

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

Naoki Fukuda, Executive Director

Roppongi Hills Mori Tower

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(Securities code: 8963)

Asset manager:

Consonant Investment Management Co., Ltd.

Naoki Fukuda, CEO

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## Notice concerning Acquisition and Sale of Assets

Invincible Investment Corporation (“INV”) announced today the additional acquisition (the “Additional Acquisition”) of an existing hotel (a portion not owned by INV of a property which is partially owned by INV. Hereafter the “Additional Acquisition Property”) and sale of assets (one office building and one parking lot; Hereafter, individually “Property to be Sold,” or collectively “Properties to be Sold”) decided by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV.

INV will acquire three additional floors (49 rooms) at Hotel MyStays Gotanda Station, an existing property in its portfolio. The acquisition is accretive as it increase the hotels gross operating profit (GOP) through acquisition of additional floors after conversion from office space to highly desirable hotel rooms and the synergy associated with using the same front desk, elevator banks and corridors as the existing hotel without incurring notable additional expense. INV decided to rebalance its portfolio to improve the overall portfolio NOI yield by acquiring the hotel asset at an estimated NOI cap rate of 7.3%<sup>1</sup> and selling an office building and parking lot at an NOI cap rate of 3.8%<sup>2</sup>.

(Note 1) Calculated by dividing the NOI of Hotel MyStays Gotanda Station to be increased after the Additional Acquisition as estimated by INV as of today by the anticipated acquisition price, which is rounded to one decimal place. As the anticipated acquisition price is an estimated amount as described below and subject to change, the estimated NOI cap rate is also subject to change.

(Note 2) Calculated by dividing actual NOI for 2016 of the Properties to be Sold by the anticipated total sales price, which is rounded to one decimal place.

## 1. Overview of Acquisition and Sale

### (1) Overview of Acquisition <sup>1</sup>

(in JPY million)

Use	Property number	Property name	Location	Anticipated acquisition price <sup>3</sup>	Appraisal value <sup>4</sup>	Seller	Category of specified asset
Hotel	D43	Hotel MyStays Gotanda Station (Additional Acquisition Portion) <sup>2</sup>	Shinagawa-ku, Tokyo	1,880	2,600	Undisclosed <sup>5</sup>	Trust beneficiary interest

(Note 1) INV will succeed the status of the buyer with regard to the “Purchase and Sale Agreement of Trust Beneficiary Interest” dated May 12, 2017 (the “PSA”), executed between the seller and Gotanda Godo Kaisha as the buyer. INV will implement the Additional Acquisition pursuant to the PSA so succeeded.

(Note 2) Hotel MyStays Gotanda Station, INV’s portfolio property, comprises two buildings adjacent to each other, the Main Building and the Annex Building, and INV currently owns the entire portion of the Main Building and a portion of the Annex Building (the “Owned Portion”). The hotel (the “Existing Hotel Portion”) has been operated at a portion of each of the Main Building and the Annex Building that are owned by INV. The portion INV will acquire this time is (i) a portion of the first floor of the Annex Building and (ii) the entire of the second and third floor of the Annex Building (collectively, the “Floor Expansion Portion”), totaling 1,385.46 m<sup>2</sup>. A conversion work (the “Conversion”) has been implemented by the seller in an aim to add 49 hotel rooms (the “Additional 49 Rooms”). Upon the completion of the Conversion, INV will implement the Additional Acquisition of the Floor Expansion Portion, and lease the Additional 49 Rooms to MyStays Hotel Management Co., Ltd. (“MHM”) the tenant and operator of the Existing Hotel Portion, and thus aims to operate the Existing Hotel Portion and the Floor Expansion Portion together in an efficient manner. Further, the Additional Acquisition will be executed with the condition precedents that the Conversion is completed in the manner reasonably satisfactory to the buyer.

(Note 3) Anticipated acquisition price is the total of (i) purchase price set forth in the PSA, (ii) expenses with regard to floor conversion work, (iii) transfer price of the furniture, fixture and equipment (FF&E), and other expenses. Expenses with regard to the Conversion and transfer price of the furniture, fixture and equipment (FF&E) are the estimated amount as of today, and are subject to change. Moreover, the anticipated acquisition price does not include adjustments for fixed asset taxes or city planning taxes, as well as national or local consumption taxes; hereinafter the same.

(Note 4) As the Floor Expansion Portion is under construction, the appraisal value shows the research value set forth in the research report on the valuation date of June 30, 2017, issued by Morii Appraisal & Investment Consulting, Inc. The research value shows the difference between (i) the research value of Existing Hotel Portion and Floor Expansion Portion combined, assuming the completion of the Conversion (JPY 27,400 million) and (ii) the research value for the Existing Hotel Portion before the Additional Acquisition (JPY24,800 million). Please refer to “4. Details of Additional Acquisition Property and Properties to be Sold (1) Additional Acquisition Property”.

(Note 5) The name of the seller is not disclosed, as the seller’s consent has not been obtained for disclosure.

(Note 6) The Additional Acquisition falls under the forward commitment, etc. (a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto) as stipulated in “The Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by the Financial Services Agency. For details, please refer to “11. Matters concerning Forward Commitment, etc.”

(Note 7) Amounts are rounded down to the nearest million yen; hereinafter the same.

## (2) Overview of Sale

(in JPY million)

Use	Property number	Property name	Acquisition price	Book value (as of July 31, 2017) <sup>1</sup>	Anticipated sales price <sup>2</sup>	Expected gain on sale <sup>1</sup>	Transferee <sup>3</sup>	Category of specified assets
Office Building	B08	Kindai Kagaku Sha Building	1,301	1,201	1,361	159	Undisclosed <sup>4</sup>	Trust Beneficiary Interest <sup>5</sup>
Parking Lot	C01	Times Kanda-Sudacho 4th	97	100	130	29	Wastec HOLDINGS Co., Ltd.	Real property
Total			1,398	1,301	1,491	188		

(Note 1) The difference between anticipated sales price and book value indicates estimate for reference purpose calculated using the book values (anticipated) as of July 31, 2017; INV estimates to recognize a gain on sales of JPY120 million (of which, JPY96 million for Kindai Kagaku Sha Building, and JPY23 million for Times Kanda-Sudacho 4th) in the fiscal period ending December 2017.

(Note 2) Anticipated sales prices do not include adjustments for fixed asset taxes or city planning taxes, or national or local consumption taxes; hereinafter the same.

(Note 3) For an overview of the transferee, please refer below to "5. Overview of seller and transferee."

(Note 4) The name of the transferee is not disclosed, as the transferee's consent has not been obtained for disclosure.

(Note 5) The trust beneficiary interest of Kindai Kagaku Sha Building was integrated in a single trust account with other trust accounts when INV procured funds through debt financing backed by trust assets (the "Trust Asset-Backed Borrowing") in July 2011. In transferring the sole trust beneficiary interest of Kindai Kagaku Sha Building by itself, INV incurred some expenses to detach from the integrated trust account. For details of Trust Asset-Backed Borrowing and such integration of trust accounts, please refer to "Notice concerning Fund Procurement through Debt Financing Baked by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets" dated July 15, 2011.

## 2. Reasons for Acquisitions and Sale

INV continues to proactively manage the portfolio in order to maximize returns for investors, and the transactions will enhance the overall portfolio profitability and optimizes value for the following reasons

### (1) Portfolio repositioning aimed at improving portfolio profitability

The Additional Acquisition Property is expected to add growth potential since the newly developed/added rooms at Hotel MyStays Gotanda Station will add diversity to the room mix in terms of larger room size. The 49 rooms are currently being converted from office space. Hotel MyStays Gotanda Station has demonstrated strong and consistent performance after the acquisition by INV in March 2016, where RevPAR is 2.7% higher in the second quarter of 2017 compared to the same period in 2016. The acquisition of the Floor Expansion Portion is accretive due to the low acquisition price, ability to convert the office space to highly desirable hotel rooms and the synergy associated with using the same front desk, elevator banks and corridors as the existing hotel. INV projects that the annual incremental NOI to be created by acquisition of these Additional 49 Rooms is estimated to provide a 7.3% yield to the acquisition

price for such Additional 49 Rooms. The purchase and sales agreement stipulates that the acquisition of the additional rooms will be consummated only upon successful and satisfactory completion of the new rooms.

Selling the office building and parking lot, which exhibit lower upside potential at lower NOI cap rates will enhance the overall portfolio profitability. The sale of the Properties to be Sold will be completed at an NOI cap rate of 3.8% and the additional purchase of the Hotel MyStays Gotanda Station will be at an NOI cap rate of 7.3%, as stated above. This portfolio rebalance is expected to increase the annual NOI after depreciation on INV's portfolio by JPY 82 million<sup>1</sup>) (JPY 21 per unit<sup>2</sup>).

(Note1) The amount is an estimated amount for net increase in annual NOI calculated as the estimated amount of increase of annual NOI after depreciation by the acquisition of Additional Acquisition Property (JPY 117 million) deducted by the amount of actual NOI after depreciation in 2016 for properties to be Sold (JPY 34 million). Depreciation amount for the Additional Acquisition Property is based on current estimate by CIM.

(Note 2) Assuming the number of investment units issued and outstanding as of today (3,680,824 units) remains unchanged.

## (2) Realization of profit on sale



Reflecting the increased demand for properties located in the central Tokyo area, each of the Properties to be Sold will be sold at a price which exceeds both the book and appraisal values, and is expected to generate a profit on sale (approximately JPY 120 million, and approximately JPY 31 per unit<sup>1</sup>); thus it has been determined that the sale of these properties at this time is in the interest of INV's investors.

(Note 1) Assuming the number of investment units issued and outstanding as of today (3,680,824 units) remains unchanged.

### (3) Focusing on core assets

In June 2014, CIM decided to position both residential properties and hotels as core investment asset targets for INV. The portfolio repositioning referred to above is in line with INV's investment strategy.

Acquisition	
<b>Additional Acquired Compartment</b>	
Anticipated Acquisition date	October 31, 2017
Anticipated Acquisition Price <sup>1</sup>	¥ 1,880 million
Appraisal Value	¥ 2,600 million
NOI (Estimated for Full Year)	¥ 137 million
NOI Yield <sup>2</sup>	7.3%
	<ul style="list-style-type: none"> <li>✓ Will Acquire Annex 1F-3F (additional to original March 2016 acquisition of main building)</li> <li>✓ 49 rooms (15m<sup>2</sup>~43m<sup>2</sup>)</li> </ul>
Hotel MyStays Gotanda Station	

Disposition	
<b>Total of 2 Properties</b>	
Anticipated disposition date	July 31, 2017
Anticipated Sales Price	¥ 1,491 million
Book Value (As of July 31, 2017) <sup>1</sup>	¥ 1,301 million
Gain on Sales <sup>1</sup>	¥ 120 million
NOI (2016 Actual)	¥ 56 million
NOI Yield <sup>3</sup>	3.8%
	
Kindai KagakuSha Building	Times Kanda-Sudacho 4th

### After Acquisition and Disposition

**Estimated Increased NOI<sup>4</sup>  
(After Depreciation)  
for full year**

:

**+¥ 82 million  
(+¥ 21 per unit<sup>5</sup>)**

(Note1) Anticipated acquisition price is an estimated amount including the estimate of expenses with regard to floor conversion work and transfer price of the furniture, fixture and equipment (FF&E), and subject to change. The Book Value of Properties to be Sold is estimated amount as of today for such value as of July 31, 2017, the anticipated disposition date. The Gain on Sales is also an estimated amount to be recorded in the fiscal year ending December 2017.

(Note2) Calculated by dividing the amount of NOI to be increased through the Additional Acquisition Property as estimated by INV as of today by the anticipated acquisition price, which is rounded to one decimal place. As described in note 1 above, the anticipated acquisition price, and therefore, the NOI Yield, is subject to change.

(Note3) Calculated by dividing actual NOI for 2016 of Properties to be Sold by the anticipated sales price

(Note4) Net increased annual NOI calculated by subtracting the NOI after depreciation for 2016 of Properties to be Sold (JPY 34 million) from the annualized NOI after depreciation estimated to be increased by the acquisition of Additional Acquisition Property (JPY 117 million). The depreciation amount for or the Additional Acquisition Property is based on current estimate by CIM.

(Note5) Assuming the number of investment units issued and outstanding as of today (3,680,824 units) remains unchanged

	Existing Portfolio	Sold Properties	Additional Acquisition Property	After Sale and Acquisition
Properties (Hotel Properties)	127 (49)	2 (0)	- (-)	125 (49)
Total (Anticipated) Acquisition Price (million yen)	299,181	1,398	1,880	299,663
Total Appraisal Value <sup>1</sup> (million yen)	363,502	1,173	2,600	364,929
Appraisal NOI Yield <sup>2</sup>	6.6 %	4.5%	7.3%	6.6%

(Note 1) "Total Appraisal Value" is based on appraisal value stated in the appraisal report on the valuation date of June 30, 2017 for all existing properties (including Properties to be Sold) and Additional Acquisition Property.

(Note 2) "Appraisal NOI Yield" is represented by the figure calculated by dividing the total NOI derived from the direct capitalization method stated in the appraisal reports of (Note 1) above by the total of (Anticipated) Acquisition Price, which is rounded to one decimal place. Provided, however, that, net operating income attributed to the land calculated by land residual method is used for Times Kanda- Sudacho 4th, as there is no NOI calculated by direct capitalization method.

### 3. Execution of Lease Agreement

INV will enter into a lease agreement pertaining to the Floor Expansion Portion with MHM, the tenant and operator of the Existing Hotel Portion. The lease agreement pertaining to the Existing Hotel Portion provides components of both fixed and variable rents; containing a variable rent component based on gross operating profit, or GOP. The contents of the lease agreement pertaining to the Floor Expansion Portion will be similar to that of the Existing Hotel Portion.

INV expects to take advantage of the potential growth in GOP, which could boost INV's profits, because the limited service hotel, which accounts for most of the INV-owned hotel properties, exhibits relatively high profit margins compared with full-service hotel. Even in the case where GOP enters into a downward trend, INV could limit the decrease in income through the fixed rent portion or downside floor to protect itself from further loss.

#### <Overview of Tenant and Operator>

(i) Name	MyStays Hotel Management Co., Ltd.
(ii) Location	6-2-31, Roppongi, Minato-ku, Tokyo
(iii) Title and name of representative officer	Atsuki Asano, President and CEO
(iv) Business	Hotel and Ryokan (Japanese inn) operation and management
(v) Capital	JPY 100 million (as of end of December 2016)
(vi) Date of establishment	July 8, 1999
(vii) Relationship between INV/Asset Manager and the Tenant/Operator	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and MHM, the parent company of MHM is indirectly owned by funds managed by affiliates of FIG, which is an affiliate of Calliope Godo Kaisha ("Calliope"). Calliope holds 609,942 units of INV's outstanding investment units (15.79% stake) as of today. Further, as of today., Calliope is the parent company of CIM, holding 100% of its outstanding shares.
Personnel relationships	While there are no personnel relationships that should be noted between INV/CIM and MHM, as of today., among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Further, part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	As of today, INV has entered into lease agreements with MHM with respect to 36 hotel properties <sup>1</sup> .
Whether the Tenant/Operator is a related party	MHM is not a related party of INV/CIM. Further, related persons and affiliates of MHM are not related parties of INV/CIM. Furthermore, MHM is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations ("Investment Trust Act").

(Note 1) Includes agreements with MHM subsidiaries and management contract between MHM and a tenant.

#### 4. Details of Additional Acquisition Property and Properties to be Sold

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

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

- "Legal form of Asset" shows the type (the legal form) of real estate and other assets as specified asset.
- "Anticipated Acquisition Date" or "Acquisition Date" shows the date when an acquisition is executed, which is specified in the purchase and sale agreement or the trust beneficiary interest purchase and sale agreement.
- "Anticipated Acquisition Price" or "Acquisition Price" shows a purchase price of the Additional Acquisition Property or Properties to be Sold as specified in the purchase and sale agreement or the trust beneficiary interest purchase and sale agreement (anticipated acquisition price includes amount of expenses with regard to floor conversion work and transfer price of the furniture, fixture and equipment (FF&E) estimated as of today); consumption tax is not included, and the price is rounded down to the nearest million yen.
- "Appraisal Value" as to the Additional Acquisition Property shows the research value set forth in the research report on the valuation date of June 30, 2017, issued by Morii Appraisal & Investment Consulting, Inc. as the Floor Expansion Portion is under construction. The research value shows the difference between (i) the research value of Existing Hotel Portion and Floor Expansion Portion combined, assuming the completion of the Conversion and (ii) the research price for the Existing Hotel Portion before the Additional Acquisition. "Appraisal Value" as to the Properties to be Sold shows reported price by appraisal agency for Properties to be Sold on the valuation date of June 30, 2017.
- The details in "Location" (excluding address), "Lot Area (m<sup>2</sup>)" of the "Land" and, "Total Floor Area (m<sup>2</sup>)", "Structure/No. of Stories," "Purpose of Use," and "Completion Date" of the "Building" are, unless otherwise specified, as shown in the property register. The "Total Floor Area" is the gross floor area (if no annotation in the context, an annex building would not be included), and with respect to "Purpose of Use," the primary ones of purposes shown in the property register are listed. Further, the "Completion Date" lists the time at which the building was newly constructed, as shown in the property register.
- "Transport" shows the time to walk to the nearest station based on the description in the Real Estate Appraisal Report (in case there is no description of time distance in the Real Estate Appraisal Report, "Transport" is calculated by assuming walking time on the road distance of 80 meters per minute in accordance with the Fair Competition Code on the Real Estate Representations (Fair Trade Commission Notification No.2 of 2003, including subsequent revisions) (hereinafter, referred to as the "Fair Competition Code") and the Ordinance for Enforcement of the Fair Competition Code. If unidentified, it is based on the description in other materials.
- In "Zoning," the class of zoning under the respective items of Article 8(1) of the City Planning Act (Act No. 100 of 1968) is listed.
- In "Building Coverage Ratio," the ratio of a building's area with regard to the land area as set forth under Article 53 of the Building Standards Act (Act No. 201 of 1950, as amended; the "Building Standards Act" ) is listed.



# Invincible Investment Corporation

- In “Floor Area Ratio,” the ratio of a building’s total floor area with regard to the land area as set forth under Article 52 of the Building Standards Act is listed.
  - In “Trustee,” (i) the planned trustee at the time of INV’s acquisition of the assets for anticipated acquisition is listed as to the Additional Acquisition Property and (ii) the current trustee as of today is listed as to the Properties to be Sold.
  - In “Trust Period,” the planned trust period at the time of INV’s acquisition of the assets for anticipated acquisition is listed.
  - In “Master Lease/Property Management Company,” with respect to the properties for which a master lease agreement has been entered into, the type of lease (either a pass-through master lease or a fixed rent) is indicated. “Pass-through master lease” is defined as a lease under which, pursuant to the pass-through master lease agreement entered into between the master lease company and INV or the trustee, the amount equal to the rent under the sublease agreement between the master lease company and the end tenant shall be paid to INV or the trustee. “Guaranteed rent” is defined as a lease under which a specified rent shall be paid to INV or the trustee, regardless of the rent under the sublease agreement between the master lease company and the end tenant.
- b. “Lease Overview” column:
- Based on (i) the lease agreement to be entered into after the acquisition by INV as to the Additional Acquisition Property and (ii) the lease agreement effective as of June 30, 2017 as to the Properties to be Sold.
  - “Total No. of Tenant(s)” is calculated by counting a lessee who has directly concluded a lease agreement for each property as one tenant, and a tenant who has rented two or more rooms in a single property is calculated as one tenant.
  - In “Number of Guest Rooms” as to the Additional Acquisition Property, ” (S/T/D/O)” indicates the number of guest rooms by category (Single/Twin/Double/Other).
  - In “Leasable Area,” the total leasable floor area for guest room, residential, office, retail and others for the area owned or to be owned by INV is listed.
  - In “Leased Area,” the total sum of the leased area (i) with respect to which a lease agreement with an end-tenant has actually been entered into and which are leased to the end-tenant or (ii) to be leased to an end tenants after the acquisition by INV (the area specified in the lease agreement) is listed.
  - In “Security Deposit/Guarantee,” the amount of the security deposit/guarantee money after amortization pursuant to the lease agreement is listed.
  - In “Occupancy Rate,” the ratio of the leased area to the leasable area is shown, rounded to the first decimal place.
  - In “Rental Revenue” as to the Additional Acquisition Property, in principle “GOP,” or the gross operating profit, which is the amount remaining after deducting the personnel, utility and advertising expenses as well as the management services fee for the hotel operations from the hotel’s revenues, is listed.
- c. “Overview of Lease Agreement” column: (Additional Acquisition Property)
- Based on the lease agreement to be entered into with the tenant after the acquisition by INV.

# Invincible Investment Corporation

- “Type of Agreement” is the type of rent received from the relevant operator (either a fixed-rent or a fixed rent plus variable rent) is indicated. “Fixed rent” is defined as an agreement under which INV or the trustee shall receive a specified rent, regardless of the operational results of the relevant hotel. “Fixed rent plus variable rent” is defined as an agreement under which INV or the trustee shall receive rent that varies based on the GOP (Gross Operating Profit), in addition to a fixed rent.
- In “Determination of rent of lease agreement,” monthly rent amount is rounded down to nearest ten thousand yen, and annual rent is rounded down to the nearest million yen.
- The “Management Services Fee” is a commission fee payable to the tenant from landlord in accordance with the provisions of the lease agreement as a compensation for operational service provided by a tenant under the agreement. The management services fee is not disclosed, as tenant’s consent has not been obtained for disclosure. However, for MHM, an amount of the management services fee to be received is, in principle the sum of (i) an amount equal to 2% of monthly sales, (ii) an amount equal to 0-6% of monthly sales from direct bookings made through the MHM’s marketing department or website, and (iii) an amount equal to 4-6% of the monthly GOP (pre-fees) after deducting the amounts of (i) and (ii) above.
- In “Security Deposit/Guarantee Money,” the amount of the security deposit/guarantee money after amortization pursuant to the lease agreement is listed.

d. “Overview of Building Conditions Survey Report” and “Overview of Seismic Risk Assessment Report” column: (Additional Acquisition Property)

- For the anticipated acquisition, INV has received a report from a research company on building deterioration survey, short- and long-term repair plan decision, a survey on compliance with the Building Standards Act, a survey of hazardous substances contained in a building, and soil contamination survey, amongst others, and has provided an overview of the report in this column. Further, a seismic risk assessment has been conducted and reported to INV by a research company, and an overview of the report is listed in this column.
- “Short-Term Repair Costs” indicates the repair and/or replacement costs for items which, at the time of the survey, are below minimum functional level due to deterioration or items which are in violation of law or regulations, etc. and which can be judged as best to be repaired or replaced within one year.
- “Long-Term Repair Costs” consist of capital expenditures and repair costs. Capital expenditures means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, the costs to extend the use period of the building’s equipment or to replace it entirely. Repair costs means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, costs other than capital expenditures.
- “Replacement Cost” means the total amount of the appropriate costs needed in the event that the appraised building is to be rebuilt at the time of the survey.
- “Probable Maximum Loss (PML)” means the probable maximum loss from an earthquake. 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 roughly 10% chance of occurring in 50 years), as indicated by the percentage (%) of the replacement cost for planned recovery costs from damage.

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

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

f. Descriptions in the “Special Notes”:

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

g. “Income and Expenditures, Etc.” column: (Properties to be Sold)

- Based on the information for operating period from July 1, 2016 to December 31, 2016.
- Amounts are rounded down to the nearest thousand yen. Therefore, the figures may not necessarily match the total value when added together. Unless otherwise specifically noted, the amounts do not include consumption tax, etc.
- “Taxes and Public Dues” include property tax and city planning tax, which are generally

imposed on the owner on January 1 of each year.

- “Non-life Insurance Premiums” is the total amount of paid insurance premiums distributed proportionally over the relevant period.
- h. “Summary of Real Estate Research Report” and “Summary of Real Estate Appraisal Report” column:

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

## (1) Additional Acquisition Property<sup>1</sup>

### D43 Hotel MyStays Gotanda Station

Outline of Specified Assets and Properties.				
Legal Form of Asset	Trust Beneficiary Interest			
Anticipated Acquisition Date <sup>2</sup>	October 31, 2017			
Anticipated Acquisition Price <sup>2</sup>	JPY 1,880 million			
Appraisal Value <sup>2</sup>	JPY 2,600 million			
Appraisal Agency	Morii Appraisal & Investment Consulting Inc.			
Location	(Lot Number)	2-6-1 Nishi-Gotanda, Shinagawa-ku, Tokyo and other 3 lots		
	(Address)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo		
Transport	2-minute walk from Gotanda Station on JR Yamanote Line and Toei Asakusa Line 3-minute walk from Gotanda Station on Tokyu Ikegami Line			
Land	Property Right	Freehold (incl. co-ownership) / Superficies (Right of Site Holdings, approx. 75.55%)	Zoning	Commercial area
	Lot Area (m <sup>2</sup> )	1,630.40 (Whole site) <sup>3</sup>	Building Coverage Ratio/Floor Area Ratio	80%/800%, 80%/700%
Building	Property Right	Freehold / Sectional ownership	Purpose of Use	Hotel <sup>6</sup>
	Total Floor Area (m <sup>2</sup> )	11,893.00 (Whole building) <sup>4,5</sup>	Completion Date	August 1984 / March 1974
	Structure/No. of Stories	SRC B1/14F, SRC B2/14F		
	Renovation Date	From: March 2015; Until: November 2015 / From: June 2017; Until October 2017 (Planned)		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	Owned Portion From: September 16, 2005; Until: March 30, 2026 Floor Expansion Portion From: May 12, 2017; Until: the end of October, 2027 (Planned)			
Creation of Security Interest	None			
Lease Overview (October 31, 2017) (Planned)				
Total No. of Tenant(s)	1	Number of Guest Rooms	383 rooms <sup>7</sup>	
Leasable Area (m <sup>2</sup> )	10,137.88		(S276/T67/D22/O18)	
Leased Area (m <sup>2</sup> )	10,137.88	Security Deposit/Guarantee	JPY 27,300 thousand	
Occupancy Rate	100%	Rental Revenue (per month)	JPY 79,663 thousand	
Overview of Lease Agreement (October 31, 2017) (Planned) <sup>8</sup>				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Agreement	Fixed rent plus variable rent			
Term	From: October 31, 2017; Until: March 30, 2026			
Determination of Rent of Lease Agreement	Fixed rent (JPY 561.6 million per annum (January-June: JPY 45.45 million per month / July-December JPY 48.15 million per month)) plus variable rent based on GOP of hotel operation <sup>9</sup> .			
Management Services Fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 27,300 thousand			
Renewal Upon Expiration	The agreement is a fixed-term lease, therefore the agreement will terminate at the expiration of the lease term.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	—			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	February 2016 / July 2017	
Short-Term Repair Costs (within 1 year)	—	Replacement Cost	JPY 2,801,900 thousand	
Long-Term Repair Costs (in 12 years)	JPY 143,614 thousand			

Overview of Seismic Risk Assessment Report			
Company Conducting Assessment	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	July 2017
Probable Maximum Loss (PML)	10.8 % (Main: 11.7%, Annex: 9.6%)		
Area Characteristics, etc.			
<p>The property is a limited service hotel located two minutes on foot from Gotanda Station on the JR Yamanote line/the Toei Asakusa Line and three minutes on foot from Gotanda station on the Tokyu Ikegami Line. It has excellent access to the major business districts such as Tokyo Station and Shinjuku Station in 15 minutes as well as convenient access to Haneda Airport in approximately 40 minutes. As it is located near Shinagawa Station, which is Shinkansen stop and one of major terminal stations, the property can accommodate both of business demands and leisure demands. It completed full renovation which made the property stylish and modern one in November 2015. Considering good access to popular areas among foreign tourists such as Ikebukuro, Shinjuku, Akihabara and Asakusa, further increase of leisure demands can be expected.</p>			
Special Notes			
None			

(Note 1) Information combined as to Owned Portion and as to Floor Expansion Portion is listed since INV plans to operate the Existing Hotel Portion and the Floor Expansion Portion together, unless otherwise specified.

(Note 2) "Anticipated Acquisition Date", "Anticipated Acquisition Price" and "Appraisal Value" are stated as to Floor Expansion Portion.

(Note 3) Site of the property consists of four (4) land lots and sum of the area of the four (4) land lots are stated in "Lot Area" in "Land". INV is to acquire quasi-co-ownership interest of superficies as right of site in three (3) lots out of the four (4) lots. INV owns ownership of one (1) land lot and co-ownerships of two (2) land lots out of the three (3) lots covered by the right of site. The Additional Acquisition will increase the proportion of the right of site from approx. 47.04% to approx. 75.55%.

(Note 4) The property consists of the main building and the annex building, and sum of the floor area of the both buildings are stated in "Total Floor Area" in "Building". INV is to acquire the portion of the first floor and the entire of the second and third floor of the Annex Building, totaling 1,385.46m<sup>2</sup> (anticipated). Accordingly, INV is to own exclusive elements of 10,137.88m<sup>2</sup>, together with the Owned Portion of 8,752.42m<sup>2</sup> acquired on March 31, 2016. For the detail of the Owned Portion, please refer to "Notice concerning Acquisition of Assets and Entering into Leasing Contract" announced as of March 10, 2016.

(Note 5) The area of exclusive elements to be acquired by INV (1,385.46m<sup>2</sup>) is based on the area of exclusive elements correspondent with Floor Expansion Portion at the present moment in the property register. The register of Floor Expansion Portion may subject to changed, and accordingly, the area of exclusive elements and total floor area may increase or decrease..

(Note 6) "Purpose of Use" of the Floor Expansion Portion is to be changed as "hotel" after the completion of the Conversion although currently registered as "retail and office"

(Note 7) "Number of Guest Rooms" shows sum of the number of the guest rooms of the Existing Hotel Portion and the Floor Expansion Portion. The number of the guest rooms of the Floor Expansion Portion is planned to be 49 rooms (D10/T21/O18). In addition, INV plans to expand one (1) guest room (room type D) in the Existing Hotel Portion by conversion from a locker room, scheduled to be completed by the end of October 2017, which is also included in "Number of Guest Rooms".

(Note 8) Matters except for "Determination of Rent of Lease Agreement" and "Security Deposit/Guarantee Money" are based in the lease agreement of the Floor Expansion Portion to be entered into, which will be similar to that of the Existing Hotel Portion. "Determination of Rent of Lease Agreement" and "Security Deposit/Guarantee Money" shows the total amount of these in the Existing Hotel Portion and the Floor Expansion Portion respectively.

(Note 9) Variable rent is GOP during the three-month variable rent calculation period after deducting fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

#### D43: Hotel MyStays Gotanda Station

Summary of Real Estate Research Report	
Appraisal Agency	Morii Appraisal & Investment Consulting Inc.
Appraisal Value (Specified Value) (Additional acquisition portion)	JPY 2,600 million
Time of Valuation	June 30, 2017

1. Value of Profits using the Income Approach Method (After Acquisition)		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 1,403,416 thousand	Based on mid to long term stabilized rents considering current leasing conditions
(b) Common Area Maintenance Fee Income	—	
(c) Utility Income	—	
(d) Parking Lot Income	—	
(e) Other Income	1,957 thousand	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	1,405,373 thousand	Based on historical data
(f) Vacancy Allowance	—	
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	1,405,373 thousand	
(h) Maintenance and Management Costs	—	

(i) Utility Costs	—	
(j) Repair Costs	3,590 thousand	Based on estimates in the engineering report. 30% of stabilized amount
(k) Property Management Fee	—	
(l) Tenant Solicitation Expenses	—	
(m) Taxes and Public Dues	35,934 thousand	Based on actual amount, taking into account the aged depreciation
(n) Non-Life Insurance Premiums	639 thousand	Based on comparable transactions (0.02% of the restoration costs)
(o) Other Costs	17,430 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	57,593 thousand	
(IV) Net Operating Income = [(II) - (III)]	1,347,780 thousand	
(p) Investment Gains/Losses of Deposits	268 thousand	Estimated by multiplying the amount of deposit from end tenants adjusted based on vacancy rate by cap rate of 1.0%.
(q) FF&E Reserve	41,020 thousand	
(r) Capital Improvements and Expenses	8,377 thousand	Based on estimates in the engineering report. 70% of stabilized amount
(V) Net Income = [(IV) + (p) - (q) - (r)]	1,298,651 thousand	
(VI) Capitalization Yield	4.9 %	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	26,500,000 thousand	
(2) DCF Method	Contents	Overview
(I) Total of Present Value of Net Income during Analysis Period	9,922,258 thousand	
(a) Sale Price	29,959,627 thousand	
(b) Sale Costs	898,849 thousand	
(c) Returning Price [(a) - (b)]	29,060,778 thousand	
(II) Returning Price, Present Value	18,358,565 thousand	
(III) Discount Rate	4.7%	
(IV) Final Capitalization Yield	5.1%	
(V) Income Price using DCF Method = [(I) + (II)]	28,300,000 thousand	
(3) Income Price using Income Capitalization Method	27,400,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 7,370,000 thousand	
(ii) Building Price	565,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Costs	410,000 thousand	
(iv) Total Price of Land, Building, and Furnishings /Appliances/ Equipment/Upholstery Costs = [(i) + (ii) + (iii)]	8,345,000 thousand	
(v) Marketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	12,500,000 thousand	

Other Points to be Noted for Appraisal by Appraisal Agency
None

## (2) Matters relating to Seismic Resistance etc. for the Additional Acquisition of Additional Acquisition Property

The annex building of the Hotel Mystays Gotanda Station including the Additional Acquisition Property was designed under the new seismic code<sup>1</sup> and INV has obtained an opinion from a third party expert, K.K. Aki Architect, indicating that, there is no concerns over the seismic resistance functionality at the time of acquisition of the Owned Portion in March 2016.

As a part of due diligence<sup>1</sup> process, INV has conducted investigation on seismic risks for new acquisitions.

(Note 1) New seismic code refers to the seismic resistance standards in regard to building design, which was applied in construction certification after May 31, 1981.

(Note 2) The due diligence conducted includes examination of appraisal values, building inspection, seismic risk assessment and legal due diligence.

## (3) Properties to be Sold

### B08 Kindai Kagaku Sha Building

Outline of Specified Assets and Properties.					
Legal Form of Asset	Trust Beneficiary Interest			Trustee	Mizuho Trust & Banking Co., Ltd.
Location	(Lot Number)	2-7-15 Ichigaya-Tamachi, Shinjuku-ku, Tokyo			
	(Address)	2-7-15 Ichigaya-Tamachi, Shinjuku-ku, Tokyo			
Transport	2-minute walk from Ichigaya Station on Tokyo Metro Yurakucho Line and Tokyo Metro Namboku Line 7-minute walk from Ichigaya Station on JR Chuo Line, JR Sobu Line and Toei Shinjuku Line				
Acquisition Date	August 1, 2006			Income and Expenditures, Etc. (JPY thousand)	
Acquisition Price	JPY 1,301 million			Operating Period	July 1, 2016 ~ December 31, 2016
Land	Property Right	Freehold		Rental revenues (a)	38,162
	Zoning	Commercial area		Rent Income	34,265
	Lot Area (m <sup>2</sup> )	468.14		Other income etc.	3,897
	Building Coverage / Ratio/Floor Area Ratio	80% / 600%			
Building	Property Right	Freehold		Total expenses (b)	22,362
	Purpose of Use	Office		Maintenance and management expenses etc.	6,224
	Total Floor Area (m <sup>2</sup> )	2,136.31		Taxes and Public Dues	4,523
	Structure/No. of Stories	SRC B2/9F		Non-Life Insurance Premiums	67
	Completion Date	June 1991		Depreciation (c)	10,750
Master Lease/Property Management Company	Haseko Livenet, Inc.			Other expenses	797
				Profit and Loss (a) – (b)	15,799
Type of Agreement	Pass through master lease			NOI (a) – (b) + (c)	26,549
Outline of a Lease Contract					
Total number of tenants	12			Tenant Leasehold and security deposit	JPY 43,704 thousand
Leased area (m <sup>2</sup> )	1,451.54			Leasable area (m <sup>2</sup> )	1,451.54
Occupancy Trend	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jun. 2016	As of the end of Dec. 2016	As of the end of Jun. 2017
	100.0%	100.0%	100.0%	100.0%	100.0%
Area Characteristics, etc.					
The property is an office building with retail area located a two-minute walk from Ichigaya Station on the Tokyo Metro Lines. The standard floor plate is relatively small at around 116 m <sup>2</sup> . Stable demand from a wide range of industries can also be expected since (i) due to a concentration of publishing and printing companies in the area, the property can expect demand from their affiliates and business partners and (ii) the property is situated on a highly visible Sotobori-dori Avenue.					
Special Notes					
Part of the land is included in the city planning road project (Loop Road No. 2)..					



B08: Kindai Kagaku Sha Building

Summary of Real Estate Appraisal Report	
Appraisal Agency	Assets Research and Development Inc.
Appraisal Value (Specified Value)	JPY 1,060 million
Time of Valuation	June 30, 2017

1. Value of Profits using the Income Approach Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Rental Income	JPY 59,019 thousand	Based on current leasing conditions and market
(b) Common Area Maintenance Fee Income	16,644 thousand	Based on current leasing conditions and market
(c) Utility Income	5,816 thousand	Based on current income
(d) Parking Lot Income	1,440 thousand	Based on current leasing conditions and market
(e) Other Income	3,667 thousand	Based on turnover reflecting current leasing conditions, historical data and market and current income
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	86,587 thousand	
(f) Vacancy Allowance	4,650 thousand	Based on historical trend and market
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	81,937 thousand	
(h) Maintenance and Management Costs	5,428 thousand	Based on historical data and leasing conditions
(i) Utility Costs	6,979 thousand	Based on historical data
(j) Repair Costs	1,357 thousand	Based on historical data, comparable assets and estimates in the engineering report
(k) Property Management Fee	1,454 thousand	Based on historical data, leasing conditions and market
(l) Tenant Solicitation Expenses	614 thousand	Based on turnover reflecting current leasing conditions, historical data and market
(m) Taxes and Public Dues	8,986 thousand	Actual amount
(n) Non-Life Insurance Premiums	105 thousand	Actual amount
(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	24,926 thousand	
(IV) Net Operating Income = [(II) - (III)]	57,010 thousand	
(p) Investment Gains/Losses of Deposits	—	
(q) Capital Improvements and Expenses	4,582 thousand	Based on historical data and comparable assets and the estimates in the engineering report
(V) Net Income = [(IV) + (p) - (q)]	52,428 thousand	
(VI) Capitalization Yield	4.7%	Discount rate adjusted for volatility risk
(VII) Income Price using Direct Capitalization Method = [(V) / (VI)]	1,120,000 thousand	
(Reference) NOI Yield = [(IV) / (VII)]	5.1%	
(2) DCF Method	Contents	Overview
(I) Total of Present Value of Net Income during Analysis Period	291,478 thousand	
(a) Sale Price	1,048,564 thousand	
(b) Sale Costs	31,456 thousand	3% of the sale price
(c) Returning Price [(a) - (b)]	1,017,107 thousand	
(II) Returning Price, Present Value	742,386 thousand	
(III) Discount Rate	4.6%	Based on the standard rate which is risk-free rate adjusted for real estate investment risk, liquidity and safety and asset characteristics including building age, size and tenant profile
(IV) Final Capitalization Yield	5.0%	Based on risks such as uncertainty over future income, building age at the end of valuation period and market competitiveness and discount rate adjusted for volatility risk
(V) Income Price using DCF Method = [(I) + (II)]	1,030,000 thousand	
(3) Income Price using Income Capitalization Method	1,060,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 899,000 thousand	
(ii) Building Price	195,000 thousand	
(iii) Usual Incidental Costs	98,500 thousand	
(iv) Correction Factor for Stabilized Asset	100%	
(v) Estimated Price using Cost Method = [(i) + (ii) + (iii)] x (iv)	1,190,000 thousand	

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

## C01 Times Kanda-Sudacho 4th

Outline of Specified Assets and Properties.					
Legal Form of Asset	Real estate			Trustee	—
Location	(Lot Number)	1-22-7 and 1-22-15 Kanda-Sudacho, Chiyoda-ku, Tokyo			
	(Address)	—			
Transport	4-minute walk from Kanda Station on JR Yamanote Line, JR Chuo Line, JR Keihin Tohoku Line and Tokyo Metro Ginza Line				
Acquisition Date	January 22, 2007			Income and Expenditures, Etc. (JPY thousand)	
Acquisition Price	JPY 97 million			Operating Period	July 1, 2016 ~ December 31, 2016
Land	Property Right	Freehold		Rental revenues (a)	2,700
	Zoning	Commercial area		Rent Income	2,700
	Lot Area (m <sup>2</sup> )	81.04		Other income etc.	-
	Building Coverage / Ratio/Floor Area Ratio	80% / 600%		Total expenses (b)	257
Building	Property Right	—		Maintenance and management expenses etc.	-
	Purpose of Use	—		Taxes and Public Dues	256
	Total Floor Area (m <sup>2</sup> )	—		Non-Life Insurance Premiums	-
	Structure/No. of Stories	—		Depreciation (c)	1
	Completion Date	—		Other expenses	-
Master Lease/Property Management Company	—			Profit and Loss (a) - (b)	2,442
	—			NOI (a) - (b) + (c)	2,444
Type of Agreement	—				
Outline of a Lease Contract					
Total number of tenants	1			Tenant Leasehold and security deposit	—
Leased area (m <sup>2</sup> )	81.04			Leasable area (m <sup>2</sup> )	81.04
Occupancy Trend	As of the end of Jun. 2015	As of the end of Dec 2015	As of the end of Jun. 2016	As of the end of Dec 2016	As of the end of Jun. 2017
	100.0%	100.0%	100.0%	100.0%	100.0%
Area Characteristics, etc.					
The property is car parking with four parking spaces, which is located 300m to the north of Kanda Station on the JR Lines and the Tokyo Metro Ginza Line. Strong and stable demand can be expected since the property is surrounded by office buildings and hospitals.					
Special Notes					
None					

(Note) No building exists on the property

C01 Times Kanda-Sudacho 4th

Summary of Real Estate Appraisal Report	
Appraisal Agency	Assets Research and Development Inc.
Appraisal Value (Specified Value)	JPY 113 million
Time of Valuation	June 30, 2017

1. Value of Profits using the Income Approach Method		
(1) Direct Capitalization Method (Land Residual Method)	Contents	Overview
(a) Rental Income	JPY 16,089 thousand	JPY13,191 per lease area tsubo per month for the first year. Based on rent trend from second year.
(b) Common Area Maintenance Fee Income	1,220 thousand	JPY1,000 per lease area tsubo per month for the first year. Based on rent trend from second year.
(c) Utility Income	—	
(d) Parking Lot Income	1,220 thousand	JPY50,000 per lot
(e) Other Income	—	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	18,509 thousand	
(f) Vacancy Allowance	1,052 thousand	Based on comparable assets
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	17,456 thousand	
(h) Maintenance and Management Costs	767 thousand	JPY500 per floor area tsubo per month
(i) Utility Costs	122 thousand	JPY80 per floor area tsubo per month
(j) Repair Costs	153 thousand	JPY100 per floor area tsubo per month
(k) Property Management Fee	523 thousand	3% of effective income
(l) Tenant Solicitation Expenses	268 thousand	Assume 30% of turnover ratio and 1 month rent.
(m) Taxes and Public Dues	1,216 thousand	
(n) Non-Life Insurance Premiums	94 thousand	
(o) Other Costs	—	
(III) Operating Costs = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	3,146 thousand	
(IV) Net Operating Income = [(II) - (III)]	14,310 thousand	
(p) Investment Gains/Losses of Deposits	51 thousand	2.0% of total deposit (security deposit and guarantee money)
(q) Capital Improvements and Expenses	403 thousand	0.3% of replacement cost
(V) Net Income = [(IV) + (p) - (q)] (Net Income as Mixed Type Asset)	13,957 thousand	
(r) Assumed Building Cost	134,550 thousand	
(s) Graduated Amortization Rate	6.027%	
(t) Net Income Attributed to Assumed Building	8,109 thousand	
(u) Correction Factor	94.2%	
(VI) Net Income Attributed to Land = [(V) - (t)] x (u)	5,509 thousand	
(VII) Capitalization Yield of Land	4.5%	
(VIII) Income Price using Land Residual Method = [(VI) / (VII)]	122,000 thousand	
(2) DCF Method (Development-and-Lease Type)	Contents	Overview
(I) Development Income	294,000 thousand	
(II) Development Costs	154,437 thousand	
(III) Present Value ((I) - (II)) x Compound Present Value Rate	118,880 thousand	
(IV) Price using DCF Method (Development-and-Lease Type)	119,000 thousand	
(3) Income Price using Income Capitalization Method	119,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(I) Estimated Price using Cost Method	98,900 thousand	

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

## 5. Overview of Sellers and Transferee

### (1) Overview of Seller

Because consent for disclosure has not been obtained from the seller (a Japanese company) of the Additional Acquisition Property, disclosure is not made here.

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

### (2) Overview of Transferee

Overview of Transferee for the Sold Properties is as follows.

#### B08 Kindai Kagaku Sha Building:

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

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

#### C01 Times Kanda-Sudacho 4th:

(i)	Name	Wastec HOLDINGS Co., Ltd.
(ii)	Location	A601 1-2-13 Kida Joetsu-shi, Niigata
(iii)	Title and name of representative officer	CEO, Daisuke Hida
(iv)	Business	Planning, development, operation and management of real estate
(v)	Capital	JPY10 million (as of July 19, 2017)
(vi)	Date of establishment	October 20, 1979
(vii)	Net Worth	JPY556 million (Fiscal Period ended September 2016)
(viii)	Total Assets	JPY721 million (Fiscal Period ended September 2016)
(ix)	Major shareholders and shareholding ratio	Daisuke Hida, 100%
(x)	Relationship between INV/Asset Manager and the Company	
	Capital relationships	The Company does not have any capital relationship of note with INV or CIM.
	Personnel relationships	The Company does not have any personnel relationship of note with INV or CIM.
	Transactional relationships	The Company does not have any transactional relationship of note with INV or CIM.

Whether the Tenant/Operator is a related party	The Company is not a related party of INV/CIM. Further, related persons and affiliates of the Company are not related parties of INV/CIM. Furthermore, the Company is not an interested party, etc. of CIM as provided in Investment Trust Act.
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## 6. Transactions with Interested Persons etc.

INV will succeed without payment the status of the buyer with regard to the PSA from Gotanda Godo Kaisha<sup>1</sup>, which is a Sponsor-related person<sup>2</sup> under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. Since INV will succeed the status of the buyer without payment, this transaction does not fall into a transaction that requires deliberation and resolution of the compliance committee meeting and the investment committee meeting, and the approval of the boards of directors of CIM and INV. However, in view of the fact that INV is succeeding from a Sponsor-related person the status of the buyer of a purchase and sale agreement pertaining to a specified asset executed by a Sponsor-related person, CIM treats this transaction equivalent to as a transaction with a Sponsor-related person, and following the deliberation and resolution of the compliance committee meeting and the investment committee meeting both held on July 25, 2017, the boards of directors of CIM and INV each approved the transaction.

MHM, the tenant/operator of the Additional Acquisition Property is not a Sponsor-related person<sup>2</sup> under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, MHM has indirectly received investments through funds managed by affiliates of FIG, which is an affiliate of Calliope (Calliope is CIM's parent company, and thus a Sponsor-related person). Therefore, CIM treats, MHM as a person equivalent to a Sponsor-related person.

In accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual of CIM, the deliberation and resolution of the compliance committee meeting and the investment committee meeting both to be held going forward, the boards of directors of CIM and INV will approve the lease agreement expected to be entered into with MHM at meetings to be held going forward, subject to the conditions that hotel operating capability of MHM being confirmed as sufficient through a third party report and other relevant information, the rent level of the Additional Acquisition Property being reasonable considering the market level, and management services fee amount and structure being fair compared with similar properties.

(Note 1) In relation to succeeding the PSA, INV agreed to bear a certain expense with regard to the physical due diligence conducted by Gotanda Godo Kaisha as an expense with regard to the Additional Acquisition.

(Note 2) 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.

The seller of the Additional Acquisition Property is not fall on persons having special conflict of interests relationship.

## 8. Overview of Brokerage

Because consent for disclosure has not been obtained from the broker, disclosure is not made here. The brokerage with regard to the all of Additional Acquisition Property and Properties to be Sold has been conducted by the same company.

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

## 9. Schedules

### (1) Acquisition Schedule

Acquisition decision date:	July 25, 2017
Agreement execution date:	
Anticipated acquisition date:	October 31, 2017 or separately agreed to between the seller and INV
Anticipated source of acquisition funds:	Funds from cash-on-hand including sale proceeds of Properties to be Sold
Anticipated acquisition proceeds payment method:	Lump-sum payment

### (2) Sale Schedule

Sale decision date:	July 25, 2017
Agreement execution date:	
Anticipated sales date:	July 31, 2017
Anticipated sale proceeds payment method:	Lump-sum payment

## 10. Use of Sale Proceeds

The sale proceeds that INV will obtain through the sale of the Properties to be Sold will be allocated to the acquisition funds for the Additional Acquisition Property.

## 11. Matters concerning Forward Commitment, etc.

As set forth in above "1. Overview of Acquisition and Sale (1) Overview of Acquisition (Note 6)", INV will succeed the status of the buyer on July 25, 2017, with regard to the PSA executed between the seller and Gotanda Godo Kaisha on May 12, 2017. INV will implement the Additional Acquisition pursuant to the PSA, and the Additional Acquisition falls under the forward commitment, etc. as stipulated in "The Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." set by the Financial Services Agency.

The PSA provides that either party may terminate the PSA if the other party has breached a provision thereof (including breach of representations and warranties) and if the breach is not resolved within a reasonable period regardless of the notice to cure the breach, in which case the party may request the party in breach to pay an amount equivalent to 20% of the transaction price as penalty charges.

The payment of the acquisition price is not subject to the condition precedent that INV's fund procurement is completed for the Additional Acquisition. Therefore, in the event INV cannot consummate the fund procurement as of the anticipated date of acquisition, INV will be in breach of the obligation set forth in the PSA and will have to pay the penalty charges. However, as described in "10. Use of Sale Proceeds," INV intends to appropriate the sale proceeds of the Properties to be Sold to the funds to acquire the Additional Acquisition Property, and in view of the current financial standing of INV, INV believes that it is unlikely that INV fail to consummate the fund procurement. Furthermore, as the amount of the penalty charge is not material, INV believes that material adverse effect on INV's financial standing are not likely to be caused by the payment of such penalty charge.

## 12. Future Outlook

The forecasts for INV's operations and distributions for the fiscal period ending December 2017 (from July 1, 2017 until December 31, 2017) will remain unchanged since the impact by the Additional acquisition and the sale is within threshold which would prompt a required forecast revision such as change by 5% in the amount of distributions. The December 2017 forecast will be announced on August 22, 2017 together with its Summary of Financial Report for the 28<sup>th</sup> fiscal period.

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

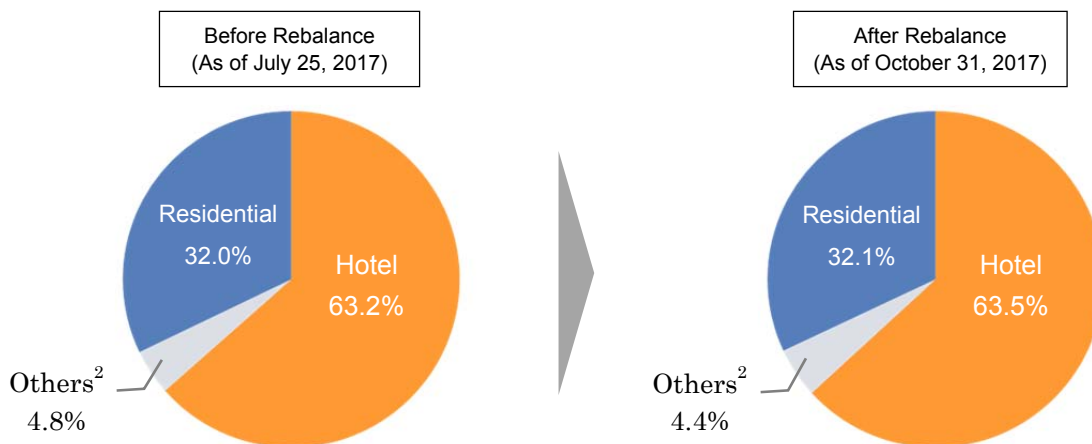
For risks relating to investment in the Additional Acquisition Property, please refer to the "Investment Risks" (toshi risuku) in the securities report (yuka shoken hokokusho) of INV for the fiscal period ended December 2016 (July 1, 2016 – December 31, 2016) (available in Japanese only), filed on March 27, 2017.

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

(Reference)

## Portfolio Composition Pre/Post the Acquisition of Additional Acquisition Property

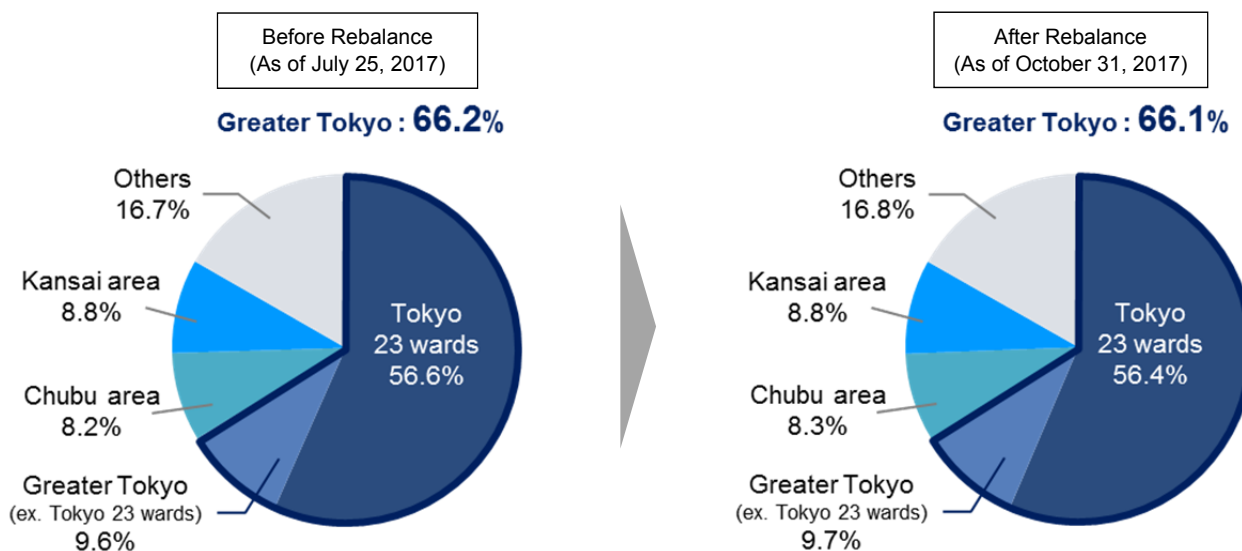
### ■ By Property Type<sup>1,2</sup>



(Note 1) Based on (Anticipated) Acquisition Price.

(Note 2) "Others" include office buildings, commercial facilities, and parking lots

### ■ By Geography<sup>1,2</sup>

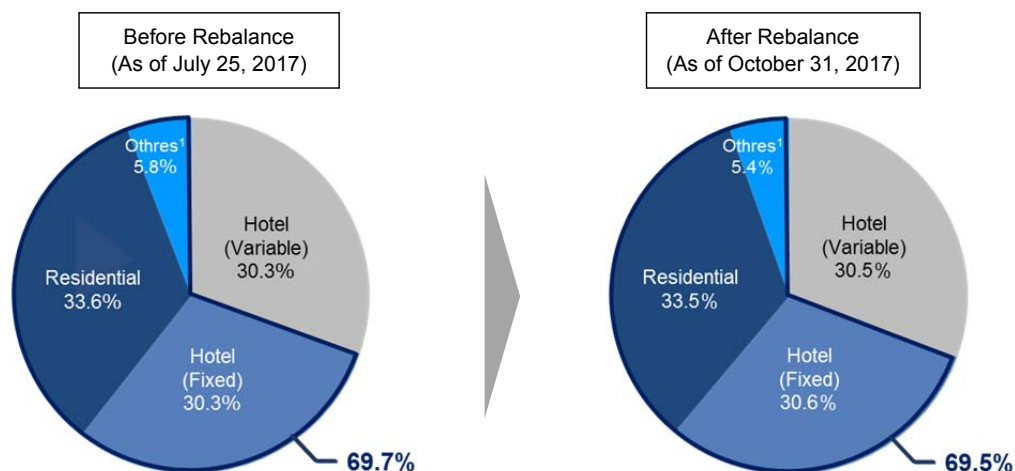


(Note 1) Based on (anticipated) acquisition price.

(Note 2) Defined as follows: Greater Tokyo (ex. Tokyo 23 wards) is Tokyo (ex. Tokyo 23 Wards), Kanagawa, Chiba and Saitama. Kansai area is Osaka, Hyogo, Kyoto, Shiga, Wakayama and Nara. Chubu area is Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui.



■ By Rent Revenue (Normalized)



(Note 1) Include Offices, Commercial facilities and Parking lots

(Note 2) The percentages in “Before Rebalance” indicate composition of annual rent revenue (i) based on annual rent revenue based on the 2016 actual results of all of the properties owned by INV, (ii) based on the assumption that all properties acquired in 2016 and March 2017 by INV had been owned since January 1, 2016 (the actual results before acquisition by INV are based on the data provided by the sellers) and (iii) for the property acquired in May 2017 by INV, based on 2017 revenue forecast (January-April: Actual / May-December: Forecast), which is estimated by CIM, as the revenue in 2016 from such property temporarily declined due to the renovation work during the period between August 2016 and November 2016.

The percentages in “After Rebalance” is calculated by (i) deducting 2016 actual revenue for the Properties to be Sold from the figures for “Before Rebalance” and (ii) adding 2018 revenue forecast for the Additional Acquisition Property, which is estimated by CIM, as hotel operation in the Additional Acquisition Property will commencement after completion of the Conversion scheduled in the end of October 2017.

The forecast above is estimated by INV as of today and subject to be changed in the future.

(Note 3) The percentages are rounded to one decimal place.