



**Financial Summary**  
**for the 18<sup>th</sup> Fiscal Period**  
**(from January 1, 2012 to June 30, 2012)**

Name	: Invincible Investment Corporation
Representative	: Naoki Shibatsuji, Executive Director
Stock Listing	: Tokyo Stock Exchange
Securities Code	: 8963
URL	: <a href="http://www.invincible-inv.co.jp/eng/">http://www.invincible-inv.co.jp/eng/</a>
Contact	: Consonant Investment Management Co., Ltd. (Asset Manager of INV) Michiko Ishibachi, Manager in charge of Investor Relations Tel. +81-3-5411-2731
Start date for dividend distribution	: September 18, 2012

## 1. Performance for the 18<sup>th</sup> Fiscal Period Ended June 30, 2012

(from January 1, 2012 to June 30, 2012)

### 1) Business Results

(Percentages in brackets represent change from previous fiscal period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	mn JPY	%	mn JPY	%	mn JPY	%	mn JPY	%
18 <sup>th</sup> Fiscal Period	2,176	(-1.2)	894	(-)	125	(-)	128	(-)
17 <sup>th</sup> Fiscal Period	2,202	(-3.3)	-409	(-)	-3,466	(-)	-2,476	(-)

	Net Income per Unit	Net Income / NAV*	Ordinary Income / Total Assets	Ordinary Income / Operating Revenues
	JPY	%	%	%
18 <sup>th</sup> Fiscal Period	95	0.4	0.2	5.8
17 <sup>th</sup> Fiscal Period	-1,997	-8.0	-4.9	-157.4

\*NAV = Total net assets

(Note) "Net Income per Unit" is rounded to nearest yen.

### 2) Cash Distributions

	Distribution per Unit (Excluding exceeding profit distribution per unit)	Distribution Amount	Exceeding Profit Distribution per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution / NAV
	JPY	mn JPY	JPY	mn JPY	%	%
18 <sup>th</sup> Fiscal Period	200	269	0	0	210.5	0.8
17 <sup>th</sup> Fiscal Period	200	269	0	0	-	0.6

(Note 1) The dividend payout ratio for the 17<sup>th</sup> fiscal period is not stated since net income per unit is negative.

(Note 2) INV reversed surplus for the distributions of the 17<sup>th</sup> fiscal period ended December 31, 2011. As for the distributions for the 18<sup>th</sup> fiscal period ended June 30, 2012, INV will reverse JPY 141 million out of surplus and will distribute JPY 200 per unit.

### 3) Financial Position

	Total Assets	NAV	NAV / Total Assets	NAV per Unit
	mn JPY	mn JPY	%	JPY
18 <sup>th</sup> Fiscal Period	67,698	32,826	48.5	24,346
17 <sup>th</sup> Fiscal Period	68,083	32,967	48.4	24,451

(Note) "Net Assets per Unit" are rounded to nearest yen.

#### 4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investment Activities	Cash Flows from Financing Activities	Closing Balance of Cash and Cash Equivalents
	mn JPY	mn JPY	mn JPY	mn JPY
18 <sup>th</sup> Fiscal Period	462	-42	-412	5,210
17 <sup>th</sup> Fiscal Period	4,880	-209	-4,149	5,203

## 2. Forecast results for the 19<sup>th</sup> Fiscal Period Ending December 31, 2012

(from July 1, 2012 to December 31, 2012)

(Percentages in brackets represent change from previous fiscal period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (Excluding exceeding profit distribution per unit)	Exceeding Profit Distribution per Unit
	mn JPY	%	mn JPY	%	mn JPY	%	mn JPY	%	JPY	JPY
19 <sup>th</sup> Fiscal Period	2,161	(-0.7)	858	(-4.0)	81	(-35.0)	81	(-36.5)	177	0

	Reversal of Surplus		Distribution Resource	
	mn JPY	%	mn JPY	%
19 <sup>th</sup> Fiscal Period	157	(11.5)	238	(-)

(Reference) Estimated net income per unit for the 19<sup>th</sup> fiscal period: JPY 60

(Note) Regarding distribution for the 19<sup>th</sup> fiscal period ending December 31, 2012, INV plans to reverse most of the surplus as the additional distribution resource.

<Pre-Conditions and Assumptions Underlying Forecasted Performance for 19th Fiscal Period  
 (from July 1, 2012 to December 31, 2012)>

Item	Assumptions										
Fiscal period	From July 1, 2012 to December 31, 2012 (184 days)										
Assets under management	INV assumes the number of properties is 54 properties, which is based on the number of properties held by INV as of today. Actual number of properties may vary due to the future acquisitions and/or disposals of existing properties, if any.										
Units outstanding	INV assumes the number of units issued and outstanding is 1,348,292 units, which is based on the number of units issued by INV as of today. Also, INV assumes there will be no additional issue of investment units thereafter through to the end of the 19 <sup>th</sup> fiscal period ending December 31, 2012.										
Interest-bearing liabilities	The repayments of JPY 131 million are scheduled to be made by two scheduled repayments during the fiscal period ending December 2012 and INV assumes there will be no new financing or no additional repayments of the existing borrowings other than the scheduled repayments.										
Operating revenues	<p>INV assumes it will incur operating revenues of JPY 2,161 million. The breakdown is as follows:</p> <table style="margin-left: 20px;"> <tr> <td>• Rental revenues</td> <td style="text-align: right;">JPY 2,161 million</td> </tr> </table> <p>Rental revenues are calculated based on historical data and taking into account tenant trends, property competitiveness, market environment and other factors. In addition, INV assumes there are no delinquencies or non-payment of rent by tenants.</p>	• Rental revenues	JPY 2,161 million								
• Rental revenues	JPY 2,161 million										
Operating expenses	<p>INV assumes it will incur property related expenses of JPY 1,049 million. The breakdown is as follows:</p> <table style="margin-left: 20px;"> <tr> <td>• Facility management fees (of which, repair costs)</td> <td style="text-align: right;">JPY 372 million (JPY 46 million)</td> </tr> <tr> <td>• Taxes and other public charges</td> <td style="text-align: right;">JPY 146 million</td> </tr> <tr> <td>• Insurance expenses</td> <td style="text-align: right;">JPY 4 million</td> </tr> <tr> <td>• Other expenses</td> <td style="text-align: right;">JPY 110 million</td> </tr> <tr> <td>• Depreciation expenses</td> <td style="text-align: right;">JPY 416 million</td> </tr> </table> <p>Other than depreciation expenses, the property related expenses are calculated based on historical data and reflect elements that may cause fluctuations. Of the assessed and decided amount of real property tax, city planning tax, depreciable property tax, etc. applicable to assets under management, INV records as expenses the tax amount that it expects to pay during the fiscal periods. Furthermore, concerning assets newly acquired during the year in which the fiscal periods falls, the tax amount is calculated on a pro-rata basis with the prior titleholder, and this adjusted amount is reimbursed at the time of acquisition. INV, however, capitalizes an amount equivalent to the adjusted amount reimbursed as part of the acquisition cost, and thus does not record the amount as expenses.</p> <p>Repair costs may vary due to the changes in the situation etc., though they are estimated based on the repair plans created by the asset manager.</p> <p>In addition, other than the property related expenses, INV assumes it will incur operating expenses of JPY 253 million.</p>	• Facility management fees (of which, repair costs)	JPY 372 million (JPY 46 million)	• Taxes and other public charges	JPY 146 million	• Insurance expenses	JPY 4 million	• Other expenses	JPY 110 million	• Depreciation expenses	JPY 416 million
• Facility management fees (of which, repair costs)	JPY 372 million (JPY 46 million)										
• Taxes and other public charges	JPY 146 million										
• Insurance expenses	JPY 4 million										
• Other expenses	JPY 110 million										
• Depreciation expenses	JPY 416 million										
Non-operating expenses	<p>INV assumes it will incur non-operating expenses of JPY 776 million. The breakdown is as follows:</p> <table style="margin-left: 20px;"> <tr> <td>• Interest expenses</td> <td style="text-align: right;">JPY 699 million</td> </tr> <tr> <td>• Finance related costs</td> <td style="text-align: right;">JPY 75 million</td> </tr> <tr> <td>• Other non-operating expenses</td> <td style="text-align: right;">JPY 1 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">JPY 776 million</td> </tr> </table>	• Interest expenses	JPY 699 million	• Finance related costs	JPY 75 million	• Other non-operating expenses	JPY 1 million	Total	JPY 776 million		
• Interest expenses	JPY 699 million										
• Finance related costs	JPY 75 million										
• Other non-operating expenses	JPY 1 million										
Total	JPY 776 million										

Item	Assumptions
Distribution per unit	<p>The distribution per unit is calculated in accordance with the cash distribution policy set forth in INV's Articles of Incorporation.</p> <p>INV assumes that, by utilizing most of JPY 157 million of the remaining surplus after the distribution of the 18th fiscal period ended June 2012, JPY 238 million (the distribution per unit : JPY 177) will be distributed for the 19th fiscal period. [As a result, the balance of the surplus is expected to be JPY 370 thousand.]</p> <p>The distribution per unit may vary due to various factors, such as fluctuations in rental revenues resulting from changes in the assets under management, changes in the tenants, etc. and incurrence of unexpected repairs.</p>
Exceeding profit distribution per unit	<p>INV currently does not expect to make distributions exceeding profits (exceeding profit distribution per unit).</p>
Other	<p>INV assumes there will be no amendments to laws and ordinances, the taxation system, accounting standards and other regulations that will affect the foregoing forecasts.</p> <p>In addition, INV assumes there will be no unforeseen material changes in the environment, including general economic trends and real estate market conditions.</p>

### 3. Financial Statements

1) Balance Sheet of INV as of June 30, 2012  
(Consistent with Japanese GAAP)

Items	17th Fiscal Period		18th Fiscal Period		Changes	
	(As of Dec. 31, 2011)		(As of Jun. 30, 2012)			
	Ths JPY	%	Ths JPY	%	Ths JPY	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and deposits	3,147,282		3,080,041		-67,241	
Cash and deposits in trust	2,056,083		2,130,105		74,021	
Accounts receivables	15,380		19,103		3,723	
Advances paid	422		208		-213	
Deposits paid	647,357		696,804		49,446	
Prepaid expenses	181,805		164,645		-17,159	
Consumption tax receivable	-		23,311		23,311	
Allowance for doubtful accounts	-311		-831		-519	
<b>Total current assets</b>	<b>6,048,020</b>	<b>8.9</b>	<b>6,113,388</b>	<b>9.0</b>	<b>65,368</b>	<b>1.1</b>
<b>Non-current assets</b>						
Property, plant and equipment, at cost						
Buildings	2,572,218		2,544,613		-27,605	
Equipment	32,513		29,539		-2,973	
Building improvements	2,866		2,726		-139	
Land	2,713,620		2,713,620		-	
Buildings in trust	21,690,590		21,488,840		-201,750	
Equipment in trust	3,349,929		3,209,656		-140,273	
Building improvements in trust	185,142		175,265		-9,877	
Tools, furniture and fixtures in trust	56,443		61,305		4,862	
Land in trust	31,056,639		31,056,639		-	
<b>Total property, plant and equipment, at cost</b>	<b>61,659,964</b>	<b>90.6</b>	<b>61,282,207</b>	<b>90.5</b>	<b>-377,757</b>	<b>-0.6</b>
Intangible assets						
Others	1,046		621		-424	
<b>Total intangible assets</b>	<b>1,046</b>	<b>0.0</b>	<b>621</b>	<b>0.0</b>	<b>-424</b>	<b>-40.6</b>
Investment and other assets						
Guarantee deposits	10,000		10,000		-	
Long-term prepaid expenses	336,563		263,982		-72,581	
Others	27,991		28,686		694	
<b>Total investment and other assets</b>	<b>374,555</b>	<b>0.6</b>	<b>302,669</b>	<b>0.4</b>	<b>-71,886</b>	<b>-19.2</b>
<b>Total non-current assets</b>	<b>62,035,566</b>	<b>91.1</b>	<b>61,585,498</b>	<b>91.0</b>	<b>-450,067</b>	<b>-0.7</b>
<b>Total assets</b>	<b>68,083,586</b>	<b>100.0</b>	<b>67,698,887</b>	<b>100.0</b>	<b>-384,699</b>	<b>-0.6</b>

Items	17th Fiscal Period		18th Fiscal Period		Changes	
	(As of Dec. 31, 2011)		(As of Jun. 30, 2012)			
	Ths JPY	%	Ths JPY	%	Ths JPY	%
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	123,229		76,887		-46,341	
Current portion of long-term debts	262,000		262,000		-	
Accrued liabilities	8,791		6,062		-2,728	
Accrued expenses	365,166		371,854		6,687	
Accrued income taxes	497		506		9	
Accrued consumption taxes	59,401		-		-59,401	
Advances received	281,564		288,162		6,598	
Deposits received	5,623		3,307		-2,315	
<b>Total current liabilities</b>	<b>1,106,273</b>	<b>1.6</b>	<b>1,008,782</b>	<b>1.5</b>	<b>-97,491</b>	<b>-8.8</b>
<b>Non-current liabilities</b>						
Long-term debts	20,472,500		20,341,500		-131,000	
Long-term debts in trust	11,000,000		11,000,000		-	
Tenant leasehold and security deposits in trust	930,462		925,696		-4,766	
Tenant leasehold and security deposits	183,579		183,579		-	
Long-term accrued expenses	1,423,111		1,413,153		-9,958	
<b>Total non-current liabilities</b>	<b>34,009,654</b>	<b>50.0</b>	<b>33,863,929</b>	<b>50.0</b>	<b>-145,724</b>	<b>-0.4</b>
<b>Total liabilities</b>	<b>35,115,928</b>	<b>51.6</b>	<b>34,872,711</b>	<b>51.5</b>	<b>-243,216</b>	<b>-0.7</b>
<b>Net assets</b>						
Unitholders' equity						
Unitholders' capital	26,134,396		26,134,396		-	
Surplus						
Capital surplus	6,264,432		6,264,432		-	
Unappropriated retained earnings / loss	568,830		427,346		-141,483	
<b>Total surplus</b>	<b>6,833,262</b>	<b>10.0</b>	<b>6,691,778</b>	<b>9.9</b>	<b>-141,483</b>	<b>-2.1</b>
<b>Total unitholders' equity</b>	<b>32,967,658</b>	<b>48.4</b>	<b>32,826,175</b>	<b>48.5</b>	<b>-141,483</b>	<b>-0.4</b>
<b>Total net assets</b>	<b>32,967,658</b>	<b>48.4</b>	<b>32,826,175</b>	<b>48.5</b>	<b>-141,483</b>	<b>-0.4</b>
<b>Total liabilities and net assets</b>	<b>68,083,586</b>	<b>100.0</b>	<b>67,698,887</b>	<b>100.0</b>	<b>-384,699</b>	<b>-0.6</b>

2) Statement of Income for the 6 months Ended June 30, 2012  
(Consistent with Japanese GAAP)

Items	17th Fiscal Period ( 6 months Ended Dec. 31, 2011)		18th Fiscal Period ( 6 months Ended Jun. 30, 2012)		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
Operating revenues	2,202,448	100.0	2,176,839	100.0	-25,609	-1.2
Rental revenues (1)	2,202,448		2,176,839		-25,609	
Operating expenses	2,612,417	118.6	1,282,766	58.9	-1,329,650	-50.9
Property related expenses (2)	1,137,994		1,024,277		-113,717	
Depreciation expenses (3)	422,084		411,685		-10,398	
NOI(1)-(2)+(3)	1,486,538		1,564,247		77,708	
Loss from sales of properties	1,012,716		-		-1,012,716	
Directors' remuneration	4,200		4,800		600	
Asset management fees	150,055		150,000		-55	
Asset custodian fees	3,541		3,328		-212	
Administrative service fees	35,379		25,273		-10,106	
Provision of allowance for doubtful accounts	311		646		335	
Bad debt expenses	220		1,137		917	
Other operating expenses	267,998		73,303		-194,695	
Operating income / loss	-409,968	-18.6	894,072	41.1	1,304,041	-
Non-operating revenues	4,523	0.2	2,390	0.1	-2,133	-47.2
Interest revenues	540		515		-25	
Miscellaneous income	3,983		1,875		-2,108	
Non-operating expenses	3,060,972	139.0	770,482	35.4	-2,290,490	-74.8
Interest expenses	766,171		695,689		-70,482	
Finance related costs	2,155,844		73,562		-2,082,281	
New investment unit issue costs	137,569		-		-137,569	
Public listing related costs	1,265		1,230		-35	
Miscellaneous losses	122		-		-122	
Ordinary income / loss	-3,466,417	-157.4	125,981	5.8	3,592,398	-
Extraordinary income	1,000,197	45.4	-	-	-1,000,197	-100.0
Gain on forgiveness of debts	1,000,197		-		-1,000,197	
Extraordinary loss	9,330	0.4	-	-	-9,330	-100.0
Loss on disaster	9,330		-		-9,330	
Income / loss before income taxes	-2,475,550	-112.4	125,981	5.8	2,601,531	-
Corporate tax, etc.	605		-2,194		-2,799	-
Net income / loss	-2,476,155	-112.4	128,175	5.9	2,604,330	-
Retained earnings at the beginning of the period	3,044,985		299,171		-2,745,814	
Unappropriated retained earnings / loss at the end of the period	568,830		427,346		-141,483	

3) Statement of Cash Flows for the 6 months Ended June 30, 2012  
(Consistent with Japanese GAAP)

Items	17th Fiscal Period	18th Fiscal Period
	( 6 months Ended Dec. 31, 2011)	( 6 months Ended Jun. 30, 2012)
	Ths JPY	Ths JPY
<i>Cash flows from operating activities</i>		
Net income (loss) before taxes	(2,475,550)	125,981
Depreciation expenses	422,744	412,110
Gain on forgiveness of debts	(1,000,197)	-
Loss due to disaster	9,330	-
Public listing related costs	1,265	1,230
Finance related costs	2,155,844	73,562
Amortization of tenant leasehold and security deposits in trust	(1,279)	(927)
Interest received	(540)	(515)
Interest paid	766,171	695,689
Increase (decrease) in allowance for doubtful accounts	311	519
Decrease (increase) in accounts receivable	8,512	(902)
Decrease (increase) in deposit payments	(647,357)	(49,446)
Decrease (increase) in consumption tax receivable	204,972	(23,311)
Increase (decrease) in accrued consumption taxes	59,401	(59,401)
Increase (decrease) in accounts payable	10,387	(38,383)
Increase (decrease) in accrued liabilities	1,600	(344)
Increase (decrease) in accrued expenses	(176,415)	(570)
Increase (decrease) in advances received	(34,165)	6,598
Increase (decrease) in deposits received	1,156	(2,315)
Decrease due to sale of tangible assets in trust	6,128,165	-
Others	(17,968)	15,097
Subtotal	5,416,389	1,154,670
Proceeds of interest	540	493
Payment of interest	(527,019)	(688,459)
Payment of loss due to disaster	(8,706)	(3,667)
Payment of corporate taxes, etc.	(573)	(595)
<i>Cash flows from operating activities</i>	4,880,630	462,441
<i>Cash flows from investment activities</i>		
Payment for acquisition of tangible assets in trust	(50,925)	(38,277)
Payment of tenant leasehold and security deposits in trust	(213,763)	(49,274)
Proceeds of tenant leasehold and security deposits in trust	55,012	45,436
Others	-	(694)
<i>Cash flows from investment activities</i>	(209,676)	(42,810)
<i>Cash flows from financing activities</i>		
Repayment of short-term debt	(25,796,425)	-
Proceeds from long-term debt	21,200,000	-
Repayment of long-term debt	(16,265,302)	(131,000)
Proceeds from long-term debt in trust	11,000,000	-
Public listing related costs	(1,265)	(1,230)
Finance related costs	(1,159,018)	(10,452)
Payment of distributions	(127,599)	(270,167)
Proceeds of new investment unit issue	6,999,979	-
<i>Cash flows from financing activities</i>	(4,149,631)	(412,849)
<i>Increase (decrease) in cash and cash equivalents</i>	521,323	6,780
<i>Beginning balance of cash and cash equivalents</i>	4,682,043	5,203,366
<i>Closing balance of cash and cash equivalents</i>	5,203,366	5,210,146



## For further information:

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## Disclaimer

This document contains translations of selected information provided in the Japanese language Summary Financial Report (*Kessan-Tanshin*) for the 18<sup>th</sup> Fiscal Period Ended June 30, 2012 (from January 1, 2012 to June 30, 2012) of Invincible Investment Corporation (hereinafter, "INV") dated August 27, 2012 and prepared under the timely disclosure requirements of the Tokyo Stock Exchange.

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