

[For Information Purpose Only.]

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

September 21, 2017

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

(Tel. +81-3-5411-2731)

## **Notice concerning Acquisition of Asset (preferred equity interest)**

Invincible Investment Corporation (“INV”) announced the acquisition of the asset (preferred equity interest) as decided today by Consonant Investment Management Co., Ltd. (“CIM”), the asset manager of INV.

### 1. Overview of the Acquisition

(1) Asset to be acquired	Preferred equity interest (the “Preferred Equity Interest”) provided in Article 2(9) of the Act on Securitization of Assets (Act No. 105 of 1998, as amended) (Note1)
(2) Number of units of preferred equity interest to be issued	Preferred Equity Interest: 364,200 units
(3) Number of units of preferred equity interest to be acquired (ratio of interest holding)	Preferred Equity Interest: 178,458 units (49.0%)
(4) Anticipated acquisition price	JPY 17,845 million for 49.0% of the Preferred Equity Interest (Note 2)
(5) Name of underlying asset	The Sheraton Grande Tokyo Bay Hotel (the “Underlying Asset”)
(6) Anticipated acquisition date	October 13, 2017 (Note 3)
(7) Seller	Kingdom Special Purpose Company (the “TMK”). For the overview of the seller, please refer to “4. Overview of Seller”
(8) Anticipated source of acquisition funds	Funds from issuance of new investment units (Japanese primary offering and overseas offering) (Note 4) and cash-on-hand

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.

- (Note 1) Along with acquisition of the Preferred Equity Interest, INV will acquire a 24.0% stake in the specified equity interests in the TMK, as well as 49.0% of equity interest in a limited liability company (LLC), a holding company, (the “Holding Company”) that owns 100% of equity interest in Keiyo Resort Development, G.K., a master lease company of the Underlying Asset (the “ML”).
- (Note 2) The anticipated acquisition price is the expected investment amount. The amount does not include any taxation including consumption tax and is rounded down to the nearest million yen. In addition, the acquisition price of the specified equity interest and the equity interest in the Holding Company described in (Note 1) is JPY 24,000 and JPY 9.8 million, respectively. Since these amounts are very small, they are not included in the anticipated acquisition price.
- (Note 3) The anticipated acquisition date is the date of expected closing for the subscription of the Preferred Equity Interest. Hereinafter the same.
- (Note 4) For more information about issuance of the new investment units, please refer to “Notification concerning Issuance of New Investment Units and Secondary Distribution of Investment Units” announced today.

## 2. Reasons for Acquisitions and Leasing

INV has decided to acquire the Preferred Equity Interest in the TMK by using funds raised through issuance of the new investment units and its own funds. The TMK will acquire the Sheraton Grande Tokyo Bay Hotel from an affiliate of the sponsor, Fortress Investment Group LLC (“FIG”). We believe that acquisition of the Preferred Equity Interest will enhance the growth profile and stability of the whole portfolio revenue of INV, along with “Royal Parks Tower Minamisenju”, the flagship residential property acquired in March 2017, as a result of which the quality of the portfolio will move up to the next stage.

The Sheraton Grande Tokyo Bay Hotel, which will be owned by the TMK, is a hotel that has 1,016 rooms including 175 rooms in the Annex Tower opened in December 2016, the highest room count among the Disney hotels and the Tokyo Disney Resort official hotels as of August 31, 2017 (Note 1) and the only hotel operated by Marriott International within the Tokyo Disney Resort Area. It is adjacent to the Tokyo Disney Resort and within one minute walk from “Bayside Station” of the Disney Resort Line. It has luxury, resort-like rooms and is equipped with various facilities including indoor and outdoor pools, Crystal Chapel, dining rooms, conference rooms and event halls to meet demand for both leisure and MICE (Note 2).

- (Note 1) “Tokyo Disney Resort” (may be referred to as “TDR”) means Tokyo Disneyland, Tokyo DisneySea and related facilities, while the “Tokyo Disney Resort Area” means the bayside area to the south of “Maihama Station” on JR Keiyo Line where Tokyo Disneyland, Tokyo DisneySea and the related facilities are located. Hereinafter the same. The “Disney hotels” are hotels under direct management of Oriental Land Co., Ltd. operating TDR using the Disney brand (four hotels). The “Tokyo Disney Resort official hotels” or the “official hotels” consist of the designated hotels within the Tokyo Disney Resort Area (six hotels). The “partner hotels” consist of the alliance hotels located in the vicinity of TDR (the bayside area surrounding “Maihama Station” and “Shin-Urayasu Station” on JR Keiyo Line) (four hotels). Such specified names are based on the TDR’s hotel alliance program.
- (Note 2) The capital letters of MICE stand for Meeting (held by business companies), Incentive (travel organized for company employees for incentive and training purposes), Convention (held by international organizations/associations or academic societies) and Exhibition/Event. It is also a collective term for business events that are expected to attract a lot of guests and interactions (Source: the official websites of Ministry of Land, Infrastructure, Transport and Tourism and Japan Tourism Agency).

The number of visitors to TDR has remained stable for the past four fiscal years at approximately 30 million a year. In addition, the number of visitors from areas outside the Kanto region including overseas throughout FY 2016 was over 10 million and the average daily number of such visitors in FY 2016 was 29,018, resulting in a high level of stable demand for hotels in the vicinity of TDR. Despite such high demand for hotel guest rooms, there are only 8,134 total guest rooms among the Disney hotels, the official hotels and the partner hotels. In addition, the room of the land area of the Tokyo Disney Resort Area is limited, therefore the supply of the hotel guest rooms in the future is expected to be limited. In this light, INV believes that there will be a continued

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.

high and stable demand for the Sheraton Grande Tokyo Bay Hotel as one of the official hotels (Note 3). In addition, TDR continues to introduce new products and attractions in the anticipation of the record-high number of visitors in 2020. In Tokyo Disneyland, a large-scale investment of JPY 75.0 billion will be made for the development of new attractions scheduled to be open in the spring of 2020. In Tokyo DisneySea, an introduction of a large-scale attraction as “development of a new themed port” is planned (Note 4). INV believes that the number of visitors to TDR which support the demand for the Sheraton Grande Tokyo Bay Hotel is expected to be stable in the future by the implementation of these projects.

(Note 3) The demand for the Sheraton Grande Tokyo Bay Hotel is not necessarily linked to the number of visitors to TDR. There is the possibility the performance of the Sheraton Grande Tokyo Bay Hotel will fluctuate with no regard to the number of visitors to TDR.

(Note 4) The descriptions regarding the projects above are based on the corporate disclosure from Oriental Land Co., Ltd. There is no assurance that these projects will be implemented as planned.

By acquiring the Preferred Equity Interest, INV will invest in the Sheraton Grande Tokyo Bay Hotel through a joint investment scheme with an affiliate of GIC Private Limited (“GIC”) (Note 5). INV and the affiliate of GIC will jointly invest in the TMK as of October 13, 2017, acquiring a 49.0% (Note 6) and a 51.0% stake, respectively, in the Preferred Equity Interest in the TMK. The TMK will subsequently acquire the Sheraton Grande Tokyo Bay Hotel as of October 17, 2017.

INV believes that INV can enjoy higher earnings yield with smaller investment amount by acquiring the Preferred Equity Interest as compared to where INV directly acquires a trust beneficiary interest in the Sheraton Grande Tokyo Bay Hotel. The simulated dividend yield for the Preferred Equity Interest is 8.8% (Note 7).

INV will continue to invest in the Sheraton Grande Tokyo Bay Hotel as a long-term joint investment with GIC (Note 8). The Sheraton Grande Tokyo Bay Hotel will continue to be under management of Starwood Hotels and Resorts (the “Operator”), a subsidiary of Marriott International Inc., the largest hotel operator in the world.

(Note 5) GIC is a leading global investment firm with well over US\$100 billion in assets under management. Established in 1981 to secure the financial future of Singapore, the firm manages Singapore’s foreign reserves. A disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. GIC has investments in over 40 countries and has been investing in emerging markets for more than two decades. Headquartered in Singapore, GIC employs over 1,400 people across 10 offices in key financial cities worldwide.

(Note 6) Along with acquisition of the Preferred Equity Interest, INV will acquire a 24.0% stake in the specified equity interest in the TMK, as well as 49.0% of the equity interest in the Holding Company, while the affiliate of GIC will acquire 25.0% and 51.0% respectively. The rest of the specified equity interest (a 51.0% stake) in the TMK will be acquired by a general incorporated association (foundation) (*ippanshadanhoujin*). For more details, please refer to 3. Details of the Assets to Be Acquired.

(Note 7) The simulated dividend yield is calculated by dividing (A) the product of (a) the simulated dividend, which is calculated by deducting (i) simulated expenses such as operating expense of the TMK and the interest of debt from (ii) the NOI of the Underlying Asset stated in the appraisal report of the Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of July 1, 2017, and (b) ownership ratio of the Preferred Equity Interest (49.0%), by (B) the anticipated acquisition price. As the simulated dividend is the reference data calculated based on the simulated expenses calculated by the CIM, there are possibilities that the actual dividend yield is far differed from such reference data or the dividend is not distributed at all.

(Note 8) In making the joint investment, INV and the affiliate of GIC entered into the equityholders agreement on September 21, 2017 and have in principle agreed that the TMK would not sell the Sheraton Grande Tokyo Bay Hotel for the next seven years in principle, etc.

## 3. Details of the Assets to Be Acquired

### (1) Overview of the Preferred Equity Interests

The details of the Preferred Equity Interests are described as follows:

Name	The Preferred Equity Interests issued by Kingdom Tokutei Mokuteki Kaisha (Note 1)												
Overview	<p>① The Preferred Equity Interests is a part of preferred equity interests issued by the TMK that was established for the purpose of (i) acquisition, management and disposal of the Specified Asset based on the plan for securitization of assets in compliance with the Act on Securitization of Assets, and (ii) operation of the ancillary businesses.</p> <p>② Summary of the (planned) balance sheet of the TMK as of the scheduled date of the acquisition of the specified asset is as follows:</p> <table border="1" data-bbox="529 748 1430 1126"> <thead> <tr> <th colspan="2" data-bbox="529 748 1430 790">Kingdom TMK</th> </tr> </thead> <tbody> <tr> <td data-bbox="529 792 986 1041"> <table border="0"> <tr> <td data-bbox="529 792 986 835">(Assets)</td> <td data-bbox="995 792 1430 835">(Liabilities)</td> </tr> <tr> <td data-bbox="529 837 986 913">Specified assets JPY 97.9 billion<sup>(Note2)(Note3)</sup></td> <td data-bbox="995 837 1430 913">Interest bearing liability JPY 66.3 billion</td> </tr> <tr> <td data-bbox="529 916 986 1041">Other assets JPY 4.9 billion</td> <td data-bbox="995 916 1430 1041">(Owners' Equity) Preferred capital, etc. JPY 36.4 billion<sup>(Note4)</sup></td> </tr> <tr> <td data-bbox="529 1043 986 1126">Total Assets JPY 102.8 billion</td> <td data-bbox="995 1043 1430 1126">Total Liabilities and Owners' Equity JPY 102.8 billion</td> </tr> </table></td></tr></tbody> </table>	Kingdom TMK		<table border="0"> <tr> <td data-bbox="529 792 986 835">(Assets)</td> <td data-bbox="995 792 1430 835">(Liabilities)</td> </tr> <tr> <td data-bbox="529 837 986 913">Specified assets JPY 97.9 billion<sup>(Note2)(Note3)</sup></td> <td data-bbox="995 837 1430 913">Interest bearing liability JPY 66.3 billion</td> </tr> <tr> <td data-bbox="529 916 986 1041">Other assets JPY 4.9 billion</td> <td data-bbox="995 916 1430 1041">(Owners' Equity) Preferred capital, etc. JPY 36.4 billion<sup>(Note4)</sup></td> </tr> <tr> <td data-bbox="529 1043 986 1126">Total Assets JPY 102.8 billion</td> <td data-bbox="995 1043 1430 1126">Total Liabilities and Owners' Equity JPY 102.8 billion</td> </tr> </table>	(Assets)	(Liabilities)	Specified assets JPY 97.9 billion <sup>(Note2)(Note3)</sup>	Interest bearing liability JPY 66.3 billion	Other assets JPY 4.9 billion	(Owners' Equity) Preferred capital, etc. JPY 36.4 billion <sup>(Note4)</sup>	Total Assets JPY 102.8 billion	Total Liabilities and Owners' Equity JPY 102.8 billion	
Kingdom TMK													
<table border="0"> <tr> <td data-bbox="529 792 986 835">(Assets)</td> <td data-bbox="995 792 1430 835">(Liabilities)</td> </tr> <tr> <td data-bbox="529 837 986 913">Specified assets JPY 97.9 billion<sup>(Note2)(Note3)</sup></td> <td data-bbox="995 837 1430 913">Interest bearing liability JPY 66.3 billion</td> </tr> <tr> <td data-bbox="529 916 986 1041">Other assets JPY 4.9 billion</td> <td data-bbox="995 916 1430 1041">(Owners' Equity) Preferred capital, etc. JPY 36.4 billion<sup>(Note4)</sup></td> </tr> <tr> <td data-bbox="529 1043 986 1126">Total Assets JPY 102.8 billion</td> <td data-bbox="995 1043 1430 1126">Total Liabilities and Owners' Equity JPY 102.8 billion</td> </tr> </table>	(Assets)	(Liabilities)	Specified assets JPY 97.9 billion <sup>(Note2)(Note3)</sup>	Interest bearing liability JPY 66.3 billion	Other assets JPY 4.9 billion	(Owners' Equity) Preferred capital, etc. JPY 36.4 billion <sup>(Note4)</sup>	Total Assets JPY 102.8 billion	Total Liabilities and Owners' Equity JPY 102.8 billion					
(Assets)	(Liabilities)												
Specified assets JPY 97.9 billion <sup>(Note2)(Note3)</sup>	Interest bearing liability JPY 66.3 billion												
Other assets JPY 4.9 billion	(Owners' Equity) Preferred capital, etc. JPY 36.4 billion <sup>(Note4)</sup>												
Total Assets JPY 102.8 billion	Total Liabilities and Owners' Equity JPY 102.8 billion												

③ The fiscal periods of the TMK are the semi-annual periods from April 1 to September 30 and from October 1 to March 31 every year:

④ The agreement between the Joint Investors to be signed in relation to the TMK will contain the following constraints: and

- Both parties agreed that they shall not cause the TMK to sell or otherwise dispose of the real estate trust beneficiary interest in the Sheraton Grande Tokyo Bay Hotel for seven years after the acquisition of the Sheraton Grande Tokyo Bay Hotel without the agreement of the Joint Investors, in principle.
- When either Joint Investor sells the Preferred Equity Interests (including the specified equity interest in the TMK and the equity interest in the Holding Company; hereinafter the same in this ④) to a third party, it shall grant the other Joint Investor the preferential negotiation rights on the Preferred Equity Interest to be sold for a certain period.
- When either Joint Investor sells the Preferred Equity Interest it holds to a third party, the other Joint Investor shall have the tag-along rights (meaning the rights to request the sale of the Preferred Equity Interest such other Joint Investor holds on conditions equal to those applicable to such other Joint Investor together with the sale of the Preferred Equity Interest by such Joint Investor)

⑤ In addition to the above, the following constraints are imposed with regard to

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.

	<p>a series of transactions related to the acquisition of the Preferred Equity Interest:</p> <ul style="list-style-type: none"> <li>• The ML shall exclusively entrust the management of the Sheraton Grande Tokyo Bay Hotel to Starwood Asia Pacific Hotels and Resorts Pte. Ltd (“Starwood”) until December 31, 2047 under the operating service agreement concluded between the ML and Starwood (hereinafter the “Operating Service Agreement”).</li> <li>• When the equity interest in the ML or the Holding Company, or real estate trust beneficiary interest in the Sheraton Grande Tokyo Bay Hotel are sold, a prior consent from Starwood may be required under the Operating Service Agreement.</li> <li>• When the master lease agreement between the TMK and the ML is terminated, the TMK shall undertake certain obligations such as to cause a new management company or trustee satisfying certain requirements to conclude an agreement substantially equal to such master lease agreement under the Operating Service Agreement and the non-disturbance agreement concluded between the TMK, the ML and Starwood. In addition, the TMK shall enter into an agreement including the provision that the lenders of the TMK will respect certain provisions set forth in the non-disturbance agreement.</li> </ul>
--	---

(Note 1) Along with acquisition of the Preferred Equity Interest, INV will acquire 240 units of the specified equity interest (a 24.0% stake) in the TMK for JPY 24,000, as well as 49.0% of the whole equity interest (a 49.0% stake) in the Holding Company for JPY 9.8 million, respectively for the purpose of ensure the joint investment through stable operation of the TMK by the Joint Investors (this shall refer to individually and collectively, to INV and the affiliate of GIC). The affiliate of GIC will acquire 185,742 units of the Preferred Equity Interest (a 51.0% stake), 250 units of the specified equity interest (a 25.0% stake) and 51.0% of the whole equity interest in the Holding Company. 510 units of the specified equity interest (a 51.0% stake) in the TMK will be acquired by a general incorporated association (foundation) (*ippanshadanhoujin*).

(Note 2) The specified asset for JPY 97.9 billion is a real estate trust beneficiary interest in the Sheraton Grande Tokyo Bay Hotel. The TMK will acquire the specified asset for JPY 97.7 billion as of October 17, 2017. For more information about the specified asset, please refer to the following “(2). Details of the Underlying Asset”.

(Note 3) In connection with a borrowing the TMK will execute and an issuance of specified bonds by the TMK, in addition to a security interest to be created over a trust beneficiary interest in the Sheraton Grande Tokyo Bay Hotel including a general security interest under the Act on Securitization of Assets, a security interest will be created over the equity interest in the ML. INV shall obtain a consent from the lenders and bondholders of the TMK for transfer or otherwise disposition of the Preferred Equity Interest or the specified interest in the TMK, or the equity interest in the Holding Company.

(Note 4) The TMK will issue 364,200 units of the Preferred Equity Interests as of the date of anticipated acquisition. INV will subscribe 178,458 units (49.0%) and an affiliate of GIC will subscribe 185,742 units (51.0%), respectively.

(Note 5) ORIX Real Estate Investment Advisors Corporation will be appointed as an asset manager of the TMK and the ML.

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.

(2) Details of the Underlying Asset

Details, profit and loss status and outline of appraisal reports of the Underlying Asset are as follows:

<Explanation of details of the Underlying Asset>

a. “Outline of Underlying Asset and Location” column:

- “Appraisal Value” shows reported price by appraisal agency for anticipated acquisitions.
- The details in “Location” (excluding address), “Lot Area (m<sup>2</sup>)” of the “Land” and, “Total Floor Area (m<sup>2</sup>)”, “Structure/No. of Stories”, “Purpose of Use”, and “Completion Date” of the “Building” are, unless otherwise preferred, 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” shows 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”, the class of zoning under the respective items of Article 8(1) of the City Planning Act is listed.
- In “Building Coverage Ratio”, 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”, 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 of the Underlying Asset at the time of the INV’s acquisition of the assets for anticipated acquisitions is listed.
- In “Trust Period”, the planned trust period of the Underlying Asset at the time of the INV’s acquisition of the assets for anticipated acquisitions is listed.

b. “Lease Overview” column:

- Based on the lease agreement with tenants effective as of July 31, 2017.
- “Total No. of Tenant(s)” is calculated by counting a lessee who has directly concluded a lease agreement with the TMK of a trustee 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.
- “Number of Guest Room” shows the number of guest rooms that tenants can sublease. “(S/T/D/O)” indicates the number of guest rooms by category (Single/Twin/Double/Other).
- In “Leasable Area (m<sup>2</sup>)”, the total leasable floor are for guest room, residential, office, retail and others for the area of the Underlying Asset to be owned by the TMK is listed.

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.

- In “Leased Area (m<sup>2</sup>)”, 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 (the area preferred 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 preferred in executed lease agreement is stated.
  - “Rental Revenue (monthly amount)” is GOP (gross operating profit), which is the amount remaining after deducting the personnel, utility and advertising expenses as well as the management service fees for the hotel operations (if any) from the hotel’s revenues of the tenant and is the rental revenues received by the TMK as rent.
- c. “Overview of Lease Agreement” column:
- Based on the lease agreement with tenants effective as of July 31, 2017.
  - “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 the TMK or the trustee shall receive a preferred rent, regardless of the operational results of the relevant hotel. “Fixed rent plus variable rent” is defined as an agreement under which the TMK 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 tenant’s consent has not been obtained for disclosure.
  - In “Security Deposit/Guarantee Money,” the amount of the security deposit/guarantee money after amortization pursuant to the lease agreement is listed.
- d. Description in a column “Overview of Building Conditions Survey Report”
- For acquisition of the Underlying Asset, the TMK has received a report from Tokyo Marine & Nichido Risk Consulting Co., Ltd. on matters including building deterioration survey, short-term and long-term repair plan, compliance survey related to Building Standards Act, etc., survey of dangerous substances contained in a building, and soil environment survey. An overview of the report is described 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, do not meet minimum requirement for maintenance due to significant deterioration or are in violation of laws or regulations or for findings that may require repair or replacement within one year.
  - “Long-term Repair Costs” consist of capital expenditure and repair costs. Capital expenditure means, of all improvement costs that are expected to be needed to maintain the conditions of the building at the level set for maintaining building functions, costs to extend the usable period

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.

of the building utilities or to replace it entirely. Repair costs mean, of all improvement costs that are expected to be needed to maintain the conditions of the building at the level set for maintaining building functions, costs other than capital expenditures.

e. Description in a column “Overview of Earthquake Risks Survey Report”

For acquisition of the Underlying Asset, The TMK has received a report from Tokyo Marine & Nichido Risk Consulting Co., Ltd. on analysis related to earthquake risks. An overview of the report is described in this column.

• “Probable Maximum Loss (PML)” means the probable maximum loss from an earthquake.

Though there is not a strict, uniform definition for probable maximum loss (PML), in this press release, it means to what extent damages would be borne from the largest-scale anticipated earthquake in the anticipated planned term of use (50 years) (a large earthquake that has a reoccurrence period of 475 years = a large earthquake with a 10% chance of occurring in 50 years), as indicated by the percentage (%) of the replacement cost for planned recovery costs from damage.

f. Descriptions in the “Area Characteristics, etc.” :

Descriptions in the “Area Characteristics, etc.” in principle field are an abstract or summary of descriptions in the Real Estate Appraisal Report on the Underlying Asset, prepared by appraisal agencies or market report prepared by third-party experts, 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 the Underlying Asset.

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

- Based on the information provided from the sellers of the Underlying Asset for each operating period from January 1, 2015 to December 31, 2016. This is not a guarantee of future income and expenditures.
- Amounts are rounded down to the nearest 1,000 yen. 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.
- “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 current owner or previous owner at the time of INV’s acquisition of the Underlying Asset, the estimated amount is included in the acquisition price, 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.
- “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 in the case where the asset is held by the TMK is listed.

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.

- “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, 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 = total number of rooms occupied during the relevant period ÷ total number of available rooms during the relevant period (aggregate number of rooms during the relevant period x number of business days during relevant period)

- “GOP Ratio” is calculated using the following formula:  
GOP ratio = GOP ÷ sales
- “Daily / Weekly / Monthly” is the ratio for each classification of length of stay (i.e., daily/weekly/monthly), and is a percentage of the aggregate room sales for each operational period of total room sales for the relevant classification during the same operational period. 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:
  - The TMK has requested real estate appraisal from appraisal agency for the Underlying Asset.
  - 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.

## (Outline of the Underlying Asset)

Name and Location of the Underlying Asset, etc.				
The name of the Underlying Asset	The Sheraton Grande Tokyo Bay Hotel			
Anticipated Acquisition Price (Note 1)	JPY 97,768 million			
Appraisal Value	JPY 101,000 million			
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.			
Location	(Lot Number)	1-9, Maihama, Urayasu City, Chiba		
	(Address)	1-9, Maihama, Urayasu City, Chiba		
Transport	One minute walk from Bayside station on Disney Resort Line. 2,600 m from "Maihama Station" on JR Keiyo Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m <sup>2</sup> )	51,263.00 m <sup>2</sup>	Building Coverage Ratio/Floor Area Ratio	60% / 200%
Building	Form of Possession	Ownership	Purpose of Use	Hotel / Wedding Chapels / Parking Facility (Note2)
	Total Floor Area (m <sup>2</sup> )	118,186.86 m <sup>2</sup> (Note 3)	Construction Date	March 31, 1988 May 24, 1996 February 28, 2002 October 31, 2016 (Note 2)
	Structure/No. of Stories	Steel / Reinforced concrete / Steel reinforced concrete structure with flat floor, basement 2 stories, 12 stories / Steel structure with flat floor and galvanized steel sheet floor, 4stories / Steel structure with slate roof, 1 story / Steel structure with flat floor and slate roof, 2stories / Steel structure with flat floor, 11 stories / Steel structure with flat floor, 6 stories (Note 2)		
	Renovation Date	September 2014 – July 2015		
Trustee	Mizuho Trust & Banking Co., Ltd			
Trust Period	From: March 22, 2000; Until: December 31, 2047			
Creation of Security Interest	In order to secure specified loans of the TMK, a pledge will be set over the trust beneficiary interest for the specified loan lender as a secured party. Further, a general security interest will be set for the holders of the specified bonds issued by the TMK.			
Lease Overview (July 31, 2017)				
Total No. of Tenant(s)	1		Number of Guest Rooms	1,016 rooms (T621・O395)
Leasable Area(m <sup>2</sup> )	118,186.86m <sup>2</sup>			
Lease Area (m <sup>2</sup> )	118,186.86m <sup>2</sup>		Security Deposit/Guarantee Money	JPY 1,480,008 thousand
Occupancy Rate	100.0%		GOP (per month)	JPY 317,575 thousand
Overview of Lease Agreement				
Tenant	Keiyo Resort Development Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: March 22, 1988 Until: December 31, 2047			
Determination of rent of lease contract	Fixed rent (JPY 720 million per annum (JPY 60 million per month) plus variable rent based on GOP of hotel operation. (Note 4)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			

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.

Security Deposit/Guarantee Money	JPY 1,480,008 thousand		
Renewal Upon Expiration	Where the trust contract is extended, the lease contract will be also extended.		
Rent Revision	-		
Early Termination	Termination prior to the expiration of the lease term is not permitted.		
Other Special Matters	-		
<b>Overview of Building Conditions Survey Report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	August 2017
Short term Repair Costs (within 1 year)	-	Replacement Price	JPY 32,877,400 thousand
Long term Repair Costs (in 12 years)	JPY 4,893,797 thousand		
<b>Overview of PML report</b>			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	July 2017
Probable Maximum Loss (PML)	6.1% (Note 5)		
<b>Area Characteristic</b>			
<p>The target property is a full service hotel having 1,016-rooms including 175-rooms of Annex building opening in December 2016, which is the most among the Tokyo Disney Resort official hotels as of August 31, 2017 and has also banquet rooms that are also used for wedding parties. It is designated as an "official hotel", located in the premises of Tokyo Disney Resort Area with Tokyo Disneyland and Tokyo DisneySea, drawing visitors from Japan and around the world. This hotel is the only hotel operated by Marriott International within the Tokyo Disney Resort Area.</p> <p>Continued increase in the number of visitors is expected as the year 2018 will be the 35th anniversary of Tokyo Disney Land and expansion of TDR is planned in 2020. There have been high and stable demands supported by 30 million annual visitors for the past four fiscal years. It takes (i) approximately four minutes to get to the nearest station, "Bayside Station" from "Resort Gateway Station" which is adjacent to "Maihama Station" on JR Keiyo Line, (ii) approximately 20 minutes to get to "Maihama Station" from "Tokyo Station", and (iii) approximately 50 minutes and 80 minutes to get to the target property from Tokyo International Airport (Haneda) and Narita International Airport, respectively by airport limousine.</p>			
<b>Special Notes</b>			
<ul style="list-style-type: none"> <li>• Repair works such as elevator repair work and fire-resistive repair work are necessary so that an existing disqualified matter which went against the amendment of the law after the construction can conform with the law which is applicable due to an expansion of the building, and such repair work should be completed by the end of July, 2023 based on the discussion with Urayasu City. The seller will bear the construction fee (estimate of outstanding construction fee: approximately 1,089 million) and the part of the purchase price of the target property (1,000 million) will be retained at a designated bank account for the purpose of allocating to payment for the difference of actual construction fee and the estimate above.</li> <li>• A prior consent of Chiba Public Enterprise Bureau is required in transferring the land of the target property.</li> <li>• A discussion with The Walt Disney Productions, a corporation incorporated under the law of the state of California, is required about construction and business on the land of the target property.</li> <li>• An approval from The City Gas Promotion Center is required in transferring the trust beneficiary interest in the target property, given that there is subsidization from The City Gas Promotion Center.</li> </ul>			

(Note 1) This price is not the anticipate acquisition price of the Preferred Equity Interest acquired by INV but the anticipated price of the Underlying Asset acquired by the TMK.

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.

# Invincible Investment Corporation

- (Note 2) The buildings described are the major buildings among the 11 buildings located on the premises.
- (Note 3) The building area described is the total floor area of the 11 buildings located on the premises.
- (Note 4) Variable rents are the amount calculated by subtracting the amount of fixed rents, annual amount of JPY 50.4 million (monthly amount of JPY 4.2 million) and fee for maintaining lessee from GOP. However, it will be described as nil if the calculation results in zero or falls into negative territory.
- (Note 5) Probable Maximum Loss (PML) arising from an earthquake describes PML related to the portfolio of the 11 buildings located on the premises.

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.

3. Income and Expenditures, Etc.			
Operating Period	January 1, 2015 –December 31, 2015	January 1, 2016 – December 31, 2016	
GOP (= (1) - (2)) (Note 1)	JPY 4,159,356 thousand	JPY 4,474,589 thousand	
a. Land Lease Fees	-	-	
b. Taxes and Public Dues	JPY 191,232 thousand	JPY 195,500 thousand	
c. Non life Insurance Premiums	JPY 8,899 thousand	JPY 8,956 thousand	
d. Trust Fees	JPY 1,550 thousand	JPY 1,550 thousand	
NOI (= GOP - [a. + b. + c. + d.])	JPY 3,957,674 thousand	JPY 4,268,583 thousand	
(Reference)	(1) Sales	JPY 15,108,831 thousand	JPY 15,114,007 thousand
	Room Income	JPY 7,471,175 thousand	JPY 7,628,026 thousand
	Other Income	JPY 7,637,655 thousand	JPY 7,485,980 thousand
	(2) Operating Costs (not including a. through d. above)	JPY 10,949,475 thousand	JPY 10,639,418 thousand
	ADR	JPY 29,018	JPY 27,826
	RevPAR	JPY 24,679	JPY 24,600
	Room Occupancy Rates	85.0%	88.4%
	GOP Ratio	27.5%	29.6%
	Daily/ Weekly/ Monthly (Note2)	--/ --/ --	--/ --/ --
	Overseas Sales Share	18.2%	17.0%

(Note 1) Revenue from the leasing business is described assuming that the TMK owned the hotel property based on information provided by the current property owner.

(Note 2) Data segmented on the daily, weekly and monthly do not exist.

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.

Summary of Real Estate Appraisal Report	
Appraising Organization	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Value (Specified Value)	JPY 101,000 million
Time of Valuation	July 1, 2017

4. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 5,135,970 thousand	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)]	JPY 5,135,970 thousand	
(f) Vacant Room Losses	—	
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	JPY 5,135,970 thousand	
(h) Maintenance and Management Costs	—	Not expected as it is included in hotel operation cost
(i) Utility Costs	—	Not expected as it is included in hotel operation cost
(j) Repair Costs	JPY 114,978 thousand	Based on comparable assets and average annual estimate in the engineering report (0.35% of the Replacement Cost)
(k) Property Management Fee	—	
(l) Tenant Solicitation Expenses	—	
(m) Taxes and Public Dues	JPY 205,706 thousand	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	JPY 9,362 thousand	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)]	JPY 330,047 thousand	
(IV) Net Operating Income = [(II) - (III)]	JPY 4,805,922 thousand	
(p) One Time Investment Gains	JPY 14,800 thousand	

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.

(q) Capital Improvements and Expenses	JPY 279,233 thousand	Based on comparable assets and average annual estimate in the engineering report (0.85% of the Replacement Cost)
(r) FF&E Reserve	JPY 347,978 thousand	Based on lease agreement
(V) Net Income = [(IV) + (p) - (q) - (r)]	JPY 4,193,511 thousand	
(VI) Capitalization Yield	4.1%	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)]	JPY 102,000,000 thousand	
(Reference) NOI Yield [(IV) ÷ (VII)]	4.7%	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 33,800,000 thousand	
(a) Sale Price	JPY 102,000,000 thousand	
(b) Sale Costs	JPY 2,040,000 thousand	Assume 2.0% of sale price
(c) Returning Price [(a) - (b)]	JPY 99,960,000 thousand	
(II) Returning Price, Current Value	JPY 66,200,000 thousand	
(III) Discount Rate	4.2%	Based on transaction yield of comparable assets and characteristics of the property
(IV) Final Capitalization Yield	4.3%	Based on transaction yield of comparable assets taking into consideration of future prediction uncertainty
(V) Income Price using DCF Method = [(I) + (II)]	JPY 100,000,000 thousand	
(3) Income Price using Income Capitalization Method	JPY 101,000,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 80,700,000 thousand	
(ii) Building Price	JPY 16,800,000 thousand	

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.

(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 1,600,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 99,100,000 thousand	

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.

(3) Matters relating to Seismic Resistance etc. for the Underlying Asset

With respect to the Underlying Asset, the TMK has obtained an opinion from a third party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., indicating that there is no suspicion of falsification of structural calculation sheets by willful intent of designer, and that the design is in general compliance with the seismic provisions under the Building Standards Act and its Enforcement Order concerning structural design.

As a part of its due diligence (Note) routine, the TMK conducts investigation on seismic risks for new acquisitions.

(Note) The due diligence conducted includes examination of appraisal values, building inspection, seismic risk inspection and legal due diligence.

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.

## 4. Overview of Seller

The overview of the seller is as follows.

(i)	Name	Kingdom Tokutei Mokuteki Kaisha
(ii)	Location	Tokyo Kyodo Accounting Office, 3-1-1 Marunouchi, Chiyoda-ku, Tokyo
(iii)	Title and name of representative officer	Tomoya Takayama, Director
(iv)	Business	(a) Acquisition, management and disposal of specified assets in accordance with the Act on Securitization of Assets (b) Any other business identical or relating to securitization of assets
(v)	Capital (as of October 17, 2017 (planned) )	Specified Capital: JPY 100,000 Preferred Capital: JPY 36.4 billion (Note)
(vi)	Date of establishment	August 16, 2017
(vii)	Net assets	JPY 36.4 billion (Note)
(viii)	Total assets	JPY 102.8 billion (Note)
(ix)	Relationship between INV/Asset Manager and the Seller	
	Capital relationships	INV will acquire 24.0% of the specified equity interest and 49.0% of the Preferred Equity Interest in the TMK. There are no capital relationships that should be noted between CIM and the TMK. Further, there are no capital relationships that should be noted between the related parties or affiliates of INV/CIM and the related parties or associated companies of the TMK.
	Personal relationships	An employee of CIM concurrently serves as a director of the TMK. There are no personal relationships that should be noted between INV and the TMK. Further, there are no personal relationship that should be noted between the related parties or associated companies of INV/CIM and the related parties or affiliates of the TMK.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and the TMK. Further, there are no transactional relationships that should be noted between the related parties or associated companies of INV/CIM and the related parties or affiliates of the TMK.
	Whether the TMK is a related party	The TMK is not a related party of INV or CIM. Further, related persons and affiliates of the TMK are not related parties of INV or CIM. Furthermore, the TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

(Note) Information scheduled as of October 17, 2017.

## 5. Transactions with Interested Persons etc.

In the acquisition of the Preferred Equity Interest and the series of the other related transactions, INV will acquire the Preferred Equity Interest, the specified equity interest in the TMK and the equity interests in the Holding Company. However, such transactions do not fall into the related party transactions described in the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investment. Further, each of the seller of the Underlying Asset to the TMK and the seller of the equity interests in the Holding Company is not a Sponsor-related Person (Note). However, each of the sellers received investment in anonymous partnership (*tokumei kumiai*) from the funds managed by affiliates of FIG, which is an affiliate to Calliope Godo Kaisha, or Calliope (Calliope is a

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.

parent company of CIM, and thus a Sponsor-related person), and taking into consideration that INV's investee will acquire a real estate beneficiary right from such seller, CIM treats a series of such transactions equivalent to the transactions with Sponsor-related Persons.

For the acquisition of the Preferred Equity Interest and a series of other transactions, INV shall confirm in accordance with the Regulations on the Transactions with Sponsor-related Persons, INV's internal regulations, and the Manual for Management of the Transactions with Sponsor-related Persons that the price of acquisition of assets by the special purpose company does not exceed appraisal value. Following deliberation and determination at the Investment Committee of CIM and the Compliance Committee of CIM held on September 21, 2017, the board of directors of CIM and INV held on the same day each approved such transactions.

(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 Enforcement Order of the Investment Trust Act (Cabinet order No. 480 of 2000, as amended), (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 in anonymous partnership (*tokumei kumiai*) by persons who fall under (ii) above.

## 6. Summary of the issuer of the Preferred Equity Interests

The issuer of the Preferred Equity Interest is a person having no special conflict of interests with INV or CIM. The outline of the seller of the Underlying Asset which the TMK will acquire is as follows.

(i) company name/personal name, (ii) relationship with a person having special conflict of interests, (iii) background and purpose of acquisition, (iv) acquisition price and (v) date of acquisition

Name of Property	The Sheraton Grande Tokyo Bay Hotel
Current Owner/Holder of Trust Beneficiary Interest	(i) Granada Special Purpose Company (ii) This company accepts investment from a fund managed by an affiliate of FIG which is the affiliate of Calliope. (iii) Acquired the asset for investment management purpose. (iv) As the seller has owned the asset for over one year, we omitted the acquisition price. (v) July 2013
Former Owner/Holder of Trust Beneficiary Interest	person having no special conflict of interests

## 7. Overview of Brokerage

Not applicable.

## 8. Schedules

Acquisition decision date:	September 21, 2017
Agreement execution date:	
Anticipated acquisition date:	October 13, 2017 (Note 1)
Anticipated source of acquisition funds:	Funds from issuance of new investment units in Japan and overseas (Note 2) and cash-on-hand
Anticipated acquisition proceeds payment method:	Lump-sum payment (Note 1)

(Note 1) The anticipated date of the acquisition of the Underlying Asset by the TMK is October 17, 2017

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.

(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” as of today.

## 9. Future Outlook

For information on the revision of INV’s forecasts for financial results and distribution for the fiscal period ending December 2017 (July 1, 2017 to December 31, 2017) in connection with the Acquisition, please refer to “Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017” dated as of today.

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

With respect to the risks associated with the acquisition of the Preferred Equity Interests, please refer to the content of “Investment Risks” stated in the securities report for the fiscal period ended June 2017 (from January 1, 2017 to June 30, 2017) (Japanese only) filed as of today and “Part II, Reference Information II Supplemental Information to the Reference Documents 5 Investment Risks” of the securities registration statement (Japanese only) filed as of today.

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

Photos and Maps of the Underlying Asset

Sheraton Grande Tokyo Bay Hotel



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.