Invincible Investment Corporation

[For Information Purpose Only]

June 23, 2014

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: Akiko Watanabe, Manager
(Tel. +81-3-5411-2731)

(Replacement) Notice concerning Acquisition of Assets and Entering into Leasing Contract

Invincible Investment Corporation ("INV") announced today the decision made by Consonant Investment Management Co., Ltd. ("CIM"), the asset manager of INV, regarding the acquisition of assets (eighteen hotels, or the "Eighteen Properties"). In connection with the acquisition of the Eighteen Properties, INV will enter into a new leasing contract with respect to the Eighteen Properties.

1. Overview of Acquisition

Use	Property Number	Property Name	Location	Anticipated Acquisition Price (million yen (Note 1)	Appraisal Value (million yen)	Seller (Note 2)	Category of Specified Assets
Hotel	D3	Hotel MyStays Kyoto-Shijo	Kyoto-shi, Kyoto	6,024	6,110	Shijodori Holding Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D4	MyStays Shin-Urayasu Conference Center	Urayasu, Chiba	4,930	4,980	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D5	Hotel MyStays Maihama	Urayasu, Chiba	4,870	4,920	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest

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Use	Property Number	Property Name	Location	Anticipated Acquisition Price (million yen (Note 1)	Appraisal Value (million yen)	Seller (Note 2)	Category of Specified Assets
	D6	Hotel Vista Premio Dojima	Osaka-shi, Osaka	3,845	3,900	Danube Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D7	Hotel MyStays Nagoya-Sakae	Nayoga-shi, Aichi	2,958	3,000	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D8	Hotel MyStays Sakaisuji-Hon-machi	Osaka-shi, Osaka	2,514	2,530	Nagahoribashi Holding Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D9	Hotel MyStays Yokohama	Yokohama-shi, Kanagawa	2,119	2,150	Zephyrus Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	1,898	1,910	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka-shi, Fukuoka	1,570	1,580	Shijodori Holding Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	1,381	1,390	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	1,331	1,340	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	1,242	1,250	Nishi Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	1,242	1,250	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest

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Use	Property Number	Property Name	Location	Anticipated Acquisition Price (million yen (Note 1)	Appraisal Value (million yen)	Seller (Note 2)	Category of Specified Assets
	D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	1,192	1,200	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D17	Hotel MyStays Otemae	Osaka-shi, Osaka	1,192	1,200	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D18	Flexstay Inn Kiyosumi Shirakawa	Koto-ku, Tokyo	749	754	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	589	593	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	283	285	Aki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
Total				39,938	40,342		

- Purchase and sale agreement execution date : June 23, 2014
- Anticipated acquisition date : July 17, 2014 (Note 3)
- Acquisition funds : Funds raised through an issuance of new investment units (those from public offering) (Note 4) and new loan (Note 5)
- Settlement method : Lump-sum payment at time of delivery

(Note 1) Anticipated acquisition prices do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes; hereinafter the same.

(Note 2) For an overview of the sellers, please refer to “4. Overview of Sellers” below.

(Note 3) The anticipated acquisition date is July 17, 2014 at the earliest. However, if the payment date for the offering of the new investment units (the “Offering”), as described in “Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units” dated today, is changed to a date after July 16, 2014, then the acquisition date is expected to also be changed to a date immediately following such payment date, and in the latest case would be July 22, 2014. Furthermore, based on the purchase and sale agreement with the seller of the assets anticipated to be acquired, the acquisition date can be changed to a date up to July 22, 2014 by providing a three business day prior notice.

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(Note 4) For details of the issuance of new investment units, please refer to the "Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" dated as of today.

(Note 5) For details of the new loan, please refer to the "Notice concerning Debt Financing and Prepayment of Existing Borrowings" dated as of today.

(Note 6) Amounts are rounded down to the nearest million yen; hereinafter the same.

2. Reasons for Acquisitions

As noted in "Notice concerning Partial Revision of Internal Rules (the Investment Guidelines) of the Asset Management Company" dated as of today, based on INV's investment target and policies stipulated in its articles of incorporation, INV has endeavored to construct a portfolio which places a strong emphasis on both improved stability and future growth through the addition of stable revenue and high growth potential of hotels, in addition to the high level of revenue stability provided up to now by the portfolio focused on the greater Tokyo area and residential properties.

In connection with this, CIM has decided to acquire eighteen new hotels that provide both stability and potential for further growth.

(1) Characteristics of limited service/extended stay hotels

A high profit ratio can be expected for limited service/extended stay hotels which are characterized by limited offering of services and amenities. In addition, due to the unique characteristic of being able to flexibly meet customer demand for daily, weekly or monthly stays, limited service/extended stay hotels can expect to achieve a relatively stable and high occupancy level as compared to full-service hotels with primarily daily users. Among the 20 properties (collectively, the "Hotels") consisting of 18 hotels which INV expects to acquire and the two hotels which INV has acquired on May 23, 2014, all but three properties (*i.e.*, Hotel MyStays Kyoto-Shijo, Hotel MyStays Maihama and Hotel Vista Premio Dojima) (Note 1) are categorized as limited service/extended stay hotels and thus possess both characteristics mentioned above. In addition, all 20 properties are limited service hotels, and each of them, in addition to a minimum fixed rent, also has a variable rent feature that is linked to the GOP of the respective hotels. A management service fee which is tied to sales, GOP, etc. is paid for each property, and a variable rent is calculated by subtracting the sum of management service fee, various reimbursements and fixed rent from the aggregate sales amount (for details, please see "3. Details of Assets to be Acquired" below). As such, since lease agreements are structured to capture the upside from GOP growth, INV believes that improved revenue can be expected based on high profit ratio.

As stated in "Notice concerning Partial Revision of Internal Rules (the Investment Guidelines) of the Asset Management Company" dated as of today, INV will position hotels as its core asset along with residential properties and will pursue stability and portfolio revenue growth through an implementation of its external growth strategy based on an active investment in such properties.

(Note 1) As these three properties do not offer an extended stay plan, they are not included in the

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extended stay category.

(Note 2) For status of income and expenses, etc. of the 18 hotel properties expected to be acquired, see "[References] 1. Status of Income and Expenses and Summary of Real Estate Appraisal of the Eighteen Properties".

(2) Growth potential of limited service/extended stay hotels market

We believe the market for the limited service/extended stay hotels in Japan has a high growth potential for the following reasons.

- The market share of the limited service/extended stay hotels has been expanding and their occupancy level has maintained a high level for the last few years.
- Air traffic capacity at both Haneda Airport and Narita International Airport has expanded and international routes have also increased.
- Foreign and domestic tourists have been increasing due to the weakening of Japanese yen following Japan's government leadership change in December 2012.
- Japanese government initiatives to promote tourism.
- The number of hotel guests has been steadily increasing.

(3) Execution of Lease Contracts

INV, who will become the owner of the Eighteen Properties, expects to lease Hotel Vista Premio Dojima to MGH Master Lease Co., Ltd. ("MGH"), Hotel MyStays Nagoya-Sakae to *Yugen Kaisha* Nagoya Hotel Management ("Nagoya HM") and the remaining 16 hotels to Flexstay Hotel Management Co., Ltd. ("FHM") by entering into lease contracts with each of FHM, MGH and Nagoya HM, each of which has a solid track record in hotel operations. Based on the lease contract, INV will receive, in addition to fixed rent, a variable rent linked to the relevant hotel's GOP.

In accordance with the lease contract, INV receives, through the tenant and then the trustee, revenues from the tenant's hotel operation after deducting costs and a certain amount reserved by the tenant. As mentioned above, as lease agreements are structured to capture the upside from GOP growth, INV believes that improved revenue can be expected based on high profit ratio.

<Overview of Tenant and Operator>

An overview of the tenants and operators for the Eighteen Properties is as follows:

The tenant and operator of Hotel MyStays Kyoto-Shijo, MyStays Shin-Urayasu Conference Center, Hotel MyStays Maihama, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstay Inn Iidabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1, and Flexstay Inn Nakanobu P2, and the operator of Hotel MyStays Nagoya-Sakae.

(i)	Name	Flexstay Hotel Management Co., Ltd.
(ii)	Location	Leaf Square Hongo Building 5F, 1-24-1 Hongo, Bunkyo-ku, Tokyo, Japan
(iii)	Title and name of	Atsuki Asano, President and CEO

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	representative officer	
(iv)	Business	Hotel and Ryokan (Japanese inn) operation and management
(v)	Capital (as of the date of this notice)	JPY 100 million
(vi)	Date of establishment	July 8, 1999
(vii)	Relationship between INV/Asset Manager and the Tenant/Operator	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the tenant/operator, the parent company of the tenant is an affiliate of Fortress Investment Group LLC ("FIG"), which is an affiliate of Calliope Godo Kaisha ("Calliope"). Calliope holds 609,942 units of INV's outstanding investment units (investment unit holding ratio: 38.77%) as of December 31, 2013. Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	As of the date of this notice, among the employees of CIM, one employee is seconded from the tenant/operator.
	Transactional relationships	INV has entered into a lease contract with the tenant/operator with respect to two hotel properties acquired on May 23, 2014.
	Whether the Operator is a related party	The tenant/operator is not a related party of INV or CIM. Further, related persons and affiliates of the tenant are not related parties of INV or CIM. Furthermore, the tenant is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations ("Investment Trust Act").

The tenant of Hotel Vista Premio Dojima

(i)	Name	MGH Master Lease Co., Ltd.
(ii)	Location	EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Eiichoro Yokoyama, CEO
(iv)	Business	a. Leasing of properties b. Management of properties c. All other businesses ancillary to the preceding items.
(v)	Capital (as of the date of this notice)	JPY 900 million
(vi)	Date of establishment	August 17, 2006
(vii)	Relationship between INV/Asset Manager and the Tenant	

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	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the tenant, the parent company of the tenant is an affiliate of FIG, which is an affiliate of Calliope. Calliope holds 609,942 units of INV's outstanding investment units (investment unit holding ratio: 38.77%) as of December 31, 2014. Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its 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 or CIM. Further, related persons and affiliates of the tenant are not related parties of INV or CIM. The tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act.

The operator of Hotel Vista Premio Dojima

(i)	Name	Vista Hotel Management Co., Ltd.
(ii)	Location	9-1 Kanda-Mitoshirocho, Chiyoda-ku, Tokyo, Japan
(iii)	Title and name of representative officer	Katsurou Ouchi, CEO
(iv)	Business	a. Operation, administration, management, and consulting for hotels, cafeterias, cafes, and amusement centers b. Import and exports, domestic sales, and representative intermediary services for pharmaceutical products, textile products for clothing, leather products, art products, and daily commodities c. Sale of tobacco, stamps and revenue stamps d. Services for the solicitation of life insurance and representative service of non-life insurance e. Financial services f. Travel agent services and tourism business g. Sale and purchase, leasing, intermediation and administration of properties h. Administration and consulting for management, finances, administration and general affairs i. All other businesses ancillary to the preceding items.
(v)	Capital (as of the date of this notice)	JPY 1 billion
(vi)	Date of establishment	September 20, 2006
(vii)	Relationship between INV/Asset Manager and the Tenant	

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	Capital relationships, personal relationships, transactional relationships and whether the Operator is a related party	As of the date of today, there are no capital relationships, personal relationships, or transactional relationships between INV/CIM and the operator that should be noted. Furthermore, the operator is not a related party of INV or CIM.

The tenant of Hotel MyStays Nagoya-Sakae

(i)	Name	Yugen Kaisha Nagoya Hotel Management
(ii)	Location	EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Kazumasa Takizawa, Director
(iv)	Business	a. Management of hotels, ryokan (Japanese inn) and restaurants, b. Subcontracting operation of hotels, ryokan (Japanese inn) and restaurants c. Appliances and kitchen equipment services for hotels, ryokan (Japanese inn), restaurants, and rest homes d. Planning and subcontracting for events such as parties e. Management of parking lots and amusement parks and amusement centers f. Sales and wholesale of folk crafts and handicrafts and management of souvenir shops g. Subcontracting of building maintenance h. Representative service of non-life insurance and services for the solicitation of life insurance i. Leasing, intermediation, servicing and administration of properties j. Advertising representation k. All other businesses ancillary to the preceding items.
(v)	Capital (as of the date of this notice)	JPY 4.8 billion
(vi)	Date of establishment	March 16, 2004
(vii)	Relationship between INV/Asset Manager and the Tenant	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the tenant, the parent company of the Tenant is an affiliate of FIG, which is an affiliate of Calliope. Calliope holds 609,942 units of INV's outstanding investment units (investment unit holding ratio: 38.77%) as of December 31, 2014. Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.

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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 or CIM. Further, related persons and affiliates of the tenant are not related parties of INV or CIM. The tenant is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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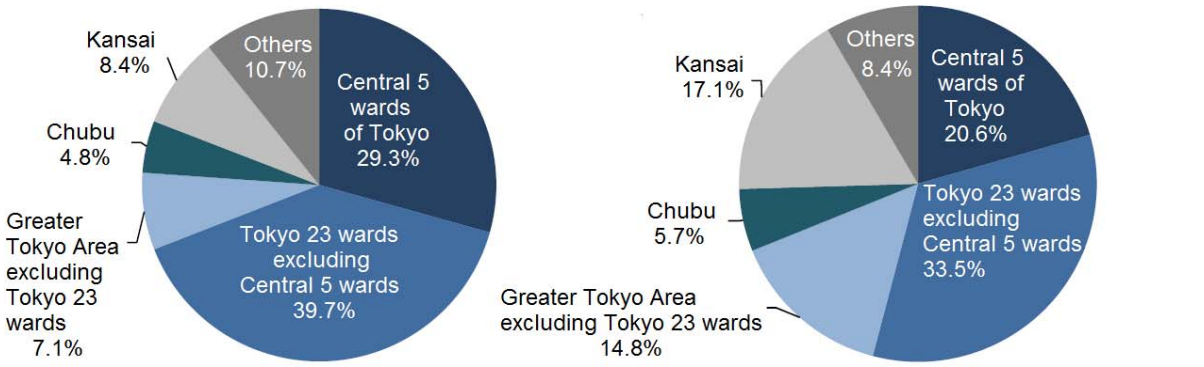
(4) Pre- and Post-Acquisition Investment Ratio by Property Type and Geography (based on (anticipated) acquisition price)

Before Acquisition (As of May 23, 2014)	After Acquisition (As of July 17, 2014)

<Investment Ratio by Property Type>



<Investment Ratio by Geography>



Greater Tokyo Area 76.1% (Tokyo 23 wards 69.1%)

Greater Tokyo Area 68.9% (Tokyo 23 wards 54.1%)

3. Details of Assets to be Acquired

(1) Details of the Eighteen Properties

The details for each of the Eighteen Properties expected to be acquired are as follows:

<Explanation relating to details of the Eighteen Properties>

a. "Type and Location of Specified Assets, etc." column:

・ In "Date of (Planned) Acquisition," the earliest date of planned acquisition is listed, but in the event the payment date for the Offering is changed to a date after July 16, 2014, then the acquisition date is expected to also be changed to a date immediately following such payment date, and in the latest case would be July 22, 2014. Furthermore, based on the purchase and sale agreement with the seller of the assets anticipated to be acquired, the acquisition date can be changed to a date up to July 22, 2014 by providing a three business day prior notice.

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- In "(Planned) Purchase Price," consumption tax is not included, and rounded down to the nearest million yen.
- The details in "Location" (excluding address), "Lot Area," "Structure/No. of Stories," "Total Floor Area," "Purpose of Use," and "Construction Date" are as shown in the property registry. The "Total Floor Area" is the gross floor area, and with respect to "Purpose of Use," the primary class shown in the property registry is listed. Further, the "Construction Date" lists the time at which it was newly constructed, as shown in the property register.
- In "Zoning," the class of zoning under Article 8(1)(i) 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 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 at the time INV is to acquire the assets is listed.
- In "Trust Period," the planned trust period at the time INV is to acquire the assets is listed.

b. "Lease Overview" column:

- The last day of April 2014 is used as the basis.
- In "Number of Guest Rooms," the number of guest rooms that can be sub-leased by tenants is listed.
- In "Leasable Area," which means the total leasable floor area for each building, those listed in the lease contract and diagram for the property, not including the leasable area of the land (level parking lot), is listed.
- In "Lease Area," which means the total leased floor area for each building out of the leasable floor area which a leasing agreement has actually been entered into and has been leased to an end-tenant, those listed in the lease contract, not including the leased area of the land, is listed.
- In "Occupancy Rate," the ratio of the leased area to the leasable area is shown, rounded to the first decimal place.
- "GOP," or the gross operating profit, is the amount remaining after deducting the personnel, material, water, electricity and heating and advertising expenses for the hotel operations from the hotel's sales.

c. "Overview of Lease Agreement" column:

- Based on the lease contract entered into with the tenant.
- In "Determination of rent of lease contract," monthly rent amount is rounded down to nearest ten thousand yen, and annual rent is rounded down to nearest one million yen.
- The "management services fee" is a commission fee payable to the tenant in accordance with the provisions of the leasing contract 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. However, for FHM, an amount of the management services fee to be received is generally (i) an amount equal to 2% of monthly sales, (ii) an amount equal to 6% of monthly sales from direct bookings made through the FHM's marketing department or website, and (iii) an amount equal to 4-6% of the monthly GOP after deducting the amounts of (i) and (ii) above.
- In "Security Deposit/Guarantee Money," the amount of the security deposit/guarantee money after amortization pursuant to the lease contract is listed.

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

- For the planned acquisition assets, INV has received a report from Tokio Marine & Nichido Risk Consulting Co., Ltd. on building conditions survey, 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.
- Further, an earthquake risk analysis has been conducted and reported to INV by Tokio Marine & Nichido Risk Consulting Co., Ltd., and an overview of the report is listed in this column.
- “Probable Maximum Loss (PML)” means the probable maximum loss from an earthquake. There is probable maximum loss (PML) for individual properties and for portfolios as a whole. 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 price for planned recovery costs from damage.
- “Replacement Price” means the total amount of the appropriate costs needed in the event that the appraised building was rebuilt at the time of the survey.
- “Short-term Repair Costs” indicates the repair costs for items which, as at the time of the survey, is not maintaining its minimum requirements 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 renewed 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 renew 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.

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D3 : Hotel MyStays Kyoto-Shijo

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 6,024 million			
Appraisal Value	JPY 6,110 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	52,Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi (and 3 lots)		
	(Address)	52,Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi		
Transport	6 mins walk from Kyoto Municipal Subway Karasuma Line, Shijo Station			
Land	Form of Possession	Ownership	Zoning	Commercial District
	Lot Area	1,021.7 sqm	Building Coverage Ratio / Floor Area Ratio	80%/700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	7,241.51 sqm	Construction Date	January 2008
	Structure/No. of Stories	Steel structure with flat roof, 14 stories		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: February 14, 2008 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	224 rooms
Leasable Area	7,241.51 sqm		Lease Area	7,241.51 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 44,145 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 190million per annum (January – June: JPY 14.89million per month / July – December: JPY 16.85 per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 1,100 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	13.0%		Short-term Repair Costs (within 1 year)	JPY 50 thousand
Replacement Price	JPY 1,689,200 thousand		Long-term Repair Costs (in 12 years)	JPY 126,722 thousand

Area Characteristic
This property is a business hotel located 6-mins walk from Kyoto Municipal Subway Karasuma Line, Shijo Station, 6-mins walk from Hankyu Kyoto Line, Hankyu Karasuma Station, 7-mins walk from Keifuku Arashiyama Line, Shijo Ohmiya Station. Easy access to other areas: 4-minute train ride to Kyoto Municipal Subway Karasuma Line, Kyoto Station by subway, 55-minute to Itami Airport by shuttle bus and 75-minute to Kansai International Airport by JR Express "Haruka." The hotel is close to popular tourist attractions: Nijo Castle (Nijo-jo), Kiyomizudera Temple, Kinkakuji, etc. with easy access to "Shijo Karasuma," the business center of the city of Kyoto, which is in a walking distance. The hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips. The hotel was selected as a recommended hotel in the Michelin Restaurants & Hotels Guide for three consecutive years since 2010. The only hotel limited service in Kyoto.
Special Instructions
The Property is already not in compliance with regard to the point of the height of the building as an application for a construction permit was made prior to the limit being set for the height zoning restrictions there is now. The Property's land includes the part of road provision (the part considered a road under Article 42(1)(v) under the Building Standards Act) (approx.10.4 sqm).

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D4 : MyStays Shin-Urayasu Conference Center

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 4,930 million			
Appraisal Value	JPY 4,980 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	2-1-1, Akemi, Urayasu-shi, Chiba (and 1 lot)		
	(Address)	2-1-4, Akemi, Urayasu-shi, Chiba		
Transport	15 mins walk from JR Keiyo/Musashino Lines, Shin-Urayasu Station			
Land	Form of Possession	Ownership	Zoning	Category 2 Residential District
	Lot Area	3,281.5 sqm	Building Coverage Ratio / Floor Area Ratio	60%/200%
Building	Form of Possession	Ownership	Purpose of Use	Training
	Total Floor Area	6,232.3 sqm	Construction Date	March 2009
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 7 stories		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: September 19, 2012 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	175 rooms
Leasable Area	6,232.3 sqm		Lease Area	6,232.3 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 30,124 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 149million per annum (January – June: JPY 11.16million per month / July – December: JPY 13.78million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	8.4%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 1,557,800 thousand		Long-term Repair Costs (in 12 years)	JPY 196,608 thousand
Area Characteristic				
This property is a business hotel located in the Shinmachi area of Urayasu, Chiba, 20 mins car ride from JR Tokyo Station and 15-mins walk from JR Keiyo Line, Shin-Urayasu Station, and is equipped with multi-purposes conference rooms. With its urban resort-like townscape of high-rise residences covered in white, designed in three dimensions, represented by the tree-lined Symbol Road and Meikai University's campus and succor ground are located, the surrounding environment is quiet but vibrant at the same time, so the hotel is suitable for companies' overnight trainings for younger employees, for which both strict discipline and vibrancy are desired. The area is close to Tokyo Disney Resort, the most famous theme park in Japan, and with its easy access to it, the hotel is expected to accommodate stable demand throughout the year with those visiting Tokyo Disney Report as the main target, in addition to invitation to overnight trainings.				
Special Instructions				
None				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D5 : Hotel MyStays Maihama

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 4,870 million			
Appraisal Value	JPY 4,920 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	3-187, Tekko-dori, Urayasu-shi, Chiba		
	(Address)	3-5-1, Tekko-dori, Urayasu-shi, Chiba		
Transport	12 mins walk from JR Keiyo/Musashino Lines, Maihama Station			
Land	Form of Possession	Ownership	Zoning	Quasi-Industrial District
	Lot Area	1,322. sqm	Building Coverage Ratio / Floor Area Ratio	70%/200%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	2,456.36 sqm	Construction Date	June 2005
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 7 stories		
	Renovation Date	—		
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust Period	From: July 15, 2005 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	90 rooms
Leasable Area	2,456.36 sqm		Lease Area	2,456.36 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 18,411 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 141million per annum (January – June: JPY 11.02million per month / July – December: JPY 12.56million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	9.4%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 687,500 thousand		Long-term Repair Costs (in 12 years)	JPY 139,247 thousand
Area Characteristic				
A resort hotel located 12-minute waking distance from JR Keiyo Line, Maihama Station. At a 15 minute walk from "Tokyo Disneyland" and 6 minute walk from "Tokyo Disney Sea," it's positioned in a vital [location]. Users of nearby facilities such as Urayasu Tekko Danchi, Urayasu Marina and Urayasu funeral hall are targets for off-season. The hotel provides complimentary shuttle bus runs connecting the hotel and the Tokyo Disney Resort. The hotel is expected to have stable demand throughout the year mainly from leisure travelers.				
Special Instructions				
None				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D6 : Hotel Vista Premio Dojima

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 3,845 million			
Appraisal Value	JPY 3,900 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	2-7-1 Sonezakishinchi, Kita-ku, Osaka (and 1 lot)		
	(Address)	2-4-1 Sonezakishinchi, Kita-ku, Osaka		
Transport	5 min from JR Tozai Line, Kitashinchi Station			
Land	Form of Possession	Sub-leasehold/Ownership	Zoning	Commercial District
	Lot Area	1,767.16 sqm	Building Coverage Ratio / Floor Area Ratio	80%/600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	9,445.32 sqm	Construction Date	August 1990
	Structure/No. of Stories	Steel-frame and reinforced concrete structure with flat roof, 9 stories with 2 level basement		
	Renovation Date	—		
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust Period	From: November 17, 2006 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	141 rooms
Leasable Area	9,445.32 sqm		Lease Area	9,445.32 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 101,270 thousand
Overview of Lease Agreement				
Tenant	MGH Master Lease Co., Ltd. (Note 1)			
Type of Contract	Fixed rent, variable rent, plus pass-through rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 94million per annum (January – December: JPY 7.88million per month)) plus variable rent based on GOP of hotel operation by Vista Hotel Management Co., Ltd. and the pass-through rent the tenant receives from the sub-tenant. (Note 3)			
Management services fee (Note 2)	Not disclosed, as operator's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 74,123 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	10.7%		Short-term Repair Costs (within 1 year)	JPY 100 thousand
Replacement Price	JPY 2,226,600 thousand		Long-term Repair Costs (in 12 years)	JPY 495,224 thousand

Area Characteristic
A business hotel located 5-minute walking distance from JR Kitashinchi Station, 10-minute walking distance from JR Osaka Station and Midosuji Line Umeda Subway Station, and 4-minute walking distance from Yostubashi Line Nishi-Umeda Subway Station, it has convenient access to companies in the business area as well as leisure facilities in the north of Osaka. The restaurant provides a Japanese-style breakfast using carefully selected ingredients, and diversified tenants such as 24H convenience stores, a bar, restaurants, etc. located in the same building provide convenience, and on top of travelers on business trips, the hotel is expected to accommodate stable demand throughout the year from leisure travelers.

Special Instructions
The Property is a sub-leased property, and the permission of the land owner will be required at the time of the transfer of the leasehold rights of the building accompanying the transfer of the building. Further, the land owner's permission will first be required for future transfers of the leasehold rights, even for the transfer of a trust beneficiary interest. The Property's land includes a part (approx. 185 sqm) on the east-facing and south-facing road-side a pedestrian path, etc. which is provided for common use.

(Note 1)
MGH Master Lease Co., Ltd. made a lump sum payment to lease the property from the building owner, Mizuho Trust & Banking Co., Ltd., and has entered into a management agreement with Vista Hotel Management Co., Ltd. for part of 3F through 9F, while subletting B2 through a part of 3F to sub-tenants.

(Note 2)
The management services fee is a commission fee payable to Vista Hotel Management Co., Ltd. in accordance with the provisions of the management agreement as a compensation for hotel management services provided by Vista Hotel Management Co., Ltd. under the agreement.

(Note 3)
Variable rent is the amount of Vista Hotel Management Co., Ltd.'s aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

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D7 : Hotel MyStays Nagoya-Sakae

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 2,958 million			
Appraisal Value	JPY 3,000 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	2-2307-1, Higashisakura, Naka-ku, Nagoya, Aichi (and 3 lots)		
	(Address)	2-23-22, Higashisakura, Naka-ku, Nagoya, Aichi		
Transport	7 mins from walk Subway Meijou/Higashiyama Lines, Sakae Station			
Land	Form of Possession	Leasehold/Ownership	Zoning	Commercial District
	Lot Area	1,142.41 sqm	Building Coverage Ratio / Floor Area Ratio	80%/800%
Building	Form of Possession	Ownership	Purpose of Use	Hotel/Shop
	Total Floor Area	9,064.71 sqm	Construction Date	November 1979
	Structure/No. of Stories	Steel-frame and reinforced concrete structure with flat roof, 16 stories with basement		
	Renovation Date	April - June 2013		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: June 30, 2005 Until: July 16, 2024			
Creation of Security Interest	Yes			

Lease Overview (April 30, 2014)			
Total No. of Tenant(s)	1	Number of Guest Rooms	270 rooms
Leasable Area	9,064.71 sqm	Lease Area	9,064.71 sqm
Occupancy Rate	100.0%	GOP (per month)	JPY 20,930 thousand

Overview of Lease Agreement	
Tenant	Yugen Kaisha Nagoya Hotel Management (Note 1)
Type of Contract	Fixed rent plus variable rent type
Term	From: July 17, 2014 Until: July 16, 2024
Determination of rent of lease contract	Fixed rent (JPY 133million per annum (January – June: JPY 10.95million per month / July – December: JPY 11.35million per month)) plus variable rent based on GOP of hotel operation by Flexstay Hotel Management Co., Ltd. (Note 3)
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.
Security Deposit/Guarantee Money	JPY 10,594 thousand
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.
Rent Revision	Rent cannot be revised during the lease term.
Early Termination	Termination prior to the expiration of the lease term is not permitted.
Other Special Matters	None

Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	April 2014
Probable Maximum Loss (PML)	7.5%	Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 1,918,900 thousand	Long-term Repair Costs (in 12 years)	JPY 365,580 thousand

Area Characteristic
A business hotel located 7-minute walking distance from Meijo Line and Higashiyama Line Subway Station. Further, Sakae is the largest downtown areas in Nagoya city and is a great location for both business and leisure, located 6-minutes from Nagoya Station and approximately 50-minute train ride from Chubu Centrair International Airport. As for restaurants, the hotel's morning buffet serving 40 dishes (local food, Eastern and Western) of Nagoya's local specialties is well received, and on top of travelers on business trips, the hotel is expected to accommodate stable demand throughout the year from leisure travelers.

Special Instructions
The Property is a leased property, and the permission of the land owner will be required at the time of the transfer of the leasehold rights of the building accompanying the transfer of the building. Confirmation of boundary markers for a part of the least land is unclear. The Property is already not in compliance with the distance restrictions for the building wall to the road and the location of the parking lot entrance and exit, etc. as it exists on main street/Otsu road city scene formation zone set forth in the Nagoya city sceney plan.

(Note 1)
Yugen Kaisha Nagoya Hotel Management made a lump sum payment to lease the property from the building owner, Mizuho Trust & Banking Co., Ltd., and has entered into a services agreement with Flexstay Hotel Management Co., Ltd. and has subcontracted the operations.

(Note 2)
The management services fee is a commission fee payable to Flexstay Hotel Management Co., Ltd. in accordance with the provisions of the hotel management services agreement as a compensation for management services provided by Flexstay Hotel Management Co., Ltd. under the agreement.

(Note 3)
Variable rent is the amount of Flexstay Hotel Management Co., Ltd.'s aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

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D8 : Hotel MyStays Sakaisuji-Honmachi

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 2,514 million			
Appraisal Value	JPY 2,530 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	1- 13-1, Awaji-machi, Chuo-ku, Osaka-shi, Osaka (and 1 lot)		
	(Address)	1- 4-8, Awaji-machi, Chuo-ku, Osaka-shi, Osaka		
Transport	7 mins walk from Subway Sakaisuji/Chuo Lines, Sakaisuji-Honmachi Station			
Land	Form of Possession	Ownership	Zoning	Commercial District
	Lot Area	736.23 sqm	Building Coverage Ratio / Floor Area Ratio	80%/600%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	4,188.83 sqm	Construction Date	July 2008
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 11 stories		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: September 5, 2008 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	190 rooms
Leasable Area	4,188.83 sqm		Lease Area	4,188.83 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 16,926 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 88million per annum (January – June: JPY 7.34million per month / July – December: JPY 7.39million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 635 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	14.4%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 813,600 thousand		Long-term Repair Costs (in 12 years)	JPY 104,437 thousand
Area Characteristic				
This property is a business hotel located 7-minute walking distance between Sakaisuji-Honmachi Subway Station and Kitahama Subway Station, both on the Sakaisuji and Chuo Lines, 12-minute walking distance from Midosuji Line Honmachi Subway Station and Yodoyabashi Subway Station, and 9-minute walking distance from Keihan Main Line Kitahama Station. Suitable location for business and leisure with good access: From Honmachi Station, 12 minute train ride to Shin-Osaka Station, a shinkansen stop, and about 1 hour to Kansai International Airport via Nankai Express. Its neighborhood entails Doshu-machi with pharmaceutical companies and the financial district Kitahama, and Honmachi, a business district with many trading companies . The location is also close to popular tourist attractions such as Osaka Castle Park, Tsutenkaku, Dotonbori, Kaiyuukan Aquarium and Universal Studio Japan. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
The Property's land includes a road regress part (the part considered a road under Article 42(1)(v) of the Building Standards Act) (approx. 38 sqm).				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D9 : Hotel MyStays Yokohama

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 2,119 million			
Appraisal Value	JPY 2,150 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	4-79-1, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa (and 3 lots)		
	(Address)	4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa		
Transport	1 min walk from Keihin Kyuko, Koganecho Station			
Land	Form of Possession	Ownership	Zoning	Commercial District
	Lot Area	845.77 sqm	Building Coverage Ratio / Floor Area Ratio	80%/400%
Building	Form of Possession	Ownership	Purpose of Use	Japanese Inn
	Total Floor Area	7,379.43 sqm	Construction Date	October 1974
	Structure/No. of Stories	Steel-frame and reinforced concrete structure with flat roof, 12 stories with 2 level basement		
	Renovation Date	June - September 2006		
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust Period	From: August 30, 2013 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	190 rooms
Leasable Area	7,379.43 sqm		Lease Area	7,379.43 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 15,255 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 83million per annum (January – June: JPY 6.87million per month / July – December: JPY 6.99million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	12.3%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 1,612,600 thousand		Long-term Repair Costs (in 12 years)	JPY 297,318 thousand

Area Characteristic
This property is a business hotel located 1-minute walking distance from Keihin Kyuko Line Koganecho Station and 3-minute walking distance from the Blue Line, Bandobashi Subway Station. The location offers easy access to various locations: 6-minute to Yokohama Station via Keihin Kyuko, 4-minute to Kannai Station via Subway and 20-minute to Shin-Yokohama Station, a Shinkansen stop. Relatively close to tourist attractions such as Yokohama Minato Mirai 21, Yamashita Park, Yokohama China Town, with superior convenient access via public transportation. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from domestic and inbound leisure traveler groups as well as travelers on business trips with its diversified room types.

Special Instructions
The Property is already not in compliance with regard to the point of the floor space and parking lot placement obligations as an application for a construction permit was made prior to the limit being set for the floor space index and parking lot placement obligations there is now.

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D10 : Hotel MyStays Nippori

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,898 million			
Appraisal Value	JPY 1,910 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	5-43-2, Higashi-Nippori, Arakawa-ku, Tokyo (and 1 lot)		
	(Address)	5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo		
Transport	5 mins walk from JR Yamanote/Keihin Tohoku/Joban/Keisei Electric Railway Lines, Nippori Station			
Land	Form of Possession	Ownership	Zoning	Commercial District
	Lot Area	254.09 sqm	Building Coverage Ratio / Floor Area Ratio	80%/700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	1,719.29 sqm	Construction Date	April 1987
	Structure/No. of Stories	Steel-frame and reinforced concrete structure with flat roof, 10 stories		
	Renovation Date	February - March 2011		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: December 19, 2002 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	93 rooms
Leasable Area	1,719.29 sqm		Lease Area	1,719.29 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 11,497 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 60million per annum (January – June: JPY 5.05million per month / July – December: JPY 4.95million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	7.2%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 443,800 thousand		Long-term Repair Costs (in 12 years)	JPY 77,940 thousand
Area Characteristic				
This property is a business hotel located 5-minute walking distances from JR Lines, the Keisei Electric Railway Line, and Nippori/Toneri Liner at Nippori Station. With JR Ueno Station within walking distance, the location offers easy access to major places in Tokyo is suitable for both business and leisure. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
The Property is already not in compliance with regard to the point of parking lot placement obligations as it was constructed before the revision of the Tokyo Parking Lot Regulations.				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D11 : Hotel MyStays Fukuoka-Tenjin-Minami

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,570 million			
Appraisal Value	JPY 1,580 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	3-9-25, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka (and 6 lots)		
	(Address)	3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka		
Transport	5 mins walk from Subway Nanakuma Line, Tenjin-Minami Station			
Land	Form of Possession	Ownership	Zoning	Commercial District
	Lot Area	899.15 sqm	Building Coverage Ratio / Floor Area Ratio	80%/400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	3,412.71 sqm	Construction Date	February 2008
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 8 stories		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: March 19, 2008 Until: July 16, 2024			
Creation of Security Interest	Yes			

Lease Overview (April 30, 2014)			
Total No. of Tenant(s)	1	Number of Guest Rooms	177 rooms
Leasable Area	3,412.71 sqm	Lease Area	3,412.71 sqm
Occupancy Rate	100.0%	GOP (per month)	JPY 6,971 thousand

Overview of Lease Agreement	
Tenant	Flexstay Hotel Management Co., Ltd.
Type of Contract	Fixed rent plus variable rent type
Term	From: July 17, 2014 Until: July 16, 2024
Determination of rent of lease contract	Fixed rent (JPY 57million per annum (January – June: JPY 4.76million per month / July – December: JPY 4.81million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.
Security Deposit/Guarantee Money	—
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.
Rent Revision	Rent cannot be revised during the lease term.
Early Termination	Termination prior to the expiration of the lease term is not permitted.
Other Special Matters	None

Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	April 2014
Probable Maximum Loss (PML)	6.6%	Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 748,300 thousand	Long-term Repair Costs (in 12 years)	JPY 113,794 thousand

Area Characteristic
This property is a business hotel located 5-minute walking distance from Subway Nanakuma Line Tenjin-Minami Station, 7-minute walking distance from Nishitetsu Tenjin Omuta Line Nishitetsu Fukuoka Station, and 9-minute walking distance from Subway Kuukou Line Nakasu-Kawabata and Tenjin Stations. The location is suitable for both business and leisure with 5-minute access to Hakata Station by subway and 9-minute walking distance to Fukuoka Airport. Close to popular tourist attractions such as Canal City Hakata, Yafuoku! Dome, Acros Fukuoka, Marine Messe Fukuoka, Dazaifu Tenmangu and the Fukuoka's business hub, Tenjin is within walking distance. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.

Special Instructions
None

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D12 : Flexstay Inn Iidabashi

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,381 million			
Appraisal Value	JPY 1,390 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	104-1, Shin-Ogawa-cho, Shinjuku-ku, Tokyo (and 5 lots)		
	(Address)	3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo		
Transport	8 mins walk from JR Chuo-Sobu Line, Iidabashi Station			
Land	Form of Possession	Ownership	Zoning	Quasi-Industrial District
	Lot Area	898.62 sqm	Building Coverage Ratio / Floor Area Ratio	60%/300%
Building	Form of Possession	Ownership	Purpose of Use	Hotel, Shop
	Total Floor Area	2,953.38 sqm	Construction Date	December 1990
	Structure/No. of Stories	Reinforced concrete structure with slate roof, 7 stories with basement		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	59 rooms
Leasable Area	2,953.38 sqm		Lease Area	2,953.38 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 8,603 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 53million per annum (January – June: JPY 4.45million per month / July – December: JPY 4.46million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 2,250 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	14.0%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 736,400 thousand		Long-term Repair Costs (in 12 years)	JPY 164,364 thousand
Area Characteristic				
This property is a business hotel located 8 minute walking distance from JR Lines, Tokyo Metro Yurakucho Line, and Toei Oedo Line Iidabashi Station. Further, it offers convenient access to Shinjuku, Korakuen and Tokyo Dome and is a good location for all kinds of ends such as business, tourism, etc. and is also suitable for dining and shopping with popular tourist site, Kagurazaka, nearby. The surrounding neighborhood is a business town, and is able to address the various needs of guests from a one-night stay or a long-term trip with convenience stores and various shops in walking distance. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
None				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D13 : Hotel MyStays Ueno Inaricho

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,331 million			
Appraisal Value	JPY 1,340 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	1-68-2, Matsugaya, Taito-ku, Tokyo		
	(Address)	1-5-7, Matsugaya, Taito-ku, Tokyo		
Transport	4 mins walk from Tokyo Metro Ginza Line, Inaricho Station			
Land	Form of Possession	Ownership	Zoning	Commercial District
	Lot Area	294.35 sqm	Building Coverage Ratio / Floor Area Ratio	80%/600% 80%/500%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	1,150.76 sqm	Construction Date	December 1986
	Structure/No. of Stories	Steel reinforced concrete/Reinforced concrete structure with flat roof, 9 stories with basement		
	Renovation Date	November - December 2012		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: December 19, 2002 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	72 rooms
Leasable Area	1,150.76 sqm		Lease Area	1,150.76 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 5,822 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 42million per annum (January – June: JPY 3.60million per month / July – December: JPY 3.52million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	7.4%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 334,700 thousand		Long-term Repair Costs (in 12 years)	JPY 60,701 thousand
Area Characteristic				
This property is a business hotel located 4-minute walking distance from Tokyo Metro Ginza Line Inaricho Station. Ueno Station is within walking distance and the location suitable for both business and leisure needs with good access to major places in Tokyo. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
The Property's land includes a private road part and set-back part (the part considered a road under Article 42(2) of the Building Standards Act) (approx. 78 sqm).				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D14 : Flexstay Inn Shinagawa

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,242 million			
Appraisal Value	JPY 1,250 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	1-16-15, Kitashinagawa, Shinagawa-ku, Tokyo (and 1 lot)		
	(Address)	1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo		
Transport	1 min walk from Keihin Kyuko Line, Kitashinagawa Station			
Land	Form of Possession	Ownership	Zoning	Neighborhood Commercial District, Category 1 Residential District
	Lot Area	441.71 sqm	Building Coverage Ratio / Floor Area Ratio	80%/400% 60%/300%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	1,134.52 sqm	Construction Date	October 1986
	Structure/No. of Stories	Reinforced concrete structure with roofing, 4 stories		
	Renovation Date	November - December 2011		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: December 19, 2002 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	55 rooms
Leasable Area	1,134.52 sqm		Lease Area	1,134.52 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 7,756 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 39million per annum (January – June: JPY 3.31million per month / July – December: JPY 3.29million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	17.6%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 272,600 thousand		Long-term Repair Costs (in 12 years)	JPY 50,523 thousand
Area Characteristic				
This property is a business hotel located 1-minute walking distance from Keihin Kyuko Line Kitashinagawa Station and 10-minute walking distance from JR Shinagawa Station. Shinagawa Station offers excellent access to places in Tokyo as a major transportation hub connecting JR Lines such as Tokaido Line, Yamanote Line, Keihin-Tohoku Line and Yokosuka Line and Keihin Kyuko Line. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
None				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D15 : Flexstay Inn Tokiwadai

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,242 million			
Appraisal Value	JPY 1,250 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	1-52-3, Tokiwadai, Itabashi-ku, Tokyo (and 1 lot)		
	(Address)	1-52-5, Tokiwadai, Itabashi-ku, Tokyo		
Transport	5 mins walk from Tobu Tojo Line, Tokiwadai Station			
Land	Form of Possession	Ownership	Zoning	Neighborhood Commercial District, Category 1 Medium-to-High-Rise Exclusive Residential District
	Lot Area	1,200.61 sqm	Building Coverage Ratio / Floor Area Ratio	80%/300% 60%/200%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	2,539.75 sqm	Construction Date	December 1989
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 6 stories		
	Renovation Date	March 2013		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	129 rooms
Leasable Area	2,539.75 sqm		Lease Area	2,539.75 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 10,404 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 48million per annum (January – June: JPY 4.09million per month / July – December: JPY 4 million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	13.9%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 651,300 thousand		Long-term Repair Costs (in 12 years)	JPY 146,895 thousand

Area Characteristic
This property is a business hotel located 5-minute walking distance from Tobu Tojo Line Tokiwadai Station. Accommodates good access with 10-minute train ride to Ikebukuro Station, 15 minutes to Shinjuku Station and 25 minutes to Shibuya Station. With shopping facilities like Tokiwadai Ginza, Tobu Store and others in the vicinity and public facilities, medical facilities, and financial institutions within walking distance, it provides a pleasant environment for city living, and the residential town is a quiet town with many trees, modeled after Den-en-chofu. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.

Special Instructions
The Property may have matters which do not conform and are not in compliance with the "Itabashi-ku Environment Route 7 Roadside Zoning Plan" as work was started prior to the decision date. The Property is already not in compliance with regard to the point of parking lot placement obligations as it was constructed before the revision of the Tokyo Parking Lot Regulations.

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D16 : Flexstay Inn Sugamo

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,192 million			
Appraisal Value	JPY 1,200 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	3-1109-10, Sugamo, Toshima-ku, Tokyo (and 18 lots)		
	(Address)	3-6-16, Sugamo, Toshima-ku, Tokyo		
Transport	6 mins walk from JR Yamanote Line/Toei Mita Line, Sugamo Station			
Land	Form of Possession	Ownership	Zoning	Neighborhood Commercial District, Category 1 Residential District
	Lot Area	683.47 sqm	Building Coverage Ratio / Floor Area Ratio	80%/400% 60%/400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area	2,089.86 sqm	Construction Date	January 1992
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 7 stories with basement		
	Renovation Date	March 2013		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	104 rooms
Leasable Area	2,089.86 sqm		Lease Area	2,089.86 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 10,179 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 45million per annum (January – June: JPY 3.83million per month / July – December: JPY 3.67million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	9.3%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 532,200 thousand		Long-term Repair Costs (in 12 years)	JPY 133,197 thousand
Area Characteristic				
This property is a business hotel located 6-minute walking distance from JR Yamanote Line / Toei Mita Line Sugamo Station. Accommodates good access with 5-minute train ride to Ikebukuro Station and 12 minutes to Toei Mita Line Otemachi Station. Located close to a famous shopping street with more than 180 shops and Kouganji , a temple famous for Togenuki or "thorn removal" Jizo-son is 3 minute walk away and from Togenuki Jizo-son and Someireiren, a park famously known for cherry blossom is 1 minute walk from the Jizo-son. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
The Property's land includes a private road part and set-back part (the part considered a road under Article 42(2) of the Building Standards Act) (approx. 65.69 sqm). The Property is already not in compliance with regard to the point of parking lot placement obligations as it was constructed before the revision of the Tokyo Parking Lot Regulations.				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D17 : Hotel MyStays Otemae

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 1,192 million			
Appraisal Value	JPY 1,200 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	1-21, Tokui-cho, Chuo-ku, Osaka-shi, Osaka		
	(Address)	1-3-2, Tokui-cho, Chuo-ku, Osaka-shi, Osaka		
Transport	4 mins walk from Osaka Municipal Subway Tanimachi/Chuo Lines, Tanimachi 4-chome Station			
Land	Form of Possession	Ownership (Right of Site Holdings, approx. 96.70%)	Zoning	Commercial District
	Lot Area	667.83 sqm	Building Coverage Ratio / Floor Area Ratio	80%/800%
Building	Form of Possession	Unit Ownership	Purpose of Use	Residential Complex / Shop / Parking, Residence
	Total Floor Area	4,956.66 sqm	Construction Date	December 1986
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 11 stories		
	Renovation Date	December 2012 - January 2013		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	110 rooms
Leasable Area	4,956.66 sqm		Lease Area	4,956.66 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 9,890 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 48million per annum (January – December: JPY 3.31million per month / July – December: JPY 4.69million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 1,500 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	13.7%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 899,900 thousand		Long-term Repair Costs (in 12 years)	JPY 109,344 thousand
Area Characteristic				
This property is a business hotel located 4-mins walk from Osaka Municipal Subway Tanimachi Line/Chuo Line, Tanimachi 4-chome Station. Located about 7-minute train ride to Higashi Umeda Station, about 15-minute train ride to Namba Station and about 25-minute train ride to Universal Studio and Kaiyukan Aquarium, the hotel is suitable for diversified ends entailing business, shopping, leisure, etc. The hotel is in a quiet and good living environment surrounded by office buildings and rental apartment buildings. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
The Property is a unit ownership building or land of which there are two exclusive parts of one building.				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D18 : Flexstay Inn Kiyosumi Shirakawa

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 749 million			
Appraisal Value	JPY 754 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	1-12-4, Tokiwa, Koto-ku, Tokyo (and 13 lots)		
	(Address)	1-12-16, Tokiwa, Koto-ku, Tokyo		
Transport	5 mins walk from Toei Oedo Line/Tokyo Metro Hanzomon Line, Kiyosumi-Shirakawa Station			
Land	Form of Possession	Ownership	Zoning	Quasi-Industrial District
	Lot Area	870.77 sqm	Building Coverage Ratio / Floor Area Ratio	60%/300%
Building	Form of Possession	Ownership	Purpose of Use	Hotel, Parking Lot
	Total Floor Area	2,673.64 sqm	Construction Date	May 1992
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 6 stories with basement		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	55 rooms
Leasable Area	2,673.64 sqm		Lease Area	2,673.64 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 5,760 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 32million per annum (January – June: JPY 2.72million per month / July – December: JPY 2.71million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 1,890 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	10.3%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 652,100 thousand		Long-term Repair Costs (in 12 years)	JPY 156,954 thousand
Area Characteristic				
This property is a business hotel located 5-mins walk from Toei Oedo Line/Tokyo Metro Hanzomon Line, Kiyosumi-Shirakawa Station, 6 mins-walk from Toei Oedo Line/Toei Shinjuku Line, Morishita Station. The location provides convenient access: 6-minue train ride to Otemachi Station, 8-minute train ride to Shiodome Station and 21-minute train ride to Shibuya Station, and is suitable located for leisure with Tokyo Disneyland being 40-minute drive away.With shopping streets and supermarkets are within walking distance, the location is suitable for long stay guests buying daily necessities. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
None				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D19 : Flexstay Inn Nakanobu P1

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 589 million			
Appraisal Value	JPY 593 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	4-1422-5, Futaba, Shinagawa-ku, Tokyo (and 1 lot)		
	(Address)	4-27-12, Futaba, Shinagawa-ku, Tokyo		
Transport	5 mins walk from Tokyu Oimachi Line/Toei Asakusa Line, Nakanobu Station			
Land	Form of Possession	Ownership	Zoning	Quasi-Industrial District
	Lot Area	395.33 sqm	Building Coverage Ratio / Floor Area Ratio	60%/200%
Building	Form of Possession	Ownership	Purpose of Use	Residential Complex
	Total Floor Area	770.56 sqm	Construction Date	September 1986
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 5 stories		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	39 rooms
Leasable Area	770.56 sqm		Lease Area	770.56 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 3,809 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 17million per annum (January – June: JPY 1.47million per month / July – December: JPY 1.48million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	May 2014
Probable Maximum Loss (PML)	14.9%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 198,000 thousand		Long-term Repair Costs (in 12 years)	JPY 40,257 thousand
Area Characteristic				
This property is a business hotel conveniently located 5-mins walk from Tokyu Oimachi Line/Toei Asakusa Line, Nakanobu Station; 8-mins walk from JR Yokosuka Line, Nishi-Oi Station. Easy access backed by 11-minute train ride from Nakanobu Station to JR Shibuya Station via JR Gotanda Station, 13-minute train ride from JR Nishi-Oi Station to Tokyo Station and 16-minute train ride from JR Nishi-Oi Station to Yokohama Station. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
The Property has a road between it and the adjacent land on the east side which may be used by those using the adjacent property.				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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D20 : Flexstay Inn Nakanobu P2

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficial Interest			
Date of (Planned) Acquisition	7/17/2014			
(Planned) Purchase Price	JPY 283 million			
Appraisal Value	JPY 285 million			
Appraisal Agency	Japan Real Estate Institute			
Location	(Lot Number)	4-1422-6, Futaba, Shinagawa-ku, Tokyo (and 2 lots)		
	(Address)	4-27-8, Futaba, Shinagawa-ku, Tokyo		
Transport	5 mins walk from Tokyu Oimachi Line/Toei Asakusa Line, Nakanobu Station			
Land	Form of Possession	Ownership	Zoning	Quasi-Industrial District
	Lot Area	213. sqm	Building Coverage Ratio / Floor Area Ratio	60%/200%
Building	Form of Possession	Ownership	Purpose of Use	Office
	Total Floor Area	391.49 sqm	Construction Date	March 1989
	Structure/No. of Stories	Reinforced concrete structure with flat roof, 3 stories with basement		
	Renovation Date	—		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: November 26, 2003 Until: July 16, 2024			
Creation of Security Interest	Yes			
Lease Overview (April 30, 2014)				
Total No. of Tenant(s)	1		Number of Guest Rooms	22 rooms
Leasable Area	391.49 sqm		Lease Area	391.49 sqm
Occupancy Rate	100.0%		GOP (per month)	JPY 2,014 thousand
Overview of Lease Agreement				
Tenant	Flexstay Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: July 17, 2014 Until: July 16, 2024			
Determination of rent of lease contract	Fixed rent (JPY 9million per annum (January – December: JPY 0.82million per month)) plus variable rent based on GOP of hotel operation by tenant. (Note 1)			
Management services fee (Note 2)	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	—			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term unless a new contract is executed.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	April 2014
Probable Maximum Loss (PML)	15.5%		Short-term Repair Costs (within 1 year)	—
Replacement Price	JPY 120,700 thousand		Long-term Repair Costs (in 12 years)	JPY 33,344 thousand
Area Characteristic				
This property is a business hotel conveniently located 5 mins walk from Tokyu Oimachi Line/Toei Asakusa Line, Nakanobu Station; 8-mins walk from JR Yokosuka Line, Nishi-Oi Station.Easy access backed by 11-minute train ride from Nakanobu Station to JR Shibuya Station via JR Gotanda Station, 13-minute train ride from JR Nishi-Oi Station to Tokyo Station and 16-minute train ride from JR Nishi-Oi Station to Yokohama Station. Rooms are configured to fulfill the needs of short and mid/long-stay guests, and the hotel is expected to accommodate stable demand throughout the year from leisure travelers as well as travelers on business trips.				
Special Instructions				
None				

(Note 1)
Variable rent is the amount of the tenant's aggregate monthly gross revenue during the three-month variable rent calculation period after deducting the sum of (i) aggregate gross reimbursements, (ii) management services fee and (iii) fixed rent during the same period. However, when the balance after deduction is zero or negative, variable rent is zero.

(Note 2)
The management services fee is a commission fee payable to the tenant in accordance with the provisions of the leasing contract as a compensation for management service provided by the tenant under the agreement.

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(2) Matters relating to Seismic Resistance etc. for the Eighteen Properties

INV has obtained an opinion from a third party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., indicating that, with respect to the buildings of the Eighteen Properties, there is no suspicion of falsification of structural calculation sheets through willful misconduct of the designers, and that the structural design is judged to be in general conformance with provisions regarding seismic resistance under the Building Standards Act and its Enforcement Order. Further, as part of INV's due diligence (Note) in acquiring the properties, INV has investigated seismic risk.

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

4. Overview of Sellers

An overview of sellers for the Eighteen Properties are as follows.

"D3 Hotel MyStays Kyoto-Shijo", "D11 Hotel MyStays Fukuoka-Tenjin-Minami"

(i)	Name	Shijodori Holding Tokutei Mokuteki Kaisha ("Shijodori TMK")
(ii)	Location	1-12-32, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Yoshiaki Uno, Director
(iv)	Business	(a) Operations relating to the assignment of specified assets Asset Liquidation Plan under the Act on Securitization of Assets, and the management and disposition thereof. (b) All other operations ancillary to the operations relating to liquidation of specified assets
(v)	Capital (as of the date of this notice)	Specified Capital: JPY 279 million Preferred Capital: JPY 1,710 million
(vi)	Date of establishment	August 1, 2006
(vii)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha ("Calliope"). As of the end of December 2013, Calliope holds 609,942 investment units issued by INV (38.77% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, as of the date of this notice, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Real Estate Asia Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	In the term ended December 2013, there was 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 persons or affiliates of INV/CIM and the TMK or its related persons or affiliates.

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	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.

"D4 MyStays Shin-Urayasu Conference Center", "D5 Hotel MyStays Maihama", "D7 Hotel MyStays Nagoya-Sakae," "D9 Hotel MyStays Yokohama"

(i)	Name	Zephyrus Tokutei Mokuteki Kaisha ("Zephyrus TMK")
(ii)	Location	c/o EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Hiroyasu Nakamura, Director
(iv)	Business	(a) Operations relating to liquidation of specified assets (b) All other operations ancillary to the operations relating to liquidation of specified assets
(v)	Capital (as of the date of this notice)	Specified Capital: JPY100,000 Preferred Capital JPY3,884,290,000
(vi)	Date of establishment	March 1, 2011
(vii)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha ("Calliope"). As of the end of December 2013, Calliope holds 609,942 investment units issued by INV (38.77% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, as of the date of this notice, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Real Estate Asia Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	INV acquired Hotel MyStays Kanda from the TMK as of May 23, 2014.
	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. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

"D6 Hotel Vista Premio Dojima"

(i)	Name	Danube Tokutei Mokuteki Kaisha ("Danube TMK")
(ii)	Location	c/o EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Masayuki Meguro, Director
(iv)	Business	(a) Operations relating to liquidation of specified assets

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		(b) All other operations ancillary to the operations relating to liquidation of specified assets
(v)	Capital (as of the date of this notice)	Specified Capital: JPY100,000 Preferred Capital JPY1,050 million
(vi)	Date of establishment	December 1, 2011
(vii)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha ("Calliope"). As of the end of December 2013, Calliope holds 609,942 investment units issued by INV (38.77% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, as of the date of this notice, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Real Estate Asia Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	In the term ended December 2013, there was 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 persons or affiliates of INV/CIM and the TMK or its related persons or affiliates.
	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. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

"D8 Hotel MyStays Sakaisuji-Honmachi"

(i)	Name	Nagahoribashi Holding Tokutei Mokuteki Kaisha ("Nagahoribashi TMK")
(ii)	Location	1-12-32, Akasaka, Minato-ku, Tokyo"
(iii)	Title and name of representative officer	Yoshiaki Uno, Director
(iv)	Business	(a) Operations relating to the assignment of specified assets Asset Liquidation Plan under the Act on Securitization of Assets, and the management and disposition thereof. (b) All other operations ancillary to the operations relating to liquidation of specified assets.
(v)	Capital (as of the date of this notice)	Specified Capital: JPY82 million Preferred Capital: JPY738 million
(vi)	Date of establishment	October 17, 2006
(vii)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha

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	("Calliope"). As of the end of December 2013, Calliope holds 609,942 investment units issued by INV (38.77% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, as of the date of this notice, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Real Estate Asia Godo Kaisha, a subsidiary of FIG.
Transactional relationships	In the term ended December 2013, there was 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 persons or affiliates of INV/CIM and the TMK or its related persons or affiliates.
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. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

"D10 Hotel MyStays Nippori", "D13 Hotel MyStays Ueno Inaricho", "D14 Flexstay Inn Shinagawa"

(i)	Name	Nishi Tokutei Mokuteki Kaisha ("Nishi TMK")
(ii)	Location	c/o EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Hideaki Otani, Director
(iv)	Business	(a) Operations relating to the assignment of specified assets Asset Liquidation Plan under the Act on Securitization of Assets, and the management and disposition thereof. (b) All other operations ancillary to the operations relating to liquidation of specified assets
(v)	Capital (as of the date of this notice)	Specified Capital: JPY100,000 Preferred Capital JPY2,965 million
(vi)	Date of establishment	June 3, 2010
(vii)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha ("Calliope"). As of the end of December 2013, Calliope holds 609,942 investment units issued by INV (38.77% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, as of the date of this notice, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Real Estate Asia Godo Kaisha, a subsidiary of FIG.

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Transactional relationships	INV acquired Hotel MyStays Asakusa from the TMK as of May 23, 2014.
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. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

"D12 Flexstay Inn Iidabashi", "D15 Flexstay Inn Tokiwadai", "D16 Flexstay Inn Sugamo", "D17 Hotel MyStays Otemae", "D18 Flexstay Inn Kiyosumi Shirakawa", "D19 Flexstay Inn Nakanobu P1", "D20 Flexstay Inn Nakanobu P2"

(i)	Name	Aki Tokutei Mokuteki Kaisha ("Aki TMK")
(ii)	Location	c/o EP Consulting Services Corporation, 1-2-9, Nishi-shimbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Shigeru Nakamura, Director
(iv)	Business	(a) Operations relating to liquidation of specified assets (b) All other operations ancillary to the operations relating to liquidation of specified assets
(v)	Capital (as of the date of this notice)	Specified Capital: JPY100,000 Preferred Capital JPY2,900 million
(vi)	Date of establishment	January 17, 2011
(vii)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, the TMK has received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha ("Calliope"). As of the end of December 2013, Calliope holds 609,942 investment units issued by INV (38.77% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of its outstanding shares.
	Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the TMK, as of the date of this notice, among the officers and employees of CIM, representative director and president Naoki Fukuda is seconded from Calliope. Further, part-time director Christopher Reed was seconded from Fortress Real Estate Asia Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	In the term ended December 2013, there was 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 persons or affiliates of INV/CIM and the TMK or its related persons or affiliates.
	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. The TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

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5. Transactions with Interested Persons etc.

The sellers of the Eighteen Properties, namely Shijodori TMK, Zephyrus TMK, Danube TMK, Nagahoribashi TMK, Nishi TMK and Aki TMK, are not sponsor-related persons under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, such sellers have received tokumei kumiai contributions through funds etc. operated by affiliates of FIG, an affiliate of Calliope (please note that Calliope is CIM's parent company, and thus a sponsor-related person). Therefore, CIM treats Shijodori TMK, Zephyrus TMK, Danube TMK, Nagahoribashi TMK, Nishi TMK and Aki TMK as persons equivalent to sponsor-related persons.

The Eighteen Properties 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 held on June 23, 2014 and the investment committee meeting held on the same day, the board of directors of CIM approved the acquisitions at the meeting held on June 23, 2014, and the board of directors of INV approved the acquisitions at the meeting held on June 23, 2014.

In addition, each of FHM, the tenant/operator of 16 properties (i.e., all properties except Hotel Vista Premio Dojima and Hotel MyStays Nagoya-Sakae) and the operator of Hotel MyStays Nagoya-Sakae, MGH, the tenant of Hotel Vista Premio Dojima, and Nagoya HM, the tenant of Hotel MyStays Nagoya-Sakae, is not a sponsor-related person (Note) under the voluntary rules specified by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, each tenant is an affiliate of FIG, an affiliate of Calliope (Calliope is CIM's parent company, and thus a sponsor-related person). Therefore, CIM treats each of FHM, MGH and Nagoya HM as a person equivalent to a sponsor-related person.

With respect to the lease agreement expected to be entered into with FHM, in accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, subject to FHM's hotel operating capability being confirmed as sufficient through a third party report and other relevant information, the rent level of each of the Eighteen Properties being reasonable considering the market level, and management services fee amount and structure being fair compared with similar properties, following deliberation and resolution of the compliance committee meeting held on June 23, 2014 and the investment committee meeting held on the same day, the board of directors of CIM approved the agreement at a meeting held on June 23, 2014, and the board of directors of INV approved the agreement at the meeting held on June 23, 2014.

With respect to the lease agreement expected to be entered into with MGH and Nagoya HM, in accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, subject to (i) sponsor-related persons not being given priority over non sponsor-related persons unless there is a justifiable reason and (ii) the rent level of each of the applicable properties being reasonable considering the market level, following deliberation and resolution of the compliance committee meeting held on June 23, 2014 and the investment committee meeting held on the same day, the board of directors of CIM approved the agreement at a meeting held on June 23, 2014, and the board of directors of INV approved the agreement at the meeting held on June 23, 2014.

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Hence, INV considers FHM, MGH and Nagoya HM, respectively, to meet its standard for selection of tenants.

(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, (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 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	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Owners/trust beneficiaries preceding those to the left
D3 Hotel MyStays Kyoto-Shijo	1. Shijodori TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. August 2008	Persons having no special conflict of interests relationship	—
D4 MyStays Shin Urayasu Conference Center	1. Zephyrus TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. September 2011	Persons having no special conflict of interests relationship	—

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Property Name	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Owners/trust beneficiaries preceding those to the left
D5 Hotel MyStays Maihama	1. Zephyrus TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. May 2012	1. Arno TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. February 2012	Persons having no special conflict of interests relationship
D6 Hotel Vista Premio Dojima	1. Danube TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. February 2012	Persons having no special conflict of interests relationship	—
D7 Hotel MyStays Nagoya-Sakae	1. Zephyrus TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. February 2013	Persons having no special conflict of interests relationship	—

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Property Name	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Owners/trust beneficiaries preceding those to the left
D8 Hotel MyStays Sakaisuji-Honmachi	1. Nagahoribashi TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. June 2010	Persons having no special conflict of interests relationship	—
D9 Hotel MyStays Yokohama	1. Zephyrus TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year (Note 1) 5. August 2013	1. Bandobashi TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. February 2006 (Note 2)	Persons having no special conflict of interests relationship
D10 Hotel MyStays Nippori	1. Nishi TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2010	Persons having no special conflict of interests relationship	—

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Property Name	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Owners/trust beneficiaries preceding those to the left
D11 Hotel MyStays Fukuoka-Tenjin-Minami	1. Shijodori TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. August 2008	Persons having no special conflict of interests relationship	—
D12 Flexstay Inn Iidabashi	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—
D13 Hotel MyStays Ueno Inaricho	1. Nishi TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2010	Persons having no special conflict of interests relationship	—
D14 Flexstay Inn Shinagawa	1. Nishi TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. December 2010	Persons having no special conflict of interests relationship	—

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Property Name	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Owners/trust beneficiaries preceding those to the left
D15 Flexstay Inn Tokiwadai	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—
D16 Flexstay Inn Sugamo	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—
D17 Hotel MyStays Otemae	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—
D18 Flexstay Inn Kiyosumi Shirakawa	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—

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Property Name	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Owners/trust beneficiaries preceding those to the left
D19 Flexstay Inn Nakanobu P1	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—
D20 Flexstay Inn Nakanobu P2	1. Aki TMK 2. The TMK has received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. Omitted because held for longer than one year 5. July 2011	Persons having no special conflict of interests relationship	—

(Note 1) The previous owner, Bandobashi TMK, as well as the current owner, Zephyrus TMK has received tokumei kumiai contributions through funds operated by affiliates of FIG, an affiliate of Calliope Godo Kaisha. This property was transferred from Bandobashi TMK to Zephyrus TMK for refinancing purposes, but has been continuously owned by FIG through funds it operates and therefore the period of ownership by the previous owner is included.

(Note 2) FIG, through funds operated by its affiliates, made tokumei kumiai contributions to Bandobashi TMK, the previous owner, in June 2012. Accordingly, during the period from February 2006 to June 2012 (prior to the tokumei kumiai contributions), Bandobashi TMK had no special conflict of interests relationship.

7. Overview of Brokerage

Not applicable.

8. Schedules

Acquisition decision date:	June 23, 2014
Agreement execution date:	
Anticipated acquisition proceeds payment date	July 17, 2014
Anticipated acquisition date	(Note)

(Note) The anticipated acquisition date is July 17, 2014 at the earliest. However, if the payment date for the Offering is changed to a date after July 16, 2014, then the acquisition date is expected to also

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be changed to a date immediately following such payment date, and in the latest case would be July 22, 2014. Furthermore, based on the purchase and sale agreement with the seller of the assets anticipated to be acquired, the acquisition date can be changed to a date up to July 22, 2014 by providing a three business day prior notice.

9. Future Outlook

For information on INV's forecasts for financial results and distribution for the fiscal period ending June 2014 (January 1, 2014 to June 30, 2014) and for the fiscal period ending December 2014 (July 1, 2014 to December 31, 2014) in connection with the above, please refer to "Notice concerning Revision of Forecast of Financial Results and Distribution for the 22nd Fiscal Period Ending June 2014 and concerning Forecast of Financial Results and Distribution for the 23rd Fiscal Period Ending December 2014" dated as of today.

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

For risks relating to investments in hotel properties, please refer to the "Investment Risks" (*toshi risuku*) in the semi-annual securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended December 2013 (July 1, 2013 – December 31, 2013) (available in Japanese only), filed on March 26, 2014, as well as "Section Two: Supplemental Information, 8. Investment Risks" in the securities registration statement (*yuka shoken todokedesho*) of INV filed today (available in Japanese only).

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[References]

1. Status of Income and Expenses and Summary of Real Estate Appraisal of the Eighteen Properties

<Explanation relating to details of the status of income and expenses and real estate appraisal of the Eighteen Properties>

a. "Income and Expenditures, Etc." column:

- Based on the information provided from the sellers for each operating period from January 1, 2012 to December 31, 2013. 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," which include property tax and city planning tax, are generally imposed on the owner as of 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 assets, 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 the actual figures as provided by the seller (following the adjustments for the trust fees, administration fees and insurance premiums when held by INV).
- "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 does 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 ÷ (aggregate number of rooms during the relevant period x number of business days during target period)
- "GOP Ratio" is calculated using the following formula:
  GOP ratio = GOP ÷ 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.

b. "Summary of Real Estate Appraisal Report" column:
INV has requested real estate appraisal from Japan Real Estate Institute for the planned

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acquisition assets based on the matters for consideration in a real estate appraisal under the Investment Trust Act, the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended; the "Act on Real Estate Appraisal") and the real estate appraisal standards.

An appraisal value of a property is merely an opinion of the real estate appraiser regarding the value of the appraised property at the time the appraisal was conducted in accordance with the Act on Real Estate Appraisal and real estate appraisal standards.

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.

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D3 : Hotel MyStays Kyoto-Shijo

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 352,405 thousand	JPY 352,417 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 22,729 thousand	JPY 21,967 thousand
c. Non-life Insurance Premiums			JPY 460 thousand	JPY 460 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 328,215 thousand	JPY 328,988 thousand
(Reference)	(1) Sales		JPY 635,191 thousand	JPY 658,387 thousand
		Room Income	JPY 599,210 thousand	JPY 632,714 thousand
		Other Income	JPY 35,980 thousand	JPY 25,672 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 282,785 thousand	JPY 305,969 thousand
	ADR		JPY 9,283	JPY 9,040
	RevPAR		JPY 7,309	JPY 7,739
	Room Occupancy Rates		78.7%	85.6%
	GOP Ratio		55.5%	53.5%
	Daily / Weekly / Monthly		98.3% / 1.5% / 0.2%	98.0% / 1.7% / 0.4%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 6,110 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 406,368 thousand	
	(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 406,368 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 406,368 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 3,168 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 22,271 thousand	
	(n) Non-life Insurance Premiums	JPY 1,773 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 27,212 thousand	(6.7%)
(IV) Net Operating Income = [(II) - (III)]		JPY 379,156 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 7,392 thousand	
	(r) FF&E Reserve	JPY 14 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 357,045 thousand	
(VI) Capitalization Yield		5.8%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 6,160,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.2%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 2,604,417 thousand	(43.0%)
	(a) Sale Price	JPY 6,080,797 thousand	
	(b) Sale Costs	JPY 182,424 thousand	
	(c) Returning Price [(a) - (b)]	JPY 5,898,373 thousand	
(II) Returning Price, Current Value		JPY 3,452,908 thousand	(57.0%)
(III) Discount Rate		5.5%	
(IV) Final Capitalization Yield		5.9%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 6,060,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 6,110,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 1,120,000 thousand	(47.6%)
(ii) Building Price	JPY 1,220,000 thousand	(51.8%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 15,100 thousand	(0.6%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 2,355,100 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	170%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 4,000,000 thousand**	

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D4 : MyStays Shin-Urayasu Conference Center

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 253,874 thousand	JPY 322,874 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 16,549 thousand	JPY 16,829 thousand
c. Non-life Insurance Premiums			JPY 414 thousand	JPY 414 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 235,911 thousand	JPY 304,630 thousand
(Reference)	(1) Sales		JPY 502,568 thousand	JPY 599,172 thousand
		Room Income	JPY 405,844 thousand	JPY 510,565 thousand
		Other Income	JPY 96,724 thousand	JPY 88,606 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 248,693 thousand	JPY 276,297 thousand
	ADR		JPY 8,870	JPY 9,663
	RevPAR		JPY 6,336	JPY 7,993
	Room Occupancy Rates		71.4%	82.7%
	GOP Ratio		50.5%	53.9%
	Daily / Weekly / Monthly		95.4% / 4.6% / — %	97.4% / 2.6% / — %

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 4,980 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 346,201 thousand	
	(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 346,201 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 346,201 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 4,915 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 16,576 thousand	
	(n) Non-life Insurance Premiums	JPY 601 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 22,092 thousand	(6.4%)
(IV) Net Operating Income = [(II) - (III)]		JPY 324,109 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 11,469 thousand	
	(r) FF&E Reserve	JPY 15,822 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 296,818 thousand	
(VI) Capitalization Yield		5.9%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 5,030,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.4%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 2,199,337 thousand	(44.7%)
	(a) Sale Price	JPY 4,888,279 thousand	
	(b) Sale Costs	JPY 146,648 thousand	
	(c) Returning Price [(a) - (b)]	JPY 4,741,631 thousand	
(II) Returning Price, Current Value		JPY 2,723,593 thousand	(55.3%)
(III) Discount Rate		5.7%	
(IV) Final Capitalization Yield		6.1%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 4,920,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 4,980,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 676,000 thousand	(36.8%)
(ii) Building Price	JPY 1,120,000 thousand	(61.1%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 38,500 thousand	(2.1%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 1,834,500 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 2,750,000 thousand**	

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D5 : Hotel MyStays Maihama

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 216,976 thousand	JPY 285,553 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 6,967 thousand	JPY 6,477 thousand
c. Non-life Insurance Premiums			JPY 203 thousand	JPY 203 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 208,806 thousand	JPY 277,873 thousand
(Reference)	(1) Sales		JPY 398,310 thousand	JPY 485,805 thousand
		Room Income	JPY 378,459 thousand	JPY 467,186 thousand
		Other Income	JPY 19,850 thousand	JPY 18,619 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 181,333 thousand	JPY 200,251 thousand
	ADR		JPY 13,481	JPY 15,634
	RevPAR		JPY 11,489	JPY 14,222
	Room Occupancy Rates		85.2%	91.0%
	GOP Ratio		54.5%	58.8%
	Daily / Weekly / Monthly		99.9% / 0.1% / — %	99.9% / 0.1% / — %

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 4,920 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 310,415 thousand	
	(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 310,415 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 310,415 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 3,166 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 6,030 thousand	
	(n) Non-life Insurance Premiums	JPY 205 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 9,401 thousand	(3.0%)
(IV) Net Operating Income = [(II) - (III)]		JPY 301,014 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 7,388 thousand	
	(r) FF&E Reserve	JPY 9,300 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 284,326 thousand	
(VI) Capitalization Yield		5.7%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 4,990,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.0%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 2,104,432 thousand	(43.4%)
	(a) Sale Price	JPY 4,824,881 thousand	
	(b) Sale Costs	JPY 144,746 thousand	
	(c) Returning Price [(a) - (b)]	JPY 4,680,135 thousand	
(II) Returning Price, Current Value		JPY 2,739,751 thousand	(56.6%)
(III) Discount Rate		5.5%	
(IV) Final Capitalization Yield		5.9%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 4,840,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 4,920,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 661,000 thousand	(54.2%)
(ii) Building Price	JPY 553,000 thousand	(45.4%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 4,700 thousand	(0.4%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 1,218,700 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 1,830,000 thousand**	

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D6 : Hotel Vista Premio Dojima

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 229,442 thousand	JPY 286,298 thousand
a. Land Lease Fees			JPY 16,416 thousand	JPY 16,416 thousand
b. Taxes and Public Dues			JPY 24,530 thousand	JPY 26,423 thousand
c. Non-life Insurance Premiums			JPY 571 thousand	JPY 571 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 186,924 thousand	JPY 241,887 thousand
(Reference)	(1) Sales		JPY 482,811 thousand	JPY 553,785 thousand
		Room Income	JPY 377,825 thousand	JPY 411,046 thousand
		Other Income	JPY 104,985 thousand	JPY 142,738 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 253,368 thousand	JPY 267,487 thousand
	ADR		JPY 8,588	JPY 9,120
	RevPAR		JPY 7,321	JPY 7,987
	Room Occupancy Rates		85.2%	87.6%
	GOP Ratio		47.5%	51.7%
	Daily / Weekly / Monthly		— % / — % / — %	— % / —% / — %

(Note) As separate data for nights stayed does not exist, Daily, Weekly, and Monthly are not listed.

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 3,900 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 320,991 thousand	
	(b) Common Area Maintenance Fee Income	JPY 1,948 thousand	
	(c) Utility Income	JPY 23,600 thousand	
	(d) Parking Lot Income	JPY 7,560 thousand	
	(e) Other Income	JPY 3,000 thousand	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]		JPY 357,099 thousand	
	(f) Vacant Room Losses	JPY 8,526 thousand	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 348,573 thousand	
	(h) Maintenance and Management Costs	JPY 2,200 thousand	
	(i) Utility Costs	JPY 23,800 thousand	
	(j) Repair Costs	JPY 9,964 thousand	
	(k) Property Management Fee	JPY 2,791 thousand	
	(l) Tenant Solicitation Expenses	JPY 1,172 thousand	
	(m) Taxes and Public Dues	JPY 26,424 thousand	
	(n) Non-life Insurance Premiums	JPY 785 thousand	
	(o) Other Costs	JPY 16,416 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 83,552 thousand	(24.0%)
(IV) Net Operating Income = [(II) - (III)]		JPY 265,021 thousand	
	(p) One-Time Investment Gains	JPY 1,537 thousand	
	(q) Capital Improvements and Expenses	JPY 23,947 thousand	
	(r) FF&E Reserve	JPY 6,371 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 236,240 thousand	
(VI) Capitalization Yield		6.0%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 3,940,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 1,737,094 thousand	(45.0%)
	(a) Sale Price	JPY 3,844,194 thousand	
	(b) Sale Costs	JPY 153,768 thousand	
	(c) Returning Price [(a) - (b)]	JPY 3,690,426 thousand	
(II) Returning Price, Current Value		JPY 2,119,781 thousand	(55.0%)
(III) Discount Rate		5.7%	
(IV) Final Capitalization Yield		6.2%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 3,860,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 3,900,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 1,430,000 thousand	(64.1%)
(ii) Building Price	JPY 795,000 thousand	(35.6%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 6,400 thousand	(0.3%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 2,231,400 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 3,350,000 thousand**	

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D7 : Hotel MyStays Nagoya-Sakae

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 236,005 thousand	JPY 210,555 thousand
a. Land Lease Fees			JPY 34,326 thousand	JPY 34,326 thousand
b. Taxes and Public Dues			JPY 11,182 thousand	JPY 11,121 thousand
c. Non-life Insurance Premiums			JPY 493 thousand	JPY 493 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 189,003 thousand	JPY 163,614 thousand
(Reference)	(1) Sales		JPY 601,944 thousand	JPY 498,168 thousand
		Room Income	JPY 496,754 thousand	JPY 437,236 thousand
		Other Income	JPY 105,190 thousand	JPY 60,932 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 365,938 thousand	JPY 287,613 thousand
	ADR		JPY 5,508	JPY 5,553
	RevPAR		JPY 5,027	JPY 4,437
	Room Occupancy Rates		91.3%	79.9%
	GOP Ratio		39.2%	42.3%
	Daily / Weekly / Monthly		— % / — % / — %	96.1% / 3.2% / 0.7%

(Note) As separate data for nights stayed does not exist for 2012, Daily, Weekly, and Monthly are not listed.

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 3,000 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 290,220 thousand	
	(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 290,220 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 290,220 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 7,847 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 11,121 thousand	
	(n) Non-life Insurance Premiums	JPY 866 thousand	
	(o) Other Costs	JPY 34,326 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 54,160 thousand	(18.7%)
(IV) Net Operating Income = [(II) - (III)]		JPY 236,060 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 18,310 thousand	
	(r) FF&E Reserve	JPY 16,065 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 201,685 thousand	
(VI) Capitalization Yield		6.6%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 3,060,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(7.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 1,409,160 thousand	(48.0%)
	(a) Sale Price	JPY 2,982,529 thousand	
	(b) Sale Costs	JPY 149,126 thousand	
	(c) Returning Price [(a) - (b)]	JPY 2,833,403 thousand	
(II) Returning Price, Current Value		JPY 1,523,804 thousand	(52.0%)
(III) Discount Rate		6.4%	
(IV) Final Capitalization Yield		6.8%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 2,930,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 3,000,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 648,000 thousand	(57.8%)
(ii) Building Price	JPY 398,000 thousand	(35.5%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 75,000 thousand	(6.7%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 1,121,000 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 1,680,000 thousand**	

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D8 : Hotel MyStays Sakaisuji-Honmachi

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 156,874 thousand	JPY 170,508 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 14,079 thousand	JPY 13,128 thousand
c. Non-life Insurance Premiums			JPY 221 thousand	JPY 221 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 141,572 thousand	JPY 156,157 thousand
(Reference)	(1) Sales		JPY 315,087 thousand	JPY 337,806 thousand
		Room Income	JPY 301,863 thousand	JPY 326,927 thousand
		Other Income	JPY 13,224 thousand	JPY 10,879 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 158,213 thousand	JPY 167,298 thousand
	ADR		JPY 5,513	JPY 5,848
	RevPAR		JPY 4,341	JPY 4,714
	Room Occupancy Rates		78.7%	80.6%
	GOP Ratio		49.8%	50.5%
	Daily / Weekly / Monthly		80.4% / 12.3% / 7.3%	83.8% / 11.0% / 5.2%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 2,530 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 178,368 thousand	
	(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 178,368 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 178,368 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 2,611 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 12,800 thousand	
	(n) Non-life Insurance Premiums	JPY 1,175 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 16,586 thousand	(9.3%)
(IV) Net Operating Income = [(II) - (III)]		JPY 161,782 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 6,092 thousand	
	(r) FF&E Reserve	JPY 10,409 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 145,281 thousand	
(VI) Capitalization Yield		5.7%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 2,550,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.3%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 1,092,122 thousand	(43.7%)
	(a) Sale Price	JPY 2,481,136 thousand	
	(b) Sale Costs	JPY 74,434 thousand	
	(c) Returning Price [(a) - (b)]	JPY 2,406,702 thousand	
(II) Returning Price, Current Value		JPY 1,408,883 thousand	(56.3%)
(III) Discount Rate		5.5%	
(IV) Final Capitalization Yield		5.9%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 2,500,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 2,530,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 560,000 thousand	(48.2%)
(ii) Building Price	JPY 587,000 thousand	(50.5%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 15,300 thousand	(1.3%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 1,162,300 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 1,740,000 thousand**	

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D9 : Hotel MyStays Yokohama

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 140,373 thousand	JPY 164,609 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 14,096 thousand	JPY 12,208 thousand
c. Non-life Insurance Premiums			JPY 404 thousand	JPY 404 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 124,872 thousand	JPY 150,996 thousand
(Reference)	(1) Sales		JPY 341,302 thousand	JPY 377,741 thousand
		Room Income	JPY 319,655 thousand	JPY 352,094 thousand
		Other Income	JPY 21,646 thousand	JPY 25,646 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 200,929 thousand	JPY 213,132 thousand
	ADR		JPY 5,653	JPY 5,956
	RevPAR		JPY 4,597	JPY 5,077
	Room Occupancy Rates		81.3%	85.2%
	GOP Ratio		41.1%	43.6%
	Daily / Weekly / Monthly		80.8% / 13.1% / 6.1%	84.4% / 10.2% / 5.4%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 2,150 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 187,514 thousand	
	(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 187,514 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 187,514 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 7,433 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 12,336 thousand	
	(n) Non-life Insurance Premiums	JPY 3,187 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 22,956 thousand	(12.2%)
(IV) Net Operating Income = [(II) - (III)]		JPY 164,558 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 17,344 thousand	
	(r) FF&E Reserve	JPY 10,200 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 137,014 thousand	
(VI) Capitalization Yield		6.3%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 2,170,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(7.6%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 990,501 thousand	(46.5%)
	(a) Sale Price	JPY 2,125,308 thousand	
	(b) Sale Costs	JPY 63,759 thousand	
	(c) Returning Price [(a) - (b)]	JPY 2,061,549 thousand	
(II) Returning Price, Current Value		JPY 1,140,449 thousand	(53.5%)
(III) Discount Rate		6.1%	
(IV) Final Capitalization Yield		6.5%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 2,130,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 2,150,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 489,000 thousand	(58.5%)
(ii) Building Price	JPY 340,000 thousand	(40.6%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 7,420 thousand	(0.9%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 836,420 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 1,250,000 thousand**	

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D10 : Hotel MyStays Nippori

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 87,206 thousand	JPY 103,593 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 4,032 thousand	JPY 3,736 thousand
c. Non-life Insurance Premiums			JPY 123 thousand	JPY 123 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 82,050 thousand	JPY 98,733 thousand
(Reference)	(1) Sales		JPY 168,567 thousand	JPY 188,195 thousand
		Room Income	JPY 162,514 thousand	JPY 182,063 thousand
		Other Income	JPY 6,052 thousand	JPY 6,132 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 81,360 thousand	JPY 84,602 thousand
	ADR		JPY 5,438	JPY 5,912
	RevPAR		JPY 4,774	JPY 5,363
	Room Occupancy Rates		87.8%	90.7%
	GOP Ratio		51.7%	55.0%
	Daily / Weekly / Monthly		66.0% / 17.3% / 16.7%	67.5% / 15.4% / 17.0%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,910 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 124,639 thousand	
	(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 124,639 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 124,639 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 1,882 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 3,737 thousand	
	(n) Non-life Insurance Premiums	JPY 115 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 5,734 thousand	(4.6%)
(IV) Net Operating Income = [(II) - (III)]		JPY 118,905 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 4,530 thousand	
	(r) FF&E Reserve	JPY 4,403 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 109,972 thousand	
(VI) Capitalization Yield		5.7%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,930,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.2%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 793,838 thousand	(42.2%)
	(a) Sale Price	JPY 1,900,345 thousand	
	(b) Sale Costs	JPY 57,010 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,843,335 thousand	
(II) Returning Price, Current Value		JPY 1,089,411 thousand	(57.8%)
(III) Discount Rate		5.4%	
(IV) Final Capitalization Yield		5.8%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,880,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,910,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 287,000 thousand	(71.3%)
(ii) Building Price	JPY 112,000 thousand	(27.8%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 3,290 thousand	(0.8%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 402,290 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 603,000 thousand**	

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D11 : Hotel MyStays Fukuoka-Tenjin-Minami

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 115,616 thousand	JPY 119,868 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 11,313 thousand	JPY 10,359 thousand
c. Non-life Insurance Premiums			JPY 197 thousand	JPY 197 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 103,106 thousand	JPY 108,311 thousand
(Reference)	(1) Sales		JPY 258,665 thousand	JPY 264,195 thousand
		Room Income	JPY 252,354 thousand	JPY 258,709 thousand
		Other Income	JPY 6,311 thousand	JPY 5,486 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 143,049 thousand	JPY 144,326 thousand
	ADR		JPY 4,845	JPY 5,065
	RevPAR		JPY 3,895	JPY 4,004
	Room Occupancy Rates		80.4%	79.1%
	GOP Ratio		44.7%	45.4%
	Daily / Weekly / Monthly		78.4% / 12.9% / 8.7%	77.9% / 15.4% / 6.7%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,580 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 137,020 thousand	
	(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 137,020 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 137,020 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 2,444 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 10,410 thousand	
	(n) Non-life Insurance Premiums	JPY 362 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 13,216 thousand	(9.6%)
(IV) Net Operating Income = [(II) - (III)]		JPY 123,804 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 7,039 thousand	
	(r) FF&E Reserve	JPY 12,039 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 104,726 thousand	
(VI) Capitalization Yield		6.5%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,610,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(7.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 711,589 thousand	(46.2%)
	(a) Sale Price	JPY 1,576,716 thousand	
	(b) Sale Costs	JPY 47,301 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,529,415 thousand	
(II) Returning Price, Current Value		JPY 830,166 thousand	(53.8%)
(III) Discount Rate		6.3%	
(IV) Final Capitalization Yield		6.7%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,540,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,580,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 397,000 thousand	(41.7%)
(ii) Building Price	JPY 538,000 thousand	(56.5%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 16,500 thousand	(1.7%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 951,500 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	130%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 1,240,000 thousand**	

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D12 : Flexstay Inn Iidabashi

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 81,525 thousand	JPY 85,945 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 9,792 thousand	JPY 9,141 thousand
c. Non-life Insurance Premiums			JPY 187 thousand	JPY 187 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 70,544 thousand	JPY 75,615 thousand
(Reference)	(1) Sales		JPY 147,626 thousand	JPY 155,406 thousand
		Room Income	JPY 128,728 thousand	JPY 137,584 thousand
		Other Income	JPY 18,897 thousand	JPY 17,821 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 66,101 thousand	JPY 69,461 thousand
	ADR		JPY 7,027	JPY 7,280
	RevPAR		JPY 6,057	JPY 6,389
	Room Occupancy Rates		86.2%	87.8%
	GOP Ratio		55.2%	55.3%
	Daily / Weekly / Monthly		54.7% / 22.5% / 22.8%	66.9% / 16.0% / 17.1%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,390 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 105,567 thousand	
	(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 105,567 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 105,567 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 3,521 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 9,141 thousand	
	(n) Non-life Insurance Premiums	JPY 384 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 13,046 thousand	(12.4%)
(IV) Net Operating Income = [(II) - (III)]		JPY 92,521 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 8,216 thousand	
	(r) FF&E Reserve	JPY 2,741 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 81,564 thousand	
(VI) Capitalization Yield		5.8%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,410,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.6%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 582,576 thousand	(42.4%)
	(a) Sale Price	JPY 1,392,508 thousand	
	(b) Sale Costs	JPY 41,775 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,350,733 thousand	
(II) Returning Price, Current Value		JPY 790,719 thousand	(57.6%)
(III) Discount Rate		5.5%	
(IV) Final Capitalization Yield		5.9%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,370,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,390,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 705,000 thousand	(72.2%)
(ii) Building Price	JPY 269,000 thousand	(27.6%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 2,040 thousand	(0.2%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 976,040 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	120%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 1,170,000 thousand**	

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D13 : Hotel MyStays Ueno Inaricho

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 51,671 thousand	JPY 69,782 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 4,761 thousand	JPY 3,151 thousand
c. Non-life Insurance Premiums			JPY 90 thousand	JPY 90 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 45,819 thousand	JPY 65,539 thousand
(Reference)	(1) Sales		JPY 109,790 thousand	JPY 141,335 thousand
		Room Income	JPY 103,297 thousand	JPY 137,370 thousand
		Other Income	JPY 6,492 thousand	JPY 3,965 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 58,118 thousand	JPY 71,553 thousand
	ADR		JPY 4,676	JPY 5,797
	RevPAR		JPY 3,920	JPY 5,227
	Room Occupancy Rates		83.8%	90.2%
	GOP Ratio		47.1%	49.4%
	Daily / Weekly / Monthly		61.9% / 15.6% / 22.5%	74.8% / 12.1% / 13.1%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,340 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 88,470 thousand	
	(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 88,470 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 88,470 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 1,517 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 3,152 thousand	
	(n) Non-life Insurance Premiums	JPY 75 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 4,744 thousand	(5.4%)
(IV) Net Operating Income = [(II) - (III)]		JPY 83,726 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 3,541 thousand	
	(r) FF&E Reserve	JPY 4,230 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 75,955 thousand	
(VI) Capitalization Yield		5.6%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,360,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.2%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 541,103 thousand	(41.2%)
	(a) Sale Price	JPY 1,336,368 thousand	
	(b) Sale Costs	JPY 40,091 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,296,277 thousand	
(II) Returning Price, Current Value		JPY 773,359 thousand	(58.8%)
(III) Discount Rate		5.3%	
(IV) Final Capitalization Yield		5.7%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,310,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,340,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 185,000 thousand	(63.6%)
(ii) Building Price	JPY 104,000 thousand	(35.7%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 1,950 thousand	(0.7%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 290,950 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 436,000 thousand**	

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D14 : Flexstay Inn Shinagawa

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 49,970 thousand	JPY 70,408 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 3,586 thousand	JPY 3,350 thousand
c. Non-life Insurance Premiums			JPY 74 thousand	JPY 74 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 45,309 thousand	JPY 65,983 thousand
(Reference)	(1) Sales		JPY 102,175 thousand	JPY 127,246 thousand
		Room Income	JPY 98,730 thousand	JPY 124,295 thousand
		Other Income	JPY 3,444 thousand	JPY 2,950 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 52,205 thousand	JPY 56,837 thousand
	ADR		JPY 5,708	JPY 6,648
	RevPAR		JPY 4,905	JPY 6,192
	Room Occupancy Rates		85.9%	93.1%
	GOP Ratio		48.9%	55.3%
	Daily / Weekly / Monthly		62.8% / 11.9% / 25.3%	64.7% / 9.3% / 26.0%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,250 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 83,651 thousand	
	(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 83,651 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 83,651 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 1,263 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 3,350 thousand	
	(n) Non-life Insurance Premiums	JPY 70 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 4,683 thousand	(5.6%)
(IV) Net Operating Income = [(II) - (III)]		JPY 78,968 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 2,947 thousand	
	(r) FF&E Reserve	JPY 2,674 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 73,347 thousand	
(VI) Capitalization Yield		5.8%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,260,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.3%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 524,235 thousand	(42.6%)
	(a) Sale Price	JPY 1,245,610 thousand	
	(b) Sale Costs	JPY 37,368 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,208,242 thousand	
(II) Returning Price, Current Value		JPY 707,305 thousand	(57.4%)
(III) Discount Rate		5.5%	
(IV) Final Capitalization Yield		5.9%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,230,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,250,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 342,000 thousand	(80.1%)
(ii) Building Price	JPY 83,400 thousand	(19.5%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 1,300 thousand	(0.3%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 426,700 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	130%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 555,000 thousand**	

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D15 : Flexstay Inn Tokiwadai

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 84,636 thousand	JPY 83,690 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 7,594 thousand	JPY 7,022 thousand
c. Non-life Insurance Premiums			JPY 168 thousand	JPY 168 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 75,872 thousand	JPY 75,499 thousand
(Reference)	(1) Sales		JPY 162,026 thousand	JPY 167,938 thousand
		Room Income	JPY 146,640 thousand	JPY 153,922 thousand
		Other Income	JPY 15,386 thousand	JPY 14,016 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 77,390 thousand	JPY 84,248 thousand
	ADR		JPY 3,651	JPY 3,890
	RevPAR		JPY 3,082	JPY 3,269
	Room Occupancy Rates		84.4%	84.0%
	GOP Ratio		52.2%	49.8%
	Daily / Weekly / Monthly		27.6% / 36.6% / 35.8%	32.5% / 35.7% / 31.8%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,250 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 104,904 thousand	
	(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 104,904 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 104,904 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 3,151 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 7,022 thousand	
	(n) Non-life Insurance Premiums	JPY 2,167 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 12,340 thousand	(11.8%)
(IV) Net Operating Income = [(II) - (III)]		JPY 92,564 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 7,352 thousand	
	(r) FF&E Reserve	JPY 6,890 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 78,322 thousand	
(VI) Capitalization Yield		6.2%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,260,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(7.3%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 545,474 thousand	(44.4%)
	(a) Sale Price	JPY 1,249,063 thousand	
	(b) Sale Costs	JPY 37,472 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,211,591 thousand	
(II) Returning Price, Current Value		JPY 682,974 thousand	(55.6%)
(III) Discount Rate		5.9%	
(IV) Final Capitalization Yield		6.3%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,230,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,250,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 480,000 thousand	(77.7%)
(ii) Building Price	JPY 134,000 thousand	(21.7%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 3,650 thousand	(0.6%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 617,650 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	130%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 803,000 thousand**	

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D16 : Flexstay Inn Sugamo

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 74,404 thousand	JPY 74,911 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 6,384 thousand	JPY 5,901 thousand
c. Non-life Insurance Premiums			JPY 137 thousand	JPY 137 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 66,882 thousand	JPY 67,872 thousand
(Reference)	(1) Sales		JPY 140,927 thousand	JPY 145,066 thousand
		Room Income	JPY 127,169 thousand	JPY 132,475 thousand
		Other Income	JPY 13,758 thousand	JPY 12,591 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 66,523 thousand	JPY 70,155 thousand
	ADR		JPY 3,668	JPY 3,950
	RevPAR		JPY 3,309	JPY 3,490
	Room Occupancy Rates		90.2%	88.3%
	GOP Ratio		52.8%	51.6%
	Daily / Weekly / Monthly		35.1% / 28.1% / 36.8%	37.8% / 22.3% / 39.9%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,200 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 92,622 thousand	
	(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 92,622 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 92,622 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 2,687 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 5,902 thousand	
	(n) Non-life Insurance Premiums	JPY 1,787 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 10,376 thousand	(11.2%)
(IV) Net Operating Income = [(II) - (III)]		JPY 82,246 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 6,269 thousand	
	(r) FF&E Reserve	JPY 4,249 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 71,728 thousand	
(VI) Capitalization Yield		5.9%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,220,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 506,302 thousand	(42.8%)
	(a) Sale Price	JPY 1,202,233 thousand	
	(b) Sale Costs	JPY 36,067 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,166,166 thousand	
(II) Returning Price, Current Value		JPY 676,260 thousand	(57.2%)
(III) Discount Rate		5.6%	
(IV) Final Capitalization Yield		6.0%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,180,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,200,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 338,000 thousand	(63.6%)
(ii) Building Price	JPY 163,000 thousand	(30.7%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 30,600 thousand	(5.8%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 531,600 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 797,000 thousand**	

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D17 : **Hotel MyStays Otemae**

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 85,242 thousand	JPY 84,104 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 8,524 thousand	JPY 7,857 thousand
c. Non-life Insurance Premiums			JPY 229 thousand	JPY 229 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 75,488 thousand	JPY 75,017 thousand
(Reference)	(1) Sales		JPY 186,604 thousand	JPY 188,146 thousand
		Room Income	JPY 164,764 thousand	JPY 175,210 thousand
		Other Income	JPY 21,840 thousand	JPY 12,936 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 101,362 thousand	JPY 104,042 thousand
	ADR		JPY 5,390	JPY 5,401
	RevPAR		JPY 4,056	JPY 4,364
	Room Occupancy Rates		75.2%	80.8%
	GOP Ratio		45.7%	44.7%
	Daily / Weekly / Monthly		62.9% / 18.4% / 18.7%	60.9% / 16.1% / 23.0%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 1,200 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 105,227 thousand	
	(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 105,227 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 105,227 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 2,613 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 7,857 thousand	
	(n) Non-life Insurance Premiums	JPY 2,029 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 12,499 thousand	(11.9%)
(IV) Net Operating Income = [(II) - (III)]		JPY 92,728 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 6,097 thousand	
	(r) FF&E Reserve	JPY 6,659 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 79,972 thousand	
(VI) Capitalization Yield		6.6%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 1,210,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(7.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 563,733 thousand	(47.7%)
	(a) Sale Price	JPY 1,184,926 thousand	
	(b) Sale Costs	JPY 35,548 thousand	
	(c) Returning Price [(a) - (b)]	JPY 1,149,378 thousand	
(II) Returning Price, Current Value		JPY 618,135 thousand	(52.3%)
(III) Discount Rate		6.4%	
(IV) Final Capitalization Yield		6.8%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 1,180,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 1,200,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 666,000 thousand	(68.7%)
(ii) Building Price	JPY 283,000 thousand	(29.2%)
(iii) Total Price of Land and Building [(i) + (ii)]	JPY 949,000 thousand	
(iv) Maketability Correction Ratio	110%	
(v) Estimated Price (Estimated Price of 1 Building and Land, excl. Furnishings/Appliances/	JPY 1,040,000 thousand	
(vi) Distribution Ratio based on Relative Utility by Floor	0.9671	
(vii) Revision Ratio	98%	
(viii) Estimated Price (Estimated Price of Target Property, excl. Furnishings/Appliances/E	JPY 986,000 thousand	
(ix) Furnishings/Appliances/Equipment/Upholstery Price	JPY 20,800 thousand	(2.1%)
(x) Maketability Correction Ratio	110%	
(xi) Estimated Price (Estimated Price of Furnishings/Appliances/Equipment/Upholstery) [	JPY 22,900 thousand	
(xii) Estimated Price using Cost Method = [(viii) × (xi)]	**JPY 1,010,000 thousand**	

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D18 : Flexstay Inn Kiyosumi Shirakawa

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 54,773 thousand	JPY 56,314 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 8,026 thousand	JPY 7,425 thousand
c. Non-life Insurance Premiums			JPY 163 thousand	JPY 163 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 45,583 thousand	JPY 47,725 thousand
(Reference)	(1) Sales		JPY 105,573 thousand	JPY 108,998 thousand
		Room Income	JPY 87,973 thousand	JPY 92,461 thousand
		Other Income	JPY 17,600 thousand	JPY 16,536 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 50,800 thousand	JPY 52,683 thousand
	ADR		JPY 4,884	JPY 5,253
	RevPAR		JPY 4,370	JPY 4,606
	Room Occupancy Rates		89.5%	87.7%
	GOP Ratio		51.9%	51.7%
	Daily / Weekly / Monthly		36.5% / 15.9% / 47.6%	44.2% / 14.0% / 41.8%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 754 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 70,422 thousand	
	(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 70,422 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 70,422 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 3,541 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 7,425 thousand	
	(n) Non-life Insurance Premiums	JPY 2,185 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 13,151 thousand	(18.7%)
(IV) Net Operating Income = [(II) - (III)]		JPY 57,271 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 8,263 thousand	
	(r) FF&E Reserve	JPY 3,225 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 45,783 thousand	
(VI) Capitalization Yield		6.0%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 763,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(7.5%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 321,260 thousand	(43.2%)
	(a) Sale Price	JPY 759,328 thousand	
	(b) Sale Costs	JPY 22,780 thousand	
	(c) Returning Price [(a) - (b)]	JPY 736,548 thousand	
(II) Returning Price, Current Value		JPY 423,073 thousand	(56.8%)
(III) Discount Rate		5.7%	
(IV) Final Capitalization Yield		6.1%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 744,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 754,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 361,000 thousand	(60.4%)
(ii) Building Price	JPY 234,000 thousand	(39.1%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 3,000 thousand	(0.5%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 598,000 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	120%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 718,000 thousand**	

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D19 : Flexstay Inn Nakanobu P1

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 31,402 thousand	JPY 37,207 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 1,957 thousand	JPY 1,879 thousand
c. Non-life Insurance Premiums			JPY 51 thousand	JPY 51 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 28,393 thousand	JPY 34,276 thousand
(Reference)	(1) Sales		JPY 55,489 thousand	JPY 64,428 thousand
		Room Income	JPY 51,245 thousand	JPY 60,509 thousand
		Other Income	JPY 4,243 thousand	JPY 3,918 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 24,087 thousand	JPY 27,220 thousand
	ADR		JPY 4,399	JPY 4,695
	RevPAR		JPY 3,500	JPY 4,251
	Room Occupancy Rates		79.6%	90.5%
	GOP Ratio		56.6%	57.8%
	Daily / Weekly / Monthly		16.8% / 19.2% / 64.0%	19.1% / 14.2% / 66.6%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 593 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 65,166 thousand	
	(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 65,166 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 65,166 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 1,840 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 2,926 thousand	
	(n) Non-life Insurance Premiums	JPY 958 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 5,724 thousand	(8.8%)
(IV) Net Operating Income = [(II) - (III)]		JPY 59,442 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 4,293 thousand	
	(r) FF&E Reserve	JPY 2,815 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 52,334 thousand	
(VI) Capitalization Yield		5.9%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 887,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 376,730 thousand	(43.4%)
	(a) Sale Price	JPY 874,000 thousand	
	(b) Sale Costs	JPY 26,220 thousand	
	(c) Returning Price [(a) - (b)]	JPY 847,780 thousand	
(II) Returning Price, Current Value		JPY 491,628 thousand	(56.6%)
(III) Discount Rate		5.6%	
(IV) Final Capitalization Yield		6.0%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 868,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 878,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 295,000 thousand	(74.4%)
(ii) Building Price	JPY 98,100 thousand	(24.8%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 3,200 thousand	(0.8%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 396,300 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 594,000 thousand**	

(Note) The above Summary of Real Estate Appraisal Report is shared with "D20 – Flexstay Inn Nakanobu P2."

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D20 : Flexstay Inn Nakanobu P2

Income and Expenditures, Etc.				
Operating Period			1/1/2012 – 12/31/2012	1/1/2013 – 12/31/2013
GOP (= (1) - (2))			JPY 18,244 thousand	JPY 18,610 thousand
a. Land Lease Fees			—	—
b. Taxes and Public Dues			JPY 1,098 thousand	JPY 1,046 thousand
c. Non-life Insurance Premiums			JPY 30 thousand	JPY 30 thousand
d. Trust Fees			JPY 1,000 thousand	JPY 1,000 thousand
NOI (= GOP - [a. + b. + c. + d.])			JPY 16,115 thousand	JPY 16,533 thousand
(Reference)	(1) Sales		JPY 32,189 thousand	JPY 34,308 thousand
		Room Income	JPY 28,676 thousand	JPY 31,320 thousand
		Other Income	JPY 3,512 thousand	JPY 2,988 thousand
	(2) Operating Costs (not including a. through d. above)		JPY 13,944 thousand	JPY 15,698 thousand
	ADR		JPY 3,877	JPY 4,114
	RevPAR		JPY 3,561	JPY 3,900
	Room Occupancy Rates		91.9%	94.8%
	GOP Ratio		56.7%	54.2%
	Daily / Weekly / Monthly		20.8% / 25.6% / 53.6%	30.5% / 25.2% / 44.2%

Summary of Real Estate Appraisal Report	
Appraising Organization	Japan Real Estate Institute
Appraisal Value (Specified Value)	JPY 285 million
Time of Valuation	As of April 30, 2014

1. Value of Profits using the Profit Capitalization Method			
(1) Direct Capitalization Method		Value	
	(a) Room Rental Income	JPY 65,166 thousand	
	(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 65,166 thousand	
	(f) Vacant Room Losses	—	
	(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]		JPY 65,166 thousand	
	(h) Maintenance and Management Costs	—	
	(i) Utility Costs	—	
	(j) Repair Costs	JPY 1,840 thousand	
	(k) Property Management Fee	—	
	(l) Tenant Solicitation Expenses	—	
	(m) Taxes and Public Dues	JPY 2,926 thousand	
	(n) Non-life Insurance Premiums	JPY 958 thousand	
	(o) Other Costs	—	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]		JPY 5,724 thousand	(8.8%)
(IV) Net Operating Income = [(II) - (III)]		JPY 59,442 thousand	
	(p) One-Time Investment Gains	—	
	(q) Capital Improvements and Expenses	JPY 4,293 thousand	
	(r) FF&E Reserve	JPY 2,815 thousand	
(V) Net Income = [(IV) + (p) - (q) - (r)]		JPY 52,334 thousand	
(VI) Capitalization Yield		5.9%	
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]		JPY 887,000 thousand	
(Reference) Base Yield of Net Operating Income (NOI) ((IV) NOI ÷ (VII) Income Price)		(6.7%)	
(2) DCF Method		Value	
(I) Total of Current Value of Net Income during Analysis Period		JPY 376,730 thousand	(43.4%)
	(a) Sale Price	JPY 874,000 thousand	
	(b) Sale Costs	JPY 26,220 thousand	
	(c) Returning Price [(a) - (b)]	JPY 847,780 thousand	
(II) Returning Price, Current Value		JPY 491,628 thousand	(56.6%)
(III) Discount Rate		5.6%	
(IV) Final Capitalization Yield		6.0%	
(V) Income Price using DCF Method = [(I) + (2)]		JPY 868,000 thousand	
(3) Income Price using Income Capitalization Method		**JPY 878,000 thousand**	

2. Estimated Price using Cost Method		
	Value	
(i) Land Price	JPY 295,000 thousand	(74.4%)
(ii) Building Price	JPY 98,100 thousand	(24.8%)
(iii) Furnishings/Appliances/Equipment/Upholstery Price	JPY 3,200 thousand	(0.8%)
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	JPY 396,300 thousand	(100.0%)
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	**JPY 594,000 thousand**	

(Note) The above Summary of Real Estate Appraisal Report is shared with "D19 – Flexstay Inn Nakanobu P1."

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2. Portfolio List after the Acquisition

Property Number	Property Name	Type	Area	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1)	Investment Ratio (%) (Note 2)
A26	Nisshin Palacestage Daitabashi	Residential	Greater Tokyo Area	1,251	1.1
A27	Nisshin Palacestage Higashi-Nagasaki	Residential	Greater Tokyo Area	1,229	1.0
A28	Growth Maison Gotanda	Residential	Greater Tokyo Area	888	0.8
A29	Growth Maison Kameido	Residential	Greater Tokyo Area	1,070	0.9
A30	Emerald House	Residential	Greater Tokyo Area	1,505	1.3
A31	Harmonie Ochanomizu	Residential	Greater Tokyo Area	1,428	1.2
A32	Suncrest Shakujii Koen	Residential	Greater Tokyo Area	1,088	0.9
A33	Growth Maison Shin Yokohama	Residential	Greater Tokyo Area	1,059	0.9
A34	Belle Face Ueno Okachimachi	Residential	Greater Tokyo Area	1,023	0.9
A35	Grand Rire Kameido	Residential	Greater Tokyo Area	906	0.8
A36	Growth Maison Ikebukuro	Residential	Greater Tokyo Area	825	0.7
A37	Growth Maison Yoga	Residential	Greater Tokyo Area	795	0.7
A38	Route Tachikawa	Residential	Greater Tokyo Area	676	0.6
A39	Shibuya Honmachi Mansion	Residential	Greater Tokyo Area	651	0.6
A40	City Heights Kinuta	Residential	Greater Tokyo Area	646	0.5
A41	Acseeds Tower Kawaguchi Namiki	Residential	Greater Tokyo Area	620	0.5
A42	Capital Heights Kagurazaka	Residential	Greater Tokyo Area	604	0.5
A43	College Square Machida	Residential	Greater Tokyo Area	589	0.5
A44	Belair Meguro	Residential	Greater Tokyo Area	589	0.5
A45	Wacore Tsunashima I	Residential	Greater Tokyo Area	572	0.5
A46	Foros Nakamurabashi	Residential	Greater Tokyo Area	566	0.5

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Property Number	Property Name	Type	Area	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1)	Investment Ratio (%) (Note 2)
A47	Growth Maison Kaijin	Residential	Greater Tokyo Area	557	0.5
A48	College Square Machiya	Residential	Greater Tokyo Area	510	0.4
A51	City House Tokyo Shinbashi	Residential	Greater Tokyo Area	2,520	2.1
A52	Winbell Kagurazaka	Residential	Greater Tokyo Area	3,260	2.8
A53	Nishiwaseda Cresent Mansion	Residential	Greater Tokyo Area	1,880	1.6
A54	Lexington Square Akebonobashi	Residential	Greater Tokyo Area	1,450	1.2
A56	Casa Eremitaggio	Residential	Greater Tokyo Area	1,070	0.9
A59	Towa City Coop Shin-otsuka II	Residential	Greater Tokyo Area	866	0.7
A61	Bichsel Musashiseki	Residential	Greater Tokyo Area	577	0.5
A62	Lexel Mansion Ueno Matsugaya	Residential	Greater Tokyo Area	970	0.8
A63	Towa City Coop Sengencho	Residential	Greater Tokyo Area	1,110	0.9
A64	Royal Park Omachi	Residential	Other	415	0.4
A65	Lexington Square Haginomachi	Residential	Other	330	0.3
A66	Visconti Kakuozan	Residential	Other	255	0.2
A71	Lexington Square Daitabashi	Residential	Greater Tokyo Area	977	0.8
A72	Lexington Square Honjo-Azumabashi	Residential	Greater Tokyo Area	511	0.4
A73	AMS TOWER Minami 6-Jo	Residential	Other	1,180	1.0
A75	Spacia Ebisu	Residential	Greater Tokyo Area	7,010	5.9
A76	Neo Prominence	Residential	Greater Tokyo Area	1,660	1.4
A77	Invoice Shin-Kobe Residential	Residential	Other	1,260	1.1
A78	Cosmo Court Motomachi	Residential	Other	973	0.8
A79	Revest Honjin	Residential	Other	674	0.6

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Property Number	Property Name	Type	Area	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1)	Investment Ratio (%) (Note 2)
A80	Revest Matsubara	Residential	Other	657	0.6
A81	Sun Terrace Minami Ikebukuro	Residential	Greater Tokyo Area	625	0.5
A82	Alba Noritake Shinmachi	Residential	Other	608	0.5
A83	Revest Meieki Minami	Residential	Other	597	0.5
A84	Revest Heian	Residential	Other	595	0.5
A85	Vendir Hamaotsu Ekimae	Residential	Other	581	0.5
A86	Salvo Sala	Residential	Other	544	0.5
A87	Excellente Kagurazaka	Residential	Greater Tokyo Area	543	0.5
A88	Luna Court Edobori	Residential	Other	525	0.4
A89	Winntage Kobe Motomachi	Residential	Other	512	0.4
A90	Queen's Court Fukuzumi	Residential	Greater Tokyo Area	456	0.4
A91	Corp Higashinotoin	Residential	Other	446	0.4
A92	Belair Oimachi	Residential	Greater Tokyo Area	412	0.3
A93	Siete Minami-Tsukaguchi	Residential	Other	374	0.3
A94	Prime Life Sannomiya Isogami Koen	Residential	Other	373	0.3
A95	HERMITAGE NANBA WEST	Residential	Other	355	0.3
A96	Century Park Shinkawa 1-bankan	Residential	Other	335	0.3
A97	West Avenue	Residential	Greater Tokyo Area	331	0.3
A98	Little River Honmachibashi	Residential	Other	310	0.3
A99	Prime Life Mikage	Residential	Other	297	0.3
Subtotal of Residential Properties (63 properties)				58,083	49.3
B8	Kindai Kagaku Sha Building	Office	Greater Tokyo Area	1,301	1.1

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Property Number	Property Name	Type	Area	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1)	Investment Ratio (%) (Note 2)
B9	Shinjuku Island	Office	Greater Tokyo Area	715	0.6
B14	Lexington Plaza Nishigotanda	Office	Greater Tokyo Area	4,880	4.1
B15	Cross Square NAKANO	Office	Greater Tokyo Area	1,060	0.9
B16	Ohki Aoba Building	Office	Other	816	0.7
B17	Lexington Plaza Hachiman	Retail	Other	3,280	2.8
B18	AEON TOWN Sukagawa	Retail	Other	2,320	2.0
Subtotal of Office Buildings and Retail Properties (7 properties)				14,372	12.2
C1	Stop Parking Kanda-Sudacho	Parking	Greater Tokyo Area	97	0.1
Subtotal of Parking Facility (1 property)				97	0.1
D1	Hotel MyStays Kanda	Hotel	Greater Tokyo Area	2,851	2.4
D2	Hotel MyStays Asakusa	Hotel	Greater Tokyo Area	2,584	2.2
D3	Hotel MyStays Kyoto-Shijo	Hotel	Other	6,024	5.1
D4	MyStays Shin-Urayasu Conference Center	Hotel	Greater Tokyo Area	4,930	4.2
D5	Hotel MyStays Maihama	Hotel	Greater Tokyo Area	4,870	4.1
D6	Hotel Vista Premio Dojima	Hotel	Other	3,845	3.3
D7	Hotel MyStays Nagoya-Sakae	Hotel	Other	2,958	2.5
D8	Hotel MyStays Sakaisuji-Honmachi	Hotel	Other	2,514	2.1
D9	Hotel MyStays Yokohama	Hotel	Greater Tokyo Area	2,119	1.8
D10	Hotel MyStays Nippori	Hotel	Greater Tokyo Area	1,898	1.6
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Hotel	Other	1,570	1.3
D12	Flexstay Inn Iidabashi	Hotel	Greater Tokyo Area	1,381	1.2
D13	Hotel MyStays Ueno Inaricho	Hotel	Greater Tokyo Area	1,331	1.1

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Property Number	Property Name	Type	Area	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 1)	Investment Ratio (%) (Note 2)
D14	Flexstay Inn Shinagawa	Hotel	Greater Tokyo Area	1,242	1.1
D15	Flexstay Inn Tokiwadai	Hotel	Greater Tokyo Area	1,242	1.1
D16	Flexstay Inn Sugamo	Hotel	Greater Tokyo Area	1,192	1.0
D17	Hotel MyStays Otemae	Hotel	Other	1,192	1.0
D18	Flexstay Inn Kiyosumi Shirakawa	Hotel	Greater Tokyo Area	749	0.6
D19	Flexstay Inn Nakanobu P1	Hotel	Greater Tokyo Area	589	0.5
D20	Flexstay Inn Nakanobu P2	Hotel	Greater Tokyo Area	283	0.2
Subtotal of Hotels (20 properties)				45,373	38.5
Total Portfolio (91 properties)				117,927	100.0

(Note 1) Acquisition price or anticipated acquisition price is as set forth in the relevant purchase agreement or trust beneficiary interest transfer agreement, does not include expenses such as consumption taxes, and is rounded down to the nearest million yen.

(Note 2) Investment ratio is calculated as a percentage of the aggregate total acquisition price of our anticipated portfolio after giving effect to our anticipated acquisitions, and rounded to one decimal place.

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3 . Picture and Map of the Eighteen Properties

D3 Hotel MyStays Kyoto-Shijo





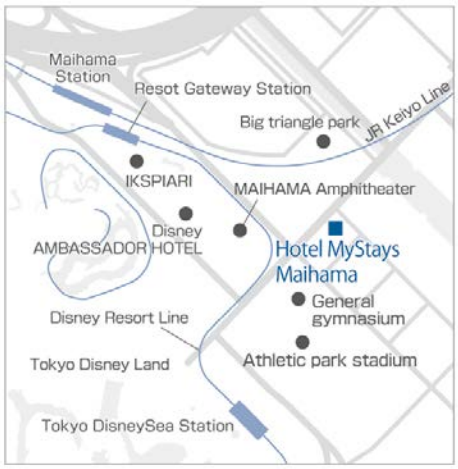
D4 MyStays Shin-Urayasu Conference Center





D5 Hotel MyStays Maihama





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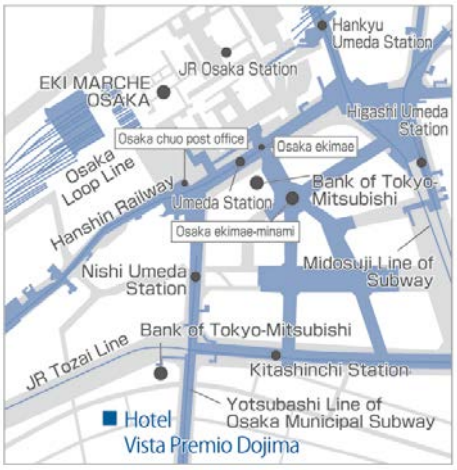
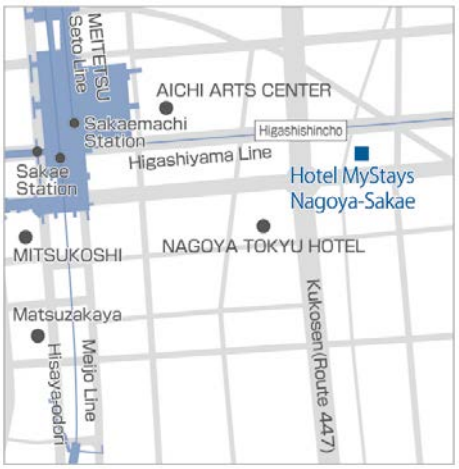
D6 Hotel Vista Premio Dojima





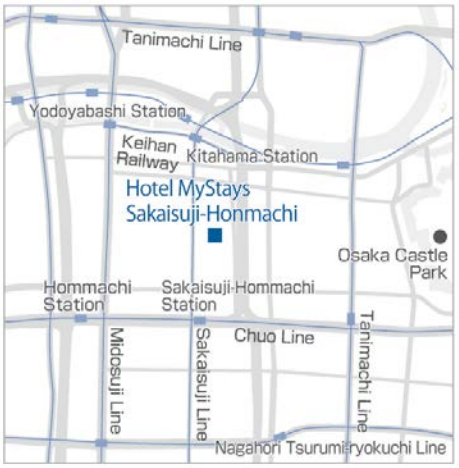
D7 Hotel MyStays Nagoya-Sakae





D8 Hotel MyStays Sakaisuji-Honmachi





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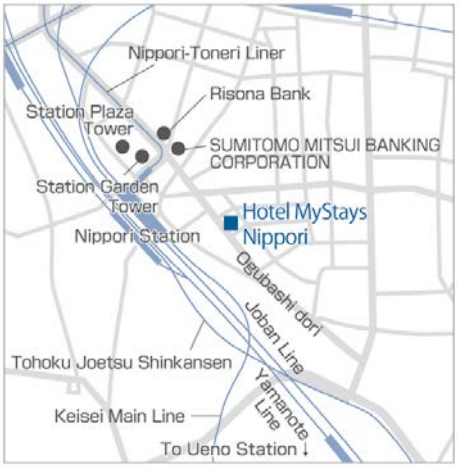
D9 Hotel MyStays Yokohama





D10 Hotel MyStays Nippori





D11 Hotel MyStays Fukuoka-Tenjin-Minami





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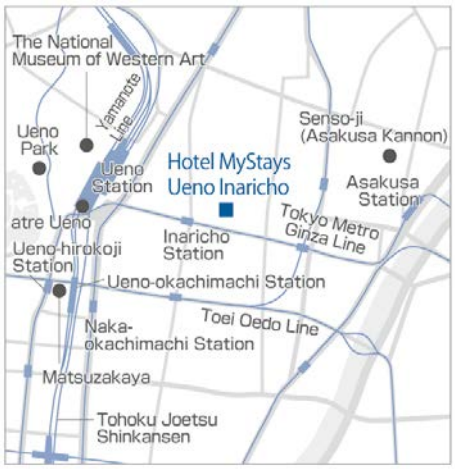
D12 Flexstay Inn Iidabashi





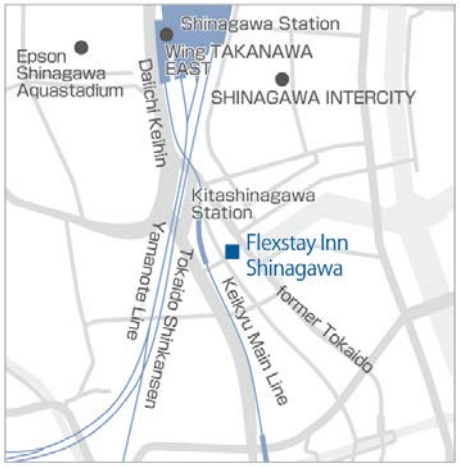
D13 Hotel MyStays Ueno Inaricho





D14 Flexstay Inn Shinagawa





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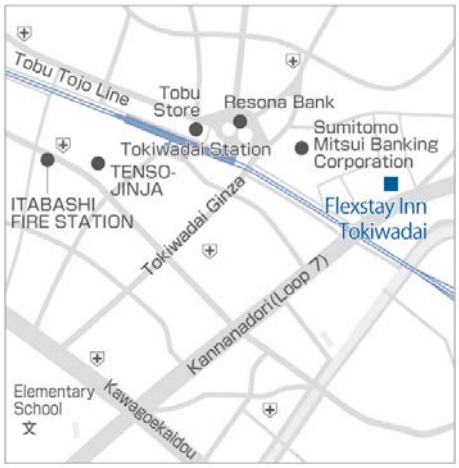
D15 Flexstay Inn Tokiwadai





D16 Flexstay Inn Sugamo





D17 Hotel MyStays Otemae





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D18 Flexstay Inn Kiyosumi Shirakawa





D19 Flexstay Inn Nakanobu P1





D20 Flexstay Inn Nakanobu P2





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