

[For Information Purpose Only.]

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

September 21, 2017

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

Naoki Fukuda, Executive Director

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Asset manager:

Consonant Investment Management Co., Ltd.

Naoki Fukuda, CEO

Contact: Jun Komo

General Manager of Planning Department

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Notice concerning Acquisition of Assets and Entering into Leasing Contract

Invincible Investment Corporation (“INV”) announced the decision to acquire four hotel properties (the “Four Hotel Properties”) and enter into new leasing contracts with respect to each of the Four Hotel Properties as decided today by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV.

1. Overview of Acquisition

Use	Property Number	Property Name	Location	Anticipated Acquisition Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Seller (Note 3)	Category of Specified Assets
Hotel	D50	Hotel MyStays Shin Osaka Conference Center	Osaka, Osaka	13,068	13,200	HL Investments Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	9,781	9,880	Septentrio3 Tokutei Mokuteki Kaisha	
	D52	Beppu Kamenoi Hotel	Beppu, Oita	8,870	8,960	Monza Tokutei Mokuteki Kaisha	

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Use	Property Number	Property Name	Location	Anticipated Acquisition Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Seller (Note 3)	Category of Specified Assets
Hotel	D53	Hotel MyStays Sapporo Station	Sapporo, Hokkaido	7,880	7,960	Suisei Tokutei Mokuteki Kaisha	Trust Beneficial Interest
Total				39,599	40,000		

(Note 1) Anticipated Acquisition Prices show purchase prices set forth in the purchase and sale agreements for the trust beneficiary interests and do not include adjustments for property taxes, city planning taxes, or national or local consumption taxes.

(Note 2) Appraisal Value is based on appraisal value stated in the appraisal report by the Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of July 1, 2017. For details, please refer to “(1) Details of the Four Hotel Properties” of “4. Details of the Four Hotel Properties” below.

(Note 3) For an overview of the sellers, please refer to “5. Overview of Sellers of the Four Hotel Properties” below.

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

2. Reasons for Acquisitions and Leasing

INV decided to acquire the five hotel properties (Note 1) that are expected to contribute to growth and stability of revenue of the portfolio, from affiliates of the Sponsor, Fortress Investment Group LLC (“FIG”), by using the funds raised through issuance of new investment units, bank borrowings, and INV’s own funds.

The acquisition of the Four Hotel Properties, the additional acquisition of the portion of Hotel MyStays Gotanda Station (Note 2) announced in the press release entitled “Notice concerning Acquisition and Sale of Assets” as of July 25, 2017 and the acquisition of the Preferred Equity Interest (as defined below) (these assets are hereinafter referred to as the “Assets to be Acquired”) are associated with INV’s fifth equity public offering over the last four years, further promoting the realization of INV’s external growth strategy to acquire assets which provide revenue growth and further stability, backed by the Sponsor’s strong support. Following the acquisition of the Assets to be Acquired, AUM is expected to grow to JPY 357,106 million (Note 3). Hotel properties are expected to account for 69.5% of INV’s portfolio, an increase from 63.5% prior to the acquisition of the Assets to be Acquired (Note 4). The average appraisal NOI yield (Note 5) of the Assets to be Acquired is 5.7%. As a result, the appraisal NOI yield (Note 5) of the overall portfolio after the acquisition of the Assets to be Acquired (129 properties) is expected to remain high at 6.5%.

The Four Hotel Properties are located close to high traffic city center locations or popular tourism destinations, are expected to attract a great number of leisure travelers and have good access to destinations popular among foreign tourists. The operation of these Four Hotel Properties is managed by MyStays Hotel Management Co., Ltd. (hereinafter “MHM”), which is owned by the Sponsor, and is a hotel operator combining deep expertise and experience.

The Assets to be Acquired and the underlying asset of the Preferred Equity Interest include “Sheraton Grande Tokyo Bay Hotel”, a full-service hotel, and “Beppu Kamenoi Hotel”, a resort hotel. The addition of these two hotels helps diversify the hotel-property portfolio, however the ratio of full-service and resort

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hotels as a percentage of the overall hotel property portfolio is small. We aim to improve the performance of the hotel portfolio from the perspective of growth and stability by carefully selecting both full-service and resort hotels that are considered highly competitive in terms of locations and specifications that will attract diverse hotel demand.

We also note that INV is acquiring the Hotel MyStays Sapporo Station, its first asset in Sapporo which has had significant growth in inbound travel.

(Note 1) The acquisition of preferred equity interests in Kingdom Tokutei Mokuteki Kaisha backed by “Sheraton Grande Tokyo Bay Hotel” announced in the press release entitled “Notice concerning Acquisition of Asset (preferred equity interest)” as of today (hereinafter the “Preferred Equity Interest”) is counted as one hotel property and added to the Four Hotel Properties.

(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 a portion of the first, second and third floor of the Annex Building (collectively, the “Floor Expansion Portion”), totaling 1,385.46 m². A conversion work (the “Conversion”) has been implemented by the seller in an aim to add 49 hotel rooms.

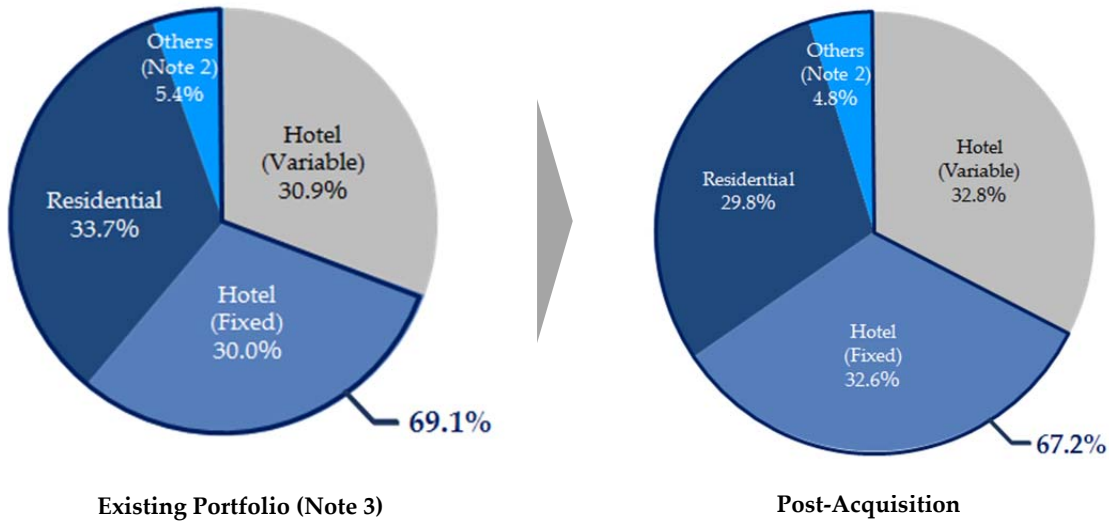
(Note 3) Based on the (anticipated) acquisition prices. The anticipated acquisition price of the Preferred Equity Interest shows an expected investment amount for Preferred Equity Interest. For the additional acquisition of Hotel MyStays Gotanda Station, anticipated acquisition price is the total of (i) purchase price set forth in the purchase and sale agreement concerning the Floor Expansion Portion, (ii) expenses with regard to the Conversion, (iii) transfer price of the furniture, fixture and equipment (FF&E), and other expenses, and (ii) and (iii) above are the estimated amount as of today and are subject to change. Hereinafter the same.

(Note 4) The Preferred Equity Interest is categorized in the hotel portfolio in terms of use of its underlying asset.

(Note 5) The Preferred Equity Interest is excluded from the calculation.

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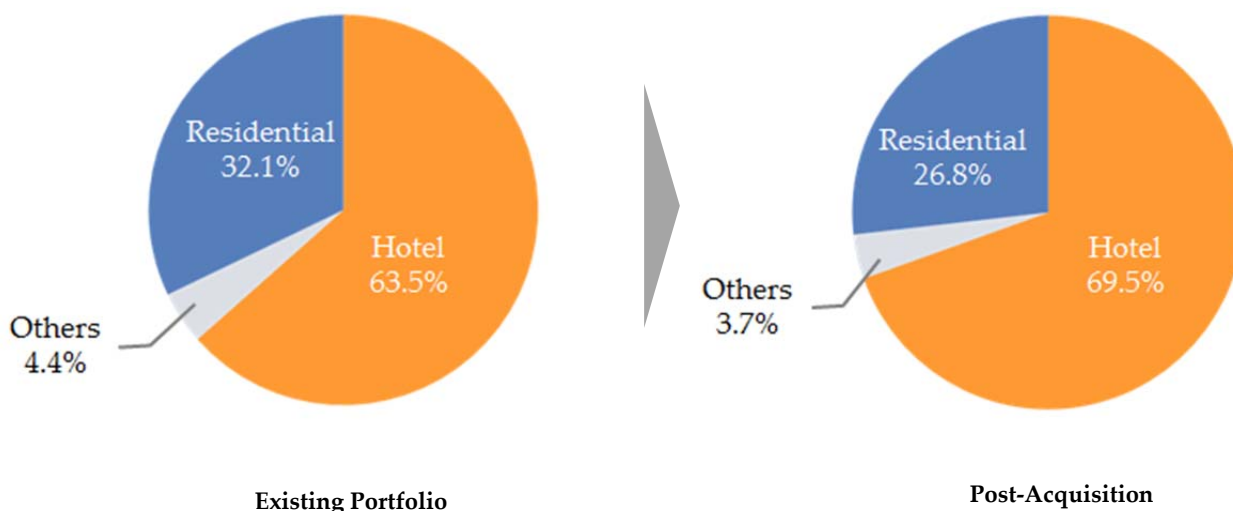
Rent Revenue Composition (Normalized) (Note 1)



- (Note 1) The percentages in the above pie chart of “Existing Portfolio” indicate the composition of annual rent revenue in 2017, which is a sum of actual results for the period from January to July and forecasts for the period from August to December, concerning the current properties of INV. In addition, the figures for the properties acquired in March 2017 and May 2017 are calculated on the assumption INV had acquired these properties on January 1, 2017, using the actual figures provided by the sellers of such properties for the period before the acquisition, the actual figures for the period from the acquisition to July 2017 or the forecasts for the period from August to December 2017. The percentages in the pie chart of “Post-Acquisition” are calculated by adding the expected annual operating revenue in 2017, generated by Assets to be Acquired (excluding the Preferred Equity Interest) calculated by CIM to the figures of the “Existing Portfolio”. Likewise, it is a sum of actual results for the period from January to July and forecasts for the period from August to December, except for the additional acquisition portion of Hotel MyStays Gotanda Station, for which the figures of actual results are unavailable and the annual forecasts for 2018 are used instead.
- (Note 2) The item of “Others” consists of office properties and retail properties; the same shall apply hereinafter.
- (Note 3) “Existing Portfolio” is properties and trust beneficial interest (in the property on trust) owned by INV as of today; the same shall apply hereinafter
- (Note 4) The ratio figures are rounded to one decimal place.

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Portfolio Composition by Asset Type(Note)



(Note) Based on (anticipated) acquisition price. The Preferred Equity Interest is categorized in the hotel portfolio in terms of use of its underlying asset; unless otherwise noted, the same shall apply hereinafter.

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The summary of the portfolio inclusive of the Preferred Equity Interest after the acquisition of Assets to be Acquired is as follows;

	Existing Portfolio	Assets to be Acquired (Note 1)	After Acquisition (Note 1)
Properties (Hotel Properties) (Note 2)	125 (49)	6 (6)	130 (54)
Total (Anticipated) Acquisition Price (mn JPY) (Note 3)	297,781	59,324	357,106

(Note 1) The figures described in the columns of "Assets to be acquired" and "After Acquisition" are inclusive of Preferred Equity Interest.

(Note 2) In the column of Assets to be Acquired, the additional acquisition of Hotel MyStays Gotanda Station (the Floor Expansion Portion) is counted as one property. In contrast, it is omitted in the column of After Acquisition, because it will be managed with the Owned Portion as a part of the existing property after the acquisition. This explains why the number of properties of "After acquisition" does not agree with the sum of the number of "Existing Portfolio" and "Assets to be Acquired"; the same shall apply hereinafter.

(Note 3) The figures described in the row of "Total (Anticipated) Acquisition Price" are rounded to the nearest unit.

The summary of the portfolio exclusive of the Preferred Equity Interest after the acquisition of Assets to be Acquired is as follows;

	Existing Portfolio	Assets to be Acquired (Note 1)	After Acquisition (Note 1)
Properties (Hotel Properties)	125 (49)	5 (5)	129 (53)
Total (Anticipated) Acquisition Price (mn JPY) (Note 2)	297,781	41,479	339,260
Total Appraisal Value (mn JPY) (Note 2) (Note 3)	362,329	42,600	404,929
Appraisal NOI Yield (Note 4)	6.6%	5.7%	6.5%

(Note 1) The figures for the items relating to "Assets to be acquired" and "Post-Acquisition" do not include the value of Preferred Equity Interest.

(Note 2) The figures for "Total (Anticipated) Acquisition Price" and "Total Appraisal Value" are rounded down to the nearest units.

(Note 3) "Total Appraisal Value" is based on the appraisal value stated in the appraisal report (including the research value stated in the research report) on the valuation date of June 30, 2017 for the Existing Portfolio (125 properties), and on the valuation date of July 1, 2017 for the Four Hotel Properties.

As the Floor Expansion Portion of Hotel MyStays Gotanda Station is under construction, the appraisal value for such Floor Expansion Portion 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 represents the difference between (i) the research value of the current portion owned by INV and the Floor Expansion Portion combined, valued at 27,400 million yen assuming the completion of the conversion, and (ii) the research value for the current portion owned by INV before the additional acquisition valued at 24,800 million yen. For further information, please kindly refer to the announcement "Notice concerning Acquisition and Sale of Assets" on July 25, 2017.

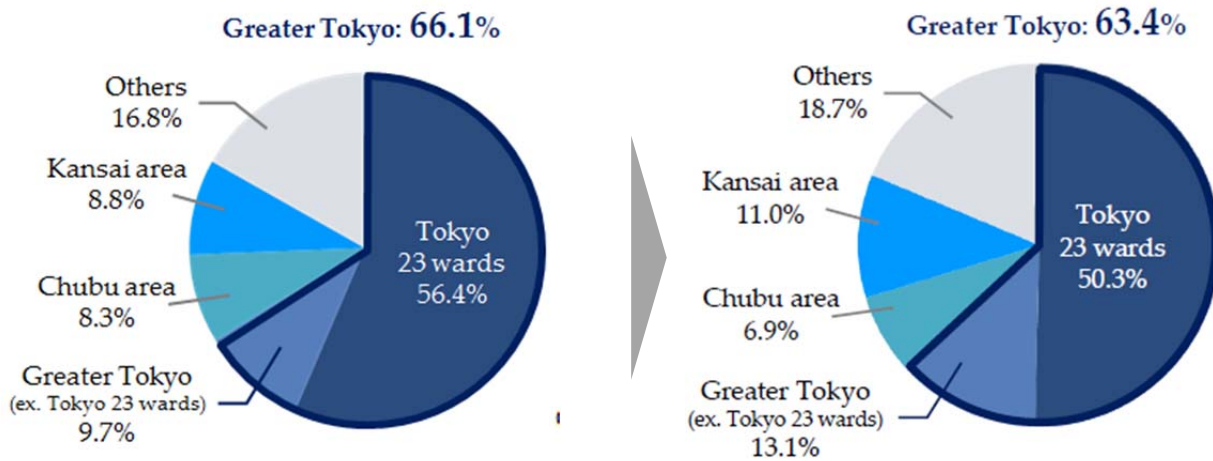
(Note 4) "Appraisal NOI Yield" is calculated by dividing the total NOI derived from the direct capitalization method stated in the appraisal reports of (Note 3) above by the total of (Anticipated) Acquisition Price, and rounded to one decimal place. The NOI yield of Hotel MyStays Gotanda Station represents the difference between (i) the NOI of Existing owning Portion and Floor Expansion Portion combined, assuming the completion of the Conversion, and (ii) the NOI for the Existing owning Portion before the Additional Acquisition in the appraisal reports of (Note 3) above. As described above, the anticipated acquisition price of Floor Expansion Portion of the Hotel MyStays Gotanda Station may change and if so,

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Appraisal NOI Yield may change. For further information, please kindly refer to the announcement “Notice concerning Acquisition and Sale of Assets” on July 25, 2017.

Portfolio Composition by Geography (Note 1) (Note 2)



(Note 1) Calculated based on the (anticipated) acquisition price.

(Note 2) The definition of areas used in the circle charts is as follows;

Greater Tokyo (excluding Tokyo 23 wards): Tokyo Metropolis (excluding Tokyo 23 wards), the three surrounding prefectures of Kanagawa, Chiba, and Saitama

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

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

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3. Execution of Lease Agreement

In regards to the Four Hotel Properties, INV will enter into a lease agreement with MHM based on the combination of fixed rents and variable rents linked to Gross Operating Profit (GOP) (Note 1). Of 54 hotels in INV's portfolio after the acquisition of the Assets to be Acquired, 43 hotels use a variable rent scheme described above (Note 2). MHM which is a hotel operator with a wealth of experience and its subsidiaries implement comprehensive revenue management for 41 of INV's hotels and seek to maximize revenue by increasing accommodation demand, continue to improve its website to promote direct bookings, offers language support in five languages as well as enhanced marketing campaigns with domestic and overseas entities. These initiatives, uniquely position MyStays Hotels and therefore INV, in a position to directly benefit from an increase in revenue from hotels through the variable rent scheme. In addition, INV will be able to reduce the negative impact of a downward trend in GOP owing to the embedded fixed-fee mechanism working as a buffer.

INV is of the opinion that the tenants for the Four Hotel Properties match the standard for selection of tenants described in Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties (Japanese only) filed on [March 27], 2017.

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

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

<Overview of Tenant and Operator>

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

The tenant and operator for Hotel MyStays Shin Osaka Conference Center, Hotel MyStays Premier Omori and Hotel MyStays Sapporo Station, and the operator for Beppu Kamenoi Hotel

(i)	Name	MyStays Hotel Management Co., Ltd.
(ii)	Location	Roppongi Hills North Tower 14th Floor, 6-2-31 Roppongi, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative officer	Atsuki Asano, President and CEO
(iv)	Business	Hotel and Ryokan (Japanese inn) operation and management
(v)	Capital	JPY 100 million (as of December 31, 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.

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Personal 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 (Note).
Whether the Operator is a related party	MHM is not a related party of INV/CIM. Further, related persons and affiliates of MHM are not related parties of INV/CIM. Furthermore, MHM is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations (the "Investment Trust Act").

(Note) Agreements with MHM subsidiaries and management contract among MHM and tenant are included.

4. Details of the Four Hotel Properties

(1) Details of the Four Hotel Properties

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

<Explanation of details of the Four Hotel Properties>

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 assets.
- "Date of Planned Acquisition" shows the date when an acquisition is executed, which is specified in the purchase agreement or the trust beneficiary right sales agreement.
- "Planned Purchase Price" shows a purchase price of the Four Hotel Properties which is specified in the purchase agreement or the trust beneficiary right sales agreement; Consumption tax is not included, and rounded down to the nearest million yen.
- "Appraisal Value" shows reported price by appraisal agency for anticipated acquisitions.
- The details in "Location (excluding address)", "Lot Area" of the "Land" and, "Total Floor Area", "Structure/No. of Stories", "Purpose of Use", and "Completion Date" of the "Building" are, unless otherwise specified, as shown in the property register. The "Total Floor Area" is the gross floor area (if no annotation in the context, an annex building would not be included), and with respect to "Purpose of Use," the primary ones of the purposes shown in the property register is listed. Further, the "Completion Date" lists the time at which the building was newly constructed, as shown in the property register.
- "Transport" 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

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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, as amended) 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.
 - In “Floor Area Ratio”, the ratio of a building’s floor area with regard to the land area as set forth under Article 52 of the Building Standards Act is listed.
 - In “Trustee”, the planned trustee at the time of INV’s acquisition of the assets for anticipated acquisitions is listed.
 - In “Trust Period”, the planned trust period at the time of INV’s acquisition of the assets for anticipated acquisitions is listed.
- b. “Lease Overview” column:
- Based on lease agreements with tenants effective as of July 31, 2017.
 - “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”, indicates the number of guest rooms their tenant(s) can sublease. “(S/T/D/O)” indicates the breakdown of the number of guest rooms categorized as (Single/Twin/Double/Other).
 - In “Leasable Area”, the total leasable floor are for guest room, residential, office, retail and others for the area of the Four Hotel Properties to be owned by INV is listed.
 - In “Leased Area”, the total sum of the leased area with respect to which a lease agreement with end-tenant have actually been entered into and which are leased to the end-tenant or will be leased to the end-tenant after acquisitions (the area specified in the lease agreement) is listed.
 - In “Occupancy Rate”, the ratio of the leased area to the leasable area is shown, rounded to the nearest first decimal place.
 - In “Security Deposit/Guarantee”, the security deposit and guarantee after amortization as specified in the lease agreements executed or to be executed after the acquisition is stated.
 - “Rental Revenue (monthly amount)”, the gross operating profit, or “GOP”, which is the amount remaining after deducting the personnel, utility and advertising expenses as well as the management service fees for the hotel operations from the hotel’s revenues of the tenant, and is the rental revenues received as rent, is listed.
- c. “Overview of Lease Agreement” column:
- Based on the lease agreements with tenants effective as of July 31, 2017.
 - “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

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the relevant hotel. “Fixed rent plus variable rent” is defined as an agreement under which INV or the trustee shall receive rent that varies based on the GOP (Gross Operating Profit), in addition to a fixed rent.

- In “Determination of rent of lease agreement,” monthly rent amount is rounded down to nearest ten thousand yen, and annual rent is rounded down to the nearest million yen.
 - The “Management Services Fee” is a commission fee payable to the tenant from landlord in accordance with the provisions of the lease agreement as a compensation for operational service provided by a tenant under the agreement. The management services fee is not disclosed, as tentative consent has not been obtained for disclosure. However, for MHM, an amount of the management services fee to be received is, in principle the sum of (i) an amount equal to 2% of monthly sales, (ii) an amount equal to 0-6% of monthly sales from direct bookings made through the MHM’s marketing department or website, and (iii) an amount equal to 4-6% of the monthly GOP (pre-fees) after deducting the amounts of (i) and (ii) above.
 - In “Security Deposit/Guarantee Money,” the amount of the security deposit/guarantee money after amortization pursuant to the lease agreement is listed.
- d. “Overview of Building Conditions Survey Report” column:

For the Four Hotel Properties, INV has received a report from Tokio Marine & Nichido Risk Consulting Co., Ltd. on building deterioration survey, short- and long-term repair plan decision, a condition survey in compliance with the Building Standards Act, a survey of dangerous substances contained in a building, and soil survey, amongst others, and has provided an overview of the report in this column.

- “Replacement Price” means the total amount of the appropriate costs needed in the event that the appraised building is to be rebuilt at the time of the survey.
 - “Short-term Repair Costs” indicates the repair and/or replacement costs for items which, at the time of the survey, are below minimum maintenance level due to deterioration or items which are in violation of law or regulations, etc. and which can be judged as best to be repaired or replaced within one year.
 - “Long-term Repair Costs” consist of capital expenditures and repair costs. Capital expenditures means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, the costs to extend the use period of the building’s equipment or to replace it entirely. Repair costs means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, costs other than capital expenditures.
- e. About the section of “Summary of the Report on Earthquake Risk”

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

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

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

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

g. Descriptions in the “Special Notes”:

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

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

- Based on the information provided from the sellers for each operating period from January 1, 2015 to December 31, 2016. This is not a guarantee of future income and expenditures.
- Amounts are rounded down to the nearest 1,000 yen. Therefore, the figures may not necessarily match the total value when added together. Unless otherwise specifically noted, the amounts do not include consumption tax, etc.
- “Taxes and Public Dues,” include property tax and city planning tax, which are generally imposed on the owner on January 1 of each year. For property tax and city planning tax that were borne by the current owner or previous owner at the time of INV’s acquisition of the Four Hotel Properties, the estimated amount is included in the acquisition price, and is therefore not included in “Taxes and Public Dues.”
- “Non-life Insurance Premiums” is the total amount of paid insurance premiums distributed proportionally over the relevant period.
- “NOI” (Net Operating Income) lists in principle the actual figures as provided by the seller. With respect to the trust fees, administration fees, depreciation and insurance premiums, the figure following the adjustments assuming the asset is held by INV is listed.
- “Room Income” includes room use fees and lease fees.
- “Other Income” includes items such as parking lot use fees, laundry fees, vending machine transaction fees, etc. which do not fall under “Room Income”.
- “ADR,” or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.
- “RevPAR”, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate and ADR.
- “Room Occupancy Rate” is calculated using the following formula:
$$\text{room occupancy rate} = \frac{\text{the aggregate number of days per room for which each room was occupied}}{\text{the number of available rooms (aggregate number of rooms during the relevant period} \times \text{number of business days during target period) during the relevant period}}$$
- “GOP Ratio” is calculated using the following formula:
$$\text{GOP ratio} = \text{GOP} \div \text{sales figure}$$
- “Daily / Weekly / Monthly” is the ratio for each classification of length of stay (i.e., daily/weekly/monthly), and is calculated by dividing total room sales for the relevant

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classification during each operational period by the aggregate room sales for the same operational period and then multiplying the figure by 100. Daily, weekly and monthly are classified by the number of days of stays, with daily being 1-6 nights, weekly being 7-29 nights, and monthly being 30 or more nights.

- “Overseas Sales Amount” is the sales amount via overseas web agents, who operate a business managing application from abroad.
- i. “Summary of Real Estate Appraisal Report” column:

INV has requested real estate appraisal from appraisal agency for the Four Hotel Properties based on the matters for consideration in a real estate appraisal under the Investment Trust Act, the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended; the “Act on Real Estate Appraisal”) and the real estate appraisal standards.

An appraisal value of a property is merely an opinion of the real estate appraiser regarding the value of the appraised property at the time the appraisal was conducted in accordance with the Act on Real Estate Appraisal and real estate appraisal standards, etc.

A real estate appraisal is neither a guarantee nor a promise that an asset can be sold or purchased at such appraisal value either now or in the future.

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	October 13, 2017			
Planned Purchase Price	JPY 13,068 million			
Appraisal Value	JPY 13,200 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	6-2-4, Nishinakashima, Yodogawa-ku, Osaka City, Osaka and two other lots		
	(Address)	6-2-19, Nishinakashima, Yodogawa-ku, Osaka City, Osaka		
Transport	7 min walk from Shin Osaka station on JR Tokaido / Sanyo Shinkansen Line and Tokaido Line, 4 min walk from Shin Osaka station on Osaka's municipal subway Midosuji Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m ²)	2,935.97 m ²	Building Coverage Ratio/Floor Area Ratio	80% / 800%
Building	Form of Possession	Ownership	Purpose of Use	Hotel / Conference room
	Total Floor Area (m ²)	13,026.99 m ²	Construction Date	June 27, 1974
	Structure/No. of Stories	Steel concrete structure with flat floor, basement 1 story, 14 stories		
	Renovation Date	November 2015 – March 2016		
Trustee	Mitsubishi UFJ Trust & Banking Corporation			
Trust Period	From: December 1, 2014; Until: October 12, 2027			
Creation of Security Interest	None			
Lease Overview (July 31, 2017)				
Total No. of Tenant (s)	1	Number of Guest Rooms	397 rooms (S40 · T71 · D286)	
Leasable Area (m ²)	13,026.99 m ²			
Lease Area (m ²)	13,026.99 m ²	Security Deposit/Guarantee Money	JPY 1,550 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 65,822 thousand	
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: October 13, 2017 Until: October 12, 2027			
Determination of rent of lease contract	Fixed rent (JPY 399 million per annum (January – March: JPY 28.3 million per month / April – June: JPY 36.1 million per month / July – September: JPY 32.8 million per month / October – December: JPY 35.8 million per month) plus variable rent based on GOP of hotel operation. (Note)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 1,550 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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Rent Revision	Rent cannot be revised during the lease term.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	None		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	August 2017
Short term Repair Costs (within 1 year)	JPY 150 thousand	Replacement Price	JPY 5,001,200 thousand
Long term Repair Costs (in 12 years)	JPY 769,239 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	July 2017
Probable Maximum Loss (PML)	7.2%		
Area Characteristic			
<p>The Property is a limited-service hotel with a conference hall, within 7-minute walk from Shin Osaka Station on JR Tokaido / Sanyo Shinkansen (bullet train) Line and Tokaido Line, 4-minute walk from Shin Osaka Station or Nishinakajima-Minamigata Station on the Midosuji Subway Line, providing guests with easy access to whole area of Osaka. Notably, the Shin Osaka station is terminal of Tokaido Shinkansen and departure of Sanyo Shinkansen, which can be said as gateway to the Kansai region. It is the best location for both business and leisure which offers a good access to Kyoto Station (reachable in 15 minutes by Tokaido Shinkansen) and Tokyo Station (reachable in 2.5 hours by Tokaido Shinkansen). The hotel with a conference hall can be expected to capture the demand of business use such as conference, training seminar, training session and general meeting. In addition, based on a good access to the major sightseeing spot such as Osaka Aquarium, historic Osaka Castle and Universal Studios Japan as well as one day trip to Kyoto, it can be expected to accommodate increasing demand of domestic and inbound tourism. The recently full renovated hotel offers sleek and modern aesthetics in flexible room configurations well-suited for various customer base.</p>			
Special Notes			
None			

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

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Income and Expenditures, Etc.			January 1, 2015 – December 31, 2015 (Note 1)	January 1, 2016 – December 31, 2016 (Note 1)
Operating Period				
GOP (= (1) - (2))			JPY 496,646 thousand	JPY 661,537 thousand
a. Land Lease Fees			-	-
b. Taxes and Public Dues			JPY 25,618 thousand	JPY 25,618 thousand
c. Non life Insurance Premiums			JPY 827 thousand	JPY 827 thousand
d. Trust Fees			JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 469,401 thousand	JPY 634,292 thousand
(Reference)	(1) Sales		JPY 1,267,823 thousand	JPY 1,364,026 thousand
		Room Income	JPY 833,533 thousand	JPY 1,043,598 thousand
		Other Income	JPY 434,290 thousand	JPY 320,428 thousand
	(2) Operating Costs (not including a. through e. above)		JPY 771,177 thousand	JPY 702,489 thousand
	ADR		JPY 7,073	JPY 8,658
	RevPAR		JPY 5,752	JPY 7,182
	Room Occupancy Rates		81.3%	83.0%
	GOP Ratio		39.2%	48.5%
	Daily/ Weekly/ Monthly (Note2)		--/ --/ --	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share (Note2)		--	41.8%

(Note 1) There is an impact from the full renovation conducted from November 1, 2015 to March 18, 2016.

(Note 2) The figure for 2015 is omitted due to a lack of breakdown data before February 2016 for daily, weekly, monthly types and for the ratio of overseas operations is not available. The figure for 2016 is based on the data of the period from March 1, 2016 up to December 31, 2016.

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Summary of Real Estate Appraisal Report	
Appraising Organization	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Market Value)	JPY 13,200 million
Time of Valuation	July 1, 2017

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 727,776 thousand	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Common Area Maintenance Fee Income	—	
(c) Utility Income	—	
(d) Parking Lot Income	—	
(e) Other Income	—	
(l) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	JPY 727,776 thousand	
(f) Vacant Room Losses	—	
(g) Irrecoverable Debt Losses	—	
(ll) Operating Revenue = [(l) - (f) - (g)]	JPY 727,776 thousand	
(h) Maintenance and Management Costs	—	Not expected since it is included in hotel operation cost
(i) Utility Costs	—	Not expected since it is included in hotel operation cost
(j) Repair Costs	JPY 15,000 thousand	Based on comparable assets and average annual estimate in the engineering report (0.3% of the Replacement Cost)
(k) Property Management Fee	—	
(l) Tenant Solicitation Expenses	—	
(m) Taxes and Public Dues	JPY 25,618 thousand	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(n) Non-life Insurance Premiums	JPY 827 thousand	Based on estimates
(o) Other Costs	JPY 727 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	JPY 42,173 thousand	
(IV) Net Operating Income = [(ll) - (III)]	JPY 685,603 thousand	
(p) One Time Investment Gains	JPY 15 thousand	
(q) Capital Improvements and Expenses	JPY 35,000 thousand	Based on comparable assets and average annual estimate in the engineering report (0.7% of the Replacement Cost)
(r) FF&E Reserve	JPY 24,118 thousand	Based on comparable assets as well as repair and maintenance plan

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(V) Net Income = [(IV) + (p) - (q) - (r)]	JPY 626,500 thousand	
(VI) Capitalization Yield	4.7 %	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	JPY 13,300,000 thousand	
(Reference) NOI Yield [(IV) ÷ (VII)]	5.2%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 4,980,000 thousand	
(a) Sale Price	JPY 13,300,000 thousand	
(b) Sale Costs	JPY 266,000 thousand	Assume 2.0% of sale price
(c) Returning Price [(a) - (b)]	JPY 13,034,000 thousand	
(II) Returning Price, Current Value	JPY 8,160,000 thousand	
(III) Discount Rate	4.8%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.9%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
(V) Income Price using DCF Method = [(I) + (II)]	JPY 13,100,000 thousand	
(3) Income Price using Income Capitalization Method	JPY 13,200,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 10,300,000 thousand	
(ii) Building Price	JPY 1,400,000 thousand	
(iii) Furnishings/Appliances/Equipment/ Upholstery Price	JPY 300,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 12,000,000 thousand	

Other Points to be Noted for Appraisal by Appraising Organization
Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.

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D51: Hotel MyStays Premier Omori

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	October 13, 2017			
Planned Purchase Price	JPY 9,781 million			
Appraisal Value	JPY 9,880 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	6-11-2, Minami Oi, Shinagawa-ku, Tokyo and 13 other lots		
	(Address)	6-19-3, Minami Oi, Shinagawa-ku, Tokyo		
Transport	7 min walk from Omori station on JR Keihin Tohoku line, 8 min walk from Omori Kaigan station on Keihin Express line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m ²)	1,775.19 m ²	Building Coverage Ratio/Floor Area Ratio	80% / 500%
Building	Form of Possession	Ownership	Purpose of Use	Hotel / Residence / Parking Facility
	Total Floor Area (m ²)	11,849.61 m ²	Construction Date	February 27, 1995
	Structure/No. of Stories	Steel reinforced concrete / Steel structure with flat floor, basement 2 stories / 18 stories		
	Renovation Date	August 2016 - November 2016		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: March 1, 2016; Until: October 12, 2027			
Creation of Security Interest	None			
Lease Overview (July 31, 2017)				
Total No. of Tenant (s)	1	Number of Guest Rooms	232 rooms (Note 1) (T80 · D146 · O6)	
Leasable Area (m ²)	11,849.61 m ²			
Lease Area (m ²)	11,849.61 m ²	Security Deposit/Guarantee Money	JPY 2,903 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 43,410 thousand (Note2)	
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: October 13, 2017 Until: October 12, 2027			
Determination of rent of lease contract	Fixed rent (JPY 280.8 million per annum (January – March: JPY 20.4 million per month / April – June: JPY 25.6 million per month / July – September: JPY 23.3 million per month / October – December: JPY 24.3 million per month) plus variable rent based on GOP of hotel operation. (Note3)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 2,903 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			
Rent Revision	Rent cannot be revised during the lease term.			

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Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	None		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	August 2017
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 3,929,500 thousand
Long term Repair Costs (in 12 years)	JPY 426,511 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	July 2017
Probable Maximum Loss (PML)	2.9%		
Area Characteristic			
<p>The Property is a limited-service hotel with a 7-minute walk from Omori Station on the JR Keihin Tohoku Line or 8-minute walk from Omori Kaigan Station on the Keihinkyuko Line. Omori Station is a railway network hub with good access to major terminals such as Shinagawa Station (reachable in 6 minutes using the JR Line), Haneda Airport International Terminal (reachable in 25 minutes using a shuttle service) and Yokohama Station (reachable in 25 minutes). All of the hotel rooms have been renovated in November 2016 and are comfortable stay space with 22.5 square meters or larger in size, offering strong product differentiation in Tokyo and the Property is expected to attract a great number of inbound tourists and business and leisure travelers, leading to a robust growth of revenue. The 24 rooms located on from the 15th to 18th floors are designed as serviced apartments suitable for the requirements of long-term business travelers. Restaurant provides morning and lunch.</p>			
Special Notes			
None			

(Note 1) The figure is for the number of hotel rooms only. Besides, the Property has 24 rooms of serviced apartments.

(Note 2) The rent revenue includes the revenue from the serviced apartment business.

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

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D51: Hotel MyStays Premier Omori

Income and Expenditures, Etc.			
Operating Period	January 1, 2015 – December 31, 2015	January 1, 2016 – December 31, 2016 (Note 1)	
GOP (= (1) - (2))	JPY 406,382 thousand	JPY 351,114 thousand	
a. Land Lease Fees	-	-	
b. Taxes and Public Dues	JPY 30,698 thousand	JPY 30,698 thousand	
c. Non life Insurance Premiums	JPY 640 thousand	JPY 640 thousand	
d. Trust Fees	JPY 800 thousand	JPY 800 thousand	
NOI (= GOP - [a. + b. + c. + d.])	JPY 374,243 thousand	JPY 318,975 thousand	
(Reference)	(1) Sales	JPY 1,292,698 thousand	JPY 1,024,487 thousand
	Room Income	JPY 861,595 thousand	JPY 754,849 thousand
	Other Income	JPY 431,102 thousand	JPY 269,638 thousand
	(2) Operating Costs (not including a. through e. above)	JPY 886,315 thousand	JPY 673,372 thousand
	ADR (Note2)	JPY 11,529	JPY 12,563
	RevPAR (Note2)	JPY 10,730	JPY 9,332
	Room Occupancy Rates (Note2)	93.1%	74.3%
	GOP Ratio	31.4%	34.3%
	Daily/ Weekly/ Monthly (Note3)	- / - / -	100.0% / 0.0% / 0.0%
	Overseas Sales Share	-	26.1%

(Note 1) There is an impact of the full renovation conducted from August to November in 2016.

(Note 2) Calculated only in terms of hotel business, exclusive of the serviced apartment segment

(Note 3) The figure for 2015 is omitted due to a lack of breakdown data for daily, weekly, monthly types in the period up to July 2016. The figure for 2016 is based on the data in the period between August 1, 2016 and December 31, 2016.

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Summary of Real Estate Appraisal Report	
Appraising Organization	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Market Value)	JPY 9,880 million
Time of Valuation	July 1, 2017

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 524,226 thousand	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Common Area Maintenance Fee Income	—	
(c) Utility Income	—	
(d) Parking Lot Income	—	
(e) Other Income	JPY 151 thousand	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	JPY 524,378 thousand	
(f) Vacant Room Losses	—	
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	JPY 524,378 thousand	
(h) Maintenance and Management Costs	—	Not expected since it is included in hotel operation cost
(i) Utility Costs	—	Not expected since it is included in hotel operation cost
(j) Repair Costs	JPY 9,825 thousand	Based on comparable assets and average annual estimate in the engineering report (0.25% of the Replacement Cost)
(k) Property Management Fee	—	
(l) Tenant Solicitation Expenses	—	
(m) Taxes and Public Dues	JPY 30,698 thousand	Based on estimate
(n) Non-life Insurance Premiums	JPY 640 thousand	Based on insurance premiums of insurance policy as well as comparable assets
(o) Other Costs	JPY 94 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	JPY 41,259 thousand	
(IV) Net Operating Income = [(II) - (III)]	JPY 483,118 thousand	
(p) One Time Investment Gains	JPY 42 thousand	
(q) Capital Improvements and Expenses	JPY 25,545 thousand	Based on comparable assets and average annual estimate in the engineering report (0.65% of the Replacement Cost)
(r) FF&E Reserve	JPY 16,453 thousand	Based on comparable assets as well as repair and maintenance plan
(V) Net Income = [(IV) + (p) - (q) - (r)]	JPY 441,162 thousand	

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(VI) Capitalization Yield	4.4%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(VII) Income Price using Direct Capitalization Method = $[(V) \div (VI)]$	JPY 10,000,000 thousand	
(Reference) NOI Yield $[(IV) \div (VII)]$	4.8%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 3,520,000 thousand	
(a) Sale Price	JPY 10,000,000 thousand	
(b) Sale Costs	JPY 200,000 thousand	Assume 2.0% of sale price
(c) Returning Price $[(a) - (b)]$	JPY 9,800,000 thousand	
(II) Returning Price, Current Value	JPY 6,310,000 thousand	
(III) Discount Rate	4.5%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.6%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
(V) Income Price using DCF Method = $[(I) + (II)]$	JPY 9,830,000 thousand	
(3) Income Price using Income Capitalization Method	JPY 9,880,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 7,750,000 thousand	
(ii) Building Price	JPY 1,720,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 80,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = $[(i) + (ii) + (iii)]$	JPY 9,550,000 thousand	

Other Points to be Noted for Appraisal by Appraising Organization
Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.

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Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	October 13, 2017			
Planned Purchase Price	JPY 8,870 million			
Appraisal Value	JPY 8,960 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	2160-1, Chuo Cho, Beppu City, Oita and 12 other lots		
	(Address)	5-17, Chuo Cho, Beppu City, Oita		
Transport	4 min walk from Beppu station on JR Nippo line, 12 min by car from Beppu IC on Oita Express way			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m ²)	5,709.02 m ²	Building Coverage Ratio/Floor Area Ratio	80% / 500% or 400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m ²)	19,422.08 m ² (Note 1)	Construction Date	May 30, 1997
	Structure/No. of Stories	Steel structure with flat floor, 17 stories		
	Renovation Date	May 2015 - July 2015		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: February 6, 2007; Until: October 12, 2027			
Creation of Security Interest	None			
Lease Overview (July 31, 2017)				
Total No. of Tenant (s)	1		Number of Guest Rooms	322 rooms (S28 · T153 · O141)
Leasable Area (m ²)	19,422.08 m ²			
Lease Area (m ²)	19,422.08 m ²		Security Deposit/Guarantee Money	-
Occupancy Rate	100.0%		GOP (per month)	JPY 56,407 thousand
Overview of Lease Agreement				
Tenant	Beppu Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: October 13, 2017 Until: October 12, 2027			
Determination of rent of lease contract	Fixed rent (JPY 391.2 million per annum (January – March: JPY 32.1 million per month / April – June: JPY 27.6 million per month / July – September: JPY 35.5 million per month / October – December: JPY 35.2 million per month) plus variable rent based on GOP of hotel operation. (Note 2)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	-			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			
Rent Revision	Rent cannot be revised during the lease term.			

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Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	None		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	August 2017
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 7,324,200 thousand
Long term Repair Costs (in 12 years)	JPY 1,250,779 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	August 2017
Probable Maximum Loss (PML)	11.0%		
Area Characteristic			
<p>The Property is a resort hotel located in Beppu, one of Japan's most famous hot spring resort areas providing various types of hot springs to visitors, located within a 4-minute walk from JR Beppu Station and twelve minutes by car from Beppu IC of Oita Expressway as well as fifty-one minutes by airport limousine from Oita Airport, providing guests with easy access to Oita city and other area. The hotel has a various room types ranging from single bed rooms to rooms for six people, which is suitable for family. The hotel can meet various kind of demands such as those of individuals, couples, families and groups. There are three restaurants in the hotel and one of them features unique Beppu specialties. In addition, the hotel has a good access to Takasakiyama Natural Zoo which is one of the most popular sightseeing spot in Beppu area. As inbound tourism in the Kyushu area is growing, the hotel is expected to accommodate the increasing demand of domestic and inbound tourism.</p>			
Special Notes			
None			

(Note 1) The Property has parking facilities of 4,519.91 square meters besides the main hotel building.

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

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Invincible Investment Corporation

D52: Beppu Kamenoi Hotel

Income and Expenditures, Etc.			January 1, 2015 – December 31, 2015 (Note 1)	January 1, 2016 – December 31, 2016
Operating Period				
GOP (= (1) - (2))			JPY 426,146 thousand	JPY 547,795 thousand
a. Land Lease Fees			-	-
b. Taxes and Public Dues			JPY 27,272 thousand	JPY 27,272 thousand
c. Non life Insurance Premiums			JPY 1,341 thousand	JPY 1,341 thousand
d. Trust Fees			JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 396,732 thousand	JPY 518,380 thousand
(Reference)	(1) Sales		JPY 1,319,797 thousand	JPY 1,378,054 thousand
		Room Income	JPY 714,686 thousand	JPY 824,511 thousand
		Other Income	JPY 605,111 thousand	JPY 553,543 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 893,650 thousand	JPY 830,259 thousand
	ADR		JPY 8,522	JPY 9,048
	RevPAR		JPY 6,019	JPY 6,996
	Room Occupancy Rates		70.6%	77.3%
	GOP Ratio		32.3%	39.8%
	Daily/ Weekly/ Monthly (Note2)		- / - / -	100.0% / 0.0% / 0.0%
	Overseas Sales Share (Note2)		-	9.9%

(Note 1) There is an impact of the renovation project conducted from May 7 to July 31 in 2015.

(Note 2) The figure for 2015 is omitted due to a lack of breakdown data for daily, weekly, monthly types and for the ratio of overseas operations in the period up to December 2015. The figure for 2016 is based on the data in the period between January 1 and December 31, 2016.

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Summary of Real Estate Appraisal Report	
Appraising Organization	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Market Value)	JPY 8,960 million
Time of Valuation	July 1, 2017

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 700,861 thousand	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Common Area Maintenance Fee Income	—	
(c) Utility Income	—	
(d) Parking Lot Income	—	
(e) Other Income	—	
(l) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	JPY 700,861 thousand	
(f) Vacant Room Losses	—	
(g) Irrecoverable Debt Losses	—	
(ll) Operating Revenue = [(l) - (f) - (g)]	JPY 700,861 thousand	
(h) Maintenance and Management Costs	—	Not expected since it is included in hotel operation cost
(i) Utility Costs	—	Not expected since it is included in hotel operation cost
(j) Repair Costs	JPY 29,240 thousand	Based on comparable assets and average annual estimate in the engineering report (0.4% of the Replacement Cost)
(k) Property Management Fee	—	
(l) Tenant Solicitation Expenses	—	
(m) Taxes and Public Dues	JPY 27,272 thousand	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(n) Non-life Insurance Premiums	JPY 1,341 thousand	Based on estimate
(o) Other Costs	JPY 700 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	JPY 58,554 thousand	
(IV) Net Operating Income = [(ll) - (III)]	JPY 642,306 thousand	
(p) One Time Investment Gains	—	
(q) Capital Improvements and Expenses	JPY 62,135 thousand	Based on comparable assets and average annual estimate in the engineering report (0.85% of the Replacement Cost)
(r) FF&E Reserve	JPY 32,654 thousand	Based on comparable assets as well as repair and maintenance plan

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(V) Net Income = [(IV) + (p) - (q) - (r)]	JPY 547,516 thousand	
(VI) Capitalization Yield	6.1%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	JPY 8,970,000 thousand	
(Reference) NOI Yield [(IV) ÷ (VII)]	7.2%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 4,050,000 thousand	
(a) Sale Price	JPY 9,130,000 thousand	
(b) Sale Costs	JPY 183,000 thousand	Assume 2.0% of sale price
(c) Returning Price [(a) - (b)]	JPY 8,947,000 thousand	
(II) Returning Price, Current Value	JPY 4,900,000 thousand	
(III) Discount Rate	6.2%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	6.3%	Based on transaction yield of comparable assets, future trend of investment yield, investment risk of the property, general economic growth forecasts and trend or real estate prices and rents
(V) Income Price using DCF Method = [(I) + (II)]	JPY 8,950,000 thousand	
(3) Income Price using Income Capitalization Method	JPY 8,960,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 2,130,000 thousand	
(ii) Building Price	JPY 5,850,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 140,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 8,120,000 thousand	

Other Points to be Noted for Appraisal by Appraising Organization
Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.

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Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	October 13, 2017			
Planned Purchase Price	JPY 7,880 million			
Appraisal Value	JPY 7,960 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	4-15, Kita Hachijyo Nishi, Sapporo City, Hokkaido		
	(Address)	4-15, Kita Hachijyo Nishi, Sapporo City, Hokkaido		
Transport	4 min walk from Sapporo Station on JR Hakodate line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m ²)	1,043.24 m ²	Building Coverage Ratio/Floor Area Ratio	80% / 700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m ²)	7,267.88 m ²	Construction Date	October 23, 2007
	Structure/No. of Stories	Steel reinforced concrete structure with flat floor, 14 stories		
	Renovation Date	-		
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust Period	From: November 30, 2007; Until: October 12, 2027			
Creation of Security Interest	None			
Lease Overview (July 31, 2017)				
Total No. of Tenant (s)	1	Number of Guest Rooms	242 rooms (S58 · T118 · D64 · O2)	
Leasable Area (m ²)	7,267.88 m ²			
Lease Area (m ²)	7,267.88 m ²	Security Deposit/Guarantee Money	JPY 3,010 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 66,207 thousand	
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: October 13, 2017 Until: October 12, 2027			
Determination of rent of lease contract	Fixed rent (JPY 241.9 million per annum (January – February: JPY 18.0 million per month / March: JPY 9.0 million per month / April: JPY 6.0 million per month / May – October: JPY 27.0 million per month / November: JPY 9.0 million per month / December: JPY 19.9 million per month) plus variable rent based on GOP of hotel operation. (Note)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 3,010 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			
Rent Revision	Rent cannot be revised during the lease term.			

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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	August 2017
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 2,660,900 thousand
Long term Repair Costs (in 12 years)	JPY 371,229 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	August 2017
Probable Maximum Loss (PML)	2.5%		
Area Characteristic			
<p>The Property is a limited-service hotel, located within 4-minute walk from the north exit of Sapporo Station on the JR Hakodate line, and a 5-minute walk from Sapporo Station on the Subway (Nanboku line, To-ho line). JR Sapporo Station is the gateway to Hokkaido, from where it takes only 37 minutes to travel to New Chitose Airport and only 32 minutes to JR Otaru Station, easy access welcomed by both tourists and business travelers. The location of the Property is expected to help generate not only a constant flow of business travelers but also a growing demand of domestic and inbound tourists attracted to the famous sightseeing spots such as "Odori Park" which is within walking distance and famous for the Sapporo Snow Festival and within walking distance, "Sapporo Beer Garden", the "Susukino" entertainment district, "Sapporo Clock Tower", and "Moerenuma Park".</p>			
Special Notes			
None			

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

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Income and Expenditures, Etc.			January 1, 2015 – December 31, 2015	January 1, 2016 – December 31, 2016
Operating Period			(Note 1)	(Note 1)
GOP (= (1) - (2))			—	JPY 65,558 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			—	JPY 4,132 thousand
c. Non life Insurance Premiums			—	JPY 76 thousand
d. Trust Fees			—	JPY 133 thousand
NOI (= GOP - [a. + b. + c. + d.])			—	JPY 61,215 thousand
(Reference)	(1) Sales		JPY 880,606 thousand	JPY 935,706 thousand
		Room Income	JPY 744,161 thousand	JPY 815,171 thousand
		Other Income	JPY 136,444 thousand	JPY 120,535 thousand
	(2) Operating Costs (not including a. through e. above)		—	JPY 59,049 thousand
	ADR		JPY 8,928	JPY 9,736
	RevPAR		JPY 8,425	JPY 9,203
	Room Occupancy Rates		94.4%	94.5%
	GOP Ratio		—	64.3%
	Daily/ Weekly/ Monthly (Note 2)		— / — / —	100% / 0% / 0%
	Overseas Sales Share		—	52.0%

(Note 1) As the data for the items other than "Sales" "ADR" "RevPAR" and "Room Occupancy Rate" is not available for the period up to October 11, 2016, only the figures for these four indicators are described in the column of 2015 of the table. As for the data of 2016, "Sales" "ADR" "RevPAR" and "Room Occupancy Rate" is calculated using the data on a full-year basis, while the remaining indicators are based on the date available from October 12 onwards.

(Note 2) The figure for 2016 is based on the data available in the period between July 1 and December 31, 2016.

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Summary of Real Estate Appraisal Report	
Appraising Organization	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Market Value)	JPY 7,960 million
Time of Valuation	July 1, 2017

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 454,286 thousand	Room Rental Income and Common Area Maintenance Fee are estimated based on anticipated lease agreement, historical data, comparable assets and project medium- to long-term rents
(b) Common Area Maintenance Fee Income	—	
(c) Utility Income	—	
(d) Parking Lot Income	—	
(e) Other Income	—	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	JPY 454,286 thousand	
(f) Vacant Room Losses	—	
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	JPY 454,286 thousand	
(h) Maintenance and Management Costs	—	Not expected since it is included in hotel operation cost
(i) Utility Costs	—	Not expected since it is included in hotel operation cost
(j) Repair Costs	JPY 9,310 thousand	Based on comparable assets and average annual estimate in the engineering report (0.35% of the Replacement Cost)
(k) Property Management Fee	—	
(l) Tenant Solicitation Expenses	—	
(m) Taxes and Public Dues	JPY 24,795 thousand	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(n) Non-life Insurance Premiums	JPY 458 thousand	Based on estimate
(o) Other Costs	JPY 454 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	JPY 35,018 thousand	
(IV) Net Operating Income = [(II) - (III)]	JPY 419,267 thousand	
(p) One Time Investment Gains	JPY 30 thousand	
(q) Capital Improvements and Expenses	JPY 21,280 thousand	Based on comparable assets and average annual estimate in the engineering report (0.8% of the

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		Replacement Cost)
(r) FF&E Reserve	JPY 17,697 thousand	Based on comparable assets as well as repair and maintenance plan
(V) Net Income = [(IV) + (p) - (q) - (r)]	JPY 380,320 thousand	
(VI) Capitalization Yield	4.7%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply and demand taking into consideration of the future changes in revenues
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	JPY 8,090,000 thousand	
(Reference) NOI Yield [(IV) ÷ (VII)]	5.2%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 2,950,000 thousand	
(a) Sale Price	JPY 8,080,000 thousand	
(b) Sale Costs	JPY 162,000 thousand	Assume 2.0% of sale price
(c) Returning Price [(a) - (b)]	JPY 7,918,000 thousand	
(II) Returning Price, Current Value	JPY 4,950,000 thousand	
(III) Discount Rate	4.8%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.9%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
(V) Income Price using DCF Method = [(I) + (II)]	JPY 7,900,000 thousand	
(3) Income Price using Income Capitalization Method	JPY 7,960,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 3,040,000 thousand	
(ii) Building Price	JPY 2,440,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 80,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 5,560,000 thousand	

Other Points to be Noted for Appraisal by Appraising Organization
Judged that income approach value truly replicates the price formation process from an income perspective, is more persuasive and adopted the Income Price, with the cost approach value as a reference.

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

With respect to D50 “Hotel MyStays Shin Osaka Conference Center,” one of the Four Hotel Properties, it was designed under the old seismic code (Note 1). However, seismic reinforcement construction was completed on such property in August 2009 and the report on the results of seismic diagnosis was issued in November 2014 indicating that, there is a low risk of being destroyed or collapsed due to shaking and impact caused by earthquake. INV has obtained an opinion on such report from a third party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., indicating that, there is no suspicion of falsification of structural calculation sheets by willful intent of the person in charge of seismic diagnosis, and that the seismic diagnosis was made by the methods in accordance with the standards described in such report. With respect to D51 “Hotel MyStays Premier Omori” and D52 “Beppu Kamenoi Hotel,” of the Four Hotel Properties INV has confirmed based on the evaluation report issued by a third party expert, The Building Center of Japan, that structural design has satisfied requirements under the Building Standard Act. With respect to D53 “Hotel MyStays Sapporo Station”, of the Four Hotel Properties INV has obtained an opinion from a third party expert, Tokyo Bldg-Tech Center Co., Ltd., indicating that, there is no willful falsification of structural calculation sheets, etc., and that allowable stress design (first design) and possession horizontal proof stress calculation (second design) have satisfied the prescribed safety factor.

As a part of due diligence (Note 2) routine, INV conducts 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 certificate before May 31, 1981.

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

5. Overview of Sellers

Overview of Sellers of the Four Hotel properties are as follows;

D50 Hotel MyStays Shin Osaka Conference Center

(i)	Name	HL Investments Tokutei Mokuteki Kaisha (“HL Investments TMK”)
(ii)	Location	2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Akio Yamazaki, Director
(iv)	Business	1. Operations relating to the assignment of specified assets, Asset Liquidation Plan under the Act on Securitization of Assets, and the management and disposition thereof. 2. All other operations ancillary to the operations relating to liquidation of specified assets
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY2,350 million
(vi)	Date of establishment	July 18, 2014
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and HL Investments TMK, HL Investments TMK has indirectly received investments through funds operated by affiliates of FIG, an affiliate of Calliope. As of today, Calliope holds 609,942 investment units issued by INV (15.79% stake). Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and HL Investments TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is the 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	There are no transactional relationships that should be noted between INV/CIM and HL Investments TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and HL Investments TMK or its related persons or affiliates.
	Whether the TMK is a related party	HL TMK is not a related party of INV or CIM. Further, related persons and affiliates of HL Investments TMK are not related parties of INV or CIM. Furthermore, HL Investments TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

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D51 Hotel MyStays Premier Omori

(i)	Name	Septentrio 3 Tokutei Mokuteki Kaisha("Septentrio 3 TMK")
(ii)	Location	1-2-9, Nishi-Shinbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Masayuki Meguro, Director
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY1,300 million
(vi)	Date of establishment	February 5, 2016
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Septentrio 3 TMK, Septentrio 3 TMK has indirectly received investments through funds operated by affiliates of FIG, an affiliate of Calliope. As of today, Calliope holds 609,942 investment units issued by INV (15.79% stake). Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Septentrio 3 TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Further, part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	INV acquired "Hotel Epinard Nasu" in March 2016 from Septentrio 3 TMK.
	Whether the TMK is a related party	Septentrio 3 TMK is not a related party of INV or CIM. Further, related persons and affiliates of Septentrio 3 TMK are not related parties of INV or CIM. Furthermore, Septentrio 3 TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

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D52 Beppu Kamenoi Hotel

(i)	Name	Monza Tokutei Mokuteki Kaisha ("Monza TMK")
(ii)	Location	5-1-4, Toranomom, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Takaaki Fukunaga, Director
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY3,224 million
(vi)	Date of establishment	April 2, 2014
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Monza TMK, Monza TMK has indirectly received investments through funds operated by affiliates of FIG, an affiliate of Calliope. As of today, Calliope holds 609,942 investment units issued by INV (15.79% stake). Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Monza TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Further, part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and Monza TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Monza TMK or its related persons or affiliates.
	Whether the TMK is a related party	Monza TMK is not a related party of INV or CIM. Further, related persons and affiliates of Monza TMK are not related parties of INV or CIM. Furthermore, Monza TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

D53 Hotel MyStays Sapporo Station

(i)	Name	Suisei Tokutei Mokuteki Kaisha (“Suisei TMK”)
(ii)	Location	1-2-9, Nishi-Shinbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Masayuki Meguro, Director
(iv)	Business	1. Asset liquidation business of specified assets. 2. All other business ancillary to the above-mentioned asset liquidation of specified assets.
(v)	Capital (as of today)	Specified Capital: JPY100,000 Preferred Capital: JPY2,010 million
(vi)	Date of establishment	December 11, 2013
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and Suisei TMK, Suisei TMK has indirectly received investments through funds operated by affiliates of FIG, an affiliate of Calliope. As of today, Calliope holds 609,942 investment units issued by INV (15.79% stake). Further, as of today, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Suisei TMK, as of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, is seconded from Calliope. Further, part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	INV acquired “Super Hotel Shinbashi / Karasumoriguchi” and “Comfort Hotel Toyama Ekimae” as of July 2015 from Suisei TMK.
	Whether the TMK is a related party	Suisei TMK is not a related party of INV or CIM. Further, related persons and affiliates of Suisei TMK are not related parties of INV or CIM. Furthermore, Suisei TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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

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6. Transactions with Interested Persons etc.

The sellers of the Four Hotel Properties, namely HL Investments TMK, Septentrio3 TMK, Monza TMK and Suisai TMK, are not Sponsor-related Persons (Note) under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, such sellers have indirectly received investments through funds managed by affiliates of FIG, an affiliate of Calliope, CIM's parent company, and thus a Sponsor-related Person. Therefore, CIM treats the sellers as persons equivalent to Sponsor-related Persons.

The Acquisitions are to be acquired at prices not exceeding their appraisal value in accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, and after deliberation and resolution of the compliance committee meeting of CIM and the investment committee meeting of CIM held on September 21, 2017, the board of directors of CIM approved the acquisitions at the meeting held on the same day and the board of directors of INV approved the acquisitions at the meeting held on the same day.

In addition, MHM, the tenant/operator of the Four Hotel Properties is not a Sponsor-related Person under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, each tenant is an affiliate 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 and following the deliberation and resolution of the compliance committee meeting and the investment committee meeting both held on September 21, 2017, the boards of directors of CIM and INV each approved the lease agreements expected to be entered into with MHM at meeting both held September 21, 2017, subject to hotel operating capability of MHM being confirmed as sufficient through a third party report and other relevant information, the rent level of each properties being reasonable considering the market level, and management services fee amount and structure being fair compared with similar properties.

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

7. Summary of Current and Previous Owners

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

Property Name	D50 Hotel MyStays Shin Osaka Conference Center
Current owner/trust beneficiary	1. HL Investments TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2014
Preceding	Persons having no special conflict of interests relationship

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owner/trust beneficiary	
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Property Name	D51 Hotel MyStays Premier Omori
Current owner/trust beneficiary	<ol style="list-style-type: none"> 1. Septentrio3 TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. March 2016
Preceding owner/trust beneficiary	<ol style="list-style-type: none"> 1. Boreas Tokutei Mokuteki Kaisha 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. June 2011
Before the Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D52 Beppu Kamenoi Hotel
Current owner/trust beneficiary	<ol style="list-style-type: none"> 1. Monza TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. October 2014
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D53 Hotel MyStays Sapporo Station
Current owner/trust beneficiary	<ol style="list-style-type: none"> 1. Suisei TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. April 2014
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

8. Overview of Brokerage

Not applicable for the Four Hotel Properties.

9. Schedules

Acquisition decision date:	September 21, 2017
Agreement execution date:	

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Anticipated acquisition date:	October 13, 2017 (Note 1)
Anticipated source of acquisition funds:	Funds from issuance of new investment units in Japan and overseas (Note 2), borrowings (Note 3), and cash-on-hand
Anticipated acquisition proceeds payment method:	Lump-sum payment (Note1)

(Note 1) Even in the event that the funds to be raised through the issuance of new investment units and the borrowings do not reach the total anticipated acquisition price, the anticipated acquisition date will not be changed. The real estate transfer agreement of Hotel MyStays Shin Osaka Conference Center, Hotel MyStays PREMIER Omori and Beppu Kamenoi Hotel stipulates that INV can defer, based on INV's request, the payment of the amount of the shortfall as stipulated in the real estate transfer agreement to a date agreeable for both parties following the execution of the transaction, and that INV is not required to pay any interests for the deferred payment. If there should occur any shortage in the fund raising for the acquisition of the Property, INV will pay the remaining portion after the execution date based on the stipulation.

(Note 2) For details of the issuance of new investment units, please refer to today's release "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units".

(Note 3) For details of the borrowings, please refer to today's release "Notice concerning Debt Financing".

10. Future Outlook

For information on the revision of INV's forecasts for financial results and distribution for the fiscal period ending December 2017 (July 1, 2017 to December 31, 2017) in connection with the Acquisition of the Four Hotel properties, please refer to "Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017" dated as of today.

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

For risks relating to investments in the Four Hotel Properties, please refer to the "Investment Risks" (*toshi risuku*) in the securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended June 2017 (from January 1, 2017 to June 30, 2017) (available in Japanese only), filed as of today, as well as "Part II Reference Information, II. Supplemental Information to the Reference Documents, 5. Investment Risks" in the Securities Registration Statement (available in Japanese only) filed today.

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

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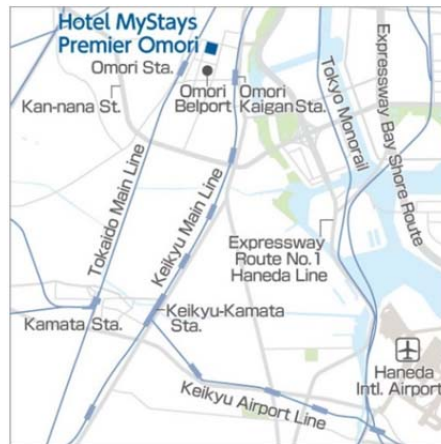
Photos and Maps of the Four Hotel Properties

D50 Hotel MyStays Shin Osaka Conference Center



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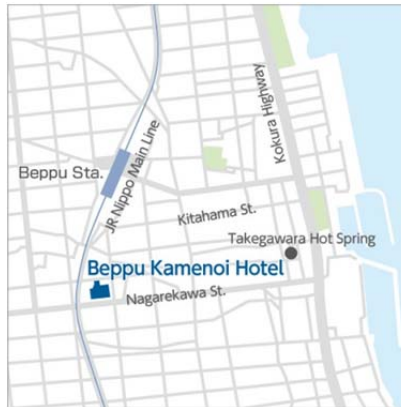
D51 Hotel MyStays Premier Omori



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Invincible Investment Corporation

O52 Beppu Kamenoi Hotel



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D54 Hotel MyStays Sapporo Station



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