

[For Information Purpose Only.]

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

July 17, 2018

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

Naoki Fukuda, Executive Director

Roppongi Hills Mori Tower

6-10-1 Roppongi, Minato-ku, Tokyo, Japan

(Securities code: 8963)

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 and Lease of Domestic Trust Beneficiary Interests**

Invincible Investment Corporation (“INV”) announced the decision to acquire trust beneficiary interests in four domestic hotel properties (the “Four Domestic Hotel Properties”) and enter into new leasing contracts with respect to each of the Four Domestic Hotel Properties as decided on July 17, 2018 by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV. Also, CIM has decided the acquisition of a TK interest with overseas real estate as the underlying assets (the “Cayman Hotel TK Interest”). Please refer to “Notice concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets” announced on July 17, 2018.

### 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	D60	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	20,691	20,900	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest

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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	D61	Hotel MyStays Premier Sapporo Park	Sapporo-shi, Hokkaido	16,731	16,900	Raetia Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D62	Hotel MyStays Ueno East	Taito-ku, Tokyo	5,286	5,340	HL Investments 2 Tokutei Mokuteki Kaisha	
	D63	Hotel MyStays Midosuji Honmachi	Osaka-shi, Osaka	5,039	5,090	Dogo Tokutei Mokuteki Kaisha	
Total				47,747	48,230	-	-

(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 Japan Real Estate Institute or The Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of June 1, 2018. For details, please refer to “(1) Details of the Four Domestic Hotel Properties” of “4. Details of the Four Domestic Hotel Properties” as described below.

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

(Note 4) Amounts are rounded down to the nearest unit. The same shall apply hereinafter.

## 2. Reasons for Acquisitions and Leasing

INV decided to acquire six domestic and overseas hotel properties (Note 1) at an average 6.5% simulated NOI yield (Note 2) and are expected to contribute to growth and stability of revenue of the portfolio. The acquisition is from affiliates of the Sponsor, Fortress Investment Group LLC (“FIG”), by using the funds raised through issuance of new investment units (Note 3), bank borrowings (Note 4), and INV’s own funds.

The acquisition of the Four Domestic Hotel Properties, and the acquisition of the Cayman Hotel TK Interest (these assets are hereinafter collectively referred to as the “Assets to be Acquired”) are associated with INV’s sixth public equity offering over the last five years, further promoting 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, INV’s AUM (Note 5) is expected to grow to JPY 448,960 million. Based on (anticipated) acquisition prices, hotel properties are expected to account for 78.7% of INV’s portfolio, an increase from 73.7% prior to the acquisition of the Assets to be Acquired (Note 6). The average appraisal NOI yield of the Four Domestic Hotel Properties is 4.6%. As a result, the average appraisal NOI yield (Note 7) of the entire portfolio after the acquisition of the Assets to be Acquired (129 properties) is expected to remain high at 6.3%.

The Four Domestic Hotel Properties are located in major cities, namely Tokyo, Osaka and Sapporo, and have convenient access to a traffic hub or popular tourism destinations. All of the hotel properties

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have either been built or renovated in the past few years. The hotel properties cater to both business travelers and tourists and expected to benefit from the increasing foreign tourism. Aside from the increasing tourism, the Four Domestic Hotel Properties are expected to benefit from Airbnb (Note 8) delisting 53.3% of the 54,501 apartment listings they had in Japan as of May 31, 2018 (Note 9). This is especially true in Tokyo with listings down by 11,690 units (67.4%) and in Osaka with listings down 6,425 (52.4%) compared to their respective listing stock as of May 31, 2018. On the other hand, MyStays has seen a strong increase in business purpose customers in June 2018.

The operator of these Four Domestic Hotel Properties is Mystays Hotel Management Co., Ltd. (hereinafter "MHM"), which is owned by the Sponsor and is a hotel operator with deep expertise and experience. Two out of these Four Domestic Hotel Properties are operated under the "Hotel MyStays Premier" brand, which is positioned as a higher-grade hotel brand in the MyStays Hotels franchise. Hotel MyStays Premier Akasaka, a limited service hotel newly opened in 2016, was renovated by Fortress. Hotel MyStays Premier Sapporo Park is a full-service hotel which equipped with natural hot spring and other facilities, offering much spacious rooms among hotels located in urban areas. Hotel MyStays Ueno East and Hotel MyStays Midosuji Honmachi are located in Tokyo (Akasaka) and Osaka (Honmachi), and is a good location to access tourism destinations. For details, please refer to "(1) Details of the Four Domestic Hotel Properties" of "4. Details of the Four Domestic Hotel Properties" are described below.

INV will consider making additional investments in overseas hotel assets, as announced in the press releases entitled "Notice concerning Partial Change in Investment Policy due to Revision of Internal Rules (the Investment Guidelines) of the Asset Manager" and "Notice concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets" dated July 17, 2018, and conduct selective investment to improve the performance of the hotel portfolio both in terms of revenue growth and stability, not only in limited service hotels but also in full-service and resort hotels that are considered highly competitive in terms of locations and specifications.

Our portfolio after the acquisition of the Assets to be Acquired will include flagship domestic and overseas real estate properties, such as Sheraton Grande Tokyo Bay Hotel (full service hotel) as the flagship hotel asset in our existing portfolio (Note 10), The Westin Grand Cayman Seven Mile Beach Resort & Spa (resort hotel) as the flagship overseas hotel asset, and Royal Parks Tower Minami-Senju as the flagship residential asset in Japan. INV aims to enhance unitholder value on a continuous basis through proactive management of its portfolio, aiming to be one of the largest portfolios in the J-REIT market.

(Note 1) The acquisition of TK interest in Seven Mile Resort Holdings Ltd., an SPC incorporated in the British Cayman Islands, backed by the leasehold interests in the land and buildings of "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" announced in the press release entitled "Notice concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets" dated July 17, 2018, (hereinafter the "Cayman Hotel TK Interest") is counted as two hotel properties based on the number of the underlying assets and added to the Four Domestic Hotel Properties. "Underlying Assets" refer to the real estate related assets acquired by the TK operator of TK interest to INV, or owned by a TMK relating to the preferred equity interest which INV owns, thus the real estate which will be the revenue source of INV. The same shall apply hereinafter.

(Note 2) Average simulated NOI yield is calculated for reference by the following formula;  
the sum of simulated NOI of the Four Domestic Hotel Properties +(sum of simulated NOI of the Underlying Asset - simulated cost in the Cayman SPC) ÷ the sum of acquisition price for the Four Domestic Hotel Properties and acquisition price (the amount to be invested in) for TK investment interest.  
Simulated NOI yield of the Four Domestic Hotel Properties is calculated by combining the actual monthly performance from January to May 2018 and anticipated monthly performance from June to December 2018 estimated by INV.  
Pre-acquisition performance is based on actual results provided by sellers and adjusted to reflect trust fees and

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insurance premiums assuming the properties had been held by INV through 2018. For calculation of simulated NOI yield of the Cayman Hotel TK Interest, please refer to “Notice concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets.” Simulated NOI includes estimates and is different from actual NOI. INV excludes any future foreign exchange hedging. Calculated using an exchange rate for TTS of 1USD = 110 JPY (rounded down to the nearest yen) as of June 27, 2018 announced by Mizuho Bank Ltd. The same shall apply hereinafter.

- (Note 3) For issuance of new investment units, please refer to “Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units” announced on July 17, 2018.
- (Note 4) For new borrowings, please refer to “Notice concerning Debt Financing” announced on July 17, 2018.
- (Note 5) Based on the (anticipated) acquisition price. The acquisition price of the preferred equity interest backed by Sheraton Grande Tokyo Bay (the “Preferred Equity Interest”) is based on the investment amount for the preferred equity interest. The anticipated acquisition price of JPY 37,382 million (USD 339,836 thousand) (calculated using exchange rate for TTS of 1 USD= 110 JPY) of the Cayman Hotel TK Interest is based on an anticipated investment amount for the Cayman Hotel TK Interest. The same shall apply hereinafter.
- (Note 6) The Preferred Equity Interest and the Cayman Hotel TK Interest are categorized as hotels portfolio based on the nature of underlying assets. Unless otherwise noted, the same shall apply hereinafter.
- (Note 7) The Preferred Equity Interest and the Cayman Hotel TK Interest are excluded from the calculation.
- (Note 8) “Airbnb” is a company based in San Francisco in the United States that offers the service of matching the person who wants to lease a vacant room temporarily with the person who wants to rent accommodation during trip.
- (Note 9) The number of listings on Airbnb is based on the data as of May 31, 2018 and June 29, 2018, sourced from Minpaku Databank. This is only a temporary, market snapshot immediately after new introduction of regulations and does not guarantee that number of listings will remain low in the future.
- (Note 10) “Existing Portfolio” refers to the real estate, trust beneficial interest (real estate in trust) and preferred equity interest held by INV as of today. The same shall apply hereinafter.

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

	Existing Portfolio (Note 1)	Assets to be Acquired (Note 1)	Post-Acquisition (Note 1)
Number of Properties (Hotel Properties)	126 (60)	6 (6)	132 (66)
Total (Anticipated) Acquisition Price (million yen) (Note 2)	363,831	85,129	448,960

(Note 1) The figures described in the column of "Existing Portfolio" are inclusive of Preferred Equity Interest. The figures described in the column of "Assets to be Acquired" and "Post Acquisition" are inclusive of Preferred Equity Interests and the Cayman Hotel TK Interest. Number of properties is based on the underlying assets, i.e. one property for Preferred Equity Interest and two properties for the Cayman Hotel TK Interest.

(Note 2) 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 and Cayman Hotel TK Interest after the acquisition of Assets to be Acquired is as follows;

	Existing Portfolio (Note 1)	Assets to be Acquired (Note 1)	Post-Acquisition (Note 1)
Number of Properties (Hotel Properties)	125 (59)	4 (4)	129 (63)
Total (Anticipated) Acquisition Price (million yen) (Note 2)	345,985	47,747	393,732
Total Appraisal Value (million yen) (Note 2) (Note 3)	410,905	48,230	459,135
Appraisal NOI Yield (Note 4)	6.5%	4.6%	6.3%

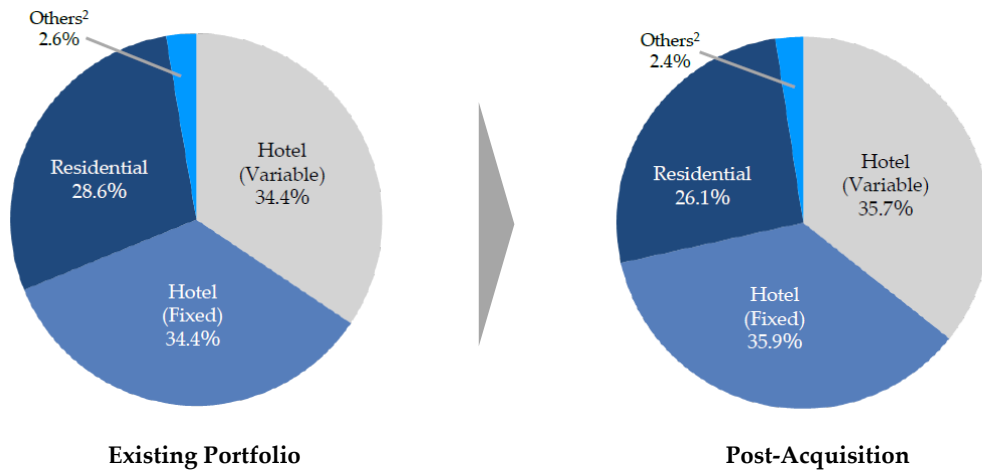
(Note 1) The figures for each item do not include the value of the Preferred Equity Interest and Cayman Hotel TK Interest.

(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 on the valuation date of December 31, 2017 for the properties owned as of the end of December 2017, on the valuation date of January 1, 2018 for the properties acquired on February 7, 2018, and on the valuation date of April 1, 2018 for properties acquired on June 27, 2018 among Existing Portfolio (125 properties), and on the valuation date of June 1, 2018 for the Four Domestic Hotel Properties.

(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.

## 2018 Rent Revenue Composition (Normalized) (Note 1)

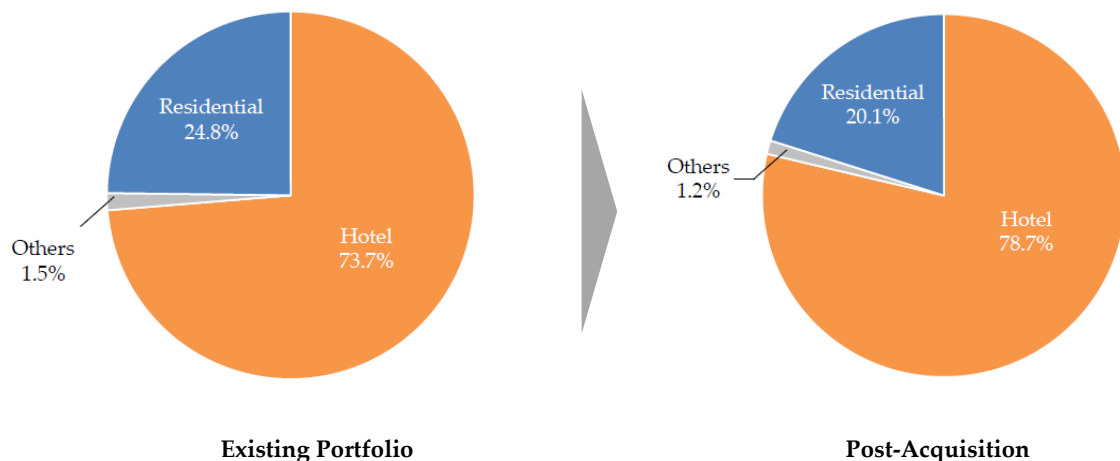


(Note 1) The percentages in the above pie chart of “Existing Portfolio” indicate the composition of forecasted annual rent revenue in 2018, which is a sum of the actual results for the period from January to May and forecasts for the period from June to December, concerning all the properties INV owns as of today. In addition, the figures for the properties acquired in February 2018 and June 2018 are calculated on the assumption that INV had acquired these properties on January 1, 2018, and 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 the end of May 2018 and the forecasted figures for the period from June 2018. The percentages in the pie chart of “Post-Acquisition” are calculated by adding the expected annual operating revenue in 2018, to be generated by Assets to be Acquired (excluding the Cayman TK Interest) calculated by CIM to the figures of the “Existing Portfolio”. Likewise, it is based on a sum of actual results for the period from January to May and forecasts for the period from June to December.

(Note 2) “Others” are retail properties; the same shall apply hereinafter.

(Note 3) The ratio figures are rounded to one decimal place; the same shall apply hereinafter.

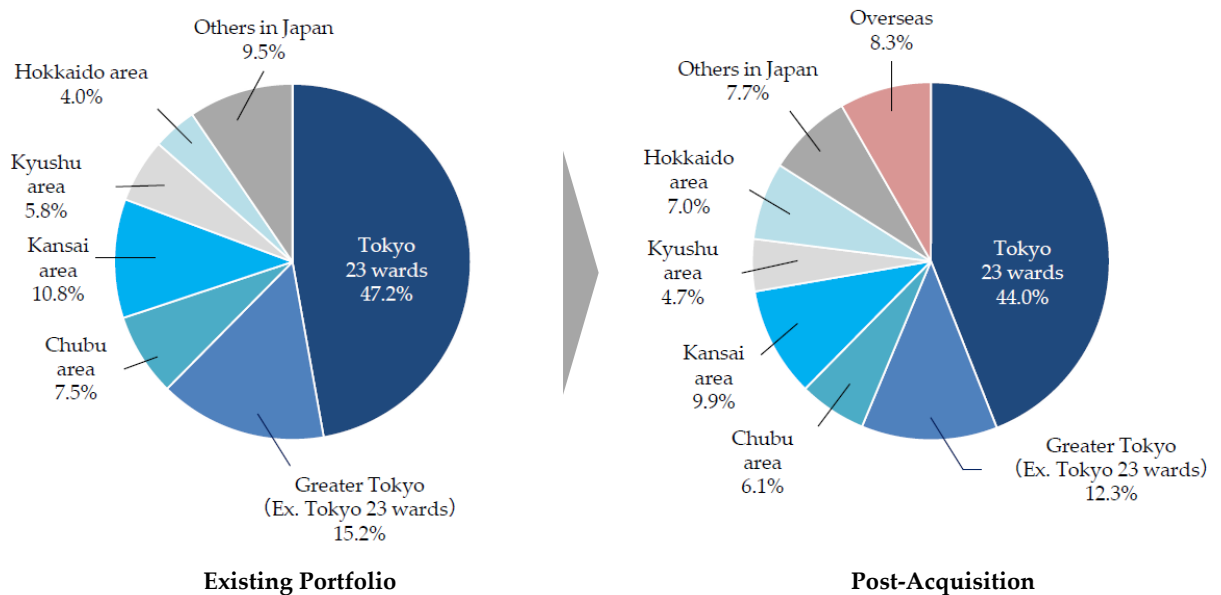
## Portfolio Composition by Asset Type (Note)



(Note) Based on the (anticipated) acquisition price.

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



(Note 1) Calculated based on the (anticipated) acquisition price. The Preferred Equity Interest and Cayman Hotel TK Interest are categorized into “Greater Tokyo (excluding Tokyo 23 wards)” and “Overseas” respectively based on the location of the underlying real estate.

(Note 2) The definitions of areas used in the circle charts are as follows;

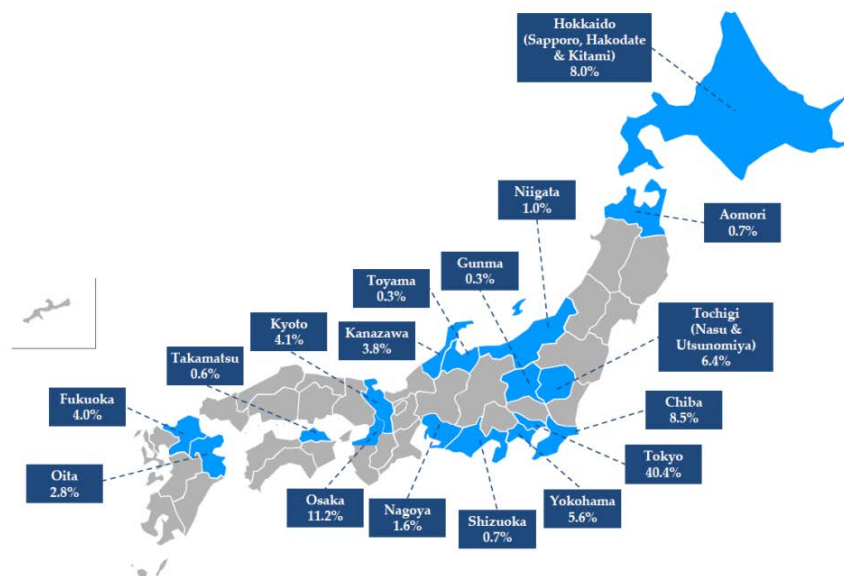
Greater Tokyo (excluding Tokyo 23 wards): Tokyo Metropolis (excluding Tokyo 23 wards), Kanagawa, Chiba and Saitama

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

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

Kyushu: Fukuoka, Kumamoto, Kagoshima, Nagasaki, Oita, Miyazaki, Saga and Okinawa

## Hotel Portfolio Composition by Geography (Note)



(Note) Calculated Based on percentage of hotel appraisal values, post-Acquisition. Sheraton TMK is calculated based on the amount of preferred equity interest contribution by INV to the JV TMK.

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### 3. Execution of Lease Agreement

In regards to the Four Domestic Hotel Properties, INV will enter into lease agreements with MHM based on the combination of fixed rents and variable rents linked to Gross Operating Profit (GOP) (Note 1). Regarding to 64 domestic hotel properties in INV's portfolio after the acquisition of the Assets to be Acquired, 53 hotels use a variable rent scheme described above (Note 2). Among these, MHM, an experienced hotel operator, conducts comprehensive revenue management for 52 of INV's hotels and seeks to maximize revenue by increasing accommodation demand. These initiatives uniquely position MyStays Hotels and therefore INV 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 due to the embedded fixed-fee mechanism working as a buffer.

INV believes that the tenants for the Four Domestic Hotel Properties conform to the standard for selection of tenants described in the 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, 2018.

(Note 1) Gross Operating Profit is 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 Domestic Hotel Properties is as follows;

The tenant and operator for Hotel MyStays Premier Akasaka, Hotel MyStays Premier Sapporo Park, Hotel MyStays Ueno East and Hotel MyStays Midosuji Honmachi

(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	President and CEO, Atsuki Asano
(iv)	Business	Hotel and Ryokan (Japanese inn) operation and management
(v)	Capital	JPY 100 million (as of the end of December 2017)
(vi)	Date of establishment	July 8, 1999
(vii)	Relationship between INV/CIM 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 held by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group Corp. (the "SoftBank Group"), which directly and indirectly holds 100% of CIM's outstanding shares.
	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 Godo Kaisha

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	(“Calliope”) which is an affiliate of FIG. Furthermore, a part-time director of CIM, Christopher Reed, is seconded from Fortress Investment Group Japan GK, a subsidiary of FIG.
Transactional relationships	As of today, INV has entered into lease agreements with MHM with respect to 48 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 contracts between MHM and tenants are included.

#### 4. Details of the Four Domestic Hotel Properties

##### (1) Details of the Four Domestic Hotel Properties

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

##### <Explanation of details of the Four Domestic Hotel Properties>

##### a. “Outline of Specified Assets and Properties” column:

- “Legal form of Asset” indicates the type (the legal form) of specified assets.
- “Date of Planned Acquisition” indicates the date when an acquisition is executed, which is specified in the purchase agreement or the trust beneficiary right sales agreement.
- “Planned Purchase Price” indicates a purchase price of the Four Domestic 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” indicates 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” indicates 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 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” regarding land, the class of zoning under the respective items of Article 8(1) of the City Planning Act (Act No.100 of 1968, as amended; the “City Planning Act”) is listed.

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- In “Building Coverage Ratio” regarding land, 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” regarding land, 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 May 31, 2018 or anticipated lease agreements which will be entered into upon acquisition of the Four Domestic Hotel Properties.
  - “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 each real property or trusted real property 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 are recognized as the rental revenues received as rent, is listed.
- c. “Overview of Lease Agreement” column:
- Based on the lease agreements with tenants effective as of May 31, 2018 or anticipated lease agreements which will be entered into upon acquisition of the Four Domestic Hotel Properties.
  - “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 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.

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- 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 Domestic Hotel Properties, INV has received a report from Tokio Marine & Nichido Risk Consulting Co., Ltd. and Tokyo Bldg-Tech Center 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 Domestic 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.

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 each real property or trusted real property, 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 each real property or trusted real property.

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

- Based on the information provided from the sellers for each operating period from January 1, 2016 to December 31, 2017. This is not a guarantee of future income and expenditures.
- Amounts are rounded down to the nearest unit. 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.
- “Land Lease Fees” is based on the land lease fees applicable under a relevant lease agreement.
- “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 previous owner or current owner at the time of acquisition of the real estate related properties INV own or will acquire, the estimated amount is included in the acquisition cost, 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.
- “Trust Fees” is based on real estate management and trust agreements which INV will enter into and recorded per 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 per day, 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:

Room Occupancy Rate = the aggregate number of days per room for which each room was

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occupied divided by the number of available rooms (aggregate number of rooms during the relevant period x 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 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 The Tanizawa Sōgō Appraisal Co., Ltd. a Japan Real Estate Institute for the Four Domestic 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.

D60: Hotel MyStays Premier Akasaka

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	August 2, 2018			
Planned Purchase Price	JPY 20,691 million			
Appraisal Value	JPY 20,900 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	2-1767, Akasaka, Minato-ku, Tokyo and three other lots		
	(Address)	2-17-54, Akasaka, Minato-ku, Tokyo		
Transport	4 min walk from Akasaka Station on Tokyo Metro Chiyoda Line ,7 min walk from Tameike-Sanno Station on Tokyo Metro Ginza Line and Nanboku Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	2,024.64 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	8,620.69 m <sup>2</sup>	Construction Date	June 17, 2016
	Structure/No. of Stories	Steel concrete structure with flat roof, 1 basement, 12 stories		
	Renovation Date	-		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003; Until: August 31, 2028			
Creation of Security Interest	None			
Lease Overview				
Total No. of Tenant (s)	1	Number of Guest Rooms	327 rooms (T37 · D262 · O28)	
Leasable Area (m <sup>2</sup> )	8,620.69 m <sup>2</sup>			
Lease Area (m <sup>2</sup> )	8,620.69 m <sup>2</sup>	Security Deposit/Guarantee Money	JPY 4,328 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 72,875 thousand	
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: August 2, 2018 Until: August 31, 2028			
Determination of rent of lease contract	Fixed rent (JPY 432.5 million per annum (January: JPY 24.5 million per month / February: JPY 34.7 million per month / March: JPY40.0 million per month / April: JPY 52.0 million per month / May: JPY 36.8 million per month/ June: JPY 29.2 million per month/ July: JPY 33.0 million per month/ August: JPY 30.3 million per month/ September: JPY 31.3 million per month/ October: JPY 42.6 million per month/ November: 41.5 million per month/ December: 36.6 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 4,328 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the le			

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	ase term.		
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		
<b>Overview of Building Conditions Survey Report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	June 2018
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 2,588,500 thousand
Long term Repair Costs (in 12 years)	JPY 149,089 thousand		
<b>Overview of PML report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	June 2018
Probable Maximum Loss (PML)	3.8%		
<b>Area Characteristic</b>			
<p>The target property is a stylish limited-service hotel located a 4-minute walk from Akasaka Station on the Tokyo Metro Chiyoda Line, one of the major stations in Tokyo metropolitan area. This young-aged hotel opened in July 2016 is a 7-minute walk from Tameike-Sanno Station on the Tokyo Metro Ginza Line and Namboku Line, which offers traffic accessibility from major destinations: 10-15 minutes from Tokyo Station and Shinjuku Station, about 45 minutes from Haneda Airport and about 90 minutes from Narita Airport. This hotel is located near Roppongi Hills, Tokyo Midtown and restaurants and commercial facilities in Akasaka. While the hotel, located at the center of Tokyo and providing good access to various major destinations, is expected to create stable demand from business people, it is quite possible to draw tourists to use the hotel as a base for sightseeing around Tokyo. Its 327 guest rooms address various types of customer needs, as mainly consisted of double rooms (15.6m<sup>2</sup> – 17.1m<sup>2</sup>) and twin rooms (23.1m<sup>2</sup>), all of which can serve for couple guests. Another feature of this hotel is Pepper, the humanoid robot from SoftBank Robotics, giving hospitality to guests as a remote concierge.</p>			
<b>Special Notes</b>			
None			

(Note) Variable rent is the amount of difference between (i) 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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D60: Hotel MyStays Premier Akasaka

Income and Expenditures, Etc.			
Operating Period	July 30, 2016 – December 31, 2016 (Note)	January 1, 2017 – December 31, 2017	
GOP (= (1) - (2))	JPY 364,645 thousand	JPY 828,648 thousand	
a. Land Lease Fees	-	-	
b. Taxes and Public Dues	JPY 19,548 thousand	JPY 46,158 thousand	
c. Non-life Insurance Premiums	JPY 261 thousand	JPY 617 thousand	
d. Trust Fees	JPY 338 thousand	JPY 800 thousand	
NOI (= GOP - [a. + b. + c. + d.])	JPY 344,497 thousand	JPY 781,073 thousand	
(Reference)	(1) Sales	JPY 601,531 thousand	JPY 1,427,880 thousand
	Room Income	JPY 535,483 thousand	JPY 1,337,221 thousand
	Other Income	JPY 66,047 thousand	JPY 90,659 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 236,885 thousand	JPY 599,231 thousand
	ADR	JPY 11,654	JPY 11,917
	RevPAR	JPY 10,565	JPY 11,204
	Room Occupancy Rates	90.7%	94.0%
	GOP Ratio	60.6%	58.0%
	Daily/ Weekly/ Monthly	100.0%/ 0.0%/ 0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share	35.5%	48.6%

(Note) Indicates data from July 30, 2016 to December 31, 2016 as the hotel newly operated on July 30, 2016

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D60: Hotel MyStays Premier Akasaka

Summary of Real Estate Appraisal Report	
Appraisal Company	Japan Real Estate Institute
Appraisal Value (Market Value)	JPY 20,900 million
Time of Valuation	June 1, 2018

(JPY thousand)

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	919,961	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)]	919,961	
(f) Vacant Room Losses	-	
(g) Irrecoverable Debt Losses	-	
(II) Operating Revenue = [(I) - (f) - (g)]	919,961	
(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	3,727	Based on comparable assets and average annual estimate in the engineering report
(k) Property Management Fee	-	
(l) Tenant Solicitation Expenses	-	
(m) Taxes and Public Dues	49,922	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	377	Based on insurance premiums of insurance policy as well as comparable assets
(o) Other Costs	120	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	54,146	
(IV) Net Operating Income = [(II) - (III)]	865,815	
(p) One Time Investment Gains	-	
(q) Capital Improvements and Expenses	8,697	Based on comparable assets and average annual estimate in the engineering report
(r) FF&E Reserve	29,701	Based on comparable assets as well as repair and maintenance plan
(V) Net Income = [(IV) + (p) - (q) - (r)]	827,417	
(VI) Capitalization Yield	3.9%	Based on comparing multiple transaction yield in the

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		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 = $[(V) \div (VI)]$	21,200,000	
(Reference) NOI Yield $[(IV) \div (VII)]$	4.1%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	6,822,321	
(a) Sale Price	20,229,951	
(b) Sale Costs	606,899	Assume 3.0% of sale price
(c) Returning Price = $[(a) - (b)]$	19,623,052	
(II) Returning Price, Current Value	13,645,870	
(III) Discount Rate	3.7%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.1%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
(V) Income Price using DCF Method = $[(I) + (II)]$	20,500,000	
(3) Income Price using Income Capitalization Method	20,900,000	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	8,850,000	
(ii) Building Price	2,450,000	
(iii) Furnishings/Appliances/Equipment/ Upholstery Price	233,000	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = $[(i) + (ii) + (iii)]$	11,533,000	
(v) Market Revision Rate	150%	Land lease right and building as a whole
(vi) Income Price using Income Cost Method = $[(iv) * (v)]$	17,300,000	
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.		

#### D61: Hotel MyStays Premier Sapporo Park

Type and Location of Specified Assets, etc.		
Type of Specified Assets	Trust Beneficiary Right	
Date of Planned Acquisition	August 2, 2018	
Planned Purchase Price	JPY 16,731 million	
Appraisal Value	JPY 16,900 million	
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.	
Location	(Lot Number)	5-8 Nishi 2-chome, Minami 9-jo, Chuo-ku, Sapporo-shi, Hokkaido and 26 other lots

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	(Address)	2-10 Nishi 2-chome, Minami 9-jo, Chuo-ku, Sapporo-shi, Hokkaido		
Transport	3-min walk from Nakajima Koen Station on the Sapporo Subway Namboku Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area	3,451.54 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	21,670.64 m <sup>2</sup> (Note 1)	Construction Date	March 23, 1998
	Structure/No. of Stories	Steel-framed steel concrete structure with flat floor, 1 basement, 26 stories (Note 2)		
	Renovation Date	November 2017 – April 2018		
Trustee	Mitsubishi UFJ Trust and Banking Corporation			
Trust Period	From: March 25, 2005; Until: August 31, 2028			
Creation of Security Interest	None			
<b>Lease Overview (May31, 2018)</b>				
Total No. of Tenant (s)	1		Number of Guest Rooms	419 rooms (T283 · D112 · O24)
Leasable Area (m <sup>2</sup> )	21,670.64 m <sup>2</sup>			
Lease Area (m <sup>2</sup> )	21,670.64 m <sup>2</sup>		Security Deposit/Guarantee Money	-
Occupancy Rate	100.0%		GOP (per month)	JPY 54,302 thousand
<b>Overview of Lease Agreement</b>				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: August 2, 2018 Until: August 31, 2028			
Determination of rent of lease contract	Fixed rent (JPY 444.9 million per annum (January: JPY 22.9 million per month / February: JPY 45.1 million per month / March: JPY12.5 million per month / April: JPY 0 million per month / May: JPY 30.9 million per month/ June: JPY 60.7 million per month/ July: JPY 75.8 million per month/ August: JPY 79.5 million per month/ September: JPY 52.1 million per month/ October: JPY 29.8 million per month/ November: 10.3 million per month/ December: 25.3 million per month) plus variable rent based on GOP of hotel operation. (Note 3)			
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.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
<b>Overview of Building Conditions Survey Report</b>				
Company Conducting Survey	Tokyo Bldg-Tech Center Co.,Ltd	Date of Report	June 2018	
Short term Repair Costs (within	-	Replacement Price	JPY 6,751,000 thousand	

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1 year)			
Long term Repair Costs (in 12 years)	JPY 215,010 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	May 2018
Probable Maximum Loss (PML)	1.5%		
Area Characteristic			
<p>The target property is a full-service hotel offering an ample choice of guest rooms and equipped with natural hot spring large bathing area and other facilities. The hotel, on which renovation works were completed in April 2018, is located at the center of Sapporo City and a 3-minute walk from Nakajima-Koen Station on the Sapporo Municipal Subway Namboku Line. This nearest station offers good traffic access to Sapporo Station (about 5 minutes) and New Chitose Airport (about 40 minutes via Sapporo Station), which means this hotel is well-positioned for both business and leisure purposes. While stable business demand is estimated, the hotel is possible to attract leisure demand since it is surrounded by Nakajima Park and The Toyohira River and easily accessible to famous destinations attracting tourists from home and abroad, including Odori Park, Sapporo Garden Park, Susukino downtown district and Sapporo Clock Tower.</p>			
Special Notes			
Part of the boundary between the land and adjacent land is yet to be finalized.			

(Note 1) In addition, there is a parking lot building (91.83 m<sup>2</sup>) as an annex building.

(Note 2) Indicates according on registry, however it is scheduled to revise registry as the structure of the building is steel-framed and partially steel steel-framed concrete structure indicated on the inspection certificate.

(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.

Income and Expenditures, Etc.			January 1, 2016 – December 31, 2016	January 1, 2017 – December 31, 2017
Operating Period			January 1, 2016 – December 31, 2016	January 1, 2017 – December 31, 2017
GOP (= (1) - (2))			JPY 852,181 thousand	JPY 863,796 thousand
a. Land Lease Fees			-	-
b. Taxes and Public Dues			JPY 56,565 thousand	JPY 56,565 thousand
c. Non-life Insurance Premiums			JPY 1,113 thousand	JPY 1,113 thousand
d. Trust Fees			JPY 800 thousand	JPY 800 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 793,702 thousand	JPY 805,318 thousand
(Reference)	(1) Sales		JPY 2,164,032 thousand	JPY 2,150,694 thousand
	Room Income		JPY 1,512,323 thousand	JPY 1,499,933 thousand
	Other Income		JPY 651,709 thousand	JPY 650,761 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 1,311,851 thousand	JPY 1,286,897 thousand
	ADR (Note 2)		JPY 11,296	JPY 11,890
	RevPAR (Note 2)		JPY 9,885	JPY 9,831
	Room Occupancy Rates (Note 2)		87.5%	82.7 %
	GOP Ratio		39.4%	40.2 %

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	Daily/ Weekly/ Monthly (Note 3)	100.0%/	0.0%/	0.0%	100.0%/	0.0%/	0.0%
	Overseas Sales Share			21.3%			23.0%

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D61: Hotel MyStays Premier Sapporo Park

Summary of Real Estate Appraisal Report	
Appraisal Company	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Market Value)	JPY 16,900 million
Time of Valuation	June 1, 2018

(JPY thousand)

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	933,251	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)]	933,251	
(f) Vacant Room Losses	-	
(g) Irrecoverable Debt Losses	-	
(ll) Operating Revenue = [(l) - (f) - (g)]	933,251	
(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	6,700	Based on the allocation of the value in the ER and comparable assets into Repair Costs and Capital Improvement and Expenses in a ratio of three to seven
(k) Property Management Fee	-	
(l) Tenant Solicitation Expenses	-	
(m) Taxes and Public Dues	56,564	Based on actual value in 2018 as stated in provided documents
(n) Non-life Insurance Premiums	1,113	Based on provided documents
(o) Other Costs	933	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	65,311	
(IV) Net Operating Income = [(ll) - (III)]	867,940	
(p) One Time Investment Gains	-	
(q) Capital Improvements and Expenses	13,400	Based on the allocation of the value in the ER and comparable assets into Repair Costs and Capital Improvement and Expenses in a ratio of three to seven
(r) FF&E Reserve	46,129	Based on comparable assets as well as repair and maintenance plan
(V) Net Income = [(IV) + (p) - (q) - (r)]	808,411	

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(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)]	17,200,000	
(Reference) NOI Yield [(IV) ÷ (VII)]	5.0%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	6,340,000	
(a) Sale Price	17,200,000	
(b) Sale Costs	344,000	Assume 2.0% of sale price
(c) Returning Price = [(a) - (b)]	16,856,000	
(II) Returning Price, Current Value	10,500,000	
(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)]	16,800,000	
(3) Income Price using Income Capitalization Method	16,900,000	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	10,200,000	
(ii) Building Price	5,100,000	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	200,000	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	15,500,000	

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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D62: Hotel MyStays Ueno East

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	August 2, 2018			
Planned Purchase Price	JPY 5,286 million			
Appraisal Value	JPY 5,340 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	5-59-6, Higashi Ueno, Taito-ku, Tokyo and one other lot		
	(Address)	5-5-6, Higashi Ueno, Taito-ku, Tokyo		
Transport	2 min walk from Inaricho Station on Tokyo Metro Ginza Line ,9 min walk from Ueno Station on JR Yamanote Line and JR Keihintohoku Line			
Land	Form of Possession	Ownership/Leasehold (Note 1)	Zoning	Commercial area
	Lot Area (m <sup>2</sup> )	856.48 m <sup>2</sup> (Note 1)	Building Coverage Ratio/Floor Area Ratio	80% / 600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m <sup>2</sup> )	4,396.02 m <sup>2</sup>	Construction Date	September 26, 1991
	Structure/No. of Stories	Steel-framed steel structure with flat floor, 1 basement, 9 stories		
	Renovation Date	December 2015 – May 2016		
Trustee	Mitsubishi UFJ Trust and Banking Corporation			
Trust Period	From: September 22, 2005; Until: August 31, 2028			
Creation of Security Interest	None			
Lease Overview (May 31, 2018)				
Total No. of Tenant (s)	1	Number of Guest Rooms	150 rooms (D12 · T135 · O3)	
Leasable Area (m <sup>2</sup> )	4,396.02 m <sup>2</sup>			
Lease Area (m <sup>2</sup> )	4,396.02 m <sup>2</sup>	Security Deposit/Guarantee Money	JPY 1,045 thousand	
Occupancy Rate	100.0%	GOP (per month)	JPY 22,551 thousand	
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: August 2, 2018 Until: August 31, 2028			
Determination of rent of lease contract	Fixed rent (JPY 138.7 million per annum (January: JPY 7.9 million per month / February: JPY 10.1 million per month / March: JPY14.0 million per month / April: JPY 17.8 million per month / May: JPY 11.4 million per month/ June: JPY 8.5 million per month/ July: JPY 11.2 million per month/ August: JPY 10.4 million per month/ September: JPY 9.5 million per month/ October: JPY 13.8 million per month/ November: 12.7 million per month/ December: 11.4 million per month) p 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	JPY 1,045 thousand			

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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.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	None		
<b>Overview of Building Conditions Survey Report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	June 2018
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 1,509,300 thousand
Long term Repair Costs (in 12 years)	JPY 202,710 thousand		
<b>Overview of PML report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	June 2018
Probable Maximum Loss (PML)	6.7%		
<b>Area Characteristic</b>			
<p>The target property is a limited service hotel located a 2-minute walk from Inaricho Station on Tokyo Metro Ginza Line. It is located a 9-minute walk from Ueno Station on JR and other lines, from which it takes about 18 minutes to Tokyo Station, 20 minutes to Shinjuku Station, 50 minutes to Haneda Airport and 70 minutes to Narita Airport. The hotel, on which the full renovation works were completed in May 2016, received Certificate of Excellence from TripAdvisor<sup>(Note 3)</sup> in 2016. The hotel functions as a base for sightseeing and leisure, with its good access to popular tourist destinations such as Ueno Park containing Ueno Zoological Gardens, Tokyo National Museum, National Museum of Nature and Science, The National Museum of Western Art and Tokyo Metropolitan Art Museum, as well as Ameya-yokocho shopping street. In addition, it is expected to create stable business demand as the hotel is located in the Tokyo metropolitan area with good access to key spots for transportation. Its 150 guest rooms, ranging from 11m<sup>2</sup> double rooms to 28m<sup>2</sup> triple rooms, are available for couple guests and address various types of customer needs.</p>			
<b>Special Notes</b>			
As a part of the land is owned by a religious organization, approval from the owner or payment of fees for approval is required in the case of transfer of the leasehold in connection with the transfer of the building			

(Note 1) The site of hotel consists of two lots, of which INV will acquire ownership for one lot, leasehold for one lot. Total of two lot area on the registry is indicated in the "Lot Area" column.

(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.

(Note 3) "Certificate of Excellence" is awarded by TripAdvisor, Inc. using an algorithm that primarily takes into account the quality, quantity, and recency of user reviews, as well as the business' tenure on the site. The qualification of the certificate are as follows (i) maintain an overall TripAdvisor rating of at least four out of five, (ii) have a minimum number of review, (iii) have been listed on TripAdvisor for at least twelve months. A business must be listed for the full 12-month qualifying period from April 1 to March 31 to be considered.

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D62: Hotel MyStays Ueno East

Income and Expenditures, Etc.								
Operating Period		January 1, 2016 – December 31, 2016			January 1, 2017 – December 31, 2017			
GOP (= (1) - (2))		JPY 233,700 thousand			JPY 276,217 thousand			
a. Land Lease Fees		JPY 10,364 thousand -			JPY 10,364 thousand			
b. Taxes and Public Dues		JPY 9,768 thousand			JPY 9,768 thousand			
c. Non-life Insurance Premiums		JPY 252 thousand			JPY 252 thousand			
d. Trust Fees		JPY 800 thousand			JPY 800 thousand			
NOI (= GOP - [a. + b. + c. + d.])		JPY 212,514 thousand			JPY 255,031 thousand			
(Reference)	(1) Sales		JPY 451,290 thousand			JPY 516,730 thousand		
		Room Income	JPY 444,882 thousand			JPY 510,444 thousand		
		Other Income	JPY 6,408 thousand			JPY 6,285 thousand		
	(2) Operating Costs (not including a. through d. above)		JPY 217,590 thousand			JPY 240,513 thousand		
	ADR		JPY 9,836			JPY 9,932		
	RevPAR		JPY 8,104			JPY 9,323		
	Room Occupancy Rates		82.4%			93.9%		
	GOP Ratio		51.8%			53.5%		
	Daily/ Weekly/ Monthly		100%/	0.0%/	0.0%	100.0%/	0.0%/	0.0%
	Overseas Sales Share		64.4%			68.6%		

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D62: Hotel MyStays Ueno East

Summary of Real Estate Appraisal Report	
Appraisal Company	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Market Value)	JPY 5,340 million
Time of Valuation	June 1, 2018

(JPY thousand)

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	281,079	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)]	281,079	
(f) Vacant Room Losses	-	
(g) Irrecoverable Debt Losses	-	
(II) Operating Revenue = [(I) - (f) - (g)]	281,079	
(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	5,285	Based on the allocation of the value in the ER and comparable assets into Repair Costs and Capital Improvement and Expenses in a ratio of three to seven
(k) Property Management Fee	-	
(l) Tenant Solicitation Expenses	-	
(m) Taxes and Public Dues	9,337	Based on actual value in 2018 as stated in the documents relating to taxes
(n) Non-life Insurance Premiums	252	Based on estimate
(o) Other Costs	10,645	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	25,520	
(IV) Net Operating Income = [(II) - (III)]	255,558	
(p) One Time Investment Gains	10	1.0% investment yield
(q) Capital Improvements and Expenses	12,835	Based on the allocation of the value in the ER and comparable assets into Repair Costs and Capital Improvement and Expenses in a ratio of three to seven
(r) FF&E Reserve	7,738	Based on comparable assets etc.
(V) Net Income = [(IV) + (p) - (q) - (r)]	234,995	
(VI) Capitalization Yield	4.3%	Based on comparing multiple transaction yield in the neighboring areas or similar areas with the same supply

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		and demand taking into consideration of the land including lease land rights
(VII) Income Price using Direct Capitalization Method = $[(V) \div (VI)]$	5,470,000	
(Reference) NOI Yield $[(IV) \div (VII)]$	4.7%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	1,900,000	
(a) Sale Price	5,430,000	
(b) Sale Costs	272,000	Assume 5.0% of sale price
(c) Returning Price = $[(a) - (b)]$	5,158,000	
(II) Returning Price, Current Value	3,390,000	
(III) Discount Rate	4.3%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.5%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty, considering the land including land lease rights
(V) Income Price using DCF Method = $[(I) + (II)]$	5,290,000	
(3) Income Price using Income Capitalization Method	5,340,000	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	3,430,000	
(ii) Building Price	1,130,000	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	160,000	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = $[(i) + (ii) + (iii)]$	4,720,000	

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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D63: Hotel MyStays Midosuji Honmachi

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	August 2, 2018			
Planned Purchase Price	JPY 5,039 million			
Appraisal Value	JPY 5,090 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	3-24-1, Honmachi, Chuo-ku, Osaka-shi, Osaka and one other lot		
	(Address)	3-2-10, Honmachi, Chuo-ku, Osaka-shi, Osaka		
Transport	3 min walk from Honmachi Station on Osaka Metro Midosuji Line ,4 min walk from Sakaisuji-Honmachi Station on Osaka Metro Sakaisuji Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m <sup>2</sup> )	398.37 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	80% / 800%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m <sup>2</sup> )	3,429.43 m <sup>2</sup>	Construction Date	October 24, 2017
	Structure/No. of Stories	Steel structure with flat floor, 14 stories		
	Renovation Date	-		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 15, 2017; Until: August 31, 2028			
Creation of Security Interest	None			
Lease Overview (May 31, 2018)				
Total No. of Tenant (s)	1	Number of Guest Rooms	108 rooms (T24 · D72 · O12)	
Leasable Area (m <sup>2</sup> )	3,429.43 m <sup>2</sup>			
Lease Area (m <sup>2</sup> )	3,429.43 m <sup>2</sup>	Security Deposit/Guarantee Money	-	
Occupancy Rate	100.0%	GOP (per month)	JPY 14,259 thousand	
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: August 2, 2018 Until: August 31, 2028			
Determination of rent of lease contract	Fixed rent (JPY 115.6 million per annum (January: JPY 5.6 million per month / February: JPY 9.3 million per month / March: JPY11.4 million per month / April: JPY 11.3 million per month / May: JPY 7.0 million per month/ June: JPY 7.8 million per month/ July: JPY 10.2 million per month/ August: JPY 13.2 million per month/ September: JPY 7.9 million per month/ October: JPY 10.9 million per month/ November: 10.6 million per month/ December: 10.4 million per month) plus variable rent based on GOP of hotel operation by tenant. (Note)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	None			

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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.		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	None		
<b>Overview of Building Conditions Survey Report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	June 2018
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 1,086,200 thousand
Long term Repair Costs (in 12 years)	JPY 77,276 thousand		
<b>Overview of PML report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	June 2018
Probable Maximum Loss (PML)	9.7%		
<b>Area Characteristic</b>			
<p>The target property is a limited-service hotel with 108 guest rooms, located a 3-minute walk from Hommachi Station on Osaka Metro Midosuji Line, Chuo Line and Yotsubashi Line, from which it takes about 5 minutes to Umeda Station, 10 minutes to Shin-Osaka Station, 35 minutes to Osaka International Airport (Itami Airport) and 50 minutes to Kansai International Airport. The hotel is also within walking distance from Sakaisuji-Honmachi Station on the Osaka Metro Sakaisuji Line, while providing good access to Nakanoshima, Osaka Castle and Kaiyukan aquarium as it takes less than 30 minutes by train. It is expected to create stable demand from business people due to its location at central Osaka, the hotel is well-positioned to attract leisure customers who want to use it as a base for sightseeing activities. This limited-service hotel addresses needs of various kinds of guests for business and leisure purposes, including families, as its 108 guest rooms includes double rooms (14.5m<sup>2</sup>) and twin rooms (18m<sup>2</sup>), as well as 4-bed rooms (35m<sup>2</sup>).</p>			
<b>Special Notes</b>			
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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# Invincible Investment Corporation

D63: Hotel MyStays Midosuji Honmachi

Income and Expenditures, Etc.			January 1, 2016 – December 13, 2016		December 13, 2017 – December 31, 2017 (Note)	
Operating Period						
GOP (= Leasing revenue) (= (1) - (2))			—		JPY 17,337 thousand	
a. Land Lease Fees			—		-	
b. Taxes and Public Dues			—		JPY 889 thousand	
c. Non-life Insurance Premiums			—		JPY 11 thousand	
d. Trust Fees			—		JPY 41 thousand	
NOI (= GOP - [a. + b. + c. + d.])			—		JPY 16,395 thousand	
(Reference)	(1) Sales		—		JPY 22,346 thousand	
		Room Income	—		JPY 21,388 thousand	
		Other Income	—		JPY 958 thousand	
	(2) Operating Costs (not including a. through d. above)		—		JPY 5,009 thousand	
	ADR		—		JPY 11,198	
	RevPAR		—		JPY 10,423	
	Room Occupancy Rates		—		93.1%	
	GOP Ratio		—		77.6%	
	Daily/ Weekly/ Monthly (Note2)		— — —		100.0%/ 0.0%/ 0.0%	
	Overseas Sales Share (Note2)		—		16.6%	

(Note) Indicates data from December 13, 2017 to December 31, 2017 as the hotel newly operated on December 13, 2017

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D63: Hotel MyStays Midosuji Honmachi

Summary of Real Estate Appraisal Report	
Appraisal Company	Japan Real Estate Institute
Appraisal Value (Market Value)	JPY 5,090 million
Time of Valuation	June 1, 2018

(JPY thousand)

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	252,115	Room Rental Income and Common Area Maintenance Fee Income 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)]	252,115	
(f) Vacant Room Losses	-	
(g) Irrecoverable Debt Losses	-	
(II) Operating Revenue = [(I) - (f) - (g)]	252,115	
(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	1,932	Based on comparable assets and average annual estimate in the engineering report
(k) Property Management Fee	-	
(l) Tenant Solicitation Expenses	-	
(m) Taxes and Public Dues	19,334	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	157	Based on insurance premiums of insurance policy as well as comparable assets
(o) Other Costs	-	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	21,423	
(IV) Net Operating Income = [(II) - (III)]	230,692	
(p) One Time Investment Gains	-	
(q) Capital Improvements and Expenses	4,510	Based on comparable assets and average annual estimate in the engineering report
(r) FF&E Reserve	8,994	Based on comparable assets as well as repair and

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		maintenance plan
(V) Net Income (NCF) = [(IV) + (p) - (q) - (r)]	217,188	
(VI) Capitalization Yield	4.2%	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)]	5,170,000	
(Reference) NOI Yield [(IV) ÷ (VII)]	4.5%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	1,751,506	
(a) Sale Price	4,957,455	
(b) Sale Costs	148,724	Assume 3.0 % of sale price
(c) Returning Price [(a) - (b)]	4,808,731	
(II) Returning Price, Current Value	3,248,779	
(III) Discount Rate	4.0%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.4%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
(V) Income Price using DCF Method = [(I) + (II)]	5,000,000	
(3) Income Price using Income Capitalization Method	5,090,000	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	1,220,000	
(ii) Building Price	1,090,000	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	83,600	
(iv) Market Revision Rate	2,393,600	
(v) Income Price using Income Cost Method	130%	Land lease right and building as a whole
(vi) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	3,110,000	

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 Domestic Hotel Properties

Among the Four Domestic Hotel Properties, with respect to Hotel MyStays Premier Akasaka and Hotel MyStays Midosuji Honmachi, it is confirmed that these hotels meet the Specific Structure Calculation Standards prescribed in Article 6-3, Paragraph 1 of the Building Standards Act, according to Structural Calculation Conformity Assessment Notice issued by Away Building Evaluation Network Inc. and General Building Research Corporation of Japan, respectively. With respect to Hotel MyStays Premier Sapporo Park, it is confirmed that its structural design has no structurally tolerant issues according to the assessment certificate issued by The Building Center of Japan High-rise Building Assessment Committee. With respect to Hotel MyStays Ueno East, it has been confirmed that there is no sign of intentional tampering of structural statement by the architect, and the structural design meets seismic resistance standards stipulated by the Building Standards Act and relevant enforcement orders, etc. as assessed by Tokio Marine & Nichido Risk Consulting Co., Ltd.

All Four Domestic Hotel Properties satisfy requirements under the new seismic code (Note 1).

In addition, as a part of the due diligence (Note 2) routine in connection with an acquisition, INV conducts the investigation on seismic risks.

(Note 1) New seismic code refers to the seismic resistance standards in regard to building design, which has been applied in construction certificate since June 1, 1981.

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

## 5. Overview of Sellers

Overview of sellers of the Four Domestic Hotel Properties is as follows;

### D60 Hotel MyStays Premier Akasaka

(i)	Name	Aki Tokutei Mokuteki Kaisha ("Aki TMK")
(ii)	Location	C/O EP Consulting Service, 1-2-9, Nishishinbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Hiroyasu Nakamura
(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: JPY200 million
(vi)	Date of establishment	January 17, 2011
(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 Aki TMK, Aki TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Aki 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. Furthermore, a 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 MyStays Shinsaibashi" in January 22, 2016 and other 10 hotels from Aki TMK.
	Whether the TMK is a related party	Aki TMK is not a related party of INV or CIM. Further, related persons and affiliates of Aki TMK are not related parties of INV or CIM. Furthermore, Aki 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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## D61 Hotel MyStays Premier Sapporo Park

(i)	Name	Raetia Tokutei Mokuteki Kaisha ("Raetia TMK")
(ii)	Location	C/O EP Consulting Service, 1-2-9, Nishishinbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Masayuki Meguro
(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: JPY3,350 million
(vi)	Date of establishment	September 3, 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 Raetia TMK, Raetia TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Raetia 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. Furthermore, a 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 Raetia TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Raetia TMK or its related persons or affiliates.
	Whether the TMK is a related party	Raetia TMK is not a related party of INV or CIM. Further, related persons and affiliates of Raetia TMK are not related parties of INV or CIM. Furthermore, Raetia 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.

## D62 Hotel MyStays Ueno East

(i)	Name	HL Investments 2 Tokutei Mokuteki Kaisha ("HL Investments 2 TMK")
(ii)	Location	C/O Akasaka International TAX&CO., 2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Akio Yamazaki
(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: JPY2,274 million

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(vi)	Date of establishment	January 23, 2015
(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 2 TMK, HL Investments 2 TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and HL Investments 2 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. Furthermore, a 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 2 TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and HL Investments 2 TMK or its related persons or affiliates.
	Whether the TMK is a related party	HL Investments 2 TMK is not a related party of INV or CIM. Further, related persons and affiliates of HL Investments 2 TMK are not related parties of INV or CIM. Furthermore, HL Investments 2 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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## D63 Hotel MyStays Midosuji Honmachi

(i)	Name	Dogo Tokutei Mokuteki Kaisha ("Dogo TMK")
(ii)	Location	C/O Akasaka International TAX&CO.,2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Akio Yamazaki
(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: JPY1,569 million
(vi)	Date of establishment	March 12, 2015
(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 Dogo TMK, Dogo TMK has indirectly received investments through funds operated by affiliates of FIG, a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	While there are no personal relationships that should be noted between INV/CIM and Dogo 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. Furthermore, a 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 Dogo TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Dogo TMK or its related persons or affiliates.
	Whether the TMK is a related party	Dogo TMK is not a related party of INV or CIM. Further, related persons and affiliates of Dogo TMK are not related parties of INV or CIM. Furthermore, Dogo 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.

### 6. Transactions with Interested Persons etc.

The sellers of the Four Domestic Hotel Properties, namely Aki TMK, Raetia TMK, HL Investments 2 TMK and Dogo TMK, are not Sponsor-related Persons (Note) under the voluntary rules established 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 (FIG falls under a Sponsor-related Person as it is a subsidiary of CIM's parent company, SoftBank Group which directly and indirectly holds 100% of CIM's outstanding shares). Therefore, CIM has treated the sellers as equivalent to Sponsor-related Persons.

The acquisitions are to be acquired at prices not exceeding their appraisal value in accordance with

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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 July 17, 2018, 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 Domestic Hotel Properties is not a Sponsor-related Person under the voluntary rules established by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, the tenant/operator has indirectly received investments through funds operated by affiliates of FIG. Therefore, CIM has treated MHM as equivalent to a Sponsor-related Person.

In accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, and following the deliberation and resolution of the compliance committee meeting and the investment committee meeting both held on July 17, 2018, the boards of directors of CIM and INV each approved the lease agreements expected to be entered into with MHM at meeting both held on July 17, 2018, 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 Orders for Enforcement of the Act on Investment Trust and Investment Corporations, (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 through anonymous partnership (tokumei kumiai) by persons who fall under (ii) above. Hereinafter the same.

## 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	D60 Hotel MyStays Premier Akasaka
Current owner/trust beneficiary	1. Aki TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for development purposes 4. Omitted because acquired for development purposes 5. July 2011
Preceding owner/trust beneficiary	Omitted because acquired for development purposes

Property Name	D61 Hotel MyStays Premier Sapporo Park
Current owner/trust beneficiary	1. Raetia TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year

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	5. December 2014
Before Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D62 Hotel MyStays Ueno East
Current owner/trust beneficiary	1. HL Investments 2 TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. April 2015
Preceding owner/trust beneficiary	Persons having no special conflict of interests relationship

Property Name	D63 Hotel MyStays Midosuji Honmachi
Current owner/trust beneficiary	1. Dogo TMK 2. The TMK has received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM. 3. Acquisition for development purposes 4. Omitted because acquired for development purposes 5. October 2015
Preceding owner/trust beneficiary	Omitted because acquired for development purposes

## 8. Overview of Brokerage

Not applicable for the Four Domestic Hotel Properties.

## 9. Schedules

Acquisition decision date:	July 17, 2018
Agreement execution date:	
Anticipated acquisition date:	August 2, 2018 (Note 1)
Anticipated source of acquisition funds:	Funds from issuance of new investment units in Japan and overseas (Note 2), new 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. However, it is provided in the purchase and sale agreements for the trust beneficiary interests that upon INV's request, INV can pay the deficit on a later day which will be agreed upon with the sellers separately and no interest will be charged thereof, so if there arises deficit, INV will pay the deficit after acquisition pursuant to such provision.

(Note 2) For details of the issuance of new investment units, please refer to "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" dated July 17, 2018.

(Note 3) For details of the new borrowings, please refer to "Notice concerning Debt Financing" dated July 17, 2018.

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## 10. Future Outlook

For information on the revision of INV's forecasts for financial results and distribution for the fiscal period ended June 2018 (from January 1 to June 30 ) and the fiscal period ending December 2018 (from July 1, 2018 to December 31, 2018) in connection with the Acquisition of the Four Domestic Hotel properties, please refer to "Notice concerning Revision of Forecast of Financial Results and Distribution for the 30th Fiscal Period Ended June 2018 and the 31st Fiscal Period Ending December 2018" dated July 17, 2018.

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

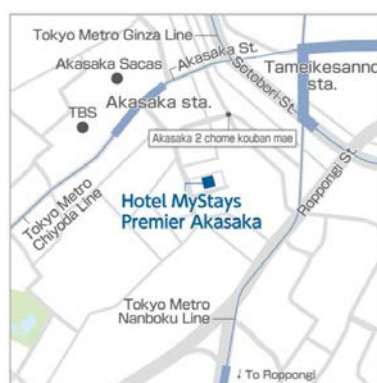
For risks relating to investments in the Four Domestic Hotel Properties, please refer to the "Investment Risks" (*toshi risuku*) in the semi-annual securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended December 2017 (from July 1, 2017 to December 31, 2017) (available in Japanese only), filed on March 26, 2018, 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 on July 17, 2018.

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

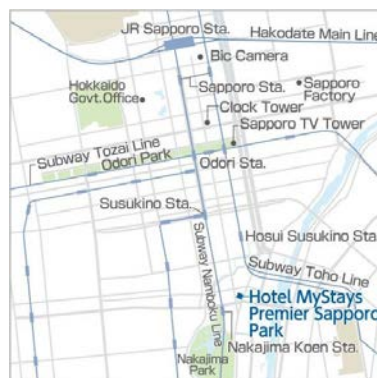
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Photos and Maps of the Four Domestic Hotel Properties

D60 Hotel MyStays Premier Akasaka

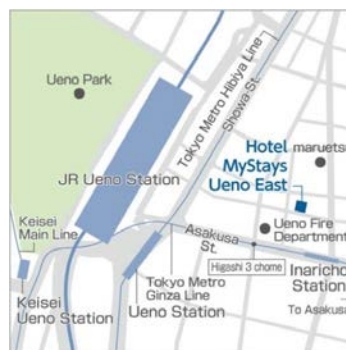


D61 Hotel MyStays Premier Sapporo Park

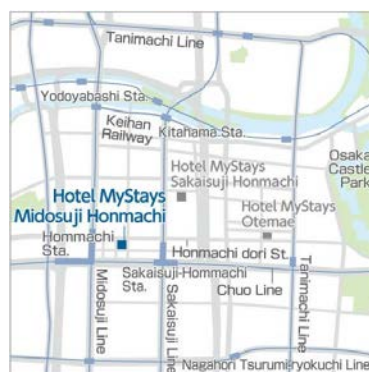


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## D62 Hotel MyStays Ueno East



## D63 Hotel MyStays Midosuji Honmachi



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