[For Information Purpose Only.
The Japanese language press release should be referred to as the original.]

February 14, 2018

To All Concerned Parties

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Notice concerning Revision of Forecast of Financial Results for the 29th Fiscal Period Ended December 2017, together with Forecast of Financial Results and Distribution for the 30th Fiscal Period Ending June 2018 and 31st Fiscal Period Ending December 2018

Invincible Investment Corporation ("INV") today announced the revision of its forecast of financial results for the fiscal period ended December 2017 (29th Fiscal Period), as previously announced in "Notice concerning Revision of Forecast of Financial Results for the 29th Fiscal Period Ending December 2017" dated December 26, 2017, together with the newly announced forecast of financial results and DPU for the fiscal period ending June 2018 (30th Fiscal Period) and fiscal period ending December 2018 (31st Fiscal Period).

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

<Fiscal Period Ended December 2017>

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Previous forecast (A) (announced on December 26, 2017)	JPY million 12,589	JPY million 8,117	JPY million 7,111	JPY million 7,093	JPY million 7,496
Revised forecast (B)	JPY million 12,647	JPY million 8,223	JPY million 7,303	JPY million 7,303	JPY million 7,496
Amount of Variance (B) – (A)	JPY million 57	JPY million 105	JPY million 192	JPY million 209	JPY million -
Rate of variance ((B) – (A)) / (A)	% 0.5	% 1.3	% 2.7	% 3.0	% -

	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 December 26, 2017)	JPY 1,479	JPY 1,479	JPY 85	JPY 1,564
Revised forecast (B)	JPY 1,523	JPY 1,528	JPY 36	JPY 1,564
Amount of Variance (B) – (A)	JPY 44	JPY 49	JPY (49)	JPY -
Rate of variance ((B) – (A)) / (A)	% 3.0	% 3.3	% (57.6)	% -

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 4,793,181 units

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2. Forecasts of financial results and Distribution per Unit ("DPU") for the fiscal periods ending June 2018 (from January 1, 2017 to June 30, 2018) and December 2018 (from July 1, 2018 to December 31, 2018)

<Fiscal Period Ending June 2018>

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Forecast for the fiscal period ending June 2018	JPY million 12,784	JPY million 8,081	JPY million 7,370	JPY million 7,369	JPY million 6,628

	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)
Forecast for the fiscal period ending June 2018	JPY 1,537	JPY 1,383	JPY -	JPY 1,383

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 4,793,181 units

<Fiscal period ending December 2018>

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Forecast for the fiscal period ending December 2018	JPY million 12,884	JPY million 8,129	JPY million 7,410	JPY million 7,409	JPY million 7,486

	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)
Forecast for the fiscal period ending December 2018	JPY 1,545	JPY 1,562	JPY -	JPY 1,562

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 4,793,181 units

Assumptions underlying the forecast of financial results and distributions for the fiscal periods ending December 2017, June 2018, and December 2018 are provided in Appendix 1.

3. Reasons for the revision and disclosure of forecast of financial results and distribution

INV is revising its forecast of financial results and DPU for the fiscal period ended December 2017 since the overall outlook has become clearer. INV is also disclosing the financial results and DPU forecasts for the fiscal periods ending June and December 2018, after reflecting the updated performance based on information currently available to INV and certain assumptions that are deemed reasonable by INV. An overview of each fiscal period is as follows:

<Fiscal Period Ended December 2017>

INV is revising the earnings forecast upward due to positive growth from the hotel and residential assets, lower than expected expenses. Operating Revenues are forecast to increase by JPY 57million (+0.5%), Operating Income to increase by JPY 105 million (+1.3%), Ordinary Income to increase by JPY 192 million (+2.7%) and Net Income to increase by JPY 209 million (+3.0%) compared to the previous forecast. The previous DPU forecast remains unchanged at JPY 1,564 or 5.9% higher than the same period last year as slightly less distributions in excess of earnings will be paid out and the distribution held consistent with prior guidance. The full year DPU for 2017 is expected to be JPY 2,828 or 6.2% higher than the full year 2016 results.

INV completed the sale of one office building on December 26, 2017 and completed the sale of three residential properties on December 28, 2017 (collectively the "Dispositions"). The Dispositions resulted in a gain of sales of JPY 1,102 million which increased the total earnings for the fiscal period ended December 2017. INV is maintaining the overall DPU forecast of JPY 1,564 mainly by lower distribution in excess of earnings being paid out due to one-time transaction costs associated with the equity offering and asset acquisitions in October 2017.

The combined NOI for the hotel and residential portfolio[1]for the fiscal period ended December 2017 increased by 2.8% compared to the previous year. The hotel portfolio[2] maintained moderate growth as Occupancy[3], ADR[4], and RevPAR[5] increased by 0.1pt, 0.8% and 0.9% respectively compared to the same period in the previous year. Importantly, NOI for the period was up 3.6%. The residential assets[6] continue to perform strongly due to the rent increase program initiated in 2014. Residential rents, compared with immediately preceding leases, increased by 2.4% across all new leases, 2.0% across all renewal leases, and 2.2% across all combined new and renewal leases for the December 2017 fiscal period, resulting in NOI growth of 1.0%.

(Note 1) Based on 40 hotel properties and 70 residential properties. Please refer to Note 2 and Note 6 below for the definition of 40 hotel properties and 70 residential properties.

(Note 2) Based on 40 hotel properties; of the 49 hotel properties held as of the beginning of December 2017 Fiscal Period, Nine hotels with fixed-rent lease agreements are excluded. Nine hotels with fixed-rent lease agreements are D29 Super Hotel Shinbashi/ Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iriyaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubamesanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel.

(Note 3) "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 business days during target period)

(Note 4) "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.

(Note 5) "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 ADR and occupancy rate.

(Note 6) Based on the 70 residential properties owned as of the beginning of December 2017 Fiscal Period. Of the 70 properties, three properties (Casa Eremitaggio, Lexel Mansion Ueno-Matsugaya and Sun Terrace Minami-Ikebukuro) were sold on December 28, 2017. Therefore, for the three properties, July 1, 2017 through December 28, 2017, or the disposition date, is deemed the operating period for the fiscal period ended December 2017, and the leased area and the leasable area as of December 28, 2017 is deemed as the leased area and the leasable area as of the end of December 2017 to calculate each number. Hereinafter the same shall apply. In addition, the figures for the properties acquired after 2015 are calculated on the assumption INV had acquired those properties on January 1, 2016, using the actual figures provided by the sellers of such properties for the period before the acquisition., for the purpose of comparison with previous year

(Note 7) Excludes one-off insurance−related revenues and expenses. Further, the NOI figure is preliminary and may change at the time of announcement of the financial results.

<Major Hotel Performance Indicators (40 hotel properties)[1]>

	Y2017				
	June fiscal period (Actual)	December fiscal period (Previous forecast)	December fiscal period (Revised Forecast)	Full-Year (Previous forecast)	Full-Year (Revised Forecast)
Occupancy Rate	89.0%	92.2%	90.6%	90.6%	89.8%
ADR (JPY)	9,345	10,076	10,083	9,720	9,720
RevPAR (JPY)	8,320	9,291	9,131	8,809	8,729
GOP (JPY million)	5,365	6,269	6,232	11,634	11,597

Year-on-Year Changes

	Y2017				
	June fiscal period (Actual)	December fiscal period (Previous forecast)	December fiscal period (Revised Forecast)	Full-Year (Previous forecast)	Full-Year (Revised Forecast)
Occupancy Rate	-0.8pt	+1.8pt	+0.1pt	+0.5pt	-0.3pt
ADR (JPY)	+0.7%	+0.7%	+0.8%	+0.7%	+0.8%
RevPAR (JPY)	-0.2%	+2.7%	+0.9%	+1.3%	+0.4%
GOP (JPY million)	+1.6%	+3.9%	+3.3%	+2.8%	+2.5%

(Note 1) For details of 40 hotel properties, please refer to “Note 2” above.

<Forecasts for Major Residential Performance Indicators (70 residential properties)[1]>

	Y2017				
	June fiscal period (Actual)	December fiscal period (Previous forecast)	December fiscal period (Revised Forecast)	Full-Year (Previous forecast)	Full-Year (Revised Forecast)
Occupancy Rate	95.2%	95.9%	94.8%	95.5%	95.0%
Average Rent per Tsubo (JPY)	9,595	9,775	9,714	9,685	9,652
NOI (JPY million)[2]	2,597	2,594	2,574	5,191	5,172

Year-on-Year Changes

	Y2017				
	June fiscal period (Actual)	December fiscal period (Previous forecast)	December fiscal period (Revised Forecast)	Full-Year (Previous forecast)	Full-Year (Revised Forecast)
Occupancy Rate	-0.9pt	+0.6pt	-0.5pt	-0.2pt	-0.7pt
Average Rent per Tsubo (JPY)	+1.6%	+2.5%	+1.9%	+2.1%	+1.7%
NOI (JPY million)[2]	+2.4%	+1.7%	+1.0%	+2.0%	+1.7%

(Note 1) For details of 70 residential properties, please refer to “Note 6” above.
(Note 2) Excludes one-off insurance−related revenues and expenses for the purpose of comparison of NOI.

<Fiscal Periods Ending June 2018 and December 2018>

INV discloses the financial and DPU forecasts for the fiscal periods ending June and December 2018, after reflecting updated performance based on information currently available to INV and certain assumptions that are deemed reasonable by INV.

The DPU forecast for June 2018 is JPY 1,383 or 9.4% higher than June 2017, and the December 2018 DPU forecast is JPY 1,562 or -0.1% compared to December 2017. INV will be retaining earnings or reserves[1] of JPY 740MM or JPY 154 Yen per unit at the end of fiscal period ending June 2018, to provide the ability to INV of paying out additional funds if needed to help maintain the distribution in the event of decline in revenues or sudden increase in expenses, therefore INV believes such retained earnings or reserves will contribute to stabilizing the DPU in the future. The full year DPU forecast for 2018 is JPY 2,945 or 4.1% higher than 2017. Full year Operating Revenues are forecast to increase by JPY 3,760 million (+17.2% higher than previous year), Operating Income to increase by JPY 2,642 million (+19.5%), Ordinary Income to increase by JPY 2,773 million (+23.1%) and Net Income to increase by JPY 2,773 million (+23.1%) compared to the previous forecast.

As announced on February 5, 2018, INV acquired four hotels (hereinafter “Four Hotels Properties”) from affiliates of the Sponsor, Fortress Investment Group LLC (“FIG”), using proceeds from the sale of nine assets announced on December 21, 2017 and December 26, 2017, for a price of JPY 12,425 million and an average appraisal NOI cap rate of 6.2%[2]. The combined sales price of the nine assets and one assets (hereinafter, collectively “Ten Sold Assets”) is JPY 14,906 million which is equivalent to a 4.2% NOI cap rate[3] and 3.1% after depreciation[4]. INV will have JPY 4.7 billion of cash, equivalent to the book value[6] of Lexington Plaza Nishi-Gotanda to be sold, to make additional acquisitions aiming to make the transactions even more accretive. INV is currently working on additional hotel acquisition(s) from the Sponsor pipeline which INV aims to close in the near term[5].

The Ten Sold Assets are sold at a JPY 2,607 million or 21.2% premium to book value[6] and a JPY 2,185 million or 17.2% premium to appraisal value[7]. The Four Hotel Properties are well located and positioned in their respective sub-markets and are all operated by MyStays Hotel Management Co., Ltd. (hereinafter “MHM”). The acquisition is in line with the INV’s overall growth strategy, in acquiring properties expected to contribute growth and improvement in stability of income focusing on investment in hotels located in Tokyo metropolitan area and those that could capture the increasing demand from inbound visitors, with competitive location and spec at a high cap rate.

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Importantly, this acquisition occurred without issuing any new debt or equity.

MHM is continually enhancing its operations and recently launched its new website which has initially resulted in higher conversion rates. MHM is also in the process of launching a new online reservation system in order to increase direct bookings to save commissions and have more direct customers. MHM has also recently launched a new revenue management system based on machine learning to improve the overbooking algorithms to help offset cancelation and improve revenue at the hotels overall. MHM is continuing to court the increasing foreign tourism business which accounted for 42% of INV owned MyStays Hotel revenue in 2017. In addition to having multi-lingual chat and staff, MHM has sought to increase its Chinese guest count by being the first Japanese hotel company to list its rooms on Fliggy, Alibaba's online marketplace in China selling hotels, tours and other travel-related services from online travel agencies and direct travel service providers. MHM was the top international chain by revenue on Fliggy and won an award for Single's Day in China.

(Note 1) Investment corporations under the J-REIT system can deduct the amount of cash distributions in calculating its taxable income as long as they satisfy certain conditions (conduit requirements), in order to prevent double taxation between J-REIT and unitholders. The portion that is not used for cash distribution, however, will be subject to corporate income tax and other taxes. INV has some tax loss carried forward resulted from the merger in the past, and by utilizing such tax loss carried forward, INV can reserve its retained earnings without paying corporate income tax and other taxes.

(Note2) Averaged appraisal NOI yield of the four hotel properties is calculated by dividing the total NOI derived from the direct capitalization method stated in the appraisal reports by The Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of January 1, 2018 by the total acquisition price, and rounded to one decimal place.

(Note3) Calculated by dividing aggregated actual NOI for January 1, 2017 – December 31, 2017 of Properties (to be) Sold by the (anticipated) sale price.

(Note4) Calculated by dividing aggregated actual NOI (after deducting the depreciation expenses) for January 1, 2017 – December 31, 2017 of Property (to be) Sold by the (anticipated) sale price.

(Note5) The abovementioned planned acquisition will be announced at a later date, when it is determined. Although such acquisition is under consideration as of today, INV may not determine or execute such acquisition, and there is no assurance that INV will determine or execute such acquisition.

(Note6) Premium to book value is the difference between (anticipated) sales price and book value, which indicates estimate for reference purpose calculated using the book value as of December 31, 2017 for Lexinton Plaza Nishi-Gotanda and other properties sold in 2018, and as of the date of sale for other properties sold in 2017, and it is different from the actual gain on sale.

(Note7) Appraisal Value is based on appraisal value stated in the appraisal report on the valuation date of December 31, 2017 for Lexinton Plaza Nishi-Gotanda and as of December 1, 2017 for the other nine properties.

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Earnings per unit and distribution per unit for the full year 2017 and 2018 are as follows:

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

	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) (December 26, 2017)	JPY 2,696	JPY 2,722	JPY 106	JPY 2,828
Revised forecast (B)	JPY 2,740	JPY 2,771	JPY 57	JPY 2,828
Amount of variance (B)- (A)	JPY 44	JPY 49	JPY (49)	JPY -
Rate of variance ((B) – (A)) / (A)	% 1.6	% 1.8	% (46.2)	% -

(Note) The number of investment units issued and outstanding at the end of the fiscal periods:

3,860,824 units (fiscal period ended June 2017),

4,793,181 units (fiscal period ended December 2017)

<Full-year 2018> (Aggregate of the fiscal periods ending in June 2018 and December 2018)

	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)
Forecast	JPY 3,082	JPY 2,945	JPY -	JPY 2,945

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 4,793,181 units

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

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(Appendix 1)

<Assumptions Underlying the Forecast of Financial Results and Distribution for the December 2017, June 2018, and December 2018 Fiscal Periods>

Item	Assumptions
Fiscal Period	The December 2017 fiscal period: from July 1, 2017 to December 31, 2017 (184 days) The June 2018 fiscal period: from January 1, 2017 to June 30, 2018 (181 days) The December 2018 fiscal period: from July 1, 2018 to December 31, 2018 (184 days)
Assets under Management	Assets held as of the end of December 2017 fiscal period: 125 properties and preferred equity interests in one special purpose company Assets held as of the end of the June 2018 fiscal period: 123 properties and preferred equity interests in one special purpose company Assets held as of the end of the December 2018 fiscal period: 123 properties and preferred equity interests in one special purpose company INV assumes the transfer of two office buildings and three residential properties on January 31, 2018, the acquisition of four hotel properties on February 7, 2018 and the transfer of one office building on March 9, 2018 and that there will no other changes through the end of the fiscal period ending December 2018. However, INV is considering acquisition of properties during the fiscal period ending June 2018 by utilizing the proceeds to be obtained from the sale of one office building on March 9, 2018.
Units Outstanding	As of the end of December 2017 fiscal period: 4,793,181 units As of the end of the June 2018 fiscal period: 4,793,181 units As of the end of the December 2018 fiscal period: 4,793,181 units INV assumes there will be no change to the current 4,793,181 units issued and outstanding through the end of the fiscal periods.
Interest-Bearing Liabilities	Balance as of the end of December 2017 fiscal period: JPY 186,983 million Balance as of the end of the June 2018 fiscal period: JPY 186,983 million Balance as of the end of the December 2018 fiscal period: JPY 185,915 million INV assumes that of the current balance of JPY 186,983 million, INV intends to repay consumption tax loan of JPY 1,068 million and refinance short term loan of JPY 2,000 million in December 2018 fiscal period at a similar condition. INV assumes no other new loan or prepayment of loan through the end of the December 2018 fiscal period.

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Operating Revenues</td><td>
INV expects to record operating revenues for each fiscal period as follows:
<table>
<tr><th></th><th>December 2017
Fiscal Period</th><th>June 2018
Fiscal Period</th><th>December 2018
Fiscal Period</th></tr>
<tr><td>・Rental revenues</td><td>JPY 11,403 mn</td><td>JPY 11,592 mn</td><td>JPY 12,884 mn</td></tr>
<tr><td>(of these, hotel rents)</td><td>(JPY 7,364 mn)</td><td>(JPY 7,020 mn)</td><td>(JPY 8,316 mn)</td></tr>
<tr><td>(fixed hotel rents)</td><td>(JPY 3,623 mn)</td><td>(JPY 3,553 mn)</td><td>(JPY 4,320 mn)</td></tr>
<tr><td>(variable hotel rents)</td><td>(JPY 3,741 mn)</td><td>(JPY 3,467 mn)</td><td>(JPY 3,995 mn)</td></tr>
<tr><td>・Dividend amount</td><td>-</td><td>JPY 763 mn</td><td>JPY 876 mn</td></tr>
<tr><td>・Gain on sale</td><td>JPY 1,244 mn</td><td>JPY 1,191 mn</td><td>-</td></tr>
</table>
INV estimates gain on sales of JPY 141 million from sale of Kindai Kagaku Sha Building and Times Kanda-Sudacho 4th completed on July 31, 2017, and JPY 1,102 million from sale of Casa Eremitaggio, Lexel Mansion Ueno Matsugaya and Sun Terrace Minami-Ikebukuro completed on December 28, 2017 for the fiscal period ended December 2017.
INV estimates gain on sales of JPY 796 million from sale of Harmony Ochanomizu, Growth Maison Ikebukuro and Capital Heights Kagurazaka completed on January 31, 2018, and JPY 395 million from sale of Lexinton Plaza Nishi-Gotanda to be completed on March 9, 2018 for the fiscal period ending June 2018.
Moreover, 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.
Rental revenues in the fiscal period ended December 2017, the fiscal period ending June 2018, and the fiscal period ending December 2018 are calculated based on estimates as of today. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants.
The majority of INV's owned hotels use 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.
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</table>

Item	Assumptions
Operating Expenses	INV expects to incur property related expenses for each fiscal period as follows: | | December 2017 Fiscal Period | June 2018 Fiscal Period | December 2018 Fiscal Period | ・Facility management fees (of these, repair costs): JPY 510 mn (JPY 21 mn) / JPY 503 mn (JPY 36 mn) / JPY 463 mn (JPY 28 mn) ・Taxes and other public charges: JPY 470 mn / JPY 459 mn / JPY 538 mn ・Insurance expenses: JPY 11 mn / JPY 11 mn / JPY 14 mn ・Depreciation expenses: JPY 2,567 mn / JPY 2,842 mn / JPY 2,871 mn ・Other expenses: JPY 402 mn / JPY 403 mn / JPY 387 mn Total property related expenses: JPY 3,962 mn / JPY 4,221 mn / JPY 4,274 mn (Note) Property taxes and city planning taxes on the assets acquired in 2017 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 each fiscal period as follows: December 2017 Fiscal Period / June 2018 Fiscal Period / December 2018 Fiscal Period ・Other operating expenses: JPY 461 mn / JPY 481 mn / JPY 479 mn (of these, asset management fees): (JPY 250 mn) / (JPY 275 mn) / (JPY 275 mn) (of these, impairment loss): (JPY 15 mn) / - / - Although the sale of Ohki Aoba Building was implemented on January 31, 2018 which falls into the fiscal period ending June 2018, the decision of such sale resulting in loss on sale was determined on December 26, 2017, or during the fiscal period ended December 2017. Therefore, INV recognizes such loss of JPY 15 million as an impairment loss for the fiscal period ended December 2017. (Note)

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Net Operating Income</td><td>INV expects to record net operating income for each fiscal period as follows:
<table>
<tr><th></th><th>December 2017 Fiscal Period</th><th>June 2018 Fiscal Period</th><th>December 2018 Fiscal Period</th></tr>
<tr><td>・NOI</td><td>JPY 10,008 mn</td><td>JPY 10,213 mn</td><td>JPY 11,480 mn</td></tr>
<tr><td>(of these, hotel NOI)</td><td>(JPY 7,027 mn)</td><td>(JPY 6,668 mn)</td><td>(JPY 7,898 mn)</td></tr>
<tr><td>(of these, residential NOI)</td><td>(JPY 2,616 mn)</td><td>(JPY 2,549 mn)</td><td>(JPY 2,522 mn)</td></tr>
<tr><td>(of these, dividend amount)</td><td>-</td><td>JPY 763 mn</td><td>JPY 876 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 ended December 2017.

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>
<tr><td>Non-Operating Expenses</td><td>INV expects to incur non-operating expenses for each fiscal period as follows:
<table>
<tr><th></th><th>December 2017 Fiscal Period</th><th>June 2018 Fiscal Period</th><th>December 2018 Fiscal Period</th></tr>
<tr><td>・Interest expense</td><td>JPY 445 mn</td><td>JPY 478 mn</td><td>JPY 484 mn</td></tr>
<tr><td>・Finance related costs</td><td>JPY 304 mn</td><td>JPY 233 mn</td><td>JPY 234 mn</td></tr>
<tr><td>・Other non-operating expenses (of these, expenses relating to public offering)</td><td>JPY 170 mn
(JPY 170 mn)</td><td>-
(-)</td><td>-
(-)</td></tr>
<tr><td>Total Non-operating expenses</td><td>JPY 920 mn</td><td>JPY 711 mn</td><td>JPY 719 mn</td></tr>
</table></td></tr>
<tr><td>Extraordinary Loss</td><td>Not applicable.
While INV announced in “Notice concerning Revision of Forecast of Financial Results for the 29th Fiscal Period Ending December 2017” dated December 26, 2017that it would record an impairment loss with regard to sale of Ohki Aoba Building as an extraordinary loss for the fiscal period ended December 2017, INV will record such impairment loss as operating expenses for the fiscal period ended December 2017.</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); INV will pay JPY 7,323 million as profit distribution, out of distributable profit of JPY 7,326 million which is a total of Net Income for the fiscal period ended December 2017 (JPY 7,303 million) adjusted by loss brought forward from the previous fiscal period and deferred tax gain or loss. In addition, INV will pay excess profit distribution (JPY 172million)

With respect to the distribution for the fiscal period ending June 2018, INV expects to distribute an aggregate amount of JPY 6,628 million (distribution per unit: JPY 1,383) which is the remaining amount after retaining JPY 740 million as internal reserve from Net Income for the fiscal period ending June 2018 (JPY 7,369 million).

With respect to the distribution for the fiscal period ending December 2018, INV expects to distribute an aggregate amount of JPY 7,486 million (distribution per unit: JPY 1,562) based</td></tr>
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<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td></td><td>
on JPY 7,405 million from Net Income for the fiscal period ending December 2018 (JPY 7,409 million) and JPY 81 million from internal reserve.
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 113 million. INV assumes a same amount of deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. for the fiscal periods ending June 2018 and December 2018. 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.
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<tr><td>Excess Profit Distribution per Unit</td><td>
INV does not assume distributions in excess of profits from allowance for temporary differences adjustment, based on the assumption that the market value of the interest rate swap will remain unchanged for fiscal periods ending December 2017, June 2018 and December 2018.
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 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 (JPY 36 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.
Moreover, INV will not make distributions in excess of profits for the fiscal period ending June 2018, as INV intends to retain a certain amount of the net income.
Further, while INV will not make distributions in excess of profits as INV will have a certain amount of internal reserve, INV intends to distribute a certain amount from internal reserve in order to cope with the discrepancy between tax and accounting treatment,.
<table>
<tr><th></th><th>December 2017 Fiscal Period</th><th>June 2018 Fiscal Period</th><th>December 2018 Fiscal Period</th></tr>
<tr><td>・Excess profit distribution per unit</td><td>JPY 36</td><td>-</td><td>-</td></tr>
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<tr><td>Other</td><td>
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.
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