

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

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Naoki Fukuda, CEO

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Notice concerning Sale of Assets

Invincible Investment Corporation (“INV”) announced today the sale of assets (the “Sale”) (three office properties; Hereafter, individually “Property to be Sold,” or collectively “Properties to be Sold”) decided by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV. Moreover, the sale of Shinjuku Island was completed today.

1. Overview of Sale

(in JPY million)

Use	Property number	Property name	Acquisition price	Book value ¹	Anticipated sales price ²	Expected gain on sale ¹	Transferee ³	Category of specified assets
Office Building	B09	Shinjuku Island	715	703	705	1	Undisclosed ⁴	Real Property
	B15	Cross Square NAKANO	1,060	1,129	1,350	220	Taisei-Yuraku Real Estate Co.,Ltd	Trust Beneficiary Interest
	B16	Ohki Aoba Building	816	731	721	(10)	Kubota Honten	Trust Beneficiary Interest
	Total		2,591	2,564	2,776	211		

(Note 1) The difference between anticipated sales price and book value indicates estimate for reference purpose calculated using the book values as of June 30, 2017; INV estimates to recognize a loss on sales of JPY 7 million (Shinjuku Island) and an impairment loss of JPY 17 million (Ohki Aoba Building) for the fiscal period ending December 2017, and a gain on sale of JPY 199 million (Cross Square NAKANO) for the

fiscal period ending June 2018 due to the Sale.

- (Note 2) Anticipated sales prices do not include adjustments for fixed asset taxes or city planning taxes, or national or local consumption taxes; hereinafter the same.
- (Note 3) For an overview of the transferee, please refer to below “4. Overview of Transferee.”
- (Note 4) The name of the transferee (a Japanese business corporation) is not disclosed, as the transferee's consent has not been obtained for disclosure.
- (Note 5) Amounts are rounded down to the nearest million yen; hereinafter the same.

2. Reasons for Sale

In a similar manner to the sale of six residential properties (the “Initial Sale”, and together with the Sale the “Dispositions”) announced in “Notice concerning Sale of Assets” dated December 21, 2017, INV is pleased to announce the sale of three office properties at a NOI cap rate¹ of 4.4%, or 3.4% after depreciation² for JPY 2,776 million. Combined with the six residential properties previously announced, the average NOI cap rate¹ at sale is 4.2%, and 3.2% after depreciation² on a total sale price of JPY 9,746 million. These sales are part of INV's effort to continuously improve its profitability for unitholders. CIM is also working on additional dispositions of non-core assets³. Simultaneously, INV is working on several acquisitions to invest the cash to be obtained by Dispositions through utilizing the Sponsor pipeline⁴. The key highlights of the Sale are below:

(1) Portfolio repositioning aimed at improving portfolio profitability

The sale of the three office properties at a NOI cap rate of 4.4%, or 3.4% after depreciation is attractive, especially when compared to the higher NOI yields at which INV has been able to acquire assets in recent years. Thus, INV believes that it can successfully redeploy the capital into higher yielding properties.

(2) Realization of profit on sale

The sale price exceeds book value by 8% and appraisal values as of December 1, 2017 by 14%, respectively and is expected to generate a net profit on sale of approximately JPY 175 million. Combined with the Initial Sale, INV expects to record a net profit on sale of JPY 1,074 million in the fiscal period ending December 2017 and JPY 796 million in the fiscal period ending June 2018; thus INV believes that the sale of these properties at this time is in the interest of INV's investors.

(3) Utilization of the Sponsor Pipeline

INV has the Memorandum of Understanding on Preferential Negotiation Rights⁵ with affiliates of its sponsor, Fortress Investment Group LLC, which covers 21 hotel properties (4,651 guest rooms) and nine residential properties (743 leasable residential units). INV plans to acquire properties from this acquisition pipeline, by utilizing the cash to be obtained from the Dispositions, without issuing new equity. INV intends to acquire properties which have higher yield and NOI after depreciation than the Properties to be Sold, and thus aims to improve the profitability of the entire portfolio and increase DPU.

(Note1) Calculated by dividing aggregated actual NOI for July 1, 2016 – June 30, 2017 of Properties to be Sold by the aggregated anticipated sales price.

(Note2) Calculated by dividing aggregated actual NOI (after deducting the depreciation expenses) for July 1, 2016 – June 30, 2017 of Properties to be Sold by the aggregated anticipated sales price.

(Note3) Properties other than Core Assets, i.e., hotels and residential properties

(Note4) The abovementioned planned acquisitions will be announced at a later date, when they are determined. Although such acquisition is under consideration as of today, INV may not determine or execute such acquisition, and there is no assurance that INV will determine or execute such acquisition.

(Note5) Please refer to the press release "Notice concerning Amendment to Memorandum of Understanding on Preferential Negotiation Rights" dated September 21, 2017 for details of the Memorandum of Understanding.

3. Details of Properties to be Sold

Details, profit and loss status and outline of appraisal report of the Properties to be Sold are as follows:

a. "Outline of Specified Assets and Properties" column:

- "Legal form of Asset" shows the type (the legal form) of real estate and other assets as specified asset.
- "Acquisition Date" shows the date when an acquisition is executed, which is specified in the purchase and sale agreement or the trust beneficiary interest purchase and sale agreement.
- "Acquisition Price" shows a purchase price of the Properties to be Sold specified in the purchase and sale agreement or the trust beneficiary interest purchase and sale agreement; consumption tax is not included, and the price is rounded down to the nearest million yen.
- The details in "Location" (excluding address), "Lot Area (m²)" of the "Land" and, "Total Floor Area (m²)", "Structure/No. of Stories," "Purpose of Use," and "Completion Date" of the "Building" are, unless otherwise specified, as shown in the property register. The "Total Floor Area" is the gross floor area (if no annotation in the context, an annex building would not be included), and with respect to "Purpose of Use," the primary ones of purposes shown in the property register are listed. Further, the "Completion Date" lists the time at which the building was newly constructed, as shown in the property register.
- "Transport" shows the time to walk to the nearest station based on the description in the Real Estate Appraisal Report (in case there is no description of time distance in the Real Estate Appraisal Report, "Transport" is calculated by assuming walking time on the road distance of 80 meters per minute in accordance with the Fair Competition Code on the Real Estate Representations (Fair Trade Commission Notification No.2 of 2003, including subsequent revisions) (hereinafter, referred to as the "Fair Competition Code") and the Ordinance for Enforcement of the Fair Competition Code. If unidentified, it is based on the description in other materials.
- In "Zoning," the class of zoning under the respective items of Article 8(1) of the City Planning Act (Act No. 100 of 1968) is listed.
- In "Building Coverage Ratio," the ratio of a building's area with regard to the land area as set forth under Article 53 of the Building Standards Act (Act No. 201 of 1950, as amended; the "Building Standards Act") is listed.
- In "Floor Area Ratio," the ratio of a building's total floor area with regard to the land area as set forth under Article 52 of the Building Standards Act is listed.

- In “Trustee,” the current trustee as of today is listed.
- In “Master Lease/Property Management Company,” with respect to the properties for which a master lease agreement has been entered into, the type of lease (either a pass-through master lease or a fixed rent) is indicated. “Pass-through master lease” is defined as a lease under which, pursuant to the pass-through master lease agreement entered into between the master lease company and INV or the trustee, the amount equal to the rent under the sublease agreement between the master lease company and the end tenant shall be paid to INV or the trustee. “Guaranteed rent” is defined as a lease under which a specified rent shall be paid to INV or the trustee, regardless of the rent under the sublease agreement between the master lease company and the end tenant.

b. “Outline of a Lease Contract” column:

- Based on the lease agreement effective as of June 30, 2017.
- “Total No. of Tenant(s)” is calculated by counting a lessee who has directly concluded a lease agreement for each property as one tenant, and a tenant who has rented two or more rooms in a single property is calculated as one tenant.
- In “Leasable Area,” the total leasable floor area for guest room, residential, office, retail and others for the area owned by INV is listed.
- In “Leased Area,” the total sum of the leased area with respect to which a lease agreement with an end-tenant has actually been entered into and which are leased to the end-tenant (the area specified in the lease agreement) is listed.
- In “Tenant Leasehold and Security Deposit,” the amount of the security deposit/guarantee money after amortization pursuant to the lease agreement is listed.
- In “Occupancy Trend,” the ratio of the leased area to the leasable area is shown, rounded to the first decimal place.

c. Descriptions in the “Area Characteristics, etc.” field:

Descriptions in the “Area Characteristics, etc.” field are an abstract or summary of descriptions in the Real Estate Appraisal Report on the Properties to be Sold, prepared by appraisal agencies, or created by referring to such descriptions.

d. Descriptions in the “Special Notes”:

Descriptions in the “Special Notes” fields are matters that are deemed important in consideration of their impact on rights, appraisal value, profitability and disposability of each asset.

e. “Income and Expenditures, Etc.” column:

- Based on the information for operating period from January 1, 2017 to June 30, 2017.
- Amounts are rounded down to the nearest thousand yen. Therefore, the figures may not necessarily match the total value when added together. Unless otherwise specifically noted, the amounts do not include consumption tax, etc.
- “Taxes and Public Dues” include property tax and city planning tax, which are generally imposed on the owner on January 1 of each year.
- “Non-life Insurance Premiums” is the total amount of paid insurance premiums distributed proportionally over the relevant period.

f. "Summary of Real Estate Appraisal Report" column:

INV has requested real estate appraisal from appraisal agency for the Properties to be Sold based on the matters for consideration in a real estate appraisal under the Act on Investment Trust and Investment Corporations (the "Investment Trust Act"), the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended; the "Act on Real Estate Appraisal") and the real estate appraisal standards. An appraisal value of a property is merely an opinion of the real estate appraiser regarding the value of the appraised property at the time the appraisal was conducted in accordance with the Act on Real Estate Appraisal and real estate appraisal standards, etc. A real estate appraisal is neither a guarantee nor a promise that an asset can be sold or purchased at such appraisal value either now or in the future.

B09: Shinjuku Island

Outline of Specified Assets and Properties.					
Legal Form of Asset	Real Estate			Trustee	—
Location	(Lot Number)	6-1-3 Nishi-Shinjuku, Shinjuku-ku, Tokyo			
	(Address)	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo			
Transport	3 minutes' walk from Nishi-Shinjuku Station on Tokyo Metro Line				
Acquisition Date	March 26, 2007			Income and Expenditures, Etc. (JPY thousand)	
Acquisition Price	JPY 715 million			January 1, 2017 ~ June 30, 2017	
Land	Property Right	Ownership (The land use right interest ratio: approximately 0.44%)		Operating Period	
	Zoning	Commercial area		Rental revenues (a)	
	Lot Area (m ²)	19,511.37 (Total area)		Rent Income	
	Building Coverage / Ratio/Floor Area Ratio	80% / 800%, 80% / 1,000%		Other income etc.	
Building	Property Right	Condominium ownership (Part of 6th floor)		Total expenses (b)	
	Purpose of Use	Office		Maintenance and management expenses etc.	
	Total Floor Area (m ²)	523.04 (Note 1)		Taxes and Public Dues	
	Structure/No. of Stories	S/SRC B4/44F		Non-Life Insurance Premiums	
	Completion Date	January 1995		Depreciation (c)	
Master Lease/Property Management Company	MS Building Support Co., Ltd. (Note 3)			Other expenses	
				Profit and Loss (a) – (b)	
Type of Agreement	—			NOI (a) – (b) + (c)	
Outline of a Lease Contract					
Total number of tenants	1			Tenant Leasehold and security deposit	JPY 28,663 thousand
Leased area (m ²)	526.43			Leasable area (m ²)	526.43
Occupancy Trend	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jun. 2016	As of the end of Dec. 2016	As of the end of Jun. 2017
	100.0%	100.0%	100.0%	100.0%	100.0%
Area Characteristics, etc.					
The subject property is a section of one floor of a large-scale, 44 story office building (condominium ownership) which forms a corner of the Nishi-Shinjuku skyscraper area. It is a 3 minute walk to the Tokyo Metro Nishi Shinjuku Station and an 8 minute walk to Shinjuku Station. The neighboring area is a major commercial and administrative areas home to the Tokyo Metropolitan Government Building.					
Special Notes					
None					

(Note 1) Indicates the area of the exclusive element owned by INV on the record in the real estate registry. The total area of the building is 211,861.11 m².

(Note 2) As the consent for disclosure has not been obtained from the tenant, the figures are not disclosed.

(Note 3) Only the property management business has been entrusted. Since the property management business of Sanko Office Management Co., Ltd. has been transferred to MS Building Support Co., Ltd. through an absorption-type company split effective October 1, 2017, the property management business of INV has been entrusted to MS Building Support Co., Ltd. thereafter

B09: Shinjuku Island

Summary of Real Estate Appraisal Report	
Appraisal Agency	Morii Appraisal & Investment Consulting, Inc.
Appraisal Value (Specified Value)	JPY 558 million
Time of Valuation	December 1, 2017

1. Value of Profits using the Income Approach Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Rental Income	JPY 47,772 thousand	Based on current leasing conditions and market
(b) Common Area Maintenance Fee Income	-	
(c) Utility Income	-	
(d) Parking Lot Income	-	
(e) Other Income	-	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	47,772 thousand	
(f) Vacancy Allowance	2,389 thousand	Based on historical trend and market
(g) Irrecoverable Debt Losses	-	
(II) Operating Revenue = [(I) - (f) - (g)]	45,383 thousand	
(h) Management Association Costs	9,419 thousand	Based on historical data and leasing conditions
(i) Utility Costs	-	Included in Management Association Costs
(j) Repair Costs	1,350 thousand	Based on historical data, comparable assets and estimates in the engineering report
(k) Property Management Fee	681 thousand	Based on historical data, leasing conditions and market
(l) Tenant Solicitation Expenses	398 thousand	Based on turnover reflecting current leasing conditions, historical data and market
(m) Taxes and Public Dues	5,711 thousand	Actual amount
(n) Non-Life Insurance Premiums	152 thousand	Actual amount
(o) Other Costs	-	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	17,711 thousand	
(IV) Net Operating Income = [(II) - (III)]	27,672 thousand	
(p) Investment Gains/Losses of Deposits	378 thousand	
(q) Capital Improvements and Expenses	3,149 thousand	Based on historical data and comparable assets and the estimates in the engineering report
(V) Net Income = [(IV) + (p) - (q)]	24,901 thousand	
(VI) Capitalization Yield	4.4%	Discount rate adjusted for volatility risk
(VII) Income Price using Direct Capitalization Method = [(V) / (VI)]	566,000 thousand	
(Reference) NOI Yield = [(IV) / (VII)]	4.8%	
(2) DCF Method	Contents	Overview
(I) Total of Present Value of Net Income during Analysis Period		
(a) Sale Price	177,098 thousand	
(b) Sale Costs	578,609 thousand	3% of the sale price plus JPY 60 thousand
(c) Returning Price [(a) - (b)]	17,418 thousand	
(II) Returning Price, Present Value	561,191 thousand	
(III) Discount Rate	371,907 thousand	Based on the standard rate which is risk-free rate adjusted for real estate investment risk, liquidity and safety and asset characteristics including building age, size and tenant profile
(IV) Final Capitalization Yield	4.2%	Based on risks such as uncertainty over future income, building age at the end of valuation period and market competitiveness and discount rate adjusted for volatility risk
(V) Income Price using DCF Method = [(I) + (II)]	4.6%	
(3) Income Price using Income Capitalization Method	549,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 191,000,000 thousand	
(ii) Building Price	14,100,000 thousand	
(iii) Usual Incidental Costs	15,600,000 thousand	
(iv) Allocation rate	0.4456%	
(v) Estimated Price using Cost Method = [(i) + (ii) + (iii) x (iv)]	985,000 thousand	Estimated by multiplying the price using cost method for one building and its site by allocation rate based on position / stratified utility ratio

Other Points to be Noted for Appraisal by Appraisal Agency

Adopted the appraisal value determined using the income capitalization method, after considering recent economic environment, especially real estate market trend and appropriateness of using data, pricing rule, relationship between unit price and gross price, with the cost approach value as a reference

B15: Cross Square NAKANO

Outline of Specified Assets and Properties.					
Legal Form of Asset	Trust Beneficiary Interest			Trustee	Mitsubishi UFJ Trust and Banking Corporation
Location	(Lot Number)	5-183-4 Nakano, Nakano-ku, Tokyo and other 3 lots			
	(Address)	5-24-18 Nakano, Nakano-ku, Tokyo			
Transport	10 minutes' walk from Nakano Station on JR Line				
Acquisition Date	February 1, 2010			Income and Expenditures, Etc. (JPY thousand)	
Acquisition Price	JPY 1,060 million			Operating Period	January 1, 2017 ~ June 30, 2017
Land	Property Right	Ownership		Rental revenues (a)	43,431
	Zoning	Neighborhood commercial area		Rent Income	37,020
	Lot Area (m ²)	639.82		Other income etc.	6,410
	Building Coverage / Ratio/Floor Area Ratio	80% / 400%		Total expenses (b)	16,130
Building	Property Right	Ownership		Maintenance and management expenses etc.	6,118
	Purpose of Use	Office		Taxes and Public Dues	3,864
	Total Floor Area (m ²)	2,487.76		Non-Life Insurance Premiums	60
	Structure/No. of Stories	SRC 10F		Depreciation (c)	4,849
	Completion Date	January 1993		Other expenses	1,238
Master Lease/Property Management Company	Shin-ei Real Estate Business Co., Ltd.			Profit and Loss (a) – (b)	27,300
				NOI (a) – (b) + (c)	32,150
Type of Agreement	Pass through master lease				
Outline of a Lease Contract					
Total number of tenants	1			Tenant Leasehold and security deposit	JPY 28,514 thousand
Leased area (m ²)	1,872.14			Leasable area (m ²)	2,145.00
Occupancy Trend	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jun. 2016	As of the end of Dec. 2016	As of the end of Jun. 2017
	70.8%	79.1%	84.1%	89.1%	87.3%
Area Characteristics, etc.					
The subject property is an office building with a convenience store on the first floor, located a 10 minute walk from Nakano Station on the JR Chuo Line and the Tokyo Metro Tozai Line. The surrounding area is a commercial district consisting of mid and high-rise shops, office buildings, and condominiums.					
Special Notes					
Part of the land is included in the city planning road project (Auxiliary Road No. 74).					

B15: Cross Square NAKANO

Summary of Real Estate Appraisal Report	
Appraisal Agency	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,170 million
Time of Valuation	December 1, 2017

1. Value of Profits using the Income Approach Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Rental Income	JPY 83,649 thousand	Based on current leasing conditions and market
(b) Common Area Maintenance Fee Income	1,824 thousand	Based on current leasing conditions and market
(c) Utility Income	5,200 thousand	
(d) Parking Lot Income	5,364 thousand	Based on current leasing conditions and market
(e) Other Income	3,527 thousand	Based on turnover reflecting current leasing conditions, historical data and market and current income
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	99,564 thousand	
(f) Vacancy Allowance	9,393 thousand	Based on historical trend and market
(g) Irrecoverable Debt Losses	-	
(II) Operating Revenue = [(I) - (f) - (g)]	90,171 thousand	
(h) Maintenance and Management Costs	4,300 thousand	Based on historical data and leasing conditions
(i) Utility Costs	5,500 thousand	Based on historical data
(j) Repair Costs	4,215 thousand	Based on historical data, comparable assets and estimates in the engineering report
(k) Property Management Fee	1,506 thousand	Based on historical data, leasing conditions and market
(l) Tenant Solicitation Expenses	1,566 thousand	Based on turnover reflecting current leasing conditions, historical data and market
(m) Taxes and Public Dues	7,884 thousand	Actual amount
(n) Non-Life Insurance Premiums	109 thousand	Actual amount
(o) Other Costs	1,190 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	26,270 thousand	
(IV) Net Operating Income = [(II) - (III)]	63,901 thousand	
(p) Investment Gains/Losses of Deposits	286 thousand	
(q) Capital Improvements and Expenses	8,950 thousand	Based on historical data and comparable assets and the estimates in the engineering report
(V) Net Income = [(IV) + (p) - (q)]	55,237 thousand	
(VI) Capitalization Yield	4.7%	Discount rate adjusted for volatility risk
(VII) Income Price using Direct Capitalization Method = [(V) / (VI)]	1,180,000 thousand	
(Reference) NOI Yield = [(IV) / (VII)]	5.4%	
(2) DCF Method	Contents	Overview
(I) Total of Present Value of Net Income during Analysis Period	440,484 thousand	
(a) Sale Price	1,137,408 thousand	
(b) Sale Costs	34,122 thousand	3% of the sale price
(c) Returning Price [(a) - (b)]	1,103,286 thousand	
(II) Returning Price, Present Value	710,406 thousand	
(III) Discount Rate	4.5%	Based on the standard rate which is risk-free rate adjusted for real estate investment risk, liquidity and safety and asset characteristics including building age, size and tenant profile
(IV) Final Capitalization Yield	4.9%	Based on risks such as uncertainty over future income, building age at the end of valuation period and market competitiveness and discount rate adjusted for volatility risk
(V) Income Price using DCF Method = [(I) + (II)]	1,150,000 thousand	
(3) Income Price using Income Capitalization Method	1,170,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 787,000 thousand	
(ii) Building Price	211,000 thousand	
(iii) Correction Factor for Stabilized Asset	100%	
(iv) Estimated Price using Cost Method = [(i) + (ii) x (iii)]	998,000 thousand	

Other Points to be Noted for Appraisal by Appraisal Agency
Adopted the appraisal value determined using the income capitalization method, after considering recent economic environment, especially real estate market trend and appropriateness of using data, pricing rule, relationship between unit price and gross price, with the cost approach value as a reference

B16: Ohki Aoba Building

Outline of Specified Assets and Properties.					
Legal Form of Asset	Trust Beneficiary Interest			Trustee	Mitsubishi UFJ Trust and Banking Corporation
Location	(Lot Number)	9-3 Futsukamachi, Aoba-ku, Sendai-shi, Miyagi			
	(Address)	9-7 Futsukamachi, Aoba-ku, Sendai-shi, Miyagi			
Transport	6 minutes' walk from Kita-Yobancho on Sendai Subway Nanboku Line				
Acquisition Date	February 1, 2010			Income and Expenditures, Etc. (JPY thousand)	
Acquisition Price	JPY 816 million			Operating Period	January 1, 2017 ~ June 30, 2017
Land	Property Right	Ownership		Rental revenues (a)	34,844
	Zoning	Commercial area		Rent Income	27,245
	Lot Area (m ²)	653.15		Other income etc.	7,598
	Building Coverage / Ratio/Floor Area Ratio	100% / 500%			
Building	Property Right	Ownership		Total expenses (b)	21,698
	Purpose of Use	Office		Maintenance and management expenses etc.	9,265
	Total Floor Area (m ²)	3,288.03		Taxes and Public Dues	4,056
	Structure/No. of Stories	RC 7F		Non-Life Insurance Premiums	74
	Completion Date	July 1997		Depreciation (c)	7,197
Master Lease/Property Management Company	One-Eyed Capital Advisers, Inc.			Other expenses	1,104
				Profit and Loss (a) – (b)	13,145
Type of Agreement	Pass through master lease			NOI (a) – (b) + (c)	20,343
Outline of a Lease Contract					
Total number of tenants	1			Tenant Leasehold and security deposit	JPY 30,519 thousand
Leased area (m ²)	1,931.59			Leasable area (m ²)	2,178.37
Occupancy Trend	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jun. 2016	As of the end of Dec. 2016	As of the end of Jun. 2017
	100.0%	100.0%	83.6%	83.6%	88.7%
Area Characteristics, etc.					
The subject property is a rental office building located a 6 minute walk from the Sendai Municipal Subway Nanboku Line "Kita-Yobancho" Station. The property less than a five minute walk to the Miyagi prefectural government office, Sendai city hall, joint government building, and Aoba ward office, making it an ideal location for an office building.					
Special Notes					
None					

B16: Ohki Aoba Building

Summary of Real Estate Appraisal Report	
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Specified Value)	JPY 710 million
Time of Valuation	December 1, 2017

1. Value of Profits using the Income Approach Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Rental Income	JPY 48,999 thousand	Based on current leasing conditions and market
(b) Common Area Maintenance Fee Income	17,367 thousand	Based on current leasing conditions and market
(c) Utility Income	-	
(d) Parking Lot Income	8,160 thousand	Based on current leasing conditions and market
(e) Other Income	-	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	74,526 thousand	
(f) Vacancy Allowance	3,726 thousand	Based on historical trend and market
(g) Irrecoverable Debt Losses	-	
(II) Operating Revenue = [(I) - (f) - (g)]	70,800 thousand	
(h) Maintenance and Management Costs	7,734 thousand	Based on historical data and leasing conditions
(i) Utility Costs	1,776 thousand	Based on historical data
(j) Repair Costs	3,353 thousand	Based on historical data, comparable assets and estimates in the engineering report
(k) Property Management Fee	1,416 thousand	Based on historical data, leasing conditions and market
(l) Tenant Solicitation Expenses	408 thousand	Based on turnover reflecting current leasing conditions, historical data and market
(m) Taxes and Public Dues	8,252 thousand	Actual amount
(n) Non-Life Insurance Premiums	147 thousand	Actual amount
(o) Other Costs	495 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	23,584 thousand	
(IV) Net Operating Income = [(II) - (III)]	47,215 thousand	
(p) Investment Gains/Losses of Deposits	314 thousand	
(q) Capital Improvements and Expenses	8,622 thousand	Based on historical data and comparable assets and the estimates in the engineering report
(V) Net Income = [(IV) + (p) - (q)]	38,908 thousand	
(VI) Capitalization Yield	5.5%	Discount rate adjusted for volatility risk
(VII) Income Price using Direct Capitalization Method = [(V) / (VI)]	707,000 thousand	
(Reference) NOI Yield = [(IV) / (VII)]	6.6%	
(2) DCF Method	Contents	Overview
(I) Total of Present Value of Net Income during Analysis Period	300,000 thousand	
(a) Sale Price	723,000 thousand	
(b) Sale Costs	14,000 thousand	2% of the sale price
(c) Returning Price [(a) - (b)]	709,000 thousand	
(II) Returning Price, Present Value	411,000 thousand	
(III) Discount Rate	5.6%	Based on the standard rate which is risk-free rate adjusted for real estate investment risk, liquidity and safety and asset characteristics including building age, size and tenant profile
(IV) Final Capitalization Yield	5.7%	Based on risks such as uncertainty over future income, building age at the end of valuation period and market competitiveness and discount rate adjusted for volatility risk
(V) Income Price using DCF Method = [(I) + (II)]	711,000 thousand	
(3) Income Price using Income Capitalization Method	707,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 299,000 thousand	
(ii) Building Price	443,000 thousand	
(iii) Estimated Price using Cost Method = [(i) + (ii)]	742,000 thousand	

Other Points to be Noted for Appraisal by Appraisal Agency

Adopted the appraisal value determined using the income capitalization method, after considering recent economic environment, especially real estate market trend and appropriateness of using data, pricing rule, relationship between unit price and gross price, with the cost approach value as a reference

4. Overview of Transferee

B09 Shinjuku Island

Because consent for disclosure has not been obtained from the transferee (a Japanese business corporation) of the Property to be Sold, disclosure is not made here.

As of today, there are no capital, personnel, or transactional relationships that should be noted between INV/CIM and the transferee. Further, the transferee is not a related party of INV or CIM, and as of today, the transferee is not an interested person etc. as provided in the Investment Trust Act or a sponsor-related person under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments.

B15 Cross Square NAKANO

(i) Name	Taisei-Yuraku Real Estate Co.,Ltd
(ii) Location	3-13-1 Kyobashi, Chuo-ku, Tokyo
(iii) Title and name of representative officer	Hiroyuki Hamanaka, Representative Director and President
(iv) Business	Real estate development and facility management
(v) Capital	JPY 10 billion (as of March 31, 2017)
(vi) Date of establishment	October 1, 1971
(vii) Net Assets	JPY 60,761 million (as of March 31, 2017)
(viii) Total Assets	JPY 162,258 million (as of March 31, 2017)
(ix) Major shareholders and shareholding ratio	Taisei Corporation, 100%
(x) Relationship between INV/Asset Manager and the Company	
Capital relationships	The Company does not have any capital relationship of note with INV or CIM.
Personnel relationships	The Company does not have any personnel relationship of note with INV or CIM.
Transactional relationships	The Company does not have any transactional relationship of note with INV or CIM.
Whether the Tenant/Operator is a related party	The Company is not a related party of INV/CIM. Further, related persons and affiliates of the Company are not related parties of INV/CIM. Furthermore, the Company is not an interested party, etc. of CIM as provided in Investment Trust Act.

B16 Ohki Aoba Building

(i) Name	Kubota Honten
(ii) Location	4-4-33 Ichiban-cho, Aoba-ku, Sendai, Miyagi
(iii) Title and name of representative officer	Sadamu Kubota, Representative Director and President
(iv) Business	Real estate business and solar power generation business
(v) Capital	JPY30 million (December 26, 2017)
(vi) Date of establishment	October, 1952
(vii) Net Assets	Not disclosed (Note)
(viii) Total Assets	Not disclosed (Note)
(ix) Major shareholders and	Kubota Holdings, 100%

shareholding ratio	
(x) Relationship between INV/Asset Manager and the Company	
Capital relationships	The Company does not have any capital relationship of note with INV or CIM.
Personnel relationships	The Company does not have any personnel relationship of note with INV or CIM.
Transactional relationships	The Company does not have any transactional relationship of note with INV or CIM.
Whether the Tenant/Operator is a related party	The Company is not a related party of INV/CIM. Further, related persons and affiliates of the Company are not related parties of INV/CIM. Furthermore, the Company is not an interested party, etc. of CIM as provided in Investment Trust Act.

(Note) Not disclosed because consent from the transferee has not been obtained.

5. Transactions with Interested Persons etc.

Not applicable.

6. Overview of Brokerage

Because consent for disclosure has not been obtained from the brokers, disclosure is not made here. The brokerage with regard to the Properties to be Sold has been jointly conducted by two companies.

Broker 1:

As of today, there are no capital and personnel relationships that should be noted between INV/CIM and the broker, but there is a certain transactional relationships based on laws and regulations. In addition, the broker is involved in INV's transaction of two properties during the fiscal period ending December 2017. Further, the broker is not a related party of INV or CIM, and as of today, the broker is not an interested person etc. as provided in the Investment Trust Act or a sponsor-related person under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments.

Broker 2:

As of today, there are no capital, personnel or transactional relationships that should be noted between INV/CIM and the broker. Further, the broker is not a related party of INV or CIM, and as of today, the broker is not an interested person etc. as provided in the Investment Trust Act or a sponsor-related person under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments.

7. Schedules

Sale decision date:	December 26, 2017
Agreement execution date:	
(Anticipated) sales date:	December 26, 2017 (Shinjuku Island) January 31, 2018 (Cross Square NAKANO, Ohki Aoba Building)
Anticipated sale proceeds payment method:	Lump-sum payment (Shinjuku Island, Cross Square NAKANO) Down payment (JPY 10 million) on December 26, 2017 and payment of remaining amount on January 31, 2018 (Ohki Aoba Building)

8. Use of Sale Proceeds

The sale proceeds that INV will obtain through the Sale is expected to be allocated to acquire new properties, in conjunction with the sale proceeds to be obtained through the Initial Sale.

9. Future Outlook

Through the Sale, INV will record a loss on sale of approximately JPY 7 million and an impairment loss of approximately JPY 17 million in the fiscal period ending December 2017, and a gain on sale of approximately JPY 199 million in the fiscal period ending June 2018, respectively. In conjunction with the Initial Sale, INV will record a net gain on sale of approximately JPY 1,074 million and an impairment loss of approximately JPY 17 million in the fiscal period ending December 2017, and a gain on sale of approximately JPY 796 million in the fiscal period ending June 2018, respectively.

In the press release “Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017” dated September 21, 2017, INV stated that earnings per unit is expected to decrease due to one-off expenses in connection with the public offering and the new borrowings of funds and that INV intends to make distributions in excess of profits from the perspective of maintaining stable distributions. The gain on sale to be obtained from the Dispositions, however, will increase net income per unit, thus INV plans to reduce the amount of distribution in excess of profits by an amount equivalent to the gain on sale to be obtained from the Dispositions so that INV will be able to maximize an amount of future acquisitions utilizing the sale proceed from the Dispositions which we believe maximizes INV’s unitholders value.

For details of revision to the forecasts of the financial results for the fiscal period ending December 2017, please refer to “Notice concerning Revision of Forecast of Financial Results for the 29th Fiscal Period Ending December 2017” dated today.

Website of INV: <http://www.invincible-inv.co.jp/eng>