

February 4, 2015

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

Naoki Fukuda, Executive Director

Roppongi Hills Mori Tower

6-10-1 Roppongi, Minato-ku, Tokyo, Japan

(Securities code: 8963)

Asset manager:

Consonant Investment Management Co., Ltd.

Naoki Fukuda, CEO

Contact: Akiko Watanabe,

Manager of Planning Department

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Notice concerning Acquisition of Assets and Entering into Leasing Contract

Invincible Investment Corporation (“INV”) announced the acquisition of assets (three hotels, or the “Three Properties”) today as decided by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV. In connection with the acquisition of the Three Properties, INV will enter into new leasing contracts with respect to the Three Properties.

1. Overview of Acquisition

| Use | Property Number | Property Name | Location | Anticipated Acquisition Price (million yen ⁽¹⁾) | Appraisal Value (million yen) | Seller ⁽²⁾ | Category of Specified Assets |
|-------|-----------------|-----------------------------|------------------------|---|-------------------------------|----------------------------------|------------------------------|
| Hotel | D21 | APA Hotel Yokohama - Kannai | Yokohama-shi, Kanagawa | 8,350 | 8,500 | AYK Tokutei Mokuteki Kaisha | Trust Beneficiary Interest |
| | D22 | Hotel Nets Hakodate | Hakodate-shi, Hokkaido | 2,792 | 2,820 | Zephyrus Tokutei Mokuteki Kaisha | Trust Beneficiary Interest |
| | D23 | Flexstay Inn Shirogane | Minato-ku, Tokyo | 2,119 | 2,140 | Nishi Tokutei Mokuteki Kaisha | Trust Beneficiary Interest |
| Total | | | | 13,261 | 13,460 | | |

- Purchase and sale agreement execution date : February 6, 2015
- Anticipated acquisition date : February 6, 2015
- Acquisition funds : New loan and cash-on-hand ⁽³⁾
- Settlement method : Lump-sum payment at time of delivery

(Note 1) Anticipated acquisition prices do not include adjustments for property taxes, city planning taxes, national or local consumption taxes; hereinafter the same.

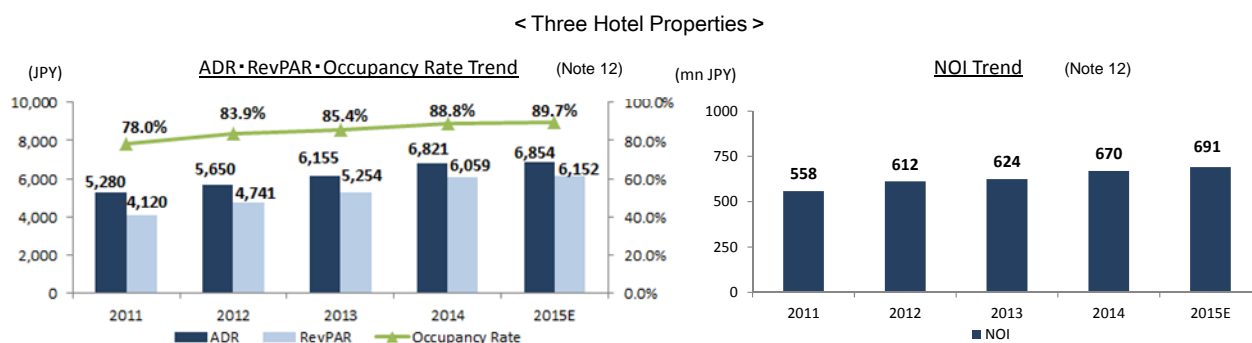
(Note 2) For an overview of the sellers, please refer to "5. Overview of Sellers" below.

(Note 3) For details of the new loan, please refer to the "Notice concerning Debt Financing" dated as of today.

(Note 4) Amounts are rounded down to the nearest million yen; hereinafter the same.

2. Reasons for Acquisitions

As demonstrated by the strong income growth from its existing 20 hotel portfolio, INV has targeted to buy additional hotel properties taking into consideration the revenue potential of the target properties, and determined to consummate this transaction, the acquisition of one hotel from a third-party and two from the Sponsor's pipeline MOU. The NOI yield for the new three hotels is forecast to be 5.2%⁽⁵⁾ while the entire portfolio post acquisition (94 assets) is expected to be 6.0%⁽⁵⁾ based on full year 2015 estimates. The hotel assets continue to benefit from growing inbound tourism, rising domestic travel, and other positive structural changes listed below in 'Robust Fundamentals for the Hospitality Sector'. Hotel assets complement the original portfolio which exhibits a stable revenue profile, consisting primarily of residential properties mainly located in the Greater Tokyo area. Three properties to be newly acquired have similar characteristics to the existing hotels in that they are limited service hotels with an ADR of JPY 6,821, RevPAR of JPY 6,059 and have high occupancy rates averaging 88.8% in 2014.



As described in the "Revision of Forecast of Financial Results and Distribution" press release as of today, INV estimates that the annual DPU in 2015 will increase 10.5% to JPY 1,571 from JPY 1,422, as forecast on October 31, 2014, or 36.6% higher than the 2014 calendar year estimate of JPY 1,150 made in June 23, 2014, from the acquisition of new properties, utilizing cash on hand and new loans without issuing new equity.

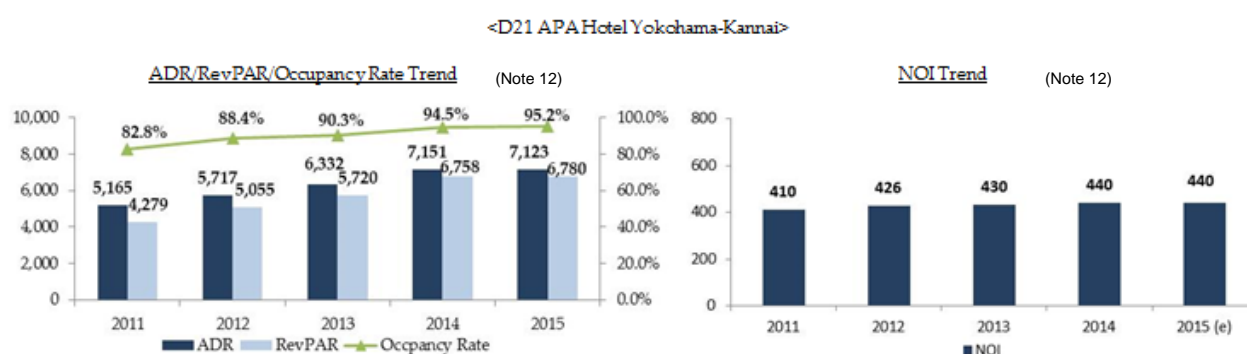
(1) INV's Key Investment Points

① Income Stability and Future Growth Potential

APA Hotel Yokohama-Kannai, the largest of the three new hotel properties boasts high occupancy of 94.5%⁽⁶⁾, high profitability with a GOP margin of 65.5%⁽⁷⁾, a fixed rent ratio of 91.1%⁽⁸⁾ and a rent coverage ratio of 1.7x⁽⁹⁾ in 2014.

APA Hotel, the lessee and operator of APA Hotel Yokohama-Kannai is one of the leading business hotel operators in Japan, which is ranked 3rd⁽¹⁰⁾ in number of hotels and number of rooms operated in Japan.

APA Hotel chain was ranked first⁽¹¹⁾ for the best business hotel in Japan selected by business travelers, giving credit to its locations and cost performance.



(Note 5) NOI yield is calculated by dividing total NOI of properties by the aggregate acquisition price, and is described by rounding to nearest first decimal place. NOI figures are based on the budget for calendar year 2015.

(Note 6) Room Occupancy Rate is calculated using the following formula; $\text{Occupancy Rate} = \frac{\text{Total number of occupied rooms during the relevant period}}{(\text{aggregate number of available rooms during the relevant period} \times \text{number of business days during the relevant period})}$

(Note 7) Gross Operating Profit (GOP) margin is calculated using the following formula: $\text{GOP} = \text{Gross Revenue from hotel operation} - \text{Operating Expenses related to hotel operation (personnel, utilities and advertising expenses)}$
 $\text{GOP margin} = \text{GOP} \div \text{Gross revenue from hotel operation}$

(Note 8) Fixed Rent Ratio is the percentage of fixed rent to Rental Revenue

(Note 9) Rent Coverage represents the ability to pay rent and is calculated using the following formula; $\text{Rent Coverage} = \text{GOP} \div \text{Total Rent}$

(Note 10) As of January 1, 2014. Source: Ohta Publications Co., Ltd, HOTERES, March 7, 2014

(Note 11) Conducted research through the internet, collaborated with exclusive job search site "Bizreach" (February 2014). Selected 614 business people who travel more than 6 times a year for business: 95% male and 5% female. 3.5% in 20s, 17.4% in 30s, 40% in 40s, 33.6% in 50s, 5.5% in 60s. Source: Shukan Toyo Keizai (March 22, 2014)

The two properties to be acquired from the Sponsor described below can be expected to provide future organic growth by capitalizing on revenue growth from variable rent revenue through strategic initiatives to attract inbound demand and continuous focus on revenue management.

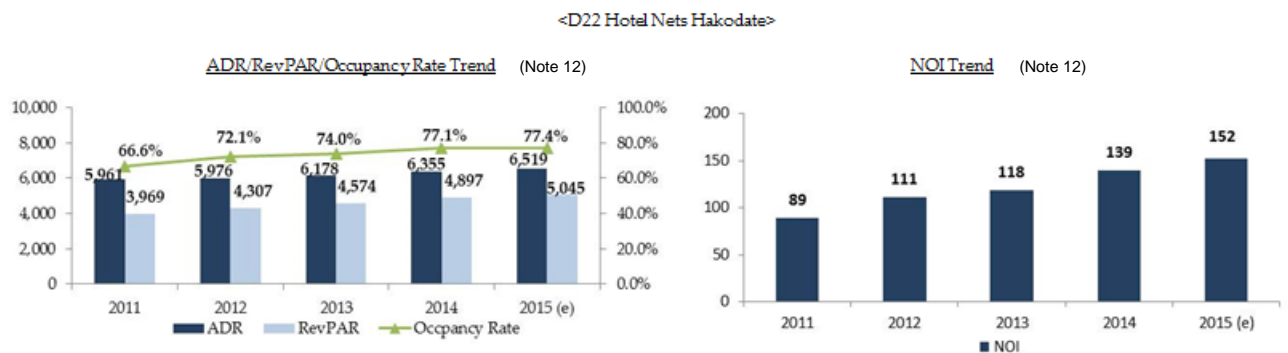
The following key figures for the two properties⁽¹³⁾ to be acquired from the Sponsor achieved the substantial growth in 2014 compared to the same period the previous year.

GOP: +16.7%, ADR: +6.5%, RevPAR: +9.7%, Room Occupancy Rate: +2.4 points, NOI: +19.0%

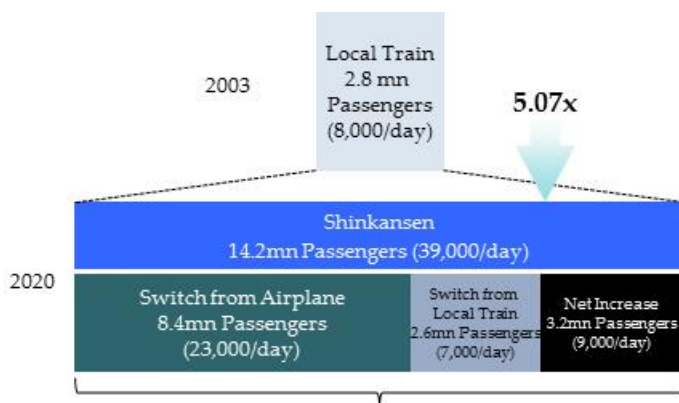
Hotel Nets Hakodate is a business hotel located a 1 minute walk from Goryokakukouen-mae Station on the City Line. The property is located in the Goryokaku area, which is the central area of Hakodate as the base of the southern part of Hokkaido's "Dounan" area, an accessible 10 minute drive from Hakodate Station on the JR Line and approximately 15 minutes from Hakodate Airport by car.

The Hokkaido Shinkansen is scheduled to open in March 2016. It will take a minimum of 4 hours and 10 minutes between Tokyo and Shin-Hakodate, which will shorten the trip by approximately 1 hour and a half, enhancing the accessibility from the Tokyo Metropolitan Area and the Tohoku Area. After the opening of Hokkaido Shinkansen, train passengers utilizing the Hokkaido-Honshu route are expected to increase by over 5 times. Furthermore the international flights to and from Hakodate are scheduled to increase from March 2015. Improvements in transportation infrastructure such as rail and air routes continue to enhance accessibility to the area. Continuous growth of the lodging market in Hakodate is expected, growing by 4-5% (source 1) per annum, which leads to the expansion of potential hotel guests.

The hotel operator is strengthening its relationships with leading travel agents to attract domestic leisure demand and capitalizing on overseas web travel agents to penetrate foreign markets in order to increase visitors along with international flights to and from Hakodate. Ample growth potential is expected, considering a low 1% ratio of overseas sales, seeing that foreigners comprise 6% of visitors to Hakodate⁽¹⁴⁾.



Opening of Hokkaido Shinkansen (Planned Opening in 2016)

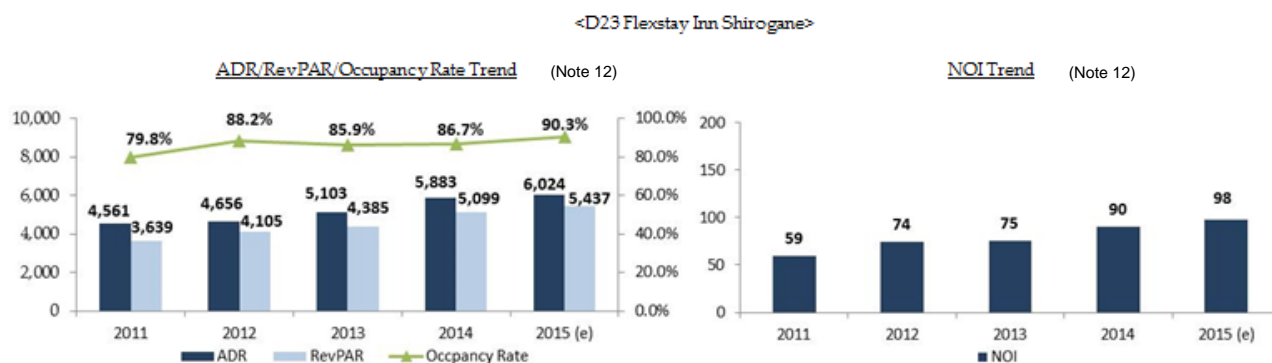


(Source: Hokkaido Shinkansen Kotsu Kikaku-kyoku Shinkansen Suishinshitsu Home Page)

Flexstay Inn Shirogane is operated by MYSTAYS HOTEL MANAGEMENT, an affiliate of Fortress Investment Group, which enables CIM to be proactively involved in the management of the hotel.

The property is a business hotel and is a 12 minute walk from Hiroo Station on the Tokyo Metro Hibiya Line. The property enables guest's access to Tamachi Station, Ebisu Station and Shibuya Station by using the Metropolitan Bus and is located in close proximity to popular spots including Shibuya, Azabu and Roppongi. Therefore, strong demand from both business and leisure customers is expected.

The guest rooms include a small-sized kitchen, a refrigerator, a microwave and other amenities which correspond to the needs of a wide range of guests from short term stays to middle- to long- term stays. There are supermarkets, financial institutions, and general hospitals including Hiroo Hospital and Kitasato University Kitasato Institute Hospital near the property. Therefore, the property receives good evaluations from long-stay guests who constitute more than 50% of total guest count. The percentage of corporate contracts is high (33.0%), providing for stable demand throughout the year. Through strategic initiatives by the hotel operator such as attracting inbound demand, enhancing daily customer ratio and promoting aggressive revenue management, revenues from foreign guests are expected to increase by capitalizing on the increase in the number of overseas visitors to Japan and the convenient access the hotel affords to popular destinations in Tokyo. There is sufficient room to increase the percentage of overseas guest revenue and daily customer stays, 3.9% and 48.7% respectively, through effective marketing and revenue management.



(Note12) The numeric values in the above graphs are calculated based on actual values from January 2011 to December 2014 and forecast values from January to December 2015.

In addition, NOI for the Three Properties from January 2011 to December 2014 are the numeric values which are based on the actual values proposed by seller, and have been adjusted for trust fees and insurance premiums as if INV possessed the Three Properties.

"ADR" means average daily rate, and is calculated by dividing total room sales for a period by the aggregate number of days per room for which each room was occupied during the same period.

"RevPAR" means revenue per available room per day, and is calculated by dividing total room sales for a period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying occupancy rates by ADR.

The details of monthly performance of existing hotel properties (occupancy rate/ADR/RevPAR/total revenues), can be found on INV's home page 'Hotel Performance Review' (<http://www.invincible-inv.co.jp/eng/cms/operate.html>).

(Note 13) The figures for calendar year 2013 and 2014 were provided by the seller of the properties.

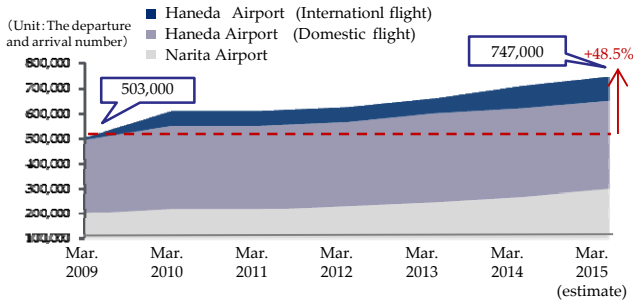
(Note 14) Hokkaido government, 'Hakodate foreign visitor arrivals'; and "estimate of Hakodate visitor arrivals" (2013)

(Source 1) Market report prepared by Japan Hotel Appraisal Co., Ltd.

② Robust Fundamentals for the Hospitality Sector

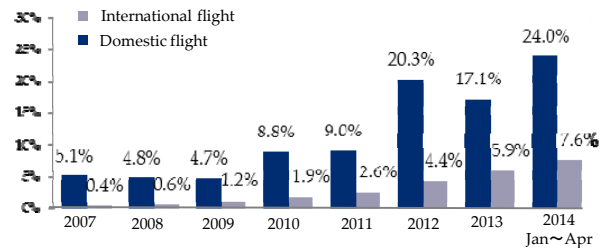
Continuous promotion of tourism initiatives are expected such as airport capacity expansion, the entry of LCC's into the Japanese market and the relaxation of visa requirements by the Japanese government for Asian countries.

“Expansion of Airport Capacity”



Source: Ministry of Land, Infrastructure, Transport and Tourism

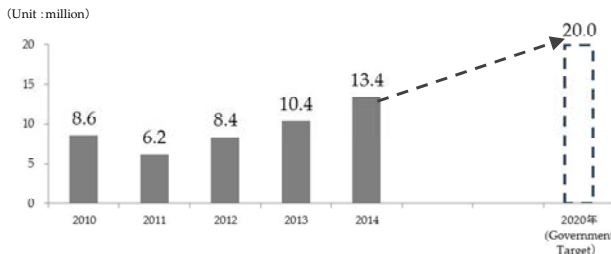
“LCC Market Share in Japan”



Source: Japan Tourism Agency and Japan National Tourist Organization

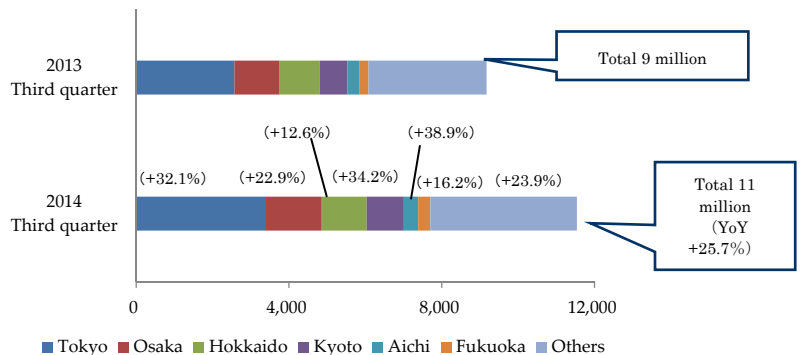
Inbound visitors to Japan reached a record of 13.4 million in 2014, with sustained growth expected over the mid-long term, spurred by government initiatives along with an expanding business and travel demand from an increasing middle-class in Asian countries.

“Inbound Visitors to Japan”



Source: Japan National Tourist Organization

“Cumulative Guest Nights of Inbound Visitors by Prefecture (YoY)”



Cumulative guest nights for inbound visitors show significant double-digit increases in major regional cities outside of Tokyo, Osaka and Kyoto, trends that are expected to continue over the mid- long term.

Sponsor pipeline MOU (Table 1)

Under the MOU entered into on June 23, 2014, INV has preferential negotiation rights for a period of one year from the date of the MOU from a total of 22 hotel properties from Sponsor-related entities. Among said properties, INV will acquire Hotel Nets Hakodate and Flexstay Inn Shirogane.

| Property Name | Location | Number of Guest Room |
|---|---|----------------------|
| Hotel MyStays Akasaka ⁽¹⁵⁾ | 2-17-54 Akasaka, Minato-ku, Tokyo | 319 |
| Hotel MyStays Kameido P1 | 6-32-1 Kameido, Koto-ku, Tokyo | 265 |
| Hotel MyStays Kanazawa | 2-13-5 Hirooka, Kanazawa, Ishikawa | 244 |
| Hotel MyStays Kameido P2 | 6-7-8 Kameido, Koto-ku, Tokyo | 175 |
| Hotel MyStays Haneda | 5-1-13 Haneda, Ota-ku, Tokyo | 174 |
| Hotel MyStays Yokohama Kannai ⁽¹⁵⁾ | 5-65 Onoecho, Naka-ku, Yokohama, Kanagawa | 166 |
| Hotel MyStays Utsunomiya | 2-4-1 Higashishukugo, Utsunomiya, Tochigi | 116 |
| Hotel MyStays Ueno Iriyaguchi | 5-5-13 Higashiueno, Taito-ku, Tokyo | 97 |
| Flexstay Inn Ekoda | 8-6 Sakaecho, Nerima-ku, Tokyo | 210 |
| Flexstay Inn Higashi-Jujo | 2-10-2 Nakajujo, Kita-ku, Tokyo | 88 |
| <u>Flexstay Inn Shirogane</u> | <u>5-10-15 Shirogane, Minato-ku, Tokyo</u> | <u>84</u> |
| Flexstay Inn Kawasakikaizuka | 1-13-2 Kaizuka, Kawasaki-ku, Kawasaki, Kanagawa | 64 |
| Flexstay Inn Kawasakiogawacho | 15-9 Ogawacho, Kawasaki-ku, Kawasaki, Kanagawa | 62 |
| Flexstay Inn Shinsaibashi | 1-9-30 Nishishinsaibashi, Chuo-ku, Osaka, Osaka | 54 |
| Toko Hotel | 2-6-8 Nishigotanda, Shinagawa-ku, Tokyo | 338 |
| Best Western Hotel Fino Sapporo | 4-15 Kita8jo-Nishi, Kita-ku, Sapporo, Hokkaido | 242 |
| <u>Hotel Nets Hakodate</u> | <u>26-17 Honcho, Hakodate, Hokkaido</u> | <u>202</u> |
| Takamatsu Tokyu Inn | 9-9 Hyogomachi, Takamatsu, Kagawa | 191 |
| Hotel Vista Shimizu | 1-23 Masagocho, Shimizu-ku, Shizuoka, Shizuoka | 152 |
| Comfort Hotel Toyama Ekimae | 1-3-2 Takaramachi, Toyama, Toyama | 150 |
| Best Western Hotel Fino Oita | 1-32 Niagemachi, Oita, Oita | 145 |
| Super Hotel Shinbashi Karasumoriguchi | 5-16-4 Shinbashi, Minato-ku, Tokyo | 74 |
| Total | | 3,612 |
| (Two Properties to be acquired) | | (286) |
| Remaining 20 properties | | 3,326 |

(Note 15) "Hotel MyStays Akasaka" is under reconstruction and "Hotel MyStays Yokohama Kannai" is under construction.

(Note 16) Other than the two properties to be acquired, INV currently has no concrete plan to acquire the above assets, and there is no assurance that INV can acquire in the future.

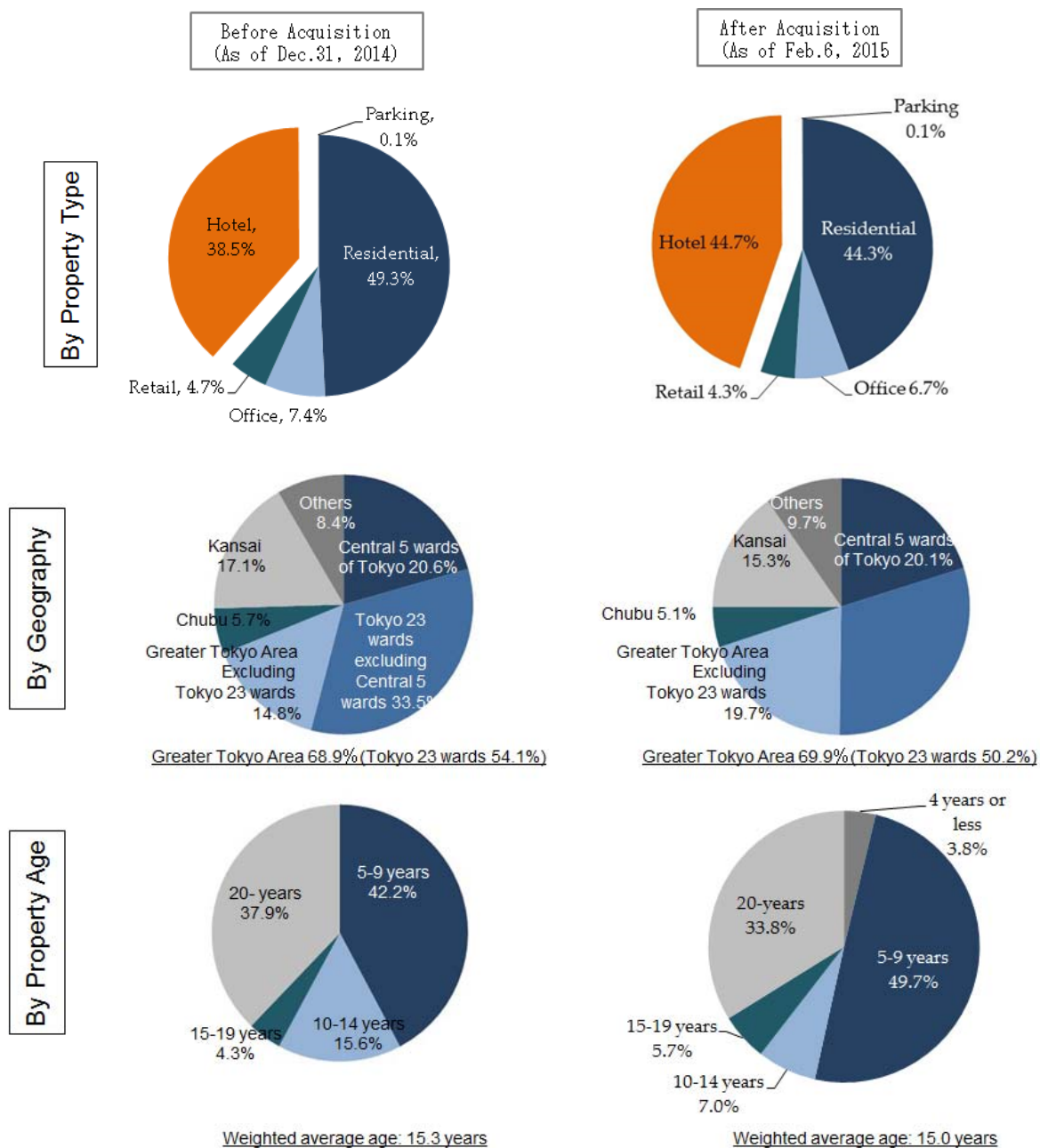
(2) Overview of Portfolio before/after Acquisition of Three Properties

| | Existing Properties (as of December 31, 2014) | New Properties | After Acquisition of New Properties (as of February 6, 2015) |
|---|--|--------------------|--|
| Asset size (Acquisition Price Basis) | JPY 117,927 million | JPY 13,261 million | JPY 131,188 million |
| Appraisal Values of Properties (Note 17) | JPY 126,558 million | JPY 13,460 million | JPY 140,018 million |
| Number of Properties | 91 | 3 | 94 |
| NOI Yield (Acquisition Price) (Note 18) | 6.1% | 5.2% | 6.0% |
| Post Depreciation NOI Yield (Acquisition Price) | 4.6% | 3.4% | 4.5% |

(Note 17) With regard to appraisal value, the appraisal values of 91 properties are as of the end of December 2014, and the appraisal values of Three Properties to be acquired on February 6, 2015 are as of December 1, 2014.

(Note 18) NOI yield is calculated by dividing total NOI of properties by the aggregate acquisition price, and is described by rounding to nearest first decimal place. Regarding the Three Properties, actual NOI from January to December 2014 is based on the actual performance received from the sellers, as adjusted to reflect an expected change in trust fees and insurance premiums upon the acquisition by INV. The NOI for the entire portfolio (new hotels plus existing properties) is based on forecast for 2015. NOI is calculated using the following formula; leasing business income - leasing business expenses + depreciation expenses.

The amount is rounded down to JPY million, and the percentage is rounded to the nearest first decimal place.



(Note 19) Ratio is calculated based on (anticipated) acquisition prices, and rounded to the nearest first decimal place.

3. Execution of Lease Contracts and overview of Tenant and Operator

(1) Execution of Lease Contracts

INV expects to execute lease contracts respectively with APA Hotel Kabushiki Kaisha (hereinafter “APA”), which has a proven track record of hotel operation, Hakodate Hospitality Godo Kaisha (hereinafter “Hakodate GK”) and Mystays Hotel Management Co., Ltd. (hereinafter “MHM”), which are members of Fortress Group, and will lease “APA Hotel Yokohama-Kannai” to APA, “Hotel Nets Hakodate” to Hakodate GK and “Flexstay Inn Shirogane” to MHM. In addition, based on the lease contract, INV will receive, in addition to fixed rent, a variable rent linked to the relevant hotel’s GOP.

(2) Overview of Tenant and Operator

An overview of the tenants and operators for the Three Properties is as follows:

Both Tenant and Operator of “APA Hotel Kannai”

| | | |
|-------|--|--|
| (i) | Name | APA Hotel Kabushiki Kaisha |
| (ii) | Location | 3-2-3 Akasaka, Minato-ku, Tokyo, Japan |
| (iii) | Title and name of representative officer | Fumiko Motoya, CEO |
| (iv) | Business | a. Urban development (hotel, urban resort) b. Total construction (planning, design and construction) c. Hotel chain and restaurant chain d. Leisure industry management |
| (v) | Capital (as of the date of this notice) | JPY 90 million |
| (vi) | Date of establishment | December 25, 1980 |
| (vii) | Relationship between INV/Asset Manager and the Tenant/Operator | |
| | Capital relationships | There is no capital relationship that should be noted between INV/CIM and the tenant/operator. |
| | Personal relationships | As of today, there is no personal relationships that should be noted between INV/CIM and the tenant. |
| | Transactional relationships | As of today, there is no transactional relationship that should be noted between INV/CIM and the tenant/operator. |
| | Whether the Operator is a related party | The tenant/operator is not a related party of INV or CIM. Further, related persons and affiliates of the tenant/operator are not related parties of INV or CIM. Furthermore, the tenant/operator is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations (“Investment Trust Act”). |

The tenant of "Hotel Nets Hakodate"

| | | |
|-------|---|--|
| (i) | Name | Hakodate Hospitality Godo Kaisha |
| (ii) | Location | EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo, Japan |
| (iii) | Title and name of representative officer | Kazumasa Takizawa, Representative Partner and the executive director of Zephyrus TMK |
| (iv) | Business | <p>a. Acquisition, holding, management and disposal of monetary claims, securities (including deemed securities), stocks and equity interests, specified equities under the Act on Securitization of Assets, and other assets for investment</p> <p>b. Acquisition, holding, management and disposal of real estate</p> <p>c. Acquisition, holding, management and disposal of personal estate trust beneficiary rights</p> <p>d. Operation, investment and management of assets of investment partnership whose purpose is above c</p> <p>e. All other businesses ancillary to the preceding items.</p> |
| (v) | Capital (as of the date of this notice) | JPY 100,000 |
| (vi) | Date of establishment | June 18, 2013 |
| (vii) | Relationship between INV/Asset Manager and the Tenant | |
| | Capital relationships | While there is no capital relationship that should be noted between INV/CIM and the tenant, the parent company of the tenant is indirectly owned by a fund managed by an affiliate of Fortress Investment Group LLC ("FIG"), which is an affiliate of Calliope Godo Kaisha ("Calliope"). ⁽²²⁾ Calliope holds 609,942 units of INV's outstanding investment units (investment unit holding ratio: 22.85%) as of December 31, 2014. Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares. |
| | Personal relationships | As of today, there is no personal relationship that should be noted between INV/CIM and the tenant. |
| | Transactional relationships | As of today, there is no transactional relationship 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 or CIM. Further, related persons and affiliates of the tenant are not related parties of INV or CIM. The tenant is not an interested party, etc. as provided in the Investment Trust Act. |

(Note 20) The parent company of the master lessee will be changed to MHM on February 6, 2015

The operator of “Hotel Nets Hakodate”

| | | |
|-------|---|--|
| (i) | Name | Kabushiki Kaisha Nets Management |
| (ii) | Location | 1-1-22 Kitashichijo Nishi, Kita-ku, Sapporo-shi, Hokkaido, Japan |
| (iii) | Title and name of representative officer | Toshihiro Maeda, CEO |
| (iv) | Business | a. Consulting for hotel industry, operation and management of hotels b. Administration, operation and management etc. of restaurants and leisure facilities |
| (v) | Capital (as of the date of this notice) | JPY 8 million |
| (vi) | Date of establishment | December 14, 2007 |
| (vii) | Relationship between INV/Asset Manager and the Operator | |
| | Capital relationships, | As of today, there is no capital relationship that should be noted between INV/CIM and the operator. |
| | Personal relationships | As of today, there is no personal relationship that should be noted between INV/CIM and the operator. |
| | Transactional relationships | As of today, there is no transactional relationship that should be noted between INV/CIM and the operator. |
| | Whether the Operator is a related party | The operator is not a related party of INV or CIM. Further, related persons and affiliates of the operator are not related parties of INV or CIM. The operator is not an interested party, etc. as provided in the Investment Trust Act. |

Tenant and Operator of “Flexstay Inn Shirogane”

| | | |
|-------|--|--|
| (i) | Name | Mystays Hotel Management Co., Ltd. |
| (ii) | Location | Roppongi Hills North Tower 14F, 6-2-31 Roppongi, Minato-ku, Tokyo, Japan |
| (iii) | Title and name of representative officer | Atsuki Asano, President and CEO |
| (iv) | Business | Hotel and Ryokan (Japanese Inn) operation and management |
| (v) | Capital (as of the date of this notice) | JPY 100 million |
| (vi) | Date of establishment | July 8, 1999 |
| (vii) | Relationship between INV/Asset Manager and the Tenant/Operator | |

| | |
|---|--|
| Capital relationships | While there is no capital relationship that should be noted between INV/CIM and the tenant/operator, the parent company of the tenant/operator is indirectly owned by a fund managed by an affiliate of FIG, which is an affiliate of Calliope. Calliope holds 609,942 units of INV's outstanding investment units (investment unit holding ratio: 22.85%) as of December 31, 2014. Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares. |
| Personal relationships | As of today, among the employees of CIM, one employee is seconded from the tenant/operator. |
| Transactional relationships | INV has entered into a lease contract with the tenant/operator with respect to 20 hotel properties acquired on May 23, 2014 and July 17, 2014. |
| Whether the Operator is a related party | The tenant/operator is not a related party of INV or CIM. Further, related persons and affiliates of the tenant/operator are not related parties of INV or CIM. The tenant/operator is not an interested party, etc. as provided in the Investment Trust Act. |

4. Details of Assets to be Acquired

(1) Details of Three Properties

Details for each of the Three Properties anticipated to be acquired are as follows:

<Explanation relating to details of the Three Properties>

- a. "Type and Location of Specified Assets, etc." column:
 - In "(Planned) Purchase Price," consumption tax is not included, and rounded down to the nearest million yen.
 - The details in "Location" (excluding address), "Lot Area," "Structure/No. of Stories," "Total Floor Area," "Purpose of Use," and "Construction Date" are as shown in the property registry. The "Total Floor Area" is the gross floor area, and with respect to "Purpose of Use," the primary class shown in the property registry is listed. Further, the "Construction Date" lists the time at which it was newly constructed, as shown in the property register.
 - In "Zoning," the class of zoning under Article 8(1)(i) of the City Planning Act is listed.
 - In "Building Coverage Ratio," the ratio of a building's area with regard to the land area as set forth under Article 53 of the Building Standards Act is listed.
 - In "Floor Area Ratio," 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 INV is to acquire the assets is listed.
 - In "Trust Period," the planned trust period at the time INV is to acquire the assets is listed.
- b. "Lease Overview" column:
 - The last day of December 2014 is used as the basis.
 - In "Number of Guest Rooms," the number of guest rooms that can be sub-leased by tenants is listed.

- In “Leasable Area,” which means the total leasable floor area for each building, those listed in the lease contract and diagram for the property, not including the leasable area of the land (level parking lot), is listed.
 - In “Lease Area,” which means the total leased floor area for each building out of the leasable floor area which a leasing agreement has actually been entered into and has been leased to an end-tenant, those listed in the lease contract, not including the leased area of the land, is listed.
 - In “Occupancy Rate,” the ratio of the leased area to the leasable area is shown, rounded to the first decimal place.
 - “GOP,” or the gross operating profit, is the amount remaining after deducting the personnel, material, water, electricity and heating, advertising expenses for the hotel operations and management services fee to operator from the hotel's sales, if any, which is the amount that INV recognize as leasing business income regarding hotels. However, leasing business income of “D21 APA Hotel Yokohama-Kannai” is total amount of certain amount of fixed rent and variable rent, and does not correspond with above-mentioned “GOP”.
- c. “Overview of Lease Agreement” column:
- Based on the lease contract entered into with the tenant.
 - In “Determination of rent of lease contract,” monthly rent amount is rounded down to nearest ten thousand yen, and annual rent is rounded down to nearest one million yen.
 - The “management services fee” is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for operational service provided by a tenant under the agreement. The management services fee is not disclosed, as tenant's consent has not been obtained for disclosure. However, for MHM, an amount of the management services fee to be received is generally (i) an amount equal to 2% of monthly sales, (ii) an amount equal to 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 after deducting the amounts of (i) and (ii) above.
Regarding “D21 APA Hotel Yokohama-Kannai”, there is no management services fee.
 - In “Security Deposit/Guarantee Money,” the amount of the security deposit/guarantee money after amortization pursuant to the lease contract is listed.
- d. “Overview of Building Conditions Survey Report” column:
- For the planned acquisition assets, INV has received a report from Tokio Marine & Nichido Risk Consulting Co., Ltd. on building conditions survey, 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.
 - Further, an earthquake risk analysis has been conducted and reported to INV by Tokio Marine & Nichido Risk Consulting Co., Ltd., and an overview of the report is listed in this column.
 - “Probable Maximum Loss (PML)” means the probable maximum loss from an earthquake. There is probable maximum loss (PML) for individual properties and for portfolios as a whole. Though there is not a strict, uniform definition for probable maximum loss (PML), in this press release, it means to what extent damages would be borne from the largest-scale anticipated earthquake in the anticipated planned term of use (50 years) (a large earthquake that has a reoccurrence period of 475 years = a large earthquake with a 10% chance of occurring in 50

years), as indicated by the percentage (%) of the replacement price for planned recovery costs from damage.

- “Replacement Price” means the total amount of the appropriate costs needed in the event that the appraised building was rebuilt at the time of the survey.
- “Short-term Repair Costs” indicate the repair costs for items which, as of the time of the survey, is not maintaining its minimum requirements 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 renewed 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 renew 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.

| Type and Location of Specified Assets, etc. | | | | |
|---|---|--|--|-------------------------------|
| Type of Specified Assets | Trust Beneficiary Interest | | | |
| Date of (Planned) Acquisition | February 6, 2015 | | | |
| (Planned) Purchase Price | JPY 8,350 million | | | |
| Appraisal Value | JPY 8,500 million | | | |
| Appraisal Agency | Japan Real Estate Institute | | | |
| Location | (Lot Number) | 3-38 Sumiyoshi, Naka-ku, Yokohama-shi, Kanagawa (and 4 other lots) | | |
| | (Address) | 3-37-2 Sumiyoshi, Naka-ku, Yokohama-shi, Kanagawa | | |
| Transport | 1 mins walk from Yokohama Municipal Subway, Kannai Station, 3 mins walk from JR Line Kannai Station and 5 mins walk from Minatomirai Line, Bashamichi Station | | | |
| Land | Form of Possession | Ownership | Zoning | Commercial District |
| | Lot Area | 831.88 sqm | Building Coverage Ratio / Floor Area Ratio | 100%/800% 80%/700% |
| Building | Form of Possession | Ownership | Purpose of Use | Hotel, Parking, Cylinder room |
| | Total Floor Area | 6,568.51 sqm | Construction Date | April, 2005 |
| | Structure/No. of Stories | Steel structure with flat roof, 14 stories | | |
| | Renovation Date | — | | |
| Trustee | Sumitomo Mitsui Trust Bank, Limited | | | |
| Trust Period | November 23, 2003 to February 5, 2025 | | | |
| Creation of Security Interest | Yes | | | |
| Lease Overview (December 31, 2014) | | | | |
| Total No. of Tenant(s) | 1 | Number of Guest Rooms | 451 rooms | |
| Leasable Area | 6,568.51 sqm | Lease Area | 6,568.51 sqm | |
| Occupancy Rate | 100.0% | GOP (per month) | JPY 64,737,000 | |
| Overview of Lease Agreement | | | | |
| Tenant | APA Hotel Kabushiki Kaisha | | | |
| Type of Contract | Fixed rent plus variable rent type | | | |
| Term | From: December 5, 2008 Until: December 4, 2028 | | | |
| Determination of rent of lease contract | Fixed rent (JPY 425mn per annum (January - December: JPY 35.42mn per month)) plus variable rent based on GOP by tenant. (Note) | | | |
| Management services fee (Note 2) | — | | | |
| Security Deposit/Guarantee Money | JPY 318,750,000 | | | |
| Renewal Upon Expiration | The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed. | | | |
| Rent Revision | Rent may not be revised during the lease term. | | | |
| Early Termination | Termination prior to the expiration of the lease term is not permitted. | | | |
| Other Special Matters | None | | | |
| Overview of Building Conditions Survey Report | | | | |
| Company Conducting Survey | Tokio Marine & Nichido Risk Consulting Co., Ltd. | Date of Report | January, 2015 | |
| Probable Maximum Loss (PML) | 8.1% | Short - term Repair Costs (within 1 year) | — | |
| Replacement Price | JPY 2,043,000 | Long - term Repair Costs (in 12 years) | JPY 208,675,000 | |

| Area Characteristics |
|---|
| <p>The property is a business hotel located a 1 minute walk from Kannai Station on the Yokohama City Subway Line and a 3 minute walk from Kannai Station on the JR Line.</p> <p>There are administrative agencies including Yokohama City Hall in front of Kannai Station. The property is located within easy walking distance of the Minatomirai district and in close proximity to China Town, Yokohama Stadium and Yamashita Park.</p> <p>The property has 451 guest rooms centering on single-type rooms. The single-type rooms are typically 9m² each. The property has a large bath with an artificial hot spring, saunas and an open - air bath, which receives good evaluations by guests, therefore demand from both business and leisure travelers is expected.</p> |
| Special Notes |
| None |

(Note) Variable rent is the amount equivalent to 5 percent of GOP (consumption tax included) in case that GOP during the three-month variable rent calculation period is over the base amount (JPY 112.5 million). However, when annual GOP (consumption tax included) is lower than JPY 450 million, variable rent is zero.

| Type and Location of Specified Assets, etc. | | | | |
|---|--|---|--|----------------------|
| Type of Specified Assets | Trust Beneficiary Interest | | | |
| Date of (Planned) Acquisition | February 6, 2015 | | | |
| (Planned) Purchase Price | JPY 2,792 million | | | |
| Appraisal Value | JPY 2,820 million | | | |
| Appraisal Agency | Japan Real Estate Institute | | | |
| Location | (Lot Number) | 91-2 Motomachi, Hakodate-shi, Hokkaido (and 2 lots) | | |
| | (Address) | 26-17 Motomachi, Hakodate-shi, Hokkaido | | |
| Transport | 1 mins walk from Goryoukakukouenmae Station on the City Line, 10 mins walk from JR Line Hakodate Station and 15 mins by car from Hakodate Airport | | | |
| Land | Form of Possession | Ownership | Zoning | Commercial District |
| | Lot Area | 1,843.03 sqm | Building Coverage Ratio / Floor Area Ratio | 80%/600% 80%/400% |
| Building | Form of Possession | Ownership | Purpose of Use | Hotel |
| | Total Floor Area | 7,961.26 sqm | Construction Date | February, 2008 |
| | Structure/No. of Stories | Reinforced concrete structure with flat roof, 14 stories, with 1 level basement | | |
| | Renovation Date | — | | |
| Trustee | Sumitomo Mitsui Trust Bank, Limited | | | |
| Trust Period | August 30, 2013 to February 5, 2025 | | | |
| Creation of Security Interest | Yes | | | |
| Lease Overview (December 31, 2014) | | | | |
| Total No. of Tenant(s) | 1 | Number of Guest Rooms | 202 rooms | |
| Leasable Area | 7,961.26 sqm | Lease Area | 7,961.26 sqm | |
| Occupancy Rate | 100.0% | GOP(per month) | JPY 6,497,000 | |
| Overview of Lease Agreement | | | | |
| Tenant | Hakodate Hospitality Godo Kaisha | | | |
| Type of Contract | Fixed rent plus variable rent type | | | |
| Term | From: February 6, 2015 Until: February 5, 2025 | | | |
| Determination of rent of lease contract | Fixed rent (JPY 96mn per annum (January - March : JPY 4 mn per month, April - June : JPY 8 mn per month, July - October : JPY 16 mn, November - December: JPY 4mn per month)) plus variable rent based on GOP of hotel operation by Kabushiki Kaisha Nets Management. (Note 3) | | | |
| Management services fee (Note 2) | Not disclosed, as operator's consent has not been obtained for disclosure. | | | |
| Security Deposit/Guarantee Money | JPY 10,229,000 | | | |
| Renewal Upon Expiration | The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed. | | | |
| 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 | None | | | |
| Overview of Building Conditions Survey Report | | | | |
| Company Conducting Survey | Tokio Marine & Nichido Risk Consulting Co., Ltd. | Date of Report | January, 2015 | |
| Probable Maximum Loss (PML) | 2.5% | Short - term Repair Costs (within 1 year) | — | |
| Replacement Price | JPY 1,542,300,000 | Long - term Repair Costs (in 12 years) | JPY 162,218,000 | |

| Area Characteristics |
|---|
| <p>The property is a business hotel located a 1 minute walk from Goryokakukouen-mae Station on the City Line. In addition, the property is located in the Goryokaku area, which is the central area of Hakodate, and is approximately 10 minutes from Hakodate Station (JR Line) by car and approximately 15 minutes from Hakodate Airport by car. Furthermore, the Shin-Hakodate Station on the Hokkaido Shinkansen Line is planned to commence operations in March 2016, which will expand the reach of guests making the property a suitable location for both leisure and business</p> <p>The hotel receives high evaluation ratings from guests for aspects including guest rooms, amenities and correspondence of staff.</p> <p>The restaurants on the property provide meals featuring many local products including fresh fish and vegetables produced in Hokkaido which are well received by guests.</p> |
| Special Notes |
| None |

- (Note 1) Hakodate Hospitality Godo Kaisha leases this property all together from Sumitomo Mitsui Trust Bank, Limited, the owner of this property, and executes contract for the consignment of operations of hotel part of this property with Kabushiki Kaisha Nets Management and subleases the other parts of this property to subtenant.
- (Note 2) The management services fee is a commission fee payable to Kabushiki Kaisha Nets Management in accordance with the provisions of the leasing contract as a compensation for management service provided by Kabushiki Kaisha Nets Management under the agreement.
- (Note 3) Variable rent is the amount of the Kabushiki Kaisha Nets Management's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

| Type and Location of Specified Assets, etc. | | | | |
|---|---|--|--|---|
| Type of Specified Assets | Trust Beneficiary Interest | | | |
| Date of (Planned) Acquisition | February 6, 2015 | | | |
| (Planned) Purchase Price | JPY 2,119 million | | | |
| Appraisal Value | JPY 2,140 million | | | |
| Appraisal Agency | Japan Real Estate Institute | | | |
| Location | (Lot Number) | 5-150-1 Shirokane, Minato-ku, Tokyo (and 1 lot) | | |
| | (Address) | 5-10-15 Shirokane, Minato-ku, Tokyo | | |
| Transport | 12 mins walk from Tokyo Metro Hibiya Line, Hiroo Station, 15 mins walk from Tokyo Metro Nanboku Line/ Toei Chikatetsumita Line, Shirokanetakanawa Station | | | |
| Land | Form of Possession | Ownership | Zoning | Neighborhood Commercial District, Quasi-Industrial District |
| | Lot Area | 528.73 sqm | Building Coverage Ratio / Floor Area Ratio | 60%/300% 80%/400% |
| Building | Form of Possession | Ownership | Purpose of Use | Public residence |
| | Total Floor Area | 1,754.06 sqm | Construction Date | December, 1984 |
| | Structure/No. of Stories | Reinforced concrete structure with flat roof, 4 stories, with 1 level basement | | |
| | Renovation Date | March, 2013 | | |
| Trustee | Sumitomo Mitsui Trust Bank, Limited | | | |
| Trust Period | December 19, 2002 to February 5, 2025 | | | |
| Creation of Security Interest | Yes | | | |
| Lease Overview (December 31, 2014) | | | | |
| Total No. of Tenant(s) | 1 | Number of Guest Rooms | 84 rooms | |
| Leasable Area | 1,754.06 sqm | Lease Area | 1,754.06 sqm | |
| Occupancy Rate | 100.0% | GOP(per month) | JPY 6,268,000 | |
| Overview of Lease Agreement | | | | |
| Tenant | Mystays Hotel Management, Co.,Ltd. | | | |
| Type of Contract | Fixed rent plus variable rent type | | | |
| Term | From: February 6, 2015 Until: February 5, 2025 | | | |
| Determination of rent of lease contract | Fixed rent (JPY 57mn per annum (January - June : JPY 4.5 mn, July - December: JPY 5mn per month)) plus variable rent based on GOP by tenant. (Note 1) | | | |
| Management services fee (Note 2) | Not disclosed, as operator's consent has not been obtained for disclosure. | | | |
| Security Deposit/Guarantee Money | None | | | |
| Renewal Upon Expiration | The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed. | | | |
| 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 | None | | | |
| Overview of Building Conditions Survey Report | | | | |
| Company Conducting Survey | Tokio Marine & Nichido Risk Consulting Co., Ltd. | Date of Report | January, 2015 | |
| Probable Maximum Loss (PML) | 10.4% | Short - term Repair Costs (within 1 year) | — | |
| Replacement Price | JPY 434,000,000 | Long - term Repair Costs (in 12 years) | JPY 88,614,000 | |

| Area Characteristics |
|---|
| <p>The property is a business hotel located an approximate 12 minute walk from Hiroo Station on the Tokyo Metro Hibiya Line. The property enables guests to access Tamachi Station, Ebisu Station and Shibuya Station by using the Metropolitan Bus and is located close to the popular spots including Shibuya, Azabu and Roppongi. There are supermarkets, financial institutions and general hospitals including Hiroo Hospital and Kitasato University Kitasato Institute Hospital in close proximity to the property.</p> <p>With regard to the formation and specification of guest rooms, the property is caters to a wide range of guests from short term stay to middle- to long- term stays, including both business and leisure guests. In addition, the percentage of corporate contracts is 33.0% providing stable demand throughout the year.</p> |
| Special Notes |
| <p>With respect to a part of the border with the adjoining land, there is no written confirmation of border.</p> |

- (Note 1) Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.
- (Note 2) The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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

INV has obtained an opinion from a third party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., indicating that, with respect to the buildings “D21 APA Hotel Yokohama-Kannai” and “D23 Flexstay Inn Shirogane” among the Three Properties, there is no suspicion of falsification of structural calculation sheets through willful misconduct of the designers, and that the structural design is judged to be in general conformance with provisions regarding seismic resistance under the Building Standards Act and its Enforcement Order. Further, INV has obtained an opinion from a third party expert, Assets Research and Development Inc. indicating that, with respect to the building “D22 Hotel Hakodate Nets”, there is no suspicion about seismic resistance in structural design. In addition, as part of INV’s due diligence (Note) in acquiring the properties, INV has investigated seismic risk.

(Note) The due diligence conducted includes examination of appraisal values, building inspection, seismic risk inspection and legal due diligence.

5. Overview of Sellers

An overview of sellers for the Three Properties are as follows.

“D21 APA Hotel Yokohama-Kannai”

| | | |
|--------|--|---|
| (i) | Name | AYK Tokutei Mokuteki Kaisha (“AYK TMK”) |
| (ii) | Location | 4-1-28 Toranomon, Minato-ku, Tokyo |
| (iii) | Title and name of representative officer | Izumi Ishida, Director |
| (iv) | Business | (a) Operations relating to the assignment of specified assets Asset Liquidation Plan under the Act on Securitization of Assets, and the management and disposition thereof. (b) All other operations ancillary to the operations relating to liquidation of specified assets |
| (v) | Capital (as of the date of this notice) | Specified Capital: JPY 105.9 million Preferred Capital: JPY 2,136.1 million |
| (vi) | Date of establishment | May 29, 2006 |
| (vii) | Net Assets | Non - disclosure (Note) |
| (viii) | Total Assets | Non - disclosure (Note) |
| (ix) | Investor | Non - disclosure (Note) |
| (x) | Relationship between INV/Asset Manager and the TMK | |
| | Capital relationships | There is no capital relationship that should be noted between INV/CIM and the TMK. |
| | Personal relationships | There is no capital relationship that should be noted between INV/CIM and the TMK. |
| | Transactional relationships | There is no transactional relationship that should be noted between INV/CIM and the TMK. Further, there is no transactional relationship that should be noted between the related persons or affiliates of INV/CIM and the TMK or its related persons or affiliates. |
| | Whether the TMK is a related party | The TMK is not a related party of INV or CIM. Further, related persons and affiliates of the TMK are not related parties of INV or CIM. |

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| | |
|--|---|
| | Furthermore, the TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act. |
|--|---|

(Note) Not disclosed, as the consent has not been obtained for disclosure.

“D22 Hotel Nets Hakodate”

| | | |
|--------|--|---|
| (i) | Name | Zephyrus Tokutei Mokuteki Kaisha (“Zephyrus TMK”) |
| (ii) | Location | c/o EP Consulting Services Corporation, 1-2-9 Nishi-shimbashi, Minato-ku, Tokyo |
| (iii) | Title and name of representative officer | Hiroyasu Nakamura, Director |
| (iv) | Business | (a) Operations relating to liquidation of specified assets (b) All other operations ancillary to the operations relating to liquidation of specified assets |
| (v) | Capital (as of the date of this notice) | Specified Capital: JPY100,000 Preferred Capital JPY3,884,290,000 |
| (vi) | Date of establishment | March 1, 2011 |
| (vii) | Net Assets | Non - disclosure (Note) |
| (viii) | Total Assets | Non - disclosure (Note) |
| (ix) | Investor | Non - disclosure (Note) |
| (x) | Relationship between INV/Asset Manager and the TMK | |
| | Capital relationships | While there is no capital relationship that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC (“FIG”), an affiliate of Calliope Godo Kaisha (“Calliope”). As of the end of December 2014, Calliope holds 609,942 investment units issued by INV (22.85% stake). Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares. |
| | Personal relationships | While there is no capital relationship that should be noted between INV/CIM and the TMK, as of today, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Investment Group (Japan) Godo Kaisha, an affiliate of FIG. |
| | Transactional relationships | INV acquired Hotel MyStays Kanda from the TMK in May 2014 and MyStays Shin-Urayasu Conference Center, Hotel MyStays Maihama, Hotel MyStays Nagoya-Sakae and Hotel MyStays Yokohama from the TMK in July, 2014. |
| | Whether the TMK is a related party | The TMK is not a related party of INV or CIM. Further, related persons and affiliates of the TMK are not related parties of INV or CIM. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act. |

(Note) Not disclosed, as the consent has not been obtained for disclosure.

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"D23 Flexstay Inn Shirogane"

| | | |
|--------|--|--|
| (i) | Name | Nishi Tokutei Mokuteki Kaisha ("Nishi TMK") |
| (ii) | Location | c/o EP Consulting Services Corporation, 1-2-9 Nishi-shimbashi, Minato-ku, Tokyo |
| (iii) | Title and name of representative officer | Hideaki Otani, Director |
| (iv) | Business | (a) Operations relating to the assignment of specified assets Asset Liquidation Plan under the Act on Securitization of Assets, and the management and disposition thereof. (b) All other operations ancillary to the operations relating to liquidation of specified assets |
| (v) | Capital (as of the date of this notice) | Specified Capital: JPY100,000 Preferred Capital JPY2,965 million |
| (vi) | Date of establishment | June 3, 2010 |
| (vii) | Net Assets | Non - disclosure (Note) |
| (viii) | Total Assets | Non - disclosure (Note) |
| (ix) | Investor | Non - disclosure (Note) |
| (x) | Relationship between INV/Asset Manager and the TMK | |
| | Capital relationships | While there is no capital relationship that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of FIG, an affiliate of Calliope. As of the end of December 2014, Calliope holds 609,942 investment units issued by INV (22.85% stake). Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares. |
| | Personal relationships | While there is no capital relationship that should be noted between INV/CIM and the TMK, as of today, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Investment Group (Japan) Godo Kaisha, an affiliate of FIG. |
| | Transactional relationships | INV acquired Hotel MyStays Asakusa from the TMK in May 2014 and Hotel MyStays Nippori, Hotel MyStays Ueno Inaricho, and Flexstay Inn Shinagawa from the TMK in July 2014. |
| | Whether the TMK is a related party | The TMK is not a related party of INV or CIM. Further, related persons and affiliates of the TMK are not related parties of INV or CIM. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act. |

(Note) Not disclosed, as the consent has not been obtained for disclosure.

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6. Transactions with Interested Persons etc.

The sellers of the Three Properties, namely AYK TMK, Zephyrus TMK and Nishi TMK, are not sponsor-related persons under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, Zephyrus TMK and Nishi TMK among such sellers have received tokumei kumiai contributions through funds etc. operated by affiliates of FIG, an affiliate of Calliope (please note that Calliope is CIM's parent company, and thus a sponsor-related person). Therefore, CIM treats Zephyrus TMK and Nishi TMK as persons equivalent to sponsor-related persons.

The Three Properties 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 held on February 4, 2015 and the investment committee meeting held on the same day, the board of directors of CIM approved the acquisitions at the meeting held on February 4, 2015, and the board of directors of INV approved the acquisitions at the meeting held on February 4, 2015.

In addition, the tenant and operator of the Three Properties is not a sponsor-related person (Note) under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, MHM, the tenant/operator of "Flexstay Inn Shirogane" and Hakodate GK, the tenant of "Hotel Nets Hakodate" are affiliates of FIG, an affiliate of Calliope (Calliope is CIM's parent company, and thus a sponsor-related person). Therefore, CIM treats each of MHM and Hakodate GK as a person equivalent to a sponsor-related person.

With respect to the lease agreement expected to be entered into with MHM, in accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, subject to MHM's hotel operating capability being confirmed as sufficient through a third party report and other relevant information, the rent level of "Flexstay Inn Shirogane" being reasonable considering the market level, and management services fee amount and structure being fair compared with similar properties, following deliberation and resolution of the compliance committee meeting held on February 4, 2015 and the investment committee meeting held on the same day, the board of directors of CIM approved the agreement at a meeting held on February 4, 2015, and the board of directors of INV approved the agreement at the meeting held on February 4, 2015.

With respect to the lease agreement expected to be entered into with Hakodate GK, in accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, subject to (i) sponsor-related persons not being given priority over non sponsor-related persons unless there is a justifiable reason and (ii) the rent level of each of the applicable properties being reasonable considering the market level, following deliberation and resolution of the compliance committee meeting held on February 4, 2015 and the investment committee meeting held on the same day, the board of directors of CIM approved the agreement at a meeting held on February 4, 2015, and the board of directors of INV approved the agreement at the meeting held on February 4, 2015.

Hence, INV considers MHM and Hakodate GK, respectively, to meet its standard for selection of tenants

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described in Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties filed on September 26, 2014.

(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 Enforcement Order of the Investment Trust Act, (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 in anonymous partnership (*tokumei kumiai*) by persons who fall under (ii) above.

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 | Current owner/trust beneficiary | Preceding owner/trust beneficiary |
|----------------------------------|---|--|
| D21 APA Hotel Yokohama-Kannai | Persons having no special conflict of interests relationship | — |
| D22 Hotel Nets Hakodate | 1. Zephyrus TMK 2. The TMK has received contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. August 2013 | Persons having no special conflict of interests relationship |
| D23 Flexstay Inn Shirogane | 1. Nishi TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2010 | Persons having no special conflict of interests relationship |

8. Overview of Brokerage

There is no broker for “APA Hotel Yokohama-Kannai” among the Three Properties. The broker for the other two Properties is as follows.

“Hotel Nets Hakodate” and “Flexstay Inn Shirogane”

| | |
|--|---|
| ① Name | RICHESS MANAGEMENT ,Inc |
| ② Location of head office | 1-12-32 Akasaka, Minato-ku, Tokyo |
| ③ Title and name of representative officer | Kazutoshi Senno, President and Representative Director |
| ④ Main businesses | a. Survey and consulting regarding real estate investment b. Consulting etc. regarding operation and management, sales and |

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| | |
|---|--|
| | liquidation of real estate |
| ⑤ Capital | JPY 30 million |
| ⑥ Date of establishment | April 20, 2006 |
| ⑦ Relationship of INV/Asset Manager with the broker | |
| Capital relationships | There is no capital relationship that should be noted between INV/CIM and the broker. |
| Personal relationships | There is no personal relationship that should be noted between INV/CIM and the broker. |
| Transactional relationship | In the fiscal period ended December 2014, there was no transactional relationship that should be noted between INV/CIM and the broker. Further there is no transactional relationship that should be noted between the related persons or affiliates of INV/CIM and the broker or its related persons or affiliates. |
| Whether the broker is a related party | The broker is not a related party of INV or CIM. Further, related persons and affiliates of the broker are not related parties of INV or CIM. The broker is not an interested party, etc. as provided in the Investment Trust Act. |

9. Schedules

| | |
|--|------------------|
| Acquisition decision date | February 4, 2015 |
| Agreement execution date | |
| Anticipated acquisition price payment date | February 6, 2015 |
| Anticipated acquisition date | |

10. Future Outlook

For information on INV's forecasts for financial results and distribution for the fiscal period ending June 2015 (January 1, 2015 to June 30, 2015) and for the fiscal period ending December 2015 (July 1, 2015 to December 31, 2015) in connection with the above, please refer to "Notice concerning Revision of Forecast of Financial Results and Distribution for the 23rd Fiscal Period Ended December 2014, for the 24th Fiscal Period Ending June 2015 and for the 25th Fiscal Period Ending December 2015, dated as of today.

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

The acquisition of hotels described above will not result in any material change to the "Investment Risks" (toshi risuku) in the semi-annual securities report (yuka shoken hokokusho) of INV for the fiscal period ended June 2014 (January 1, 2014 – June 30, 2014) (available in Japanese only), filed on September 26, 2014.

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12. Status of Income and Expenses and Summary of Real Estate Appraisal of the Three Properties

<Explanation relating to details of the status of income and expenses and real estate appraisal of the Three Properties>

- a. "Income and Expenditures, Etc." column:
 - Based on the information provided from the sellers for each operating period from January 1, 2012 to December 31, 2013. This is not a guarantee of future income and expenditures.
 - Amounts are rounded down to the nearest 1,000 yen. Therefore, the figures may not necessarily match the total value when added together. Unless otherwise specifically noted, the amounts do not include consumption tax, etc.
 - "Taxes and Public Dues," which include property tax and city planning tax, are generally imposed on the owner as of January 1 of each year. For property tax and city planning tax that were borne by the current owner or previous owner at the time of INV's acquisition of the assets, the estimated amount is included in the acquisition price, and is therefore not included in "Taxes and Public Dues."
 - "Non-life Insurance Premiums" is the total amount of paid insurance premiums distributed proportionally over the relevant period.
 - "NOI" (Net Operating Income) lists the actual figures as provided by the seller (following the adjustments for the trust fees, administration fees and insurance premiums when held by INV).
 - "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, 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:

$$\text{room occupancy rate} = \frac{\text{total number of rooms occupied during the relevant period}}{(\text{aggregate number of rooms during the relevant period} \times \text{number of business days during target period})}$$
 - "GOP Ratio" is calculated using the following formula:

$$\text{GOP ratio} = \frac{\text{GOP}}{\text{sales figure}}$$
 - "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.
- b. "Summary of Real Estate Appraisal Report" column:

INV has requested real estate appraisals from Japan Real Estate Institute for the planned acquisition of assets 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

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“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.

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.

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| Income and Expenditures, etc. | | | |
|--|--|------------------------------|------------------------------|
| Operating Period | | Jan. 1, 2013 to Dec. 1, 2013 | Jan. 1, 2014 to Dec. 1, 2014 |
| GOP (= (1) - (2)) | | JPY 608,660 ths | JPY 770,035 ths |
| Rental Revenue | | JPY 457,105 ths | JPY 466,631 ths |
| | Fixed Rent | JPY 425,000 ths | JPY 425,000 ths |
| | Variable Rent | JPY 32,105 ths | JPY 41,631 ths |
| a. Land Lease Fees | | JPY 0 ths | JPY 0 ths |
| b. Taxes and Public Dues | | JPY 24,918 ths | JPY 24,637 ths |
| c. Non - life Insurance Premiums | | JPY 582 ths | JPY 582 ths |
| d. Trust Fees | | JPY 1,000 ths | JPY 1,000 ths |
| NOI (= Rental Revenue - [a. + b. + c. + d.]) | | JPY 430,604 ths | JPY 440,412 ths |
| (Reference) | (1) Sales | JPY 1,008,988 ths | JPY 1,175,402 ths |
| | Room Income | JPY 941,630 ths | JPY 1,112,414 ths |
| | Other Income | JPY 67,357 ths | JPY 62,988 ths |
| | (2) Operating Costs (not including a. through d. above) | JPY 400,328 ths | JPY 405,366 ths |
| | ADR | JPY 6,332 | JPY 7,151 |
| | RevPAR | JPY 5,720 | JPY 6,758 |
| | Room Occupancy Rates | 90.3% | 94.5% |
| | GOP Ratio | 60.3% | 65.5% |
| | Daily / Weekly / Monthly | - % / - % / - % | - % / - % / - % |
| | (Note) Daily / Weekly / Monthly is not described because there is no data separated by the number of days of stay. | | |

| Summary of Real Estate Appraisal Report | |
|---|-----------------------------|
| Appraising Organization | Japan Real Estate Institute |
| Appraisal Value (Specified Value) | JPY 8,500 mn |
| Time of Valuation | As of Dec. 1, 2014 |

| 1. Value of Profits using the Profit Capitalization Method | | | (Unit: ths JPY) |
|--|----------|-----------|---|
| (1) Direct Capitalization Method | | Contents | Overview |
| (a) Room Rental Income | 425,000 | | Calculated based on the appraisal of fixed rent under the contract and variable rent valued from mid- and long-term perspectives, with reference to performance of the relevant hotel business in the preceding years and other similar hotels. |
| (b) Common Area Maintenance Fee Income | 41,301 | | |
| (c) Utility Income | 0 | | |
| (d) Parking Lot Income | 0 | | |
| (e) Other Income | 0 | | |
| (f) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)] | | 466,301 | |
| (f) Vacant Room Losses | | 0 | |
| (g) Irrecoverable Debt Losses | | 0 | |
| (II) Operating Revenue = [(f) - (f) - (g)] | | 466,301 | |
| (h) Maintenance and Management Costs | | 0 | |
| (i) Utility Costs | | 0 | |
| (j) Repair Costs | 5,217 | | Calculated taking into consideration the cost level of similar properties and annual average costs of repair/renewal in the engineering report and others. |
| (k) Property Management Fee | 0 | | |
| (l) Tenant Solicitation Expenses | 0 | | |
| (m) Taxes and Public Dues | 24,637 | | Calculated based on the appraisal of standard tax amount for tax year 2014. |
| (n) Non - life Insurance Premiums | 513 | | Calculated taking into consideration the estimate of an insurance premium, insurance premium rate of similar properties and others. |
| (o) Other Costs | 0 | | |
| (III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)] | | 30,367 | |
| (IV) Net Operating Income = [(II) - (III)] | | 435,934 | |
| (p) One - Time Investment Gains | 6,375 | | Appraised assumed investment yield is 2.0%. |
| (q) Capital Improvements and Expenses | 12,173 | | Calculated based on the appraisal taking into consideration the level of capital expenditure of similar properties, age of building and annual average costs of repair/renewal in the engineering report. |
| (r) FF&E Reserve | 0 | | |
| (V) Net Income = [(IV) + (p) - (q) - (r)] | | 430,136 | |
| (VI) Capitalization Yield | | 5.0% | Appraised taking into consideration the site condition, structural condition and other conditions of the property, uncertainty in the future, transaction yield regarding similar properties and others. |
| (VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)] | | 8,600,000 | |
| (Reference) Base Yield of Net Operating Income (NOI) [(IV) NOI ÷ (VII) Income Price] | | (5.1%) | |
| (2) DCF Method | | Contents | Overview |
| (I) Total of Current Value of Net Income during Analysis Period | | 3,352,534 | |
| (a) Sale Price | | 8,297,019 | |
| (b) Sale Costs | | 248,911 | |
| (c) Returning Price [(a) - (b)] | | 8,048,108 | |
| (II) Returning Price, Current Value | | 5,035,701 | |
| (III) Discount Rate | | 4.8% | Appraised taking into comprehensive consideration the specific features of the property and others with reference to investment yield of similar properties and others. |
| (IV) Final Capitalization Yield | | 5.2% | Appraised taking into comprehensive consideration specific features of the property and others with reference to investment yield of similar properties and others. |
| (V) Income Price using DCF Method = [(I) + (2)] | | 8,390,000 | |
| (3) Income Price using Income Capitalization Method | | 8,500,000 | |
| 2. Estimated Price using Cost Method | | | |
| | Contents | | Overview |
| (i) Land Price | | 1,160,000 | |
| (ii) Building Price | | 1,160,000 | |
| (iii) Furnishings/Appliances/Equipment/Upholstery Price | | 0 | |
| (iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)] | | 2,320,000 | |
| (v) Marketability Correction Ratio for Land and | | 180.0% | |
| (vi) Estimated Price using Cost Method = [(iv)] | | 4,180,000 | |

Other Points to be Noted for Appraisal by Appraising Organization

The appraising organization adopted income price judging that income price which reproduce faithfully the price formation process from the aspect of income is more persuasive, and taking into consideration the estimated price as just a reference, when determining the appraisal value.

D22 : Hotel Nets Hakodate

| Income and Expenditures, etc. | | | |
|-------------------------------------|--|-------------------------------|-------------------------------|
| Operating Period | | Jan. 1, 2013 to Dec. 31, 2013 | Jan. 1, 2014 to Dec. 31, 2014 |
| GOP(=Rental Revenue) (= (1) - (2)) | | JPY 140,710 ths | JPY 162,205 ths |
| a. Land Lease Fees | | JPY 0 ths | JPY 0 ths |
| b. Taxes and Public Dues | | JPY 21,130 ths | JPY 21,023 ths |
| c. Non - life Insurance Premiums | | JPY 421 ths | JPY 421 ths |
| d. Trust Fees | | JPY 1,000 ths | JPY 1,000 ths |
| NOI (= GOP - [a. + b. + c. + d.]) | | JPY 118,159 ths | JPY 139,760 ths |
| (Reference) | (1) Sales | JPY 378,856 ths | JPY 406,030 ths |
| | Room Income | JPY 337,225 ths | JPY 361,022 ths |
| | Other Income | JPY 41,631 ths | JPY 45,007 ths |
| | (2) Operating Costs (not including a. through d. above) | JPY 238,145 ths | JPY 243,825 ths |
| | ADR | JPY 6,178 | JPY 6,355 |
| | RevPAR | JPY 4,574 | JPY 4,897 |
| | Room Occupancy Rates | 74.0% | 77.1% |
| | GOP Ratio | 37.1% | 39.9% |
| | Daily / Weekly / Monthly | - % / - % / - % | - % / - % / - % |
| | (Note) Daily / Weekly / Monthly is not described because there is no data separated by the number of days of stay. | | |

| Summary of Real Estate Appraisal Report | |
|---|-----------------------------|
| Appraising Organization | Japan Real Estate Institute |
| Appraisal Value (Specified Value) | JPY 2,820 mn |
| Time of Valuation | As of Dec. 1, 2014 |

| 1. Value of Profits using the Profit Capitalization Method | | | (Unit: ths JPY) |
|---|-----------|--|-----------------|
| (1) Direct Capitalization Method | | Contents | Overview |
| (a) Room Rental Income | 254,089 | under the contract and variable rent valued from mid- and long-term perspectives, with reference to performance of hotel business in the preceding years and other similar hotels. Regarding store part, calculated based on appraisal of the level of unit price stably obtainable for mid- and long-term. | |
| (b) Common Area Maintenance Fee Income | 0 | | |
| (c) Utility Income | 0 | | |
| (d) Parking Lot Income | 0 | | |
| (e) Other Income | 0 | | |
| (f) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)] | | 254,089 | |
| (f) Vacant Room Losses | 602 | Regarding store part, calculated based on appraisal of the stable level of occupancy ratio for mid- and long-term. | |
| (g) Irrecoverable Debt Losses | 0 | | |
| (II) Operating Revenue = [(f) - (f) - (g)] | | 253,487 | |
| (h) Maintenance and Management Costs | 15,000 | Calculated based on the appraisal taking into consideration the current maintenance and management costs and those of other similar properties. | |
| (i) Utility Costs | 0 | | |
| (j) Repair Costs | 4,100 | Calculated taking into consideration the cost level of similar properties and annual average costs of repair/renewal in the engineering report and others. | |
| (k) Property Management Fee | 0 | | |
| (l) Tenant Solicitation Expenses | 162 | Calculated based on the appraisal on the assumed turnover period of tenant. | |
| (m) Taxes and Public Dues | 21,023 | Calculated based on the appraisal of standard tax amount for tax year 2014. | |
| (n) Non - life Insurance Premiums | 396 | Calculated taking into consideration the estimate of an insurance premium, insurance premium rate of similar properties and others. | |
| (o) Other Costs | 0 | | |
| (III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)] | | 40,681 | |
| (IV) Net Operating Income = [(II) - (III)] | | 212,806 | |
| (p) One - Time Investment Gains | 198 | Appraised assumed investment yield is 2.0%. | |
| (q) Capital Improvements and Expenses | 9,500 | Calculated based on the appraisal taking into consideration the level of capital expenditure of similar properties, age of building and annual average costs of repair/renewal in the engineering report. | |
| (r) FF&E Reserve | 14,023 | Calculated based on the appraised taking into consideration the level of FF&E Reserve of similar properties, and repair/renewal plan for this property and others. | |
| (V) Net Income = [(IV) + (p) - (q) - (r)] | | 189,481 | |
| (VI) Capitalization Yield | 6.7% | Appraised taking into consideration the site condition, structural condition and other conditions of the property, uncertainty in the future, transaction yield regarding similar properties and others. | |
| (VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)] | | 2,830,000 | |
| (Reference) Base Yield of Net Operating Income (NOI) [(IV) NOI ÷ (VII) Income Price] | | (7.5%) | |
| (2) DCF Method | | Contents | Overview |
| (I) Total of Current Value of Net Income during Analysis Period | | 1,297,334 | |
| (a) Sale Price | 2,853,373 | | |
| (b) Sale Costs | 85,601 | | |
| (c) Returning Price [(a) - (b)] | 2,767,772 | | |
| (II) Returning Price, Current Value | | 1,502,347 | |
| (III) Discount Rate | 6.3% | Appraised taking into comprehensive consideration the specific features of the property and others with reference to investment yield of similar properties and others. | |
| (IV) Final Capitalization Yield | 6.7% | Appraised taking into comprehensive consideration specific features of the property and others with reference to investment yield of similar properties and others. | |
| (V) Income Price using DCF Method = [(I) + (2)] | | 2,800,000 | |
| (3) Income Price using Income Capitalization Method | | 2,820,000 | |
| 2. Estimated Price using Cost Method | | Contents | Overview |
| (i) Land Price | 310,000 | | |
| (ii) Building Price | 1,028,000 | | |
| (iii) Furnishings/Appliances/Equipment/Upholstery Price | 31,000 | | |
| (iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)] | | 1,369,000 | |
| (v) Maketability Correction Ratio for Land and Building as a Whole | | 150% | |
| (vi) Estimated Price using Cost Method = [(iv) × (v)] | | 2,050,000 | |
| Other Points to be Noted for Appraisal by Apprising Organization | | | |
| The apprising organization adopted income price judging that income price which reproduce faithfully the price formation process from the aspect of income is more persuasive, and taking into consideration the estimated price as just a reference, when determining the appraisal value. | | | |

D23 : Flectay inn Shirogane

| Income and Expenditures, etc. | | | |
|-------------------------------------|---|-------------------------------|-------------------------------|
| Operating Period | | Jan. 1, 2013 to Dec. 31, 2013 | Jan. 1, 2014 to Dec. 31, 2014 |
| GOP(=Rental Revenue) (= (1) - (2)) | | JPY 80,068 ths | JPY 95,353 ths |
| a. Land Lease Fees | | JPY 0 ths | JPY 0 ths |
| b. Taxes and Public Dues | | JPY 3,686 ths | JPY 3,809 ths |
| c. Non - life Insurance Premiums | | JPY 125 ths | JPY 125 ths |
| d. Trust Fees | | JPY 1,000 ths | JPY 1,000 ths |
| NOI (= GOP - [a. + b. + c. + d.]) | | JPY 75,256 ths | JPY 90,418 ths |
| (Reference) | (1) Sales | JPY 142,094 ths | JPY 163,799 ths |
| | Room Income | JPY 134,445 ths | JPY 156,339 ths |
| | Other Income | JPY 7,648 ths | JPY 7,460 ths |
| | (2) Operating Costs (not including a. through d. above) | JPY 62,026 ths | JPY 68,446 ths |
| | ADR | JPY 5,103 | JPY 5,883 |
| | RevPAR | JPY 4,385 | JPY 5,099 |
| | Room Occupancy Rates | 85.9% | 86.7% |
| | GOP Ratio | 56.3% | 58.2% |
| | Daily / Weekly / Monthly | 39.1% / 29.5% / 31.4% | 48.7% / 23.4% / 28.0% |

| Summary of Real Estate Appraisal Report | |
|---|-----------------------------|
| Appraising Organization | Japan Real Estate Institute |
| Appraisal Value (Specified Value) | JPY 2,140 mn |
| Time of Valuation | As of Dec. 1, 2014 |

| 1. Value of Profits using the Profit Capitalization Method | | | (Unit: ths JPY) |
|--|-----------|---|--|
| (1) Direct Capitalization Method | | Contents | Overview |
| (a) Room Rental Income | 134,226 | Calculated based on the appraisal of fixed rent under the contract and variable rent valued from mid- and long-term perspectives, with reference to performance of the relevant hotel business in the preceding years and other similar hotels. | |
| | | | |
| | | | |
| | | | |
| | | | |
| (b) Common Area Maintenance Fee Income | 0 | | |
| (c) Utility Income | 0 | | |
| (d) Parking Lot Income | 0 | | |
| (e) Other Income | 0 | | |
| (f) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)] | | 134,226 | |
| (f) Vacant Room Losses | 0 | | |
| (g) Irrecoverable Debt Losses | 0 | | |
| (II) Operating Revenue = [(f) - (f) - (g)] | | 134,226 | |
| (h) Maintenance and Management Costs | 0 | | |
| (i) Utility Costs | 0 | | |
| (j) Repair Costs | 2,216 | Calculated taking into consideration the cost level of similar properties and annual average costs of repair/renewal in the engineering report and others. | |
| (k) Property Management Fee | 0 | | |
| (l) Tenant Solicitation Expenses | 0 | | |
| (m) Taxes and Public Dues | 3,810 | Calculated based on the appraisal of standard tax amount for tax year 2014. | |
| (n) Non - life Insurance Premiums | 110 | Calculated taking into consideration the insurance premium rate of other similar properties and others. | |
| (o) Other Costs | 0 | | |
| (III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)] | | 6,136 | |
| (IV) Net Operating Income = [(II) - (III)] | | 128,090 | |
| (p) One - Time Investment Gains | 0 | | |
| (q) Capital Improvements and Expenses | 5,169 | Calculated based on the appraisal taking into consideration the level of capital expenditure of similar properties, age of building and annual average costs of repair/renewal in the engineering report. | |
| (r) FF&E Reserve | 3,782 | Calculated based on the appraised taking into consideration the level of FF&E Reserve of similar properties, and repair/renewal plan for this property and others. | |
| (V) Net Income = [(IV) + (p) - (q) - (r)] | | 119,139 | |
| (VI) Capitalization Yield | | 5.5% | Appraised taking into consideration the site condition, structural condition and other conditions of the property, uncertainty in the future, transaction yield regarding similar properties and others. |
| (VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)] | | 2,170,000 | |
| (Reference) Base Yield of Net Operating Income (NOI) [(IV) NOI ÷ (VII) Income Price] | | (5.9%) | |
| (2) DCF Method | | Contents | Overview |
| (I) Total of Current Value of Net Income during Analysis Period | | 865,482 | |
| (a) Sale Price | 2,129,750 | | |
| (b) Sale Costs | 63,893 | | |
| (c) Returning Price [(a) - (b)] | 2,065,857 | | |
| (II) Returning Price, Current Value | | 1,244,266 | |
| (III) Discount Rate | | 5.2% | Appraised taking into comprehensive consideration the specific features of the property and others with reference to investment yield of similar properties and others. |
| (IV) Final Capitalization Yield | | 5.6% | Appraised taking into comprehensive consideration specific features of the property and others with reference to investment yield of similar properties and others. |
| (V) Income Price using DCF Method = [(I) + (2)] | | 2,110,000 | |
| (3) Income Price using Income Capitalization Method | | 2,140,000 | |
| 2. Estimated Price using Cost Method | | Contents | Overview |
| (i) Land Price | | 778,000 | |
| (ii) Building Price | | 112,000 | |
| (iii) Furnishings/Appliances/Equipment/Upholstery Price | | 23,600 | |
| (iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)] | | 913,600 | |
| (v) Marketability Correction Ratio for Land and Building as a Whole | | 130% | |
| (vi) Estimated Price using Cost Method = [(iv) × (v)] | | 1,190,000 | |
| Other Points to be Noted for Appraisal by Appraising Organization | | | |
| The appraising organization adopted income price judging that income price which reproduce faithfully the price formation process from the aspect of income is more persuasive, and taking into consideration the estimated price as just a reference, when determining the appraisal value. | | | |

[References]

1. Portfolio List after the Acquisition of New Properties

| Property Number | Property Name | Type | Area | Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1) | Investment Ratio (%) (Note 2) |
|-----------------|--------------------------------------|-------------|--------------------|--|-------------------------------|
| A26 | Nisshin Palacestage Daitabashi | Residential | Greater Tokyo Area | 1,251 | 1.0 |
| A27 | Nisshin Palacestage Higashi-Nagasaki | Residential | Greater Tokyo Area | 1,229 | 0.9 |
| A28 | Growth Maison Gotanda | Residential | Greater Tokyo Area | 888 | 0.7 |
| A29 | Growth Maison Kameido | Residential | Greater Tokyo Area | 1,070 | 0.8 |
| A30 | Emerald House | Residential | Greater Tokyo Area | 1,505 | 1.1 |
| A31 | Harmonie Ochanomizu | Residential | Greater Tokyo Area | 1,428 | 1.1 |
| A32 | Suncrest Shakujii Koen | Residential | Greater Tokyo Area | 1,088 | 0.8 |
| A33 | Growth Maison Shin Yokohama | Residential | Greater Tokyo Area | 1,059 | 0.8 |
| A34 | Belle Face Ueno Okachimachi | Residential | Greater Tokyo Area | 1,023 | 0.8 |
| A35 | Grand Rire Kameido | Residential | Greater Tokyo Area | 906 | 0.7 |
| A36 | Growth Maison Ikebukuro | Residential | Greater Tokyo Area | 825 | 0.6 |
| A37 | Growth Maison Yoga | Residential | Greater Tokyo Area | 795 | 0.6 |
| A38 | Route Tachikawa | Residential | Greater Tokyo Area | 676 | 0.5 |
| A39 | Shibuya Honmachi Mansion | Residential | Greater Tokyo Area | 651 | 0.5 |
| A40 | City Heights Kinuta | Residential | Greater Tokyo Area | 646 | 0.5 |
| A41 | Acseeds Tower Kawaguchi Namiki | Residential | Greater Tokyo Area | 620 | 0.5 |
| A42 | Capital Heights Kagurazaka | Residential | Greater Tokyo Area | 604 | 0.5 |
| A43 | College Square Machida | Residential | Greater Tokyo Area | 589 | 0.4 |
| A44 | Belair Meguro | Residential | Greater Tokyo Area | 589 | 0.4 |

| Property Number | Property Name | Type | Area | Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1) | Investment Ratio (%) (Note 2) |
|-----------------|-----------------------------------|-------------|----------------------|--|-------------------------------|
| A45 | Wacore Tsunashima I | Residential | Greater Tokyo Area | 572 | 0.4 |
| A46 | Foros Nakamurabashi | Residential | Greater Tokyo Area | 566 | 0.4 |
| A47 | Growth Maison Kaijin | Residential | Greater Tokyo Area | 557 | 0.4 |
| A48 | College Square Machiya | Residential | Greater Tokyo Area | 510 | 0.4 |
| A51 | City House Tokyo Shinbashi | Residential | Greater Tokyo Area | 2,520 | 1.9 |
| A52 | Winbell Kagurazaka | Residential | Greater Tokyo Area | 3,260 | 2.5 |
| A53 | Nishiwaseda Crescent Mansion | Residential | Greater Tokyo Area | 1,880 | 1.4 |
| A54 | Lexington Square Akebonobashi | Residential | Greater Tokyo Area | 1,450 | 1.1 |
| A56 | Casa Eremitaggio | Residential | Greater Tokyo Area | 1,070 | 0.8 |
| A59 | Towa City Coop Shin-otsuka II | Residential | Greater Tokyo Area | 866 | 0.7 |
| A61 | Bichsel Musashiseki | Residential | Greater Tokyo Area | 577 | 0.4 |
| A62 | Lexel Mansion Ueno Matsugaya | Residential | Greater Tokyo Area | 970 | 0.7 |
| A63 | Towa City Coop Sengencho | Residential | Greater Tokyo Area | 1,110 | 0.8 |
| A64 | Royal Park Omachi | Residential | Main Provincial City | 415 | 0.3 |
| A65 | Lexington Square Haginomachi | Residential | Main Provincial City | 330 | 0.3 |
| A66 | Visconti Kakuoan | Residential | Main Provincial City | 255 | 0.2 |
| A71 | Lexington Square Daitabashi | Residential | Greater Tokyo Area | 977 | 0.7 |
| A72 | Lexington Square Honjo-Azumabashi | Residential | Greater Tokyo Area | 511 | 0.4 |
| A73 | AMS TOWER Minami 6-Jo | Residential | Main Provincial City | 1,180 | 0.9 |
| A75 | Spacia Ebisu | Residential | Greater Tokyo Area | 7,010 | 5.3 |
| A76 | Neo Prominence | Residential | Greater Tokyo Area | 1,660 | 1.3 |
| A77 | Invoice Shin-Kobe Residential | Residential | Main Provincial City | 1,260 | 1.0 |

| Property Number | Property Name | Type | Area | Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1) | Investment Ratio (%) (Note 2) |
|-----------------|-----------------------------------|-------------|----------------------|--|-------------------------------|
| A78 | Cosmo Court Motomachi | Residential | Main Provincial City | 973 | 0.7 |
| A79 | Revest Honjin | Residential | Main Provincial City | 674 | 0.5 |
| A80 | Revest Matsubara | Residential | Main Provincial City | 657 | 0.5 |
| A81 | Sun Terrace Minami Ikebukuro | Residential | Greater Tokyo Area | 625 | 0.5 |
| A82 | Alba Noritake Shinmachi | Residential | Main Provincial City | 608 | 0.5 |
| A83 | Revest Meieki Minami | Residential | Main Provincial City | 597 | 0.5 |
| A84 | Revest Heian | Residential | Main Provincial City | 595 | 0.5 |
| A85 | Vendir Hamaotsu Ekimae | Residential | Main Provincial City | 581 | 0.4 |
| A86 | Salvo Sala | Residential | Main Provincial City | 544 | 0.4 |
| A87 | Excellente Kagurazaka | Residential | Greater Tokyo Area | 543 | 0.4 |
| A88 | Luna Court Edobori | Residential | Main Provincial City | 525 | 0.4 |
| A89 | Winntage Kobe Motomachi | Residential | Main Provincial City | 512 | 0.4 |
| A90 | Queen's Court Fukuzumi | Residential | Greater Tokyo Area | 456 | 0.3 |
| A91 | Corp Higashinotoin | Residential | Main Provincial City | 446 | 0.3 |
| A92 | Belair Oimachi | Residential | Greater Tokyo Area | 412 | 0.3 |
| A93 | Siete Minami-Tsukaguchi | Residential | Main Provincial City | 374 | 0.3 |
| A94 | Prime Life Sannomiya Isogami Koen | Residential | Main Provincial City | 373 | 0.3 |
| A95 | HERMITAGE NANBA WEST | Residential | Main Provincial City | 355 | 0.3 |
| A96 | Century Park Shinkawa 1-bankan | Residential | Main Provincial City | 335 | 0.3 |
| A97 | West Avenue | Residential | Greater Tokyo Area | 331 | 0.3 |
| A98 | Little River Honmachibashi | Residential | Main Provincial City | 310 | 0.2 |
| A99 | Prime Life Mikage | Residential | Main Provincial City | 297 | 0.2 |

| Property Number | Property Name | Type | Area | Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1) | Investment Ratio (%) (Note 2) |
|---|--|---------|----------------------|--|-------------------------------|
| Subtotal of Residential Properties (63 properties) | | | | 58,083 | 44.3 |
| B8 | Kindai Kagaku Sha Building | Office | Greater Tokyo Area | 1,301 | 1.0 |
| B9 | Shinjuku Island | Office | Greater Tokyo Area | 715 | 0.5 |
| B14 | Lexington Plaza Nishigotanda | Office | Greater Tokyo Area | 4,880 | 3.7 |
| B15 | Cross Square NAKANO | Office | Greater Tokyo Area | 1,060 | 0.8 |
| B16 | Ohki Aoba Building | Office | Main Provincial City | 816 | 0.6 |
| B17 | Lexington Plaza Hachiman | Retail | Main Provincial City | 3,280 | 2.5 |
| B18 | AEON TOWN Sukagawa | Retail | Main Provincial City | 2,320 | 1.8 |
| Subtotal of Office Buildings and Retail Properties (7 properties) | | | | 14,372 | 11.0 |
| C1 | Times Kanda-Sudacho 4th | Parking | Greater Tokyo Area | 97 | 0.1 |
| Subtotal of Parking Facility (1 property) | | | | 97 | 0.1 |
| D1 | Hotel MyStays Kanda | Hotel | Greater Tokyo Area | 2,851 | 2.2 |
| D2 | Hotel MyStays Asakusa | Hotel | Greater Tokyo Area | 2,584 | 2.0 |
| D3 | Hotel MyStays Kyoto-Shijo | Hotel | Main Provincial City | 6,024 | 4.6 |
| D4 | MyStays Shin-Urayasu Conference Center | Hotel | Greater Tokyo Area | 4,930 | 3.8 |
| D5 | Hotel MyStays Maihama | Hotel | Greater Tokyo Area | 4,870 | 3.7 |
| D6 | Hotel Vista Premio Dojima | Hotel | Main Provincial City | 3,845 | 2.9 |
| D7 | Hotel MyStays Nagoya-Sakae | Hotel | Main Provincial City | 2,958 | 2.3 |
| D8 | Hotel MyStays Sakaisuji-Honmachi | Hotel | Main Provincial City | 2,514 | 1.9 |
| D9 | Hotel MyStays Yokohama | Hotel | Greater Tokyo Area | 2,119 | 1.6 |
| D10 | Hotel MyStays Nippori | Hotel | Greater Tokyo Area | 1,898 | 1.4 |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | Hotel | Main Provincial City | 1,570 | 1.2 |

| Property Number | Property Name | Type | Area | Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1) | Investment Ratio (%) (Note 2) |
|------------------------------------|---------------------------------|-------|----------------------|--|-------------------------------|
| D12 | Flexstay Inn Iidabashi | Hotel | Greater Tokyo Area | 1,381 | 1.1 |
| D13 | Hotel MyStays Ueno Inaricho | Hotel | Greater Tokyo Area | 1,331 | 1.0 |
| D14 | Flexstay Inn Shinagawa | Hotel | Greater Tokyo Area | 1,242 | 0.9 |
| D15 | Flexstay Inn Tokiwadai | Hotel | Greater Tokyo Area | 1,242 | 0.9 |
| D16 | Flexstay Inn Sugamo | Hotel | Greater Tokyo Area | 1,192 | 0.9 |
| D17 | Hotel MyStays Otemae | Hotel | Main Provincial City | 1,192 | 0.9 |
| D18 | Flexstay Inn Kiyosumi Shirakawa | Hotel | Greater Tokyo Area | 749 | 0.6 |
| D19 | Flexstay Inn Nakanobu P1 | Hotel | Greater Tokyo Area | 589 | 0.4 |
| D20 | Flexstay Inn Nakanobu P2 | Hotel | Greater Tokyo Area | 283 | 0.2 |
| D21 | APA Hotel Yokohama - Kannai | Hotel | Greater Tokyo Area | 8,350 | 6.4 |
| D22 | Hotel Nets Hakodate | Hotel | Main Provincial City | 2,792 | 2.1 |
| D23 | Flexstay Inn Shirogane | Hotel | Greater Tokyo Area | 2,119 | 1.6 |
| Subtotal of Hotels (23 properties) | | | | 58,634 | 44.7 |
| Total Portfolio (94 properties) | | | | 131,188 | 100.0 |

(Note 1) Acquisition price or anticipated acquisition price is as set forth in the relevant purchase agreement or trust beneficiary interest transfer agreement, does not include expenses such as consumption taxes, and is rounded down to the nearest million yen.

(Note 2) Investment ratio is calculated as a percentage of the aggregate total acquisition price of our anticipated portfolio after giving effect to our anticipated acquisitions, and rounded to one decimal place.

2. Picture and Map of the Four Properties

D21 APA Hotel Yokohama-Kannai



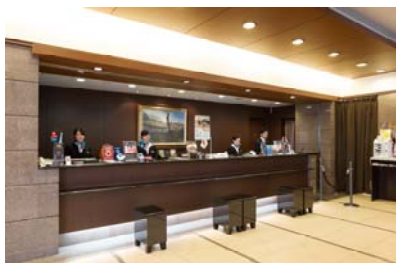
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< Twin Room >



< Large bath >

D22 Hotel Nets Hakodate



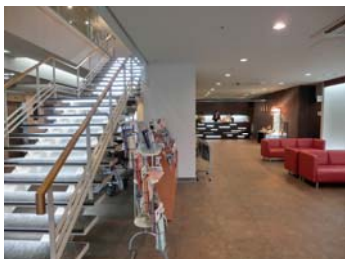
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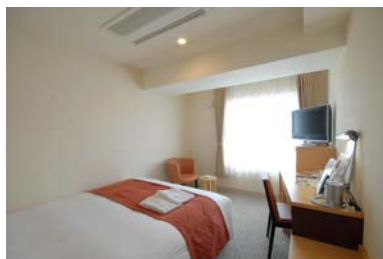
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< Lobby~Reception >



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< Delux Twin Room >

D23 Flexstay Inn Shirogane



< Appearance >



< Entrance >



< Location >



< Lobby >



< Single Room >



< Twin Room >