Invincible Investment Corporation

Financial Summary for the June 2026 Fiscal Period

(from January 1, 2026 to June 30, 2026)

August 25, 2026

Name	:	Invincible Investment Corporation (“INV”)
Representative	:	Naoki Fukuda, Executive Director
Stock Listing	:	Tokyo Stock Exchange
Securities Code	:	8963
URL	:	https://www.invincible-inv.co.jp/en/
Contact	:	Consonant Investment Management Co., Ltd. (Asset Manager of INV) Jun Komo, General Manager of Planning Department Tel. +81-3-5411-2731
Start date for dividend distribution	:	September 25, 2026

(Figures are rounded down to the nearest JPY million)

1. Financial Results for the Fiscal Period ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Fiscal period ended June 30, 2026	26,789	(6.3)	17,564	(9.0)	14,730	(11.7)	14,729	(11.7)
Fiscal period ended December 31, 2025	28,591	13.9	19,309	14.0	16,689	16.2	16,688	16.2

	Net Income per Unit	Net Income / Unitholders' Equity	Ordinary Income / Total Assets	Ordinary Income / Operating Revenues
	JPY	%	%	%
Fiscal period ended June 30, 2026	1,926	4.2	2.1	55.0
Fiscal period ended December 31, 2025	2,182	4.7	2.4	58.4

(2) Distributions

	Distribution (Excluding excess profit distribution)		Excess Profit Distribution		Dividend Payout Ratio	Distribution / Net Assets
	Per Unit	Total	Per Unit	Total		
	JPY	JPY million	JPY	JPY million	%	%
Fiscal period ended June 30, 2026	1,930	14,757	-	-	100.2	4.2
Fiscal period ended December 31, 2025	2,186	16,715	-	-	100.2	4.7

(Note 1) Dividend Payout Ratio is calculated in accordance with the following formula and is rounded to the nearest one decimal place:
Dividend Payout Ratio = Distribution Amount (Excluding excess profit distribution) ÷ Net Income × 100

(Note 2) Distribution / Net Assets is calculated based on the figures excluding excess profit distribution.

(3) Financial Position

	Total Assets	Net Assets	Net Assets / Total	Net Assets per Unit
	JPY million	JPY million	%	JPY
Fiscal period ended June 30, 2026	708,154	352,854	49.8	46,146
Fiscal period ended December 31, 2025	709,095	354,587	50.0	46,372

(Note) Net Assets per Unit is calculated based on the number of investment units issued and outstanding at the end of each fiscal period.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investment Activities	Cash Flows from Financing Activities	Closing Balance of Cash and Cash Equivalents
	JPY million	JPY million	JPY million	JPY million
Fiscal period ended June 30, 2026	24,415	(1,655)	(16,860)	45,299
Fiscal period ended December 31, 2025	19,864	(38,459)	15,190	39,400

2. Forecasts for the Fiscal Period ending December 31, 2026 (from July 1, 2026 to December 31, 2026) and the Fiscal Period ending June 30, 2027 (from January 1, 2027 to June 30, 2027)

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (excluding excess profit distribution)	Excess Profit Distribution per Unit
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY
Fiscal period ending December 31, 2026	28,045	4.7	18,382	4.7	14,988	1.8	14,988	1.8	2,186	-
Fiscal period ending June 30, 2027	27,935	(0.4)	18,417	0.2	14,873	(0.8)	14,873	(0.8)	1,949	-

(Reference) Estimated net income per unit for the fiscal periods ending December 31, 2026 and the fiscal periods ending June 30, 2027 are JPY 1,960 and JPY 1,945, respectively.

※Others

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

(a) Changes in Accounting Policies due to Revisions to Accounting Standards and Other Regulations: None

(b) Changes in Accounting Policies due to Other Reasons: None

(c) Changes in Accounting Estimates: None

(d) Restatements: None

(2) Number of Investment Units Issued and Outstanding

(a) Number of Units Issued and Outstanding as of the End of the Fiscal Period (Including Treasury Units)	June 30, 2026	7,646,453	December 31, 2025	7,646,453
(b) Number of Treasury Units as of the End of the Fiscal Period	June 30, 2026	0	December 31, 2025	0

(Note) Please refer to "Notes Related to Per Unit Information" regarding the number of investment units which is the basis for the calculation of net income per unit.

- Financial Summary report is not subject to audit procedure by certified public accountants or audit corporations.
- Special Consideration

The forward-looking statements contained in this financial summary report are based on the information currently available to us and certain assumptions which we believe are reasonable. Actual operating performance may differ significantly due to factors we cannot predict as of the date of this document, including gains or losses from the disposition of properties, repayment of borrowings, decreases in rents and changes in operating conditions. Unless otherwise specified herein, amounts less than JPY 1 are rounded down, and ratios are rounded to the nearest one decimal place.

1. Operating Conditions

(1) Operating Conditions

a Overview of the Fiscal Period Ended June 30, 2026

(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.

In the Fiscal Period ended June 30, 2026 (“Reporting Period”), INV received a partial redemption of the preferred equity interest issued by Kingdom Special Purpose Company, which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset, in the amount of JPY 3,185 million on March 27, 2026. As a result, INV's portfolio at the end of the Reporting Period comprised of 156 properties (114 hotels (Note 2) (Note 3), 41 residential properties and one retail facility) with a total acquisition price of JPY 684,165 million (Note 4) as there was no acquisition nor disposition of assets during the Reporting Period. INV’s hotel portfolio has the largest asset size (Note 5) of JPY 643,380 million (114 properties, 19,816 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) with continuous acquisition of assets through sponsor support.

(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*) refers to 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 a TK operator of 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. Furthermore, as a result of the partial redemption of the preferred equity interest on March 27, 2026, INV’s investment amount in the preferred equity interest issued by Kingdom Special Purpose

Company was reduced from the initial investment amount of JPY 17,845 million (178,458 units of preferred equity interest) to JPY 14,660 million (146,608 units of preferred equity interest). 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 The Sunshine Hotel & Suites (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 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. Sunshine Suites Resort changed its name to "The Sunshine Hotel & Suites" on December 10, 2025. 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 114 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, 2026.

(b) Operational Performance

The portfolio NOI (Note 1) increased by 6.4% or JPY 1,461 million compared to the same period in the previous year (the June 2025 fiscal period) to JPY 24,378 million. Of which, the hotel portfolio NOI increased by JPY 1,442 million and the residential and retail portfolio NOI increased by JPY 19 million.

Commentary on hotel and residential performance is as described below.

The domestic hotel portfolio performance remained solid, supported by steady domestic demand and inbound demand from South Korea, Taiwan, the United States, and other markets. Some hotels, particularly in the Kansai area, experienced weaker performance due to the reactionary decline in demand following the Expo 2025 Osaka in the previous year and the decrease in visitors from China resulting from the deterioration of Japan-China relations, while the worsening situation in the Middle East had a negligible impact on operating performance. Among the 112 domestic hotels owned by INV at the beginning of the Reporting Period (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest of TMK owned by INV), gross revenue of the 101 domestic hotels (Note 2) operated by the major tenant for the Reporting Period increased by 3.0% compared to the same period in the previous year, and recorded an occupancy rate (Note 3) of 84.6%, ADR (Note 4) of JPY 13,849, and RevPAR (Note 5) of JPY 11,722.

The Cayman Hotels recorded an average occupancy rate of 72.0%, ADR of USD 669, and RevPAR of USD 481 for the Reporting Period. The Westin Grand Cayman Seven Mile Beach Resort & Spa continued to perform well, supported by steady demand from North America. At The Sunshine Hotel & Suites, restaurant renovation work took longer than planned, but occupancy, ADR, and RevPAR significantly exceeded year-ago levels, when the hotel's results were depressed by sales stoppages tied to its large-scale renovation. As a result, the Cayman Hotels achieved year-on-year increases in occupancy rate, RevPAR, gross revenues, and GOP.

Regarding the residential portfolio (Note 7), the occupancy rate (Note 8) of 41 residential properties increased by 1.1 points to 97.6% at the end of the Reporting Period from 96.5% at the end of the previous period. The average occupancy rate (Note 8) increased by 0.1 points YoY to 97.3%, driven by strong rental demand. The NOI (Note 9) for the Reporting Period increased by 1.8% YoY.

In the Reporting Period, INV realized a rent increase for 72.8% (based on the number of contracts) of the new residential lease contracts, and the new rent increased by 3.5% compared to the previous rent across all new leases (Note 10). INV achieved a rent increase for 63.4% (based on the number of contracts) of contract renewals with an average rent increase of 1.8% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate (Note 11) of 81.2%. Combined, new lease and renewal lease rents were signed at 2.3% higher than the previous leases. The average rent per tsubo per month (Note 12) for the Reporting Period increased by 1.2% YoY to JPY 9,419.

The total appraisal value of 155 properties (one out of the 156 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) increased 2.1% from JPY 831,061 million at the end of the December 2025 fiscal period to JPY 848,295 million. The portfolio has an unrealized gain of JPY 220,421 million (Note 13) and an unrealized gain ratio of 35.1% (Note 13).

Key Performance Indicators of 101 Domestic Hotel Properties (Note 2)

	June 2026 fiscal period	Year-on-year change
Occupancy Rate (Note 3)	84.6%	+0.8pt
ADR (JPY) (Note 4)	13,849	+0.7%
RevPAR (JPY) (Note 5)	11,722	+1.6%
Gross Revenue (JPY million)	53,559	+3.0%
Room Revenue (JPY million)	35,503	+1.7%
Non-Room Revenue (JPY million)	18,056	+5.6%
GOP (JPY million) (Note 6)	18,016	+0.4%

Key Performance Indicators of Cayman Hotels

	June 2026 fiscal period	Year-on-year change
Occupancy Rate (Note 3)	72.0%	+10.2pt
ADR (USD) (Note 4)	669	-1.0%
RevPAR (USD) (Note 5)	481	+15.5%
Gross Revenue (USD thousand)	70,295	+14.7%
Room Revenue (USD thousand)	41,389	+15.7%
Non-Room Revenue (USD thousand)	28,906	+13.3%
GOP (USD thousand) (Note 6)	32,685	+18.8%

Key Performance Indicators of 41 Residential Properties (Note 7)

	June 2026 fiscal period	Year-on-year change
Average Occupancy Rate (Note 8)	97.3%	+0.1pt
Average Rent per Tsubo per Month (JPY) (Note 12)	9,419	+1.2%
NOI (JPY million) (Note 9)	1,166	+1.8%

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

NOI＝ Rental Revenues ‐ Property Related Expenses + Depreciation Expenses + Dividend on the preferred equity interest (TMK dividend) + (Management Contract Revenue of the Cayman Hotels ‐ Management Contract Expense)

(Note 2) Of the 112 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the beginning of the June 2026 fiscal period, this refers to 101 hotels operated by Iconia Hospitality K.K. (MyStays Hotel Management changed its company name to Iconia Hospitality K.K. on July 1, 2025. Hereinafter "ICN") and its subsidiary. In addition, the figures for the properties acquired after January 2025 are calculated on the assumption INV had acquired those properties on January 1, 2025, using the actual figures provided by the sellers of such properties for the period before the acquisition. Hereinafter the same shall apply.

(Note 3) "Occupancy rate" for the hotel properties is calculated in accordance with the following formula:
Occupancy rate = total number of occupied rooms during a certain period ÷ total number of rooms available during the same period (number of rooms x number of days)
Hereinafter the same shall apply.

(Note 4) "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 5) "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 x 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 6) "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 7) Based on the 41 residential properties owned as of the end of June 2026. 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 calculated by 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 totaled JPY 348,654 million as of the end of the Reporting Period, with an Interest-Bearing Debt Ratio (Note 1) of 49.2%, LTV on an appraisal value basis (Note 2) of 41.9%, and an average interest rate (Note 3) of 1.46%.

(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 loan) / total assets x 100
Short-term consumption tax loan is a loan which is to be repaid before maturity date with refund of consumption taxes and regional consumption taxes on an acquisition of a property.

(Note 2) LTV (appraisal value basis) uses the calculation formula below:
LTV = total outstanding interest-bearing debt (excluding short-term consumption tax loan) / total appraisal value (*) x 100
(*) Since the appraisal value for Sheraton Grande Tokyo Bay Hotel (preferred equity interest) is not available, the acquisition price of the preferred equity interest (JPY 14,660 million) is deemed as the appraisal value of Sheraton Grande Tokyo Bay Hotel (preferred equity interest). For the appraisal value of the Cayman Hotels, 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, and executed on September 26, 2018.

(Note 3) The average interest rate (annual rate) is calculated by 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 (020) (total amount borrowed: JPY 10,505 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.40000% for a duration of four years, floating interest rate of 1-month JPY TIBOR plus 0.30000% (by the interest swap agreement on March 12, 2026, it is fixed, in effect, at 2.15260%) for a duration of three years, floating interest rate of 1-month JPY TIBOR plus 0.30000% (by the interest swap agreement on July 14, 2026, it is fixed, in effect, at 2.12245%) for a duration of three years), which was arranged by Mizuho Bank, Ltd. on March 16, 2026 in order to repay New Syndicate Loan (007) in the amount of JPY 9,267 million and New Syndicate Loan (013) in the amount of JPY 1,238 million due on March 14, 2026.

Moreover, INV borrowed Term Loan (028) (amount borrowed: JPY 1,700 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.25000% (by the interest swap agreement on July 14, 2026, it is fixed, in effect, at 2.14490%) for a duration of three years from Mizuho Bank, Ltd., Term Loan (029) (amount borrowed: JPY 1,650 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.25000% (by the interest swap agreement on July 14, 2026, it is fixed, in effect, at 2.14490%) for a duration of three years from MUFG Bank, Ltd., Term Loan (030) (amount borrowed: JPY 1,650 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.25000% (by the interest swap agreement on July 14, 2026, it is fixed, in effect, at 2.14490%) for a duration of three years from Sumitomo Mitsui Banking Corporation, Term Loan (031) (amount borrowed: JPY 1,000 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.25000% (by the interest swap agreement on July 14, 2026, it is fixed, in effect, at 2.14490%) for a duration of three years from Development Bank of Japan, Inc. on June 19, 2026 and Term Loan (032) (amount borrowed: JPY 500 million; interest rate: floating interest rate of 1-month JPY TIBOR plus 0.25000% (by the interest swap agreement on July 14, 2026, it is fixed, in effect, at 2.14490%) for a duration of three years from MUFG Bank, Ltd. on June 29, 2026 in order to replenish cash on hand that decreased due to the redemption of the 7th series unsecured corporate bonds in the amount of JPY 5,000 million on May 25, 2026 and to repay Term Loan (013) in the amount of JPY 1,000 million due on June 19, 2026 and Term Loan (014) in the amount of JPY 500 million due on June 27, 2026.

(d) Results of Operations and Distributions

Operating revenues for the Reporting Period decreased by JPY 1,802 million (-6.3%) from the previous period to JPY 26,789 million, resulting in a net income of JPY 14,729 million, a decrease of JPY 1,959 million from the previous period (-11.7%). Unappropriated retained earnings including the retained earnings carried forward from the preceding fiscal period (JPY 8,460 million) is JPY 23,189 million. INV has decided to set the distribution per unit (excluding excess profit distribution) of JPY 1,930, which is the net income per unit (JPY 1,926) plus the reversal of retained earnings (JPY 4 per unit).

b Outlook for the Fiscal Period Ending December 31, 2026

The Japanese economy is expected to maintain moderate growth, albeit at a slower pace, supported by expanding global demand related to artificial intelligence (AI) and the Japanese government's accommodative monetary policies, despite downward pressure from higher crude oil prices resulting from developments in the Middle East. Inflation is also expected to remain on an upward trend, supported by rising wages and continued progress in passing on higher costs to prices. On the other hand, there are various uncertainties affecting the economic outlook, including geopolitical risks stemming from the conflicts in the Middle East and Ukraine, the direction of U.S. trade and diplomatic policies, and deterioration of Japan-China relations. If negative factors such as the slowdown in overseas economies becoming apparent and the deterioration of the export environment worsen, companies may restrain capital investment, potentially creating downward pressure on the overall economy. Furthermore, the economic outlook could be subject to significant change depending on developments in foreign exchange and interest rates, the expansionary fiscal stance of the Takaichi administration, and abrupt changes in global AI-related demand.

In the hotel market, while a continued decline in inbound demand from China due to deteriorating Japan-China relations remains a concern, robust demand from other countries and regions remains strong. Furthermore, domestic travel demand may benefit from a shift from overseas travel due to the weaker yen and higher airline fuel surcharges. Consequently, demand in both leisure and business remains solid across all segments and is expected to continue performing steadily.

In the rental housing market, new supply has been significantly restrained due to the steep rise of construction costs and labor shortages. At the same time, rental demand is expected to remain strong supported by population inflows, particularly into Tokyo, as well as growing demand from foreign residents, so the supply-demand balance is expected to continue titling strongly in favor of demand. In addition, demand flowing into the rental market from potential homebuyers abandoning property purchases due to soaring housing prices is expected to continue increasing. In the Tokyo metropolitan area, the market remains solid with continued lease signings despite rising rents. However, some regional areas are experiencing sluggish rental demand and rising vacancies, so close monitoring of the supply-demand conditions remains necessary.

(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 where inbound demand becomes more sophisticated (i.e. inbound tourists seeking more experiential and higher-value travel experiences) 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
2025	10 hotels	JPY 34,284 million
Total	142 properties (of which 111 are hotels and 31 are residential properties)	JPY 686,562 million (of which hotels: JPY 634,924 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 were acquired by the Cayman SPC, of which INV owns 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 112 domestic hotels (Note 1) owned by INV as of the end of the Reporting Period, 104 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives all of the GOP after deducting payment of management fees for the hotel operator as rents. For 101 hotels of the 104 hotels, ICN and subsidiaries of ICN (hereinafter collectively "ICN Group") have implemented sophisticated revenue management initiatives seeking to maximize revenue through effectively capturing accommodation demand. As a result, INV can directly enjoy the hotel revenue upside through this variable rent scheme.

ICN is one of Japan's leading hotel operators, managing a wide range of properties across the country - including limited-service, full-service, and resort-type hotels—under numerous brands such as "Hotel MyStays", "Flexstay Inn", "Art Hotel", and "Kamenoi Hotel", among others. With a large membership base, ICN has established itself as a major player in the domestic hospitality sector. In May 2025, leveraging its scale and aiming to enhance member convenience, ICN launched a loyalty program called

"GoTo Pass", which allows members to earn and redeem points at all facilities operated by the group. This loyalty program is also expected to contribute to increased sales at hotels owned by INV and operated by ICN, thereby potentially boosting rental income for INV.

The ICN Group has reviewed its operational strategy and made efforts to reduce hotel operating expenses and improve profitability. ICN will continue to strive to minimize the impact of rising costs such as labor costs, utility costs and food supplies 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). As a part of such initiatives, ICN is gradually introducing systems tailored to the operational status of each hotel, such as automated check-in kiosks, mobile check-in systems, and a system for streamlining luggage storage at the reception desk.

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

Maintaining and enhancing financial soundness and stability is one of INV's key financial strategies. Given the current rising interest rate environment, INV is carefully managing financing costs while diversifying debt maturities and financing measures and appropriately managing borrowing terms and the fixed-interest rate ratio. As a result of these efforts, Japan Credit Rating Agency, Ltd. ("JCR") announced on May 13, 2026, that it had upgraded INV's long-term issuer rating from "A+" to "AA-" . INV will continue to diversify debt maturities and maintain an appropriate average borrowing term, average interest-bearing debt repayment periods and fixed-interest rate ratio in order to further strengthen its financial profile and mitigate the risk of rising interest rates.

(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 an asset acquisition from sponsor related parties, prior approvals by the Board of Directors of INV are required to ensure 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.

CIM established on July 1, 2025, the Internal Audit Department in order to strengthen the internal audit system and further enhance governance. INV and CIM intend 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 (GHG) Emissions Reduction Policy", the "Water Saving Policy" and the "Waste Management Policy" which stipulate efforts to reduce environmental impact as initiatives for the 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.

In addition, CIM has established a "Policy on Addressing Climate Change-Related Issues". To support the long-term international goals set by the Paris Agreement and contribute to climate change mitigation, it is continuously advancing initiatives aimed at achieving net-zero GHG emissions by 2050. CIM has designated its CEO as the officer responsible for overseeing climate change-related issues and has established a governance structure to address the associated risks and opportunities. Results of scenario analyses regarding climate-related risks and opportunities within INV's portfolio are disclosed on the website (https://www.invincible-inv.co.jp/sustainability/climate.html).

Regarding quantitative targets for GHG emissions, INV has set a primary goal of reducing emissions intensity by 5% by 2029 relative to the 2024 base year for Scope 1 + Scope 2 (Note 1), and a primary goal of reducing emissions intensity by 1% by 2029 relative to the 2024 base year for Scope 3 (Note 2) and the combined total of Scope 1 + Scope 2 + Scope 3. For the 2025 performance (calendar year basis), the emissions intensity figures were as follows: Scope 1 + Scope 2 (location basis) was 0.025 t-CO2eq/m² (-7.4% versus the 2024 base year); Scope 3 was 0.097 t-CO2eq/m² (-2.0% versus the 2024 base year); and the combined total of Scope 1 + Scope 2 (location basis) + Scope 3 was 0.095 t-CO2eq/m² (-3.1% versus the 2024 base year). Progress toward these targets is monitored by the Sustainability Committee, which periodically reviews initiatives aimed at achieving each environmental goal. Details regarding environmental targets and environmental performance are disclosed on the website (https://www.invincible-inv.co.jp/sustainability/environment.html).

Furthermore, as of the date of this document, INV acquired CASBEE Certification for Buildings (Existing Buildings) for five hotels, and Certification for CASBEE for Real Estate for three hotels and three 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. Moreover, INV obtained a DBJ Green Building Certification for 12 hotels, which was launched by the Development Bank of Japan Inc., for the purpose of supporting the properties which give proper care to the environment and society.

In addition to the acquisition of environmental certifications for its properties, INV issued JPY 3,500 million in green bonds and refinanced a total of JPY 68,779 million through green loans as of the date of this document to further promote its sustainability initiatives and to strengthen its fund-raising base by expanding the investor base interested in ESG investment.

As initiatives for society, CIM is working on various measures for tenants, 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 executes various initiatives such as the establishment of a DEI (Diversity, Equity and Inclusion) policy to nourish an inclusive organizational culture and to establish an inclusive value chain, as well as the introduction of a "Qualification Acquisition Support Program" to cover a certain amount of expenses required to acquire and maintain qualifications for employees to develop and maintain competitive human resources and support employees skill and productivity improvement. Furthermore, INV conducts an employee satisfaction survey once every three years with the aim of improving its working environment and provides a full subsidy for a comprehensive medical checkup without age restrictions.

As a result of other sustainability promotion activities, INV received a "3-Star" rating for the third consecutive year in the 2025 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 for the fifth consecutive year. Furthermore, INV participated in CDP (Note 3) Climate Change Program Assessment for the first time in 2025 and obtained a “B” rating for climate change.

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.

(Note 1) Scope 1 refers to direct GHG emissions from the business entity itself; INV calculates these emissions based on properties it owns and over which it has management authority. Scope 2 refers to indirect emissions associated with the use of electricity, heat, or steam supplied by other companies; INV calculates these using both the location-based method (applying average emission factors) and the market-based method (applying emission factors based on specific electricity contracts).

(Note 2) Regarding Scope 3, calculations cover Category 13 (GHG emissions resulting from tenant activities across the hotels and retail facilities owned by INV, as well as from tenant-occupied areas in residential properties) for those properties where data could be obtained.

(Note 3) CDP is a global non-profit that runs the world's only independent environmental disclosure system for companies, capital markets, cities, states and regions to manage their environmental impact. Scores range from A to D- with eight levels, based on their performance across four key areas: Disclosure, Awareness, Management, and Leadership, reflecting the degree of ambition, goal-setting and concrete action.

c Significant Subsequent Events

Not applicable. Reference information is stated below.

(Reference Information)

(a) Debt Financing

INV decided to execute new borrowings (New Syndicate Loan (021)) on July 14, 2026, and borrowed on July 16, 2026 in order to repay a portion of New Syndicate Loan (009) in the amount of JPY 28,752.5

million, a tranche of New Syndicate Loan (010) in the amount of JPY 9,195.7 million and a tranche of New Syndicate Loan (011) in the amount of JPY 3,197 million due on July 16, 2026.

New Syndicate Loan (021)

Lenders	Borrowing Date	Outstanding Balance (JPY million)	Interest Rate (annual rate)	Maturity Date	Borrowing Method
【Green loan】 Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation SBI Shinsei Bank, Limited Development Bank of Japan, Inc.	July 16, 2026	4,002.56	Floating interest rate (Note 1)	July 16, 2029	Unsecured/ non guarantee
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Ogaki Kyoritsu Bank, Ltd.	July 16, 2026	5,997.44	Floating interest rate (Note 1)	July 16, 2029	Unsecured/ non guarantee
【Green loan】 Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation SBI Shinsei Bank, Limited	July 16, 2026	6,727.03	Floating interest rate (Note 2)	March 14, 2031	Unsecured/ non guarantee
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd.	July 16, 2026	11,772.97	Floating interest rate (Note 2)	March 14, 2031	Unsecured/ non guarantee
【Green loan】 Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation SBI Shinsei Bank, Limited	July 16, 2026	4,598.11	Floating interest rate (Note 3)	March 16, 2031	Unsecured/ non guarantee
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd.	July 16, 2026	8,047.09	Floating interest rate (Note 3)	March 16, 2031	Unsecured/ non guarantee
Total Debt		41,145.2			

(Note 1) 1-month JPY TIBOR (Base Rate) + spread (0.25000%). By the interest swap agreement, it is fixed, in effect, at 2.14490%

(Note 2) 1-month JPY TIBOR (Base Rate) + spread (0.40000%)

(Note 3) 1-month JPY TIBOR (Base Rate) + spread (0.45000%)

d Operational Outlook

The forecasts of financial results for the fiscal periods ending December 31, 2026 (from July 1, 2026 to December 31, 2026) and June 30, 2027 (from January 1, 2027 to June 30, 2027) are as follows.

	December 2026 Fiscal Period (Anticipated)	June 2027 Fiscal Period (Anticipated)
Operating Revenues	JPY 28,045 million	JPY 27,935 million
Operating Income	JPY 18,382 million	JPY 18,417 million
Ordinary Income	JPY 14,988 million	JPY 14,873 million
Net Income	JPY 14,988 million	JPY 14,873 million
Total Distribution Amount (Including excess profit distribution)	JPY 16,715 million	JPY 14,902 million
Net Income per Unit	JPY 1,960	JPY 1,945
Distribution per Unit (Excluding excess profit distribution)	JPY 2,186	JPY 1,949
Excess Profit Distribution per Unit	-	-
Distribution per Unit (Including excess profit distribution)	JPY 2,186	JPY 1,949

For the assumptions underlying the operational outlook for the fiscal periods ending December 31, 2026 and June 30, 2027, please see "Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending December 31, 2026 and June 30, 2027" as follows.

(Cautionary Note regarding Forward Looking Statements)
Forward looking statements such as the forecasts set forth herein are based on information currently available and certain assumptions that are deemed reasonable. Actual operating performance may vary significantly due to factors not foreseen as of the date of this document, such as the occurrence of gains and losses associated with the sale of properties, repayment of borrowings and a decrease in rent received. Also, this forecast is not a guarantee of distribution amounts.

< Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending December 31, 2026 and June 30, 2027 >

Item	Assumptions
Fiscal period	The December 2026 Fiscal Period: from July 1, 2026 to December 31, 2026 (184 days) The June 2027 Fiscal Period: from January 1, 2027 to June 30, 2027 (181 days)
Assets under management	Properties held as of the end of the December 2026 Fiscal Period: 155 properties and preferred equity interests in one TMK Properties held as of the end of the June 2027 Fiscal Period: 155 properties and preferred equity interests in one TMK Based on the properties held as of today (155 properties and preferred equity interests in one TMK), INV assumes that there will be no change in the portfolio through the end of the fiscal period ending June 2027.
Units outstanding	As of the end of the December 2026 Fiscal Period: 7,646,453 units As of the end of the June 2027 Fiscal Period: 7,646,453 units INV assumes that there will be no change to the current 7,646,453 units issued and outstanding through the end of the fiscal period ending June 2027.
Interest-bearing liabilities	Balance as of the end of the December 2026 Fiscal Period: JPY 348,654 million (borrowing: JPY 329,554 million, investment corporation bonds: JPY 19,100 million) Balance as of the end of the June 2027 Fiscal Period: JPY 348,654 million (borrowing: JPY 329,554 million, investment corporation bonds: JPY 19,100 million) INV intends to refinance or issue investment corporation bonds of the same amount of loan and investment corporation bonds due through the end of fiscal period ending June 2027. INV assumes no other new loans, issuance of investment corporation bonds or prepayment of loans through the end of the fiscal period ending June 2027.

Operating revenues

INV expects to record operating revenues for each fiscal period as follows:

With regard to domestic hotel demand, domestic demand is expected to remain stable, although the increase in demand due to the Osaka Expo in 2025 is expected to fade in the period ending December 31, 2026 for hotels in the Osaka area.

As for inbound demand, while the assumption reflects the impact of the deterioration in Japan-China relations since mid-November 2025, demand is projected on the assumption that the number of foreign visitors to Japan will remain broadly in line with 2025 levels.

In addition to the demand forecasts above, INV has taken into account various factors including scheduled conferences, concerts and other events in the vicinity of each hotel, and situations of competitors and price trends, etc., to forecast hotel rents for the period ending December 31, 2026 and thereafter. The reservations for the period from July to October 2026 that have already been made as of the forecast are also taken into account.

	December 2026 Fiscal Period	June 2027 Fiscal Period
・Rental revenues	JPY26,083 million	JPY 21,897 million
(of these, hotel rents)	(JPY 23,663 million)	(JPY 19,502 million)
(Fixed hotel rents)	(JPY 8,975 million)	(JPY 6,958 million)
(Variable hotel rents)	(JPY 14,687 million)	(JPY 12,544 million)
・Management contract revenue	JPY 1,587 million	JPY 5,183 million
	(USD 11,172 thousand)	(USD 34,378 thousand)
・TMK dividend amount	JPY 374 million	JPY 855 million
Total operating revenues	JPY 28,045 million	JPY 27,935 million

INV estimates the amount of dividend income from preferred equity interests based on the performance of the underlying asset backing the cash flows and the assumed amount of expenses incurred by the TMK.

INV receives revenue and recognizes management contract revenues from Overseas Hotels. The forecast of management contract revenues is based on the estimated performance of the underlying assets and the assumed amount of expenses incurred by the hotel management company.

Also, as for the USD based management contract revenue, a large portion is hedged through foreign exchange forward contracts. For more details, please refer to the press releases "Notice concerning Execution of Foreign Exchange Forward" dated June 18, 2025 and August 7, 2026.

The management contract revenue for the fiscal periods ending December 2026 and June 2027 is calculated as follows (i) the rate of foreign exchange reserves for the hedged portion, (ii) the exchange rate of USD 1 = JPY 145 for the non-hedged portion.

In addition, while INV is considering the expansion and renovation of the Westin Grand Cayman Seven Miles Beach & Resort, details are yet to be determined. Therefore, INV does not anticipate or incorporate any particular impact of the expansion and renovation for the purpose of this forecast through the end of the Fiscal Period ending June 2027. On the other hand, a certain level of impact due to the opening of new hotels in Grand Cayman is assumed and included in the forecast.

Rental revenues in the fiscal periods ending December 2026 and ending June 2027 are calculated based on estimates as of today. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants.

Operating expenses

INV expects to incur property related expenses and management contract expenses out of operating expenses for each fiscal period as follows:

	December 2026 Fiscal Period	June 2027 Fiscal Period
・Facility management fees	JPY 1,159 million	JPY 1,142 million
(of these, repair costs)	(JPY 241 million)	(JPY 248 million)
・Taxes and other public charges	JPY 1,139 million	JPY 874 million
・Insurance expenses	JPY 303 million	JPY 321 million
・Depreciation expenses	JPY 5,980 million	JPY 6,092 million
・Other expenses	JPY 139 million	JPY 140 million
Total property related expenses and management contract expenses	JPY 8,721 million	JPY 8,571 million

INV expects to incur other operating expenses besides the property-related expenses or management contract expenses for each fiscal period as follows:

	December 2026 Fiscal Period	June 2027 Fiscal Period
・Other operating expenses	JPY 941 million	JPY 946 million
(of these, asset management fees)	(JPY 650 million)	(JPY 650 million)

NOI

INV expects to record net operating income for each fiscal period as follows:

	December 2026 Fiscal Period	June 2027 Fiscal Period
・NOI	JPY 25,304 million	JPY 25,456 million
(of these, domestic hotel NOI)	(JPY 22,833 million)	(JPY 19,328 million)
(of these, overseas hotel NOI)	(JPY 1,214 million)	(JPY 4,902 million)
(of these, residential NOI)	(JPY 1,179 million)	(JPY 1,148 million)

NOI calculation method in the above table is as follows
NOI＝ Rental Revenues － Property Related Expenses + Depreciation Expenses + Dividends on the preferred equity interest (TMK dividend) + Management Contract Revenue - Management Contract Expense

Non-operating expenses

INV expects to incur non-operating expenses for each fiscal period as follows:

Considering the current trend of interest rates, INV calculates the interest expense of each fiscal period with the estimate of 1-month JPY TIBOR (Base Rate) to be 1.15～1.65% and 3-month JPY TIBOR (Base Rate) to be 1.41～1.95% for the Fiscal Periods ending December 2026 and June 2027.

	December 2026 Fiscal Period	June 2027 Fiscal Period
・Interest expense	JPY 2,782 million	JPY 2,948 million
・Finance related costs	JPY 557 million	JPY 543 million
・Interest for investment corporation bonds	JPY 119 million	JPY 117 million
・Depreciation of investment corporation bonds issuance expenses	JPY 13 million	JPY 13 million
Total non-operating expenses	JPY 3,473 million	JPY 3,623 million

Distribution per unit	The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation. With respect to the distribution for the fiscal period ending December 2026, INV expects to distribute an aggregate amount of JPY 16,715 million (distribution per unit: JPY 2,186) from the net income for the fiscal period ending December 2026 (JPY 14,988 million), including a JPY 1,726 million reversal of retained earnings (internal reserve) in an aim to stabilize the level of DPU so that the amount of DPU will be the same level as that of the fiscal period ended December 2025. With respect to the distribution for the fiscal period ending June 2027, INV expects to distribute an aggregate amount of JPY 14,902 million (distribution per unit: JPY 1,949) from the net income for the fiscal period ending June 2027 (JPY 14,873 million), including a JPY 29 million reversal of retained earnings (internal reserve). Distribution per unit may vary due to various factors, including changes in the assets under management, fluctuation of rent income associated with reasons such as the change of tenants and occurrences of unexpected repairs. Furthermore, a reduction in variable rent from hotels due to a decrease in Chinese tourists resulting from the deterioration of Japan-China relations since mid-November 2025, or other changes in the external environment or business conditions potentially cause INV's profit level to fall below the forecast, we plan to distribute retained earnings to maintain and stabilize the level of DPU.
Excess profit distribution per unit	INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period. Therefore, INV has adopted a policy of making excess profit distribution, etc. in order to stabilize distributions in cases where dilution of investment units or significant expenses are to be recorded in connection with the acquisition of assets or the raising of capital, or other events leading to a temporary decrease in distribution per unit. When determining excess profit distribution, etc., INV takes into consideration the level of distribution per unit assuming such acquisition of assets, capital raising or other event would had contributed for a full fiscal period. INV may also consider making excess profit distribution, etc. for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on depreciation of fixed term land lease or asset retirement obligation. With respect to the fiscal period ending December 2026, INV plans to pay distributions through reversal of retained earnings (internal reserve) (JPY 226 per unit) as mentioned in "Distribution per unit" above, so that the DPU for the fiscal period ending December 2026 will be the same amount as the DPU for the fiscal period ended December 2025. With respect to the fiscal period ending June 2027, INV plans to pay distributions through reversal of retained earnings (internal reserve) (JPY 4 per unit) as "distributions in excess of profit, etc. from the amount of difference arising from differences in tax and accounting processing". As mentioned in the preceding section "Distribution per unit", should INV's profit level to fall below forecasts due to a decrease in Chinese tourists resulting from the deterioration of Japan-China relations, or due to other changes in the external environment or business conditions, we plan to make excess profit distributions, etc. to maintain and stabilize the level of DPU.
Other	INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts.

(2) Investment Risk

Disclosure is omitted because there have been no material changes in the "Investment Risk" section of the latest securities report (filed on March 27, 2026).