

[For Information Purpose Only.]

February 26, 2019

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation
Naoki Fukuda, Executive Director
(Securities code: 8963)

Asset Manager:

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Notice concerning Waiver of Preferential Negotiation Right to Acquire a Property

Invincible Investment Corporation (“INV”) made an agreement today with an affiliate of its sponsor, Fortress Investment Group LLC (“FIG”) to waive the preferential negotiation right pertaining to Plestay Win Kinshicho (the “Property”), for which INV had been granted a preferential negotiation right based on the Memorandum of Understanding on Preferential Negotiation Rights (the “MOU”) entered into between INV and affiliates of FIG.

1. Reasons and background of the waiver

As announced in “Notice concerning Amendment to Memorandum of Understanding on Preferential Negotiation Rights” dated July 17, 2018, INV entered into an amended MOU with affiliates of FIG on July 17, 2018, which provides for preferential negotiation rights to acquire 19 hotel properties and nine residential properties, including the Property.

Subsequently, INV was granted an opportunity to consider the acquisition of the Property by the relevant affiliate of FIG, but INV decided to waive the preferential negotiation right to the Property as the property characteristics did not improve INV’s overall portfolio composition and earnings growth.

After the waiver of the preferential negotiation right to the Property, INV still holds the preferential negotiation rights to 19 hotel properties and eight residential properties covered by the MOU. INV will pursue external growth taking advantage of this extensive sponsor pipeline.

Appendix – A list of properties covered by the MOU (after the waiver)

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

This English language notice is a translation of the Japanese-language notice released on February 26, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

Appendix – A list of properties covered by the MOU (after the waiver)

(1) Hotel Properties

No.	Property Name	Location	Type (Note 1)	# of Rooms
1	RIHGA Royal Hotel Kyoto	Kyoto, Kyoto	Full	489
2	Hotel MyStays Premier Narita	Narita, Chiba	Full	711
3	Fusaki Beach Resort Hotel & Villas	Ishigaki, Okinawa	Resort	188
4	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265
5	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206
6	Hotel MyStays Matsuyama	Matsuyama, Ehime	Full	162
7	Hotel MyStays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86
8	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70
9	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161
10	Hotel MyStays Fuji Onsen Resort	Fujiyoshida, Yamanashi	Resort	159
11	Hotel Nord Otaru	Otaru, Hokkaido	Limited	98
12	Hotel Sonia Otaru	Otaru, Hokkaido	Limited	149
13	Art Hotel Niigata Station	Niigata, Niigata	Full	304
14	Art Hotel Ishigakijima	Ishigaki, Okinawa	Resort	245
15	Hotel MyStays Shinsaibashi East	Osaka, Osaka	Limited	85
16	Hotel MyStays Sapporo Aspen	Sapporo, Hokkaido	Limited	305
17	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo, Hokkaido	Limited	80
18	Hotel MyStays Sapporo Susukino	Sapporo, Hokkaido	Limited	104
19	Hotel MyStays Nayoro	Nayoro, Hokkaido	Limited	70

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(2) Residential Properties

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

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

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

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

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

(Note 2) The term of validity of the MOU is from July 17, 2018 the date of amendment to the MOU, to July 16, 2019. Regarding the 27 properties listed above, the affiliates of FIG do not intend to sell any of the properties listed above and INV does not intend to acquire any of the properties listed above as of today. There is no assurance that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties. INV does not hold preferential negotiation rights to acquire any overseas properties.