

[For Information Purpose Only.]

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

December 9, 2019

To All Concerned Parties

Name of REIT Issuer:

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

Asset Manager:

Consonant Investment Management Co., Ltd.
Naoki Fukuda, CEO
Contact: Jun Komo
General Manager of Planning Department
(Tel. +81-3-5411-2731)

Notice concerning Acquisition and Sale of Domestic Trust Beneficiary Interests

Invincible Investment Corporation ("INV") is pleased to announce the decision to acquire trust beneficiary interests (the "Acquisition") in two domestic hotel properties (individually the "Asset to be Acquired," or collectively the "Assets to be Acquired") and to sell trust beneficiary interests (the "Sale", and together with the "Acquisition," referred to as the "Asset Recycling") in two domestic residential properties (individually the "Asset to be Sold," or collectively the "Assets to be Sold") as decided on December 9, 2019 by Consonant Investment Management Co., Ltd. ("CIM"), the asset manager of INV. INV decided on the Asset Recycling to improve the overall portfolio NOI yield by acquiring the Assets to be Acquired at an simulated NOI cap rate of 5.7% and selling the Assets to be Sold at an NOI cap rate of 3.4%.

1. Overview of Acquisition and Sale

(1) Overview of Acquisition

(in million yen)

Property Number	Property Name	Anticipated Acquisition Price ¹	Appraisal Value ²	Seller ³	Anticipated Acquisition Date
D82	Hotel MyStays Premier Narita	10,593	10,700	Adria Tokutei Mokuteki Kaisha	January 6, 2020
D83	Art Hotel Morioka	5,643	5,700	Heijo Tokutei Mokuteki Kaisha	
Total		16,236	16,400	-	-

(Note 1) Anticipated Acquisition Prices show purchase prices set forth in the purchase and sale agreements for the trust beneficiary interests of each property ("PSA") and do not include adjustments for property taxes, city planning taxes, or national or local consumption taxes. The same shall apply hereinafter.

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- (Note 2) Appraisal Value is based on appraisal value stated in the appraisal report by The Tanizawa Sōgō Appraisal Co., Ltd. or JLL Morii Valuation & Advisory K.K. on the valuation date of October 1, 2019. For details, please refer to “(1) Details of the Assets to be Acquired” of “4. Details of the Assets to be Acquired and Assets to be Sold” as described below.
- (Note 3) For an overview of the sellers, please refer to “(1) Overview of the Sellers” of “5. Overview of Sellers and Transferee” as described below.
- (Note 4) Brokerage is not applicable in connection with the Acquisition.
- (Note 5) Amounts are rounded down to the nearest unit. The same shall apply hereinafter.

(2) Overview of Sale

(in million yen)

Property Number	Property Name	Book Value ¹	Anticipated Sale Price ²	Expected Gain on Sale ³	Transferee	Anticipated Sale Date
A51	City House Tokyo Shinbashi	2,281	4,465	2,038	Undisclosed ⁴	January 15, 2020
A52	Winbell Kagurazaka	3,003	5,135	1,963		December 17, 2019
Total		5,284	9,600	4,001	-	-

- (Note 1) As of June 30, 2019.
- (Note 2) Anticipated sale prices show sale prices set forth in the PSAs of each property and do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes. The same shall apply hereinafter.
- (Note 3) Expected gain on sale is calculated by deducting the estimated transfer related cost and is an estimate as of today, and is subject to change upon finalization of the financial results.
- (Note 4) The name of the transferee is not disclosed, as the transferee’s consent has not been obtained for disclosure. For an overview of the transferee, please refer to “(1) Overview of the Transferee” of “5. Overview of Sellers and Transferee” as described below.
- (Note 5) The broker in connection with the Sale is not a related party of INV/CIM.
- (Note 6) As shown above, the anticipated sale date for Winbell Kagurazaka (hereinafter referred to as “December Transaction Asset” as the case may be) is December 17, 2019 and the anticipated sale date for City House Tokyo Shinbashi (hereinafter referred to as the “January Transaction Asset” as the case may be) is January 15, 2020. As the sale of the Assets to be Sold is made as an integrated transaction, if the completion of the sale of the January Transaction Asset fails to occur for any reason other than those attributable to the transferee after the completion of the sale of the December Transaction Asset, the transferee may elect to either (i) require INV to repurchase the December Transaction Asset at the price equal to its sale price, or (ii) require INV to make a penalty payment in an amount equal to 10% of the sale price of the January Transaction Asset and reimburse the cost incurred by the transferee in connection with the January Transaction Asset. Further, if the completion of the sale of the January Transaction Asset fails to occur for a reason attributable to the transferee after the completion of the sale of the December Transaction Asset, INV may elect to require transferee to make a penalty payment in an amount equal to 10% of the sale price of the January Transaction Asset and reimburse the cost incurred by INV in connection with the January Transaction Asset.

2. Reasons for Acquisition and Sale

INV decided to acquire the Assets to be Acquired which 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”), and will be funded by a portion of sale proceeds from the Sale (“Proceeds”), and new bank borrowings (Note 1). The Assets to be Acquired are INV’s first hotels in Iwate prefecture and in the Narita area. Both areas are attractive due to their limited or lack of any projected new hotel supply. The two hotels are full-service hotels (Note 2), which expands the composition of full-service hotels to 32.8% (based on (anticipated) acquisition price) of the portfolio, which improves the portfolio hotel-type diversification. Both hotels have recently renovated their banquet space, providing for enhanced meeting and banquet offerings with further diversified revenue sources and also have increased room

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night demand.

In the Asset Recycling, the two residential assets will be sold for anticipated sale price with an average actual NOI yield (Note 3) of 3.4% and the Assets to be Acquired will be acquired for an average 5.8% appraisal NOI yield (Note 4) and an average 5.7% simulated NOI yield (Note 5). Through the Asset Recycling, INV intends to improve the medium- to long-term portfolio profitability and thus achieve a higher DPU level.

Moreover, the total anticipated sale price exceeds the total book value (Note 6) by 81.7%, and the total latest appraisal values by 18.5%, respectively and is expected to generate an estimated gain on sale (Note 7) of approximately JPY 1,963 million in the fiscal period ending December 2019 with the sale of Winbell Kagurazaka, and JPY 2,038 million in the fiscal period ending June 2020 with the sale of City House Tokyo Shinbashi. Thus, INV believes that the sales of these properties at this time is in the best interest of INV's investors taking into account the strategic position of the Assets to be Sold among the entire portfolio and the accretive nature of the transactions for the favorable conditions entailed with the said expected gain on sale.

Regarding the Assets to be Acquired, Hotel MyStays Premier Narita is a full-service hotel with 711 guest rooms, located approximately 10 minutes by car from Narita International Airport ("NIA"), an international gateway to Japan. Fully renovated in February 2018, this hotel has a variety of room types including, but not limited to Double, Twin, and Triple rooms, and is furnished with numerous facilities and services such as restaurants, banquet rooms, conference halls, swimming pool, exercise room, public bath with a sauna, tennis courts, a lounge dedicated for airline crews, and a shuttle bus to the airport. Therefore, this hotel is well positioned to capture both tourism and business demand, appealing also to aircrew, while the renovated and expanded banquet facilities also caters to corporate demand.

It is expected NIA will serve as a gateway to Japan from overseas during the Tokyo 2020 Olympics and Paralympic Games. NIA accommodated 42.6 million passengers in 2018 (+4.7% year-on-year) and continues to expand and improve the facilities to deal with future demand growth such as the recently expanded Terminal 3 in September 2019, the dedicated terminal for Low Cost Carriers. NIA announced the following steps to enhance functionality at the airport which include 1) extended operating hours at night time slots from the winter 2019/2020 season 2) increasing hourly slot capacity from summer 2020 and 3) the extension of Runway B and construction of a new runway (Runway C) to be completed by the FY 2028, which are all beneficial for Narita hotel demand by increasing number of users of the airport from a long term point of view.

Art Hotel Morioka is a full-service hotel with 214 guest rooms, conveniently located an 8-minute walk from Morioka Station on the JR lines. Morioka is a major city in the Tohoku area, which is experiencing an increase in inbound tourism, creating additional lodging demand. Renovated in September 2019, the hotel has a variety of room types including Double, Twin, and Family rooms, and is anticipated to capture stable demand from both business and tourism demand. The banquets and restaurants serve Japanese cuisine, European cuisine, and Chinese cuisine, and the hotel captures various needs other than

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accommodation service.

MYSTAYS HOTEL MANAGEMENT Co., Ltd. (hereinafter “MHM”) operates both of the Assets to be Acquired. MHM is owned by the Sponsor and is a hotel operator with deep expertise and experience.

(Note 1) For new borrowings, please refer to “Notice concerning Debt Financing” announced on December 9, 2019.

(Note 2) “Full-service hotel” are to hotels that have both restaurant facilities providing breakfast, lunch and dinner (including meals provided by reservation) and meeting facilities that can be used for banquet services.

(Note 3) “Average actual NOI yield” is calculated for reference by the following formula;

(the sum of actual NOI of the Assets to be Sold) ÷ (the sum of anticipated sale price for the Assets to be Sold)

The sum of actual NOI of the Assets to be Sold are the total amount of the actual NOI from July 1, 2018 to June 30, 2019.

(Note 4) “Average appraisal NOI yield” is calculated for reference by the following formula;

(the sum of appraisal NOI of the Assets to be Acquired) ÷ (the sum of anticipated acquisition price for the Assets to be Acquired)

Appraisal NOI of the Assets to be Acquired is the sum of net operating income calculated by DCF method indicated in appraisal report with the valuation date as of October 1, 2019. The same shall apply hereinafter.

(Note 5) “Average simulated NOI yield” is calculated for reference by the following formula;

(the sum of simulated NOI of the Assets to be Acquired) ÷ (the sum of anticipated acquisition price for the Assets to be Acquired)

Simulated NOI yield of the Assets to be Acquired is based on forecasted net operating income calculated by the anticipated monthly performance from January to December 2020 estimated by CIM.

(Note 6) As of June 30, 2019.

(Note 7) Expected gain on sale is calculated by deducting the estimated transfer related cost and is an estimate as of today, and is subject to change upon finalization of the financial results.

The Portfolio Summary inclusive of “Sheraton Grande Tokyo Bay Hotel” (the preferred equity interest) and overseas hotels (Note 1) is below:

	Existing Portfolio as of November 30, 2019 (Note 1)	Assets to be Sold	Assets to be Acquired	Post-Asset Recycling (Note 2)
Number of Properties (Hotel Properties)	148 (84)	2 (0)	2 (2)	148 (86)
Total (Anticipated) Acquisition Price (million yen) (Note 3)(Note 4)	501,239	5,780	16,236	511,695

(Note 1) In September 2018, INV acquired a TK interest backed by leasehold interests in the underlying land and buildings of the Westin Grand Cayman Resort and Sunshine Suites Resort, two resort hotel properties located in the Cayman Islands (the “Cayman Islands hotels”). On May 9, 2019 (Cayman Islands local time, May 10, 2019 in Japan local time), INV restructured investment in the Cayman Islands hotels by terminating the TK arrangement and directly acquiring the leasehold interests of the overseas hotels as well as ownership of the FF&E (furniture, fixtures and equipment) (collectively “leasehold, etc.”) from Seven Mile Resort Holdings Ltd., a Cayman Islands SPC (the “Cayman SPC”) that acquired leasehold interests in the underlying land and buildings.

(Note 2) The figures described in the column of “Existing Portfolio” and “Post-Asset Recycling” are inclusive of preferred equity interest and Cayman Islands hotels. Number of properties is based on the underlying assets (i.e. one property for the preferred equity interest) and the preferred equity interest is classified as a hotel based on the category of the underlying asset.

(Note 3) The acquisition price of Cayman Islands hotels is calculated based on book value of leasehold, etc. as of May 9, 2019 (Cayman Islands local time, May 10, 2019 in Japan local time) when INV acquired leasehold, etc. from the Cayman SPC by way of termination of the TK arrangement, using an exchange rate of USD1=JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018)

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(Note 4) The figures described in the row of “Total (Anticipated) Acquisition Price” are rounded to the nearest unit. The total of the acquisition price of the Assets to be Sold is shown for the column of “Assets to be Sold”.

The Portfolio Summary exclusive of “Sheraton Grande Tokyo Bay Hotel” (the preferred equity interest) is as follows:

	Existing Portfolio as of November 30, 2019 (Note 1)	Assets to be Sold	Assets to be Acquired	Post-Asset Recycling (Note 1)
Number of Properties (Hotel Properties)	147 (83)	2 (0)	2 (2)	147 (85)
Total (Anticipated) Acquisition Price (million yen) (Note 2)	483,461	5,780	16,236	493,849
Total Appraisal Value (million yen) (Note 2) (Note 3)	556,795	8,100	16,400	565,095
Appraisal NOI Yield (Note 4)	6.3%	5.5%	5.8%	6.3%
After Depreciation NOI Yield (Note 4)	4.7%	4.5%	3.4%	4.7%

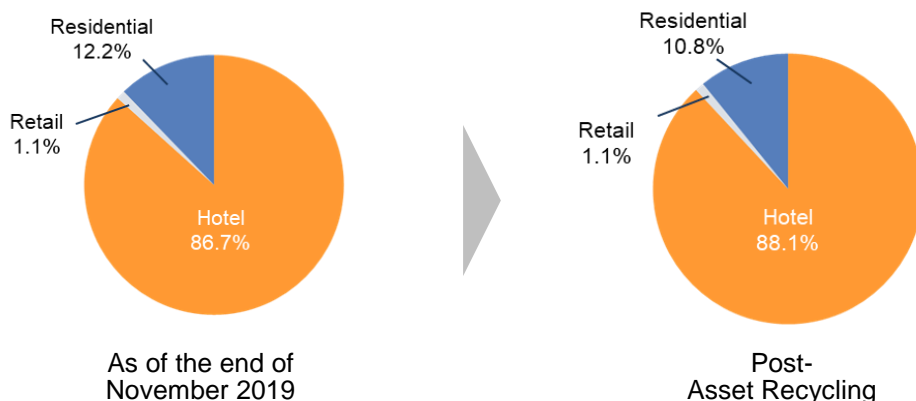
(Note 1) The figures for each item do not include the preferred equity interest.

(Note 2) The figures for “Total (Anticipated) Acquisition Price” and “Total Appraisal Value” are rounded down to the nearest units. “Total (Anticipated) Acquisition Price” for in the column of “Assets to be Sold” is based on the acquisition price.

(Note 3) “Total Appraisal Value” is based on the appraisal value stated in the appraisal report on the valuation date of November 1, 2019 for the Assets to be Sold, on the valuation date of June 30, 2019 for other 127 properties owned as of the end of June 2019, and on the valuation date of April 1, 2019 for the 18 properties acquired on July 19, 2019, among 147 properties INV owned as of November 30, 2019. The appraisal value of Cayman Islands hotels is translated into USD1 = JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018).

(Note 4) “Appraisal NOI Yield” and “After Depreciation NOI Yield” are calculated by dividing the total NOI derived from the direct capitalization method stated in the appraisal reports mentioned at (Note 3) above (and deducting estimated depreciation for After Depreciation NOI Yield) by the total of (Anticipated) Acquisition Price, and rounded to the first decimal place. For the appraisal NOI of Cayman Islands hotels is included the amount of FF&E reserve in accordance with the calculation method of appraisal NOI of existing portfolio and the Assets to be Acquired.

Portfolio Composition by Asset Type (based on (Anticipated) Acquisition Price) (Note 1) (Note2)



(Note 1) Based on the (anticipated) acquisition price. The acquisition price of Sheraton Grande Tokyo Bay Hotel (the preferred equity interest) is calculated based on the amount of preferred equity interest contribution by INV. Number of properties is based on the underlying assets (i.e. one property for the preferred equity interest) and the preferred equity interest is classified as a hotel based on the category of the underlying asset. The acquisition price of Cayman Islands hotels is

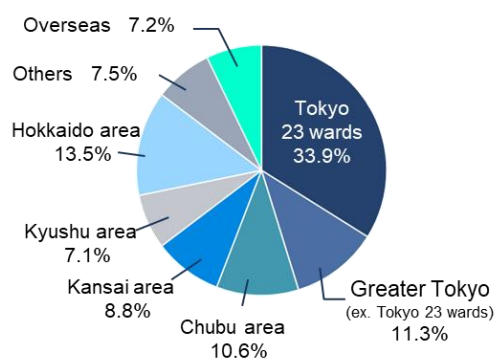
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calculated based on book value of leasehold, etc. as of May 9, 2019 (Cayman local time. May 10, 2019 in Japan local time), when INV succeeded the leasehold, etc. from the Cayman SPC, using an exchange rate of USD1=JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018).

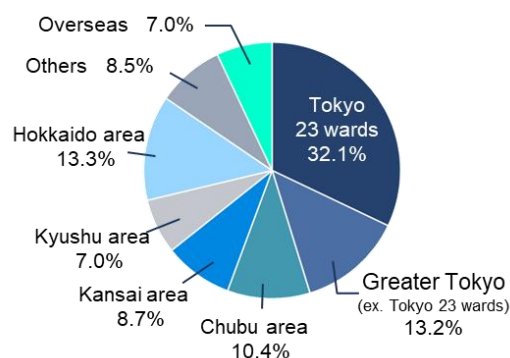
(Note 2) The ratio figures are rounded to one decimal place; the same shall apply hereinafter.

Portfolio Composition by Geography (based on (Anticipated) Acquisition Price)

(Note 1) (Note2)



As of the end of November 2019



Post-Asset Recycling

(Note 1) Based on the (anticipated) acquisition price. The acquisition price of the preferred equity interest backed by Sheraton Grande Tokyo Bay is based on the investment amount for the preferred equity interest. The acquisition price of Cayman Islands hotels is calculated based on book value of leasehold, etc. as of May 9, 2019 (Cayman local time. May 10, 2019 in Japan local time), when INV succeeded the leasehold, etc. from the Cayman SPC, using an exchange rate of USD1=JPY110.45 fixed by the foreign exchange forward contract (entered into on July 26, 2018 and executed on September 26, 2018). The preferred equity interest is counted as Greater Tokyo (excluding Tokyo 23 wards) based on the location of the underlying asset.

(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 prefectures.

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

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

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

3. Execution of Lease Agreement

In regards to the Assets to be Acquired, INV will enter into lease agreements with the tenants based on the combination of fixed rents and variable rents linked to Gross Operating Profit (GOP) (Note 1). Among 84 domestic hotel properties in INV's portfolio after the Asset Recycling, 73 hotels (Note 2) will use a variable rent scheme described above. Among these, MHM, an experienced hotel operator, and its subsidiary company conduct comprehensive revenue management for all of INV's hotels and seek 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-rent mechanism working as a buffer.

INV believes that the tenant for the Assets to be Acquired 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 September 25, 2019.

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(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 Assets to be Acquired is as follows;

The tenant and operator for Hotel MyStays Premier Narita, and the operator for Art Hotel Morioka

(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, Ryoichi Shirota
(iv)	Business	Hotel and Ryokan (Japanese inn) operation and management
(v)	Capital	JPY 715 million (as of the end of October 2019)
(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 personal 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, Naoto Ichiki, who is Chairman and Director of CIM, and Christopher Reed, who is a part-time director of CIM, are 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 71 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.

The tenant for Art Hotel Morioka

(i)	Name	Hotel Higashinohon Co., Ltd.
(ii)	Location	3-3-18, Odori, Morioka-shi, Iwate, Japan
(iii)	Title and name of representative officer	President and CEO, Shunsuke Yamamoto

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(iv)	Business	1. Hotel operation 2. Restaurant operation 3. Real estate lease and management
(v)	Capital	JPY 83,579,004 (as of the end of October 2019)
(vi)	Date of establishment	April 1, 1980
(vii)	Relationship between INV/CIM and the Tenant	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and tenant, the tenant received investment by a fund operated by affiliate of FIG. FIG is a subsidiary of SoftBank Group, which directly and indirectly holds 100% of CIM's outstanding shares.
	Personal relationships	There are no personal relationships that should be noted between INV/CIM and the tenant.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and the tenant.
	Whether the Operator is a related party	The tenant is not a related party of INV/CIM. Further, related persons and affiliates of the tenant are not related parties of INV/CIM. Furthermore, the tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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4. Details of the Assets to be Acquired and Assets to be Sold

(1) Details of the Assets to be Acquired

Details, profit and loss status and outline of appraisal reports of the Assets to be Acquired are as follows:

<Explanation of details of the Assets to be Acquired>

a. "Outline of Specified Assets and Properties" column:

- "Type of Specified Assets" 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 Assets to be Acquired 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.
- 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 October 31, 2019 or anticipated lease

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agreements which will be entered into upon acquisition of the Assets to be Acquired.

- “Total No. of Tenant(s)” is calculated by counting a lessee who has directly concluded a lease agreement or is expected to conclude a lease agreement at the time of INV’s acquisition of the assets 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. However, in the case where a master lease agreement is concluded, the area leased by master lessee 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, utilities 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 October 31, 2019 or anticipated lease agreements which will be entered into upon acquisition of the Assets to be Acquired.
 - “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.
 - 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

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after amortization pursuant to the lease agreement is listed.

d. “Overview of Building Conditions Survey Report” column:

For the Assets to be Acquired, INV has received a report from Tokio Marine & Nichido Risk Consulting 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 Assets to be Acquired, 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, 2018 to October 31, 2019. 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

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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 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:

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. and JLL Mori Valuation & Advisory K.K for the Assets to be Acquired 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

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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.

D82: Hotel MyStays Premier Narita

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	January 6, 2020			
Planned Purchase Price	JPY 10,593 million			
Appraisal Value	JPY 10,700 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	40 Yokomine Oyama, Narita-shi, Chiba, and 14 other lots		
	(Address)	NA		
Transport	10-minutes by car from Narita Airport			
Land	Form of Possession	Ownership	Zoning	Not specified
	Lot Area	25,129.24 m ²	Building Coverage Ratio / Floor Area Ratio	60% / 300%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	36,519.70 m ² (Note 1)	Construction Date	May 29, 1985
	Structure/No. of Stories	Steel framed structure / Steel framed reinforced concrete structure / Reinforced concrete structure with flat roof, 3 basement, 11 stories		
	Renovation Date	August, 2017 – January, 2018		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: March 26, 2015; Until: January 31, 2030			
Creation of Security Interest	None			
Lease Overview (as of October 31, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	711 rooms (T398・D147・O166)
Leasable Area	36,519.70 m ²			
Lease Area	36,519.70 m ²		Security Deposit / Guarantee Money	JPY 9,500 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 69,276 thousand
Overview of Lease Agreement				
Tenant	MYSTAYS HOTEL MANAGEMENT Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: January 6, 2020 Until: January 31, 2030			
Determination of rent of lease contract	Fixed rent (JPY 358.7 million per annum (January: JPY 10.2 million per month / February: JPY 14.9 million per month / March: JPY 37.9 million per month / April: JPY 45.4 million per month / May: JPY 25.8 million per month / June: JPY 17.2 million per month / July: JPY 54.8 million per month / August: JPY 50.9 million per month / September: JPY 15.6 million per month / October: JPY 29.2 million per month / November: JPY 22.9 million per month / December: JPY 33.9 million per month) 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 9,500 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			

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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	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	October 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 14,030,800 thousand
Long term Repair Costs (in 12 years)	JPY 617,753 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	October 2019
Probable Maximum Loss (PML)	3.9%		
Area Characteristic			
Hotel MyStays Premier Narita is a full-service hotel with restaurants and banquets, located a 10-minute drive from Narita International Airport. Narita City is home to Narita International Airport which functions as the gateway to Japan, is expected to have stable demand for both business and leisure related to the airport and airline crew throughout the year.			
Special Notes			
None			

(Note 1) In addition, there are storage rooms (total 36.36 m²) as three annex buildings.

(Note 2) 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.

Income and Expenditures, Etc.						
Operating Period		January 1, 2018 – December 31, 2018			January 1, 2019 – October 31, 2019	
GOP (= (1) - (2))		JPY 450,314 thousand			JPY 543,560 thousand	
a. Land Lease Fees		JPY 4,189 thousand			JPY 3,491 thousand	
b. Taxes and Public Dues		JPY 43,932 thousand			JPY 24,740 thousand	
c. Non-life Insurance Premiums		JPY 2,387 thousand			JPY 1,989 thousand	
d. Trust Fees		JPY 800 thousand			JPY 666 thousand	
NOI (= GOP - [a. + b. + c. + d.])		JPY 407,384 thousand			JPY 519,656 thousand	
(Reference)	(1) Sales	JPY 2,182,692 thousand			JPY 2,208,258 thousand	
	Room Income	JPY 1,520,664 thousand			JPY 1,563,787 thousand	
	Other Income	JPY 662,028 thousand			JPY 644,471 thousand	
	(2) Operating Costs (not including a. through d. above)	JPY 1,732,377 thousand			JPY 1,664,697 thousand	
	ADR	JPY 8,370			JPY 8,523	
	RevPAR	JPY 5,863			JPY 7,235	
	Room Occupancy Rates	70.0%			84.9%	
	GOP Ratio	20.6%			24.6%	
	Daily/ Weekly/ Monthly	100.0%/	0.0%/	0.0%	100.0%/	0.0% 0.0%
	Overseas Sales Share	14.2%			16.2%	

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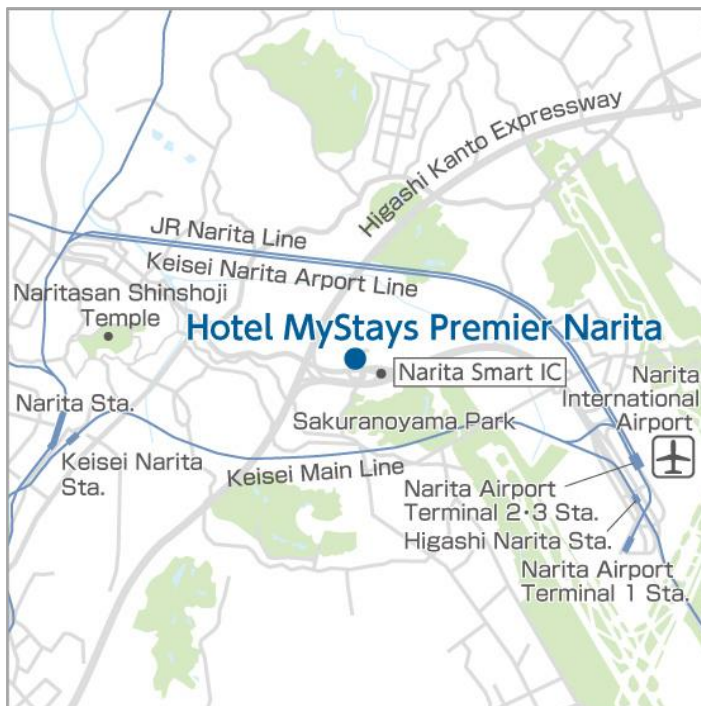
<Hotel KPI>

Room Occupancy Rate (Note 1)	81.4%
ADR (Note 1)	JPY 8,499
RevPAR (Note 1)	JPY 6,919
NOI (Note 2)	JPY 561 MM

(Note 1) Average of recent 12 months as of October 31, 2019 (from November 1, 2018 to October 31, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of October 31, 2019 (from November 1, 2018 to October 31, 2019)

<Photo and Map>



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D82: Hotel MyStays Premier Narita

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 10,700 million	
Appraisal Firm	The Tanizawa Sōgō Appraisal Co., Ltd.	
Time of Valuation	October 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	10,700,000	
(1) Direct Capitalization Method	10,800,000	
(I) Operating Revenue [(a)-(b)]	657,417	
(a) Total Potential Revenue	657,417	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) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	57,322	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	14,030	Based on comparable assets and average annual estimate in the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	40,248	Based on standard taxable value as stated in the documents relating to taxes and public dues, tax rate adjustments and details of renovation works
(i) Non-life Insurance Premiums	2,387	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	657	
(III) Net Operating Income [(I)-(II)]	600,095	
(k) One-time Investment Gains	95	
(l) Capital Improvements and Expenses	35,075	Based on comparable assets and average annual estimate in the engineering report
(m) FF&E Reserve	56,201	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	508,913	
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
(2) DCF Method	10,600,000	
Discount Rate	4.8%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	4.9%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	9,760,000	
Land Ratio	47.1%	
Building Ratio	46.9%	
FF&E Ratio	6.0%	
Other Points to be Noted for Appraisal by Appraisal Firm	Adopted the appraisal value determined using the income capitalization method, after considering recent economic environment, especially real estate market trend and appropriateness of using data, pricing rule, relationship between unit price and gross price, with the cost approach value as a reference	

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D83: Art Hotel Morioka

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of Planned Acquisition	January 6, 2020			
Planned Purchase Price	JPY 5,643 million			
Appraisal Value	JPY 5,700 million			
Appraisal Agency	JLL Morii Valuation & Advisory K.K.			
Location	(Lot Number)	3-3-3 Odori, Morioka-shi, Iwate, and five other lots		
	(Address)	3-3-18 Odori, Morioka-shi, Iwate		
Transport	8 - minute walk from Morioka Station on JR Tohoku Shinkansen and the others			
Land	Form of Possession	Ownership / leasehold interest	Zoning	Commercial area
	Lot Area	2,703.59 m ²	Building Coverage Ratio / Floor Area Ratio	80% / 600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	16,727.08 m ² (Note 1)	Construction Date	March 16, 1981
	Structure/No. of Stories	Steel framed reinforced concrete structure / Reinforced concrete structure with flat roof, 1 basement, 15 stories		
	Renovation Date	December, 2018 – April, 2019		
Trustee	SMBC Trust Bank Ltd.			
Trust Period	From: October 31, 2018; Until: January 31, 2030			
Creation of Security Interest	None			
Lease Overview (as of October 31, 2019)				
Total No. of Tenant (s)	1		Number of Guest Rooms	214 rooms (T100・D96・O18)
Leasable Area	16,727.08 m ²			
Lease Area	16,727.08 m ²		Security Deposit / Guarantee Money	JPY 4,487 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 35,448 thousand
Overview of Lease Agreement				
Tenant	Hotel Higashinihon Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: January 6, 2020 Until: January 31, 2030			
Determination of rent of lease contract	Fixed rent (JPY 220.8 million per annum (January: JPY 8.7 million per month / February: JPY 12.4 million per month / March: JPY 22.8 million per month / April: JPY 16.9 million per month / May: JPY 21.0 million per month/ June: JPY 20.3 million per month/ July: JPY 20.9 million per month/ August: JPY 22.1 million per month/ September: JPY 21.7 million per month/ October: JPY 23.3 million per month/ November: JPY 16.4 million per month/ December: JPY 14.3 million per month) 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 4,487 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	-		
Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	November 2019
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 5,768,200 thousand
Long term Repair Costs (in 12 years)	JPY 412,943 thousand		
Overview of PML report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	November 2019
Probable Maximum Loss (PML)	9.0%		
Area Characteristic			
Art Hotel Morioka is a full-service hotel with banquet and wedding functions, located in the center of Morioka City, Iwate Prefecture. Morioka City, which is the prefectural capital of Iwate Prefecture and functions as a core city in the northern Tohoku area, has relatively stable demand for business accommodation and banquets, as well as demand for tourists visiting the event, "Chagu Chagu Umakko" and "Sansa Odori Festival".			
Special Notes			
Part of the land of this property is leased and any transfer of leasehold entailed with the transfer of the building or sublease of the land requires approval from the landowner.			

(Note 1) In addition, there is a parking lot (80.50 m²) as an annex building.

(Note 2) 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.

Income and Expenditures, Etc.			
Operating Period		January 1, 2018 – December 31, 2018	January 1, 2019 – October 31, 2019
Real Estate Rental Revenues (Note 1)		JPY 195,794 thousand	JPY 251,331 thousand
a. Land Lease Fees		JPY 46,800 thousand	JPY 39,000 thousand
b. Taxes and Public Dues		JPY 15,137 thousand	JPY 12,162 thousand
c. Non-life Insurance Premiums		JPY 998 thousand	JPY 832 thousand
d. Trust Fees		JPY 800 thousand	JPY 666 thousand
NOI (= GOP - [a. + b. + c. + d.])		JPY 132,058 thousand	JPY 198,669 thousand
(Reference)	(1) Sales	JPY 1,136,081 thousand	JPY 1,071,986 thousand
	Room Income	JPY 291,492 thousand	JPY 394,669 thousand
	Other Income	JPY 844,588 thousand	JPY 677,317 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 940,740 thousand	JPY 821,033 thousand
	ADR	JPY 7,693	JPY 8,245
	RevPAR	JPY 4,663	JPY 6,202
	Room Occupancy Rates	60.6%	75.2%

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Invincible Investment Corporation

	GOP Ratio		17.2%		23.4%
	Daily/ Weekly/ Monthly	100.0%/	0.0%/	0.0%	100.0%/ 0.0%/ 0.0%
	Overseas Sales Share		9.1% (Note 2)		16.2%

(Note 1) Indicates the total of GOP of hotel and the fee for permission to access to the land. The fee for permission to access to the land is based on a land access agreement with an owner of adjacent land and the consideration for the access (of JPY 35,000 per month) is provided.

(Note 2) Data on and after July 30, 2018 when the current hotel operator started to operate the hotel are indicated

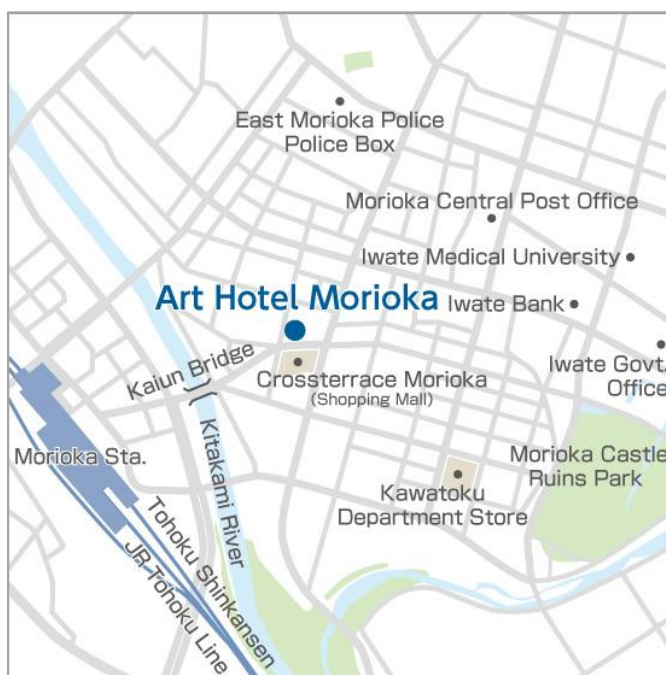
< Hotel KPI >

Room Occupancy Rate (Note 1)	74.8%
ADR (Note 1)	JPY 7,963
RevPAR (Note 1)	JPY 5,960
NOI (Note 2)	JPY 230 MM

(Note 1) Average of recent 12 months as of October 31, 2019 (from November 1, 2018 to October 31, 2019)

(Note 2) NOI is the net operating income (actual) for recent 12 months as of October 31, 2019 (from November 1, 2018 to October 31, 2019)

< Photo and Map >



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D83: Art Hotel Morioka

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 5,700 million	
Appraisal Firm	JLL Morii Valuation & Advisory K.K.	
Time of Valuation	October 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	5,700,000	
(1) Direct Capitalization Method	5,800,000	
(I) Operating Revenue [(a)-(b)]	416,206	
(a) Total Potential Revenue	416,206	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) Vacant Room Losses, etc.	-	
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	69,119	
(c) Maintenance and Management Costs	-	Not expected since it is included in hotel operation cost
(d) Utility Costs	-	Not expected since it is included in hotel operation cost
(e) Repair Costs	10,324	Judged 30% of the average annual estimate based on the engineering report
(f) Property Management Fee	-	
(g) Tenant Solicitation Expenses	-	
(h) Taxes and Public Dues	10,996	Based on actual results, taking into account volatility and depreciation
(i) Non-life Insurance Premiums	999	Based on insurance premiums of insurance policy as well as comparable assets
(j) Other Costs	46,800	Land Rent
(III) Net Operating Income [(I)-(II)]	347,087	
(k) One-time Investment Gains/Losses	-5,590	Based on 1.0% of the guarantee money paid for leased land
(l) Capital Improvements and Expenses	24,088	Judged 70% of the normalized estimate based on ER
(m) FF&E Reserve	15,765	Based on comparable assets as well as repair and maintenance plan
(IV) Net Income [(III)+(k)-(l)-(m)]	301,644	
Capitalization Yield	5.2%	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
(2) DCF Method	5,590,000	
Discount Rate	5.0%	Based on transaction yield of comparable assets and characteristics of the property
Final Capitalization Yield	5.4%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
2. Estimated Price using Cost Method	3,260,000	
Land Ratio	34.6%	
Building Ratio	56.6%	
FF&E Ratio	8.8%	
Other Points to be Noted for Appraisal by Appraisal Firm	In consideration of regional analysis and individual analysis, as well as characteristics of the cost approach value and compatibility with the income price, 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 Assets to be Acquired

“Hotel MyStays Premier Narita” satisfies requirements under the new seismic code (Note 1), and INV confirmed based on the evaluation reports on both pre-diagnosis of seismic performance and earthquake-resistance related items in the structural engineering reports issued by a third-party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., that this building satisfied structural requirements specified in the Building Standards Act and its enforcement orders. While “Art Hotel Morioka” is designed under the old seismic code (Note 1), seismic strengthening works were completed in March 2015. In addition, INV conducts investigation on seismic risks for new acquisitions, as a part of due diligence (Note 2) routine.

(Note 1) New seismic code refers to the seismic resistance standards in regard to building design, which is applied to construction certificates on and after June 1, 1981, while old seismic code refers to those applied to construction certificates on and before May 31, 1981.

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

(3) Details of the Assets to be Sold

Details of the Assets to be Sold are as follows.

Unless otherwise noted, information on the date is as of June 30, 2019 and total rental revenue indicates that for the fiscal period ended June 30, 2019

A51 : City House Tokyo Shinbashi

101 : City House Tokyo Shinbashi					
Type of Specified Assets	Trust Beneficiary Right				
Property Right	Land: Ownership / Building: Sectional ownership				
Location	6-19-1 Shinbashi, Minato-ku, Tokyo				
Purpose of Use	Residence				
Appraisal Value (Date of Valuation)	JPY 3,650 million (as of November 1, 2019)				
Appraisal Firm	Japan Real Estate Institute				
Outline of a Lease Contract					
	Total number of tenants	1			
	Rental Revenue	JPY 96,881 thousand			
	Tenant Leasehold and security deposit	JPY 17,776 thousand			
	Total Leasable area (m ²)	3,364.00			
	Total Leased area (m ²)	3,200.73			
Occupancy Trend	As of the end of Jun. 2017	As of the end of Dec. 2017	As of the end of Jun. 2018	As of the end of Dec. 2018	As of the end of Jun. 2019
	92.8%	96.5%	98.0%	95.4%	95.1%

A51 : City House Tokyo Shinbashi

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 3,650 million	
Appraisal Firm	Japan Real Estate Institute	
Date of Valuation	November 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	3,650,000	
(1) Direct Capitalization Method	3,710,000	
(I) Operating Revenue [(a)-(b)]	189,822	

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	(a) Total Potential Revenue	197,812	Based on medium- to long-term potential revenue of current leasing conditions and market level
	(b) Vacant Room Losses, etc.	7,990	Based on occupancy rate and supply and demand trends of comparable assets and historical data from previous years of subject real estate
	(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	39,538	
	(c) Maintenance and Management Costs	12,195	Based on maintenance and management costs of historical data from the previous year and comparable assets
	(d) Utility Costs	-	
	(e) Repair Costs	3,920	Based on repair costs level of historical data and comparable assets and repair costs etc. in the engineering report
	(f) Property Management Fee	3,615	Based on historical data, contract and market
	(g) Tenant Solicitation Expenses	8,516	Based on historical data from previous years and terms of rental of comparable assets
	(h) Taxes and Public Dues	10,379	Based on the documents relating to taxes and public dues
	(i) Non-life Insurance Premiums	163	Based on insurance premiums as well as comparable assets
	(j) Other Costs	750	
	(III) Net Operating Income [(I)-(II)]	150,284	
	(k) One-time Investment Gains	157	Assume investment return as 1.0%
	(l) Capital Improvements and Expenses	5,586	Based on comparable assets and estimate in the engineering report
	(IV) Net Income[(III)+(k)-(l)-(m)]	144,855	
	Capitalization Yield	3.9%	Based on local standard yield which is adjusted by adding and subtracting spreads with consideration of the property's individuality, building and other conditions, future uncertainty and comparable assets' transaction yields
	(2) DCF Method	3,580,000	
	Discount Rate	3.7%	Based on comparable assets' investment yield with consideration of the characteristics of the property
	Final Capitalization Yield	4.1%	Based on comparable assets' transaction yield with consideration of future trend in investment yield, risks as an investment target, general forecasts of future economic growth rates, trends in real estate prices and rents, etc.
2. Estimated Price using Cost Method		2,920,000	
	Land Ratio	70.6%	
	Building Ratio	29.4%	
Other Points to be Noted for Appraisal by Appraisal Firm		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	

A52 : Winbell Kagurazaka

Type of Specified Assets	Trust Beneficiary Right
Property Right	Land: Ownership / Building: Sectional ownership
Location	6-15 Shin-Ogawamachi, Shinjuku-ku, Tokyo
Purpose of Use	Residence
Appraisal Value (Date of Valuation)	JPY 4,450 million (as of November 1, 2019)
Appraisal Firm	JLL Morii Valuation & Advisory K.K.
Outline of a Lease Contract	
Total number of tenants	1
Rental Revenue	JPY 110,474 thousand

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	Tenant Leasehold and security deposit	JPY 18,793 thousand			
	Total Leasable area (m ²)	4,032.70			
	Total Leased area (m ²)	3,992.14			
Occupancy Trend	As of the end of Jun. 2017	As of the end of Dec. 2017	As of the end of Jun. 2018	As of the end of Dec. 2018	As of the end of Jun. 2019
	98.4%	97.9%	98.2%	97.5%	99.0%

A52 : Winbell Kagurazaka

Summary of Real Estate Appraisal Report		
Appraisal Value	JPY 4,450 million	
Appraisal Firm	JLL Morii Valuation & Advisory K.K.	
Date of Valuation	November 1, 2019	
Item	Contents (JPY thousand)	Overview
1. Value of Profits using the Profit Capitalization Method	4,450,000	
(1) Direct Capitalization Method	4,540,000	
(I) Operating Revenue [(a)-(b)]	210,633	
(a) Total Potential Revenue	223,063	Based on medium-to-long term potential revenue of current leasing conditions and market level
(b) Vacant Room Losses, etc.	12,430	Based on occupancy rate and supply and demand trends of comparable assets and historical data from previous years of subject real estate
(II) Operating Costs (Expense Rate) [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	40,694	
(c) Maintenance and Management Costs	5,627	Based on maintenance and management costs of historical data from the previous year and comparable assets
(d) Utility Costs	3,367	Based on utility costs of historical data from the previous year and comparable assets
(e) Repair Costs	2,844	Based on repair costs level of historical data and comparable assets and repair costs etc. in the engineering report
(f) Property Management Fee	4,036	Based on historical data, contract and market
(g) Tenant Solicitation Expenses	8,540	Based on historical data from previous years and terms of rental of comparable assets
(h) Taxes and Public Dues	11,055	Based on the documents relating to taxes and public dues
(i) Non-life Insurance Premiums	300	Based on insurance premiums as well as comparable assets
(j) Other Costs	4,925	
(III) Net Operating Income [(I)-(II)]	169,939	
(k) One-time Investment Gains	164	Assume investment return as 1.0%
(l) Capital Improvements and Expenses	6,635	Based on comparable assets and estimate in the engineering report
(IV) Net Income[(III)+(k)-(l)-(m)]	163,468	
Capitalization Yield	3.6%	Based on local standard yield which is adjusted by adding and subtracting spreads with consideration of the property's individuality, building and other conditions, future uncertainty and comparable assets' transaction yields
(2) DCF Method	4,350,000	
Discount Rate	3.4%	Based on comparable assets' investment yield with consideration of the characteristics of the property
Final Capitalization Yield	3.8%	Based on comparable assets' transaction yield with consideration of future trend in investment yield, risks as an investment target, general forecasts of future economic growth rates, trends in real estate prices and rents, etc.

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2. Estimated Price using Cost Method	3,220,000	
Land Ratio	79.1%	
Building Ratio	20.9%	
Other Points to be Noted for Appraisal by Appraisal Firm	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	

5. Overview of Sellers and Transferee

(1) Overview of Sellers

Overview of sellers of the Assets to be Acquired is as follows;

D82 Hotel MyStays Premier Narita

(i)	Name	Adria Tokutei Mokuteki Kaisha ("Adria TMK")
(ii)	Location	#201 3-22-10, Toranomon, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Director, Kazuhiro Matsuzawa
(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: JPY 100,000 Preferred Capital: JPY 1,961 million
(vi)	Date of establishment	October 31, 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 Adria TMK, Adria 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 Adria 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, Naoto Ichiki, who is Chairman and Director of CIM, and Christopher Reed, who is a part-time director of CIM, are 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 Adria TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Adria TMK or its related persons or affiliates.
	Whether the TMK is a related party	Adria TMK is not a related party of INV or CIM. Further, related persons and affiliates of Adria TMK are not related parties of INV or CIM. Furthermore, Adria 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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D83 Art Hotel Morioka

(i)	Name	Heijo Tokutei Mokuteki Kaisha ("Heijo 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: JPY3,086 million
(vi)	Date of establishment	April 11, 2018
(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 Heijo TMK, Heijo 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 Heijo 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, Naoto Ichiki, who is Chairman and Director of CIM, and Christopher Reed, who is a part-time director of CIM, are 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 Heijo TMK. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and Heijo TMK or its related persons or affiliates.
	Whether the TMK is a related party	Heijo TMK is not a related party of INV or CIM. Further, related persons and affiliates of Heijo TMK are not related parties of INV or CIM. Furthermore, Heijo 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.

(2) Overview of Transferee

Because consent for disclosure has not been obtained from the transferee of the Assets to be Sold, the name of the transferee is not disclosed. The transferee is a Japanese GK (Godo Kaisha).

As of today, there are no capital, personnel, or transactional relationships that should be noted between INV/CIM and the transferee. Further, the transferee is not a related party of INV or CIM, and as of today, the transferee is not an interested person, etc. as provided in the Investment Trust Act or a sponsor-related person under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments.

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6. Transactions with Interested Persons etc.

The sellers of the Assets to be Acquired, namely Adria TMK and Heijo 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 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 December 6, 2019, the board of directors of CIM approved the acquisitions at the meeting held on December 9, 2019 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 Hotel MyStays Premier Narita and the operator of Art Hotel Morioka 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 or the 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 addition, the tenant of Art Hotel Morioka also has indirectly received investments through funds operated by affiliates of FIG. Therefore, CIM has treated these tenants as equivalent to a Sponsor-related Person as well.

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 December 6, 2019, the boards of directors of CIM and INV each approved the relevant lease agreements and management agreements expected to be entered into with MHM and the tenant of Art Hotel Morioka at meeting both held on December 9, 2019, 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	D82 Hotel MyStays Premier Narita
Current owner etc.	1. Adria 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. March 2015
Preceding owner etc.	Persons having no special conflict of interests relationship

Property Name	D83 Art Hotel Morioka
Current owner etc.	1. Heijo 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. Prior to the acquisition of the property, the fund managed by FIG affiliated company acquired 100% of the shares of the previous owner who was the owner and operator of the property. 4. Omitted because held for longer than one year 5. October 2018
Preceding owner etc.	1. Hotel Higashinihon Co., Ltd 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. (Note) 3. – 4. – 5. July 1995
Before the Preceding owner etc.	Persons having no special conflict of interests relationship

(Note) While the preceding owner, Hotel Higashinihon Co., Ltd., had no special interest when it acquired the property in July 1995, it has a special conflict of interest relationship today since it received investments through funds operated by affiliates of FIG, a subsidiary of SoftBank Group, which is the parent company of CIM, in July 2018.

8. Schedules

(1) Acquisition Schedule

Acquisition decision date:	December 9, 2019
Agreement execution date:	
Anticipated acquisition date:	January 6, 2020
Anticipated source of acquisition funds:	A portion of Proceeds, cash on hand and new borrowings (Note)
Anticipated acquisition proceeds payment method:	Lump-sum payment

(Note) For details of the new borrowings, please refer to "Notice concerning Debt Financing" dated December 9, 2019.

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(2) Sale Schedule

Acquisition decision date:	December 9, 2019
Agreement execution date:	
Anticipated sales date:	December 17, 2019 (Winbell Kagurazaka) January 15, 2020 (City House Tokyo Shinbashi) (Note)
Anticipated sale proceeds payment method:	Lump-sum payment

(Note) As the sale of the Assets to be Sold is made as an integrated transaction, if the completion of the sale of January Transaction Asset fails to occur for any reason other than those attributable to the transferee after the completion of the sale of the December Transaction Asset, the transferee may elect to require INV to repurchase the December Transaction Asset at the price equal to its sale price or to pay certain penalties. Please refer to (Note 6) of “1. Overview of Acquisition and Sale (2) Overview of Sale” above.

9. Future Outlook

For information on the revision of INV's forecasts for financial results for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019) in connection with the Asset Recycling, please refer to “Notice concerning Revision of Forecast of Financial Results for the 33rd Fiscal Period Ending December 2019” dated December 9, 2019. Forecast of financial results and distribution for the fiscal period ending June 2020 (from January 1, 2020 to June 30, 2020) will be announced at a later date once it is finalized.

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

For risks relating to investments in the Assets to be Acquired, please refer to the “Investment Risks” (*toshi risuku*) in the semi-annual securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended June 2019 (from January 1, 2019 to June 30, 2019) (available in Japanese only), filed on September 24, 2019.

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