

[For Information Purpose Only.]

March 15, 2019

To All Concerned Parties

Name of REIT Issuer:

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

Asset Manager:

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Naoki Fukuda, CEO  
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## **Notice concerning Waiver of Preferential Negotiation Right to Acquire a Property**

Invincible Investment Corporation (“INV”) made an agreement today with an affiliate of its sponsor, Fortress Investment Group LLC (“FIG”) to waive the preferential negotiation right pertaining to Hotel MyStays Shinsaibashi East (the “Property”), for which INV had been granted a preferential negotiation right based on the Memorandum of Understanding on Preferential Negotiation Rights (the “MOU”) entered into between INV and affiliates of FIG.

### 1. Reasons and background of the waiver

As announced in “Notice concerning Amendment to Memorandum of Understanding on Preferential Negotiation Rights” dated July 17, 2018, INV entered into an amended MOU with affiliates of FIG on July 17, 2018, which provides for preferential negotiation rights to acquire 19 hotel properties and nine residential properties, including the Property.

Subsequently, INV was granted an opportunity to consider the acquisition of the Property by the relevant affiliate of FIG, but INV decided to waive the preferential negotiation right to the Property as the property is located in Osaka, where INV already owns 6 hotels, and INV believes it has enough exposure.

After the waiver of the preferential negotiation right to the Property, INV still holds the preferential negotiation rights to 18 hotel properties and eight residential properties (Note) covered by the MOU. INV will pursue external growth taking advantage of this extensive sponsor pipeline.

(Note) INV waived the preferential negotiation right pertaining to Plestay Win Kinshicho on February 26, 2019. Please refer to “Notice concerning Waiver of Preferential Negotiation Right to Acquire a Property” dated February 26, 2019 for details.

Appendix – A list of properties covered by the MOU (after the waiver)

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

This English language notice is a translation of the Japanese-language notice released on March 15, 2019 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.

## Appendix – A list of properties covered by the MOU (after the waiver)

### (1) Hotel Properties

| No. | Property Name                             | Location               | Type (Note 1) | # of Rooms |
|-----|---|------------------------|---------------|------------|
| 1   | RIHGA Royal Hotel Kyoto                   | Kyoto, Kyoto           | Full          | 489        |
| 2   | Hotel MyStays Premier Narita              | Narita, Chiba          | Full          | 711        |
| 3   | Fusaki Beach Resort Hotel & Villas        | Ishigaki, Okinawa      | Resort        | 188        |
| 4   | Art Hotel Asahikawa                       | Asahikawa, Hokkaido    | Full          | 265        |
| 5   | Hotel MyStays Kanazawa Castle             | Kanazawa, Ishikawa     | Limited       | 206        |
| 6   | Hotel MyStays Matsuyama                   | Matsuyama, Ehime       | Full          | 162        |
| 7   | Hotel MyStays Sapporo Nakajima Park       | Sapporo, Hokkaido      | Limited       | 86         |
| 8   | Flexstay Inn Sakuragicho                  | Yokohama, Kanagawa     | Limited       | 70         |
| 9   | MyCUBE by MYSTAYS Asakusa Kuramae         | Taito-ku, Tokyo        | Limited       | 161        |
| 10  | Hotel MyStays Fuji Onsen Resort           | Fujiyoshida, Yamanashi | Resort        | 159        |
| 11  | Hotel Nord Otaru                          | Otaru, Hokkaido        | Limited       | 98         |
| 12  | Hotel Sonia Otaru                         | Otaru, Hokkaido        | Limited       | 149        |
| 13  | Art Hotel Niigata Station                 | Niigata, Niigata       | Full          | 304        |
| 14  | Art Hotel Ishigakijima                    | Ishigaki, Okinawa      | Resort        | 245        |
| 15  | Hotel MyStays Sapporo Aspen               | Sapporo, Hokkaido      | Limited       | 305        |
| 16  | Hotel MyStays Sapporo Nakajima Park Annex | Sapporo, Hokkaido      | Limited       | 80         |
| 17  | Hotel MyStays Sapporo Susukino            | Sapporo, Hokkaido      | Limited       | 104        |
| 18  | Hotel MyStays Nayoro                      | Nayoro, Hokkaido       | Limited       | 70         |

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## (2) Residential Properties

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

(Note 1) "Limited" refers to "Limited Service Hotel", a hotel focusing on revenues from room stay and offering limited service regarding foods and beverages, banquet, spa or gymnasium facilities.

"Full" refers to "Full Service Hotel", a hotel having sections of stay, foods and beverages, and banquet.

"Resort" refers to "Resort Hotel", a hotel located at tourist destinations or recreational lots, having sections of stay, foods and beverages, and incidental facilities.

"Small" refers to residential properties for which a majority of the leasable units have a floor area of less than 30 m<sup>2</sup>.

(Note 2) The term of validity of the MOU is from July 17, 2018, the date of amendment to the MOU, to July 16, 2019.

Regarding the 26 properties listed above, the affiliates of FIG do not intend to sell any of the properties listed above and INV does not intend to acquire any of the properties listed above as of today. There is no assurance that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties. INV does not hold preferential negotiation rights to acquire any overseas properties.