

[For Information Purpose Only.]

The Japanese language press release should be referred to as the original.]

July 1, 2019

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation  
Naoki Fukuda, Executive Director  
(Securities code: 8963)

Asset manager:

Consonant Investment Management Co., Ltd.  
Naoki Fukuda, CEO  
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General Manager of Planning Department  
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## **Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests**

Invincible Investment Corporation (“INV”) announced the decision to acquire trust beneficiary interests (the “Acquisition”) in eighteen domestic hotel properties (the “Eighteen Hotel Properties” or “Assets to be Acquired”) and enter into relevant leasing contracts with respect to each of the Eighteen Hotel Properties as decided on July 1, 2019 by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV.

### 1. Overview of Acquisition

Property Number	Property Name	Anticipated Acquisition Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Seller (Note 3)	Anticipated Acquisition Date
D64	Hotel MyStays Sapporo Aspen	15,543	15,700	Touyako Godo Kaisha	July 19, 2019
D65	Art Hotel Ishigakijima	9,731	9,830	Yaeyama Resort Hotel Tokutei Mokuteki Kaisha	
D66	Hotel MyStays Fuji Onsen Resort	9,405	9,500	Saturnia Tokutei Mokuteki Kaisha	
D67	Hotel Sonia Otaru	5,930	5,990	Shirahama Tokutei Mokuteki Kaisha	

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Property Number	Property Name	Anticipated Acquisition Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Seller (Note 3)	Anticipated Acquisition Date
D68	Hotel MyStays Kanazawa Castle	5,682	5,740	Calvis Tokutei Mokuteki Kaisha	July 19, 2019
D69	Art Hotel Niigata Station	5,524	5,580	HL Investments 2 Tokutei Mokuteki Kaisha	
D70	Hotel MyStays Nagoya Nishiki	5,197	5,250	Shirahama Tokutei Mokuteki Kaisha	
D71	Hotel Nord Otaru	4,296	4,340	Shirahama Tokutei Mokuteki Kaisha	
D72	Hotel MyStays Kagoshima Tenmonkan	3,445	3,480	Kawaguchiko Tokutei Mokuteki Kaisha	
D73	Art Hotel Asahikawa	3,197	3,230	Shirahama Tokutei Mokuteki Kaisha	
D74	Hotel MyStays Matsuyama	3,098	3,130	Calvis Tokutei Mokuteki Kaisha	
D75	Hotel MyStays Sapporo Susukino	3,059	3,090	Kawaguchiko Tokutei Mokuteki Kaisha	
D76	Hotel MyStays Sapporo Nakajima Park	2,118	2,140	Shirahama Tokutei Mokuteki Kaisha	
D77	Hotel MyStays Sapporo Nakajima Park Annex	1,584	1,600	Shirahama Tokutei Mokuteki Kaisha	
D78	Flexstay Inn Sakuragicho	1,425	1,440	Calvis Tokutei Mokuteki Kaisha	
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1,287	1,300	Calvis Tokutei Mokuteki Kaisha	
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1,168	1,180	Kawaguchiko Tokutei Mokuteki Kaisha	
D81	Hotel MyStays Nayoro	957	967	Kawaguchiko Tokutei Mokuteki Kaisha	
Total		82,646	83,487	-	

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- (Note 1) Anticipated Acquisition Prices show purchase prices set forth in the purchase and sale agreements for the trust beneficiary interests of each property and do not include adjustments for property taxes, city planning taxes, or national or local consumption taxes.
- (Note 2) Appraisal Value is based on appraisal value stated in the appraisal report by the Japan Real Estate Institute., JLL Morii Valuation & Advisory K.K., The Tanizawa Sōgō Appraisal Co., Ltd. or Daiwa Real Estate Appraisal Co., Ltd. on the valuation date of April 1, 2019. For details, please refer to “(1) Details of the Eighteen Hotel Properties” of “4. Details of the Eighteen Hotel Properties” as described below.
- (Note 3) For an overview of the sellers, please refer to “5. Overview of Sellers” as described below.
- (Note 4) Brokerage is not applicable in connection with the Acquisition.
- (Note 5) Amounts are rounded down to the nearest unit. The same shall apply hereinafter.

## 2. Reasons for Acquisitions and Lease

INV decided to acquire the Eighteen Hotel Properties at an average 5.6% appraisal NOI yield (Note 1) and at an average 5.8% simulated NOI yield (Note 2) which are expected to contribute to growth and stability of revenue of the portfolio. The acquisition is from affiliates of the Sponsor, Fortress Investment Group LLC (“FIG”), and will be funded using funds raised through the issuance of new investment units (Note 3), a portion of sale proceeds from disposition of two properties (“Proceeds”) as announced in the press releases entitled “Notice concerning Sale of Domestic Trust Beneficiary Interest” dated May 17, 2019 and “Notice concerning Sale of Domestic Trust Beneficiary Interest” dated May 28, 2019, and new bank borrowings (Note 4).

The acquisition of the Eighteen Hotel Properties comes with INV’s seventh public equity offering over the last six years, further promoting INV’s external growth strategy backed by the Sponsor’s strong support. Following the Acquisition, INV’s AUM (Note 5) is expected to grow to JPY 501.3 billion, and the composition of hotel properties in the portfolio is expected to be JPY 434.4 billion (84 hotels, 14,665 guest rooms). This is noteworthy, as it makes INV’s hotel portfolio the largest hotel portfolio amongst all J-REITs (Note 6) including J-REITs specializing in hotels and accommodations.

As part of INV’s growth strategy, INV has engaged in asset recycling transactions for the maximization of unitholder value. In connection with the disposition of two residential properties in June 2019 taking advantage of good market opportunities, we expect to recognize gain on sales of the properties of JPY 11.1 billion (Note 7). Part of the proceeds from the dispositions will be applied towards the anticipated acquisition of the Eighteen Hotel Properties in connection with the offering in order to acquire the Eighteen Hotel Properties (total anticipated acquisition price: JPY 82.6 billion) which are high quality hotels (Note 8) in Japan with high NOI yields in order to maximize unitholder value. The two residential assets were sold for sale price with an average actual NOI yield (Note 9) of 3.9% and the Eighteen Hotel Properties will be acquired for an average 5.6% appraisal NOI yield (Note 1) and an average 5.8% simulated NOI yield (Note 2). After the Acquisition, the weighting of hotels in the total portfolio will increase to 86.7% from 78.6% (as of December 31, 2018) based on (anticipated) acquisition prices, and INV expects to benefit from the continued increase in inbound demand to Japan.

The Eighteen Hotel Properties are mainly located in prime tourism areas (Note 10) such as Hokkaido, Yamanashi (Mt. Fuji), Okinawa (Ishigaki Island), where strong tourism demand particularly from inbound visitors can be expected, and we believe, are high quality hotels that are close to traffic hubs and major

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tourism areas and also highly equipped. 80.3% of these hotels based on the (anticipated) acquisition prices are located in the top ten most popular prefectures (Tokyo, Osaka, Hokkaido, Kyoto, Okinawa, Chiba, Fukuoka, Aichi, Kanagawa and Yamanashi) for inbound tourists in terms of number of nights spent in 2018. We believe that our diversified domestic hotel portfolio positions us to benefit from robust tourism and business demand (including from domestic and overseas travelers) as well as demand from specific upcoming major events such as the 2019 Rugby World Cup and more importantly the Tokyo 2020 Olympics and Paralympics.

Eight of the Eighteen Hotel Properties, consisting of 44.4% of the anticipated acquisition on anticipated acquisition price basis, are located in Hokkaido with an abundance of tourism attractions where the number of tourists is steadily increasing; especially the number of nights spent by inbound guests is significantly increasing. After the Acquisition, the portion of INV's hotel properties in Hokkaido will increase to 14.9% from 8.0% as of December 31, 2018. INV believes Hokkaido area is one of the strongest hotel markets in INV's portfolio. INV's existing Hokkaido hotels expect 8.5% forecasted RevPAR growth in 1H 2019 (January 2019 to June 2019) compared with 1H 2018 (January 2018 to June 2018) actual. The eight hotel properties to be acquired in Hokkaido are expected to achieve 7.8% forecasted RevPAR growth in 1H 2019 (January 2019 to June 2019) compared with 1H 2018 (January 2018 to June 2018) actual. The number of inbound visitors in Hokkaido area increased by 12.9% year-over-year in 2018, and the hotel market benefits from the positive impact. Hokkaido is ranked third for both the overall number of nights spent and the number of nights spent by inbound guests following Tokyo and Osaka in 2018.

This Acquisition will allow INV to expand its hotel portfolio to two new geographical areas: Mt. Fuji area and Ishigaki Island. The iconic Mt. Fuji, including its surrounding area, was designated as a UNESCO World Heritage Cultural site in 2013, and the area is supported by unmatched beauty with an abundance of recreational attraction, creating strong demand for Hotel MyStays Fuji Onsen Resort. Ishigaki Island, where Art Hotel Ishigakijima is located, offers several beaches and excellent snorkeling and diving locations among the surrounding coral reefs. Ishigaki Island, a major island in the Yaeyama Islands in Okinawa Prefecture, is roughly three hours from Tokyo by direct flight. The opening of the New Ishigaki Airport in March 2013 greatly expanded the capacity for inbound and domestic guests. Art Hotel Ishigakijima located in Ishigaki Island which has these tourism attractions and has become more accessible, was renovated in May 2017, and became popular facilities for inbound and domestic tourists.

The seventeen properties out of the Eighteen Hotel Properties (excluding Art Hotel Niigata Station) are renovated or constructed within last five years. The acquisition of 7 full service hotels, 3 resort hotels, and 8 limited service hotels contribute to well-balanced hotel type. In comparison with December 31, 2018, based on the (anticipated) acquisition prices, the percentage of full service hotels will increase to 30.3% from 25.2% and the percentage of resort type hotels will increase to 19.7% from 18.9%, which will contribute to improvement of hotel type balance in INV's portfolio.

Eleven hotel properties (consisting of 82.2% of the anticipated acquisition based on the (anticipated) acquisition prices) (Note 11), have either onsen and/or banquet facilities, which can provide an additional

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channel for room demand and revenue. We expect to increase revenue in the future as a fixed and variable combined rent structure is adopted for all of the Eighteen Hotel Properties.

MYSTAYS HOTEL MANAGEMENT Co., Ltd. (hereinafter “MHM”) operates all of the Eighteen Hotel Properties. MHM is owned by the Sponsor and is a hotel operator with deep expertise and experience. Among all, Hotel MyStays Fuji Onsen Resort is a new resort hotel opened in 2016 and developed by FIG, which we will acquire through the sponsor support.

For details, please refer to “(1) Details of the Eighteen Hotel Properties” of “4. Details of the Eighteen Hotel Properties” described below.

INV has a well-balanced nationwide diversified portfolio with both domestic and overseas flagship hotel properties including hotels such as Sheraton Grande Tokyo Bay Hotel (full service hotel) and The Westin Grand Cayman Seven Mile Beach Resort & Spa (resort hotel). The Acquisition further strengthens the portfolio with both geographical and hotel type diversification. By adding the Eighteen Hotel Properties mainly located in prime tourism area in Japan to the existing portfolio (Note 12), INV expects improvement in profitability and stability of the portfolio.

INV will consider making additional selective investments in the properties that are considered highly competitive in terms of locations and facilities with the aim to improve the performance of the entire portfolio both in terms of revenue growth and stability.

(Note 1) Average appraisal NOI yield is calculated for reference by the following formula;

(the sum of appraisal NOI of the Eighteen Hotel Properties) ÷ (the sum of acquisition price for the Eighteen Hotel Properties)

Appraisal NOI of Eighteen Hotel Properties is the sum of net operating income calculated by DCF method indicated on appraisal report as of April 1, 2019. The same shall apply hereinafter.

(Note 2) Average simulated NOI yield is calculated for reference by the following formula;

The sum of simulated NOI of the Eighteen Hotel Properties ÷ the sum of anticipated acquisition price for the Eighteen Hotel Properties.

Simulated NOI yield of the Eighteen Hotel Properties is calculated by combining the actual monthly performance from January to April 2019 and anticipated monthly performance from May to December 2019 estimated by INV. Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV through 2019. The same shall apply hereinafter.

(Note 3) For issuance of new investment units, please refer to “Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units” announced on July 1, 2019.

(Note 4) For new borrowings, please refer to “Notice concerning Debt Financing” announced on July 1, 2019.

(Note 5) Based on the (anticipated) acquisition price. The acquisition price of the preferred equity interest backed by Sheraton Grande Tokyo Bay (the “Preferred Equity Interest”) is based on the investment amount for the preferred equity interest. In September, 2018, for the first time as a J-REIT, INV acquired a TK interest pursuant to a TK agreement with Seven Mile Resort Holdings Ltd., a Cayman Islands SPC that acquired leasehold interests in the underlying land and buildings of the Westin Grand Cayman Resort and Sunshine Suites Resort, two resort hotel properties located in the Cayman Islands, as well as ownership of the furniture, fixtures and equipment of the two hotel properties. On May 9, 2019 (Cayman Islands local time), in order to comply with amended eligibility requirements for favorable tax treatment under Japanese tax law, we restructured our investment in the Cayman Islands hotels by terminating the TK arrangement and directly acquiring the leasehold interests and related assets (furniture, fixtures and equipment) with respect to the two Cayman Islands hotels. The acquisition price of the Cayman Islands hotels is the estimated book value of the Cayman Islands hotels recorded by the Cayman Islands SPC as of May 9, 2019 (Cayman Islands local time) and has been translated into Japanese yen at the rate of ¥110.45 = \$1.00 for convenience purposes based on the foreign exchange forward implemented in connection with the TK investment in the Cayman SPC (contract thereof was entered into on

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July 26, 2018 and implemented on September 26, 2018). The amount is rounded down to the nearest unit. The same shall apply hereinafter. The estimated book value of the Cayman Islands hotels is an estimated value as of today, and the actual book value may differ from such estimated value.

- (Note 6) “Largest hotel portfolio amongst all J-REITs” is based on INV’s total (anticipated) acquisition price of all 84 hotel properties after anticipated acquisitions compared with other listed J-REITs’ total (anticipated) acquisition price of hotel properties (including ryokan and other accommodation and the same shall apply hereinafter in this (Note 6)) acquired as of June, 20 2019 and the hotel properties to be acquired announced as of June 20, 2019.
- (Note 7) Expected gain on sales is calculated by deducting the estimated transfer related cost and is an estimate as of today, and is subject to change.
- (Note 8) “High quality domestic hotels” are indicated based on INV’s discretion that properties have competitiveness in terms of location, appearance, interior, spec annex facilities and equipments.
- (Note 9) “Average actual NOI yield” is calculated for reference by the following formula;  

$$(\text{the sum of actual NOI of two disposed properties}) \div (\text{the sum of sale price for two disposed properties})$$
The sum of actual NOI of two disposed properties are the total amount of actual NOI from January 1, 2018 to December 31, 2018.  
“Sale Price” shows a purchase price of the property to be sold specified in the purchase and sale agreement; property tax and city planning tax, national or local consumption tax and is not included.
- (Note 10) “Prime tourism areas” are the areas with strong tourism demand expected particularly from inbound visitors due to attractive tourism resources.
- (Note 11) “Eleven hotel properties” refer to Hotel MyStays Sapporo Aspen, Art Hotel Ishigakijima, Hotel MyStays Fuji Onsen Resort, Hotel Sonia Otaru, Hotel MyStays Kanazawa Castle, Art Hotel Niigata Station, Hotel Nord Otaru, Hotel MyStays Kagoshima Tenmonkan, Art Hotel Asahikawa, Hotel MyStays Matsuyama and Hotel MyStays Sapporo Nakajima Park.
- (Note 12) “Existing Portfolio” refers to the real estate, trust beneficial interest (real estate in trust) and preferred equity interest held by INV as of today. The same shall apply hereinafter.



The summary of the existing portfolio as of December 31, 2018, two disposed residential properties (Assets Sold), Eighteen Hotel Properties and the portfolio of the Post-Acquisition, inclusive of “Sheraton Grande Tokyo Bay Hotel” (the preferred equity interest) and Cayman Islands hotels are as follows;

	Existing Portfolio as of December 31, 2018 (Note 1)	Assets Sold	Eighteen Hotel Properties	Post-Acquisition (Note 1)
Number of Properties (Hotel Properties)	132 (66)	2 (0)	18 (18)	148 (84)
Total (Anticipated) Acquisition Price (million yen) (Note 2)(Note 3)	447,550	28,889	82,646	501,307

(Note 1) The figures described in the column of “Existing Portfolio” and “Post-Acquisition” are inclusive of preferred equity interest and Cayman Islands hotels. Number of properties is based on the underlying assets (i.e. one property for the preferred equity interest) and the preferred equity interest is classified as a hotel based on the category of the underlying asset.

(Note 2) The acquisition price of Cayman Islands hotels is calculated based on anticipated book value of Leasehold as of May 9, 2019 (Cayman local time. May 10, 2019 in Japan local time) when INV succeeded the leasehold interest of Cayman Islands hotels from the Cayman SPC, using an exchange rate of USD1=JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018)

(Note 3) The figures described in the row of “Total (Anticipated) Acquisition Price” are rounded to the nearest unit. The total of the acquisition price is shown for the Asset Sold.

The summary of the existing portfolio as of December 31, 2018, two disposed residential properties (Assets Sold), Eighteen Hotel Properties and the portfolio of the Post-Acquisition, exclusive of “Sheraton Grande Tokyo Bay Hotel” (the preferred equity interest) are as follows;

	Existing Portfolio as of December 31, 2018 (Note 1)	Assets Sold	Eighteen Hotel Properties	Post-Acquisition (Note 1)
Number of Properties (Hotel Properties)	131 (65)	2 (0)	18 (18)	147 (83)
Total (Anticipated) Acquisition Price (million yen) (Note 2)	429,704	28,889	82,646	483,461
Total Appraisal Value (million yen) (Note 2) (Note 3)	500,155	31,380	83,487	552,262
Appraisal NOI Yield (Note 4)	6.6%	5.5%	5.6%	6.5%
After Depreciation NOI Yield (Note 4)	4.9%	3.1%	4.0%	4.9%

(Note 1) The figures for each item do not include the preferred equity interest.

(Note 2) The figures for “Total (Anticipated) Acquisition Price” and “Total Appraisal Value” are rounded down to the nearest units. “Total (Anticipated) Acquisition Price for “Assets Sold” is based on the acquisition price.

(Note 3) “Total Appraisal Value” is based on the appraisal value stated in the appraisal report on the valuation date of April 1, 2019 for Cayman Islands hotels directly owned by INV through the change in investment structure after December 31, 2018, on the valuation date of December 31, 2018 for other properties owned as of the end of December 2018 and for the Assets Sold, and on the valuation date of April 1, 2019 for the Eighteen Hotel Properties, among 131 properties INV owned as of December 31, 2018 (including the Assets Sold). The appraisal value of Cayman Islands hotels is translated into USD1 = JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018).

(Note 4) “Appraisal NOI Yield” and “After Depreciation NOI Yield” are calculated by dividing the total NOI derived from the direct capitalization method stated in the appraisal reports mentioned at (Note 3) above (and deducting depreciation for After Depreciation NOI Yield) by the total of (Anticipated) Acquisition Price, and rounded to one decimal place. The appraisal

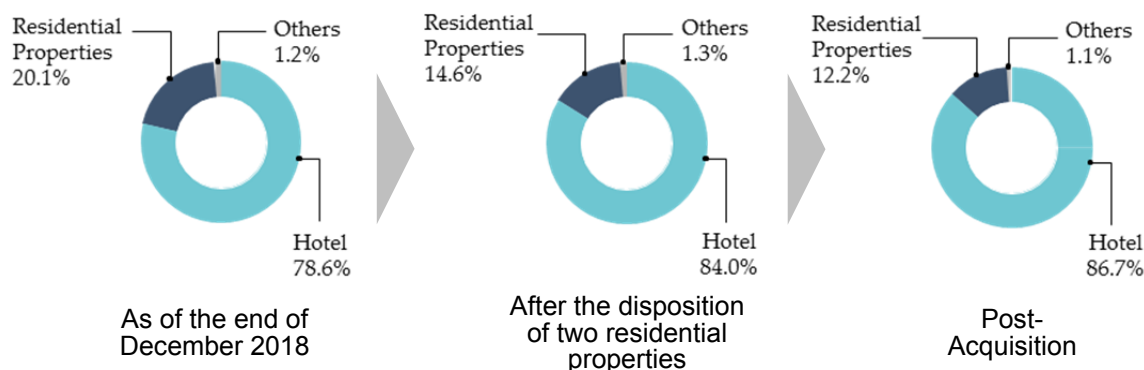
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NOI of Cayman Islands hotels is included the amount of FF&E reserve in accordance with the calculation of appraisal NOI of existing portfolio and Eighteen Hotel Properties.

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## Portfolio Composition by Asset Type (based on (Anticipated) Acquisition Price) (Note 1) (Note2)



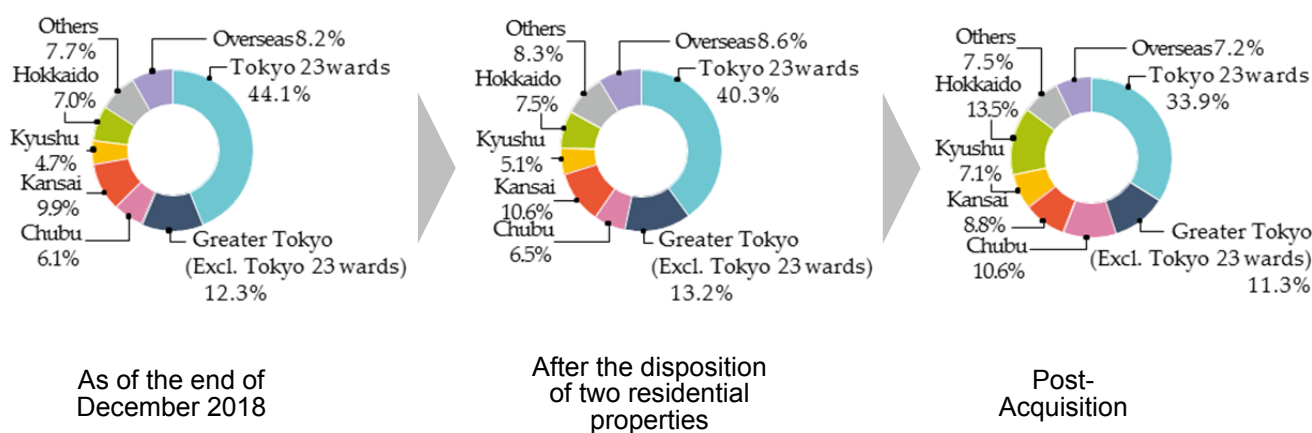
(Note 1) Based on the (anticipated) acquisition price. The acquisition price of Sheraton Grande Tokyo Bay Hotel (the preferred equity interest) is calculated based on the amount of preferred equity interest contribution by INV. Number of properties is based on the underlying assets (i.e. one property for the preferred equity interest) and the preferred equity interest is classified as a hotel based on the category of the underlying asset. The acquisition price of Cayman Islands hotels as of the end of December 2018 is the amount of TK investment in Cayman SPC owning leasehold interest in the Cayman Islands hotels (USD 336,036 thousand) and the acquisition price of Cayman Islands hotels after the anticipated acquisition is calculated based on anticipated book value of Leasehold as of May 9, 2019 (Cayman local time. May 10, 2019 in Japan local time), when INV succeeded the leasehold interest of Cayman Islands hotels from the Cayman SPC, using an exchange rate of USD1=JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018).

(Note 2) "After the disposition of two residential properties" is the portfolio as of the end of June 2019 after the disposition of "Spacia Ebisu" and "Royal Parks Tower Minami-Senju"; the same shall apply hereinafter.

(Note 3) "Others" are retail properties; the same shall apply hereinafter.

(Note 4) The ratio figures are rounded to one decimal place; the same shall apply hereinafter.

## Portfolio Composition by Geography (based on (Anticipated) Acquisition Price) (Note 1) (Note2)



(Note 1) Based on the (anticipated) acquisition price. The acquisition price of the preferred equity interest backed by Sheraton Grande Tokyo Bay is based on the investment amount for the preferred equity interest. The acquisition price of Cayman Islands hotels after the anticipated acquisition is calculated based on anticipated book value of Leasehold as of May 9,

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2019 (Cayman local time. May 10, 2019 in Japan local time), when INV succeeded the leasehold interest of Cayman Islands hotels from the Cayman SPC, using an exchange rate of USD1=JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018). The preferred equity interest is counted as Greater Tokyo (excluding Tokyo 23 wards).

(Note 2) The definitions of areas used in the circle charts are as follows;

Greater Tokyo (excluding Tokyo 23 wards): Tokyo Metropolis (excluding Tokyo 23 wards), Kanagawa, Chiba and Saitama prefectures.

Kansai: Osaka, Hyogo, Kyoto, Shiga, Wakayama and Nara prefectures.

Chubu: Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui prefectures.

Kyushu: Fukuoka, Kumamoto, Kagoshima, Nagasaki, Oita, Miyazaki, Saga and Okinawa prefectures.

## Location of the Eighteen Hotel Properties (Note 1) (Note 2)



(Note 1) "Full service hotel" are to hotels that have both restaurant facilities providing breakfast, lunch and dinner (including meals provided by reservation) and meeting facilities that can be used for banquet services.

"Limited service hotel" are to hotels other than full service hotels.

"Resort hotel" are to hotels located in areas where a substantial number of guests stay for sightseeing or recreational purposes and includes both full service hotels and limited service hotels.

With respect to a hotel that falls within the definition of both a full service hotel and a resort hotel, we categorize the hotel as a full service hotel if it has substantial demand for meeting room, banquet service, wedding service or food and beverage service (including demand from non-staying guests) and as a resort hotel in all other cases.

With respect to a hotel that falls within the definition of both a limited service hotel and a resort hotel, we categorize the hotel as a resort hotel.

These hotel types are further clarified based on the hotel type defined in CIM's investment guidelines ("limited service hotel" refers to hotels that offer a limited range of services, banquet, spa and gym facilities, "resort type hotel" refers to hotels located near tourist destination or recreational area that offer a range of services including lodging and dining facilities) in terms of hotel's facilities, equipment and location.

Among Eighteen Hotel Properties, we have changed the type of some hotels covered by the memorandum of understanding that we have entered into with FIG due to the further clarification above.

(Note 2) The blue prefectures are where INV's hotel portfolios in Japan are located as of July 1, 2019.

## 3. Execution of Lease Agreement

In regards to the Eighteen Hotel Properties, INV will enter into lease agreements with MHM based on the combination of fixed rents and variable rents linked to Gross Operating Profit (GOP) (Note 1). Regarding to 82 domestic hotel properties in INV's portfolio after the acquisition of the assets to be acquired, 71 hotels use a variable rent scheme described above (Note 2). Among these, MHM, an experienced hotel operator, and its subsidiary company conduct comprehensive revenue management for all of INV's hotels and seek to maximize revenue by increasing accommodation demand. These initiatives uniquely position MyStays Hotels and therefore INV to directly benefit from an increase in revenue from hotels through the variable rent scheme. In addition, INV will be able to reduce the negative impact of a downward trend in GOP due to the embedded fixed-rent mechanism working as a buffer.

INV believes that the tenants for the Eighteen Hotel Properties conform to the standard for selection of tenants described in the Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties (Japanese only) filed on March 26, 2019.

(Note 1) Gross Operating Profit is a rent which is the amount remaining after deducting operating expenses such as personnel expenses, cost of utilities, and advertising expenses, as well as management fee for operators (if any) from the hotel's revenues.

(Note 2) Including the Sheraton Grande Tokyo Bay Hotel which is the underlying asset of the Preferred Equity Interest.

### <Overview of Tenant and Operator>

An overview of the tenants and operators for the Eighteen Hotel Properties is as follows;

The tenant and operator for fourteen properties excluding Hotel MyStays Sapporo Aspen, Art Hotel Ishigakijima, Art Hotel Niigata Station and Art Hotel Asahikawa, and the operator for Hotel MyStays Sapporo Aspen, Art Hotel Ishigakijima, Art Hotel Niigata Station and Art Hotel Asahikawa

(i)	Name	MYSTAYS HOTEL MANAGEMENT Co., Ltd.
(ii)	Location	Roppongi Hills North Tower 14th Floor, 6-2-31 Roppongi, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative officer	President and CEO, Ryoichi Shirota
(iv)	Business	Hotel and Ryokan (Japanese inn) operation and management
(v)	Capital	JPY 460 million (as of the end of April 2019)
(vi)	Date of establishment	July 8, 1999
(vii)	Relationship between INV/CIM and the Tenant/Operator	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and MHM, the parent company of MHM is indirectly held by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group Corp. (the "SoftBank Group"), which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and MHM, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director

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	of INV and CEO of CIM, is seconded from Calliope Godo Kaisha (“Calliope”) which is an affiliate of FIG. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, are seconded from Fortress Investment Group Japan GK, a subsidiary of FIG.
Transactional relationships	As of today, INV has entered into lease agreements with MHM with respect to 53 hotel properties (Note).
Whether the Operator is a related party	MHM is not a related party of INV/CIM. Further, related persons and affiliates of MHM are not related parties of INV/CIM. Furthermore, MHM is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations (the “Investment Trust Act”).

(Note) Agreements with MHM subsidiaries and management contracts between MHM and tenants are included.

## The tenant for Hotel MyStays Sapporo Aspen

(i) Name	Sapporo Aspen Hotel Management Co., Ltd.
(ii) Location	4-5, Kita-Hachijyo-nishi, Kita-ku, Sapporo-shi, Hokkaido, Japan
(iii) Title and name of representative officer	President and CEO, Kazumasa Takizawa
(iv) Business	1. Hotel and Ryokan (Japanese inn) operation 2. Restaurant operation 3. Rental hall operation
(v) Capital	JPY 10 million (as of the end of April 2019)
(vi) Date of establishment	May 28, 1999
(vii) Relationship between INV/CIM and the Tenant/Operator	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and tenant, the parent company of tenant is indirectly held by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group, which directly and indirectly holds 100% of CIM's outstanding shares.
Personal relationships	There are no personal relationships that should be noted between INV/CIM and the tenant.
Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and the tenant.
Whether the Operator is a related party	The tenant is not a related party of INV/CIM. Further, related persons and affiliates of the tenant are not related parties of INV/CIM. Furthermore, the tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act.

## The tenant for Art Hotel Ishigakijima

(i) Name	Ryukyu Hotel Resort Yaeyama Co., Ltd.
(ii) Location	559, Ookawa, Ishigaki-shi, Okinawa, Japan
(iii) Title and name of	President and CEO, Yuichi Saito

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	representative officer	
(iv)	Business	1. Hotel, Ryokan (Japanese inn), and rental hall management 2. Restaurant and café operation 3. Special public bathhouse sales
(v)	Capital	JPY 5 million (as of the end of April 2019)
(vi)	Date of establishment	October 1, 2007
(vii)	Relationship between INV/CIM and the Tenant/Operator	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and tenant, the parent company of tenant is indirectly held by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group, which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	There are no personal relationships that should be noted between INV/CIM and the tenant.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and the tenant.
	Whether the Operator is a related party	The tenant is not a related party of INV/CIM. Further, related persons and affiliates of tenant are not related parties of INV/CIM. Furthermore, tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act.

## The tenant for Art Hotel Niigata Station

(i)	Name	Niigata Hotel Management Godo Kaisha
(ii)	Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	President and CEO of HL Investments 2 Tokutei Mokuteki Kaisha, Shunsuke Yamamoto
(iv)	Business	1. Hotel accommodation and entertainment and management 2. Wedding venue and parking lot management 3. Food and beverage service 4. Rental hall management
(v)	Capital	JPY 0.1 million (as of the end of April 2019)
(vi)	Date of establishment	January 26, 2015
(vii)	Relationship between INV/CIM and the Tenant/Operator	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and tenant, the parent company of tenant is indirectly held by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group Corp. (the "SoftBank Group"), which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	There are no personal relationships that should be noted between INV/CIM and the tenant.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and the tenant.

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Whether the Operator is a related party	The tenant is not a related party of INV/CIM. Further, related persons and affiliates of tenant are not related parties of INV/CIM. Furthermore, tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act.
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## The tenant for Art Hotel Asahikawa

(i) Name	Art Hotel Asahikawa Co., Ltd.
(ii) Location	6-29-2, Shichijo-dori, Asahikawa-shi, Hokkaido, Japan
(iii) Title and name of representative officer	President and CEO, Shunsuke Yamamoto
(iv) Business	1. Hotel accommodation and entertainment and management 2. Wedding venue and parking lot management 3. Food and beverage service 4. Rental hall management
(v) Capital	JPY 50 million (as of the end of April 2019)
(vi) Date of establishment	September 30, 2008
(vii) Relationship between INV/CIM and the Tenant/Operator	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and tenant, the parent company of tenant is indirectly held by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group Corp. (the “SoftBank Group”), which directly and indirectly holds 100% of CIM’s outstanding shares.
Personal relationships	There are no transactional relationships that should be noted between INV/CIM and the tenant.
Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and the tenant.
Whether the Operator is a related party	The tenant is not a related party of INV/CIM. Further, related persons and affiliates of tenant are not related parties of INV/CIM. Furthermore, tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act

## 4. Details of the Eighteen Hotel Properties

### (1) Details of the Eighteen Hotel Properties

Details, profit and loss status and outline of appraisal reports of the Eighteen Hotel Properties are as follows:

#### <Explanation of details of the Eighteen Hotel Properties>

##### a. “Outline of Specified Assets and Properties” column:

- “Legal form of Asset” indicates the type (the legal form) of specified assets.
- “Date of Planned Acquisition” indicates the date when an acquisition is executed, which is specified in the purchase agreement or the trust beneficiary right sales agreement.

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- “Planned Purchase Price” indicates a purchase price of the Eighteen Hotel Properties which is specified in the purchase agreement or the trust beneficiary right sales agreement; Consumption tax is not included, and rounded down to the nearest million yen.
  - “Appraisal Value” indicates reported price by appraisal agency for anticipated acquisitions.
  - The details in “Location (excluding address)”, “Lot Area” of the “Land” and, “Total Floor Area”, “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 the purposes shown in the property register is listed. Further, the “Completion Date” lists the time at which the building was newly constructed, as shown in the property register.
  - “Transport” indicates 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” regarding land, the class of zoning under the respective items of Article 8(1) of the City Planning Act (Act No.100 of 1968, as amended; the “City Planning Act”) is listed.
  - In “Building Coverage Ratio” regarding land, 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” regarding land, the ratio of a building’s floor area with regard to the land area as set forth under Article 52 of the Building Standards Act is listed.
  - In “Trustee”, the planned trustee at the time of INV’s acquisition of the assets for anticipated acquisitions is listed.
  - In “Trust Period”, the planned trust period at the time of INV’s acquisition of the assets for anticipated acquisitions is listed.
- b. “Lease Overview” column:
- Based on lease agreements with tenants effective as of April 30, 2019 or anticipated lease agreements which will be entered into upon acquisition of the Eighteen Hotel Properties.
  - “Total No. of Tenant(s)” is calculated by counting a lessee who has directly concluded a lease agreement or is expected to conclude a lease agreement at the time of INV’s acquisition of the assets 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 “Number of Guest Rooms”, indicates the number of guest rooms their tenant(s) can sublease. “(S/T/D/O)” indicates the breakdown of the number of guest rooms categorized as (Single/Twin/Double/Other).
  - In “Leasable Area”, the total leasable floor are for guest room, residential, office, retail and others for the area of each real property or trusted real property to be owned by INV is listed.



- In “Leased Area”, the total sum of the leased area with respect to which a lease agreement with end-tenant have actually been entered into and which are leased to the end-tenant or will be leased to the end-tenant after acquisitions (the area specified in the lease agreement) is listed. However, in the case where a master lease agreement is concluded, the area leased by master lessee is listed.
  - In “Occupancy Rate”, the ratio of the leased area to the leasable area is shown, rounded to the nearest first decimal place.
  - In “Security Deposit/Guarantee”, the security deposit and guarantee after amortization as specified in the lease agreements executed or to be executed after the acquisition is stated.
  - “Rental Revenue (monthly amount)”, the gross operating profit, or “GOP”, which is the amount remaining after deducting the personnel, utilities and advertising expenses as well as the management service fees for the hotel operations from the hotel’s revenues of the tenant, and are recognized as the rental revenues received as rent, is listed.
- c. “Overview of Lease Agreement” column:
- Based on the lease agreements with tenants effective as of April 30, 2019 or anticipated lease agreements which will be entered into upon acquisition of the Eighteen Hotel Properties.
  - “Type of Agreement” is the type of rent received from the relevant operator (either a fixed-rent or a fixed rent plus variable rent) is indicated. “Fixed rent” is defined as an agreement under which INV or the trustee shall receive a specified rent, regardless of the operational results of the relevant hotel. “Fixed rent plus variable rent” is defined as an agreement under which INV or the trustee shall receive rent that varies based on the GOP (Gross Operating Profit), in addition to a fixed rent.
  - In “Determination of rent of lease agreement,” monthly rent amount is rounded down to nearest ten thousand yen, and annual rent is rounded down to the nearest million yen.
  - The “Management Services Fee” is a commission fee payable to the tenant from landlord in accordance with the provisions of the lease agreement as a compensation for operational service provided by a tenant under the agreement. The management services fee is not disclosed, as tentative consent has not been obtained for disclosure. However, for MHM, an amount of the management services fee to be received is, in principle the sum of (i) an amount equal to 2% of monthly sales, (ii) an amount equal to 0-6% of monthly sales from direct bookings made through the MHM’s marketing department or website, and (iii) an amount equal to 4-6% of the monthly GOP (pre-fees) after deducting the amounts of (i) and (ii) above.
  - In “Security Deposit/Guarantee Money,” the amount of the security deposit/guarantee money after amortization pursuant to the lease agreement is listed.
- d. “Overview of Building Conditions Survey Report” column:
- For the Eighteen Hotel Properties, INV has received a report from Tokio Marine & Nichido Risk Consulting Co., Ltd. on building deterioration survey, short- and long-term repair plan decision, a condition survey in compliance with the Building Standards Act, a survey of dangerous substances contained in a building, and soil survey, amongst others, and has provided an overview of the report in this column.
- “Replacement Price” means the total amount of the appropriate costs needed in the event that the appraised building is to be rebuilt at the time of the survey.
  - “Short-term Repair Costs” indicates the repair and/or replacement costs for items which, at the

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time of the survey, are below minimum maintenance level due to deterioration or items which are in violation of law or regulations, etc. and which can be judged as best to be repaired or replaced within one year.

- “Long-term Repair Costs” consist of capital expenditures and repair costs. Capital expenditures means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, the costs to extend the use period of the building’s equipment or to replace it entirely. Repair costs means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, costs other than capital expenditures.

e. About the section of “Summary of the Report on Earthquake Risk”

For the Eighteen Hotel Properties, INV has received a seismic risk assessment from Tokio Marine & Nichido Risk Consulting Co., Ltd. The summary of the report is described in this section.

- Probable Maximum Loss (PML) is a term that means the value of the largest loss that could result from an earthquake, used for a specific property and for an overall portfolio as well. As there is not a universal definition for PML in the strict sense, this press release uses the term under the definition of “a loss (damage) estimate expressed as a percentage of the total replacement cost of real property,” assuming an earthquake of the largest magnitude in the 50-year period of a property’s expected lifetime, or a mega-quake of recurrence interval (return period) of 475 years, which translates into a probability of recurrence 10% in 50 years.

f. Descriptions in the “Area Characteristics, etc.”:

Descriptions in the “Area Characteristics, etc.” field are an abstract or summary of descriptions in the Real Estate Appraisal Report on each real property or trusted real property, prepared by appraisal agencies or market report, or created by referring to such descriptions.

g. 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 real property or trusted real property.

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

- Based on the information provided from the sellers for each operating period from January 1, 2017 to December 31, 2018. This is not a guarantee of future income and expenditures.
- Amounts are rounded down to the nearest unit. 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.
- “Land Lease Fees” is based on the land lease fees applicable under a relevant lease agreement.
- “Taxes and Public Dues,” include property tax and city planning tax, which are generally imposed on the owner on January 1 of each year. For property tax and city planning tax that were borne by the previous owner or current owner at the time of acquisition of the real estate related properties INV own or will acquire, the estimated amount is included in the acquisition cost, and is therefore not included in “Taxes and Public Dues.”
- “Non-life Insurance Premiums” is the total amount of paid insurance premiums distributed

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proportionally over the relevant period.

- “Trust Fees” is based on real estate management and trust agreements which INV will enter into and recorded per relevant period.
- “NOI” (Net Operating Income) lists in principle the actual figures as provided by the seller. With respect to the trust fees, administration fees, depreciation and insurance premiums, the figure following the adjustments assuming the asset is held by INV is listed.
- “Room Income” includes room use fees and lease fees.
- “Other Income” includes items such as parking lot use fees, laundry fees, vending machine transaction fees, etc. which do not fall under “Room Income”.
- “ADR,” or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.
- “RevPAR”, or Revenues Per Available Room per day, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate and ADR.
- “Room Occupancy Rate” is calculated using the following formula:  
  

$$\text{Room Occupancy Rate} = \frac{\text{the aggregate number of days per room for which each room was occupied}}{\text{the number of available rooms (aggregate number of rooms during the relevant period} \times \text{number of business days during target period) during the relevant period}}$$
- “GOP Ratio” is calculated using the following formula:  
  

$$\text{GOP ratio} = \text{GOP} \div \text{sales figure}$$
- “Daily / Weekly / Monthly” is the ratio for each classification of length of stay (i.e., daily/weekly/monthly), and is calculated by dividing total room sales for the relevant classification during each operational period by the aggregate room sales for the same operational period and then multiplying the figure by 100. Daily, weekly and monthly are classified by the number of days of stays, with daily being 1-6 nights, weekly being 7-29 nights, and monthly being 30 or more nights.
- “Overseas Sales Amount” is the sales amount via overseas web agents, who operate a business managing application from abroad.
- i. “Summary of Real Estate Appraisal Report” column:

INV has requested real estate appraisal from Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd, Daiwa Real Estate Appraisal Co., Ltd. and JLL Morii Valuation & Advisory K.K for the Eighteen Hotel Properties based on the matters for consideration in a real estate appraisal under 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.

## D64: Hotel MyStays Sapporo Aspen

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 15,543 million			
Appraisal Value	JPY 15,700 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	5-1 Nishi 4-chome, Kita 8-jo, Kita-ku, Sapporo-shi, Hokkaido, and seven other lots		
	(Address)	NA		
Transport	4-minute walk from Sapporo Station on JR Hakodate Main Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	2,551.69 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	15,313.17 m <sup>2</sup> (Note 1)	Construction Date	December 8, 1995
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 1 basement, 13 stories		
	Renovation Date	March, 2017 – June , 2017		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: December 9, 2016; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	305 rooms (S12・T205・D68・O20)
Leasable Area	15,313.17 m <sup>2</sup>			
Lease Area	15,313.17 m <sup>2</sup>		Security Deposit/Guarantee Money	JPY 14,270 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 37,959 thousand
Overview of Lease Agreement				
Tenant	Sapporo Aspen Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 453.5 million per annum (January: JPY 29.9 million per month / February: JPY 54.6 million per month / March: JPY 25.7 million per month / April: JPY 19.4 million per month / May: JPY 29.9 million per month/ June: JPY 44.6 million per month/ July: JPY 54.4 million per month/ August: JPY 60.7 million per month/ September: JPY 46.8 million per month/ October: JPY 30.7 million per month/ November: JPY 25.3 million per month/ December: JPY 31.5 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 14,270 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the			

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	lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 5,722,200 thousand
Long term Repair Costs (in 12 years)	JPY 477,340 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	2.8%		
Area Characteristic			
<p>Hotel MyStays Sapporo Aspen is a full-service hotel equipped with conference rooms and banquet rooms located within four-minute walking distance from the North Exit of Sapporo Station, the biggest transportation hub in Hokkaido, on JR Hakodate Main Line and seven-minute walk from Sapporo Station on the Sapporo Subway Namboku and Toho Line. Good access with 37 minutes to JR Shinchitose Station by rapid train and 32 minutes to Otaru Station by rapid train from JR Sapporo Station. The hotel is situated in a convenient location that appeals to both business guests and tourists, having good access to Odori-koen which famous for Sapporo snow festival, Susukino area, which is the foremost entertainment district in Hokkaido, Sapporo Beer Garden, historical Sapporo Clock Tower and Moerenuma Park. The hotel offers total 305 rooms, consisting of mainly double (16 m<sup>2</sup> - 25 m<sup>2</sup>) and twin (22 m<sup>2</sup> - 50 m<sup>2</sup>). Furthermore, hotel offers a variety of room types with 20 rooms occupying three to four guests, which enable to offer to both business and leisure guests. The hotel welcomes guests with an elegant lobby evoking the warmth of the famous poplar trees that line the Hokkaido University campus. Demand from Hokkaido University can be expected as there are small to large conference rooms and banquet rooms.</p>			
Special Notes			
None			

(Note 1) There is a parking lot (43.55m<sup>2</sup>) as an annex building.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 696,266 thousand	JPY 796,440 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 39,149 thousand	JPY 39,637 thousand
c. Non-life Insurance Premiums		JPY 942 thousand	JPY 942 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 655,374 thousand	JPY 755,060 thousand
(Reference)	(1) Sales	JPY 1,490,510 thousand	JPY 1,580,373 thousand

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	Room Income	JPY 1,227,477 thousand	JPY 1,309,909 thousand
	Other Income	JPY 263,032 thousand	JPY 270,463 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 794,243 thousand	JPY 783,933 thousand
	ADR	JPY 12,867	JPY 13,218
	RevPAR	JPY 11,074	JPY 11,767
	Room Occupancy Rates	86.1%	89.0%
	GOP Ratio	46.7%	50.4%
	Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	35.0%	39.8%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	88.3%
ADR (Note 1)	JPY 13,676
RevPAR (Note 1)	JPY 12,081
NOI (Note 2)	JPY 780MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D64: Hotel MyStays Sapporo Aspen

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 15,700 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	15,700,000	
(1) Direct Capitalization Method	15,900,000	
(I) Operating Revenue [(a)-(b)]	838,763	
(a) Total Potential Revenue	838,763	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	54,027	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	11,440	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	40,806	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	942	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	838	
(III) Net Operating Income [(I)-(II)]	784,735	
(k) One-time Investment Gains	142	
(l) Capital Improvements and Expenses	28,600	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	24,811	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	731,467	
Capitalization Yield	4.6%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	15,600,000	
Discount Rate	4.7%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.8%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	15,200,000	
Land Ratio	78.2%	
Building Ratio	21.3%	
FF&E Ratio	0.5%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D65: Art Hotel Ishigakijima

Doc: Ryukyu Hotel Ishigaki.jmd

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 9,731 million			
Appraisal Value	JPY 9,830 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	554-2 Nishimaji Okawa, Ishigaki - shi, Okinawa, and four other lots		
	(Address)	NA		
Transport	25 - minute by car from New Ishigaki Airport			
Land	Form of Possession	Ownership	Zoning	Semi-industrial area/ Class one residential area
	Lot Area	16,670.32 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	60% / 200%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	17,247.54 m <sup>2</sup> (Note 1)	Construction Date	January 20, 1984
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 14 stories		
	Renovation Date	October, 2016 – May, 2017		
Trustee	Mitsubishi UFJ Trust and Banking Corporation			
Trust Period	From: December 11, 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	245 rooms (T222・D1・O22)
Leasable Area	17,247.54 m <sup>2</sup>			
Lease Area	17,247.54 m <sup>2</sup>		Security Deposit/Guarantee Money	-
Occupancy Rate	100.0%		GOP (per month)	JPY 45,690 thousand
Overview of Lease Agreement				
Tenant	Ryukyu Hotel Resort Yaeyama Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 329.4 million per annum (January: JPY 10.7 million per month / February: JPY 11.0 million per month / March: JPY 25.7 million per month / April: JPY 26.0 million per month / May: JPY 17.3 million per month/ June: JPY 19.2 million per month/ July: JPY 53.3 million per month/ August: JPY 83.6 million per month/ September: JPY 34.7 million per month/ October: JPY 23.8 million per month/ November: JPY 14.3 million per month/ December: JPY 9.8 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			

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Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	JPY 340 thousand	Replacement Price	JPY 6,295,000 thousand
Long term Repair Costs (in 12 years)	JPY 670,180 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	2.2%		
Area Characteristic			
Art Hotel Ishigakijima is a full-service hotel on Ishigaki Island. The property is a 25-minute drive from New Ishigaki Airport and five-minute drive from the Ishigaki Port Ferry Terminal and suitable for sightseeing hub on Ishigaki Island, Okinawa, which is popular as a resort area. While the hotels main target is tourists, it possesses a function a community hotel. Renovations of guest rooms and common area with a concept "urban resort" was completed in May 2017, and with hot spring spa facility and fourth rooms, wide range of customer needs are met, from couples to families and business persons. While the outdoor pool was refurbished in March 2019, the hotel is equipped with spa, banquet rooms, three restaurants where you can enjoy Ishigaki beef, and a top-floor bar with gorgeous night views over the island. A shuttle bus operates to Fusaki Beach Resort Hotel & Villas, where you can enjoy beach and large outdoor pools, appealing to leisure purpose visitors.			
Special Notes			
None			

(Note 1) There is a warehouse, office, and machinery room (245.34m<sup>2</sup>) as annex buildings.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 384,290 thousand	JPY 509,523 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 20,718 thousand	JPY 20,912 thousand
c. Non-life Insurance Premiums		JPY 976 thousand	JPY 976 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 361,796 thousand	JPY 486,834 thousand
(Reference)	(1) Sales	JPY 1,743,458 thousand	JPY 1,956,854 thousand
	Room Income	JPY 1,033,109 thousand	JPY 1,213,243 thousand

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	Other Income	JPY 710,349 thousand	JPY 743,611 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 1,359,168 thousand	JPY 1,447,330 thousand
	ADR	JPY 18,334	JPY 17,711
	RevPAR	JPY 11,671	JPY 13,567
	Room Occupancy Rates	63.7%	76.6%
	GOP Ratio	22.0%	26.0%
	Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	9.1%	10.1%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	79.3%
ADR (Note 1)	JPY 17,763
RevPAR (Note 1)	JPY 14,089
NOI (Note 2)	JPY 509MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D65: Art Hotel Ishigakijima

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 9,830 million	
Appraisal Firm	Japan Real Estate Institute	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	9,830,000	
(1) Direct Capitalization Method	9,960,000	
(I) Operating Revenue [(a)-(b)]	607,751	
(a) Total Potential Revenue	607,751	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	43,562	
(c) Maintenance and Management Costs	2,000	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	16,755	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	3,000	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	20,912	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	895	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	-	
(III) Net Operating Income [(I)-(II)]	564,189	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	39,880	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	26,204	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	498,105	
Capitalization Yield	5.0%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	9,690,000	
Discount Rate	4.8%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.2%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	3,730,000	
Land Ratio	71.6%	
Building Ratio	26.0%	
FF&E Ratio	2.4%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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## D66: Hotel MyStays Fuji Onsen Resort

Doc: Hotel Mystays Fuji, Onsen Resort

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 9,405 million			
Appraisal Value	JPY 9,500 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	2654 Arakura Deguchi, Fujiyoshida-shi, Yamanashi, and 15 other lots		
	(Address)	NA		
Transport	5-minute walk from Fujikyu Highland Station on Fuji Kyuko Line, 10-minute by car from Kawaguchiko I.C. on Chuo Expressway			
Land	Form of Possession	Ownership	Zoning	Not specified
	Lot Area	4,281.05 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	70% / 200%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	5,498.49 m <sup>2</sup>	Construction Date	November 4, 2016
	Structure/No. of Stories	Steel framed structure with flat roof, 7 stories		
	Renovation Date	-		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 30, 2016; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	159 rooms (T120・D24・O15)	
Leasable Area	5,498.49 m <sup>2</sup>			
Lease Area	5,498.49 m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 75,728 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 302.6 million per annum (January: JPY 13.3 million per month / February: JPY 13.5 million per month / March: JPY 28.1 million per month / April: JPY 33.3 million per month / May: JPY 25.0 million per month/ June: JPY 15.7 million per month/ July: JPY 28.9 million per month/ August: JPY 49.2 million per month/ September: JPY 23.0 million per month/ October: JPY 24.2 million per month/ November: JPY 26.0 million per month/ December: JPY 22.4 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the			

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	lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 1,775,900 thousand
Long term Repair Costs (in 12 years)	JPY 73,122 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	5.2%		
Area Characteristic			
Hotel MyStays Fuji Onsen Resort is a resort type hotel with a hot spring, and the first MyStays brand resort hotel opened in December 2016, conveniently located within five-minute walk from Fuji-Q Highland Station on the Fuji Express Line. Good access from the city, within approx. 2 hours and 20 minutes from JR Shinjuku Station, within approx. 1 hour and 45-minute drive from Kawaguchiko Station from Shinjuku bus terminal on express bus (approx. 3-minutes on train from Kawaguchi Station to Fuji-Q Highland Station). Guests can enjoy nearly-unobstructed views of the world heritage designated Mt. Fuji while relaxing in a natural hot spring on the top-floor as well as from more than half of the guestrooms. The property is also a five-minute walk from Fuji-Q Highland, an amusement park, which is advantage as accommodation demand can be expected from the park visitors. While its 120 rooms are primarily twin rooms with three or four beds are available to accommodate demands from families and various customers.			
Special Notes			
None			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 411,355 thousand	JPY 529,445 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 14,504 thousand	JPY 16,021 thousand
c. Non-life Insurance Premiums		JPY 455 thousand	JPY 455 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 395,595 thousand	JPY 512,168 thousand
(Reference)	(1) Sales	JPY 797,863 thousand	JPY 1,083,297 thousand
	Room Income	JPY 701,137 thousand	JPY 893,344 thousand
	Other Income	JPY 96,726 thousand	JPY 189,952 thousand
	(2) Operating Costs (not including a.)	JPY 386,508 thousand	JPY 553,851 thousand

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	through d. above)		
	ADR	JPY 14,817	JPY 17,511
	RevPAR	JPY 12,081	JPY 15,393
	Room Occupancy Rates	81.5%	87.9%
	GOP Ratio	51.6%	48.9%
	Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	45.8%	50.7%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	88.2%
ADR (Note 1)	JPY 18,473
RevPAR (Note 1)	JPY 16,293
NOI (Note 2)	JPY 550MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D66: Hotel MyStays Fuji Onsen Resort

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 9,500 million	
Appraisal Firm	Japan Real Estate Institute	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	9,500,000	
(1) Direct Capitalization Method	9,630,000	
(I) Operating Revenue [(a)-(b)]	540,738	
(a) Total Potential Revenue	540,738	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	20,090	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	3,815	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	16,021	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	254	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	-	
(III) Net Operating Income [(I)-(II)]	520,648	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	8,902	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	20,700	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	491,046	
Capitalization Yield	5.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	9,370,000	
Discount Rate	4.9%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	2,900,000	
Land Ratio	17.7%	
Building Ratio	79.6%	
FF&E Ratio	2.7%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D67: Hotel Sonia Otaru

007: Hotel Conia Otaru

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 5,930 million			
Appraisal Value	JPY 5,990 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	1-209 Ironai, Otaru-shi, Hokkaido, and eight other lots		
	(Address)	1-4-20 Ironai, Otaru - shi, Hokkaido		
Transport	9-minute walk from Otaru Station on JR Hakodate Main Line			
Land	Form of Possession	Ownership	Zoning	Semi-industrial area
	Lot Area	2,604.45 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	60% / 300%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	6,509.41 m <sup>2</sup>	Construction Date	April 5, 1992 March 14, 1998 November 27, 2018
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 1 basement, 9 stories Steel framed reinforced concrete structure with flat roof, 1 basement, 9 stories Steel framed reinforced concrete structure with flat roof, 1 basement, 7 stories		
	Renovation Date	December 2016 – May 2017		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: August, 19 2016; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	149 rooms (T143・D2・O4)
Leasable Area	6,509.41 m <sup>2</sup>			
Lease Area	6,509.41 m <sup>2</sup>		Security Deposit/Guarantee Money	-
Occupancy Rate	100.0%		GOP (per month)	JPY 9,369 thousand
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 180.9 million per annum (January: JPY 5.3 million per month / February: JPY 18.1 million per month / March: JPY 0 million per month / April: JPY 0 million per month / May: JPY 15.1 million per month/ June: JPY 18.9 million per month/ July: JPY 34.6 million per month/ August: JPY 40.8 million per month/ September: JPY 18.1 million per month/ October: JPY 11.8 million per month/ November: JPY 3.3 million per month/ December: JPY 14.9 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			

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Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 2,259,200 thousand
Long term Repair Costs (in 12 years)	JPY 285,312 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	3.6%		
Area Characteristic			
Hotel Sonia Otaru is resort type hotel with impressive exterior blending into the landscape along the Otaru Canal, located in the central area of Otaru. Otaru is famous as one of the best tourist sites in Hokkaido and located in the convenient area where is suitable for leisure within nine-minute walking distance from JR Otaru Station, 32-minutes train ride from JR Sapporo Station and 75 minutes train ride from JR Shinchitose Station. Otaru is known for historical cityscape and its seafood, glassworks, music boxes, and attracts an eclectic mix of domestic and international guests. Good access to popular tourists spots like Otaru aquarium, Nikka Whisky Yoichi Distillery, surrounding mountains, ski resort and Shakotan Peninsula as well as historic city area expecting increasing leisure demand. All rooms are spacious with 20m <sup>2</sup> or more, and view of Otaru Cana can be enjoyed from many of its guestrooms, mainly from twin rooms. Completed renovation in May 2017, and an annex opened in equipped with a natural, open-air hot spring spa facility on the top floor with 55 guestrooms December 2018			
Special Notes			
• Part of the land of this property is provided for use for preservation of the building with historical value (approx. 78.51m <sup>2</sup> ). • The land of this property includes partial set-back (deemed as road under Article 42, Paragraph 2 of the Building Standard Act) (approximately 12.12m <sup>2</sup> ) • Part of the land of this property is included in the city planning road project (Hondori Street) (approx. 9m <sup>2</sup> ).			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.		
Operating Period	January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018 (Note 1)
GOP (= (1) - (2))	JPY 173,298 thousand	JPY 174,145 thousand
a. Land Lease Fees	-	-
b. Taxes and Public Dues	JPY 9,639 thousand	JPY 9,595 thousand
c. Non-life Insurance Premiums	JPY 352 thousand	JPY 352 thousand
d. Trust Fees	JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])	JPY 162,506 thousand	JPY 163,397 thousand

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(Reference)	(1) Sales	JPY 395,062 thousand	JPY 398,657 thousand
	Room Income	JPY 322,559 thousand	JPY 336,360 thousand
	Other Income	JPY 72,502 thousand	JPY 62,297 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 221,764 thousand	JPY 224,512 thousand
	ADR	JPY 13,361	JPY 13,154
	RevPAR	JPY 9,392	JPY 9,726
	Room Occupancy Rates	70.3%	73.9%
	GOP Ratio	43.9%	43.7%
	Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	33.6%	40.9%

(Note 1) 55 rooms are added since December 26, 2018.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	68.9%
ADR (Note 1)	JPY 13,568
RevPAR (Note 1)	JPY 9,351
NOI (Note 2)	JPY 189MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D67: Hotel Sonia Otaru

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 5,990 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	5,990,000	
(1) Direct Capitalization Method	6,070,000	
(I) Operating Revenue [(a)-(b)]	363,716	
(a) Total Potential Revenue	363,716	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	26,337	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	6,780	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	18,841	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	352	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	363	
(III) Net Operating Income [(I)-(II)]	337,378	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	15,820	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	11,990	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	309,567	
Capitalization Yield	5.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	5,950,000	
Discount Rate	5.2%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	5,580,000	
Land Ratio	48.9%	
Building Ratio	49.6%	
FF&E Ratio	1.5%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D68: Hotel MyStays Kanazawa Castle

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 5,682 million			
Appraisal Value	JPY 5,740 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	393 Konohana-machi, Kanazawa-shi, Ishikawa, and six other lots		
	(Address)	10-17 Konohana-machi, Kanazawa-shi, Ishikawa		
Transport	6-minute walk from Kanazawa Station on JR Hokuriku Shinkansen			
Land	Form of Possession	Ownership	Zoning	Commercial area/ Neighborhood commercial area
	Lot Area	1,951.82 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 339.61%
Building	Form of Possession	Ownership	Purpose of Use	Ryokan (Japanese style hotel)/shop/office
	Total Floor Area	5,931.84 m <sup>2</sup> (Note 1)	Construction Date	June 29, 1982 February 22, 1991 January 23, 1997
	Structure/No. of Stories	Steel framed structure with flat roof, 10 stories Steel framed structure with flat roof, 7 stories Steel framed structure with galvanized steel sheet roof, 2 stories		
	Renovation Date	November 2015 – March 2016		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: July, 30 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	206 rooms (T128・D49・O29)	
Leasable Area	5,931.84 m <sup>2</sup>			
Lease Area	5,931.84 m <sup>2</sup>	Security Deposit/Guarantee Money	JPY 2,000 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 42,494 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 185.5 million per annum (January: JPY 4.8 million per month / February: JPY 9.5 million per month / March: JPY 13.2 million per month / April: JPY 19.6 million per month / May: JPY 18.0 million per month/ June: JPY 11.4 million per month/ July: JPY 11.3 million per month/ August: JPY 25.0 million per month/ September: JPY 20.4 million per month/ October: JPY 20.0 million per month/ November: JPY 23.0 million per month/ December: JPY 9.3 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			

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Security Deposit/Guarantee Money	JPY 2,000 thousand		
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 2,105,800 thousand
Long term Repair Costs (in 12 years)	JPY 229,122 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	10.1%		
Area Characteristic			
Hotel MyStays Kanazawa Castle is a limited service hotel, conveniently located within six-minute walking distance from JR Kanazawa Station on the JR Hokuriku Shinkansen Kenroku-en Exit. In March 2015, Hokuriku Shinkansen (Nagano-Kanazawa) opened, shortening time for Tokyo-Kanazawa from approx. 2 hours and 30 minutes to approx. 1 hour and 20 minutes. On top of business demand in Kanazawa City, a core regional business hub city for Hokuriku region, leisure demand can be expected from Kanazawa 21th century art museum, Kanazawa castle, Kenroku-en Garden, Higashi Chaya district, Omicho Ichiba and many other tourist spots. The hotel is located close to many sightseeing spots such as Kanazawa 21st century art museum, Kanazawa castle and Kenroku-en Garden. Renovation was completed in March 2016, which boasted contemporary interior design. The hotel has 29 triple rooms and other rooms suitable for a diverse range of guests, and also has a spa exclusively for guests.			
Special Notes			
None			

(Note 1) There is a pump room (11.63m<sup>2</sup>) as annex building.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.		
Operating Period	January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))	JPY 369,443 thousand	JPY 364,812 thousand
a. Land Lease Fees	-	-
b. Taxes and Public Dues	JPY 8,452 thousand	JPY 7,923 thousand
c. Non-life Insurance Premiums	JPY 353 thousand	JPY 353 thousand
d. Trust Fees	JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])	JPY 359,837 thousand	JPY 355,735 thousand

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(Reference)	(1) Sales		JPY 680,887 thousand		JPY 687,252 thousand	
		Room Income	JPY 653,243 thousand		JPY 658,619 thousand	
		Other Income	JPY 27,644 thousand		JPY 28,632 thousand	
	(2) Operating Costs (not including a. through d. above)		JPY 311,443 thousand		JPY 322,439 thousand	
	ADR		JPY 9,798		JPY 10,042	
	RevPAR		JPY 8,688		JPY 8,759	
	Room Occupancy Rates		88.7%		87.2%	
	GOP Ratio		54.3%		53.1%	
	Daily/ Weekly/ Monthly		100.0%/	0.0%/	0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share		35.4%		32.1%	

## < Hotel KPI >

Room Occupancy Rate (Note 1)	86.8%
ADR (Note 1)	JPY 9,923
RevPAR (Note 1)	JPY 8,608
NOI (Note 2)	JPY 343MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D68: Hotel MyStays Kanazawa Castle

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 5,740 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	5,740,000	
(1) Direct Capitalization Method	5,820,000	
(I) Operating Revenue [(a)-(b)]	345,163	
(a) Total Potential Revenue	345,163	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	17,255	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	8,400	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	8,156	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	353	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	345	
(III) Net Operating Income [(I)-(II)]	327,908	
(k) One-time Investment Gains	20	
(l) Capital Improvements and Expenses	17,850	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	13,369	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	296,708	
Capitalization Yield	5.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	5,700,000	
Discount Rate	5.2%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	5,590,000	
Land Ratio	83.7%	
Building Ratio	13.4%	
FF&E Ratio	2.9%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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## D69: Art Hotel Niigata Station

Doc: Air Hotel Niigata Station

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 5,524 million			
Appraisal Value	JPY 5,580 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	1-1 Sasaguchi, Chuo-ku, Niigata-shi, Niigata		
	(Address)	NA		
Transport	Directly connected to Niigata Station on JR Joetsu Shinkansen			
Land	Form of Possession	Ownership (co-interest) (Note 1)	Zoning	Commercial area
	Lot Area	4,631.67 m <sup>2</sup> (Note 1)	Building Coverage Ratio/Floor Area Ratio	80% / 600%
Building	Form of Possession	Sectional ownership	Purpose of Use	Hotel
	Total Floor Area	10,403.01 m <sup>2</sup> (Note 2)	Construction Date	April 25, 1985
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 2 basement, 12 stories		
	Renovation Date	May 2007 – August 2007		
Trustee	Mitsubishi UFJ Trust and Banking Corporation			
Trust Period	From: April 1 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	304 rooms (S204・T83・D17)	
Leasable Area	10,403.01m <sup>2</sup>			
Lease Area	10,403.01m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 40,265 thousand	
Overview of Lease Agreement				
Tenant	Niigata Hotel Management Godo Kaisha			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 221.9 million per annum (January: JPY 11.8 million per month / February: JPY 14.1 million per month / March: JPY 20.7 million per month / April: JPY 17.8 million per month / May: JPY 19.0 million per month / June: JPY 19.3 million per month / July: JPY 21.0 million per month / August: JPY 26.6 million per month / September: JPY 17.8 million per month / October: JPY 21.4 million per month / November: JPY 18.2 million per month / December: JPY 14.2 million per month) plus variable rent based on GOP of hotel operation. (Note 3)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			

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Security Deposit/Guarantee Money	-		
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price (Note 4)	JPY 5,494,393 thousand
Long term Repair Costs (in 12 years)	JPY 688,072 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	9.7%		
Area Characteristic			
<p>Art Hotel Niigata Station was rebranded and reopened as Art Hotel in October 2016. It is a full service hotel in a convenient location, directly connected to the South Exit of JR Niigata Station. Niigata Station is the terminal station and the end of Joetsu Shinkansen, and is the gate for Niigata City which is the center of Hokuriku/Shinetsu region. The property is accessible approx. 1 hour and 40 minutes via Joetsu Shinkansen from Tokyo Station, located in an area which attracts both inbound and outbound guests for business and leisure visitors. Most of its guestrooms are either single or twin, and the hotel is a full service hotel suitable for business events and conferences, with its large and small banquet halls and conference rooms that can accommodate over 600 people, which enable to acquire business use related to meetings, training, academic meetings, exhibitions, etc.</p> <p>Niigata Prefecture is well-known as a rice- and sake-producing area, which offers visitors opportunities to enjoy specialty dishes also including seafood, the bounty of the Sea of Japan. In addition, Niigata City is visited by a number of tourists as a base for sightseeing in historical sites associated with Uesugi Kenshin, a famous military commander in medieval Japan, travel to Sado Island and other original sceneries of Japan such as houses of wealthy farmers, extensive pastoral landscapes and rice terraces. As such background, it is expected to acquire leisure demand.</p>			
Special Notes			
<ul style="list-style-type: none"><li>Under the administrative rules concluded among compartmentalized owners of this property, any compartmentalized owner shall give prior notification to a building manager if it transfers its compartmentalized ownership, and other compartmentalized owners are prioritized in negotiations over the ownership to be transferred over any other third party.</li><li>There is no written confirmation of border with respect to a part of the border with the adjoining land.</li></ul>			

(Note 1) The land of this property consists of one land lot, and INV will acquire compartmentalized ownership (proportional share: 1,891,736,672 / 10,000,000,000). "Lot Area" in "Land" refers to the lot area of the entire building.

(Note 2) INV will hold compartmentalized ownership of this property and the private-use area to be acquired by INV is referred to. The gross floor area of the entire building is 27,874.87m<sup>2</sup>. The total private-use area of INV after the anticipated acquisition will be approximately 46.5% of the total usable area of this building.

(Note 3) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

(Note 4) Calculated by multiplying the ratio of sectional ownership held by INV by the Replacement Price of the entire building of this property.

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Income and Expenditures, Etc.					
Operating Period		January 1, 2017 – December 31, 2017		January 1, 2018 – December 31, 2018	
GOP (= (1) - (2))		JPY 374,511 thousand		JPY 415,501 thousand	
a. Land Lease Fees		-		-	
b. Taxes and Public Dues		JPY 21,340 thousand		JPY 19,943 thousand	
c. Non-life Insurance Premiums		JPY 841 thousand		JPY 841 thousand	
d. Trust Fees		JPY 800 thousand		JPY 800 thousand	
e. Other Expenses		JPY 9,752 thousand		JPY 9,720 thousand	
NOI (= GOP - [a. + b. + c. + d. + e.])		341,776 thousand		384,196 thousand	
(Reference)	(1) Sales	JPY 1,096,791 thousand		JPY 1,158,331 thousand	
	Room Income	JPY 625,533 thousand		JPY 686,806 thousand	
	Other Income	JPY 471,257 thousand		JPY 471,525 thousand	
	(2) Operating Costs (not including a. through d. above)	JPY 722,280 thousand		JPY 742,830 thousand	
	ADR	JPY 6,508		JPY 6,964	
	RevPAR	JPY 5,637		JPY 6,190	
	Room Occupancy Rates	86.6%		88.9%	
	GOP Ratio	34.1%		35.9%	
	Daily/ Weekly/ Monthly	100.0%/	0.0%/	0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	7.5%		8.8%	

## < Hotel KPI >

Room Occupancy Rate (Note 1)	88.5%
ADR (Note 1)	JPY 7,071
RevPAR (Note 1)	JPY 6,261
NOI (Note 2)	JPY 387MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D69: Art Hotel Niigata Station

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 5,580 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	5,580,000	
(1) Direct Capitalization Method	5,640,000	
(I) Operating Revenue [(a)-(b)]	402,526	
(a) Total Potential Revenue	402,526	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	36,640	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	19,215	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	12,559	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	841	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	4,025	
(III) Net Operating Income [(I)-(II)]	365,886	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	43,920	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	23,283	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	298,682	
Capitalization Yield	5.3%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	5,560,000	
Discount Rate	5.4%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.5%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	5,340,000	
Land Ratio	41.4%	
Building Ratio	57.4%	
FF&E Ratio	1.2%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D70: Hotel MyStays Nagoya Nishiki

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 5,197 million			
Appraisal Value	JPY 5,250 million			
Appraisal Agency	JLL Morii Valuation & Advisory K.K.			
Location	(Lot Number)	3-821 Nishiki, Naka-ku, Nagoya-shi, Aichi, and three other lots		
	(Address)	3-8-21 Nishiki, Naka-ku, Nagoya-shi, Aichi		
Transport	4-minute walk from Sakae Station on Subway Higashiyama Meijo Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	561.72 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	6,077.99 m <sup>2</sup>	Construction Date	March 23, 1974
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 3 basement, 12 stories		
	Renovation Date	May 2017 – July 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: March 29, 2017; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	169 rooms (T67・D100・O2)
Leasable Area	6,077.99 m <sup>2</sup>			
Lease Area	6,077.99 m <sup>2</sup>		Security Deposit/Guarantee Money	JPY 11,409 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 29,965 thousand
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 140.3 million per annum (January: JPY 8.3 million per month / February: JPY 7.8 million per month / March: JPY 11.9 million per month / April: JPY 14.7 million per month / May: JPY 13.2 million per month/ June: JPY 9.0 million per month/ July: JPY 10.6 million per month/ August: JPY 14.2 million per month/ September: JPY 13.2 million per month/ October: JPY 12.4 million per month/ November: JPY 13.8 million per month/ December: JPY 11.2 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 11,409 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	April 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 1,914,100 thousand
Long term Repair Costs (in 12 years)	JPY 92,609 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	April 2019
Probable Maximum Loss (PML)	8.4%		
Area Characteristic			
Hotel MyStays Nagoya Nishiki is a limited service hotel rebranded and reopened under the MyStays brand in July 2018, it is located within 4-minute walk from Sakae Station on the Nagoya Subway Higashiyama Line and Meijo Line. The property was renovated, rebranded, and reopened offering functional and clean 169 rooms Double, Twin, and Triple room options. Since the property is located in very commercial and busy area and guests can access multiple subway lines, strong business demand can be expected. The property is also located in the center of Nagoya's vibrant Sakae/ Nishiki entertainment district, where guests can easily access sightseeing attractions such as Nagoya TV Tower and Nagoya Castle, which is a ten-minute drive from the hotel, therefore tourism demand can be expected.			
Special Notes			
・ As the application for building certification of the property was submitted before regulations on the building coverage ratio and floor-area ratio were established, it is currently classified as an existing nonconforming building in terms of building coverage ratio and floor-area ratio.			
・ There is no written confirmation of border with respect to a part of the border with the adjoining land.			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	July 5, 2018 – December 31, 2018 (Note 1)
GOP (= (1) - (2))		-	JPY 147,665 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		-	JPY 4,646 thousand
c. Non-life Insurance Premiums		-	JPY 144 thousand
d. Trust Fees		-	JPY 394 thousand
NOI (= GOP - [a. + b. + c. + d.])		-	JPY 142,479 thousand
(Reference)	(1) Sales	-	JPY 267,906 thousand
	Room Income	-	JPY 240,813 thousand
	Other Income	-	JPY 27,093 thousand
	(2) Operating Costs (not including a.)	-	JPY 120,240 thousand

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	through d. above)		
	ADR	-	JPY 8,888
	RevPAR	-	JPY 7,916
	Room Occupancy Rates	-	89.1%
	GOP Ratio	-	55.1%
	Daily/ Weekly/ Monthly	-	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	-	29.1%

(Note 1) Data after July 5, 2018 are indicated, as data before July 4, 2018 does not exist.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	89.6%
ADR (Note 1)	JPY 8,618
RevPAR (Note 1)	JPY 7,724
NOI (Note 2)	JPY 217MM

(Note 1) Average of data existing period (from July 5, 2018 to April 30, 2019) after rebranding open in 2018

(Note 2) NOI is the net operating income (actual) for the period (from July 5, 2018 to April 30, 2019) after rebranding open in 2018

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D70: Hotel MyStays Nagoya Nishiki

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 5,250 million	
Appraisal Firm	JLL Morii Valuation & Advisory K.K.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	5,250,000	
(1) Direct Capitalization Method	5,310,000	
(I) Operating Revenue [(a)-(b)]	258,605	
(a) Total Potential Revenue	258,605	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	14,449	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	2,315	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	9,241	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	293	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	2,600	
(III) Net Operating Income [(I)-(II)]	244,156	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	5,402	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	10,249	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	228,505	
Capitalization Yield	4.3%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	5,180,000	
Discount Rate	4.0%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.5%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	3,220,000	
Land Ratio	77.4%	
Building Ratio	16.8%	
FF&E Ratio	5.8%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D71: Hotel Nord Otaru

37.1. Hotel Nord Otaru

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 4,296 million			
Appraisal Value	JPY 4,340 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	1-205-1 Ironai, Otaru-shi, Hokkaido, and five other lots		
	(Address)	1-4-16 Ironai, Otaru - shi, Hokkaido		
Transport	9-minute walk from Otaru Station on JR Hakodate Main Line			
Land	Form of Possession	Ownership/leasehold interest	Zoning	Semi-industrial area
	Lot Area	1,944.77 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	60% / 300%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	6,047.43 m <sup>2</sup>	Construction Date	March 19, 1996
	Structure/No. of Stories	Reinforced concrete structure/Steel framed reinforced concrete structure/ Steel-framed structure with flat roof, 7 stories		
	Renovation Date	November 2016 – April 2017		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: March 18, 2016; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	98 rooms (T77・D14・O7)	
Leasable Area	6,047.43 m <sup>2</sup>			
Lease Area	6,047.43 m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 10,169 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 154.2 million per annum (January: JPY 8.7 million per month / February: JPY 12.4 million per month / March: JPY 0 million per month / April: JPY 0 million per month / May: JPY 12.7 million per month/ June: JPY 17.0 million per month/ July: JPY 28.5 million per month/ August: JPY 37.7 million per month/ September: JPY 13.5 million per month/ October: JPY 10.4 million per month/ November: JPY 3.9 million per month/ December: JPY 9.4 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the			

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	lease term.
Rent Revision	Rent cannot be revised during the lease term.
Early Termination	Termination prior to the expiration of the lease term is not permitted.
Other Special Matters	-

## Overview of Building Conditions Survey Report

Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	JPY 100 thousand	Replacement Price	JPY 2,368,700 thousand
Long term Repair Costs (in 12 years)	JPY 338,256 thousand		

## Overview of PML report

Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	4.4%		

## Area Characteristic

Hotel Nord Otaru is resort type hotel and located in the central area in Otaru, where is historic city, and located within nine-minute walk from JR Otaru Station on the Hakodate Main Line. Otaru is famous as one of the best tourist sites in Hokkaido and located in the convenient area where is suitable for leisure, 32-minute train ride from JR Sapporo Station and approx. 75-minute train ride from JR Shinchitose-kuko Station. Otaru is also known for its historical cityscape, seafood, glassworks, and music boxes, and attracts an eclectic mix of domestic and international guests. Great access to popular tourist spots like Otaru aquarium, Nikka Whisky Yoichi Distillery, surrounding mountains, ski resort and the Shakotan Peninsula, as well as historic city area, expecting increasing leisure demand. The guest may use Hotel Sonia Otaru's natural open-air hot spring spa facility by paying additional charges.

## Special Notes

- Part of the land of this property is leased from a general incorporated association, and any transfer of leasehold with the transfer of the building, granting of security right on leasehold or sublease of the leased land to any third party requires approval from the general incorporated association, which is the landowner.
- The land of this property includes set-back area (deemed as a road under Article 42, Paragraph 2 of the Building Standard Act) (approximately 7.74m<sup>2</sup>)
- The part of cut-off corner of the land of this property (approx.16m<sup>2</sup>) is included in the plan place of the city planning road. The development of the city planning road has been already completed, and if such part of cut-off corner is purchased for public use, this property would be classified as an existing nonconforming building due to the limit-exceeding floor-area ratio.
- There is no written confirmation of border with respect to a part of the border (of the part of the leased land) with the adjoining land.

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.		
Operating Period	January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))	JPY 268,230 thousand	JPY 266,725 thousand
a. Land Lease Fees	JPY 1,800 thousand	JPY 1,800 thousand
b. Taxes and Public Dues	JPY 15,265 thousand	JPY 13,477 thousand
c. Non-life Insurance Premiums	JPY 380 thousand	JPY 380 thousand
d. Trust Fees	JPY 800 thousand	JPY 800 thousand

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NOI (= GOP - [a. + b. + c. + d.])		JPY 249,984 thousand	JPY 250,267 thousand
(Reference)	(1) Sales	JPY 624,617 thousand	JPY 638,451 thousand
	Room Income	JPY 472,182 thousand	JPY 471,242 thousand
	Other Income	JPY 152,435 thousand	JPY 167,209 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 356,387 thousand	JPY 371,726 thousand
	ADR	JPY 15,908	JPY 16,055
	RevPAR	JPY 13,201	JPY 13,174
	Room Occupancy Rates	83.0%	82.1%
	GOP Ratio	42.9%	41.8%
	Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	36.1%	37.0%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	81.5%
ADR (Note 1)	JPY 16,218
RevPAR (Note 1)	JPY 13,222
NOI (Note 2)	JPY 253MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D71: Hotel Nord Otaru

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 4,340 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	4,340,000	
(1) Direct Capitalization Method	4,390,000	
(I) Operating Revenue [(a)-(b)]	278,858	
(a) Total Potential Revenue	278,858	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	24,761	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	8,295	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	14,007	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	380	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	2,078	
(III) Net Operating Income [(I)-(II)]	254,096	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	20,145	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	9,958	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	223,993	
Capitalization Yield	5.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	4,320,000	
Discount Rate	5.2%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	4,120,000	
Land Ratio	59.9%	
Building Ratio	39.6%	
FF&E Ratio	0.5%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D72: Hotel MyStays Kagoshima Tenmonkan

272: Hotel Mystays Kagoshima Remmokukan

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 3,445 million			
Appraisal Value	JPY 3,480 million			
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.			
Location	(Lot Number)	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima, and three other lots		
	(Address)	2-7 Yamanokuchi-cho, Kagoshima-shi, Kagoshima		
Transport	3-minute walk from Takamibaba Station on Kagoshima City Tram			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	1,407.04 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 500%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	7,659.55 m <sup>2</sup>	Construction Date	September 14, 1990
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 1 basement, 11 stories		
	Renovation Date	January 2018 – April 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: October 31, 2017; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019) (Note 1)				
Total No. of Tenant (s)	2	Number of Guest Rooms	196 rooms (T24・D168・O4)	
Leasable Area	7,659.55m <sup>2</sup>			
Lease Area	7,659.55m <sup>2</sup>	Security Deposit/Guarantee Money	JPY 9,500 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 21,454 thousand	
Overview of Lease Agreement (Note 1)				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 117.8 million per annum (January: JPY 4.8 million per month / February: JPY 6.7 million per month / March: JPY 10.9 million per month / April: JPY 9.6 million per month / May: JPY 11.8 million per month/ June: JPY 7.6 million per month/ July: JPY 7.4 million per month/ August: JPY 14.2 million per month/ September: JPY 8.4 million per month/ October: JPY 14.1 million per month/ November: JPY 13.0 million per month/ December: JPY 9.3 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 9,500 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	April 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 2,324,800 thousand
Long term Repair Costs (in 12 years)	JPY 347,353 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	April 2019
Probable Maximum Loss (PML)	8.8%		
Area Characteristic			
Hotel MyStays Kagoshima Tenmonkan is a full service hotel renovated and reopened under the MyStays brand in March 2018, with 6 banquet halls and conference rooms and a recently refurbished restaurant. It is located in Tenmonkan, the largest downtown area in Kagoshima and within three-minute walk from Takamibaba Station in the Kagoshima City Tram, which is approx. 12 minutes by train from JR Kagoshima Chuo Station, offering convenient access for business and leisure guests. Leisure demand can be expected, with great access to Sakurajima, Kagoshima City Aquarium, Sengoku-en (Isoteien) and other popular tourist spots. In addition, completed renovation in 2018, and offers Semi-double, Twin, Double, Triple and Queen room options.			
Special Notes			
・The Property is an existing nonconforming building that does not comply with the requirement to set up an attached parking space, as it was built before the ordinances on parking spaces annexed to buildings constructed in Kagoshima City were established.			

(Note 1) The property's hotel and shops is leased to a different tenant, however as the portion of GOP from the shops in the GOP of the whole property is small, GOP (per month) under the Lease Overview is indicated only for the lease agreement with the tenant of hotel.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2)) (Note 1)		JPY 111,035 thousand	JPY 193,924 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 14,056 thousand	JPY 13,922 thousand
c. Non-life Insurance Premiums		JPY 359 thousand	JPY 359 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 95,819 thousand	JPY 178,842 thousand
(Reference)	(1) Sales	JPY 364,815 thousand	JPY 423,943 thousand
	Room Income	JPY 316,591 thousand	JPY 352,805 thousand
	Other Income	JPY 48,223 thousand	JPY 71,137 thousand
	(2) Operating Costs (not including a.)	JPY 265,698 thousand	JPY 241,937 thousand

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	through d. above)		
	ADR	JPY 5,100	JPY 6,540
	RevPAR	JPY 4,425	JPY 5,143
	Room Occupancy Rates	86.8%	78.6%
	GOP Ratio	27.2%	42.9%
	Daily/ Weekly/ Monthly (Note 2)	-	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share (Note 2)	-	20.0%

(Note 1) Rental business revenue is the total of GOP of hotel and rent revenue from shops.

(Note 2) Data after January 16, 2018 are indicated, as data before January 15, 2018 does not exist.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	88.6%
ADR (Note 1)	JPY 6,604
RevPAR (Note 1)	JPY 5,850
NOI (Note 2)	JPY 204MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D72: Hotel MyStays Kagoshima Tenmonkan

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 3,480 million	
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	3,480,000	
(1) Direct Capitalization Method	3,490,000	
(I) Operating Revenue [(a)-(b)]	227,864	
(a) Total Potential Revenue	227,864	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	28,053	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	10,075	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	360	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	13,922	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	359	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	3,336	
(III) Net Operating Income [(I)-(II)]	199,810	
(k) One-time Investment Gains	95	
(l) Capital Improvements and Expenses	18,870	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	6,577	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	174,456	
Capitalization Yield	5.0%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	3,470,000	
Discount Rate	4.8%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.2%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	1,690,000	
Land Ratio	65.0%	
Building Ratio	34.0%	
FF&E Ratio	1.0%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D73: Art Hotel Asahikawa

076: Art Hotel Asahikawa

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 3,197 million			
Appraisal Value	JPY 3,230 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	6-29-2 7-jo-dori, Asahikawa-shi, Hokkaido		
	(Address)	NA		
Transport	15-minute walk from Asahikawa Station on JR Hakodate / Soya Main Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	4,284.18 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	25,131.84 m <sup>2</sup>	Construction Date	October 26, 1987
	Structure/No. of Stories	Steel framed reinforced concrete structure and steel framed with flat roof, 1 basement, 15 stories		
	Renovation Date	December 2017 – January 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: October 1, 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	265 rooms (T214・D8・O43)
Leasable Area	25,131.84m <sup>2</sup>			
Lease Area	25,131.84m <sup>2</sup>		Security Deposit/Guarantee Money	JPY 600 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 2,784 thousand
Overview of Lease Agreement				
Tenant	Art Hotel Asahikawa Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 161.9 million per annum (January: JPY 5.2 million per month / February: JPY 9.8 million per month / March: JPY 4.3 million per month / April: JPY 0 million per month / May: JPY 1.2 million per month/ June: JPY 21.7 million per month/ July: JPY 49.3 million per month/ August: JPY 43.9 million per month/ September: JPY 12.9 million per month/ October: JPY 7.2 million per month/ November: JPY 0 million per month/ December: JPY 6.4 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 600 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 9,142,000 thousand
Long term Repair Costs (in 12 years)	JPY 670,458 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	1.5%		
Area Characteristic			
Art Hotel Asahikawa is located in a five-minute drive from JR Asahikawa Station. The property is a full service hotel equipped with sauna, spa, wedding venue, banquet rooms, as well as various room layouts including Twin, Triple, Queen, King and traditional Japanese-style rooms. The property has operated for more than 30 years, and while it has established its stable position as a community hotel, it has been conducting renovation works to maintain its competitiveness. The hotel offers a variety of restaurants, including the buffet style restaurant Minori with panoramic views of Asahikawa on the top floor, a Hokkaido patisserie, and a Japanese restaurant. Asahikawa city is located in the center of Hokkaido, it has the second largest population (approx. 340 thousand) in Hokkaido after Sapporo. Guests can enjoy nearby popular tourist attractions such as Asahiya Zoo, the Asahikawa Winter Festival, and Sounkyo Gorge.			
Special Notes			
・ The property is an existing nonconforming building that does not comply with the requirement to set up a parking space, as it was built before the Asahikawa City ordinances on parking spaces were established.			
・ City planning road (between 6-jo and 7-jo on Nakadori route 2) is decided for part of the land (approx. 32 m <sup>2</sup> ) of the property.			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 199,837 thousand	JPY 234,093 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 36,385 thousand	JPY 34,346 thousand
c. Non-life Insurance Premiums		JPY 1,343 thousand	JPY 1,343 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 161,308 thousand	JPY 197,603 thousand
(Reference)	(1) Sales	JPY 1,799,361 thousand	JPY 1,954,289 thousand
	Room Income	JPY 586,638 thousand	JPY 661,958 thousand
	Other Income	JPY 1,212,722 thousand	JPY 1,292,330 thousand

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(2) Operating Costs (not including a. through d. above)	JPY 1,599,523 thousand	JPY 1,720,195 thousand
ADR	JPY 8,844	JPY 8,776
RevPAR	JPY 6,065	JPY 6,844
Room Occupancy Rates	68.6%	78.0%
GOP Ratio	11.1%	12.0%
Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
Overseas Sales Share	10.6%	9.7%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	80.5%
ADR (Note 1)	JPY 8,814
RevPAR (Note 1)	JPY 7,099
NOI (Note 2)	JPY 207MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D73: Art Hotel Asahikawa

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 3,230 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	3,230,000	
(1) Direct Capitalization Method	3,190,000	
(I) Operating Revenue [(a)-(b)]	271,194	
(a) Total Potential Revenue	271,194	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	49,671	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	13,710	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	34,346	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	1,343	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	271	
(III) Net Operating Income [(I)-(II)]	221,523	
(k) One-time Investment Gains	6	
(l) Capital Improvements and Expenses	31,990	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	20,231	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	169,307	
Capitalization Yield	5.3%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	3,250,000	
Discount Rate	5.4%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.5%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	2,950,000	
Land Ratio	13.6%	
Building Ratio	85.2%	
FF&E Ratio	1.2%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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## D74: Hotel MyStays Matsuyama

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 3,098 million			
Appraisal Value	JPY 3,130 million			
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.			
Location	(Lot Number)	1-10-10 Otemachi, Matsuyama-shi, Ehime		
	(Address)	NA		
Transport	10-minute walk from Matsuyama Station on JR Yosan Line and 9-minute walk from Matsuyamashi on Iyo Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	1,744.08 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 500%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	8,274.37 m <sup>2</sup> (Note 1)	Construction Date	July 28, 2000
	Structure/No. of Stories	Reinforced concrete structure and steel framed with flat roof, 1 basement, 12 stories		
	Renovation Date	May 2018 – July 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: December 1, 2005; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30,2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	162 rooms (T39・D118・O5)	
Leasable Area	8,274.37m <sup>2</sup>			
Lease Area	8,274.37m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 20,472 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 126.0 million per annum (January: JPY 4.5 million per month / February: JPY 7.3 million per month / March: JPY 17.6 million per month / April: JPY 11.2 million per month / May: JPY 11.8 million per month/ June: JPY 4.2 million per month/ July: JPY 12.1 million per month/ August: JPY 13.7 million per month/ September: JPY 8.5 million per month/ October: JPY 10.2 million per month/ November: JPY 14.5 million per month/ December: JPY 10.4 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the			

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	lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 3,004,000 thousand
Long term Repair Costs (in 12 years)	JPY 323,662 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	4.9%		
Area Characteristic			
Hotel MyStays Matsuyama is a full service hotel with refurbished banquet room, rebranded and reopened in July 2017 as the first MyStays Hotel in Shikoku, it is a ten-minute walk from JR Matsuyama Station conveniently located in the center of Matsuyama City. Great access with approx. 17 minutes from Matsuyama Airport via bus, and approx. 25 minutes from Matsuyama Tourist Port, and a 9-minute walk from Iyotetsu Matsuyama City Station. The hotel attracts business guests as it is located in the center of Matsuyama city, and it also attracts leisure guests, with convenient access with 20-minute ride by the city tram to Dogo Onsen, oldest and one of the most famous hot springs in Japan. The property is located near the foot of Matsuyama Castle, guests can enjoy views of the moat and trams from there room, and some guest rooms has nice views of Matsuyama Castle. The property has 162 rooms, including the double room (16.25 m <sup>2</sup> ) and the sweet room (77.04m <sup>2</sup> ) and it satisfies the needs of both business and leisure guests. In addition, the banquet room and rooms of upper floor were completely refurbished by July 2018 and restaurant refurbished by November 2018.			
Special Notes			
None			

(Note 1) There is a parking lot (42.78m<sup>2</sup>) as an annex building.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 191,742 thousand	JPY 195,769 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 12,329 thousand	JPY 12,284 thousand
c. Non-life Insurance Premiums		JPY 455 thousand	JPY 455 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 178,157 thousand	JPY 182,229 thousand
(Reference)	(1) Sales	JPY 701,675 thousand	JPY 697,866 thousand
	Room Income	JPY 394,376 thousand	JPY 405,643 thousand

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	Other Income	JPY 307,299 thousand	JPY 292,222 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 509,932 thousand	JPY 502,096 thousand
	ADR	JPY 8,219	JPY 8,528
	RevPAR	JPY 6,711	JPY 6,882
	Room Occupancy Rates	81.7%	80.7%
	GOP Ratio	27.3%	28.1%
	Daily/ Weekly/ Monthly (Note 1)	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share (Note 1)	18.2%	21.9%

(Note 1) Data after July 1, 2017 are indicated, as data before June 30, 2017 does not exist.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	82.6%
ADR (Note 1)	JPY 8,615
RevPAR (Note 1)	JPY 7,115
NOI (Note 2)	JPY 197MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D74: Hotel MyStays Matsuyama

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 3,130 million	
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	3,130,000	
(1) Direct Capitalization Method	3,140,000	
(I) Operating Revenue [(a)-(b)]	217,464	
(a) Total Potential Revenue	217,464	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	33,221	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	12,431	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	360	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	16,114	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	455	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	3,861	
(III) Net Operating Income [(I)-(II)]	184,242	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	14,541	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	6,450	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	163,251	
Capitalization Yield	5.2%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	3,130,000	
Discount Rate	5.0%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.4%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	2,200,000	
Land Ratio	31.5%	
Building Ratio	67.6%	
FF&E Ratio	0.9%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D75: Hotel MyStays Sapporo Susukino

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 3,059 million			
Appraisal Value	JPY 3,090 million			
Appraisal Agency	JLL Morii Valuation & Advisory K.K.			
Location	(Lot Number)	1-6 Nishi 5-Chome, Minami 7-jo, Chuo-ku, Sapporo-shi, Hokkaido, and one other lot		
	(Address)	NA		
Transport	7-minute walk from Susukino Station on Sapporo Subway Namboku Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	745.14 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 600%
Building	Form of Possession	Ownership	Purpose of Use	Ryokan (Japanese style hotel)/shop/office/residence (Note 2)
	Total Floor Area	2,853.26 m <sup>2</sup> (Note 1)	Construction Date	May 29, 1981
	Structure/No. of Stories	Steel framed reinforced concrete structure/ Steel-framed structure with flat roof, 11 stories		
	Renovation Date	April 2018 – July 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: June 29, 2017; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	104 rooms (T64・D31・O9)
Leasable Area	2,853.26m <sup>2</sup>			
Lease Area	2,853.26m <sup>2</sup>		Security Deposit/Guarantee Money	JPY 931 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 5,740 thousand
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 87.1 million per annum (January: JPY 3.4 million per month / February: JPY 10.6 million per month / March: JPY 0 million per month / April: JPY 2.2 million per month / May: JPY 6.3 million per month/ June: JPY 8.8 million per month/ July: JPY 15.8 million per month/ August: JPY 15.6 million per month/ September: JPY 7.6 million per month/ October: JPY 7.0 million per month/ November: JPY 3.8 million per month/ December: JPY 6.0 million per month) plus variable rent based on GOP of hotel operation. (Note 3)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee	JPY 931 thousand			

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Money			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 916,200 thousand
Long term Repair Costs (in 12 years)	JPY 98,681 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	5.8%		
Area Characteristic			
Hotel MyStays Sapporo Susukino is a limited service hotel located in within seven-minute walk from Susukino Station of Sapporo Subway Namboku Line and a ten-minute walk from Hosui Susukino Station on Sapporo Subway Toho Line and with excellent access to Susukino area, where is well-known for its downtown. Good access for both business and leisure guests, as the closest Susukino Station on the Sapporo Subway Namboku Line is just 3-minute walk from Sapporo Station on the same line, and it is approx. 40-minute from Shinchitose Airport via JR Sapporo Station. As it is located in a convenient area, it is able to secure stable business guests and also leisure guest from in and out of Japan. The property was rebranded and reopened under the MyStays brand in July 2018, with 104 fully renovated rooms consisted of mostly Double and Triple room types.			
Special Notes			
None			

(Note 1) While INV will acquire compartmentalized ownership (*kubun shoyu-ken*) of this property, the total floor area of the entire building is stated as it is planned to acquire compartmentalized ownership (*kubun shoyu-ken*) of 100% of the entire the property.

(Note 2) Upon INV's acquisition, the property's building type is schedule to change to "hotel" on registry.

(Note 3) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.		
Operating Period	August 1, 2017 – December 31, 2017 (Note 1)	January 1, 2018 – December 31, 2018 (Note 2)
GOP (= (1) - (2))	JPY 46,152 thousand	JPY 88,670 thousand
a. Land Lease Fees	-	-
b. Taxes and Public Dues	JPY 1,706 thousand	JPY 4,761 thousand
c. Non-life Insurance Premiums	JPY 61 thousand	JPY 146 thousand
d. Trust Fees	JPY 335 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])	JPY 44,049 thousand	JPY 82,962 thousand

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(Reference)	(1) Sales		JPY 86,035 thousand		JPY 199,968 thousand	
		Room Income	JPY 81,227 thousand		JPY 188,820 thousand	
		Other Income	JPY 4,808 thousand		JPY 11,147 thousand	
	(2) Operating Costs (not including a. through d. above)		JPY 39,883 thousand		JPY 111,298 thousand	
	ADR		JPY 7,507		JPY 9,407	
	RevPAR		JPY 5,530		JPY 5,171	
	Room Occupancy Rates		73.7%		55.0%	
	GOP Ratio		53.6%		44.3%	
	Daily/ Weekly/ Monthly		100.0%/	0.0%/	0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share		16.6%		28.2%	

(Note 1) Data after August 1, 2017 are indicated, as data before July 31, 2017 does not exist.

(Note 2) The whole building closed during April 16, 2018 to July 1, 2018 due to renovation.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	69.6%
ADR (Note 1)	JPY 9,909
RevPAR (Note 1)	JPY 6,894
NOI (Note 2)	JPY 109MM

(Note 1) Average of approx. 10 months excluding the closed period (from April 16, 2018 to July 1, 2018) due to renovation among recent 12 months as of April 30, 2019

(Note 2) NOI is the net operating income (actual) for approx. 10 months excluding the closed period (from April 16, 2018 to July 1, 2018) due to renovation among recent 12 months as of April 30, 2019

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D75: Hotel MyStays Sapporo Susukino

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 3,090 million	
Appraisal Firm	JLL Morii Valuation & Advisory K.K.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	3,090,000	
(1) Direct Capitalization Method	3,140,000	
(I) Operating Revenue [(a)-(b)]	168,096	
(a) Total Potential Revenue	168,096	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	8,275	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	2,467	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	3,961	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	147	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	1,700	
(III) Net Operating Income [(I)-(II)]	159,821	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	5,756	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	6,659	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	147,406	
Capitalization Yield	4.7%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	3,040,000	
Discount Rate	4.5%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.9%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	1,360,000	
Land Ratio	71.2%	
Building Ratio	20.3%	
FF&E Ratio	8.5%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D76: Hotel MyStays Sapporo Nakajima Park

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 2,118 million			
Appraisal Value	JPY 2,140 million			
Appraisal Agency	JLL Morii Valuation & Advisory K.K.			
Location	(Lot Number)	1-3 Nishi 1-chome, Minami 14-jo, Chuo-ku, Sapporo-shi, Hokkaido, and three other lot		
	(Address)	1-20 Nishi 1-chome, Minami 14-jo, Chuo-ku, Sapporo-shi, Hokkaido		
Transport	4-minute walk from Horohirabashi Station on Sapporo Subway Namboku Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	1,421.30 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	5,473.41 m <sup>2</sup>	Construction Date	February 5, 1991
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 1 basement, 7 stories		
	Renovation Date	January 2016 – May 2016		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: October 30, 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30,2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	86 rooms (T31・D40・O15)
Leasable Area	5,473.41m <sup>2</sup>			
Lease Area	5,473.41m <sup>2</sup>		Security Deposit/Guarantee Money	-
Occupancy Rate	100.0%		GOP (per month)	JPY 3,379 thousand
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 71.7 million per annum (January: JPY 3.8 million per month / February: JPY 8.6 million per month / March: JPY 0 million per month / April: JPY 0 million per month / May: JPY 5.5 million per month/ June: JPY 7.9 million per month/ July: JPY 12.6 million per month/ August: JPY 15.1 million per month/ September: JPY 7.5 million per month/ October: JPY 3.6 million per month/ November: JPY 3.4 million per month/ December: JPY 3.7 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	JPY 510 thousand	Replacement Price	JPY 2,280,800 thousand
Long term Repair Costs (in 12 years)	JPY 137,733 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	4.3%		
Area Characteristic			
Hotel MyStays Sapporo Nakajima Park is a highly designed full service hotel located near Nakajima Park, accessible by four-minute walk from Horohira-bashi Station on Sapporo Subway Namboku Line. Horohira-bashi Station, the closest station is a 6-minute subway ride from Sapporo Station on Sapporo Subway Namboku Line, and approx. 50-minute from train ride Shinchitose Airport via JR Sapporo Station. The property was fully renovated in May 2016, with a balanced design featuring contemporary interior design and solid exposed concrete exteriors. Guests can enjoy beautiful views from their rooms of the natural scenery of Nakajima Park, chosen as one of the hundred city parks in Japan (Note 2). The property's 86 rooms consisting of Double (14m <sup>2</sup> ) and Twin (21 m <sup>2</sup> ) were fully renovated and attracting both business and leisure guests. Guests can easily access popular sightseeing spots including downtown Sapporo, the Susukino entertainment district, the historical Sapporo Clock Tower, Oodori Park and Sapporo Beer Garden			
Special Notes			
None			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

(Note 2) "Top 100 Urban Parks in Japan" are selected by Parks & Open Space Association of Japan in 1989. "Urban Park" refers to a park located in a city that is operated for the purpose of providing community residents greenery areas and resting places.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 111,305 thousand	JPY 119,762 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 14,843 thousand	JPY 14,107 thousand
c. Non-life Insurance Premiums		JPY 343 thousand	JPY 343 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 95,317 thousand	JPY 104,511 thousand
(Reference)	(1) Sales	JPY 266,170 thousand	JPY 282,666 thousand
	Room Income	JPY 257,504 thousand	JPY 272,940 thousand
	Other Income	JPY 8,666 thousand	JPY 9,725 thousand

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(2) Operating Costs (not including a. through d. above)	JPY 154,865 thousand	JPY 162,903 thousand
ADR	JPY 10,514	JPY 10,873
RevPAR	JPY 8,203	JPY 8,695
Room Occupancy Rates	78.0%	80.0%
GOP Ratio	41.8%	42.4%
Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
Overseas Sales Share	56.0%	58.1%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	79.6%
ADR (Note 1)	JPY 11,231
RevPAR (Note 1)	JPY 8,941
NOI (Note 2)	JPY 111MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D76: Hotel MyStays Sapporo Nakajima Park

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 2,140 million	
Appraisal Firm	JLL Morii Valuation & Advisory K.K.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	2,140,000	
(1) Direct Capitalization Method	2,180,000	
(I) Operating Revenue [(a)-(b)]	133,257	
(a) Total Potential Revenue	133,257	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	16,819	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	3,443	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	11,732	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	344	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	1,300	
(III) Net Operating Income [(I)-(II)]	116,438	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	8,034	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	6,096	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	102,308	
Capitalization Yield	4.7%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	2,100,000	
Discount Rate	4.5%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.9%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	1,930,000	
Land Ratio	55.4%	
Building Ratio	41.3%	
FF&E Ratio	3.3%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D77: Hotel MyStays Sapporo Nakajima Park Annex

077: Hotel Mystays Sapporo Nakajima Park Annex

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 1,584 million			
Appraisal Value	JPY 1,600 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	1-19 Nishi 1-chome, Minami 11-jo, Chuo-ku, Sapporo-shi, Hokkaido, and one other lot		
	(Address)	4-3 Nishi 1-chome, Minami 11-jo, Chuo-ku, Sapporo-shi, Hokkaido		
Transport	7-minute walk from Nakajima Koen Station on Sapporo Subway Namboku Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	437.71 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	1,775.21 m <sup>2</sup>	Construction Date	September 11, 1991
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 1 basement, 10 stories		
	Renovation Date	March 2017 - June 2017		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 29, 2016; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	80 rooms (T11・D69)	
Leasable Area	1,775.21m <sup>2</sup>			
Lease Area	1,775.21m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 2,244 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 50.0 million per annum (January: JPY 1.1 million per month / February: JPY 6.3 million per month / March: JPY 0 million per month / April: JPY 0 million per month / May: JPY 3.9 million per month/ June: JPY 7.1 million per month/ July: JPY 9.2 million per month/ August: JPY 9.7 million per month/ September: JPY 6.2 million per month/ October: JPY 2.6 million per month/ November: JPY 2.0 million per month/ December: JPY 1.9 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 743,300 thousand
Long term Repair Costs (in 12 years)	JPY 75,818 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	4.7%		
Area Characteristic			
Hotel MyStays Sapporo Nakajima Park Annex is a limited service hotel located in the center of Sapporo City, seven-minute walk from Nakajima Park Station on Sapporo Subway Namboku Line, with great access for both business and sightseeing. Nakajima Park Station is accessible by 5-minute subway ride from Sapporo Station on Sapporo Subway Namboku Line and 40-minute train ride from Shichitose Airport via JR Sapporo Station. As the property locates in the center of Sapporo, stable business demand can be expected. In addition, the property has good surrounding environment with Nakajima Park and Toyohira river nearby. Nakajima Park area, with its abundant lush greenery, is located right in front of the hotel and provides guests with a calm environment that is unusual for an urban center hotel. Nakajima Park area has good access to Susukino district, Sapporo Clock Tower, Oodori Park and Sapporo Beer Garden and leisure demand can be expected. The property was fully renovated in June 2017 for bright, contemporary design for its guest rooms, offering comfortable which beautiful space.			
Special Notes			
None			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 51,840 thousand	JPY 90,420 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 3,723 thousand	JPY 3,883 thousand
c. Non-life Insurance Premiums		JPY 118 thousand	JPY 118 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 47,198 thousand	JPY 85,619 thousand
(Reference)	(1) Sales	JPY 135,524 thousand	JPY 187,000 thousand
	Room Income	JPY 132,381 thousand	JPY 182,866 thousand
	Other Income	JPY 3,143 thousand	JPY 4,134 thousand
	(2) Operating Costs (not including a.)	JPY 83,684 thousand	JPY 96,580 thousand

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	through d. above)		
	ADR	JPY 7,499	JPY 8,282
	RevPAR	JPY 4,646	JPY 6,263
	Room Occupancy Rates	61.9%	75.6%
	GOP Ratio	38.3%	48.4%
	Daily/ Weekly/ Monthly (Note 1)	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share (Note 1)	34.0%	48.2%

(Note 1) Data after February 1, 2017 are indicated, as data before January 31, 2017 does not exist.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	76.9%
ADR (Note 1)	JPY 8,310
RevPAR (Note 1)	JPY 6,387
NOI (Note 2)	JPY 86MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D77: Hotel MyStays Sapporo Nakajima Park Annex

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 1,600 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	1,600,000	
(1) Direct Capitalization Method	1,620,000	
(I) Operating Revenue [(a)-(b)]	92,471	
(a) Total Potential Revenue	92,471	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	6,233	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	2,220	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	3,802	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	118	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	92	
(III) Net Operating Income [(I)-(II)]	86,237	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	4,810	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	3,888	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	77,538	
Capitalization Yield	4.8%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	1,590,000	
Discount Rate	4.9%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.0%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	1,180,000	
Land Ratio	52.8%	
Building Ratio	39.6%	
FF&E Ratio	7.6%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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## D78: Flexstay Inn Sakuragicho

070: Mystay Inn Sakuragicho

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 1,425 million			
Appraisal Value	JPY 1,440 million			
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.			
Location	(Lot Number)	2-72-2 Hanasaki-cho, Naka-ku, Yokohama-shi, Kanagawa, and four other lot		
	(Address)	NA		
Transport	5-minute walk from Sakuragicho Station on JR Negishi Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	402.28 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 400%
Building	Form of Possession	Sectional ownership	Purpose of Use	Hotel
	Total Floor Area	1,308.61 m <sup>2</sup> (Note 1)	Construction Date	November 22, 1991
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 8 stories		
	Renovation Date	July 2016 - September 2016		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: September 1, 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	70 rooms (S14・T1・D55)
Leasable Area	1,308.61m <sup>2</sup>			
Lease Area	1,308.61m <sup>2</sup>		Security Deposit/Guarantee Money	-
Occupancy Rate	100.0%		GOP (per month)	JPY 8,405 thousand
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 40.8 million per annum (January: JPY 2.1 million per month / February: JPY 2.9 million per month / March: JPY 4.2 million per month / April: JPY 3.9 million per month / May: JPY 3.7 million per month/ June: JPY 3.7 million per month/ July: JPY 3.1 million per month/ August: JPY 4.4 million per month/ September: JPY 2.6 million per month/ October: JPY 3.8 million per month/ November: JPY 3.3 million per month/ December: JPY 3.1 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			

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Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 471,100 thousand
Long term Repair Costs (in 12 years)	JPY 52,844 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	12.6%		
Area Characteristic			
Flexstay Inn Sakuragicho is a limited service hotel, located five-minute walking distance from JR Sakuragicho Station on JR Negishi Line. The property is accessible from JR Sakuragicho Station on the Yokohama Subway Blue Line and Hinodecho Station on the Keikyu Main Line, and within an hour of major stations in Tokyo as well as Haneda Airport. The surrounding Sakuragicho and Kannai area is a center of the commercial area in Yokohama and stable business demand can be expected. The property location provides easy access to the Minatomirai area, where both business and leisure guests may enjoy Pacifico Yokohama, Yokohama Landmark Tower and Red Brick Warehouse and other facilities. The property, with 70 rooms in Singles, Semi-Doubles, and Twins, was renovated in September 2016 and all the rooms are equipped with microwave ovens. The property is well-suited for extended stays, with reduced rates available for guests with longer stays.			
Special Notes			
This building is an existing nonconforming building that does not comply with the requirement to set up a parking space, as it was built before the Yokohama City ordinances on parking spaces were amended.			

(Note 1) While INV will acquire sectional ownership of this property, the total floor area of the entire building is stated as it is planned to acquire all sectional ownership related to the building of this property.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.		
Operating Period	January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))	JPY 64,183 thousand	JPY 70,898 thousand
a. Land Lease Fees	-	-
b. Taxes and Public Dues	JPY 3,124 thousand	JPY 2,985 thousand
c. Non-life Insurance Premiums	JPY 77 thousand	JPY 77 thousand
d. Trust Fees	JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])	JPY 60,181 thousand	JPY 67,036 thousand

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(Reference)	(1) Sales	JPY 131,460 thousand		JPY 142,396 thousand	
	Room Income	JPY 125,501 thousand		JPY 135,364 thousand	
	Other Income	JPY 5,959 thousand		JPY 7,031 thousand	
	(2) Operating Costs (not including a. through d. above)	JPY 67,277 thousand		JPY 71,497 thousand	
	ADR	JPY 5,803		JPY 6,076	
	RevPAR	JPY 4,912		JPY 5,298	
	Room Occupancy Rates	84.6%		87.2%	
	GOP Ratio	48.8%		49.8%	
	Daily/ Weekly/ Monthly	66.4%/	15.9%/	17.7%	69.0%/ 15.5%/ 15.5%
	Overseas Sales Share	19.0%		25.9%	

## <Hotel KPI>

Room Occupancy Rate (Note 1)	90.3%
ADR (Note 1)	JPY 6,218
RevPAR (Note 1)	JPY 5,616
NOI (Note 2)	JPY 72MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D78: Flex Stay Inn Sakuragicho

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 1,440 million	
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	1,440,000	
(1) Direct Capitalization Method	1,450,000	
(I) Operating Revenue [(a)-(b)]	74,506	
(a) Total Potential Revenue	74,506	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	5,564	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	1,519	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	360	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	2,985	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	77	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	622	
(III) Net Operating Income [(I)-(II)]	68,941	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	2,883	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	2,082	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	63,975	
Capitalization Yield	4.4%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	1,430,000	
Discount Rate	4.2%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.6%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	479,000	
Land Ratio	72.1%	
Building Ratio	26.6%	
FF&E Ratio	1.3%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D79: MyCUBE by MYSTAYS Asakusa Kuramae

2-1-3 Kuramae, Taito-ku, Tokyo  
 2-6-7 Kuramae, Taito-ku, Tokyo

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 1,287 million			
Appraisal Value	JPY 1,300 million			
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.			
Location	(Lot Number)	2-1-3 Kuramae, Taito-ku, Tokyo		
	(Address)	2-6-7 Kuramae, Taito-ku, Tokyo		
Transport	1-minute walk from Kuramae Station on Toei Asakusa Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	302.38 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	2,156.70 m <sup>2</sup>	Construction Date	September 18, 1991
	Structure/No. of Stories	Steel framed reinforced concrete structure with flat roof, 9 stories		
	Renovation Date	November 2015 - May 2016 (Note 1)		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: July 31, 2015; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	161 rooms (S161)	
Leasable Area	2,156.70m <sup>2</sup>			
Lease Area	2,156.70m <sup>2</sup>	Security Deposit/Guarantee Money	JPY 300 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 9,027 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 40.3 million per annum (January: JPY 1.6 million per month / February: JPY 1.3 million per month / March: JPY 4.9 million per month / April: JPY 4.8 million per month / May: JPY 4.1 million per month/ June: JPY 2.3 million per month/ July: JPY 2.8 million per month/ August: JPY 3.4 million per month/ September: JPY 3.5 million per month/ October: JPY 3.9 million per month/ November: JPY 4.2 million per month/ December: JPY 3.5 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 300 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	JPY 1,020 thousand	Replacement Price	JPY 716,000 thousand
Long term Repair Costs (in 12 years)	JPY 51,365 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	9.3%		
Area Characteristic			
MyCUBE by MYSTAYS Asakusa Kuramae is a limited service “cube” type hotel, accessible via one-minute walk from Kuramae Station on Asakusa Line and four-minute walk from Kuramae Station on Oedo Line. The property is located in close to Asakusa, which is one of the most popular sightseeing areas for tourists in Tokyo. The property is easy to access to popular sightseeing spots such as Tokyo Skytree and Sensoji Temple. The property was converted from an office building, and opened as a capsule hotel separated into “cubes” in June 2016. Each of the "cubes" is equipped with a bed, television, slide table, safety box, personal storage space, power outlets, and USB charging ports. There is a lobby lounge for a community space for the guests, which is popular among foreign backpackers and Japanese business guests.			
Special Notes			
None			

(Note 1) Construction period for conversion (conversion of zoning) is indicated.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 56,230 thousand	JPY 70,271 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 8,008 thousand	JPY 7,844 thousand
c. Non-life Insurance Premiums		JPY 113 thousand	JPY 113 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 47,308 thousand	JPY 61,513 thousand
(Reference)	(1) Sales	JPY 197,288 thousand	JPY 205,842 thousand
	Room Income	JPY 188,268 thousand	JPY 200,400 thousand
	Other Income	JPY 9,019 thousand	JPY 5,442 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 141,058 thousand	JPY 135,571 thousand

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ADR	JPY 3,808	JPY 3,813
RevPAR	JPY 3,204	JPY 3,410
Room Occupancy Rates	84.1%	89.4%
GOP Ratio	28.5%	34.1%
Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
Overseas Sales Share	54.3%	58.0%

## < Hotel KPI >

Room Occupancy Rate (Note 1)	90.0%
ADR (Note 1)	JPY 3,824
RevPAR (Note 1)	JPY 3,442
NOI (Note 2)	JPY 62MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D79: MyCUBE by MYSTAYS Asakusa Kuramae

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 1,300 million	
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	1,300,000	
(1) Direct Capitalization Method	1,310,000	
(I) Operating Revenue [(a)-(b)]	70,130	
(a) Total Potential Revenue	70,130	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	12,380	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	3,106	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	360	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	7,844	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	113	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	957	
(III) Net Operating Income [(I)-(II)]	57,749	
(k) One-time Investment Gains	3	
(l) Capital Improvements and Expenses	1,173	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	3,040	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	53,537	
Capitalization Yield	4.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	1,300,000	
Discount Rate	3.9%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	1,030,000	
Land Ratio	75.3%	
Building Ratio	23.5%	
FF&E Ratio	1.2%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D80: Hotel MyStays Kagoshima Tenmonkan Annex

Doc: Hotel Mystays Kagoshima Tenmonkan Annex

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 1,168 million			
Appraisal Value	JPY 1,180 million			
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.			
Location	(Lot Number)	1-17 Gofuku-machi, Kagoshima-shi, Kagoshima		
	(Address)	1-20 Gofuku-machi, Kagoshima-shi, Kagoshima		
Transport	2-minute walk from Tenmonkan-dori Station on Kagoshima City Tram			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	483.23 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	100% / 700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel/multi-storey parking lot
	Total Floor Area	2,047.70 m <sup>2</sup>	Construction Date	February 15, 1985
	Structure/No. of Stories	Steel framed / Steel framed reinforced concrete structure with flat roof, 10 stories		
	Renovation Date	February 2018 – April 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: October 31, 2017; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	73 rooms (T11・D62)	
Leasable Area	2,047.70m <sup>2</sup>			
Lease Area	2,047.70m <sup>2</sup>	Security Deposit/Guarantee Money	JPY 750 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 6,038 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 39.8 million per annum (January: JPY 2.8 million per month / February: JPY 2.4 million per month / March: JPY 3.4 million per month / April: JPY 2.7 million per month / May: JPY 4.7 million per month/ June: JPY 2.6 million per month/ July: JPY 3.0 million per month/ August: JPY 4.6 million per month/ September: JPY 3.4 million per month/ October: JPY 4.2 million per month/ November: JPY 4.1 million per month/ December: JPY 1.9 million per month) plus variable rent based on GOP of hotel operation. (Note 1)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 750 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	JPY 260 thousand	Replacement Price	JPY 818,800 thousand
Long term Repair Costs (in 12 years)	JPY 106,029 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	9.1%		
Area Characteristic			
<p>Hotel MyStays Kagoshima Tenmonkan Annex is a limited service hotel rebranded and reopened as MyStays brand in March 2018.</p> <p>It is located in the center of Tenmonkan downtown district, which is one of the major downtowns of Kagoshima. It is 14-minute tram ride from JR Kagoshima Chuo Station on JR Kagoshima Main Line and a two-minute walking distance from the Tenmonkan-dori Station of Kagoshima City Tram. This property will attract leisure guests, as it serves as a base for a stroll around notable sights in the neighborhood, including the bronze statue of Saigo Takamori, site of Tsurumaru-jo Castle and statue of Tensho-in “Atsu-hime” (wife of the 13th Shogun Tokugawa Iesada), as well as it is easily accessible to the popular sightseeing places for tourists from home and abroad, such as Sakurajima, Kagoshima City Aquarium and Sengan-en (so-called Iso-teien Gardens). Renovated in April 2018, it maintains its high occupancy as annex of Hotel MyStays Kagoshima Tenmonkan. Guestrooms consist of Semi-Double, Double, Queen, and Twin types, all fully renovated suitable for a comfort stay.</p>			
Special Notes			
There is no written confirmation of border with respect to a part of the border with the adjoining land.			

(Note 1) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		January 1, 2017 – December 31, 2017	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 27,865 thousand	JPY 64,728 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 3,486 thousand	JPY 3,478 thousand
c. Non-life Insurance Premiums		JPY 125 thousand	JPY 125 thousand
d. Trust Fees		JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 23,452 thousand	JPY 60,324 thousand
(Reference)	(1) Sales	JPY 111,909 thousand	JPY 146,257 thousand
	Room Income	JPY 101,887 thousand	JPY 131,886 thousand
	Other Income	JPY 10,022 thousand	JPY 14,371 thousand
	(2) Operating Costs (not including a.)	JPY 84,044 thousand	JPY 81,529 thousand

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	through d. above)		
	ADR	JPY 4,271	JPY 6,167
	RevPAR	JPY 3,824	JPY 5,162
	Room Occupancy Rates	89.5%	83.7%
	GOP Ratio	24.9%	44.3%
	Daily/ Weekly/ Monthly		100.0%/ 0.0%/ 0.0%
	Overseas Sales Share (Note 1)	-	30.7%

(Note 1) Data after January 16, 2018 are indicated, as data before January 15, 2018 does not exist.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	93.3%
ADR (Note 1)	JPY 6,321
RevPAR (Note 1)	JPY 5,895
NOI (Note 2)	JPY 68MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D80: Hotel MyStays Kagoshima Tenmonkan Annex

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 1,180 million	
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	1,180,000	
(1) Direct Capitalization Method	1,190,000	
(I) Operating Revenue [(a)-(b)]	76,946	
(a) Total Potential Revenue	76,946	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	7,716	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	2,837	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	360	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	3,478	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	125	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	915	
(III) Net Operating Income [(I)-(II)]	69,229	
(k) One-time Investment Gains	7	
(l) Capital Improvements and Expenses	5,998	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	2,364	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	60,874	
Capitalization Yield	5.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	1,180,000	
Discount Rate	4.9%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	502,000	
Land Ratio	74.8%	
Building Ratio	23.9%	
FF&E Ratio	1.3%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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D81: Hotel MyStays Nayoro

Doc. No. Hotel Mystays Nayoro

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	July 19, 2019			
Planned Purchase Price	JPY 957 million			
Appraisal Value	JPY 967 million			
Appraisal Agency	JLL Morii Valuation & Advisory K.K.			
Location	(Lot Number)	11 Minami 5-chome, Nishi 3-jo, Nayoro-shi, Hokkaido, and one other lot		
	(Address)	NA		
Transport	10-minute walk from Nayoro Station on JR Soya Main Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	1,031.40 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	1,985.27 m <sup>2</sup> (Note 1)	Construction Date	November 6, 2014
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 7 stories		
	Renovation Date	-		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: June 29, 2017; Until: July 31, 2029			
Creation of Security Interest	None			
Lease Overview (as of April 30, 2019)				
Total No. of Tenant (s)	1	Number of Guest Rooms	70 rooms (T7・D62・O1)	
Leasable Area	1,985.27m <sup>2</sup>			
Lease Area	1,985.27m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 3,255 thousand	
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 19, 2019 Until: July 31, 2029			
Determination of rent of lease contract	Fixed rent (JPY 36.4 million per annum (January: JPY 3.0 million per month / February: JPY 3.6 million per month / March: JPY 3.2 million per month / April: JPY 0 million per month / May: JPY 2.8 million per month/ June: JPY 3.6 million per month/ July: JPY 4.6 million per month/ August: JPY 4.9 million per month/ September: JPY 3.6 million per month/ October: JPY 3.2 million per month/ November: JPY 2.3 million per month/ December: JPY 1.6 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the			

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	lease term.		
Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 544,000 thousand
Long term Repair Costs (in 12 years)	JPY 31,705 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2019
Probable Maximum Loss (PML)	2.6%		
Area Characteristic			
Hotel MyStays Nayoro is a limited service hotel located within ten-minute walk from JR Nayoro Station, excellent location for both business and sightseeing in Northern Hokkaido. The property is relatively new as it was completed in 2014, and was rebranded as MyStays and reopened in September 2017, offering hot spring spa facility attracting business guests. Nayoro City boasts famous seasonal attractions including fifty hectares of sunflower fields surrounding the city in summer, silky snow in winter.			
Special Notes			
None			

(Note 1) There is a storage room (2.00m<sup>2</sup>) as an annex building.

(Note 2) Variable rent is the amount of difference between (i) GOP during the three-month variable rent calculation period and (ii) the sum of fixed rent during the same period. However, when the balance is zero or negative, variable rent will be deemed to be zero.

Income and Expenditures, Etc.			
Operating Period		September 1, 2017 – December 31, 2017 (Note 1)	January 1, 2018 – December 31, 2018
GOP (= (1) - (2))		JPY 25,288 thousand	JPY 64,554 thousand
a. Land Lease Fees		-	-
b. Taxes and Public Dues		JPY 1,686 thousand	JPY 5,890 thousand
c. Non-life Insurance Premiums		JPY 29 thousand	JPY 89 thousand
d. Trust Fees		JPY 267 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 23,304 thousand	JPY 57,775 thousand
(Reference)	(1) Sales	JPY 49,292 thousand	JPY 156,757 thousand
	Room Income	JPY 45,291 thousand	JPY 144,007 thousand
	Other Income	JPY 4,000 thousand	JPY 12,750 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 24,003 thousand	JPY 92,203 thousand
	ADR	JPY 6,776	JPY 7,278

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RevPAR	JPY 5,303	JPY 5,636
Room Occupancy Rates	78.3%	77.4%
GOP Ratio	51.3%	41.2%
Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
Overseas Sales Share	4.0%	5.7%

(Note 1) Data after September 1, 2017 are indicated, as data before August 31, 2017 does not exist.

## < Hotel KPI >

Room Occupancy Rate (Note 1)	78.0%
ADR (Note 1)	JPY 7,351
RevPAR (Note 1)	JPY 5,734
NOI (Note 2)	JPY 59MM

(Note 1) Average of recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of April 30, 2019 (from May 1, 2018 to April 30, 2019)

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D81: Hotel MyStays Nayoro

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 967 million	
Appraisal Firm	JLL Morii Valuation & Advisory K.K.	
Time of Valuation	April 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	967,000	
(1) Direct Capitalization Method	979,000	
(I) Operating Revenue [(a)-(b)]	65,509	
(a) Total Potential Revenue	65,509	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	6,586	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	793	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	5,004	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	89	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	700	
(III) Net Operating Income [(I)-(II)]	58,923	
(k) One-time Investment Gains	-	
(l) Capital Improvements and Expenses	1,849	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	3,229	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	53,845	
Capitalization Yield	5.5%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(2) DCF Method	954,000	
Discount Rate	5.3%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.7%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	758,000	
Land Ratio	5.1%	
Building Ratio	89.3%	
FF&E Ratio	5.6%	
Other Points to be Noted for Appraisal by Appraisal Firm	Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.	

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(2) Matters relating to Seismic Resistance etc. for the Eighteen Hotel Properties

16 out of the 18 Hotel Properties satisfied requirements under the new seismic code (Note 1). While “Hotel MyStays Nagoya Nishiki” and “Hotel MyStays Sapporo Susukino” are designed under the old seismic code (Note 1), seismic strengthening works on the former and the latter were completed in June 2018 and July 2018, respectively. With respect to “Hotel MyStays Sapporo Aspen,” “Art Hotel Niigata Station,” “Hotel MyStays Kagoshima Tenmonkan,” “Hotel MyStays Matsuyama” and “Hotel MyStays Sapporo Nakajima Park” as well as the new building and associated multistory parking structure of “Hotel Sonia Otaru” out of the 16 properties that satisfy requirements under the new seismic code, INV confirmed based on the evaluation report on earthquake-resistance related items in the structural engineering reports issued by a third-party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., that these buildings satisfied structural requirements specified in the Building Standards Act and its enforcement orders. With respect to “Hotel Nord Otaru,” “Hotel MyStays Sapporo Nakajima Park Annex,” “Flexstay Inn Sakuragicho” and “Hotel MyStays Kagoshima Tenmonkan Annex” as well as the main building of “Hotel Sonia Otaru,” INV confirmed based on the report on pre-diagnosis of seismic performance issued by Tokio Marine & Nichido Risk Consulting Co., Ltd. that these buildings satisfied requirements on seismic performance. Out of the remaining 6 properties, INV confirmed that “Hotel MyStays Fuji Onsen Resort” and “Art Hotel Asahikawa” met the structural calculation standards based on the notification on satisfaction of requirements issued by a third-party expert The Japan Building Equipment and Elevator Center Foundation and the structure evaluation report issued by a third-party expert, Committee on Steel Structure Evaluation of The Building Center of Japan, respectively. INV also confirmed no willful falsification was found in the respective structural engineering reports on “Art Hotel Ishigakijima,” and “Hotel MyStays Kanazawa Castle” and “MyCUBE by MYSTAYS Asakusa Kuramae,” based on the validation report on the structural engineering report issued by a third-party expert ERI Solution Co., Ltd. for the first one and on the structure design evaluation report issued by a third-party expert Deloitte Tohmatsu Property Risk Solution Co., Ltd. for the latter two. With respect to “Hotel MyStays Nayoro,” INV confirmed that the certification of confirmation was delivered upon the structural performance evaluation by Local Independent Administrative Agency Hokkaido Research Organization. In addition, INV conducts investigation on seismic risks for new acquisitions, as a part of due diligence (Note 2) routine.

(Note 1) New seismic code refers to the seismic resistance standards in regard to building design, which is applied to construction certificates on and after June 1, 1981, while old seismic code refers to those applied to construction certificates on and before May 31, 1981.

(Note 2) The due diligence conducted in connection with acquisition of properties includes examination of appraisal values, building inspection, seismic risk inspection and legal due diligence.

## 5. Overview of Sellers

Overview of sellers of the Eighteen Hotel Properties is as follows;

### D64 Hotel MyStays Sapporo Aspen

(i)	Name	Touyako Godo Kaisha ("Touyako GK")
(ii)	Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Touyako Shadan Hojin Director, Akio Yamazaki
(iv)	Business	<ol style="list-style-type: none"> <li>1. Acquisition, management and disposition of bonds, securities, stock, and other investment assets</li> <li>2. Acquisition and management and disposition of real estate and real estate beneficiary trust</li> <li>3. All other business ancillary to the above-mentioned asset liquidation of specified assets.</li> </ol>
(v)	Capital (as of today)	JPY100,000
(vi)	Date of establishment	July 29, 2016
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Touyako GK, Touyako GK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Touyako GK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Touyako GK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Touyako GK or its related persons or affiliates.
	Whether the GK is a related party	Touyako GK is not a related party of INV or CIM. Further, related persons and affiliates of Touyako GK are not related parties of INV or CIM. Furthermore, Touyako GK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

## D65 Art Hotel Ishigakijima

(i)	Name	Yaeyama Resort Hotel Tokutei Mokuteki Kaisha ("Yaeyama TMK")
(ii)	Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Akio Yamazaki
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY1,652 million
(vi)	Date of establishment	October 23, 2015
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Yaeyama TMK, Yaeyama TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Yaeyama TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Yaeyama TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Yaeyama TMK or its related persons or affiliates.
	Whether the TMK is a related party	Yaeyama TMK is not a related party of INV or CIM. Further, related persons and affiliates of Yaeyama TMK are not related parties of INV or CIM. Furthermore, Yaeyama TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

## D66 Hotel MyStays Fuji Onsen Resort

(i)	Name	Saturnia Tokutei Mokuteki Kaisha ("Saturnia TMK")
(ii)	Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Akio Yamazaki
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY50 million

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(vi)	Date of establishment	October 31, 2014
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Saturnia TMK, Saturnia TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Saturnia TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Saturnia TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Saturnia TMK or its related persons or affiliates.
	Whether the TMK is a related party	Saturnia TMK is not a related party of INV or CIM. Further, related persons and affiliates of Saturnia TMK are not related parties of INV or CIM. Furthermore, Saturnia TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

D67 Hotel Sonia Otaru, D70 Hotel MyStays Nagoya Nishiki, D71 Hotel Nord Otaru, D73 Art Hotel Asahikawa, D76 Hotel MyStays Sapporo Nakajima Park and D77 Hotel MyStays Sapporo Nakajima Park Annex

(i)	Name	Shirahama Tokutei Mokuteki Kaisha ("Shirahama TMK")
(ii)	Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Akio Yamazaki
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY4,312 million
(vi)	Date of establishment	March 12, 2015
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Shirahama TMK, Shirahama TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.

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Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Shirahama TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Shirahama TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Shirahama TMK or its related persons or affiliates.
Whether the TMK is a related party	Shirahama TMK is not a related party of INV or CIM. Further, related persons and affiliates of Shirahama TMK are not related parties of INV or CIM. Furthermore, Shirahama TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

D68 Hotel MyStays Kanazawa Castle, D74 Hotel MyStays Matsuyama, D78 Flexstay Inn Sakuragicho and D79 MyCUBE by MYSTAYS Asakusa Kuramae

(i) Name	Calvis Tokutei Mokuteki Kaisha ("Calvis TMK")
(ii) Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii) Title and name of representative officer	Director, Akio Yamazaki
(iv) Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v) Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY3,019 million
(vi) Date of establishment	October 31, 2014
(vii) Net assets	Not disclosed (Note)
(viii) Total assets	Not disclosed (Note)
(ix) Investor	Not disclosed (Note)
(x) Relationship between INV/Asset Manager and the Seller	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Calvis TMK, Calvis TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Calvis TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Calvis TMK. Further there are no transactional relationships that should be noted between the related persons or

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	affiliates of INV/CIM and Calvis TMK or its related persons or affiliates.
Whether the TMK is a related party	Calvis TMK is not a related party of INV or CIM. Further, related persons and affiliates of Calvis TMK are not related parties of INV or CIM. Furthermore, Calvis TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

## D69 Art Hotel Niigata Station

(i) Name	HL Investments 2 Tokutei Mokuteki Kaisha ("HL Investments 2 TMK")
(ii) Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii) Title and name of representative officer	Director, Akio Yamazaki
(iv) Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v) Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY1,924 million
(vi) Date of establishment	January 23, 2015
(vii) Net assets	Not disclosed (Note)
(viii) Total assets	Not disclosed (Note)
(ix) Investor	Not disclosed (Note)
(x) Relationship between INV/Asset Manager and the Seller	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and HL Investments 2 TMK, HL Investments 2 TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
Personal relationships	While there are no personal relationships that should be noted between INV/CIM and HL Investments 2 TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	INV acquired "Hotel MyStays Ueno East" in August 2018 from HL Investments 2 TMK.
Whether the TMK is a related party	HL Investments 2 TMK is not a related party of INV or CIM. Further, related persons and affiliates of HL Investments 2 TMK are not related parties of INV or CIM. Furthermore, HL Investments 2 TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

## D72 Hotel MyStays Kagoshima Tenmonkan, D75 Hotel MyStays Sapporo Susukino, D80 Hotel MyStays Kagoshima Tenmonkan Annex and D81 Hotel MyStays Nayoro

(i) Name	Kawaguchiko Tokutei Mokuteki Kaisha ("Kawaguchiko TMK")
(ii) Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii) Title and name of	Director, Akio Yamazaki

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	representative officer	
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY2,978 million
(vi)	Date of establishment	July 15, 2015
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Kawaguchiko TMK, Kawaguchiko TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Kawaguchiko TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Furthermore, the Executive Director of CIM, Naoto Ichiki, and a part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Kawaguchiko TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Kawaguchiko TMK or its related persons or affiliates.
	Whether the TMK is a related party	Kawaguchiko TMK is not a related party of INV or CIM. Further, related persons and affiliates of Kawaguchiko TMK are not related parties of INV or CIM. Furthermore, Kawaguchiko TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

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## 6. Transactions with Interested Persons etc.

The sellers of the Eighteen Hotel Properties, namely Touyako GK, Yaeyama TMK, Saturnia TMK, Shirahama TMK, Calvis TMK, HL Investments 2 TMK and Kawaguchiko TMK, are not Sponsor-related Persons (Note) under the voluntary rules established by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, such sellers have indirectly received investments through funds managed by affiliates of FIG (FIG falls under a Sponsor-related Person as it is a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares). Therefore, CIM has treated the sellers as equivalent to Sponsor-related Persons.

The acquisitions are to be acquired at prices not exceeding their appraisal value in accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, and after deliberation and resolution of the compliance committee meeting of CIM and the investment committee meeting of CIM held on July 1, 2019, the board of directors of CIM approved the acquisitions at the meeting held on the same day and the board of directors of INV approved the acquisitions at the meeting held on the same day.

In addition, MHM, the tenant/operator of the fourteen hotel properties out of the Eighteen Hotel Properties and the operator of Hotel MyStays Sapporo Aspen, Art Hotel Ishigakijima, Art Hotel Niigata Station and Art Hotel Asahikawa is not a Sponsor-related Person under the voluntary rules established by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, the tenant/operator or the operator has indirectly received investments through funds operated by affiliates of FIG. Therefore, CIM has treated MHM as equivalent to a Sponsor-related Person. In addition, the tenants of Hotel MyStays Sapporo Aspen, Art Hotel Ishigakijima, Art Hotel Niigata Station and Art Hotel Asahikawa also have indirectly received investments through funds operated by affiliates of FIG. Therefore, CIM has treated these tenants as equivalent to a Sponsor-related Person as well.

In accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, and following the deliberation and resolution of the compliance committee meeting and the investment committee meeting both held on July 1, 2019, the boards of directors of CIM and INV each approved the relevant lease agreements and management agreements expected to be entered into with MHM and the tenants of Hotel MyStays Sapporo Aspen, Art Hotel Ishigakijima, Art Hotel Niigata Station and Art Hotel Asahikawa at meeting both held on July 1, 2019, subject to hotel operating capability of MHM being confirmed as sufficient through a third-party report and other relevant information, the rent level of each properties being reasonable considering the market level, and management services fee amount and structure being fair compared with similar properties.

(Note) A Sponsor-related Person is (i) any person who falls under the "Interested Persons, etc." set forth in the Investment Trust Act and the Orders for Enforcement of the Act on Investment Trust and Investment Corporations, (ii) all shareholders of CIM and (iii) special purpose companies (tokubetsu mokuteki kaisha) (a) which delegate their management to persons who fall under (ii) above, or (b) which are invested by or invested through anonymous partnership (tokumei kumiai) by persons who fall under (ii) above. Hereinafter the same.

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## 7. Summary of Current and Previous Owners

1. Name; 2. Relationship with Persons Having Special Conflict of Interests Relationships;  
3. Detail/reason for Acquisition; 4. Acquisition Price and 5. Acquisition Timing

Property Name	D64 Hotel MyStays Sapporo Aspen
Current owner/trust beneficiary	1. Touyako GK 2. The GK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2016
Preceding owner/trust beneficiary	1. Sapporo Aspen Hotel 2. The company has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Omitted because acquired for investment purposes 4. Omitted because held for longer than one year 5. December 2001/March 2005/January 2014
Preceding owner before current owner /trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D65 Art Hotel Ishigakijima
Current owner/trust beneficiary	1. Yaeyama TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2015
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D66 Hotel MyStays Fuji Onsen Resort
Current owner/trust beneficiary	1. Saturnia TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for development purposes 4. Omitted because acquired for development purposes 5. September 2015 (land)/ November 2016 (building/newly built)
Preceding owner/trust beneficiary	Omitted because acquired for development purposes

Property Name	D67 Hotel Sonia Otaru
Current owner/trust beneficiary	1. Shirahama TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.

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	3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. August 2016/ March 2017/ November 2018 (newly built/ extension)
Before owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D68 Hotel MyStays Kanazawa Castle
Current owner/trust beneficiary	1. Calvis TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2015
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D69 Art Hotel Niigata Station
Current owner/trust beneficiary	1. HL Investments 2 TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. April 2015
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D70 Hotel MyStays Nagoya Nishiki
Current owner/trust beneficiary	1. ShirahamaTMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. March 2017
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D71 Hotel Nord Otaru
Current owner/trust beneficiary	1. Shirahama TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. March 2016
Preceding	Persons having no special conflict of interests relationship

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owner/trust beneficiary	
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Property Name	D72 Hotel MyStays Kagoshima Tenmonkan
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Kawaguchiko TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. October 2017</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D73 Art Hotel Asahikawa
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Shirahama TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. October 2015</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D74 Hotel MyStays Matsuyama
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. CalvisTMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. April 2015</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D75 Hotel MyStays Sapporo Susukino
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Kawaguchiko TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. June 2017</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

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Property Name	D76 Hotel MyStays Sapporo Nakajima Park
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Shirahama TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. October 2015</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D77 Hotel MyStays Sapporo Nakajima Park Annex
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Shirahama TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. November 2016</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D78 Flexstay Inn Sakuragicho
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Calvis TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. September 2015</li> </ol>
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D79 MyCUBE by MYSTAYS Asakusa Kuramae
Current owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Calvis TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. October 2017</li> </ol>
Preceding owner/trust beneficiary	<ol style="list-style-type: none"> <li>1. Myoko TMK</li> <li>2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM.</li> <li>3. Acquisition for investment purposes</li> <li>4. Omitted because held for longer than one year</li> <li>5. October 2015</li> </ol>
Preceding owner before current owner/trust	Persons having no special conflict of interests relationship

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beneficiary	
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Property Name	D80 Hotel MyStays Kagoshima Tenmonkan Annex
Current owner/trust beneficiary	1. Kawaguchiko TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. October 2017
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D81 Hotel MyStays Nayoro
Current owner/trust beneficiary	1. Kawaguchiko TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. June 2017
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

## 8. Schedules

Acquisition decision date:	July 1, 2019
Agreement execution date:	
Anticipated acquisition date:	July 19, 2019 (Note 1)
Anticipated source of acquisition funds:	Funds from issuance of new investment units in Japan and overseas (Note 2), a portion of Proceeds, and new borrowings (Note 3)
Anticipated acquisition proceeds payment method:	Lump-sum payment (Note1)

(Note 1) Even in the event that the funds to be raised through the issuance of new investment units and the borrowings do not reach the total price of Eighteen Hotel Properties, the anticipated acquisition date will not be changed. However, it is provided in the purchase and sale agreements for the 4 properties ("Hotel MyStays Kanazawa Castle," "Hotel MyStays Matsuyama," "Flexstay Inn Sakuragicho" and "MyCUBE by MYSTAYS Asakusa Kuramae") of the Eighteen Hotel Properties that upon INV's request, INV can pay the deficit on a later day which will be agreed upon with the sellers separately and no interest will be charged thereof, so if a deficit arises, INV will pay the deficit after acquisition pursuant to such provision.

(Note 2) For details of the issuance of new investment units, please refer to "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" dated July 1, 2019.

(Note 3) For details of the new borrowings, please refer to "Notice concerning Debt Financing" dated July 1, 2019.

## 9. Future Outlook

For information on the revision of INV's forecasts for financial results for the fiscal period ended June 2019 (from January 1, 2019 to June 30, 2019 ) and for financial results and distribution for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019) in connection with the Acquisition of the Eighteen Hotel properties, please refer to "Notice concerning Revision of Forecast of

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Financial Results for the 32nd Fiscal Period Ended June 2019 and Revision of Forecast of Financial Results and Distribution for the 33rd Fiscal Period Ending December 2019” dated July 1, 2019.

## 10. Other Matters that are Necessary for Investors to Properly Understand and Make Judgment on Relevant Information

For risks relating to investments in the Eighteen Hotel Properties, please refer to the “Investment Risks” (*toshi risuku*) in the semi-annual securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended December 2018 (from July 1, 2018 to December 31, 2018) (available in Japanese only), filed on March 26, 2019, as well as “Part II Reference Information, II. Supplemental Information to the Reference Documents, 5. Investment Risks” in the Securities Registration Statement (available in Japanese only) filed on July 1, 2019.

### [Reference]

The effective period of the memorandum of understanding (the “MOU”) that INV has entered into with Fortress-related SPCs is extended until June 30, 2020 on July 1, 2019 (the “July 2019 MOU”). The July 2019 MOU provides us with preferential negotiation rights to acquire three hotels and eight residential properties other than the fifteen properties to be acquired among the Eighteen Hotel Properties (excluding Hotel MyStays Nagoya Nishiki, Hotel MyStays Kagoshima Tenmonkan, and Hotel MyStays Kagoshima Tenmonkan Annex, which were not subject to the MOU) in connection with the offering. INV secures the pipeline for further growth through timely information on properties.

The following table lists the three hotels and eight residential properties covered by the July 2019 MOU after completion of the anticipated acquisitions:

Property Name	Location (City or Ward, Prefecture)	Property Type (Note2)	Number of Guest Rooms or Leasable Units
Rihga Royal Hotel Kyoto	Kyoto, Kyoto	Full service hotel	489
Hotel MyStays Premier Narita	Narita, Chiba	Full service hotel	711
Fusaki Resort Village	Ishigaki, Okinawa	Resort hotel	188
Gran Charm Hiroo	Shibuya-ku, Tokyo	Small type	121
Gran Charm Kichijoji	Musashino, Tokyo	Small type	28
Green Patio Noda	Noda, Chiba	Small type	240
Dainichi F-45	Urayasu, Chiba	Small type	54
Gran Charm Urayasu	Urayasu, Chiba	Small type	54
Gran Charm Urayasu 5	Urayasu, Chiba	Small type	54
Gran Charm Minami Gyotoku I	Ichikawa, Chiba	Small type	52
Gran Charm Minami Gyotoku II	Ichikawa, Chiba	Small type	48

(Note 1) INV does not intend to acquire any of the properties listed above as of today and there is no assurance that INV will acquire any of these properties in the future.

(Note 2) “Full service hotel” are to hotels that have both restaurant facilities providing breakfast, lunch and dinner (including

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meals provided by reservation) and meeting facilities that can be used for banquet services.

“Limited service hotel” are to hotels other than full service hotels.

“Resort hotel” are to hotels located in areas where a substantial number of guests stay for sightseeing or recreational purposes and includes both full service hotels and limited service hotels.

With respect to a hotel that falls within the definition of both a full service hotel and a resort hotel, we categorize the hotel as full a service hotel if it has substantial demand for meeting room, banquet service, wedding service or food and beverage service (including demand from non-staying guests) and as a resort hotel in all other cases.

With respect to a hotel that falls within the definition of both a limited service hotel and a resort hotel, we categorize the hotel as resort hotel.

These hotel types are further clarified based on the hotel type defined in CIM’s investment guidelines (“limited service hotel” refers to hotels that offer a limited range of services, banquet, spa and gym facilities, “resort type hotel” refers to hotels located near tourist destination or recreational area that offer a range of services including lodging and dining facilities) in terms of hotel’s facilities, equipment and location.

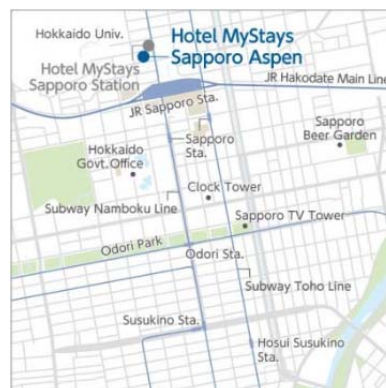
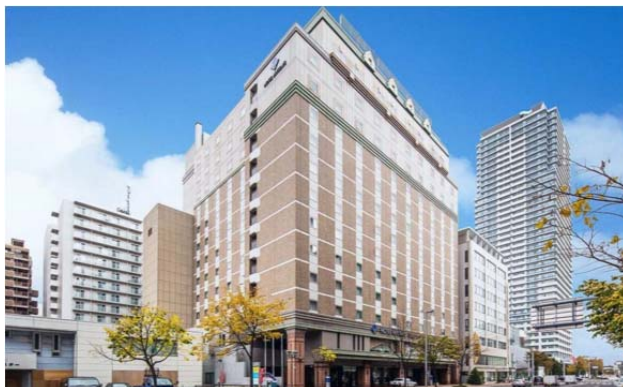
“Small type” refers to residential properties for which a majority of the leasable units have a floor area of less than 30m<sup>2</sup>.

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

(Appendix)

## Photos and Maps of the Eighteen Hotel Properties

### D64 Hotel MyStays Sapporo Aspen

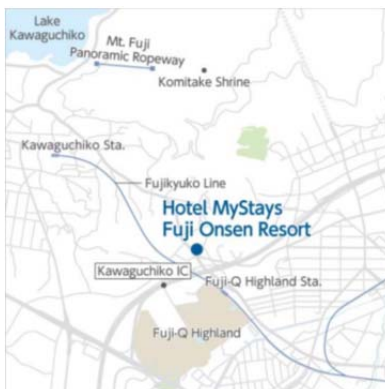


### D65 Art Hotel Ishigakijima

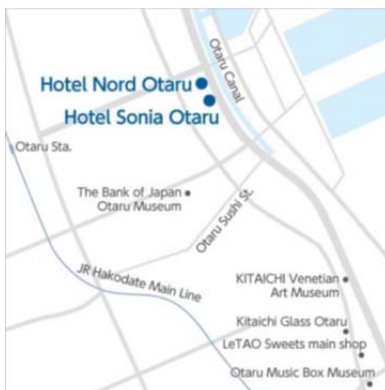
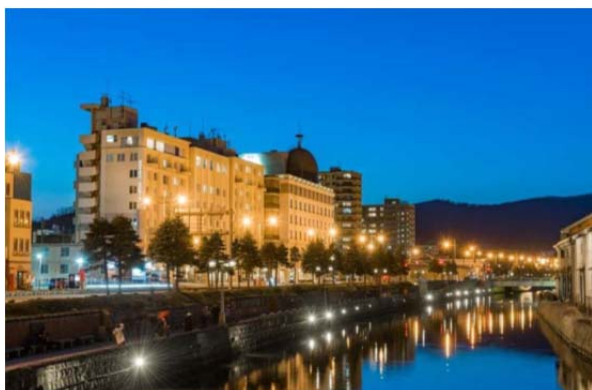


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## D66 Hotel MyStays Fuji Onsen Resort



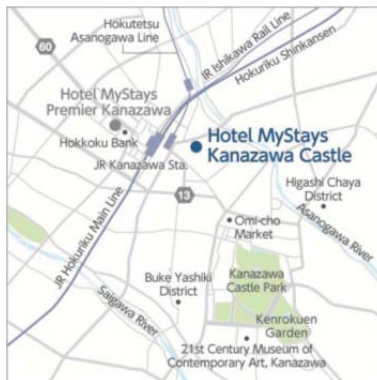
## D67 Hotel Sonia Otaru



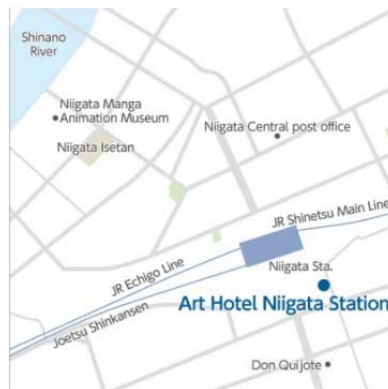
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## D68 Hotel MyStays Kanazawa Castle



## D69 Art Hotel Niigata Station

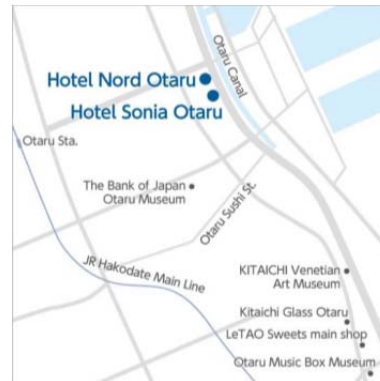


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## D70 Hotel MyStays Nagoya Nishiki



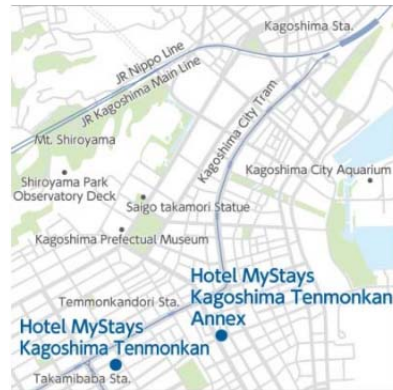
## D71 Hotel Nord Otaru



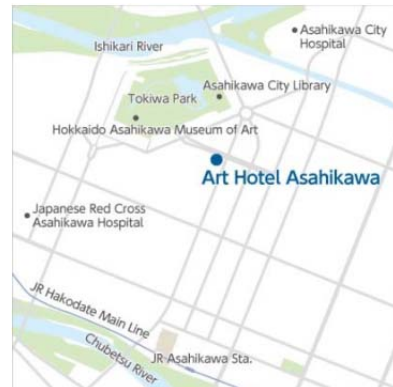
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## D72 Hotel MyStays Kagoshima Tenmonkan

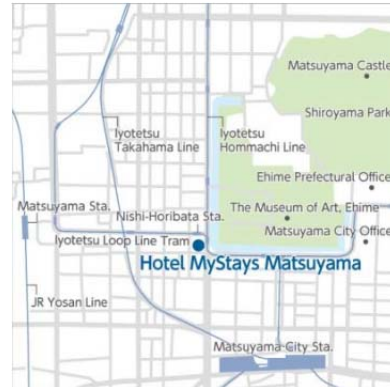


## D73 Art Hotel Asahikawa

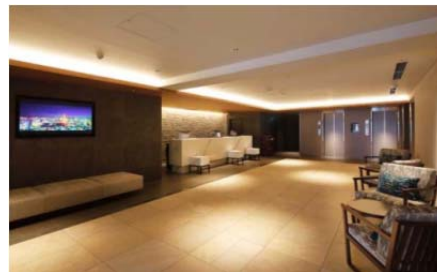


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## D74 Hotel MyStays Matsuyama



## D75 Hotel MyStays Sapporo Susukino



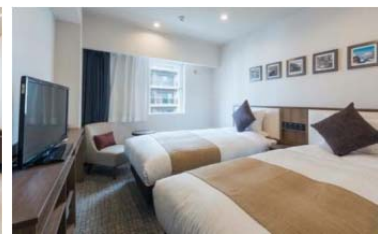
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## D76 Hotel MyStays Sapporo Nakajima Park



## D77 Hotel MyStays Sapporo Nakajima Park Annex



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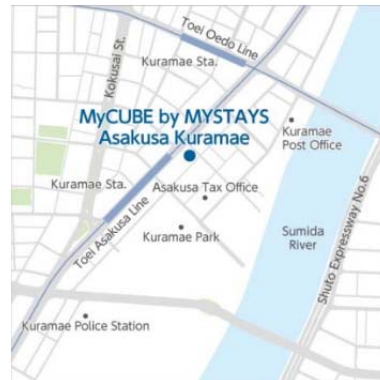


# Invincible Investment Corporation

## D78 Flexstay Inn Sakuragicho

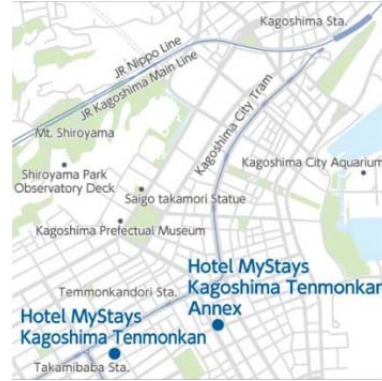


## D79 MyCUBE by MYSTAYS Asakusa Kuramae

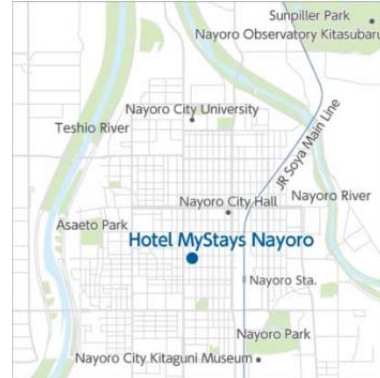


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## D80 Hotel MyStays Kagoshima Tenmonkan Annex



## D81 Hotel MyStays Nayoro



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