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To All Concerned Parties

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Notice concerning Revision of Forecast of Financial Results and Distributions for the 24th Fiscal Period Ended June 2015, the 25th Fiscal Period Ending December 2015, the 26th Fiscal Period Ending June 2016 and 27th Fiscal Period Ending December 2016

Invincible Investment Corporation ("INV") announces the revision of its financial results and distribution per unit ("DPU") forecast for the fiscal period ended June 2015 (24th fiscal period), and the fiscal periods ending December 2015 (25th fiscal period), June 2016 (26th fiscal period) and December 2016 (27th fiscal period), as previously announced in the June 25, 2015 "Notice concerning Revision of Forecast of Financial Results and Distribution for the 24th Fiscal Period Ending June 2015 and the 25th Fiscal Period Ending December 2015, together with Forecast of Financial Results and Distribution for the 26th Fiscal Period Ending June 2016 and 27th Fiscal Period Ending December 2016" (including the correction dated July 1, 2015) as follows.

Details

1. Revision of forecasts of financial results and DPU for the fiscal periods ended June 2015 (January 1, 2015 to June 30, 2015), ending December 2015 (July 1, 2015 to December 31, 2015), June 2016 (January 1, 2016 to June 30, 2016) and December 2016 (July 1, 2016 to December 31, 2016). The revised DPU is JPY 1,924 for 2015 and JPY 2,172 for 2016.

<Fiscal Period Ending June 2015>

	Operating revenues	Operating income	Ordinary income	Net income	Total distribution amount
Previous forecast (A) (announced on June 25, 2015)	Million JPY 4,920	Million JPY 2,738	Million JPY 2,202	Million JPY 2,201	Million JPY 2,198

	Operating revenues	Operating income	Ordinary income	Net income	Total distribution amount
Revised forecast (B)	Million JPY 4,974	Million JPY 2,810	Million JPY 2,295	Million JPY 2,295	Million JPY 2,295
Amount of Variance (B) – (A)	Million JPY 54	Million JPY 72	Million JPY 93	Million JPY 93	Million JPY 96
Rate of variance ((B) – (A)) / (A)	% 1.1	% 2.6	% 4.3	% 4.3	% 4.4
(Reference) Actual results (23rd fiscal period)	Million JPY 4,610	Million JPY 2,769	Million JPY 1,958	Million JPY 1,958	Million JPY 1,956

	Earnings per unit (Note 1)	Reversal of Surplus per unit (Note 2)	Distribution per unit (excluding excess profit distribution per unit) (Note 1)	Excess profit distribution per unit (Note 1)	Distribution per unit (including excess profit distribution per unit) (Note 1)	(Reference) Simulated earnings per unit (Note 1) (Note 3)
Previous forecast (A) (announced on June 25, 2015)	JPY 824	JPY 0	JPY 824	JPY 0	JPY 824	917
Revised forecast (B)	JPY 860	JPY 0	JPY 860	JPY 0	JPY 860	968
Amount of Variance (B) – (A)	JPY 36	JPY 0	JPY 36	JPY 0	JPY 36	51
Rate of variance ((B) – (A)) / (A)	% 4.4	% —	% 4.4	% —	% 4.4	5.6
(Reference) Actual results (23rd fiscal period)	JPY 733	JPY 0	JPY 733	JPY 0	JPY 733	

(Note 1) The number of investment units issued and outstanding at the end of the fiscal period: 2,668,686 units.

(Note 2) Reversal of surplus resulting from the gain on negative goodwill recognized in connection with the merger in February 2010 (the "Surplus"). The same shall apply hereinafter.

(Note 3) Distribution per unit for the fiscal periods ended June 2016 and ending December 2016 are affected by one-time costs in relation to the global offering announced on June 25, 2015 in the "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" ("Public Offering"), the refinancing as announced on June 25, 2015 in the "Notice concerning Debt Financing and Prepayment of Existing Borrowings" ("Refinancing") and the acquisition of the assets announced on June 25, 2015 in the "Notice concerning Acquisition of Assets and Entering into Leasing Contract" (Acquisition with Public Offering, and together with the Public Offering and the Refinancing, collectively the "Transactions with Public Offering") and others. Therefore simulated earnings per unit are shown for reference purposes and are calculated by applying adjustments excluding one-time costs in the fiscal period and assuming that (i) the acquisition of three properties on February 6, 2015, (ii) the Public Offering, the Refinancing and the Acquisition with Public Offering and (iii) the acquisition of three properties to be acquired on August 28, 2015 ("Additional Acquisition") and the new borrowing to be implemented on August 28, 2015 ("Additional New Borrowing") were implemented at the beginning of the fiscal period ending June 2015. For details on the method for calculating simulated earnings per unit, please refer to Appendix 2. The simulated earnings per unit is purely a simulation intended to describe the effect of the transactions, etc. described above and is neither a forecast nor prospect relating to INV's earnings or distribution per unit for a given operating period.

(Note 4) As noted in Appendix 2, the simulated earning per unit for the fiscal period ending June 2015 is calculated based on the assumption that a total of 525,000 units (500,000 units to be issued during the fiscal period ending December 2015 through the Public Offering and 25,000 units through the Over-Allotment Option) were issued at the beginning of the

fiscal period ending June 2015 and the number of investment units issued and outstanding is 3,193,686. On the other hand, the forecasts for the earnings per unit and distribution per unit for the fiscal period ending June 2015 is based on the number of investment units issued and outstanding at the end of the fiscal period ending June 2015: 2,668,686 units. The same shall apply hereinafter.

(Note 5) Figures (including earnings per unit, reversal of Surplus per unit and excess profit distribution per unit) are rounded down to the indicated amount and percentages are rounded to first decimal place. The same shall apply hereinafter.

<Fiscal Period Ending December 2015>

	Operating revenues	Operating income	Ordinary income	Net income	Total distribution amount
Previous forecast (A) (announced on June 25, 2015)	Million JPY 6,437	Million JPY 3,882	Million JPY 2,447	Million JPY 2,447	Million JPY 3,286
Revised forecast (B)	Million JPY 6,601	Million JPY 3,986	Million JPY 2,528	Million JPY 2,527	Million JPY 3,398
Amount of Variance (B) – (A)	Million JPY 164	Million JPY 104	Million JPY 80	Million JPY 80	Million JPY 111
Rate of variance ((B) – (A)) / (A)	% 2.6	% 2.7	% 3.3	% 3.3	% 3.4

	Earnings per unit (Note 1)	Reversal of Surplus per unit (Note 1) (Note 2)	Distribution per unit (excluding excess profit distribution per unit) (Note 1)	Excess profit distribution per unit (Note 1) (Note 2)	Distribution per unit (including excess profit distribution per unit) (Note 1)	(Reference) Simulated earnings per unit (Note 1)
Previous forecast (A) (announced on February 25, 2015)	JPY 766	JPY 23	JPY 789	JPY 239	JPY 1,029	JPY 1,060
Revised forecast (B)	JPY 791	JPY 23	JPY 815	JPY 248	JPY 1,064	JPY 1,084
Amount of Variance (B) – (A)	JPY 25	JPY —	JPY 26	JPY 9	JPY 35	JPY 24
Rate of variance ((B) – (A)) / (A)	% 3.3	% —	% 3.3	% 3.8	% 3.4	% 2.3

(Note 1) The number of investment units issued and outstanding at the end of the fiscal period: 3,193,686 units.

(Note 2) (Previous forecast)

Excess profit distribution per unit of JPY 239.1 = Distribution per unit of JPY 1,029 in the Fiscal Period Ending December 2015 - Earnings per unit of JPY 766.3 - Reversal of Surplus per unit of JPY 23.6

(Revised forecast)

Excess profit distribution per unit of JPY 248.8 = Distribution per unit of JPY 1,064 in the Fiscal Period Ending December 2015 - Earnings per unit of JPY 791.5 - Reversal of Surplus per unit of JPY 23.6

INV expects to distribute the remainder of the JPY 75 million surplus as part of the distribution for the fiscal period ending June 2015. INV will use excess profit distribution to normalize the distribution because INV expects to issue new investment units, prepay the existing borrowings and acquire 11 hotel properties and three residential properties, resulting in significant cost. Excess profit distribution is not a given assurance, as any potential distribution is dependent on the operational status.

The expected aggregate amount of Excess profit distribution is based on the assumption of the normalized DPU in the fiscal period ending December 2015 as of today taking into consideration the costs mentioned above, the securing of assets to maintain our asset value and the financial standing and liquidity after the Excess profit distribution. Please refer to “3. Excess profit distribution policy” and Appendix 2 for the detail of the excess profit distribution policy and simulated earnings per unit in the fiscal period ending December 2015.

<Fiscal Period Ending June 2016>

	Operating revenues	Operating income	Ordinary income	Net income	Total distribution amount
Previous forecast (A) (announced on June 25, 2015)	Million JPY 6,315	Million JPY 3,532	Million JPY 3,148	Million JPY 3,147	Million JPY 3,145
Revised forecast (B)	Million JPY 6,500	Million JPY 3,631	Million JPY 3,225	Million JPY 3,224	Million JPY 3,222
Amount of Variance (B) – (A)	Million JPY 184	Million JPY 98	Million JPY 77	Million JPY 77	Million JPY 76
Rate of variance ((B) – (A)) / (A)	% 2.9	% 2.8	% 2.5	% 2.5	% 2.4

	Earnings per unit (Note)	Reversal of Surplus per unit (Note)	Distribution per unit (excluding excess profit distribution per unit) (Note)	Excess profit distribution per unit (Note)	Distribution per unit (including excess profit distribution per unit) (Note)	(Reference) Simulated earnings per unit (Note)
Previous forecast (A) (announced on February 25, 2015)	JPY 985	JPY 0	JPY 985	JPY 0	JPY 985	JPY 985
Revised forecast (B)	JPY 1,009	JPY 0	JPY 1,009	JPY 0	JPY 1,009	JPY 998
Amount of Variance (B) – (A)	JPY 24	JPY 0	JPY 24	JPY 0	JPY 24	JPY 13
Rate of variance ((B) – (A)) / (A)	% 2.4	% —	% 2.4	% —	% 2.4	% 1.3

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 3,193,686 units.

<Fiscal period ending December 2016>

	Operating revenues	Operating income	Ordinary income	Net income	Total distribution amount
Previous forecast (A) (announced on June 25, 2015)	Million JPY 6,821	Million JPY 4,021	Million JPY 3,633	Million JPY 3,632	Million JPY 3,631
Revised forecast (B)	Million JPY 7,008	Million JPY 4,117	Million JPY 3,717	Million JPY 3,716	Million JPY 3,714
Amount of Variance (B) – (A)	Million JPY 187	Million JPY 96	Million JPY 84	Million JPY 84	Million JPY 83
Rate of variance ((B) – (A)) / (A)	% 2.7	% 2.4	% 2.3	% 2.3	% 2.3

	Earnings per unit (Note)	Reversal of Surplus per unit (Note)	Distribution per unit (excluding excess profit distribution per unit) (Note)	Excess profit distribution per unit (Note)	Distribution per unit (including excess profit distribution per unit) (Note)	(Reference) Simulated earnings per unit (Note)
Previous forecast (A) (announced on February 25, 2015)	JPY 1,137	JPY 0	JPY 1,137	JPY 0	JPY 1,137	JPY 1,137
Revised forecast (B)	JPY 1,163	JPY 0	JPY 1,163	JPY 0	JPY 1,163	JPY 1,163
Amount of Variance (B) – (A)	JPY 26	JPY 0	JPY 26	JPY 0	JPY 26	JPY 26
Rate of variance ((B) – (A)) / (A)	% 2.3	% —	% 2.3	% —	% 2.3	% 2.3

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 3,193,686 units.

(Reference)

Assumptions underlying the forecast of financial results and distributions for the fiscal period ended June 2015 and for the fiscal periods ending December 2015, June 2016 and December 2016 are provided in Appendix 1. For ease of reference, full-year figures for earnings per unit, distribution per unit (including excess profit distribution per unit) and simulated earnings per unit are summarized in the table below.

Earnings per unit and distribution per unit for the calendar years 2015 and 2016 are as follows:

<Full-year 2015> (Aggregate of the fiscal periods ending in June 2015 and December 2015)

	Earnings per unit	Reversal of Surplus per unit	Distribution per unit (excluding excess profit distribution per unit)	Excess profit distribution per unit	Distribution per unit (including excess profit distribution per unit)	(Reference) Simulated earnings per unit (Note 1) (Note 2)
Previous forecast (A) (June 25, 2015)	JPY 1,590	JPY 23	JPY 1,613	JPY 239	JPY 1,853	JPY 1,977
Revised forecast (B)	JPY 1,651	JPY 23	JPY 1,675	JPY 248	JPY 1,924	JPY 2,052
Amount of variance (B)- (A)	JPY 61	JPY —	JPY 62	JPY 9	JPY 71	JPY 75
Rate of variance ((B) – (A)) / (A)	% 3.8	% —	% 3.8	% 3.8	% 3.8	% 3.8

<Full-year 2016> (Aggregate of the fiscal periods ending in June 2016 and December 2016)

	Earnings per unit	Reversal of Surplus per unit	Distribution per unit (excluding excess profit distribution per unit)	Excess profit distribution per unit	Distribution per unit (including excess profit distribution per unit)	(Reference) Simulated earnings per unit (Note 1) (Note 2)
Previous forecast (A) (June 25, 2015)	JPY 2,122	JPY 0	JPY 2,122	JPY 0	JPY 2,122	JPY 2,122
Revised forecast (B)	JPY 2,172	JPY 0	JPY 2,172	JPY 0	JPY 2,172	JPY 2,161
Amount of variance (B)- (A)	JPY 50	JPY —	JPY 50	JPY —	JPY 50	JPY 39
Rate of variance ((B) – (A)) / (A)	% 2.4	% —	% 2.4	% —	% 2.4	% 1.8

2. Reasons for the revision of forecast of financial results and distribution

<Fiscal Period Ended June 2015>

The previous forecast of financial results for the fiscal period ended June 2015 was based on actual results for the period from January to April 2015 and the forecast for the period from May to June 2015. Financial results for the fiscal period ended June 2015 have been mostly settled, therefore INV revised its financial results and distribution forecast for the fiscal period ended June 2015.

Operating revenue is expected to increase by JPY 54 million (1.1%) from the previous forecast, primarily due to the robust performance of the existing 23 hotels during the period from May to June 2015.

As a result, net income is expected to increase by JPY 93 million (4.3%), the total distribution amount for the fiscal period ended June 2015 is JPY 2,295 million and the distribution per unit is JPY 860 (4.4% higher than the previous forecast).

<Fiscal Period Ending December 2015, Fiscal Period Ending June 2016 and Fiscal Period Ending December 2016>

As announced today in the “Notice concerning Acquisition of Assets and Entering into Leasing Contract” and “Notice concerning Debt Financing”, INV expects to acquire three hotels on August 28, 2015, by utilizing part of cash on hand and by procuring a new loan (“Additional Acquisition”, and together with the Additional New Borrowing, collectively the “Additional Transactions”). Thus, INV has revised its financial results and distributions forecast for fiscal periods ending December 2015, June 2016 and December 2016.

As a result of the Additional Transactions, ordinary income is expected to increase by JPY 80 million (3.3%) for the fiscal period ending December 2015, by JPY 77 million (2.5%) for the fiscal period ending June 2016, and by JPY 84 million (2.3%) for the fiscal period ending December 2016 as compared with the previous forecast.

The total distribution amount is expected to be JPY 3,398 million (3.4% increase) (DPU: JPY 1,064) for the fiscal period ending December 2015, JPY 3,222 million (2.4% increase) (DPU: JPY 1,009) for the fiscal period ending June 2016, and JPY 3,714 million (2.3% increase) (DPU: JPY 1,163) for the fiscal period ending December 2016, each increase is compared with the previous forecast.

3. Excess profit distribution policy

INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period, and therefore, in cases where significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a significant decrease in earnings, INV has decided to make distributions in excess of profits in order to stabilize distributions and be more reflective of INV's simulated earnings.

With respect to the distribution per unit for the fiscal period ending December 2015, earnings are expected to decrease due to various one-time expenses that are expected to be recorded in connection with the Transactions with Public Offering. In addition, the Additional Transactions are implemented by utilizing the excess cash-on-hand obtained from the Public Offering. Therefore, from the perspective of maintaining stable distributions, INV expects to pay distributions in excess of profits within the scope of the expected shortfall between actual earnings per unit and of the simulated earnings per unit after the Transactions with Public Offering and the Additional Transactions. INV believes that a distribution per unit (including distributions in excess of profits) of JPY 1,064 for the fiscal period ending December 2015, which is more reflective of the simulated earnings per unit, is appropriate given the expected profit levels that will be achieved after completion of the Transactions with Public Offering and the Additional

Transactions. INV has determined that even though the actual distribution per unit exceeds forecasted earnings per unit for the fiscal period ending December 2015, the Transactions with Public Offering and the Additional Transactions as a whole are profitable for INV's investors, and will result in higher future earnings in excess of one-time costs in connection with implementing the Transactions with Public Offering and the Additional Transactions. Further, at the present time, INV has also determined that such a distribution will not adversely impact INV's ability to pay for the maintenance of INV's assets following such distribution in excess of profits, its financial position or its liquidity. Therefore, INV believes that making such a distribution in excess of profits for the fiscal period ending December 2015 is reasonable. However, the payment is not guaranteed and it may not be made depending on the financial results, etc.

4. Other: surplus

Following the distribution for the fiscal period ended December 2015, the balance of the Surplus is expected to be JPY 0.

<Assumptions Underlying the Forecast of Financial Results and Distribution for the 24th Fiscal Period, the 25th Fiscal Period, the 26th Fiscal Period and the 27th Fiscal Period>

Item	Assumptions
Fiscal period	<p>The 24th fiscal period: from January 1, 2015 to June 30, 2015 (181 days)</p> <p>The 25th fiscal period: from July 1, 2015 to December 31, 2015 (184 days)</p> <p>The 26th fiscal period: January 1, 2016 to June 30, 2016 (182 days)</p> <p>The 27th fiscal period: from July 1, 2016 to December 31, 2016 (184 days)</p>
Assets under management	<p>Properties held as of the end of the 24th fiscal period: 94 properties</p> <p>Properties held as of the end of the 25th fiscal period: 111 properties</p> <p>Properties held as of the end of the 26th fiscal period: 111 properties</p> <p>Properties held as of the end of the 27th fiscal period: 111 properties</p> <p>INV assumes that INV will newly acquire 3 hotel properties (Note) as of August 28, 2015 in addition to existing 108 properties, and there will be no change through the end of the fiscal period ending December 2016.</p> <p>(Note) Regarding the acquisition of properties as of August 28, 2015, please refer to “Notice concerning Acquisition of Assets and Entering into Leasing Contract” as of today.</p>
Units outstanding	<p>As of the end of the 24th fiscal period: 2,668,686 units</p> <p>As of the end of the 25th fiscal period: 3,193,686 units</p> <p>As of the end of the 26th fiscal period: 3,193,686 units</p> <p>As of the end of the 27th fiscal period: 3,193,686 units</p> <p>INV assumes that there will be no additional issuance of units thereafter through the end of the fiscal period ending December 2016.</p>
Interest-bearing liabilities	<p>Balance as of the end of the 24th fiscal period: JPY 72,301 mn</p> <p>Balance as of the end of the 25th fiscal period: JPY 91,699mn (Note)</p> <p>Balance as of the end of the 26th fiscal period: JPY 90,619 mn (Note)</p> <p>Balance as of the end of the 27th fiscal period: JPY 90,619 mn (Note)</p> <p>(Note) JPY 321 million of the consumption tax loan of JPY 1,401 million implemented on July 16, 2015 is assumed to be repaid by October 30, 2015 during the 25th fiscal period and JPY 1,080 million of consumption tax loan of JPY 1,401 million is assumed to be repaid by May 16, 2016 during the 26th fiscal period.</p> <p>INV assumes that, as of August 28, 2015, it will draw down the New Term Loan A (for details, please refer to the “Notice concerning Debt Financing” dated today), and that there will be no other borrowings or prepayments.</p>

Item	Assumptions		
Operating revenues	INV expects to record rental revenues for each fiscal period as follows:		
		The 24 th fiscal period	The 25 th fiscal period
	• Rental revenues	JPY 4,974 mn	JPY 6,601 mn
	(of these, hotel rents)	(JPY 2,382 mn)	(JPY 3,804 mn)
	(fixed hotel rents)	(JPY 942mn)	(JPY1,645mn)
	(variable hotel rents)	(JPY 1,439mn)	(JPY2,159mn)
		The 26 th fiscal period	The 27 th fiscal period
	• Rental revenues	JPY 6,500 mn	JPY 7,008 mn
	(of these, hotel rents)	(JPY 3,745 mn)	(JPY 4,186 mn)
	(fixed hotel rents)	(JPY 1,614mn)	(JPY1,726mn)
	(variable hotel rents)	(JPY 2,130mn)	(JPY2,460mn)
	Rental revenues in the fiscal period ending June 2015 and the fiscal period ending December 2015 are calculated based on estimates as of today from January 2015 to December 2015, and rental revenues in the fiscal period ending June 2016 and the fiscal period ending December 2016 are calculated based on estimates as of today from January 2016 to December 2016.		
Operating expenses	INV expects to incur property related expenses for each fiscal period as follows:		
		The 24 th fiscal period	The 25 th fiscal period
	• Facility management fees	JPY 468 mn	JPY 503 mn
	(of these, repair costs)	(JPY 24 mn)	(JPY 42 mn)
	• Taxes and other public charges	JPY 201 mn	JPY 256 mn
	• Insurance expenses	JPY 7 mn	JPY 8 mn
	• Depreciation expenses	JPY 986 mn	JPY 1,329 mn
	• Other expenses	JPY 169 mn	JPY 150 mn
	Total property related expenses	JPY 1,834 mn	JPY 2,249 mn
		The 26 th fiscal period	The 27 th fiscal period
	• Facility management fees	JPY 482 mn	JPY 505 mn
	(of these, repair costs)	(JPY 33 mn)	(JPY 43 mn)
	• Taxes and other public charges	JPY 295 mn	JPY 346 mn
	• Insurance expenses	JPY 8 mn	JPY 8 mn
	• Depreciation expenses	JPY 1,365 mn	JPY 1,356 mn
	• Other expenses	JPY 191 mn	JPY 151 mn
	Total property related expenses	JPY 2,344 mn	JPY 2,369 mn
	INV expects to incur other operating expenses than the property related expenses for each fiscal period as follows:		
		The 24 th fiscal period	The 25 th fiscal period
	• Other operating expenses	JPY 329 mn	JPY 365 mn
	(of these, asset management fees)	(JPY 180 mn)	(JPY 180 mn)
		The 26 th fiscal period	The 27 th fiscal period
	• Other operating expenses	JPY 524 mn	JPY 521 mn
	(of these, asset management fees)	(JPY 358 mn)	(JPY 359 mn)
Net Operating Income	INV expects to record net operating income for each fiscal period as follows:		
		The 24 th fiscal period	The 25 th fiscal period
	• NOI	JPY 4,127 mn	JPY 5,681 mn
	(of these, hotel NOI)	(JPY 2,299 mn)	(JPY 3,659 mn)
		The 26 th fiscal period	The 27 th fiscal period
	• NOI	JPY 5,521 mn	JPY 5,995 mn
	(of these, hotel NOI)	(JPY 3,558 mn)	(JPY3,959 mn)

Item	Assumptions														
Non-operating expenses	INV expects to incur non-operating expenses for each fiscal period as follows:														
		The 24 th fiscal period	The 25 th fiscal period												
	• Interest expense	JPY 379 mn	JPY 307 mn												
	• Finance related costs	JPY 140 mn	JPY 1,008 mn												
	(Prepayment premiums (Note))	(—)	(JPY 273 mn)												
	• Other non-operating expenses (expenses relating to the issuance of new units for the Offering)	— (—)	JPY 142 mn (JPY 142 mn)												
	Total Non-operating expenses	JPY 519 mn	JPY 1,458 mn												
		The 26 th fiscal period	The 27 th fiscal period												
	• Interest expense	JPY 286 mn	JPY 287 mn												
	• Finance related costs	JPY 119 mn	JPY 112 mn												
• Other non-operating expenses	JPY — mn	JPY — mn													
Total Non-operating expenses	JPY 405 mn	JPY 400 mn													
(Note) Prepayment penalty of Prudential LPS Loan															
Distribution per unit	<p>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.</p> <p>With respect to the distribution for the fiscal period ending June 2015, INV expects to distribute an aggregate amount of JPY 2,295 million (distribution per unit: JPY 860) based on the assumption that the earnings for the fiscal period ending June 2015 (JPY 2,295 million) will be used as funds.</p> <p>With respect to the distribution for the fiscal period ending December 2015, INV expects to distribute an aggregate amount of JPY 3,398 million (distribution per unit: JPY 1,064) based on the assumption that the earnings for the fiscal period ending December 2015 (JPY 2,527 million) and all of the surplus based on the gain on negative goodwill resulting from the merger (JPY 75 million) will be used as funds.</p> <p>With respect to the distribution for the fiscal period ending June 2016, INV expects to distribute an aggregate amount of JPY 3,222 million (distribution per unit: JPY 1,009) based on the assumption that the earnings for the fiscal period ending June 2016 (JPY 3,224 million) will be used as funds.</p> <p>With respect to the distribution for the fiscal period ending December 2016, INV expects to distribute an aggregate amount of JPY 3,714 million (distribution per unit: JPY 1,163) based on the assumption that the earnings for the fiscal period ending December 2016 (JPY 3,716 million) will be used as funds.</p>														
Excess profit distribution per unit	<p>INV will make distributions in excess of profits (Excess profit distribution per unit) for the fiscal period ending December 2015 to bridge gap with simulated earnings per unit</p> <table><tr><td></td><td>The 24th fiscal period</td><td>The 25th fiscal period</td></tr><tr><td>Excess profit distribution per unit</td><td>—</td><td>JPY 248</td></tr></table> <table><tr><td></td><td>The 26th fiscal period</td><td>The 27th fiscal period</td></tr><tr><td>Excess profit distribution per unit</td><td>—</td><td>—</td></tr></table>				The 24 th fiscal period	The 25 th fiscal period	Excess profit distribution per unit	—	JPY 248		The 26 th fiscal period	The 27 th fiscal period	Excess profit distribution per unit	—	—
	The 24 th fiscal period	The 25 th fiscal period													
Excess profit distribution per unit	—	JPY 248													
	The 26 th fiscal period	The 27 th fiscal period													
Excess profit distribution per unit	—	—													
Other	<p>INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts.</p> <p>In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.</p>														

<Simulated earnings per unit>

Simulated earnings per unit refer to earnings per unit calculated by first assuming the forecast of financial results for the fiscal period ending June 2015 and the fiscal period ending December 2015 and then, by applying the simulated adjustments below, eliminating the effects of such factors as one-time expenses and treating the planned acquisition of assets, the Public Offering, the Refinancing and the Additional Transactions as if it had occurred prior to the beginning of the fiscal period ending June 2015.

Simulated adjustment is based on the total of the following adjustments:

1. The impact based on the assumption that the acquisitions of the three hotels acquired as of February 6, 2015, 11 hotels and three residential properties acquired as of July 16, 2015, and the three hotels to be acquired as of August 28, 2015 described in the “Notice concerning Acquisition of Assets and Entering into Leasing contract” dated as of August 21, 2015 were implemented prior to the beginning of the fiscal period ending June 2015.
2. The impact based on the assumption that the borrowings as of February 6, 2015, the refinancing as of June 25, 2015 and the Additional New Borrowing as of August 28, 2015 were implemented prior to the beginning of the fiscal period ending June 2015.
3. The tax amount based on the assumption that property taxes and city planning taxes will be expensed at the beginning of the fiscal period ending June 2015 on the three hotels acquired as of February 6, 2015, 11 hotels and three residential properties acquired as of July 16, 2015, and the three hotels to be acquired as of August 28, 2015.
4. Elimination of various one-time charges in connection with the implementation of the borrowing and the acquisition of assets as of February 6 2015, the Transactions with Public Offering and the Additional Transactions.
5. With respect to both the fiscal period ending June 2015 and the fiscal period ending December 2015, calculation is based on the assumption that a total of 3,193,686 units (500,000 units through the Public Offering and 25,000 units through the Over-Allotment Option) were issued at the beginning of the fiscal period ending June 2015.

The simulated earnings per unit as compared to the estimated earnings per unit for the fiscal period ending June 2015 and the fiscal period ending December 2015 is purely a simulation intended to describe the effect of the transactions, etc. described above and is neither a forecast nor prospect relating to INV’s earnings or distribution per unit for a given operating period. Accordingly, there is no guarantee that the simulated earnings per unit will ever be realized for any future operating period, and INV is not obligated to revise any of the simulated figures regardless of any changes in circumstances that may affect the above simulation.