Invincible Investment Corporation

[For Information Purpose Only.
The Japanese language press release should be referred to as the original.]

March 10, 2016

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: Masayuki Inagaki, General Manager of Planning Department
(Tel. +81-3-5411-2731)

Notice concerning Acquisition of Assets and Entering into Leasing Contract

Invincible Investment Corporation ("INV") announced the acquisition of assets (four hotels and one residential property, or the "Five Properties") today as decided by Consonant Investment Management Co., Ltd. ("CIM"), the asset manager of INV). In connection with the acquisition of the Five Properties, INV will enter into new leasing contracts with respect to each of Five 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	D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	24,674	24,800	Tsuki Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D44	Hotel Epinard Nasu	Nasu, Tochigi	20,981	21,300	Septentrio Tokutei Mokuteki Kaisha Septentrio 2 Tokutei Mokuteki Kaisha Septentrio 3 Tokutei Mokuteki Kaisha	

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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
	D45	Hotel MyStays Fukuoka Tenjin	Fukuoka , Fukuoka	8,059	8,100	Navaro Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	7,959	8,000	Navaro Tokutei Mokuteki Kaisha	
Subtotal				61,673	62,200		
Resi-dence	A104	Royal Parks Shinden	Adachi-ku, Tokyo	5,024	5,100	Momo Tokutei Mokuteki Kaisha	Trust Beneficial Interest
Total				66,697	67,300		

- Purchase and sale agreement execution date : March 10, 2016
- Anticipated acquisition date : March 31, 2016 (Note 3)
- Acquisition funds : Funds raised through an issuance of new investment units (those from public offering) (Note 4) and a new loan (Note 5)
- Settlement method : Lump-sum payment at time of delivery (Note 3)

(Note 1) Anticipated acquisition prices do not include adjustments for property taxes, 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 of the Five Properties” below.

(Note 3) In the event that the fund raised through the issuance of new investment units and the new loan does not reach the total anticipated acquisition price, INV may ask the seller to postpone the payment date for Hotel MyStays Gotanda Station and Hotel Epinard Nasu to a later date, pursuant to the purchase and sale agreement with regard these two properties.

(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 4) For details of the new loan, please refer to the “Notice concerning Debt Financing” dated as of today.

(Note 5) Amounts are rounded down to the nearest million yen; hereinafter the same.

2. Reasons for Acquisitions

Consistent with its strategy, INV decided to acquire the Five Properties (four hotel properties and one residential property) due to their revenue generating capability, overall market conditions and other factors that will contribute to the further stability and growth opportunities for its portfolio.

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INV, which had acquired eleven limited service hotels and three residential properties as of July 16, 2015 in connection with the global offering the payment date of which was July 15, 2015 (the "Previous Public Offering"), acquired three limited service hotels on August 28, 2015 and then five limited service hotels and one residential property on January 22, 2016.

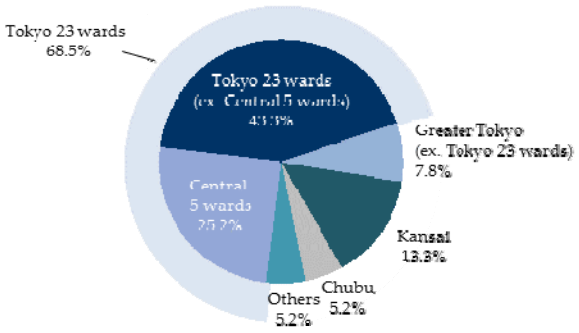
The four hotel properties to be acquired (the "Four Hotel Properties") are expected to make contributions to further growth in portfolio revenues, while the one residential property to be acquired to stabilize the income from the portfolio. Three out of the Four Hotel Properties are operated by MYSTAYS HOTEL MANAGEMENT Co., Ltd. ("MHM"), an experienced hotel operator affiliated with the sponsor with extensive capabilities, and the remaining one hotel is operated by its subsidiary.

The four hotels to be acquired have a solid track record as represented by key performance indicators in 2015 including ADR (average daily rate) of 14,623 yen (6.9% year-on-year growth), average occupancy rate of 91.7% (6.3 points year-on-year growth).

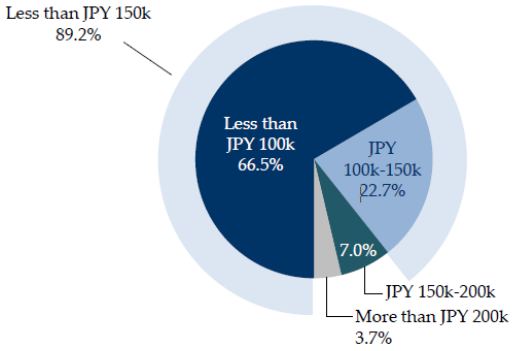
(Note) Based on the data of three hotels out of four hotels to be acquired (excluding Hotel MyStays Gotanda Station, which partially closed because of renovation in 2015)

The residential property INV will acquire is a relatively new property built in 2007 and has 243 units in total, consisting of several types of rooms tailored to a wide variety of needs from families and DINKS households. The Properties located in Tokyo 23 Wards account for 68.5% of the residential portfolio. The residential property is expected to make contributions to mid- and long-term stable revenues as it is also primarily consisted of rooms with the rent of less than 150,000 yen, which are in high demand.

Residential after Acquisition



Residential Portfolio Composition by Geography



Residential Portfolio Composition by Rent Size

(Note 1) Based on 68 residential properties, including one to be acquired.
(Note 2) Based on the amount of monthly rents added by common service fees as of December 2015.

It is expected that appraisal NOI yield of the Five Properties and the anticipated portfolio (122 properties) will be at 5.5% and 6.6%, respectively.

INV will continue to position hotels and residential properties as its core assets and pursue both growth

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and stability in the portfolio revenue in a well-balanced manner through the implementation of its external growth strategy based on an active investment in such properties, backed by the Sponsor's strong support (for details, please refer to "4. Strong and Visible Pipeline from Sponsor" below.

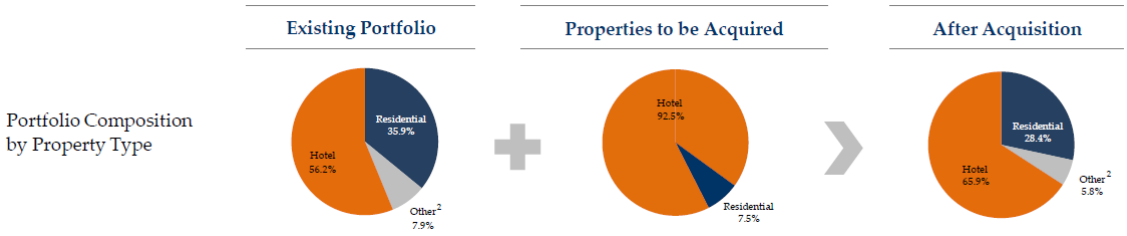
	Existing Portfolio	Properties to be Acquired	After Acquisition
Properties(Hotel Properties)	117 (42)	5 (4)	122 (46)
Acquisition Price(Note 1) (mn JPY)	184,022	66,697	250,719
Appraisal Value(Note 1) (Note 2) (mn JPY)	225,262	67,300	292,562
Appraisal NOI Yield(Note 3)	7.0%	5.5%	6.6%

(Note 1) Both Acquisition Price and Appraisal Value are rounded down to one million yen.

(Note 2) Appraisal Value is based on appraisal value stated in the appraisal report on the record date of December 31, 2015 and November 20, 2015 for the 111 properties owned as of December 31, 2015 and 6 properties acquired on January 22, 2016, respectively. For the five properties to be acquired, Appraisal Value is based on the appraisal value stated in the appraisal report on the record date of November 20, 2015, January 1, 2016 and January 31, 2016.

(Note 3) "Appraisal NOI yield" is represented by the figure calculated by dividing NOI based on a direct capitalization method stated in the appraisal report by the total of Acquisition Prices, which is rounded down to one decimal place.

By Property Type (Note 1)



(Note 1) Based on Acquisition Price.

(Note 2) Office buildings, commercial facilities and parking lots are included.

3. Execution of Lease Contracts

In regards to three out of the Four Hotel Properties, INV will enter into a lease agreement with MHM, as well as another lease agreement with Naqua Hotels & Resorts Management Co., Ltd.("Naqua") for Hotel Epinard Nasu. Lease agreements of all four hotel properties contain a significant variable rent

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component based on gross operating profit, or GOP.

Based on such lease agreement with variable rents, INV will be able to take advantage of potential growth from the hotel operating income after deducing related costs and retains by the tenants. In GOP upward trend situations, INV could benefit from the growth in GOP by receiving most of the upside in GOP based on such variable rent scheme, which could boost profits of INV through the relative high profit margin. When GOP in downward trend, INV could take advantage from the fixed part of the rent scheme to protect itself from further loss.

<Overview of Tenant and Operator>

An overview of the tenants and operators for the Four Hotels is as follows;

The tenant and operator for Hotel MyStays Gotanda Station, Hotel MyStays Fukuoa Tenjin, and Hotel MyStays Hamamatsucho

(i)	Name	MyStays Hotel Management Co., Ltd.
(ii)	Location	Roppongi Hills North Tower 14th Floor, 6-2-31 Roppongi, Minato-ku, Tokyo, Japan
(iii)	Title and name of representative officer	Atsuki Asano, President and CEO
(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)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(xii)	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 indirectly owned by funds managed by affiliates 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: 19.09%) as of December 31, 2015. 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, two employees are seconded from the tenant/operator.
	Transactional relationships	INV has entered into a lease contract with the tenant/operator with respect to 30 hotel properties

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	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").

(Note) Not disclosed because consent has not been obtained

The tenant and operator of Hotel Epinard Nasu

(i)	Name	Naqua Hotels & Resorts Management Co., Ltd.
(ii)	Location	3-7-1, Nishi-Shimbashi Minato-ku, Tokyo, Japan
(iii)	Title and name of representative officer	Takayuki Oyata, President and CEO
(iv)	Business	Entrusted management of hotels
(v)	Capital (as of the date of this notice)	JPY 10million
(vi)	Date of establishment	May 2008
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the 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/operator is indirectly owned by funds managed by affiliates of FIG, which is an affiliate of Calliope. The tenant/operator is a wholly-owned subsidiary of MHM.
	Personal relationships	As of the date of this notice, among the employees of CIM, no employees are seconded from the tenant/operator.
	Transactional relationships	As of the date of today, there are no transactional relationships between INV/CIM and the tenant/operator.
	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").

(Note) Not disclosed because consent has not been obtained.

4. Strong and Visible Pipeline from Sponsor

INV entered into an MOU with Fortress-related SPCs in regards to preferential negotiation rights over 26 limited service hotels on May 21, 2014, 22 limited service hotels on June 23, 2014, and 21 hotels and

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9 residential properties on June 25, 2015, respectively.

In addition, INV renewed the previous MOU and entered into a new MOU on January 20, 2016 with Fortress-related SPCs in regards to preferential negotiation rights over a total of 34 hotels (with ten new hotels added to the 24 hotels except the 6 hotels that were already acquired). In addition, the MOU was renewed again on March 10, 2016 to add 2 more hotels (Art Hotels Hamamatsucho and Art Hotels Omori) (the "March 2016 MOU"). Under the March 2016 MOU, effective March 10, 2016 through March 9, 2017, the SPCs are obligated to provide INV an opportunity to have a good faith discussion with respect to the sale of any property covered by the March 2016 MOU, if the SPC plans to sell such property, before the SPC informs other potential buyers. Refer to the list below of properties covered by March 2016 MOU.

INV will continue to seek to utilize Fortress's potential pipeline support to achieve substantial external growth through accretive growth opportunities, based on the preferential negotiation rights over 24 hotels (6,454 rooms) and 9 residential properties (743 units) granted from the sponsor under the March 2016 MOU.

<Properties subject to the March 2016 MOU >

No.	Asset Name	Asset Type (Note 9)	Location	No. of Rooms
1	Hotel MyStays Akasaka (Note 2)	Limited Service Hotel	Minato-ku,Tokyo	327
2	Hotel MyStays Yokohama -Kannai (Note 3)	Limited Service Hotel	Yokohama, Kanagawa	166
3	Rihga Royal Hotel Kyoto (Note 4)	Full Service Hotel	Kyoto, Kyoto	489
4	Narita Excel Hotel Tokyu	Full Service Hotel	Narita, Chiba	706
5	Art Hotels Sapporo	Full Service Hotel	Sapporo, Hokkaido	418
6	Best Western Hotel Fino Sapporo	Limited Service Hotel	Sapporo, Hokkaido	242
7	Best Western Hotel Fino Oita	Limited Service Hotel	Oita, Oita	145
8	Takamatsu Tokyu REI Hotel	Limited Service Hotel	Takamatsu, Kagawa	191
9	Hotel Naqua City Hirosaki	Full Service Hotel	Hirosaki, Aomori	134
10	Beppu Kamenoi Hotel	Resort Hotel	Beppu, Oita	322
11	Fusaki Resort Village	Resort Hotel	Ishigaki, Okinawa	195
12	Sheraton Grande Tokyo Bay Hotel (Note 5)	Full Service Hotel	Urayasu, Chiba	1,016
13	Hotel Shin-Osaka Conference Center	Limited Service Hotel	Osaka, Osaka	397
14	Hotel MyStays Kanazawa	Limited Service Hotel	Kanazawa,Ishikawa	244
15	Art Hotels Asahikawa	Full Service Hotel	Asahikawa, Hokkaido	265
16	Hotel MyStays Kanazawa Castle	Limited Service Hotel	Kanazawa, Ishikawa	206
17	Hotel JAL City Matsuyama	Full Service Hotel	Matsuyama, Ehime	161
18	Hotel Ueno East	Limited Service Hotel	Taito-ku, Tokyo	150

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No.	Asset Name	Asset Type (Note 9)	Location	No. of Rooms
19	(Tentative) Hotel Mystays Honmachi 3-chome (Osaka) (Note 6)	Limited Service Hotel	Osaka, Osaka	120
20	Hotel MyStays Sapporo Nakajima Park (Note 7)	Limited Service Hotel	Sapporo, Hokkaido	86
21	Flexstay Inn Sakuragicho	Limited Service Hotel	Yokohama, Kanagawa	70
22	MyCUBE by MYSTAYS Asakusa Kuramae (Note 8)	Limited Service Hotel	Taito-ku, Tokyo	64
23	Art Hotels Hamamatsucho	Limited Service Hotel	Minato-ku, Tokyo	120
24	Art Hotels Omori	Limited Service Hotel	Shinagawa-ku, Tokyo	220
Hotel Subtotal				6,454
25	Gran Charm Hiroo	Residential/Small Type (Note 9)	Shibuya-ku, Tokyo	121
26	Plestay Win Kinshicho	Residential/Small Type (Note 9)	Sumida-ku, Tokyo	92
27	Gran Charm Kichijoji	Residential/Small Type (Note 9)	Musashino, Tokyo	28
28	Green Patio Noda	Residential/Small Type (Note 9)	Noda, Chiba	240
29	Dainichi F-45	Residential/Small Type (Note 9)	Urayasu, Chiba	54
30	Gran Charm Urayasu	Residential/Small Type (Note 9)	Urayasu, Chiba	54
31	Gran Charm Urayasu 5	Residential/Small Type (Note 9)	Ichikawa, Chiba	54
32	Gran Charm Minami Gyotoku I	Residential/Small Type (Note 9)	Ichikawa, Chiba	52
33	Gran Charm Minami Gyotoku II	Residential/Small Type (Note9)	Ichikawa, Chiba	48
Residential Property Subtotal				743
Hotel / Residential Property Total				7,197

(Note 1) The March 2016 MOU is effective from March 10, 2016 (the date of the execution) to March 9, 2017. Regarding the properties listed above, there is no guarantee that INV will be offered an opportunity for considering acquisition of the properties or be able to acquire the properties.

(Note 2) Hotel MyStays Akasaka is scheduled to be completed in June 2016, and opened in August 2016..

(Note 3) Hotel MyStays Yokohama Kannai is scheduled to be completed in September 2016 and to opened in October 2016.

(Note 4) Rihga Royal Hotel Kyoto is scheduled to reopen partially on September 1, 2016 after renovation and fully on November 1, 2016. No. of rooms after renovation is written on the table above

(Note 5) The annex building of the Sheraton Grande Tokyo Bay Hotel is currently under construction, which is anticipated to be completed in February 2017. No. of rooms noted above includes that of the annex building.

(Note 6) (Tentative) Hotel Mystays Honmachi 3-chome (Osaka) is scheduled to be completed in October 2017 and opened December 2017.

(Note 7) Hotel MyStays Sapporo Nakajima Park will be changed its name from Kita Hotel in April 27, 2016.

(Note 8) MYCUBE by MYSTAYS Asakusa Kuramae is scheduled to be completed April 2016, and opened in June 2016.

(Note 9) The definition of Asset type is as below

- "Limited Service Hotel" means a hotel property which focuses on revenues from guest rooms and provides only limited services in terms of food and beverage, banquet, spa and gym facilities.
- "Full Service Hotel" means a hotel property which provides accommodation, food and beverage and

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banquet services,

- "Resort Hotel" means a hotel property which is located in tourist spots or resort districts, and provides accommodation and food and beverage services and incidental facilities.
- "Small Type" means a residential property in which the majority of dwelling units have space of less than 30m^2 each.

5. Details of Assets to be Acquired

(1) Details of the Five Properties

Details, profit and loss status and outline of appraisal reports of the five properties to be acquired are as follows:

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

- "Date of Planned Acquisition" shows the date when an acquisition is executed, which is specified in the trust beneficiary right sales agreement.
- "Purchase Price or Planned Purchase Price" shows a purchase price of an anticipated acquisition which is specified in the trust beneficiary right sales agreement; Consumption tax is not included, and rounded down to the nearest million yen.
- "Appraisal Value" shows reported price by appraisal agency for anticipated acquisitions.
- 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.
- "Transportation" shows the time to walk to the nearest station based on the description in the Real Estate Appraisal Report (in case there is no description of time distance in the Real Estate Appraisal Report, "Transportation" is calculated by assuming walking time on the road distance of 80 meters per minute in accordance with the Fair Competition Code on the Real Estate Representations (Fair Trade Commission Notification No.2 of 2003, including subsequent revisions)(hereinafter, referred to as the "Fair Competition Code") and the Ordinance for Enforcement of the Fair Competition Code.
- 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 of INV's acquisition of the assets for anticipated acquisitions is listed.
- In "Trust Period," the planned trust period at the time of INV's acquisition of the assets for anticipated acquisitions listed.

b. "Lease Overview" column:

- January 31, 2016 is used as the basis.
- In "Number of Guest Rooms," the number of guest rooms that can be sub-leased by tenants is listed.

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- "Total No. of Tenants" is calculated by counting a lessee who has directly concluded a lease agreement for each property as one tenant, and a tenant who has rented two or more rooms in a single property is calculated as one tenant. In case of subleasing of property in which a lessee subleased rooms to end tenants and the seller, may be the owner, INV, or the trustee concluded the "pass-through" form of lease contract without rent guarantee, total No. of tenants is the total number of end tenants.
- In "Leasable Area," which means the total leasable floor area for each building, the leasable area listed in the lease contract and diagram for the property, excluding 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 total leasable floor area, the leased area into which a leasing agreement has actually been enter into and has been leased to an end-tenant, those listed in the lease contract, excluding 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 revenues.

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 MHM, 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 0-6% of monthly sales from direct bookings made through the MHM's marketing department or website, and (iii) an amount equal to 4-6% of the monthly GOP 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.

d. "Overview of Building Conditions Survey Report" column:

- For the anticipated acquisitions, INV has received a report from Tokio Marine & Nichido Risk Consulting Co., Ltd. and Tokyo Building – Tech Center 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.

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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 roughly10% 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 is to be rebuilt at the time of the survey.
- "Short-term Repair Costs" indicates the repair and/or replacement costs for items which, at the time of the survey, are below minimum maintenance level due to deterioration or items which are in violation of law or regulations, etc. and which can be judged as best to be repaired or replaced within one year.
- "Long-term Repair Costs" consist of capital expenditures and repair costs. Capital expenditures means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, the costs to extend the use period of the building's equipment or to replace it entirely. Repair costs means, of the anticipated improvement costs necessary to maintain the building at the set building functionality level, costs other than capital expenditures.

e. Descriptions in the "Area Characteristics, etc." field

Descriptions in the "Area Characteristics, etc." field are an abstract or summary of descriptions in the Real Estate Appraisal Report on each real estate or real estate in trust, prepared by appraisal agencies, or created by referring to such descriptions.

f. Descriptions in the "Special Matters"

Descriptions in the "Special Matters" fields are matters that are deemed important in consideration of their impact on rights, appraisal value, profitability and disposability of each asset acquired after the end of the 24th period or anticipated to be acquired.

<Explanation relating to overview of the status of income and expenses and real estate appraisal of the Six Properties>

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

- Based on the information provided from the sellers for each operating period from January 1, 2014 to December 31, 2015. 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 on January 1 of each year. For property tax and city planning tax that were borne by the current owner or previous owner at the time of INV's acquisition of the 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.

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- "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 do not fall under "Room Income".
- "ADR," or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.
- "RevPAR", or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of room occupancy rate and ADR.
- "Room Occupancy Rate" is calculated using the following formula:
  room occupancy rate = total number of rooms occupied during the relevant period ÷ (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.

h. "Summary of Real Estate Appraisal Report" column:
INV has requested real estate appraisal from Morii Appraisal & Investment Consulting, Inc. for the planned 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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D43: Hotel MyStays Gotanda Station

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of (Planned) Acquisition	March 31, 2016			
(Planned) Purchase Price	JPY 24,674 million			
Appraisal Value	JPY 24,800 million			
Appraisal Agency	Morii Appraisal & Investment Consulting, Inc.			
Location	(Lot Number)	6-1, 2 chome Nishigotanda, Shinagawa-ku, Tokyo		
	(Address)	2-6-8 Nishigotanda, Shinagawa-ku, Tokyo		
Transport	1 min walk from Gotanda station on JR Yamamote Line, Toei Asakusa Line			
Land	Form of Possession	Ownership (incl. co-ownership) / Superficies	Zoning	Commercial area
	Lot Area (m^2)	1,630.40 ㎡	Building Coverage Ratio/Floor Area Ratio	80% / 800%、80% / 700%
Building	Form of Possession	Ownership / Sectional ownership	Purpose of Use	Hotel
	Total Floor Area (m^2)	11,893.00 ㎡	Construction Date	August 29, 1984 / March 11, 1974
	Structure/No. of Stories	Steel concrete structure with flat roof, basement 1 story, 14 stories / Steel concrete structure with flat roof, basement 2 stories, 14stories		
	Renovation Date	March 2015 – November 2015		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: March 31, 2016; Until: March 30, 2026			
Creation of Security Interest	None			
Lease Overview (Jan 31, 2016)				
Total No. of Tenant(s)	1		Number of Guest Rooms	333 rooms (S276・T46・D11)
Leasable Area(m^2)	8,752.42 ㎡			
Occupancy Rate	100%		Lease Area (m^2)	8,752.42 ㎡
Security Deposit/Guarantee Money	JPY 27,300 thousand		GOP (per month)	JPY 54,073 thousand
Overview of Lease Agreement				
Tenant	MyStays Hotel Management Co., Ltd.			
Type of Contract	Fixed rent plus variable rent type			
Term	From: March 31, 2016 Until: March 30, 2026			
Determination of rent of lease contract	Fixed rent (JPY 484.2million per annum (January – June: JPY 39 million per month / July – December: JPY 41.7 million per mon th)) plus variable rent based on GOP of hotel operation. (Note)			
Management services fee	Not disclosed, as tenant's consent has not been obtained for disclosure.			
Security Deposit/Guarantee Money	JPY 27,300 thousand			
Renewal Upon Expiration	The contract is a Fixed Term Building Lease, therefore the contract will terminate at the expiration of the lease term.			
Rent Revision	Rent cannot be revised during the lease term.			
Early Termination	Termination prior to the expiration of the lease term is not permitted.			
Other Special Matters	None			
Overview of Building Conditions Survey Report				
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.		Date of Report	February 2016
Probable Maximum Loss (PML)	10.8%		Short term Repair Costs (within 1 year)	–
Replacement Price	JPY 3,140,300 thousand		Long term Repair Costs (in 12 years)	JPY 128,231 thousand
Area Characteristic				
The property is a business hotel located one minute on foot from Gotanda Station on the JR line/the Toei Asakusa Line and three minutes on foot from Gotanda station on the Tokyu Ikegami Line. It has excellent access to the major business districts such as Tokyo Station and Shinjuku Station in 15 minutes as well as convenient access to Haneda Airport in approximately 40 minutes. As it is located near Shinagawa Station, which is Shinkansen stop and one of major terminal stations, the property can accommodate both of business demands and leisure demands. It completed full renovation which made the property stylish and modern one in November 2015 and achieved 94.5% occupancy in December 2015, right after the renovation. Considering good access to popular areas among foreign tourists such as Ikebukuro, Shinjuku, Akihabara and Asakusa, further increase of leisure demands can be expected.				
Special Instructions				
None				

(Note) 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.

D43: Hotel MyStays Gotanda Station

Income and Expenditures, Etc.				
Operating Period			1/1/2014 – 12/31/2014	1/1/2015 – 12/31/2015
GOP (= (1) - (2))			JPY 426,911 thousand	JPY 254,231 thousand
a. Land Lease Fees			-	-
b. Taxes and Public Dues			30,641 thousand	30,641 thousand
c. Non life Insurance Premiums			1,126 thousand	1,126 thousand
d. Trust Fees			800 thousand	800 thousand
e. Others			3,681 thousand	3,681 thousand
NOI (= GOP [a. + b. + c. + d. +e.])			390,663 thousand	217,983 thousand
(Reference)	(1) Sales		1,085,024 thousand	507,604 thousand
		Room Income	930,798 thousand	459,937 thousand
		Other Income	154,226 thousand	47,666 thousand
	(2) Operating Costs (not including a. through e. above)		658,113 thousand	253,372 thousand
	ADR		JPY 8,057	JPY 9,465
	RevPAR		7,545	6,488
	Room Occupancy Rates		93.6%	68.5%
	GOP Ratio		39.3%	50.1%
	Daily/ Weekly/ Monthly		－／　－／　－	100%／　0%／　0%
	Overseas Sales Share		－	20.0%

(Note) This property was through renovation works from March 2015 to November 2015. It was partially opened on August 24, 2015 before grand opening on November 25, 2015. Ratio of daily / weekly / monthly stay, ratio of sales from foreign guests, nights, sales from foreign guests are not available. Data of 2015 refers to December 2015, which was after the grand opening.

Summary of Real Estate Appraisal Report	
Appraising Organization	Morii Appraisal & Investment Consulting, Inc.
Appraisal Value (Specified Value)	JPY 24,800 million
Time of Valuation	1/1/2016

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 1,211,225 thousand	Based on mid to long term stabilized rents considering current leasing conditions
(b) Common Area Maintenance Fee Income	－	
(c) Utility Income	－	
(d) Parking Lot Income	－	
(e) Other Income	1,957 thousand	Based on historical data
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	1,213,182 thousand	
(f) Vacant Room Losses	－	
(g) Irrecoverable Debt Losses	－	
(II) Operating Revenue = [(I) - (f) - (g)]	1,213,182 thousand	
(h) Maintenance and Management Costs	－	
(i) Utility Costs	－	
(j) Repair Costs	3,206 thousand	Based on estimates in the engeneering report. 30% of the stabilized amount
(k) Property Management Fee	－	
(l) Tenant Solicitation Expenses	－	
(m) Taxes and Public Dues	30,625 thousand	Based on historical data, with consideration of variable rate
(n) Non-life Insurance Premiums	1,467 thousand	Based on comparable transactions (0.06% of the restoration costs)
(o) Other Costs	3,681 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	38,979 thousand	
(IV) Net Operating Income = [(II) - (III)]	1,174,203 thousand	
(p) One Time Investment Gains	－	
(q) Capital Improvements and Expenses	7,480 thousand	Based on estimates in the engeneering report. 70% of the stabilized amount
(V) Net Income = [(IV) + (p) - (q)]	1,166,723 thousand	
(VI) Capitalization Yield	4.9%	Adjusted the discount rate with risk of change in income and return of capital
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	23,800,000 thousand	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 8,893,282 thousand	
(a) Sale Price	27,368,922 thousand	
(b) Sale Costs	821,128 thousand	
(c) Returning Price [(a) - (b)]	26,547,794 thousand	
(II) Returning Price, Current Value	16,771,038 thousand	
(III) Discount Rate	4.7%	Recognized by making assessments after taking into risks of location, market, property, and results of due diligence and research
(IV) Final Capitalization Yield	5.1%	Taking into consideration of risks such as volatility of rental income, market risks, deterioration of building conditions, liquidity of disposition market
(V) Income Price using DCF Method = [(I) + (2)]	25,700,000 thousand	
(3) Income Price using Income Capitalization Method	24,800,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 6,700,000 thousand	
(ii) Building Price	504,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	530,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	7,734,000 thousand	
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	11,600,000 thousand	

Other Points to be Noted for Appraisal by Apprising Organization
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D44: Hotel Epinard Nasu

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of (Planned) Acquisition	March 31, 2016			
(Planned) Purchase Price	JPY 20,981million			
Appraisal Value	JPY 21,300 million			
Appraisal Agency	Morii Appraisal & Investment Consulting, Inc.			
Location	(Lot Number)	1-10 and other 59 lots, Takaku-hei, Nasu-machi, Nasu-gun, Tochigi		
	(Address)	Nasu-gun (address numbers not available in Nasu-gu)		
Transport	10 min by car from Nasu IC on Tohoku Highway 30 min by car from Nasushiobara station on JR Tohoku Main Line and Tohoku Shinkansen			
Land	Form of Possession	Ownership / Land lease	Zoning	N/A
	Lot Area (m^2)	126,403.51 ㎡	Building Coverage Ratio/Floor Area Ratio	60%／200%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m^2)	37,702.33 ㎡	Construction Date	February 28, 1992 / June 20, 1995
	Structure/No. of Stories	Steel concrete structure with flat roof, 13 stories / Steel concrete structure with flat roof, 14 stories		
	Renovation Date	April 2014 – June 2014; January 2015 – April 2015		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: August 29, 2014; Until: March 31, 2026			
Creation of Security Interest	None			

Lease Overview (Jan 31, 2016)			
Total No. of Tenant(s)	1	Number of Guest Rooms	310 rooms (T42・O268)
Leasable Area(m^2)	37,702.33 ㎡		
Occupancy Rate	100.0%	Lease Area (m^2)	37,702.33 ㎡
Security Deposit/Guarantee Money	—	GOP (per month)	34,460 thousand

Overview of Lease Agreement	
Tenant	Naqua Hotels and Resorts Co., Ltd.
Type of Contract	Fixed rent plus variable rent type
Term	From: March 31, 2016 Until: March 30, 2026
Determination of rent of lease contract	Fixed rent (JPY 771 million per annum (January – March: JPY 10 million per month / April – June: JPY 54 million / July – September: JPY 153 million / October - December: JPY 40 million per month)) plus variable rent based on GOP of hotel operation. (Note)
Management services fee	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.
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	February 2016
Probable Maximum Loss (PML)	2.4%	Short term Repair Costs (within 1 year)	JPY 200 thousand
Replacement Price	JPY 10,349,000 thousand	Long term Repair Costs (in 12 years)	JPY 1,199,504 thousand

Area Characteristic
The property is a resort hotel located 10 minutes' drive from Tohoku highway Nasu IC, or one hour 40 minutes away from Tokyo Station by Shinkansen and free shuttle bus. Capacity of all rooms are more than two and it has various facilities such as hot spring, banquet hall, wedding hall, and convenient for activities such as golfing, tennis, kayaking, horseback riding, trekking and skiing, which enable it to accommodate a variety of family/senior demands all year around. Growing retiree population (age of 60 to 80) is a key customer base for the property with 26% of rooms sold in 2015. It was awarded as "Certificate of Excellence" from Trip Advisor citing its strong popularity and excellent word-of-mouth reputation, and further increase in leisure demands can be expected going forward.

Special Instructions
A part of land and buildings are on lease hold. According to the lease contracts for subject land and building, transfer of the trust beneficiary rights, or subleasing of subject land and building may need the approval from respective owners.
A part of boundary is not confirmed with owner of neighboring land in written form.
A part of land is with co-ownership.
A part of land (3,371 ㎡, 404-100 and 404-125) bears expenses of private roads.
There are limits on future developments based agreement with neighboring land owners

(Note) 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.

D44: Hotel Epinard Nasu

Income and Expenditures, Etc.				
Operating Period			1/1/2014 – 12/31/2014	1/1/2015 – 12/31/2015
GOP (= (1) - (2))			JPY 1,122,416 thousand	JPY 1,387,936 thousand
a. Land Lease Fees			19,320 thousand	19,320 thousand
b. Taxes and Public Dues			56,122 thousand	56,122 thousand
c. Non life Insurance Premiums			3,378 thousand	3,378 thousand
d. Trust Fees			800 thousand	800 thousand
NOI (= GOP [a. + b. + c. + d.])			1,042,795 thousand	1,308,316 thousand
(Reference)	(1) Sales		5,741,570 thousand	6,116,745 thousand
		Room Income	1,845,118 thousand	2,067,033 thousand
		Other Income	3,896,451 thousand	4,049,712 thousand
	(2) Operating Costs (not including a. through e. above)		4,619,154 thousand	4,728,808 thousand
	ADR		JPY 19,834	JPY 21,207
	RevPAR		17,064	18,447
	Room Occupancy Rates		86.0%	87.0%
	GOP Ratio		19.5%	22.7%
	Daily/ Weekly/ Monthly		―／　―／　―	―／　―／　―
	Overseas Sales Share		―	―

(Note) Ratio of daily / weekly / monthly stay, ratio of sales from foreign guests, nights, sales from foreign guests are not available.

Appraisal Value (Specified Value)	JPY 21,300 million
Time of Valuation	1/31/2016

Summary of Real Estate Appraisal Report	
Appraising Organization	Morii Appraisal & Investment Consulting, Inc.
Appraisal Value (Normal Value)	JPY 21,300 million
Time of Valuation	1/31/2016

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 1,534,182 thousand	Based on mid to long term stabilized rents considering current leasing conditions
(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)]	1,534,182 thousand	
(f) Vacant Room Losses	―	
(g) Irrecoverable Debt Losses	―	
(II) Operating Revenue = [(I) - (f) - (g)]	1,534,182 thousand	
(h) Maintenance and Management Costs	―	
(i) Utility Costs	―	
(j) Repair Costs	29,988 thousand	Based on estimates in the engeneering report. 30% of the stabilized amount
(k) Property Management Fee	―	
(l) Tenant Solicitation Expenses	―	
(m) Taxes and Public Dues	45,124 thousand	Based on historical data, with consideration of variable rate into account
(n) Non-life Insurance Premiums	3,324 thousand	Based on comparable transactions (0.03% of the restoration costs)
(o) Other Costs	38,525 thousand	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	116,961 thousand	
(IV) Net Operating Income = [(II) - (III)]	1,417,221 thousand	
(p) One Time Investment Gains	400 thousand	
(q) Capital Improvements and Expenses	69,971 thousand	Based on estimates in the engeneering report. 70% of the stabilized amount
(V) Net Income = [(IV) + (p) - (q)]	1,346,850 thousand	
(VI) Capitalization Yield	6.3%	Adjusted the discount rate with risk of change in income and return of capital
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	21,400,000 thousand	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	9,494,780 thousand	
(a) Sale Price	21,736,646 thousand	
(b) Sale Costs	652,159 thousand	
(c) Returning Price [(a) - (b)]	21,084,487 thousand	
(II) Returning Price, Current Value	11,662,884 thousand	
(III) Discount Rate	6.1%	Recognized by making assessments after taking into risks of location, market, property, and results of due diligence and research
(IV) Final Capitalization Yield	6.5%	Taking into consideration of risks such as volatility of rental income, market risks, deterioration of building conditions, liquidity of disposition market
(V) Income Price using DCF Method = [(I) + (2)]	21,200,000 thousand	
(3) Income Price using Income Capitalization Method	21,300,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	821,600 thousand	
(ii) Building Price	2,780,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	750,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	4,351,600 thousand	
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	6,530,000 thousand	

Other Points to be Noted for Appraisal by Apprising Organization
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D45: Hotel MyStays Fukuoka Tenjin

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of (Planned) Acquisition	March 31, 2016			
(Planned) Purchase Price	JPY 8,059 million			
Appraisal Value	JPY 8,100 million			
Appraisal Agency	Morii Appraisal & Investment Consulting, Inc.			
Location	(Lot Number)	90 and other 4 lots, 3 chome Tenjin, Chuo-ku, Fukuoka City, Fukuoka		
	(Address)	3-5-7 Tenjin, Chuo-ku, Fukuoka City, Fukuoka		
Transport	3 min walk from Tenjin station on subway Airport Line 6 min walk from Nishi Tetsu Fukuoka station on Nishi Tetsu Omuta Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m^2)	1,243.44 ㎡	Building Coverage Ratio/Floor Area Ratio	80%/400%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m^2)	5,083.06 ㎡	Construction Date	August 19, 2008
	Structure/No. of Stories	Steel concrete structure with flat roof, 7 stories		
	Renovation Date	-		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: August 29, 2014; Until: August 29, 2024			
Creation of Security Interest	None			

Lease Overview (Jan 31, 2016)			
Total No. of Tenant(s)	1	Number of Guest Rooms	217 rooms (D204・T12・O1)
Leasable Area(m^2)	5,083.06 ㎡		
Occupancy Rate	100%	Lease Area (m^2)	5,083.06 ㎡
Security Deposit/Guarantee Money	JPY 1,500 thousand	GOP (per month)	JPY 19,069 thousand

Overview of Lease Agreement	
Tenant	MyStays Hotel Management Co., Ltd.
Type of Contract	Fixed rent plus variable rent type
Term	From: March 31, 2016 Until: March 30, 2026
Determination of rent of lease contract	Fixed rent (JPY 201million per annum (January – June: JPY 14.7 million per month / July – December: JPY 18.8 million per month)) plus variable rent based on GOP of hotel operation. (Note)
Management services fee	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.
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	Tokyo Building-Tech Center Co., Ltd.	Date of Report	February 2016
Probable Maximum Loss (PML)	6.8%	Short term Repair Costs (within 1 year)	-
Replacement Price	JPY 1,101,000 thousand	Long term Repair Costs (in 12 years)	JPY 96,000 thousand

Area Characteristic
The property is a relatively new business hotel completed in 2008. The property is located three minutes on foot from Tenjin Station on the Fukuoka City Subway Kuko Line and 6 minutes on foot from the station on the Nishitetsu Tenjin Omuta Line. It has a good access to the terminal station such as Hakata Station in six minutes by train and Fukuoka Airport in 11 minutes by train. It can accommodate both of business and leisure demands and domestic and foreign guests can be expected. Additionally, it also has a good access to popular tourism destinations such as Canal City Hakata, Yafuoku Dome, MarineMesse Fukuoka, Dazaifu Tenmangu etc. Facilities are suitable for both leisure and business guests and stable performance throughout the year because of high demand can be seen.

Special Instructions
None

(Note) 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.

D45: Hotel MyStays Fukuoka Tenjin

Income and Expenditures, Etc.				
Operating Period			1/1/2014 – 12/31/2014	1/1/2015 – 12/31/2015
GOP (= (1) - (2))			JPY 256,991 thousand	JPY 325,351 thousand
a. Land Lease Fees			-	-
b. Taxes and Public Dues			14,081 thousand	14,081 thousand
c. Non life Insurance Premiums			344 thousand	344 thousand
d. Trust Fees			800 thousand	800 thousand
NOI (= GOP [a. + b. + c. + d.])			241,766 thousand	310,125 thousand
(Reference)	(1) Sales		440,627 thousand	574,027 thousand
		Room Income	415,803 thousand	555,591 thousand
		Other Income	24,823 thousand	18,436 thousand
	(2) Operating Costs (not including a. through e. above)		183,635 thousand	248,676 thousand
	ADR		JPY 6,481	JPY 7,274
	RevPAR		5,250	7,015
	Room Occupancy Rates		81.0%	96.4%
	GOP Ratio		58.3%	56.7%
	Daily/ Weekly/ Monthly		98.8%／1.1%／0.0%	99.7%／0.2%／0.0%
	Overseas Sales Share		7.1%	30.6%

Summary of Real Estate Appraisal Report	
Appraising Organization	Morii Appraisal & Investment Consulting, Inc.
Appraisal Value (Normal Value)	JPY 8,100million
Time of Valuation	1/1/2016

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 426,471 thousand	Based on mid to long term stabilized rents considering current leasing conditions
(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)]	426,471 thousand	
(f) Vacant Room Losses	–	
(g) Irrecoverable Debt Losses	–	
(II) Operating Revenue = [(I) - (f) - (g)]	426,471 thousand	
(h) Maintenance and Management Costs	–	
(i) Utility Costs	–	
(j) Repair Costs	2,400 thousand	Based on estimates in the engeneering report. 30% of the stabilized amount
(k) Property Management Fee	–	
(l) Tenant Solicitation Expenses	–	
(m) Taxes and Public Dues	12,428 thousand	Based on historical data, with consideration of variable rate into account
(n) Non-life Insurance Premiums	660 thousand	Based on comparable transactions (0.06% of the restoration costs)
(o) Other Costs	–	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	15,488 thousand	
(IV) Net Operating Income = [(II) - (III)]	410,983 thousand	
(p) One Time Investment Gains	–	
(q) Capital Improvements and Expenses	5,600 thousand	Based on estimates in the engeneering report. 70% of the stabilized amount
(V) Net Income = [(IV) + (p) - (q)]	405,383 thousand	
(VI) Capitalization Yield	5.0%	Adjusted the discount rate with risk of change in income and return of capital
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	8,110,000 thousand	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 3,075,164 thousand	
(a) Sale Price	8,269,808 thousand	
(b) Sale Costs	248,154 thousand	
(c) Returning Price [(a) - (b)]	8,021,654 thousand	
(II) Returning Price, Current Value	5,019,390 thousand	
(III) Discount Rate	4.8%	Recognized by making assessments after taking into risks of location, market, property, and results of due diligence and research
(IV) Final Capitalization Yield	5.2%	Taking into consideration of risks such as volatility of rental income, market risks, deterioration of building conditions, liquidity of disposition market
(V) Income Price using DCF Method = [(I) + (2)]	8,090,000 thousand	
(3) Income Price using Income Capitalization Method	8,100,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 898,000 thousand	
(ii) Building Price	652,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	261,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	1,811,000 thousand	
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	2,720,000 thousand	

Other Points to be Noted for Appraisal by Apprising Organization
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D46: Hotel MyStays Hamamatsucho

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of (Planned) Acquisition	March 31, 2016			
(Planned) Purchase Price	JPY 7,959million			
Appraisal Value	JPY 8,000million			
Appraisal Agency	Morii Appraisal & Investment Consulting, Inc.			
Location	(Lot Number)	101-6 and other 1 lot, 1 chome Hamamatsucho, Minato-ku, Tokyo		
	(Address)	1-18-14 Hamamatsucho, Minato-ku, Tokyo		
Transport	6 min walk from Hamamatsucho Station on JR Yamanote Line 2 min walk from Daimon Station on Toei Asakusa Line and Toei Oedo Line			
Land	Form of Possession	Ownership	Zoning	Commercial area
	Lot Area (m^2)	273.86 ㎡	Building Coverage Ratio/Floor Area Ratio	80%/700%
Building	Form of Possession	Ownership	Purpose of Use	Hotel
	Total Floor Area (m^2)	1,951.90 ㎡	Construction Date	October 16, 2008
	Structure/No. of Stories	Steel structure with flat roof, 14 stories		
	Renovation Date	-		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: August 29, 2014; Until: March 30, 2026			
Creation of Security Interest	None			

Lease Overview (Jan 31, 2016)			
Total No. of Tenant(s)	1	Number of Guest Rooms	105 rooms （D105）
Leasable Area(m^2)	1,951.90 ㎡		
Occupancy Rate	100%	Lease Area (m^2)	1,951.90 ㎡
Security Deposit/Guarantee Money	-	GOP (per month)	JPY 17,456 thousand

Overview of Lease Agreement	
Tenant	MyStays Hotel Management Co., Ltd.
Type of Contract	Fixed rent plus variable rent type
Term	From: March 31, 2016 Until: March 30, 2026
Determination of rent of lease contract	Fixed rent (JPY 164.4 million per annum (JPY 13.7 million per month) plus variable rent based on GOP of hotel operation. (Note)
Management services fee	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.
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	February 2016
Probable Maximum Loss (PML)	4.3%	Short term Repair Costs (within 1 year)	-
Replacement Price	JPY 515,800 thousand	Long term Repair Costs (in 12 years)	JPY 43,151 thousand

Area Characteristic
The property is a relatively new business hotel completed in 2008. The property is located six minutes on foot from Hamamatsucho Station on the JR Line and Monorail Hamamatsucho station (connects to Haneda Airport via the monorail) on the Tokyo Monorail Line, and two minutes on foot from Daimon Station on the Toei Asakusa Line and Toei Oedo Line. It is adjacent to business districts such as Shiodome, headquarter of ANA, Dentsu and Softbank, and has a convenient access to other major business districts such as Tokyo Station (six minutes by train) as well as Shinagawa Station (five minutes by train). As it has a good access to Haneda Airport in 19 minutes, the property can accommodate both of business demands and leisure demands. Convenient location in proximity to popular tourism destinations such as Akihabara and Asakusa can make the performance stable throughout the year because of high demand. Potential of increasing demand from extension of monorail or redevelopment in surrounding areas near Hamamatsucho station can be expected.

Special Instructions
None

(Note) 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.

D46: Hotel MyStays Hamamatsucho

Income and Expenditures, Etc.				
Operating Period			1/1/2014 – 12/31/2014	1/1/2015 – 12/31/2015
GOP (= (1) - (2))			JPY 240,117 thousand	JPY 275,027 thousand
a. Land Lease Fees			-	-
b. Taxes and Public Dues			13,255 thousand	13,255 thousand
c. Non life Insurance Premiums			184 thousand	184 thousand
d. Trust Fees			800 thousand	800 thousand
NOI (= GOP [a. + b. + c. + d.])			225,878 thousand	260,787 thousand
(Reference)	(1) Sales		379,414 thousand	458,020 thousand
		Room Income	376,058 thousand	455,513 thousand
		Other Income	3,355	2,506 thousand
	(2) Operating Costs (not including a. through e. above)		139,296 thousand	182,993 thousand
	ADR		JPY 10,584	JPY 12,426
	RevPAR		9,812	11,886
	Room Occupancy Rates		92.7%	95.6%
	GOP Ratio		63.3%	60.0%
	Daily/ Weekly/ Monthly		97.7%／ 2.3%／ 0.0%	98.9%／ 1.1%／ 0.0%
	Overseas Sales Share		35.2%	59.1%

Summary of Real Estate Appraisal Report	
Appraising Organization	Morii Appraisal & Investment Consulting, Inc.
Appraisal Value (Specified Value)	8,000million
Time of Valuation	1/1/2016

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 384,820 thousand	Based on mid to long term stabilized rents considering current leasing conditions
(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)]	384,820 thousand	
(f) Vacant Room Losses	–	
(g) Irrecoverable Debt Losses	–	
(II) Operating Revenue = [(I) - (f) - (g)]	384,820 thousand	
(h) Maintenance and Management Costs	–	
(i) Utility Costs	–	
(j) Repair Costs	1,079 thousand	Based on estimates in the engeneering report. 30% of the stabilized amount
(k) Property Management Fee	–	
(l) Tenant Solicitation Expenses	–	
(m) Taxes and Public Dues	11,735 thousand	Based on historical data, with consideration of variable rate into account
(n) Non-life Insurance Premiums	309 thousand	Based on comparable transactions (0.06% of the restoration costs)
(o) Other Costs	–	
(III) Operating Costs (Expense Rate) = [(h) + (i) + (j) + (k) + (l) + (m) + (n) + (o)]	13,123 thousand	
(IV) Net Operating Income = [(II) - (III)]	371,697 thousand	
(p) One Time Investment Gains	–	
(q) Capital Improvements and Expenses	2,517 thousand	Based on estimates in the engeneering report. 70% of the stabilized amount
(V) Net Income = [(IV) + (p) - (q)]	369,180 thousand	
(VI) Capitalization Yield	4.7%	Adjusted the discount rate with risk of change in income and return of capital
(VII) Income Price using Direct Capitalization Method = [(V) ÷ (VI)]	7,850,000 thousand	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 2,839,031 thousand	
(a) Sale Price	8,508,020 thousand	
(b) Sale Costs	255,301 thousand	
(c) Returning Price [(a) - (b)]	8,252,719 thousand	
(II) Returning Price, Current Value	5,314,173 thousand	
(III) Discount Rate	4.5%	Recognized by making assessments after taking into risks of location, market, property, and results of due diligence and research
(IV) Final Capitalization Yield	4.9%	Taking into consideration of risks such as volatility of rental income, market risks, deterioration of building conditions, liquidity of disposition market
(V) Income Price using DCF Method = [(I) + (2)]	8,150,000 thousand	
(3) Income Price using Income Capitalization Method	8,000,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY 1,160,000 thousand	
(ii) Building Price	309,000 thousand	
(iii) Furnishings/Appliances/Equipment/Upholstery Price	262,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	1,731,000 thousand	
(v) Maketability Correction Ratio for Land and Building as a Whole	150%	
(vi) Estimated Price using Cost Method = [(iv) × (v)]	2,600,000 thousand	

Other Points to be Noted for Appraisal by Apprising Organization
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A104: Royal Parks Shinden

Type and Location of Specified Assets, etc.				
Type of Specified Assets	Trust Beneficiary Right			
Date of (Planned) Acquisition	March 31, 2016			
(Planned) Purchase Price	JPY 5,024 million			
Appraisal Value	JPY 5,100 million			
Appraisal Agency	Morii Appraisal & Investment Consulting, Inc.			
Location	(Lot Number)	19-39, 3 chome Shinden, Adachi-ku, Tokyo		
	(Address)	3-35-20 Shinden, Adachi-ku, Tokyo		
Transport	17 minutes walk from Oji-kamiya station on Tokyo Metro Nanboku Line			
Land	Form of Possession	Land lease	Zoning	Category I residential area
	Lot Area (m^2)	9,905.57 ㎡	Building Coverage Ratio/Floor Area Ratio	60% / 300%
Building	Form of Possession	Ownership	Purpose of Use	Residential, parking lot, retail and storage
	Total Floor Area (m^2)	18,368.19 ㎡ (Note)	Construction Date	June 12, 2007
	Structure/No. of Stories	Steel concrete structure with flat roof, 14 stories		
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust Period	From: July 31, 2007; Until: Until: March 30, 2024			
Creation of Security Interest	None			

Lease Overview (Jan 31, 2016)			
Total No. of Tenant(s)	5	Rentable units	248
Leasable Area (m^2)	15,797.29 ㎡	Lease Area (m^2)	15,797.29 ㎡
Occupancy Rate	100.0%	Rent (per month)	JPY 33,377 thousand
Security Deposit/Guarantee Money	—		

Master Lease/Properti Management Company	
Company Name	Daiwa Living Co., Ltd.
Type of contract	Fixed rental master lease (residential), pass-through master lease (retail)

Overview of Building Conditions Survey Report			
Company Conducting Survey	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Date of Report	November 2015
Probable Maximum Loss (PML)	3.8%	Short term Repair Costs (within 1 year)	—
Replacement Price	JPY 4,988,300 thousand	Long term Repair Costs (in 12 years)	JPY 170,653 thousand

Area Characteristic

The property is located approximately 17 minutes on foot from Oji-Kamiya Station on the Tokyo Metro Namboku Line, and one minute from Heart-Island-Minami Station, which is accessible by metropolitan bus for nine minutes from Oji-Station on the JR Keihin-Tohoku Line and Tokyo Metro Namboku Line.

The property has a multi access to the down town area with 25 minutes train to JR Tokyo Station and is located in popular residential area.

This area is a cluster of residential area which was developed based on the “Shinden Area District Plan” and its neighborhood has parks, supermarkets, convenience stores, drug stores, hospitals and other facilities within 5 minute-walk distance around this property.

The property is a rental apartment building made up of a total of 243 units with 1 room layouts and floor spaces ranging from 38.00 m^2 to 38.44 m^2 (18 units), 1K with floor spaces of 38.00 m^2 (10 units), 1LDK with floor spaces of 53.06 m^2 to 58.90 m^2 (60 units), 2LDK with floor spaces of 60.25 m^2 to 97.82m2 (115 units) and 3LDK with floor spaces of 74.18 m^2 to 110.52 m^2 (40 units), which enable to target a range of tenant segments such as singles, small families including DINKS and families.

The property is master-leased by Daiwa Living, a subsidiary of Daiwa House, which provides a variety of services to tenants such as concierge services.

Special Instructions

Type of Land Leasehold Right: General fixed term leasehold

- Purpose: Ownership of building for leasing contract
- Land Rent: JPY 48million (JPY 4 million per month)
- Lease Period: From August 31, 2005 to August 30, 2065

The Property is a leased property and the permission of the land owner will be required at the time of the transfer of the building accompanying the transfer of leasehold rights.

Based on the agreement with land owner, it is necessary to obtain approval from land owner before changing master lease contract/property management contract (excludes the case arise from rent revision) with the current tenant, executing new fixed term building lease/property management contract or collateralization.

(Note) Excluding parking building

A104： Royal Parks Shinden

Income and Expenditures, Etc.		
Operating Period	1/1/2014-12/31/2014	1/1/2015-12/31/2015
a. Total revenues	JPY 432,803 thousand	JPY 433,822 thousand
Rent Income	399,955 thousand	400,533 thousand
Other income etc.	32,847 thousand	33,289 thousand
b. Total expenses	244,349 thousand	245,176 thousand
Maintenance and management expenses etc.	63,391 thousand	64,626 thousand
Taxes and dues	29,641 thousand	29,234 thousand
Non-life Insurance Premiums	1,268 thousand	1,268 thousand
c. Depreciation	149,248 thousand	149,248 thousand
Other expenses	800 thousand	800 thousand
Profits on lease business [a. - b.]	188,454 thousand	188,645 thousand
NOI [a. - b. + c.]	337,702 thousand	337,893 thousand

Summary of Real Estate Appraisal Report	
Appraising Organization	Morii Appraisal & Investment Consulting, Inc.
Appraisal Value (Specified Value)	JPY 5,100 million
Time of Valuation	11/20/2015

1. Value of Profits using the Profit Capitalization Method		
(1) Direct Capitalization Method	Contents	Overview
(a) Room Rental Income	JPY 362,829 thousand	Based on mid to long term stabilized rents considering current leasing conditions
(b) Common Area Maintenance Fee Income	1,284 thousand	
(c) Utility Income	—	
(d) Parking Lot Income	38,130 thousand	Based on current lease and comparable transactions
(e) Other Income	7,620 thousand	
(I) Total Potential Revenue = [(a) + (b) + (c) + (d) + (e)]	409,863 thousand	
(f) Vacant Room Losses	13,811 thousand	
(g) Irrecoverable Debt Losses	—	
(II) Operating Revenue = [(I) - (f) - (g)]	396,052 thousand	
(h) Maintenance and Management Costs	3,948 thousand	Based on comparable transactions
(i) Utility Costs	—	Including management fees
(j) Repair Costs	4,266 thousand	Based on estimates in the engeneering report. 30% of the stabilized amount
(k) Restoration Costs	7,824 thousand	Based on comparable cases and historical lease termination ratio
(l)Property Management Fee	3,416 thousand	Based on comparable transactions
(m) Tenant Solicitation Expenses	48,012 thousand	Based on historical data, with consideration of variable rate into account
(n) Taxes and Public Dues	25,557 thousand	Based on historical data, with consideration of depreciation in value into account
(o) Non-life Insurance Premiums	1,268 thousand	Based on comparable transactions
(p) Other Costs	—	
(III) Operating Costs (Expense Rate) = ⌈(h)+(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]	94,291 thousand	
(IV) Net Operating Income = [(II) - (III)]	301,761 thousand	
(p) One Time Investment Gains	7,068 thousand	2.0% yield on deposit amount
(q) Capital Improvements and Expenses	9,955 thousand	Based on estimates in the engeneering report. 70% of the stabilized amount
(V) Net Income = [(IV) + (p) - (q) - (r)]	284,738 thousand	
(i) Compound Present Value Rate of Compound Interest Annuity at the End of Rental Income Period	18.16872	Discount rate 5.0%, rental income for 49 years
(ii) Demolition costs at the end of land lease	571,339 thousand	Per unit demolition costs multiplied by building area
(iii) Compound Present Value Rate	0.08720	Discount rate 5.0%, land lease for 50 years
(VI) Income Price using Direct Capitalization Method = ⌈(V)×(i)－(ii)×(iii)]	5,120,000 thousand	
(2) DCF Method	Contents	Overview
(I) Total of Current Value of Net Income during Analysis Period	JPY 2,276,763 thousand	
(a) Sale Price	4,650,000 thousand	
(b) Sale Costs	139,560 thousand	3.0% of sales price + JPY 60 thousand
(c) Returning Price [(a) - (b)]	4,510,440 thousand	
(II) Returning Price, Current Value	2,822,318 thousand	
(III) Discount Rate — Until 10th year	4.8%	Recognized by making assessments after taking into various risks
(III) Discount Rate — After 11th year	5.2%	
(i) Compound Present Value Rate	16.5677	Discount rate 5.2%, rental income for 39 years
(ii) Demolition costs at the time of sales	75,205 thousand	Per unit demolition costs multiplied by building area
(V) Income Price using DCF Method = [(I) + (2)]	5,100,000 thousand	
(3) Income Price using Income Capitalization Method	5,100,000 thousand	

2. Estimated Price using Cost Method		
	Contents	Overview
(i) Land Price	JPY1,500,000 thousand	
(ii) Building Price	2,760,000 thousand	
(ⅲ) Related costs	468,000 thousand	
(iv) Total Price of Land, Building, and Furnishings/Appliances/Equipment/Upholstery = [(i) + (ii) + (iii)]	4,730,000 thousand	

Other Points to be Noted for Appraisal by Apprising Organization
Judged that a value based on the direct capitalization method, which truly replicates the price formation process from an income perspective, is more persuasive and adopted the appraisal value determined using the direct capitalization method, with the cost approach value as a reference

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

With respect to the buildings of Hotel Epinard Nasu and Royal Parks Shinden, INV has obtained an opinion from a third party expert, Tokio Marine & Nichido Risk Consulting Co., Ltd., indicating that, there is no suspicion of falsification of structural calculation sheets through willful misconduct of the designers, and that the structural design is judged to be in general compliance with provisions regarding seismic resistance under the Building Standards Act and its Enforcement Order. With respect to the building of Hotel MyStays Fukuoka Tenjin, INV has obtained an opinion from Tokyo Building-Tech Center Co., Ltd, indicating that, there is no suspicion of falsification of structural calculation sheets and the calculation route was appropriate; allowable stress design (first design) and possession horizontal proof stress calculation (second design) have satisfied requirements. With respect to the building of Hotel MyStays Hamamatsucho, INV has obtained an opinion from SD Network Co., Ltd, indicating that, the design was with proper standard, there is no suspicion of falsification of structural calculation sheets, and there is no concerns over structural design. With respect to the main building of Hotel MyStays Gotanda Station, which was designed under the old seismic code (Note 1), seismic reinforcement works were carried out in August 2015. The annex building of Hotel MyStays Gotanda Station was designed under new seismic code (Note 2), and INV has obtained an opinion from K.K. Aki Architect, indicating that, there is no concerns over the seismic resistance functionality.

As a part of due diligence (Note 3) routine, INV conducts investigation on seismic risks for new acquisitions.

(Note 1) Old seismic code refers to the seismic resistance standards in regard to building design, which was applied in construction certification till May 31, 1981.

(Note 2) New seismic code refers to the seismic resistance standards in regard to building design, which was applied in construction certification after May 31, 1981, and in consistency with Building Standards Act and its Enforcement Order, implemented in 1981. Within the Five Properties, all buildings were certified under the new seismic code except for the main building of D43 “Hotel MyStays Gotanda Station”.

(Note 3) The due diligence conducted includes examination of appraisal values, building inspection, seismic risk inspection and legal due diligence.

6. Overview of Sellers of the Five Properties

“D43 Hotel MyStays Gotanda Station”

(i)	Name	Tsuki Tokutei Mokuteki Kaisha (“Tsuki TMK”)
(ii)	Location	3-22-10-201, Toranomon, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Kazuhiro Matsuzawa, 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	Specified Capital: JPY100,000

This English language notice is a translation of the Japanese-language notice released on March 10, 2016 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

	(as of the date of this notice)	Preferred Capital: JPY4,433 million
(vi)	Date of establishment	November 7, 2013
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Tsuki TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the Tsuki TMK, the Tsuki 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 December 31, 2015, Calliope holds 609,942 investment units issued by INV (19.09% 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 Tsuki 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 Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	In the fiscal period ended December 31, 2015, there were no transactional relationships that should be noted between INV/CIM and the Tsuki 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 Tsuki TMK is not a related party of INV or CIM. Further, related persons and affiliates of the Tsuki TMK are not related parties of INV or CIM. Furthermore, the Tsuki TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

(Note) Not disclosed because consent has not been obtained.

"D44 Hotel Epinard Nasu"

(i)	Name	Septentrio Tokutei Mokuteki Kaisha ("Septentrio TMK") Septentrio 2 Tokutei Mokuteki Kaisha ("Septentrio 2 TMK") Septentrio 3 Tokutei Mokuteki Kaisha ("Septentrio 3 TMK")
(ii)	Location	1-2-9, Nishishinbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Masayuki Meguro, 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: Septentrio TMK JPY100,000 Septentrio 2 TMK JPY100,000 Septentrio 3 TMK JPY100,000

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(vi)	Date of establishment	Septentrio TMK December 25, 2015 Septentrio 2 TMK February 5, 2016 Septentrio 3 TMK February 5, 2016
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and these 3 TMKs, these 3 TMKs have received tokumei kumiai contributions through funds operated by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope Godo Kaisha ("Calliope"). As of December 31, 2015, Calliope holds 609,942 investment units issued by INV (19.09% 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 thse 3 TMKs, 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 Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	There are no transactional relationships that should be noted between INV/CIM and these 3 TMKs. Further there are no transactional relationships that should be noted between the related persons or affiliates of INV/CIM and these TMKs or its related persons or affiliates.
	Whether the TMK is a related party	These TMKs are not a related party of INV or CIM. Further, related persons and affiliates of these TMKs are not related parties of INV or CIM. Furthermore, these 3 TMKs are not an interested party, etc. of CIM as provided in the Investment Trust Act.

(Note) Not disclosed because consent has not been obtained.

"D45 Hotel MyStays Fukuoka Tenjin" and "D46 Hotel MyStays Hamamtsucho

(i)	Name	Navaro Tokutei Mokuteki Kaisha ("Navaro TMK")
(ii)	Location	2-10-5, Akasaka, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Akio Yamazaki, 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: JPY3,530 million
(vi)	Date of establishment	April 2, 2014
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)

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(x)	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 Navaro TMK, the Navaro 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 December 31, 2015, Calliope holds 609,942 investment units issued by INV (19.09% 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 Navaro 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 Investment Group Japan Godo Kaisha, a subsidiary of FIG.
	Transactional relationships	INV acquired "Comfort Hotel Kurosaki", "Comfort Hotel Maebashi", "Comfort Hotel Tsubamesanjo" and "Comfort Hotel Kitami" as of January 2015 from the TMK.
	Whether the TMK is a related party	The Navaro 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 Navaro TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

(Note) Not disclosed because consent has not been obtained.

"A104 Royal Parks Shinden

(i)	Name	Momo Tokutei Mokuteki Kaisha ("Momo TMK")
(ii)	Location	1-2-9, Nishishinbashi, Minato-ku, Tokyo
(iii)	Title and name of representative officer	Masayuki Meguro, 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: JPY3,740 million
(vi)	Date of establishment	March 13, 2014
(vii)	Net assets	Not disclosed (Note)
(viii)	Total assets	Not disclosed (Note)
(ix)	Investor	Not disclosed (Note)
(x)	Relationship between INV/Asset Manager and the Momo TMK	
	Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the Momo TMK, the Momo 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 December 31, 2015, Calliope holds 609,942 investment units issued by INV (19.09% stake). Further, as of the date of this notice, Calliope is the parent company of CIM, holding 100% of

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	its outstanding shares.
Personal relationships	While there are no capital relationships that should be noted between INV/CIM and the Momo 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 Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	INV acquired "Royal Parks Momozaka" as of January 2015 from the TMK.
Whether the TMK is a related party	The Momo 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 Momo TMK is not an interested party, etc. of CIM as provided in the Investment Trust Act.

(Note) Not disclosed because consent has not been obtained.

7. Transactions with Interested Persons etc.

The sellers of the Five Properties, namely Tsuki TMK, Septentrio TMK, Septentrio2 TMK, Septentrio3 TMK, Navaro TMK, Boreas TMK and Momo TMK (Navaro TMK is a seller of two properties, and each of the others is a seller of one property), are not Sponsor-related persons(Note) 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 managed by affiliates of FIG, an affiliate of Calliope, CIM's parent company, and thus a Sponsor-related person. Therefore, CIM treats the sellers as persons equivalent to sponsor-related persons.

The Five 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 March 10, 2016 and the investment committee meeting held on the same day, the board of directors of CIM approved the acquisitions at the meeting held on March 10, 2016, and the board of directors of INV approved the acquisitions at the meeting held on March 10, 2016.

In addition, MHM (including its subsidiary, Naqua), the tenant/operator of the Four Hotel Properties 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, which is an affiliate of Calliope (Calliope is CIM's parent company, and thus a Sponsor-related person). Therefore, CIM treats, MHM (including its subsidiary, Naqua) as a person equivalent to a Sponsor-related person.

In accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual of CIM and following the deliberation and resolution of the compliance committee meeting and the investment committee meeting both held on March 10, 2016, the boards of directors of CIM and INV each approved the lease agreements expected to be entered into with MHM (including its subsidiary, Naqua) at meeting both held March 10, 2016, subject to hotel operating

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capability of MHM (including its subsidiary, Naqua) being confirmed as sufficient through a third party report and other relevant information, the rent level of each of the four hotel Properties being reasonable considering the market level, and management services fee amount and structure being fair compared with similar properties.

Therefore, INV considers MHM (including its subsidiary, Naqua), as conforming to the tenant selection policy, which was stated in the "Report on Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties" submitted on March 30, 2015.

(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.

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8. 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	Before the Preceding owner/trust beneficiary
D43 Hotel MyStays Gotanda Station	1. Tsuki 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, 2013	Persons having no special conflict of interests relationship	
D44 Hotel Epinard Nasu	1. Septentrio TMK, Septentrio 2 TMK, Septentrio 3 TMK (Note 1) 2. These 3 TMKs have received tokumei kumiai contributions through funds, etc. operated by affiliates of FIG, an affiliate of Calliope. 3. Acquisition for investment purposes 4. 16,890 million 5. March, 2016	Boreas 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, 2014	Persons having no special conflict of interests relationship (Note 2)
D45 Hotel MyStays Fukuoka Tenjin	1. NavaroTMK 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, 2014	Persons having no special conflict of interests relationship	

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Property Name	Current owner/trust beneficiary	Preceding owner/trust beneficiary	Before the Preceding owner/trust beneficiary
D46 Hotel MyStays Hamamatsucho	1. Navaro 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, 2014	Persons having no special conflict of interests relationship	
A104 Royal Parks Shinden	1. Momo 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. March, 2014	Persons having no special conflict of interests relationship	

(Note 1) These 3 TMKs acquired the property along with other properties from preceding owner.

(Note 2) Naqua Hotels & Resorts Management Co.,Ltd.-

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9. Overview of Brokerage

Not applicable.

10. Schedules

Acquisition decision date:	March 10, 2016
Agreement execution date:	
Anticipated acquisition proceeds payment date	March 31, 2016
Anticipated acquisition date	

11. Future Outlook

For information on INV's forecasts for financial results and distribution for the fiscal period ending June 2016 (January 1, 2016 to June 30, 2016), and the fiscal period ending December 2016 (July 1, 2016 to December 31, 2016) in connection with the above, please refer to "Notice concerning Revision of Forecast of Financial Results and Distribution for the 26th Fiscal Period Ending June 2016 and the 27th Fiscal Period Ending December 2016" dated as of today.

12. 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 securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended June 2015 (January 1, 2015 – June 30, 2015) (available in Japanese only), filed on September 28, 2015, as well as "Section Two: Supplemental Information, 5. Investment Risks" in the securities registration statement (*yuka shoken todokedesho*) of INV filed today (available in Japanese only).

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(Reference) Portfolio List after the Acquisition

Property Number (Note 1)	Property Name	Type	Area (Note 2)	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 3)	Investment Ratio (%) (Note 4)
A26	Nisshin Palacestage Daitabashi	Residential	Greater Tokyo Area	1,251	0.5
A27	Nisshin Palacestage Higashi-Nagasaki	Residential	Greater Tokyo Area	1,229	0.5
A28	Growth Maison Gotanda	Residential	Greater Tokyo Area	888	0.4
A29	Growth Maison Kameido	Residential	Greater Tokyo Area	1,070	0.4
A30	Emerald House	Residential	Greater Tokyo Area	1,505	0.6
A31	Harmonie Ochanomizu	Residential	Greater Tokyo Area	1,428	0.6
A32	Suncrest Shakujii-Koen	Residential	Greater Tokyo Area	1,088	0.4
A33	Growth Maison Shin-Yokohama	Residential	Greater Tokyo Area	1,059	0.4
A34	Belle Face Ueno-Okachimachi	Residential	Greater Tokyo Area	1,023	0.4
A35	Grand Rire Kameido	Residential	Greater Tokyo Area	906	0.4
A36	Growth Maison Ikebukuro	Residential	Greater Tokyo Area	825	0.3
A37	Growth Maison Yoga	Residential	Greater Tokyo Area	795	0.3
A38	Route Tachikawa	Residential	Greater Tokyo Area	676	0.3
A39	Shibuya-Honmachi Mansion	Residential	Greater Tokyo Area	651	0.3
A40	City Heights Kinuta	Residential	Greater Tokyo Area	646	0.3
A41	Acseeds Tower Kawaguchi	Residential	Greater Tokyo Area	620	0.2
A42	Capital Heights Kagurazaka	Residential	Greater Tokyo Area	604	0.2
A43	College Square Machida	Residential	Greater Tokyo Area	589	0.2
A44	Belair Meguro	Residential	Greater Tokyo Area	589	0.2
A45	Wacore Tsunashima I	Residential	Greater Tokyo Area	572	0.2
A46	Foros Nakamurabashi	Residential	Greater Tokyo Area	566	0.2

Property Number (Note 1)	Property Name	Type	Area (Note 2)	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 3)	Investment Ratio (%) (Note 4)
A47	Growth Maison Kaijin	Residential	Greater Tokyo Area	557	0.2
A48	College Square Machiya	Residential	Greater Tokyo Area	510	0.2
A51	City House Tokyo Shinbashi	Residential	Greater Tokyo Area	2,520	1.0
A52	Winbell Kagurazaka	Residential	Greater Tokyo Area	3,260	1.3
A53	Nishiwaseda Cresent Mansion	Residential	Greater Tokyo Area	1,880	0.8
A54	Lexington Square Akebonobashi	Residential	Greater Tokyo Area	1,450	0.6
A56	Casa Eremitaggio	Residential	Greater Tokyo Area	1,070	0.4
A59	Towa City Coop Shinotsuka II	Residential	Greater Tokyo Area	866	0.3
A61	Bichsel Musashiseki	Residential	Greater Tokyo Area	577	0.2
A62	Lexel Mansion Ueno Matsugaya	Residential	Greater Tokyo Area	970	0.4
A63	Towa City Coop Sengencho	Residential	Greater Tokyo Area	1,110	0.4
A64	Royal Park Omachi	Residential	Other	415	0.2
A65	Lexington Square Haginomachi	Residential	Other	330	0.1
A66	Visconti Kakuozan	Residential	Other	255	0.1
A71	Lexington Square Daitabashi	Residential	Greater Tokyo Area	977	0.4
A72	Lexington Square Honjo Azumabashi	Residential	Greater Tokyo Area	511	0.2
A73	AMS TOWER Minami 6-Jo	Residential	Other	1,180	0.5
A75	Spacia Ebisu	Residential	Greater Tokyo Area	7,010	2.8
A76	Neo Prominence	Residential	Greater Tokyo Area	1,660	0.7
A77	Invoice Shin-Kobe Residence	Residential	Other	1,260	0.5
A78	Cosmo Court Motomachi	Residential	Other	973	0.4
A79	Revest Honjin	Residential	Other	674	0.3

Property Number (Note 1)	Property Name	Type	Area (Note 2)	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 3)	Investment Ratio (%) (Note 4)
A80	Revest Matsubara	Residential	Other	657	0.3
A81	Sun Terrace Minami Ikebukuro	Residential	Greater Tokyo Area	625	0.2
A82	Alba Noritake Shinmachi	Residential	Other	608	0.2
A83	Revest Meieki Minami	Residential	Other	597	0.2
A84	Revest Heian	Residential	Other	595	0.2
A85	Vendir Hamaotsu Ekimae	Residential	Other	581	0.2
A86	Salvo Sala	Residential	Other	544	0.2
A87	Excellente Kagurazaka	Residential	Greater Tokyo Area	543	0.2
A88	Luna Court Edobori	Residential	Other	525	0.2
A89	Winntage Kobe Motomachi	Residential	Other	512	0.2
A90	Queen’s Court Fukuzumi	Residential	Greater Tokyo Area	456	0.2
A91	Corp Higashinotoin	Residential	Other	446	0.2
A92	Belair Oimachi	Residential	Greater Tokyo Area	412	0.2
A93	Siete Minami-Tsukaguchi	Residential	Other	374	0.1
A94	Prime Life Sannomiya Isogami Koen	Residential	Other	373	0.1
A95	HERMITAGE NANBA WEST	Residential	Other	355	0.1
A96	Century Park Shinkawa 1-bankan	Residential	Other	335	0.1
A97	West Avenue	Residential	Greater Tokyo Area	331	0.1
A98	Little River Honmachibashi	Residential	Other	310	0.1
A99	Prime Life Mikage	Residential	Other	297	0.1
A100	City Court Kitaichijo	Residential	Other	1,782	0.7
A101	Lieto Court Mukojima	Residential	Greater Tokyo Area	1,683	0.7

Property Number (Note 1)	Property Name	Type	Area (Note 2)	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 3)	Investment Ratio (%) (Note 4)
A102	Lieto Court Nishi-Ojima	Residential	Greater Tokyo Area	1,634	0.7
A103	Royal Parks Momozaka	Residential	Other	2,910	1.2
A104	Royal Parks Shinden	Residential	Greater Tokyo Area	5,024	2.0
Subtotal of Residential Properties (68 properties)				71,116	28.4
B8	Kindai Kagakusha Building	Office	Greater Tokyo Area	1,301	0.5
B9	Shinjuku Island	Office	Greater Tokyo Area	715	0.3
B14	Lexington Plaza Nishigotanda	Office	Greater Tokyo Area	4,880	1.9
B15	Cross Square NAKANO	Office	Greater Tokyo Area	1,060	0.4
B16	Ohki Aoba Building	Office	Other	816	0.3
B17	Lexington Plaza Hachiman	Retail	Other	3,280	1.3
B18	AEON TOWN Sukagawa	Retail	Other	2,320	0.9
Subtotal of Office Buildings and Retail Properties (7 properties)				14,372	5.7
C1	Times Kanda-Sudacho 4th	Parking	Greater Tokyo Area	97	0.0
Subtotal of Parking Facility (1 property)				97	0.0
D1	Hotel MyStays Kanda	Hotel	Greater Tokyo Area	2,851	1.1
D2	Hotel MyStays Asakusa	Hotel	Greater Tokyo Area	2,584	1.0
D3	Hotel MyStays Kyoto-Shijo	Hotel	Other	6,024	2.4
D4	MyStays Shin-Urayasu Conference Center	Hotel	Greater Tokyo Area	4,930	2.0
D5	Hotel MyStays Maihama	Hotel	Greater Tokyo Area	4,870	1.9
D6	Hotel Vista Premio Dojima	Hotel	Other	3,845	1.5
D7	Hotel MyStays Nagoya-Sakae	Hotel	Other	2,958	1.2
D8	Hotel MyStays Sakaisuji-Honmachi	Hotel	Other	2,514	1.0

Property Number (Note 1)	Property Name	Type	Area (Note 2)	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 3)	Investment Ratio (%) (Note 4)
D9	Hotel MyStays Yokohama	Hotel	Greater Tokyo Area	2,119	0.8
D10	Hotel MyStays Nippori	Hotel	Greater Tokyo Area	1,898	0.8
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Hotel	Other	1,570	0.6
D12	Flexstay Inn Iidabashi	Hotel	Greater Tokyo Area	1,381	0.6
D13	Hotel MyStays Ueno Inaricho	Hotel	Greater Tokyo Area	1,331	0.5
D14	Flexstay Inn Shinagawa	Hotel	Greater Tokyo Area	1,242	0.5
D15	Flexstay Inn Tokiwadai	Hotel	Greater Tokyo Area	1,242	0.5
D16	Flexstay Inn Sugamo	Hotel	Greater Tokyo Area	1,192	0.5
D17	Hotel MyStays Otemae	Hotel	Other	1,192	0.5
D18	Flexstay Inn Kiyosumi-Shirakawa	Hotel	Greater Tokyo Area	749	0.3
D19	Flexstay Inn Nakanobu P1	Hotel	Greater Tokyo Area	589	0.2
D20	Flexstay Inn Nakanobu P2	Hotel	Greater Tokyo Area	283	0.1
D21	APA Hotel Yokohama-Kannai	Hotel	Greater Tokyo Area	8,350	3.3
D22	Hotel Nets Hakodate	Hotel	Other	2,792	1.1
D23	Flexstay Inn Shitokane	Hotel	Greater Tokyo Area	2,119	0.8
D24	Hotel MyStays Haneda	Hotel	Greater Tokyo Area	7,801	3.1
D25	Hotel MyStays Kameido P1	Hotel	Greater Tokyo Area	5,594	2.2
D26	Hotel MyStays Ueno Iriyaguchi	Hotel	Greater Tokyo Area	3,821	1.5
D27	Hotel MyStays Kameido P2	Hotel	Greater Tokyo Area	3,742	1.5
D28	Hotel Vista Shimizu	Hotel	Other	2,198	0.9
D29	Super Hotel Shinbashi/ Karasumoriguchi	Hotel	Greater Tokyo Area	1,624	0.6
D30	Flexstay Inn Higashi-Jujo	Hotel	Greater Tokyo Area	1,277	0.5

Property Number (Note 1)	Property Name	Type	Area (Note 2)	Acquisition Price or Anticipated Acquisition Price (mn JPY) (Note 3)	Investment Ratio (%) (Note 4)
D31	Hotel MyStays Utsunomiya	Hotel	Other	1,237	0.5
D32	Flexstay Inn Kawasaki-Kaizuka	Hotel	Greater Tokyo Area	980	0.4
D33	Comfort Hotel Toyama	Hotel	Other	979	0.4
D34	Flexstay Inn Kawasaki-Ogawacho	Hotel	Greater Tokyo Area	906	0.4
D35	Flexstay Inn Ekoda	Hotel	Greater Tokyo Area	5,069	2.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Hotel	Greater Tokyo Area	1,170	0.5
D37	Super Hotel JR Uenoiriyaguchi	Hotel	Greater Tokyo Area	1,130	0.5
D38	Hotel MyStays Shinsaibashi	Hotel	Other	3,160	1.3
D39	Comfort Hotel Kurosaki	Hotel	Other	1,148	0.5
D40	Comfort Hotel Maebashi	Hotel	Other	1,128	0.5
D41	Comfort Hotel Tsubamesanjo	Hotel	Other	1,010	0.4
D42	Comfort Hotel Kitami	Hotel	Other	851	0.3
D43	Hotel MyStays Gotanda Station	Hotel	Greater Tokyo Area	24,674	9.8
D44	Hotel Epinard Nasu	Hotel	Other	20,981	3.2
D45	Hotel MyStays Fukuoka Tenjin	Hotel	Other	8,059	8.4
D46	Hotel MyStays Hamamatsucho	Hotel	Greater Tokyo Area	7,959	3.2
Subtotal of Hotels (46 properties)				165,132	65.9
Total Portfolio (122 properties)				250,719	100.0

(Note 1) Properties are classified by the purpose of use; A: Residential, B: Office/Retail, C: Senior/Parking, D: Hotel. They also are arranged in chronological order and in acquisition price order when acquisition date of plural properties is same.

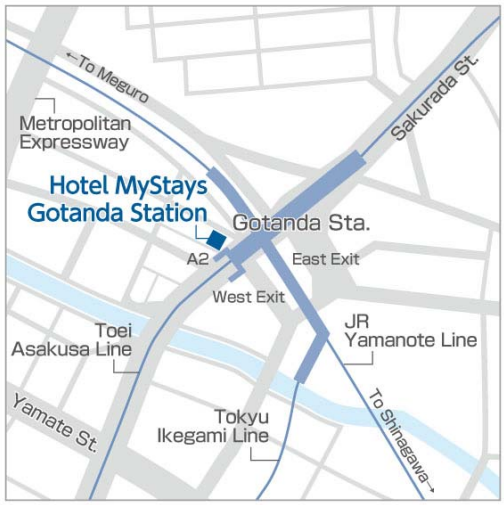
(Note 2) Greater Tokyo Area indicates Tokyo, Kanagawa, Chiba and Saitama

(Note 3) Acquisition price or Anticipated Acquisition Price is as set forth in the relevant purchase agreement or trust beneficiary transfer agreement as applicable, does not include expenses such as consumption taxes, and is rounded down to the nearest million.

(Note 4) 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.

Picture and Map of the Five Properties

D43 Hotel MyStays Gotanda Station

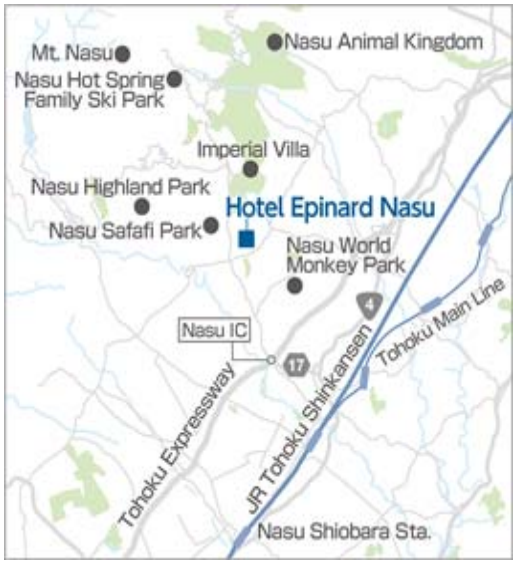








D44 Hotel Epinard Nasu









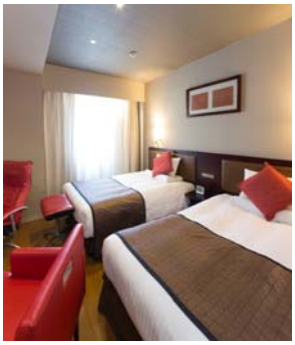


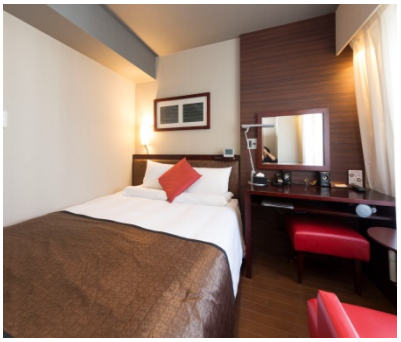
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D45 Hotel MyStays Fukuoka Tenjin



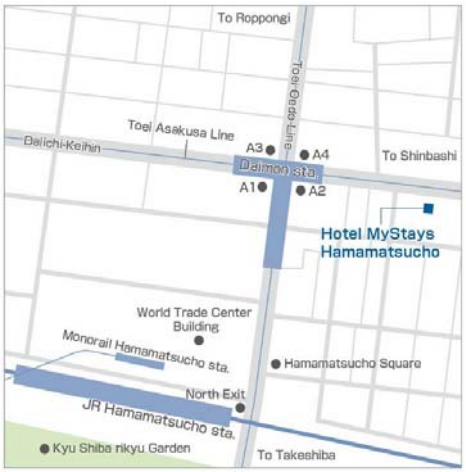








D46 Hamamatsucho





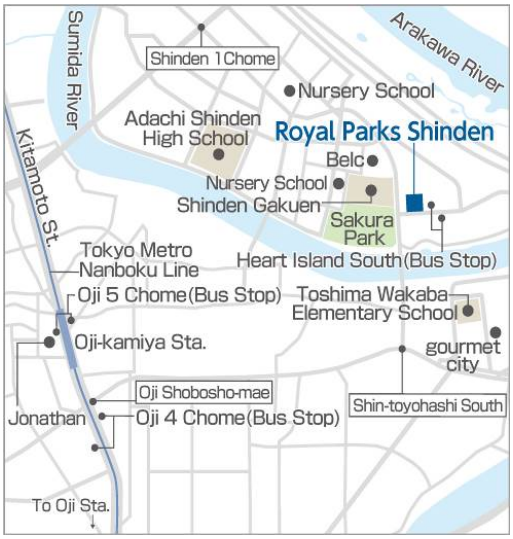






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A104 Royal Parks Shinden











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