

[For Information Purpose Only.]

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

September 21, 2017

To All Concerned Parties

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Notice concerning Amendment to Memorandum of Understanding on Preferential Negotiation Rights

Invincible Investment Corporation (“INV”) decided today to amend (the “Amendment”) the Memorandum of Understanding on Preferential Negotiation Rights (the “MOU”) which was entered into by INV and affiliates of its sponsor, Fortress Investment Group LLC (“FIG”) on May 21, 2014 and last amended on December 22, 2016.

1. Reasons for the Amendment

INV has entered into the MOU with affiliates of FIG as of December 22, 2016 with regard to the preferential negotiation rights to acquire 22 hotel properties and 11 residential properties. INV subsequently acquired two residential properties as of March 14, 2017 and one hotel property as of May 29, 2017 that are covered by the MOU. As announced today in the press release titled “Notice concerning Acquisition of Assets and Entering into Leasing Contract” and the “Notice concerning Acquisition of Asset (preferred equity interest),” INV will acquire another five hotel properties listed in the MOU (the “Five Hotel Properties”) (Note).

Upon the decision made to acquire the Five Hotel Properties, INV has agreed with the affiliates of FIG to amend the MOU to newly add another five hotel properties to its pipeline set forth in the MOU as of September 21, 2017. In the MOU, INV shall be granted an opportunity to consider the acquisition in priority to a third party when such affiliates sell any property covered by the MOU in the period from September 21, 2017 to September 20, 2018.

This English language notice is a translation of the Japanese-language notice released on September 21, 2017 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.

As described above, INV will achieve a stable external growth through property acquisition by using the preferential negotiation rights based on the MOU. After the amendment, the MOU will cover 21 hotel properties (4,651 guest rooms) and nine residential properties (743 leasable residential units) with the preferential negotiation rights that will provide INV with considerable opportunity for further growth.

(Note) Including the acquisition of preferred equity interest issued by Kingdom Special Purpose Company acquiring the “Sheraton Grande Tokyo Bay Hotel” announced in the press release “Notice concerning Acquisition of Asset (preferred equity interest)” as of today.

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2. Properties Covered by the MOU after the Amendment

(1) Hotel Properties

No.	Property Name	Location	Type (Note 1)	# of Rooms	Status	Renovation Completion (Expected)
1	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Limited	327	In Operation	—
2	Hotel MyStays Yokohama-Kannai	Yokohama, Kanagawa	Limited	165	In Operation	—
3	RIHGA Royal Hotel Kyoto	Kyoto, Kyoto	Full	489	In Operation	—
4	Narita Excel Hotel Tokyu	Narita, Chiba	Full	706	In Operation	Jan 2018
5	Hotel MyStays Premier Sapporo Park	Sapporo, Hokkaido	Full	418	In Operation	—
6	Hotel MyStays Oita	Oita, Oita	Limited	145	In Operation	—
7	Art Hotel Hirosaki City	Hirosaki, Aomori	Full	134	In Operation	—
8	Fusaki Resort Village	Ishigaki, Okinawa	Resort	195	In Operation	—
9	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265	In Operation	—
10	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206	In Operation	—
11	Hotel MyStays Matsuyama	Matsuyama, Ehime	Full	161	In Operation	Nov 2017
12	Hotel MyStays Ueno East	Taito-ku, Tokyo	Limited	150	In Operation	—
13	Hotel MyStays Midosuji Honmachi (Note 2)	Osaka, Osaka	Limited	120	Under Construction	Nov 2017
14	Hotel MyStays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86	In Operation	—
15	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70	In Operation	—
16	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161	In Operation	—
17	Hotel MyStays Fuji	Fujiyoshida, Yamanashi	Resort	159	In Operation	—
18	Hotel Nord Otaru	Otaru, Hokkaido	Limited	98	In Operation	—
19	Hotel Sonia Otaru	Otaru, Hokkaido	Limited	94	In Operation	—
20	Art Hotel Joetsu	Joetsu, Niigata	Full	198	In Operation	—
21	Art Hotel Niigata Station	Niigata, Niigata	Full	304	In Operation	—

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(2) Residential Properties

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

(Note 1) "Limited" refers to "Limited Service Hotel", a hotel focusing on revenues from room stay and offer 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) Hotel MyStays Midosuji Honmachi is scheduled to be completed in November 2017, and is scheduled to open in December 2017.

(Note 3) The properties of No.17 – No.21, listed by bold in the above table, in the hotel properties are the Five Hotel Properties provided in the Amendment of the MOU.

(Note 4) The term of validity of the MOU is from September 21, 2017 the date of amendment to the MOU, to September 20, 2018. Regarding the 30 properties listed above, the affiliates of FIG do not intend to sell any of the properties listed above and we do 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.

3. Future Outlook

The Amendment is expected to have no impact on INV's financial results. With regard to the financial forecasts for the fiscal period ending December 2017 (July 1, 2017 to December 31, 2017), please see the press release "Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017" as of today.

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

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