndicate of lenders arranged by Mizuho Bank, Ltd.</p> <p>Outstanding balance : JPY 56,725 million</p>

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
	<p>Interest rate, etc. : Base Rate (3-month JPY TIBOR) + 0.700%, 0.600%, 0.500% 1.5975%</p> <p>Interest payment date : Base Rate (1-month JPY TIBOR) + 0.200%</p> <p>Interest payment date : The last Japanese business day of March, June, September, and December before the principal maturity date, beginning with September 30, 2024, and the principal maturity date The last Japanese business day of each month before the principal maturity date, beginning with August 31, 2024, and the principal maturity date</p> <p>Principal repayment method : Lump-sum repayment</p> <p>Borrowing method : Unsecured/ non-guarantee</p> <p>Borrowing date : July 31, 2024</p> <p>Maturity date : July 16, 2031, July 16, 2030, July 16, 2029, July 31, 2025</p> <p>3. Acquisition of assets (properties) INV resolved acquisition of the following 12 hotel properties (total acquisition price: JPY 104,420 million) on July 18, 2024 and completed the acquisition on July 31, 2024.</p> <p>Property Number: D90 Art Hotel Osaka Bay Tower & Solaniwa Onsen</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 31,185 million</p> <p>Location : Osaka-shi, Osaka</p> <p>Completion Date : June 1990</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Ganges Tokutei Mokuteki Kaisha</p> <p>Total Floor Area (Note 2) : 44,759.49 m²</p> <p>Total Leasable Area : 44,759.49 m²</p> <p>Property Number: D91 Hakodate Kokusai Hotel</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 16,830 million</p> <p>Location : Hakodate-shi, Hokkaido</p> <p>Completion Date : March 1972 March 1994 November 2018</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Hakodate Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 34,511.60 m²</p> <p>Total Leasable Area : 34,511.60 m²</p>

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
	<p>Property Number: D92 Art Hotel Nippori Lungwood</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 16,335 million</p> <p>Location : Arakawa-ku, Tokyo</p> <p>Completion Date : November 1988</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Nippori Tokutei Mokuteki Kaisha</p> <p>Total Floor Area (Note 3) : 10,984.28 m²</p> <p>Total Leasable Area : 10,984.28 m²</p> <p>Property Number: D93 Hotel MyStays Kumamoto Riverside</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 6,831 million</p> <p>Location : Kumamoto-shi, Kumamoto</p> <p>Completion Date : November 1984 February 1995</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Rishiri Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 6,347.65 m²</p> <p>Total Leasable Area : 6,347.65 m²</p> <p>Property Number: D94 Art Hotel Aomori</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 5,672 million</p> <p>Location : Aomori-shi, Aomori</p> <p>Completion Date : June 1996</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Shiretoko Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 9,176.79 m²</p> <p>Total Leasable Area : 9,176.79 m²</p> <p>Property Number: D95 Kamenoi Hotel Izukogen</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 5,563 million</p> <p>Location : Ito-shi, Shizuoka</p> <p>Completion Date : June 1988</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Yakushima Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 8,891.36 m²</p> <p>Total Leasable Area : 8,891.36 m²</p> <p>Property Number: D96 Art Hotel Oita</p>

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
	<p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 5,484 million</p> <p>Location : Oita-shi, Oita</p> <p>Completion Date : November 1987</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Shiretoko Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 8,782.34 m²</p> <p>Total Leasable Area : 8,782.34 m²</p> <p>Property Number: D97 Art Hotel Kokura New Tagawa</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 4,672 million</p> <p>Location : Kitakyushu-shi, Fukuoka</p> <p>Completion Date : April 1973 November 1997</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Kawaguchiko Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 14,055.23 m²</p> <p>Total Leasable Area : 14,055.23 m²</p> <p>Property Number: D98 Art Hotel Miyazaki Sky Tower</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 3,821 million</p> <p>Location : Miyazaki-shi, Miyazaki</p> <p>Completion Date : September 1991</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Rishiri Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 8,766.25 m²</p> <p>Total Leasable Area : 8,766.25 m²</p> <p>Property Number: D99 Art Hotel Kagoshima</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 3,395 million</p> <p>Location : Kagoshima-shi, Kagoshima</p> <p>Completion Date : September 1981</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Shiretoko Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 14,854.67 m²</p> <p>Total Leasable Area : 14,854.67 m²</p> <p>Property Number: D100 Kamenoi Hotel Hikone</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 2,603 million</p> <p>Location : Hikone-shi, Shiga</p>

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
	<p>Completion Date : December 1969</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Yakushima Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 6,060.87 m²</p> <p>Total Leasable Area : 6,060.87 m²</p> <p>Property Number: D101 Kamenoi Hotel Nara</p> <p>Acquisition Date : July 31, 2024</p> <p>Acquisition Price (Note 1) : JPY 2,029 million</p> <p>Location : Nara-shi, Nara</p> <p>Completion Date : September 1966</p> <p>Legal Form of Asset : Trust beneficiary interest</p> <p>Seller : Yakushima Tokutei Mokuteki Kaisha</p> <p>Total Floor Area : 5,041.02 m²</p> <p>Total Leasable Area : 5,041.02 m²</p> <p>(Note 1) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition-related expenses, property taxes, city planning taxes or consumption taxes.</p> <p>(Note 2) "Total Floor Area" of exclusively-owned area acquired by INV on July 31, 2024. The total floor area of the entire building is 175,604.98 m².</p> <p>(Note 3) "Total Floor Area" of exclusively-owned area acquired by INV (excluding parking area) on July 31, 2024. The total floor area of the entire building is 21,601.47 m².</p>

[Notes Related to Provision and Reversal of Allowance for Temporary Differences Adjustment]

(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
Not applicable	Not applicable

VI. Statement of Cash Distribution

	(Reference) Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
I. Unappropriated retained earnings	JPY 19,690,532,049	JPY 21,542,214,804
II. Distributions (Distribution per unit)	JPY 11,048,878,440 (JPY 1,640)	JPY 12,915,060,957 (JPY 1,917)
III. Retained earnings (deficit) carried forward	JPY 8,641,653,609	JPY 8,627,153,847
Calculation method of distribution amount	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable income as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 11,048,878,440 which is a total of net income of JPY 11,032,571,310 and retained earnings carried forward of JPY 16,307,130.	In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable income as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be JPY 12,915,060,957 out of net income of JPY 12,900,561,195 and retained earnings carried forward of JPY 14,499,762.

Note

Accompanying English financial information, comprising Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution, have been translated from the Japanese financial statements of INV prepared in accordance with the Act on Investment Trusts and Investment Corporations of Japan. Under Article 130 of the Act on Investment Trusts and Investment Corporations of Japan, the Japanese financial statements for the six months ended June 30, 2024 have been audited by Ernst & Young ShinNihon LLC, in accordance with auditing standards generally accepted in Japan. However, English translation of the Japanese language report of independent auditors is not attached herein since the accompanying English translation of Balance Sheet, Statement of Income and Retained Earnings, Statements of Changes in Net Assets, Notes to financial statements and Statement of Cash Distribution is unaudited.

Regarding the English audited financial statements, please refer to the “Audited Financial Statements” on the website of Invincible Investment Corporation: <https://www.invincible-inv.co.jp/en/ir/library.html>

VII. Statement of Cash Flows (Reference Information)

	(Unit: JPY thousand)	
	Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
Cash flows from operating activities		
Net income before taxes	11,033,176	12,901,166
Depreciation and amortization	4,217,991	4,341,470
Loss on reduction entry of non-current assets	-	24,991
Investment unit issuance costs	152,379	-
Amortization of investment corporation bond issuance costs	10,839	15,608
Loan-related costs	620,370	583,615
Interest income	-138	-163
Interest expenses	666,231	1,002,142
Foreign exchange losses (gains)	23	-142
Loss (gain) of derivatives	30,078	560,841
Decrease (increase) in rental receivables	916,217	-1,206,749
Decrease (Increase) in deposits paid	-1,433,237	-438,055
Decrease (increase) in receivable income taxes	-5	-3
Decrease (increase) in consumption taxes receivable	-3,038,267	2,615,543
Increase (decrease) in accounts payable	-3,446	-4,478
Increase (decrease) in consumption taxes payable	-	1,023,206
Increase (decrease) in accrued expenses	8,353	85,639
Increase (decrease) in advances received	-238	7,905
Increase (decrease) in deposits received	43,443	-36,518
Others, net	193,803	-176,618
Subtotal	13,417,575	21,299,400
Interest income received	138	163
Interest expenses paid	-643,780	-973,357
Income taxes paid	-605	-605
Net cash provided by operating activities	12,773,327	20,325,601
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	800,000	-
Purchases of property and equipment	-122,052	-434,456
Purchases of property and equipment in trust	-55,967,444	-1,818,446
Purchases of leasehold rights in trust	-3,055,022	-
Repayments of tenant leasehold and security deposits in trust	-33,591	-22,016
Proceeds from tenant leasehold and security deposits in trust	40,318	28,659
Payment of tenant leasehold and security deposits	-9,640	-8,100
Others	-95,410	-500,120
Net cash used in investing activities	-58,442,843	-2,754,478

Cash flows from financing activities		
Proceeds from short-term loans payable	11,899,000	-
Repayments of short-term loans payable	-86,832,000	-27,707,000
Proceeds from long-term loans payable	129,686,000	43,557,000
Repayments of long-term loans payable	-26,343,000	-19,796,000
Proceeds from issuance of investment corporation bonds	3,470,368	5,950,508
Redemption of investment corporation bonds	-2,000,000	-
Borrowing related expenses	-2,684,150	-861,343
Payment of distributions of earnings	-8,922,722	-11,046,120
Proceeds from issuance of investment units	34,247,357	-
Net cash provided by (used in) financing activities	52,520,852	-9,902,955
Effect of exchange rate change on cash and cash equivalents	-23	142
Net increase (decrease) in cash and cash equivalents	6,851,312	7,668,309
Cash and cash equivalents at beginning of period	28,041,202	34,892,514
Cash and cash equivalents at end of period	*1 34,892,514	42,560,824

(Note) Statement of cash flows is prepared based on the Regulation on the Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963, as amended) and attached as reference. This statement of cash flows is not subject to audit by an auditor pursuant to the Article 130 of the Investment Trust Act, and thus has not been audited by an auditor.

[Notes Concerning Significant Accounting Policies] (Reference Information)

Item	By Period	Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
Cash and cash equivalents as stated in Statement of Cash Flows		Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.	Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.

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

Item \ By Period	Fiscal period ended December 31, 2023 (from July 1, 2023 to December 31, 2023)	Fiscal period ended June 30, 2024 (from January 1, 2024 to June 30, 2024)
*1. Relationship between cash and cash equivalents in Statement of Cash Flows and amounts in accompanying balance sheet	(As of December 31, 2023) (Unit: JPY thousand)	(As of June 30, 2024) (Unit: JPY thousand)
	Cash and bank deposits 21,956,120	Cash and bank deposits 30,213,929
	Cash and bank deposits in trust 12,936,394	Cash and bank deposits in trust 12,346,894
	Cash and cash equivalents 34,892,514	Cash and cash equivalents 42,560,824

“My Number” is issued to all citizens and residents of Japan and is necessary for taxation purposes on investment units. Thus, it is necessary for unitholders to notify their brokerage with their “My Number.”

Usage of “My Number” in investment units-related affairs

“My Number” is recorded on the payment record and the payment record is filed with the relevant tax authority pursuant to laws and regulations.

Major payment record	*Payment record regarding cash distribution
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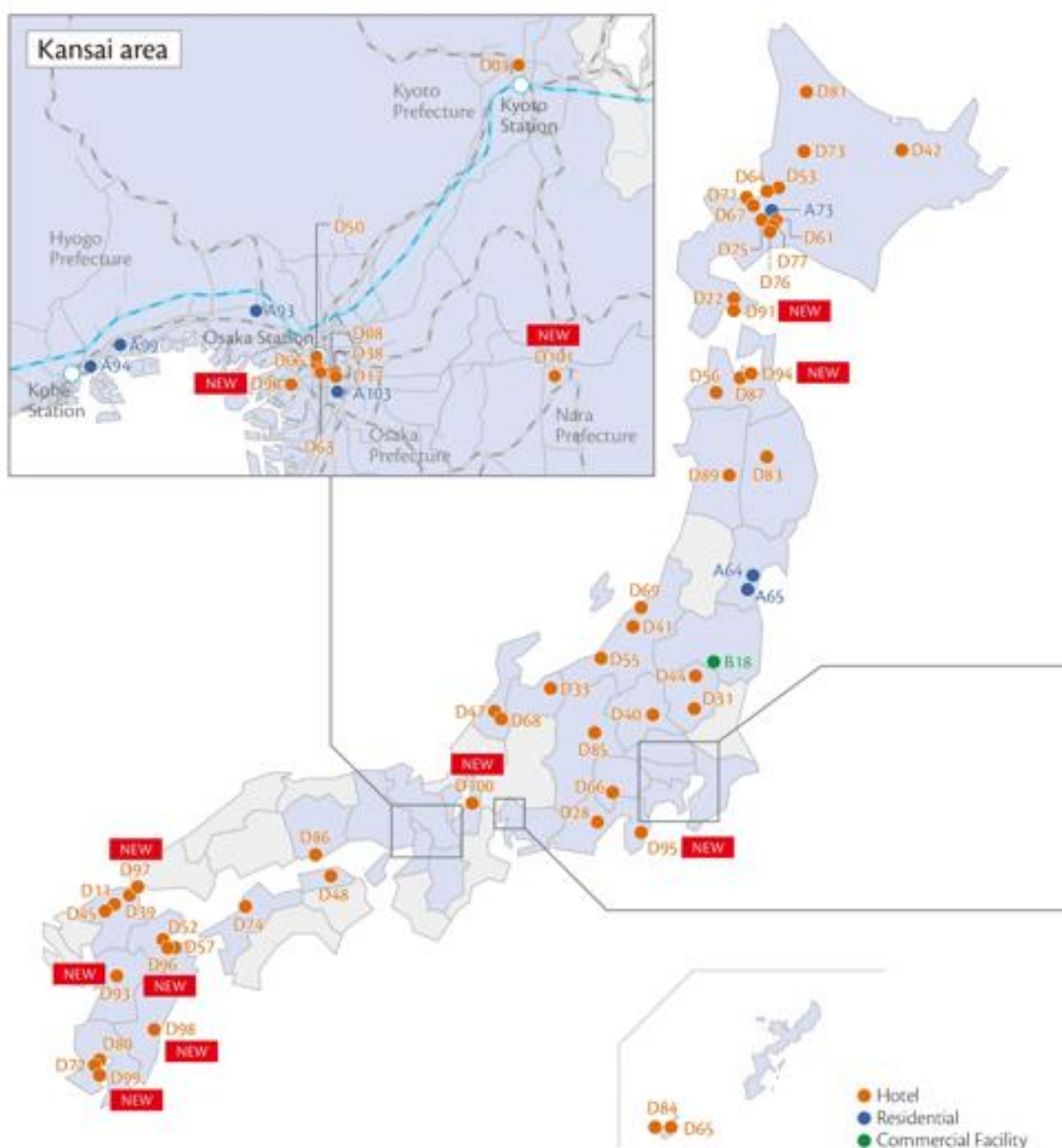
Usage of “My Number” also includes taxation-related procedures on investment units. It is necessary for unitholders to notify your “My Number” to your brokerage, etc.

Inquiries regarding notifying “My Number”

- Unitholders whose investment units are managed in brokerage accounts
Each brokerage
- Unitholders who have no brokerage account
Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited
Toll-free Telephone Number 0120-782-031

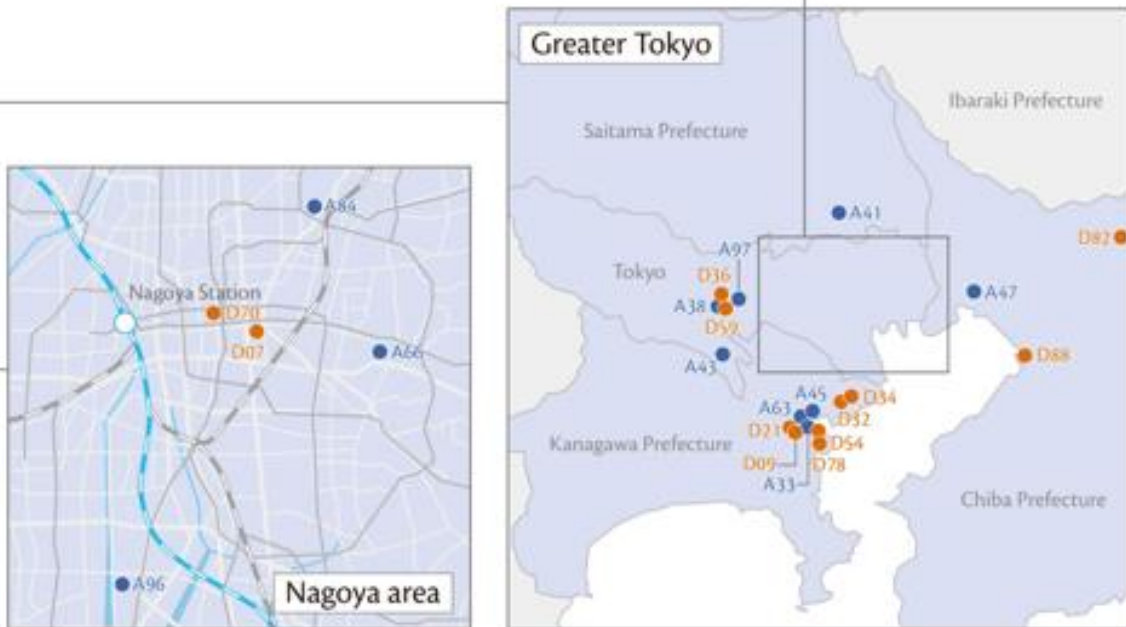
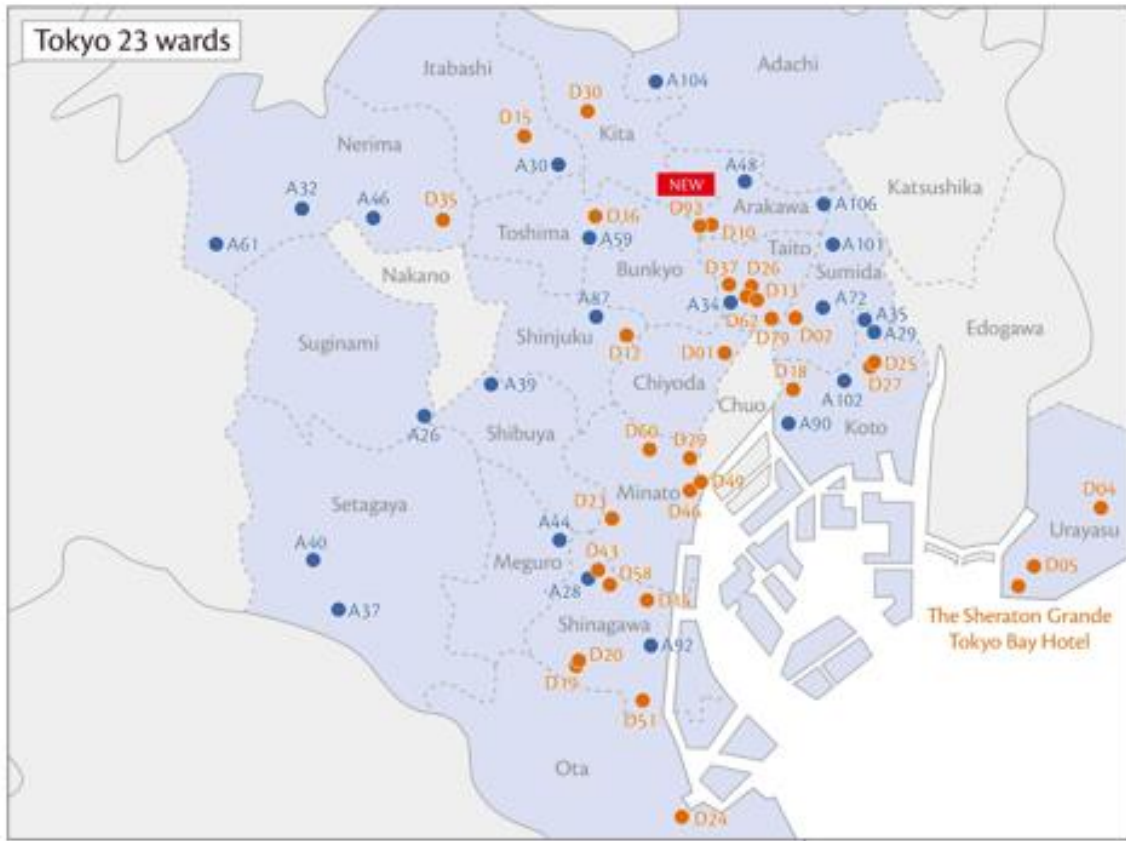
■ Domestic Portfolio Map (As of August 31, 2024)

No. of Properties (Note 1)	No. of Hotels (Note 1)	No. of Residential Properties	Others
146	104	41	1



(Note 1) Including Sheraton Grande Tokyo Bay Hotel, underlying assets of TMK investment.

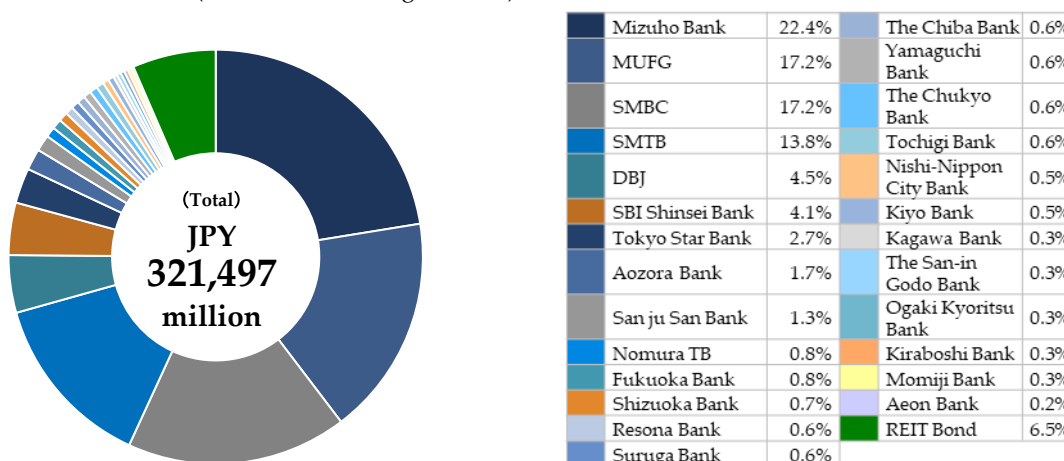
(Note 2) For properties corresponding to the number and their overview, please refer to pages 31-37.



Financial Conditions

INV further diversified fund procurement methods by issuing JPY 6 billion in retail bonds (investment corporation bonds for individual investors) for the first time in February 2024, and the credit rating was upgraded from A (positive) to A+ (stable) by Japan Credit Rating Agency in March 2024. In addition, INV further lengthened borrowing terms and diversified repayment dates and extended the average remaining duration of interest-bearing-debt from 2.4 years (as of the end of the December 2023 FP) to 3.5 years (as of August 26, 2024).

Lender Formation (as of the end of August, 2024)



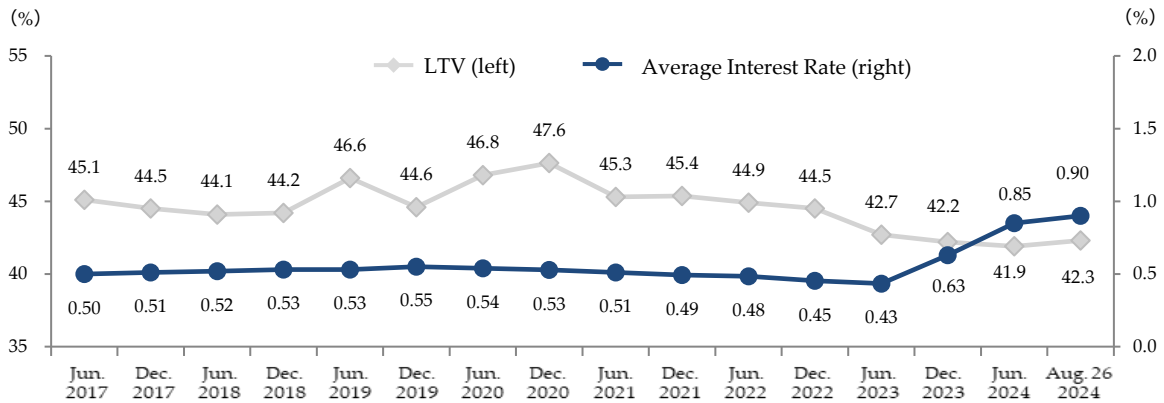
Investment Corporation Bonds

Bonds name	Issued Date	Term (years)	Balance (JPY mn)	Annual Interest Rate	Rating
2nd Series Investment Corporation Bonds	May 25, 2018	10.0	1,000	0.80%	A + (JCR)
4th Series Investment Corporation Bonds	Oct. 28, 2019	5.0	1,000	0.48%	A + (JCR)
5th Series Investment Corporation Bonds	Oct. 28, 2019	10.0	2,000	0.90%	A + (JCR)
6th Series Investment Corporation Bonds	Mar. 13, 2020	10.0	1,200	0.85%	A + (JCR)
7th Series Investment Corporation Bonds	May 25, 2023	3.0	5,000	1.00%	A + (JCR)
8th Series Investment Corporation Bonds	May 25, 2023	5.0	1,200	1.20%	A + (JCR)
9th Series Investment Corporation Bonds (green bonds)	Sep. 21, 2023	5.0	1,700	1.20%	A + (JCR)
10th Series Investment Corporation Bonds (green bonds)	Dec. 14, 2023	5.0	1,800	1.297%	A + (JCR)
11th Series Investment Corporation Bonds (retail bonds)	Feb. 9, 2024	5.0	6,000	1.470%	A + (JCR)
Total			20,900		

Rating

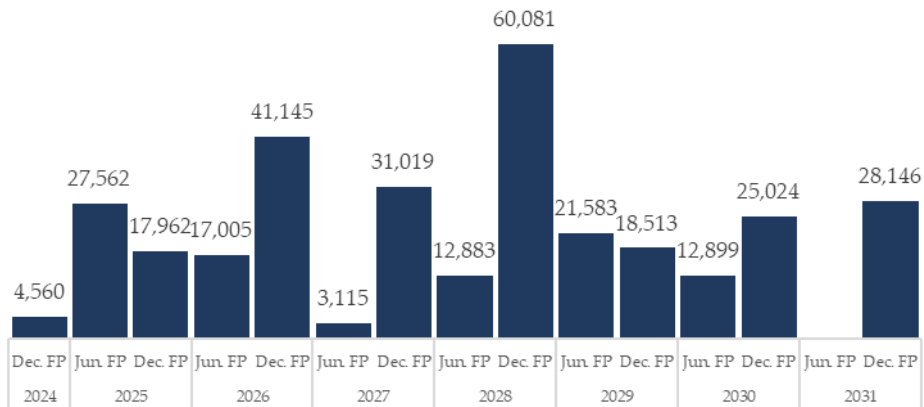
Rating Agency	Rating Object	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term Issuer Rating	A+	Stable

LTV (based on appraisal value)^(Note 1) and Weighted Average Interest Rate^(Note 2)



Maturity Ladder (as of August 26, 2024)

(JPY million)



(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV's investment amount) of such preferred equity interest is deemed as the appraisal value and included. For the Overseas Real Estate TK Interest the underlying assets of which are "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the acquisition price (INV's TK investment amount) of such TK interest is deemed as the appraisal value and included regarding the calculation for "Dec. 2018". Regarding "Jun. 2019" onward, calculation is based on the appraisal value as of the end of each fiscal period. USD is converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contract entered into on July 26, 2018.

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

(Note 3) The sum of the individual percentage of the lenders may not always add up to exactly 100% as the figures are rounded to the second decimal place.

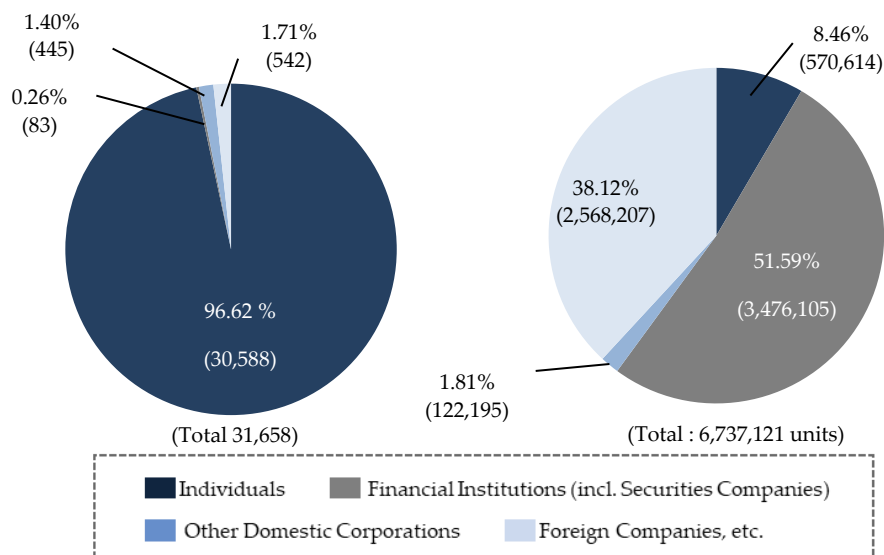
Overview of Unitholders/Investment Units

Historical Unit Price



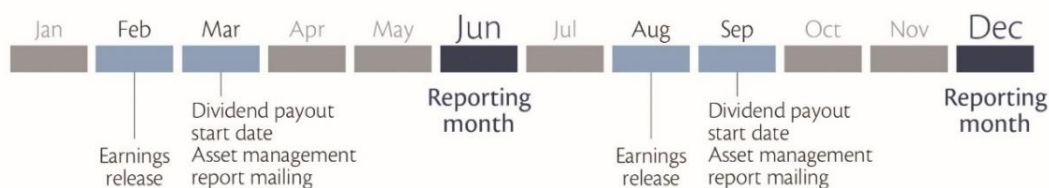
(Note) Unit prices indicate the closing price on the TSE market. TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013, as the same as the closing price of INV's unit on the same day.

Distribution of Unitholders



(Note) Percentage figures are rounded to one decimal place.

Annual Schedule



Information for Unitholders

For Unitholders

Investors' Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Special Account Management Institution	<Unitholders of the former Tokyo Growth REIT Investment Inc.> Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo <Unitholders of the former LCP Investment Corporation> Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Correspondence	Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo, 168-0063
(Telephone Assistance)	Toll-free Telephone Number 0120-782-031 Administrative services are available at the main and branch offices throughout Japan of Sumitomo Mitsui Trust Bank, Limited

Notification Process for Address Changes

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

Unitholders of the pre-merger Investment Corporation (former Tokyo Growth REIT Investment Inc.)

Mitsubishi UFJ Trust and Banking Corporation Toll-free Number: 0120-255-100

Unitholders of the former LCP Investment Corporation

Sumitomo Mitsui Trust Bank, Limited

Toll-free Number: 0120-782-031

Dividends

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

(Bank Transfers)

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

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

■ Notification

(Notice of Dividend Payment)

The 2008 amendment of the Special Taxation Measures Law (Act No. 23 of April 30, 2008) mandated the sending to unitholders a "Notice of Dividend Payment" stating the dividend amount, amount of taxes withheld, and the like for dividends payable in and after January 2009. If you collect dividends via a "Dividends Receipt," please view the "Notice of Dividend Payment" sent alongside it. If you have specified a wire transfer, the "Dividend Statement" delivered with the dividend payment is the "Notice of Dividend Payment."

(Characters for Addresses and Names of Unitholders)

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

■ Inquiries

For inquiries regarding INV: Consonant Investment Management Co., Ltd.

TEL: +81-(0)3-5411-2731 (Main)

Weekdays 9:00-17:00