

[For Information Purpose Only.]

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

July 17, 2018

To All Concerned Parties

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Notice concerning Amendment to Memorandum of Understanding on Preferential Negotiation Rights

Invincible Investment Corporation (“INV”) decided today to amend (the “Amendment”) the Memorandum of Understanding on Preferential Negotiation Rights (the “MOU”) which was originally entered into between INV and affiliates of its sponsor, Fortress Investment Group LLC (“FIG”) on May 21, 2014 and last amended on September 21, 2017.

1. Reasons for the Amendment

INV entered into the MOU with affiliates of FIG as of September 21, 2017 with regard to the preferential negotiation rights to acquire 21 hotel properties and 9 residential properties. INV subsequently acquired four hotel properties as of February 7, 2018 that were covered by the MOU. As announced today in the press release titled “Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests”, INV will acquire another four hotel properties listed in the MOU (the “Four Domestic Hotel Properties”) (Note).

Upon the decision made to acquire the Four Domestic Hotel Properties, INV has agreed with the affiliates of FIG to amend the MOU to newly add another six hotel properties to its pipeline set forth in the MOU as of July 17, 2018. In the MOU, INV shall be granted an opportunity to consider the acquisition in priority to a third party when such affiliates sell any property covered by the MOU for the one-year period from July 17, 2018 to July 16, 2019.

As described above, INV will achieve a steady external growth through property acquisition by using

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the preferential negotiation rights based on the MOU. After the Amendment, the MOU will cover 19 hotel properties (3,882 guest rooms) and nine residential properties (743 leasable residential units) with the preferential negotiation rights that will provide INV with considerable opportunity for further stable growth.

(Note) In addition to the Four Domestic Hotel Properties, INV will acquire TK interest in a Cayman SPC, Seven Mile Resort Holdings Ltd., which is backed mainly by leasehold interest in the land and buildings of the hotels in the British Cayman Islands, “Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”. This acquisition is announced in the press release titled “Notice concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets” dated July 17, 2018.

2. Properties Covered by the MOU after the Amendment

(1) Hotel Properties

No.	Property Name	Location	Type (Note 1)	# of Rooms	Status	Renovation Completion (Expected)
1	RIHGA Royal Hotel Kyoto	Kyoto, Kyoto	Full	489	In Operation	Aug 2018
2	Hotel MyStays Premier Narita	Narita, Chiba	Full	711	In Operation	—
3	Fusaki Resort Village	Ishigaki, Okinawa	Resort	188	In Operation	Oct 2020
4	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265	In Operation	—
5	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206	In Operation	—
6	Hotel MyStays Matsuyama	Matsuyama, Ehime	Full	162	In Operation	Oct 2018
7	Hotel MyStays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86	In Operation	—
8	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70	In Operation	—
9	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161	In Operation	—
10	Hotel MyStays Fuji Onsen Resort	Fujiyoshida, Yamanashi	Resort	159	In Operation	—
11	Hotel Nord Otaru	Otaru, Hokkaido	Limited	98	In Operation	—
12	Hotel Sonia Otaru	Otaru, Hokkaido	Limited	94	In Operation	Dec 2018
13	Art Hotel Niigata Station	Niigata, Niigata	Full	304	In Operation	—
14	Art Hotel Ishigakijima	Ishigaki, Okinawa	Resort	245	In Operation	—
15	Hotel MyStays Shinsaibashi East	Osaka, Osaka	Limited	85	In Operation	—
16	Hotel MyStays Sapporo Aspen	Sapporo, Hokkaido	Limited	305	In Operation	—
17	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo, Hokkaido	Limited	80	In Operation	—
18	Hotel MyStays Sapporo Susukino	Sapporo, Hokkaido	Limited	104	In Operation	—
19	Hotel MyStays Nayoro	Nayoro, Hokkaido	Limited	70	In Operation	—

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(2) Residential Properties

No.	Property Name	Location	Type (Note 1)	# of Leasable Units
1	Gran Charm Hiroo	Shibuya-ku, Tokyo	Small	121
2	Plestay Win Kinshicho	Sumida-ku, Tokyo	Small	92
3	Gran Charm Kichijoji	Musashino, Tokyo	Small	28
4	Green Patio Noda	Noda, Chiba	Small	240
5	Dainichi F-45	Urayasu, Chiba	Small	54
6	Gran Charm Urayasu	Urayasu, Chiba	Small	54
7	Gran Charm Urayasu 5	Urayasu, Chiba	Small	54
8	Gran Charm Minami Gyotoku I	Ichikawa, Chiba	Small	52
9	Gran Charm Minami Gyotoku II	Ichikawa, Chiba	Small	48

(Note 1) "Limited" refers to "Limited Service Hotel", a hotel focusing on revenues from room stay and offering limited service regarding foods and beverages, banquet, spa or gymnasium facilities.

"Full" refers to "Full Service Hotel", a hotel having sections of stay, foods and beverages, and banquet.

"Resort" refers to "Resort Hotel", a hotel located at tourist destinations or recreational lots, having sections of stay, foods and beverages, and incidental facilities.

"Small" refers to residential properties for which a majority of the leasable units have a floor area of less than 30 m².

(Note 2) The properties of No.14 – No.19, shown by bold in the above table in the hotel properties are the six hotel properties newly provided in the Amendment of the MOU.

(Note 3) The term of validity of the MOU is from July 17, 2018 the date of amendment to the MOU, to July 16, 2019. Regarding the 28 properties listed above, the affiliates of FIG do not intend to sell any of the properties listed above and INV does not intend to acquire any of the properties listed above as of today. There is no assurance that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties. INV does not hold preferential negotiation rights to acquire any overseas properties.

3. Future Outlook

The Amendment is expected to have no impact on INV's financial results. With regard to the financial forecasts for the fiscal period ended June 2018 (from January 1, 2018 to June 30, 2018) and the fiscal period ending December 2018 (from July 1, 2018 to December 31, 2018), please see the press release "Notice concerning Revision of Forecast of Financial Results and Distribution for the 30th Fiscal Period Ended June 2018 and 31st Fiscal Period Ending December 2018" dated July 17, 2018.

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

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