

May 18, 2018

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation
Naoki Fukuda, Executive Director
Roppongi Hills Mori Tower, 6-10-1 Roppongi,
Minato-ku, Tokyo, Japan
(Securities code: 8963)
URL: <http://www.invincible-inv.co.jp/eng/>

Asset manager:

Consonant Investment Management Co., Ltd.
Naoki Fukuda, CEO
Contact: Jun Komo
General Manager of Planning Department
(Tel. +81-3-5411-2731)

Notice concerning Issuance of Investment Corporation Bonds

Invincible Investment Corporation (“INV”) hereby announces its decision to issue its investment corporation bonds (the “Issuance”) today as follows.

1. Summary of the investment corporation bonds

- (1) Name : Invincible Investment Corporation 1st series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (“the 1st Series Investment Corporation Bonds”)
Invincible Investment Corporation 2nd series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (“the 2nd Series Investment Corporation Bonds”).
The 1st Series Investment Corporation Bonds and the 2nd Series Investment Corporation Bonds shall be hereinafter collectively referred to as the “Investment Corporation Bonds.” In the following items, matters common to each series of investment corporation bonds are not described separately.
- (2) Total issue amount : 2 billion yen
The breakdown is as follows:
The 1st Series Investment Corporation Bonds: 1 billion yen
The 2nd Series Investment Corporation Bonds: 1 billion yen
- (3) Form of bond certificate : The Act concerning Book-Entry Transfer of Corporate Bonds, Stocks etc. is applicable to the Investment Corporation Bonds, thus investment corporation bond certificates will not be issued.
- (4) Issue price : ¥100 per ¥100 of each bond
- (5) Redemption price : ¥100 per ¥100 of each bond

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Invincible Investment Corporation

(6) Interest rate	The 1st Series Investment Corporation Bonds: 0.400% per annum The 2nd Series Investment Corporation Bonds: 0.800% per annum
(7) Denomination price	100 million yen
(8) Offering method	Public offering
(9) Offering period	May 18, 2018
(10) Payment date	May 25, 2018
(11) Collateral/Guarantee	Neither collateral nor guarantee is applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.
(12) Redemption method and date	The 1st Series Investment Corporation Bonds: May 25, 2023 (5 years) The 2nd Series Investment Corporation Bonds: May 25, 2028 (10 years) The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case where the laws and regulations or the Depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on the bank holiday, the payment will be moved forward to the previous bank business day.
(13) Interest payment dates	May 25 and November 25 every year (the first interest payment date is to be November 25, 2018)
(14) Rating	A (Japan Credit Rating Agency, Ltd.)
(15) Financial covenants	Negative pledge among unsecured bonds
(16) Depository	Japan Securities Depository Center, Inc.
(17) Fiscal agent, issuing agent, and paying agent	Sumitomo Mitsui Banking Corporation (The 1st Series Investment Corporation Bonds) Mizuho Bank, Ltd. (The 2nd Series Investment Corporation Bonds)
(18) Underwriting securities companies	Mizuho Securities Co., Ltd. SMBC Nikko Securities Inc. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for bonds issuance

INV is pleased to announce its first corporate bond issuance for the purpose of raising funds for property acquisition, as these bonds diversify the financing sources for INV, while at the same time lowering its financing costs, lengthening the average maturity period of its debt and diversifying the maturity date of its debt.

3. Total amount to be raised, use of funds and scheduled timing of disbursement

- (1) Total amount to be raised (approximate net proceeds)
1,975 million yen in total

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(2) Use of funds and scheduled timing of disbursement

The proceeds will be used to fund property acquisitions in the near future.

4. Future outlook

The impact of the Issuance to financial results is minimal and therefore no changes are required for the forecasts of the financial results for the fiscal periods ending June 2018 and December 2018 (from January 1, 2018 to June 30, 2018 and from July 1, 2018 to December 31, 2018) as announced in the “Summary of Financial Results for the Fiscal Period Ended December 31, 2017” dated February 20, 2018.

5. Other matters necessary for investors’ appropriate understanding/judgment of the concerned Information

With respect to the risks associated with the Issuance, there will be no change that substantially affects the matters stated in “Investment Risks” (*toshi risuku*) stated in the securities report (*yuka shoken hokokusho*) for the fiscal period ended December 2017 (from July 1, 2017 to December 31, 2017) filed on March 26, 2018.

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

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[For reference only]

Balance of interest-bearing liabilities (anticipated)

(Unit : million yen)

	Before Issuance (As of May 18, 2018)	After Issuance (As of May 25, 2018)	Increase (Decrease)
Total loans	186,983	186,983	—
Total Investment corporation bonds	—	2,000	+2,000
Total interest-bearing liabilities	186,983	188,983	+2,000
Total Appraisal Value of Assets Owned by INV ¹	421,350	421,350	—
LTV (Based on Appraisal Value) ² (%)	44.1	44.6	+0.5pt

(Note 1) For the 124 properties owned as of today, the 120 properties held as of December 31, 2017 is based on appraisal value stated in the appraisal reports on the valuation date of December 31, 2017 and the four properties acquired on February 7, 2018 is based on appraisal value stated in the appraisal reports on the valuation date of January 1, 2018 respectively. Preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset is counted as one property and the acquisition price of such preferred equity interest, JPY 17,845 million, is deemed as the appraisal value and included.

(Note 2) "LTV (Based on Appraisal Value)" in the above table is calculated according to the following formula:

$$\text{LTV (Based on Appraisal Value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan of JPY 1,068 million)}}{\text{Total Appraisal Value of Assets Owned by INV}} \times 100$$

"Total interest-bearing liabilities" does not include the interest-bearing liabilities of the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset.

(Note 3) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

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