Invincible Investment Corporation

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

September 21, 2017

To All Concerned Parties

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Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017

Invincible Investment Corporation ("INV") today announced the revision of its forecast of financial results and distribution per unit ("DPU") for the fiscal period ending December 2017 (29th fiscal period), which were previously announced in "Financial Summary for the June 2017 Fiscal Period (from January 1, 2017 to June 30, 2017)" dated August 22, 2017.

1. Revision of forecasts of financial results and DPU for the fiscal period ending December 2017 (from July 1, 2017 to December 31, 2017)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Previous forecast (A) (announced on August 22, 2017)	JPY million 10,781	JPY million 6,512	JPY million 5,885	JPY million 5,884	JPY million 5,964
Revised forecast (B)	JPY million 11,492	JPY million 7,024	JPY million 6,018	JPY million 6,018	JPY million 7,496
Amount of variance (B) – (A)	JPY million 711	JPY million 512	JPY million 133	JPY million 133	JPY million 1,531
Rate of variance ((B) – (A)) / (A)	% 6.6	% 7.9	% 2.3	% 2.3	% 25.7

	Earnings 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)
Previous forecast (A) (announced on August 22, 2017)	JPY 1,524	JPY 1,524	JPY 21	JPY 1,545
Revised forecast (B)	JPY 1,255	JPY 1,255	JPY 309	JPY 1,564
Amount of variance (B) – (A)	JPY (269)	JPY (269)	JPY 288	JPY 19
Rate of variance ((B) – (A)) / (A)	% (17.7)	% (17.7)	% 1,371.4	% 1.2

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 3,860,824 units (previous forecast) and 4,793,181 units (revised forecast).

(Reference)

Assumptions underlying the forecast of financial results and distributions for the fiscal period ending December 2017 are provided in Appendix 1.

Simulated distribution per unit for the year 2017 are shown for reference purposes, which are calculated by applying adjustments, as the DPU for the fiscal period ended June 2017 could be affected by one-off expenses due to the acquisition of properties in the fiscal period ended June 2017 (the “Acquisitions in the Fiscal Period Ended June 2017”) (Note 1), the issuance of new investment units through the public offering (the “Previous Public Offering”) (Note 2) and the borrowings (the “Borrowings in the Fiscal Period Ended June 2017”) (Note 3) (collectively, the “Transactions in the Fiscal Period Ended June 2017”), and the DPU for the fiscal period ending December 2017 could be affected by one-off expenses due to the acquisition of property to be acquired and the sale of properties announced on July 25, 2017 (the “Replacement”) (Note 4), the acquisition of properties announced as of today (the “Acquisitions”) (Note 5), the issuance of new investment units through the public offering and the third party allotment (collectively, the “Public Offering”) (Note 6) and the borrowings (the “Borrowings”) (Note 7) (collectively, the “Transactions in the Fiscal Period Ending December 2017”, together with the Transactions in the Fiscal Period Ended June 2017, the “Transactions”), assuming that the Transactions had occurred prior to the commencement of the fiscal period ended June 2017. For details on the method for calculation and figures of simulated distribution per unit, please refer to Appendix 2. In addition, the 2017 annual DPU sensitivity versus ADR growth based on simulated distribution per unit for the year 2017 is also shown in Appendix 3.

(Note 1) The Acquisitions in the Fiscal Period Ended June 2017 refers to acquisition of the properties announced in the press releases entitled “Notice concerning Acquisition of Assets and Entering into Leasing Contract” as of February 22, 2017 and “Notice concerning Acquisition of Asset and Entering into Leasing Contract” as of May 25, 2017 and implemented.

(Note 2) The Previous Public Offering refers to the issuance of new investment units through the public offering announced in the press releases entitled “Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units” as of February 22, 2017 and “Notice Concerning Results of New Investment Units to be Issued via Third-party Allotment” as of April 7, 2017 and implemented.

(Note 3) The Borrowings in the Fiscal Period Ended June 2017 refer to the borrowings announced in the press releases entitled “Notice concerning Debt Financing” as of February 22, 2017 and “Notice concerning Debt Financing” as of May 25, 2017 and implemented.

(Note 4) The Replacement refers to the acquisition and sale of assets announced in the press release entitled “Notice concerning Acquisition and Sale of Assets” as of July 25, 2017 and implemented.

(Note 5) The Acquisitions refers to acquisition of the properties to be acquired announced in the press releases entitled “Notice concerning Acquisition of Assets and Entering into Leasing Contract” and “Notice concerning Acquisition of Asset (preferred equity interest)” as of today.

(Note 6) The Public Offering refers to the issuance of new investment units through the public offering (the “Primary Offering”) and the third party allotment (the “Third Party Allotment”) announced in the press release entitled “Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units” as of today.

(Note 7) The Borrowings refer to the borrowings announced in the press release entitled “Notice concerning Debt Financing” as of today.

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

As announced in the press releases "Notice concerning Acquisition of Assets and Entering into Leasing Contract", "Notice concerning Acquisition of Asset (preferred equity interest)", "Notice concerning Debt Financing" and "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units", INV expects to conduct the Public Offering as well as Borrowings in order to acquire the four hotel properties and the preferred equity interests in a special purpose company (the "Anticipated Acquisition") on October 13, 2017, and the one hotel property (additional acquisition portion) in connection with the Replacement on October 31, 2017, respectively.

The revision of the forecast of financial results and distribution for the fiscal period ending December 2017 are based on expectation of an increase in revenue owing to the contributions from properties to be acquired as well as considerable one-off expenses due to the Public Offering and Borrowings.

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, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution per unit, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period.

INV may also consider making distributions in excess of profits for the purpose of mitigating the impact of corporate tax increase arising from different rules and practices in tax and accounting, such as treatment on depreciation of fixed term land lease or asset retirement obligation.

With respect to the fiscal period ending December 2017, due to considerable one-off expenses in connection with the Public Offering and the Borrowings, earnings per unit is expected to decrease. Therefore, from the perspective of maintaining stable distributions, INV intends to make distributions in excess of profits within the scope of the expected shortfall between actual earnings per unit and the simulated earnings per unit after the Acquisitions, the Public Offering, the Borrowing and the Replacement. The figures for earnings 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) and simulated distribution per unit are summarized in the table A below. The actual results for the fiscal period ended June 2017 and the sum of the actual results and forecasted figures for the year 2017 are also stated therein. Simulated distribution per unit for the fiscal period ending December 2017 are calculated by applying adjustments listed 3, 4 and 7 through 11 among the adjustments described in Appendix 2. For the other assumptions, please refer to Appendix 1.

In addition to the distributions in excess of profits to stabilize distributions as mentioned above, INV also intends to make distributions in excess of profits in order to cope with the discrepancy between tax and accounting treatment for the fiscal period ending December 2017 as with the fiscal period ended June 2017.

[Table A]

	Earnings 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)	Simulated Distribution per Unit
Actual for the fiscal period ended June 2017(Note 1)	JPY 1,217	JPY 1,243	JPY 21	JPY 1,264	JPY 1,264
Forecast for the fiscal period ending December 2017(Note 2)	JPY 1,255	JPY 1,255	JPY 309	JPY 1,564	JPY 1,564
Forecast for the year 2017	JPY 2,472	JPY 2,498	JPY 330	JPY 2,828	JPY 2,828

(Note 1) The number of investment units issued and outstanding as of the end of the fiscal period ended June 2017 is 3,860,824 units. The simulated distribution per unit for the fiscal period ended June 2017 is actual distribution per unit (including excess profit distribution per unit).

(Note 2) It is assumed the forecasted number of investment units issued and outstanding as of the end of the fiscal period ending December 2017 is 4,793,181 units. The earnings 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) and simulated distribution per unit for this fiscal period are JPY 1,267, JPY 1,267, JPY 312, JPY 1,579 and JPY 1,579, respectively, on the assumption that such forecasted number is 4,748,783 where no investment units are issued through the Third Party Allotment.

(Note 3) Figures are rounded down to the indicated amount. Hereinafter the same.

4. Reasons for Forecast Revision

The DPU for the fiscal period ended June 2017 was JPY 1,264 (+6.6% year-on-year) and the DPU for the fiscal period ending December 2017 is forecast to be JPY 1,564 (+5.9% year-on-year); the full year DPU for calendar year 2017 is forecast to be JPY 2,828 (+6.2% year-on-year) and growth is expected in 2017.

NOI for our entire portfolio is expected to grow by 15.8% due to revenue contributions by the assets to be acquired and internal growth of the existing portfolio, approximately 8.2% of which is expected to be derived from growth of NOI for the hotel portfolio and approximately 7.7% is from growth of NOI for the residential portfolio.

As for internal growth of the hotel portfolio and the residential portfolio, NOI for the hotel portfolio (Note 1) and residential portfolio (Note 2) for the fiscal period ending December 2017 are expected to grow by 4.1% and 1.7%, respectively, against those for the corresponding period for the previous year, and the total NOI for both hotel and residential portfolio is expected to grow by 3.4%. With regard to the hotel portfolio (Note 1), INV forecasts ADR, occupancy rate and RevPAR (Note 3) for the fiscal period ending December 2017 to increase by 0.7%, 1.8pt and 2.7% respectively, resulting in GOP (Note 3) growth of 3.9% as described in "4. Reasons for Forecast Revision, (Reference)".

INV continues to cooperate with the operators of the hotels to achieve internal growth of the hotel portfolio, and in particular, it is closely working with MYSTAYS HOTEL MANAGEMENT Co., Ltd. ("MHM") and moving ahead with a wide array of initiatives. MHM is taking various actions based on extensive operational analysis and customer feedback through TrustYou (Note 4) Analytics to improve customer satisfaction. MHM's initiatives include strategically increasing overbooking ratios in order to offset last minutes cancellations, converting smoking rooms to non-smoking to address the trend that ADR of non-smoking rooms is higher than that of smoking rooms, and diversifying and expanding distribution channels to enhance relationships with travel agents, airlines and OTAs in China, Hong Kong and Korea. Further, MHM is taking actions such as improving its website, utilizing new booking navigation system, incorporating a customer relationship management system and introducing enhanced loyalty programs in order to develop direct relationship with customers, reduce costs and increase direct reservation. In addition, MHM initiated a campaign regarding direct reservation for individuals and companies. Other initiatives include reducing linen and cleaning costs and increasing services for Chinese Speaking guests.

Meanwhile, with regard to internal growth of the residential portfolio, NOI for 70 residential properties owned by INV as of the end of June 2017 for the fiscal period ending December 2017 is expected to grow by 1.7% against that for the corresponding period in the previous year since the rent increase program has brought results. INV forecasts occupancy rate (Note 5) to increase from 95.3% to 95.9% and average rent per tsubo (Note 5) to increase by 2.5%, from JPY9,535 to JPY9,755 against that for the corresponding period in the previous year. Furthermore, as a part of the rent increase program, INV replaced the master lease companies and property managers (the "ML/PM companies") at 17 properties in December 2016 and January 2017 and at one property as of May 1, 2017, focusing on property managers who have performed well.

Given that there were a lot of proposals on property management in respect of Royal Parks Tower Minami-Senju, the flagship property in residence portfolio of INV, which was acquired in March 2017, INV analyzed to select an optimal property manager. As a result, INV decided to change the ML/PM companies at four Royal Parks Residential Assets including "Royal Parks Tower Minami-Senju" to Goodworks Co., Ltd. in June 2017, and it completed the change at "Royal Parks Shinden" as of July 1, 2017 and "Royal Parks

Momozaka" as of August 1, 2017. It is scheduled to complete the change at "Royal Parks Tower Minami-Senju" and "Royal Parks Seasir Minami-Senju" as of December 1, 2017. INV aims to increase the NOI through improving the profitability of these four properties and reducing costs as a consequence of such changes.

INV seeks to maximize unitholders' value while building its portfolio with hotels and residential properties as its core assets via focusing on both growth and stability.

(Note 1) Based on actual results and forecasts for the 40 hotel properties of the 49 hotel properties in our portfolio as of June 30, 2017, nine hotels with fixed-rent lease agreements are excluded. Such nine hotels with fixed-rent are Super Hotel Shinbashi/ Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubamesanjo, Comfort Hotel Kitami, and Takamatsu Tokyu REI Hotel.

(Note 2) Calculated based on actual results and forecasts for the 70 residential properties owned as of the end of June 2017.

(Note 3) For definition of ADR, occupancy rate for hotel portfolio, RevPAR and GOP, please refer to "4. Reasons for Forecast Revision (Reference)" below.

(Note 4) "TrustYou" analyzes hundreds of millions of travel reviews and is one of the world's largest guest feedback platforms.

(Note 5) For definition of occupancy rate and average rent per tsubo, please refer to "4. Reasons for Forecast Revision (Reference)" below.

(Reference)

<Forecasts for Performance Indicators of Hotel Properties (40 hotels (Note 1))>

	Y2017		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate (Note 2)	89.0%	92.2%	90.6%
ADR (JPY) (Note 3)	9,345	10,076	9,720
RevPAR (JPY) (Note4)	8,320	9,291	8,809
GOP (JPY million) (Note 5)(Note 6)	5,365	6,269	11,634

Year-on-Year Changes

	Y2017		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate	-0.8pt	+1.8pt	+0.5pt
ADR	+0.7%	+0.7%	+0.7%
RevPAR	-0.2%	+2.7%	+1.3%
GOP	+1.6%	+3.9%	+2.8%

(Note 1) For definition of 40 hotel properties, please refer to Note 1 of "4. Reasons for Forecast Revision" above.

(Note 2) "Occupancy Rate" for hotel portfolio is calculated using the following formula: room occupancy rate = total number of rooms occupied during the relevant period ÷ (aggregate number of rooms during the relevant period x number of days during relevant period). Hereinafter the same.

(Note 3) "ADR," or Average Daily Rate, is the value of the total room revenues for a certain period (excluding service fees) divided by the total number of sold rooms for the same period. Hereinafter the same.

(Note 4) "RevPAR," or Revenues Per Available Room, is calculated by dividing the total revenues for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of ADR and occupancy rate. Hereinafter the same.

(Note 5) "GOP," or Gross Operating Profit, is rent revenue INV receives as a rent which is the amount remaining after deducting the personnel, material, water, electricity, and heating and advertising expenses as well as the management service fee for the hotel operations (if any) from the hotel's revenues. Hereinafter the same.

(Note 6) With respect to APA Hotel Yokohama-Kannai, we consider the rent paid to INV for this hotel as GOP of this hotel.

<Forecasts for Performance Indicators of Residential Properties (70 properties (Note 1))>

	Y2017		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate (Note 2)	95.2%	95.9%	95.5%
Average Rent per Tsubo per Month (Note 3) (JPY)	9,595	9,775	9,685
NOI (JPY million) (Note 4)	2,597	2,594	5,191

Year-on-Year Changes

	Y2017		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate	-0.9pt	+0.6pt	-0.2pt
Average Rent per Tsubo per Month	+1.6%	+2.5%	+2.1%
NOI	+2.4%	+1.7%	+2.0%

(Note 1) For definition of 70 residential properties, please refer to Note 2 of “4. Reasons for Forecast Revision” above.

(Note 2) “Occupancy Rate” is calculated by dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month of each period. Hereinafter the same.

(Note 3) “Average Rent per Tsubo per Month” is calculated by dividing the total residential rental revenue including common area charges for each month by the sum of total residential leasable area at the end of each month, indicating the average rent per Tsubo weighted by leased area. Hereinafter the same.

(Note 4) Figures are rounded down to the indicated amount. Excludes one-off insurance-related revenues and expenses. Hereinafter the same.

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Based on the above, the forecasts of earnings per unit and distribution per unit for the full calendar year 2017 are as follows:

<Full-year 2017> (Aggregate of the fiscal periods ended June 2017 (Actual) and ending December 2017 (Forecast))

	Earnings 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)
Previous forecast (A) (announced on August 22, 2017)	JPY 2,741	JPY 2,767	JPY 42	JPY 2,809
Revised forecast (B)	JPY 2,472	JPY 2,498	JPY 330	JPY 2,828
Amount of variance (B)- (A)	JPY (269)	JPY (269)	JPY 288	JPY 19
Rate of variance ((B) – (A)) / (A)	% (9.8)	% (9.7)	% 685.7	% 0.7

(Note) Assumption: the number of investment units issued and outstanding at the end of the fiscal period ended June 2017 was 3,860,824 units and the number of investment units issued and outstanding at the end of the fiscal period ending December 2017 is 4,793,181 units.

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

(Appendix 1)

<Assumptions Underlying the Forecast of Financial Results and Distribution for the 29th Fiscal Period >

Item	Assumptions
Fiscal period	The 29th fiscal period: from July 1, 2017 to December 31, 2017 (184 days)
Assets under management	Properties held as of the end of the 29th fiscal period: 129 properties and preferred equity interests in one special purpose company INV assumes that INV will newly acquire four hotel properties and preferred equity interests in one special purpose company as of October 13, 2017 (Note1) and an additional portion of Hotel MyStays Gotanda Station as of October 31, 2017 (Note2) in addition to existing 125 properties, and that there will be no other change through the end of the fiscal period ending December 2017. (Note1) Regarding the acquisition of properties and preferred equity interests as of October 13, 2017, please refer to “Notice concerning Acquisition and of Assets and Entering into Leasing Contract” and “Notice concerning Acquisition of Asset (preferred equity interest)” as of today. (Note2) Regarding additional acquisition of Hotel MyStays Gotanda Station, please refer to “Notice concerning Acquisition and Sale of Assets” as of July 25, 2017. As the additional portion is assumed to be operated together with the existing portion as a unit, we count the existing portion and the additional portion as one property.
Units outstanding	As of the end of the 29th fiscal period: 4,793,181 units INV assumes that a total of 932,357 new investment units will be issued through the Primary Offering (887,959 new investment units) and the Third Party Allotment (up to 44,398 new investment units), and that the expected number of investment units issued and outstanding following the Offering will be 4,793,181 units, and that there will be no additional issuance of units thereafter through the end of the fiscal period ending December 2017.
Interest-bearing liabilities	Balance as of the end of the fiscal period ending December 2017: JPY 186,983 mn INV assumes that JPY 22,993 million of borrowing is implemented as of October 13, 2017 for the fiscal period ending December 2017, as mentioned in the press release entitled “Notice concerning Debt Financing” as of today and no other loan or repayment is implemented.

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Item	Assumptions
Operating revenues	INV expects to record rental revenues for the fiscal period ending December 2017 as follows: December 2017 Fiscal Period ・Rental revenues JPY 11,372 mn (of these, hotel rents) (JPY 7,315 mn) (fixed hotel rents) (JPY 3,623 mn) (variable hotel rents) (JPY 3,692 mn) ・Dividend amount JPY - mn INV estimates a gain on sales of JPY120 million as operating revenues other than rental revenues from sale of Kindai Kagaku Sha Building and Times Kanda-Sudacho 4th completed on July 31, 2017. Rental revenues in the fiscal period ending December 2017 are calculated based on estimates as of today from July 2017 to December 2017. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants. The majority of INV's owned hotels uses a variable rent scheme linked to performance of the relevant hotel. Hotel demand is affected by seasonal factors and the December ending fiscal periods (from July to December) which include summer holiday and autumn outing seasons tend to record higher revenue than the June ending fiscal periods (from January to June). Accordingly, rental revenue of INV tends to be higher in the December ending fiscal periods than in the June ending fiscal periods. Furthermore, we estimate the amount of dividends on the preferred equity interests based on the performance of the underlying asset and the assumed amount incurred by the special purpose company. However, since the first dividends from the special purpose company will be paid after January 1, 2018, there is no dividend income for the fiscal period ending December 2017.

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Operating expenses</td><td>
INV expects to incur property related expenses for the fiscal period ending December 2017 as follows:
<table>
<tr><th></th><th>December 2017
Fiscal Period</th></tr>
<tr><td>・Facility management fees
(of these, repair costs)</td><td>JPY 506 mn
(JPY 31 mn)</td></tr>
<tr><td>・Taxes and other public charges (Note)</td><td>JPY 465 mn</td></tr>
<tr><td>・Insurance expenses</td><td>JPY 11 mn</td></tr>
<tr><td>・Depreciation expenses</td><td>JPY 2,570 mn</td></tr>
<tr><td>・Other expenses</td><td>JPY 396 mn</td></tr>
<tr><td>Total property related expenses</td><td>JPY 3,951 mn</td></tr>
</table>
(Note) Property taxes and city planning taxes on the assets acquired in 2017 including anticipated acquisition of assets are calculated on a pro-rata basis with the previous owners and settled at the time of acquisition, and are not recorded for the fiscal period ending December 2017 and recorded from the fiscal period ending June 2018 as the amount equivalent to such settlement is included in the acquisition cost.

INV expects to incur other operating expenses than the property related expenses for the fiscal period ending December 2017 as follows:
<table>
<tr><th></th><th>December 2017
Fiscal Period</th></tr>
<tr><td>・Other operating expenses</td><td>JPY 516 mn</td></tr>
<tr><td>(of these, asset management fees)</td><td>(JPY 250 mn)</td></tr>
</table>
</td></tr>
<tr><td>NOI</td><td>
INV expects to record net operating income for the fiscal period ending December 2017 as follows:
<table>
<tr><th></th><th>December 2017
Fiscal Period</th></tr>
<tr><td>・NOI</td><td>JPY 9,991 mn</td></tr>
<tr><td>(of these, hotel NOI)</td><td>(JPY 6,979 mn)</td></tr>
<tr><td>(of these, residential NOI)</td><td>(JPY 2,648 mn)</td></tr>
<tr><td>(of these, dividend amount)</td><td>(JPY - mn)</td></tr>
</table>
NOI calculation method in the above table is as follows
・NOI＝ Rental Revenues (including the amount of dividends on the preferred equity interests) － Property Related Expenses + Depreciation Expenses
However, since the first dividends from the special purpose company will be paid after January 1, 2018, there is no dividend income for the fiscal period ending December 2017.
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Non-operating expenses</td><td>INV expects to incur non-operating expenses for the fiscal period ending December 2017 as follows:

<table>
<tr><th></th><th>December 2017
Fiscal Period</th></tr>
<tr><td>・Interest expense</td><td>JPY 454 mn</td></tr>
<tr><td>・Finance related costs</td><td>JPY 341 mn</td></tr>
<tr><td>・Other non-operating expenses
(expenses relating to the issuance of new units for the Offering)</td><td>JPY 210 mn
(JPY 210 mn)</td></tr>
<tr><td>Total Non-operating expenses</td><td>JPY 1,006 mn</td></tr>
</table></td></tr>
<tr><td>Distribution per unit</td><td>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.
With respect to the distribution for the fiscal period ending December 2017, INV expects to distribute an aggregate amount of JPY 7,496 million (distribution per unit: JPY 1,564) based on the assumption that excess profit distribution will be paid (JPY 1,481 million), in addition to net income for the fiscal period ending December 2017 (JPY 6,018 million) which will be used as funds.
For the fiscal period ending December 2017, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 92 million, which is equal to the amount for the fiscal period ended June 2017. The distribution per unit is calculated based on the assumption that fluctuation of the market value of the interest rate swap does not affect the distribution per unit.
Distribution per unit may vary due to various factors, including changes of the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.</td></tr>
</table>

Item	Assumptions
Excess profit distribution per unit	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, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution per unit, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period. INV may also consider making distributions in excess of profits for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on depreciation of fixed term land lease or asset retirement obligation. With respect to the fiscal period ending December 2017, due to one-off expenses in connection with the Offering and the Borrowings, earnings per unit is expected to decrease. Therefore, from the perspective of maintaining stable distributions, INV intends to make distributions in excess of profits (JPY 292 per unit) within the scope of the expected shortfall between actual earnings per unit and the simulated earnings per unit after the transactions mentioned above. In addition, INV also intends to make distributions in excess of profits (JPY 17 per unit for the fiscal period ending December 2017) in order to cope with the discrepancy between tax and accounting treatment for the fiscal period ending December 2017. December 2017 Fiscal Period — Excess profit distribution per unit: JPY 309
Other	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. In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.

(Appendix 2)

<Simulated distribution per unit for full-year 2017>

Simulated distribution per unit for the year 2017 refers to sum of earnings per unit calculated by first assuming the actual financial results for the fiscal period ended June 2017 and the forecast of financial results for the fiscal period ending December 2017 and then, by applying the simulated adjustments below, eliminating the effects of such factors as one-off expenses and treating the Acquisitions in the Fiscal Period Ended June 2017, the Previous Public Offering, the Borrowings in the Fiscal Period Ended June 2017, the Replacement, the Acquisitions, the Public Offering and the Borrowings etc. as if they had occurred prior to the beginning of the fiscal period ended June 2017, and excess profit distribution per unit (limited to distribution in excess of profit for coping with the discrepancy between tax accounting treatment).

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

1. Calculation is based on the assumption that 185,000 units through the Previous Public Offering were issued at the beginning of the fiscal period ended June 2017.
2. Elimination of one-off expenses in connection with the Transactions for the Fiscal Period Ended June 2017.
3. The figures are on the assumption that revenue contributions as well as expenses such as property taxes and city planning taxes on the assets acquired announced in the press release entitled "Notice concerning Acquisition of Assets and Entering into Leasing Contract" as of February 22, 2017 were recorded from the beginning of the fiscal period ended June 2017.
4. The figures are on the assumption that revenue contributions as well as expenses such as property taxes and city planning taxes on the assets acquired announced in the press release entitled "Notice concerning Acquisition of Asset and Entering into Leasing Contract" as of May 25, 2017 were recorded from the beginning of the fiscal period ended June 2017.
5. The figures are on the assumption that the effect of NOI increase arising from the changes in master lessee and property management company as announced in the press release "Notice concerning Changes of Master Lessee and Property Manager" as of June 26, 2017 had been recorded from the beginning of the fiscal period ended June 2017.
6. Elimination of a gain on sales of the assets sold announced in the press release entitled "Notice concerning Acquisition and Sale of Assets" as of July 25, 2017
7. The figures are on the assumption that decrease of the revenue of the assets sold announced in the press release entitled "Notice concerning Acquisition and Sale of Assets" as of July 25, 2017 had been recorded from the beginning of the fiscal period ended June 2017.
8. The figures are on the assumption that revenue contributions as well as expenses such as property taxes and city planning taxes on the asset to be acquired announced in the press release entitled "Notice concerning Acquisition and Sale of Assets" as of July 25, 2017 were recorded from the beginning of the fiscal period ended June 2017.
9. The figures are on the assumption that revenue contributions as well as expenses such as property taxes and city planning taxes on the assets to be acquired announced in the press releases entitled "Notice concerning Acquisition of Assets and Entering into Leasing Contract" and "Notice concerning

Acquisition of Asset (preferred equity interest)" as of today were recorded from the beginning of the fiscal period ended June 2017.

10. The figures are on the assumption that a total of 932,357 units (887,959 units through the Public Offering and up to 44,398 units through the Third Party Allotment) were issued at the beginning of the fiscal period ended June 2017.
11. Elimination of one-off expenses in connection with the Transactions for the Fiscal Period Ending December 2017.

The simulated distribution per unit for the year 2017 as well as the simulated earnings per unit, simulated distribution per unit (excluding excess profit distribution per unit) and simulated excess profit distribution per unit, for the year 2017, which are calculated by applying the same adjustments as the simulated distribution per unit for the year 2017 are summarized in the column of "After the Transactions in the Fiscal Period Ending December 2017" of the Table A below. In addition, to exhibit the effect of the transactions stated in "Notice concerning Acquisition of Assets and Entering into Leasing Contract", "Notice concerning Acquisition of Asset (preferred equity interest)", "Notice concerning Debt Financing" and "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" as of today and the implementation of the acquisition of the asset announced in the press release entitled "Notice concerning Acquisition and Sale of Assets" as of July 25, 2017 (the Transactions in the Fiscal Period Ending December 2017), these figures before the Transactions in the Fiscal Period Ending December 2017 are also included in the Table A.

Simulated distribution per unit after the Transactions in the Fiscal Period Ending December 2017 are calculated by applying all adjustments listed above, while simulated distribution per unit before the Transactions in the Fiscal Period Ending December 2017 are calculated by applying adjustments listed 1 through 7 above which are related to transactions etc. implemented before the Transactions in the Fiscal Period Ending December 2017.

The simulated distribution per unit for the year 2017 and the other figures in the Table A below are purely a simulation intended to describe the effect of the transactions, etc. described above and are 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 distribution per unit for the year 2017 will ever be realized for any future, and INV is not obligated to revise any of the simulated figures regardless of any changes in circumstances that may affect the above simulation.

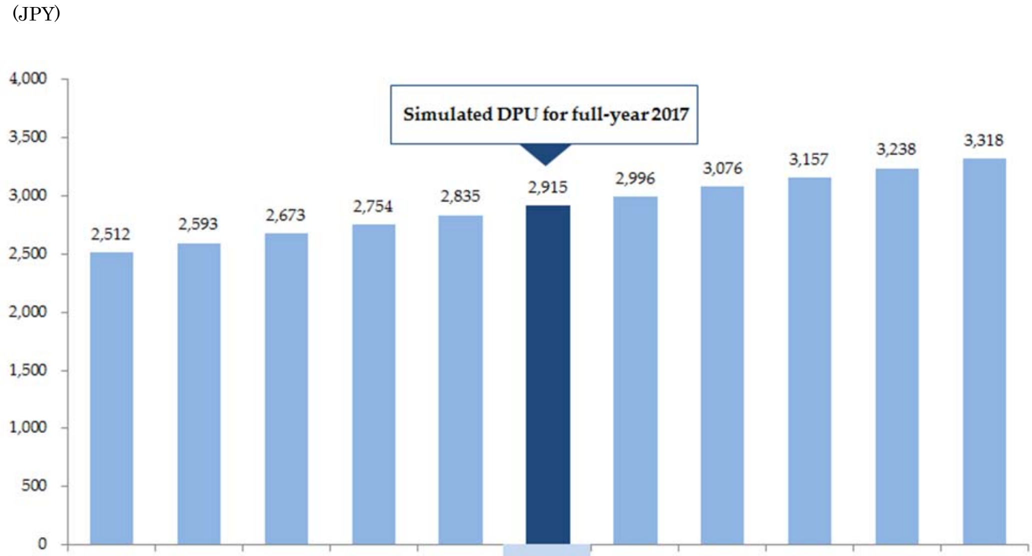
[Table A]

	Simulated Earnings per Unit for the year 2017 (Note)	Simulated Distribution per Unit (Excluding Excess Profit Distribution per Unit) for the year 2017 (Note)	Simulated Excess Profit Distribution per Unit for the year 2017 (Note)	Simulated Distribution per Unit (Including Excess Profit Distribution per Unit) for the year 2017 (Note)
Before the Transactions in the Fiscal Period Ending December 2017 (A)	JPY 2,752	JPY 2,752	JPY 42	JPY 2,794
After the Transactions in the Fiscal Period Ending December 2017 (B)	JPY 2,881	JPY 2,881	JPY 34	JPY 2,915
Amount of variance (B) – (A)	JPY 129	JPY 129	JPY (8)	JPY 121
Rate of variance ((B) – (A)) / (A)	% 4.7	% 4.7	% (19.0)	% 4.3

(Note) Assumption: the number of investment units issued and outstanding before the Transactions in the Fiscal Period Ending December 2017: 3,860,824 units; the number of investment units issued and outstanding after the Transactions in the Fiscal Period Ending December 2017: 4,793,181 units.

(Appendix 3)

<Simulated DPU for full-year 2017 Sensitivity (vs ADR Growth) >



ADR Growth (Note 1)	-10%	-8%	-6%	-4%	-2%	0%	+2%	+4%	+6%	+8%	+10%
Hotel ADR (Note 2)	8,856	9,053	9,250	9,446	9,643	9,840	10,037	10,234	10,430	10,627	10,824
Simulated DPU for full-year 2017 Growth (Note 3)	-13.8%	-11.1%	-8.3%	-5.5%	-2.8%	-	2.8%	5.5%	8.3%	11.1%	13.8%

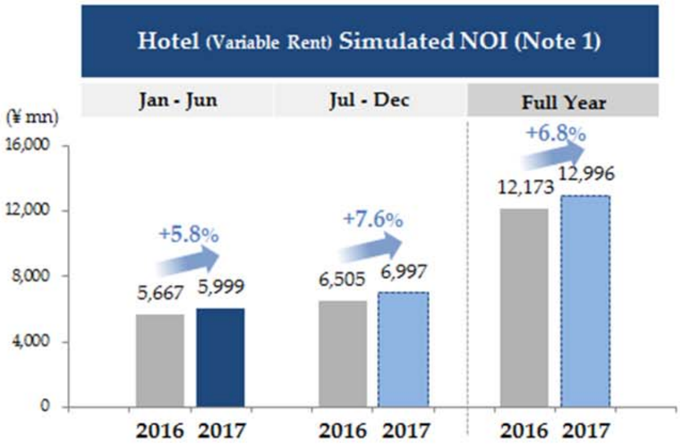
(Note 1) "ADR Growth" is shown as a % change from the ADR assumption for the 2017 forecast for the 44 hotels with a variable rent scheme owned by INV as of today after anticipated acquisition excluding Sheraton Grande Tokyo Bay Hotel (Preferred Equity Interest).

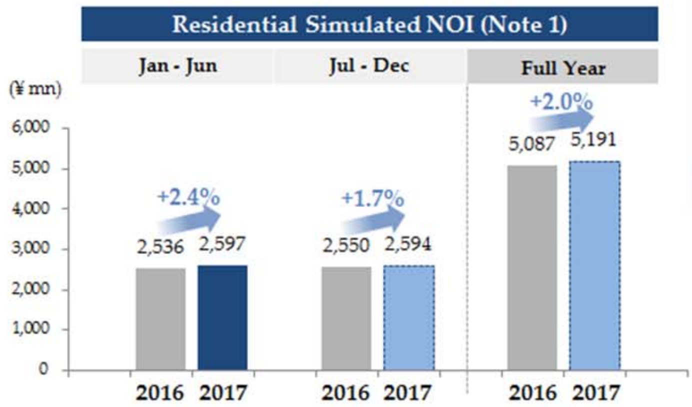
(Note 2) "Hotel ADR" is average of ADR of the said 44 hotels.

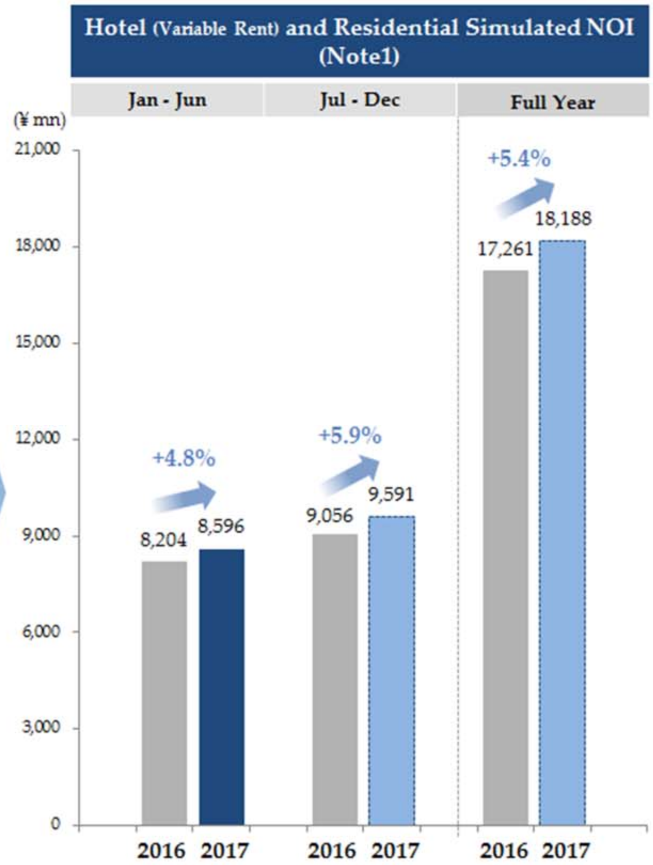
(Note 3) "Simulated DPU for full-year 2017 Growth" is simulated data based on the simulated distribution per unit for the year 2017, on the assumption that all assumptions used to calculate simulated distribution per unit for the year 2017 for INV's current assets and the assets to be acquired remain the same, except for the ADR.

(Appendix 4)

<Simulated NOI of our portfolio >







(Note 1) Hotel (Variable Rent) Simulated NOI is based on the actual and forecast results of 43 variable rent hotel properties out of the 54 hotel properties INV will hold after the anticipated acquisition as of the end of October 2017, excluding (i) nine hotel properties with fixed - rent lease agreements since the performance of the hotels with fixed - rent lease agreements do not significantly affect year-on-year variances (for more details, please see “4. Reasons for Forecast Revision, (Note 1)”), (ii) the Preferred Equity Interest since INV’s profit regarding SGTB is dividends by a special purpose company (iii) Hotel MyStays Sapporo Station since the performance by previous operator is not disclosed, and (iv) Additional acquisition of Hotel MyStays Gotanda Station since the conversion has not been completed and comparable 2016 actual and 2017 forecast figures are not available (for more details, please see the press release “Notice Concerning Acquisition of Assets and Entering into Leasing Contract”).

Residential Simulated NOI is based on the actual and forecast results of the existing 70 residential properties held as of June 30, 2017. Temporary insurance benefit and cost corresponding it is excluded.

Hotel (Variable Rent) Simulated NOI and Residential Simulated NOI for (i) existing properties acquired on or after January 1, 2016 and (ii) the assets to be acquired are based on actual results provided by sellers and adjusted to reflect trust fees and insurance premiums assuming the properties had been held by INV.

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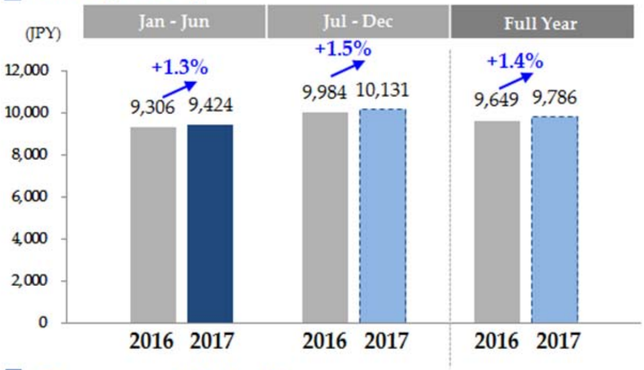
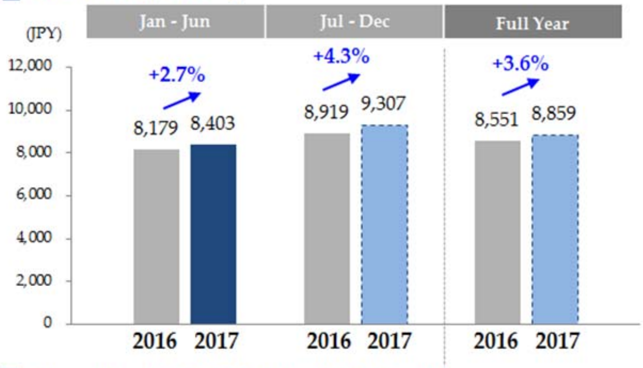
(Appendix 5)

<KPI of our current Hotel portfolio>

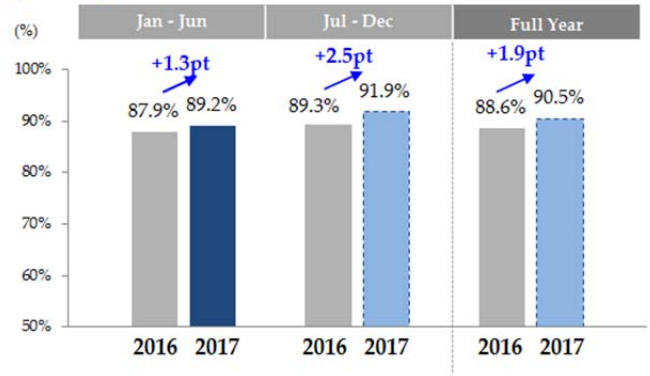
ADR (Note 1)



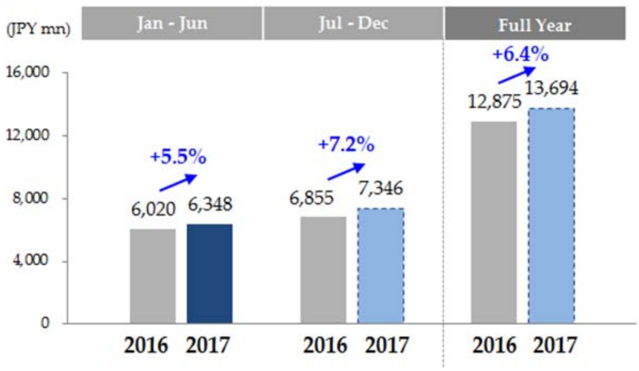
RevPAR (Note 1)



Occupancy (Note 1)



Simulated GOP (Note 1) (Note 2)



(Note 1) For the assumptions of the actual and forecasts of ADR, occupancy, RevPAR and simulated GOP, please refer to (Note 1) of Appendix 4 above.

(Note 2) In calculating the simulated GOP, the rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel.

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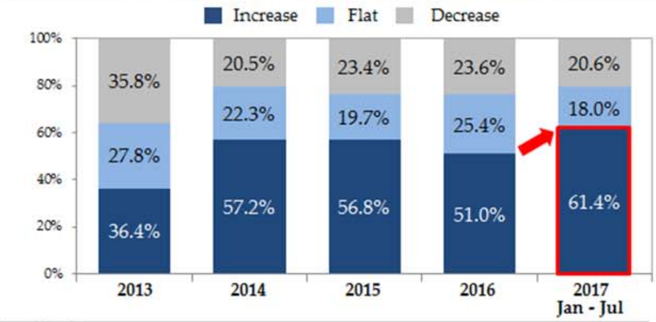
(Appendix 6)

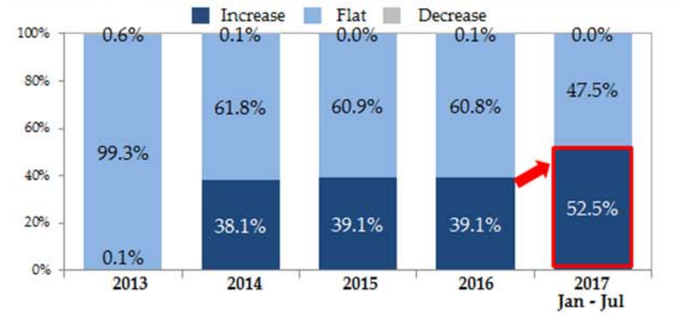
<Rent Increase Initiative regarding our portfolio of the residential properties>

Change in Rent for New Contracts (Note 1)



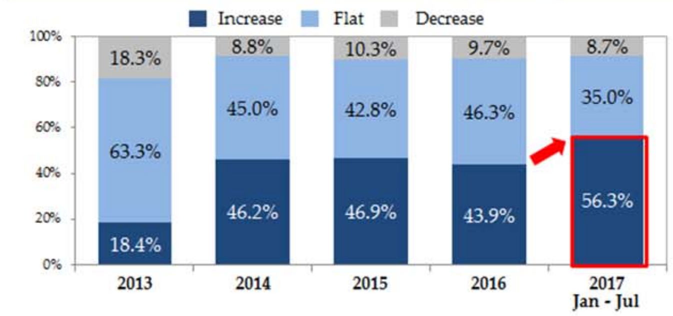
No. of New Contracts	827	649	943	783	616
Occupancy (Note 2) (%)	95.5	94.0	94.7	95.9	95.1
Net Leasing Cost (No. of months) (Note 3)	1.15	1.01	1.23	1.15	0.95

Change in Rent for Renewal Contracts (Note 1)

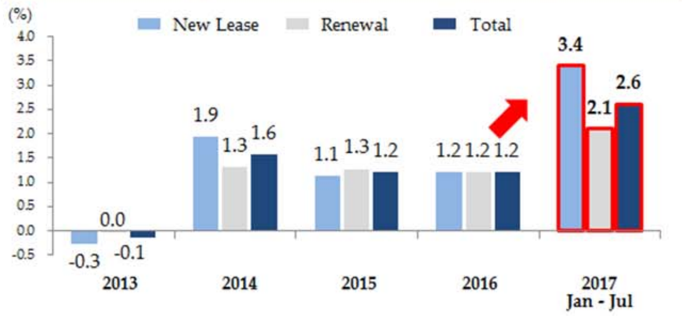


No. of Renewals	818	872	1,209	1,126	840
Renewal Rate (Note 4) (%)	81.2	84.7	85.4	83.7	81.5

Change in Rent for All Contracts (Note 1)



Average Rent Increase/Decrease (Note 5)



(Note 1) Based on the residential properties owned in relevant year excluding the performance for the pre-acquisition period for the properties acquired during the year. The numbers of the properties at the end each year is as follows: 63 properties for 2013 and 2014, 66 properties for 2015, 68 properties for 2016, and 70 properties as of July 31, 2017.

(Note 2) Occupancy is calculated by dividing the sum of leased area by the sum of leasable area at the end of each month of each year, based on the properties owned in the relevant year excluding the performance for the pre-acquisition period for the properties acquired during the year.

(Note 3) Net Leasing Cost (Multiple of Monthly Rent) = Advertising Expenses (Multiple of Monthly Rent) + Free Rent (Multiple of Monthly Rent) – Key Money (Multiple of Monthly Rent). Multiple of Monthly Rent is converted by the monthly rent for the relevant lease agreement during the relevant period and rounded to two decimal places.

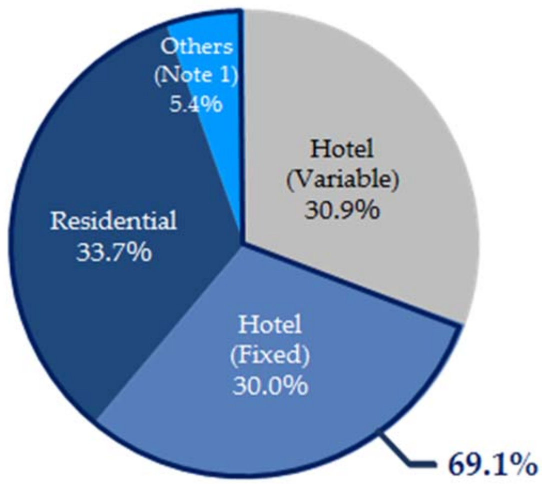
(Note 4) Renewal rate is calculated by the number of renewal rents during the relevant period divided by the number of contracts due up for renewal during the relevant period.

(Note 5) Average Rent Increase/Decrease is increase or decrease (%) in the sum of monthly rents on new or renewal, or the total of both, compared with the sum of previous rents.

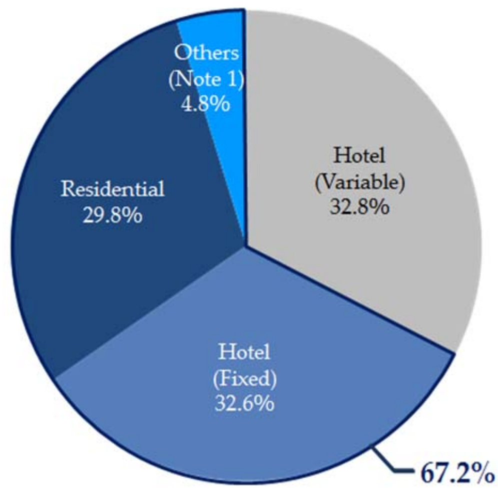
(Appendix 7)

<Operating Revenue Composition (Simulated)>

Existing portfolio



Post-acquisition



(JPY million)

Revenue (Note 2)			
Hotel	(Variable)	6,276	30.9%
	(Fixed)	6,091	30.0%
Residential		6,856	33.7%
Others (Note 1)		1,099	5.4%
Total		20,324	100.0%

(JPY million)

Revenue (Note 2)			
Hotel	(Variable)	7,543	32.8%
	(Fixed)	7,481	32.6%
Residential		6,856	29.8%
Others (Note 1)		1,099	4.8%
Total		22,981	100.0%
Sheraton Grande Tokyo Bay Hotel (Preferred Equity Interest) (Note 3)		1,562	-

(Note 1) Includes Offices and Commercial facilities.

(Note 2) "Existing Portfolio Operating Revenue Composition" is calculated based on the 2017 full year operating revenue estimates (actual results for January to July and estimates for August to December) for all INV's assets as of today. The properties acquired in March and May 2017 are on the assumption that they had been owned since January 1, 2017. Performance for the pre-acquisition period is based on actual results provided by the respective sellers and performance for the post-acquisition period is based on actual results until July 31, 2017 or based on estimates after August 2017. "Post-acquisition Operating Revenue Composition" is calculated by adding the 2017 full year operating revenue estimates on the assets to be acquired (actual results for January to July and estimates for August to December) calculated by Consonant Investment Management Co., Ltd, the asset manager of INV, to the figures for the existing portfolio. However, with respect to the additional acquisition of a portion of Hotel MyStays Gotanda Station, 2018 full year operating revenue estimates are used as there are no actual results.

(Note 3) Annualized estimates of dividends for INV is expected to receive from preferred equity interests in the special purpose company.

(Note 4) Percentage is rounded to one decimal place.