

[For Information Purpose Only]

March 26, 2018

To All Concerned Parties

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Invincible Investment Corporation

Name of representative:

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Performance Update for February 2018

Invincible Investment Corporation (“INV”) hereby announces its monthly performance for the hotel and residential assets.

1. Hotel and Residential Assets Overview

The combined NOI for the hotel and residential portfolio¹ increased by 5.3% for the June 2018 fiscal period (January to February, year-on-year).

(Note 1) Based on 45 hotel properties and 64 residential properties stated in “4. Performance (1) 45 Hotel Properties” and “(2) 64 Residential Properties” below.

(Note 2) NOI includes a simulated amount of dividend income from Kingdom TMK (the “TMK”) that owns Sheraton Grande Tokyo Bay Hotel as an underlying asset. The fiscal periods of the TMK are semi-annual periods from April 1 to September 30 and from October 1 to March 31 every year, and INV will receive the dividend within three months from the end of each semi-annual fiscal period of the TMK. Since INV does not receive dividend from the TMK on a monthly basis, the amount of dividend INV receives from the TMK for the month of February 2018 is a simulated figure, which is calculated by deducting (i) simulated expenses such as operating expense of the TMK and the interest of debt (calculated dividing the budget of the TMK for the fiscal period from October 1, 2017 to March 31, 2018 by the number of months in the relevant fiscal period) from (ii) NOI based on the performance of Sheraton Grande Tokyo Bay Hotel in November 2017 which is three month before February 2018 and multiplied by INV's ownership ratio of the preferred equity interest in the TMK (49.0%).

2. Hotel Assets Overview

The hotel portfolio¹ performance for the month of February 2018 (year-on-year) has shown occupancy, ADR and RevPAR growth of 0.7pt, 4.3% and 5.1%, respectively. Renovation work was in progress at the following four hotels: Hotel MyStays Maihama, Hotel MyStays Dojima, MyStays Shin-Urayasu Conference Center, and Hotel Nets Hakodate². Despite the temporary downtime from these four hotels, the following two factors resulted in overall increases in Occupancy, ADR and RevPAR year-on-year; (i) the timing of Chinese New Year shifted to

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February this year compared to January 2017, and (ii) existence of a three-day holiday for National Foundation Day. The February 2018 NOI increased by 14.6% (year-on-year).

Year-on-Year changes in Occupancy, ADR, RevPAR and NOI for the hotel portfolio excluding the four hotels under renovation² were +2.0pt, +4.8%, +7.1% and +18.6%, respectively.

(Note 1) Based on 45 hotel properties stated in "4. Performance (1) 45 Hotel Properties" below.

(Note 2) Hotel MyStays Maihama and Hotel MyStays Dojima, MyStays Shin-Urayasu Concurrence Center and Hotel Nets Hakodate are under renovation beginning from January 12, January 17, February 14, and February 18, respectively.

3. Residential Assets Overview

The residential portfolio¹ occupancy rate as of the end of February 2018 was 95.5% (+0.2pt year-on-year). The rent increase program continues to maintain progress as average rent per tsubo as of the end of February 2018 increased by 3.3% year-on-year.

Rents, compared with immediately preceding leases, increased by 2.8% across all new leases, 2.7% across all renewal leases, and 2.8% across all combined new and renewal leases for the June 2018 fiscal period.

INV achieved a rent increase for 49.0% of contract renewals (June 2018 fiscal period), in comparison to 54.2% for the full year 2017. The retention rate for existing tenants was high at 89.5% for the June 2018 fiscal period.

NOI² increased by 3.1% in June 2018 fiscal period year-on-year.

(Note 1) Based on 64 residential properties stated in "4. Performance (2) 64 Residential Properties" below.

(Note 2) NOI excludes one-off insurance-related revenues and expenses. NOI is provisional figure and subject to change when it is determined at financial closing; hereinafter the same.

4. Performance

(1) 45 Hotel Properties¹

	February 2018 (A)	Same month of the previous year (B)	Difference (A - B)	YoY Change
Occupancy Rate ²	89.9%	89.2%	+0.7pt	+0.7%
ADR (JPY) ³	10,036	9,620	+416	+4.3%
RevPAR (JPY) ⁴	9,023	8,586	+437	+5.1%
Gross Revenue (JPY million) ⁵	3,212	3,015	+196	+6.5%
# of Properties	45	45	—	—

	Fiscal period ending June 2018 Cumulative ⁶ (C)	Same period of the previous year ⁷ (D)	Difference (C - D)	YoY Change
Occupancy Rate ²	86.8%	85.9%	+0.8pt	+1.0%
ADR (JPY) ³	9,482	9,490	-7	-0.1%
RevPAR (JPY) ⁴	8,226	8,152	+74	+0.9%
Gross Revenue (JPY million) ⁵	6,214	6,172	+42	+0.7%

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# of Properties	45	45	—	—
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(2) 64 Residential Properties⁸

	February 2018 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate	95.5%	95.3%	+0.2pt	+0.2%
Rent per Tsubo (JPY)	9,676	9,367	+309	+3.3%
# of Properties	64	64	—	—

	Fiscal period ending June 2018 Cumulative ⁶ (C)	Same period of the previous year ⁷ (D)	Difference (C – D)	YoY Change
Occupancy Rate ¹¹	95.1%	94.8%	+0.3pt	+0.3%
Rent per Tsubo ¹¹ (JPY)	9,711	9,396	+315	+3.4%
# of Properties	64	64	—	—

(Note 1) Based on 45 hotel properties; of the 54 hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the beginning of January 2018, 9 hotels with fixed-rent lease agreements are excluded. 9 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 Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel. As for Sheraton Grande Tokyo Bay hotel, NOI is based on the figure of November 2017 which is three month prior to February 2018 as the INV will receive dividend from the TMK within three months from each fiscal period end of the TMK as described above. However, in consideration of seasonality, figures in the table above are based on the figure of February 2018.

(Note 2) "Occupancy Rate" for hotel portfolio is calculated using the following formula:

$$\text{room occupancy rate} = \frac{\text{total number of rooms occupied during the relevant period}}{\text{(aggregate number of rooms during the relevant period} \times \text{number of business days during target period)}}$$

(Note 3) "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 4) "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 as product of room occupancy rate and ADR.

(Note 5) Gross Revenue of Sheraton Grande Tokyo Bay Hotel used in the table is the whole gross revenue of such hotel, regardless of INV's ownership ratio of the preferred equity interest in the TMK (49.0%)

(Note 6) Figures for January to February 2018 are stated.

(Note 7) Figures for January to February 2017 are stated. Figures are based on the assumption that the properties acquired from January 1, 2017 to December 31, 2017 were held as of January 1, 2017, and figures before acquisition by INV is based on the data obtained from third-parties including previous owners.

(Note 8) Of the 67 properties held as of the beginning of January 2018, three properties sold in January 2018 are excluded.

(Note 9) Percentages are rounded to one decimal place. ADR and RevPAR are rounded to the nearest yen and Gross Revenue is rounded down to the nearest million yen.

(Note 10) For the details of performance for each asset, please visit INV's website:
<http://www.invincible-inv.co.jp/eng/cms/review.html>

(Note 11) Cumulative occupancy rate for residential portfolio is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month and the percentages are rounded to one decimal place. Cumulative rent per tsubo is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leasable area at the end of each month.

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

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