



Invincible Investment
Corporation

TSE Code: 8963



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Executive Summary

Repositioning and Refinancing Measures Announced on May 21, 2014

Repositioning of Portfolio

Sale of 7 Senior Housing Properties

# of properties	7
Aggregate sales price	JPY 5,400 mn
Profit on sale ⁽¹⁾	JPY 984 mn
Sales NOI cap rate ⁽²⁾	5.74%

- Senior housing has relatively limited upside due to long term and fixed rent lease contracts
- Taking advantage of the increase in investment activity in the senior housing market, Invincible sold each property at an attractive cap rate, thus generating a profit

Acquisition of 2 Limited Service/Extended Stay Hotels Located in Tokyo

# of properties	2
Aggregate acquisition price	JPY 5,435 mn
Aggregate appraisal value	JPY 5,490 mn
Acquisition normalized NOI cap rate ⁽³⁾	6.01%



Hotel MyStays
Kanda, Tokyo



Hotel MyStays
Asakusa, Tokyo

- Focus on asset class with expanding market share in the hospitality market
- Increased demand from foreign and domestic tourists, as well as steady demand from business customers

Quality assets with stable income and rent upside to promote internal revenue growth

Opportunity to Increase Assets

- Memorandum of Understanding (“MOU”) with Fortress entities regarding the potential purchase of 26 additional limited service/extended stay hotels (“Portfolio”), most of which are operated by Flexstay Hotel Management Co., Ltd. (“FHM”)
- MOU provides Invincible Investment Corporation (“Invincible”) with a right of first look for a 1 year period with respect to the acquisition of the Portfolio
- Invincible intends to proactively seek to close the acquisition of all or part of the 26 properties covered by the MOU

Potential pipeline for further external growth through property acquisitions

Debt Refinancing

- New Syndicate Loan (B) at 1 month TIBOR + 0.80% sets a new benchmark for Invincible’s borrowing costs
- Expanded bank group now includes Mizuho Bank and Sumitomo Mitsui Trust Bank

Interest-Bearing Debt Profile Before Refinancing

Loans	Balance (JPY mn)	Interest Rate
New Syndicate Loan (A)	20,350	1.65% ⁽⁴⁾
Prudential LPS Loan	11,000	2.50%
Prudential LPS Loan B	9,960	1.90%
Total	41,310	1.94%⁽⁵⁾

(as of December 31, 2013)

Refinancing of Prudential LPS Loan and Partial Paydown of Syndicate Loan (A) with New Syndicate Loan

Interest-Bearing Debt Profile After Refinancing

Loans	Balance (JPY mn)	Interest Rate
New Syndicate Loan (B)	13,500	0.95% ⁽⁶⁾
New Syndicate Loan (A)	17,586	1.65% ⁽⁴⁾
Prudential LPS Loan B	9,960	1.90%
Total	41,046	1.48%⁽⁵⁾

(Anticipated refinancing date, effective May 23, 2014)

Expected to significantly lower weighted average interest rates

(Note 1) Profit on sale was calculated using the book values as of December 31, 2013; this number will differ based on book value at the time of sale.

(Note 2) The sales NOI cap rate was calculated based on 2013 NOI, sum of the 20th and 21st period NOI attributed to 7 senior housing properties of JPY 309.8 mn divided by the aggregate sales price.

(Note 3) The acquisition normalized NOI cap rate has been calculated based on the aggregate 2014 normalized NOI forecast for the two hotels divided by the aggregate acquisition price. The aggregate 2014 normalized NOI forecast assumes a hypothetical acquisition of the two hotels by Invincible immediately prior to the beginning of 1H/2014, and is based on (i) historical figures provided by FHM for the two properties from January through March 2014 (as adjusted to reflect an expected change in trust fees, management fees and insurance expenses upon the acquisition by Invincible), (ii) Invincible’s forecasted figures for the remaining period (including, in the case of the period from the date of acquisition to June 30, 2014, figures that are consistent with the assumptions used to calculate the 1H/2014 forecast) and (iii) treating initial property-related taxes for the two hotels as if they were expensed and not capitalized.

(Note 4) 1 month TIBOR + 1.50%. As for the first interest calculation period, two-month TIBOR + 1.50%.

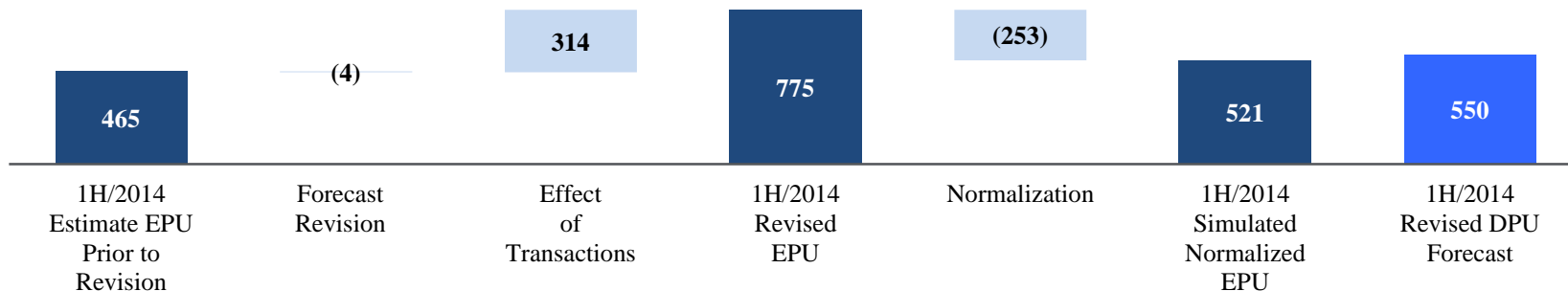
(Note 5) Weighted average assuming the applicable interest rate for New Syndicate Loan (A) and New Syndicate Loan (B) are as of May 21, 2014.

(Note 6) 1 month TIBOR + 0.80%. As for the first interest calculation period, two-month JPY TIBOR + 0.80%.

Impact on Earnings per Unit (EPU) and Distribution per Unit (DPU)

- EPU for 1H/2014 originally projected to be JPY 465
- Forecast EPU for 1H/2014 is expected to increase from JPY 465 to JPY 775 primarily due to one-time gains from sale of the Bon Sejour properties
- Normalized EPU, eliminating the impact of the one time gains from the Bon Sejour sale and assuming the portfolio shift and refinancing occurred immediately prior to the start of 1H/2014, is expected to be JPY 521
- Invincible currently expects to set DPU for 1H/2014 at JPY 550, which Invincible believes represents a more appropriate approximation of the targeted DPU based upon review of future prospects including ongoing income improvement efforts, continued efforts to lower borrowing costs and progress on its strategic plan

1H/2014 EPU and Simulated Normalized EPU/DPU



(Note 1) "Forecast Revision" reflects the updated actual operating income from the portfolio in 2014 to date, and the revised expectations for the remaining period for the first half of 2014 compared to the initial forecast.

(Note 2) "Effect of Transactions" is the sum of the following adjustments:

(i) One-time gains relating to the sale of the seven senior housing properties.

(ii) Forecasted operating income after May 23, 2014 includes forecast operating income through June 30, 2013 for two acquired hotels. Operating income from the seven senior housing properties which have been sold is not included in forecasted operating income following May 23, 2014.

(iii) One-time costs related to the refinancing (repayment premiums, professional expenses and other).

(iv) Interest expense to be incurred from May 23, 2014 under new loans less interest expense that would have been incurred on and after May 23, 2014 under portion of existing loans that are to be refinanced on such date.

(v) Other operating expenses.

(Note 3) "Normalization" is the sum of the following adjustments:

(i) Excluding one-time gains of the sale of Bon Sejour properties

(ii) Effects assuming that the change of portfolio and refinancing occurred prior to the beginning of 1H/2014.

(iii) Effects assuming initial property-related taxes for the two hotels as if they were expensed and not capitalized.

Summary Financials Actual, Forecast and Simulated Normalized Adjusted Forecast

(JPY mn)	Actual		Original Forecast	Revised Forecast ⁽³⁾	Adjustments	Simulated Normalized Adjusted Forecast ⁽⁶⁾
	20th period 1H 2013	21st period 2H 2013	22nd period 1H 2014	22nd period 1H 2014		
NOI	2,008	2,006	1,969	1,966	4	1,970
Gain on sale of properties (net)	-	-	-	984	(984)	-
Depreciation expenses	(543)	(527)	(538)	(539)	(7)	(546)
Asset management fees	(125)	(125)	(125)	(125)	-	(125)
Other operating expenses	(108)	(88)	(114)	(113)	-	(113)
Operating income	1,231	1,265	1,192	2,172	(987)	1,185
Non-operating revenues	3	355	-	-	-	-
Finance related costs	(96)	(579)	(62)	(578)	516	(62)
Interest expenses	(800)	(672)	(396)	(375)	74	(301)
Other non-operating expenses	(1)	(16)	(1)	-	-	-
Ordinary income	335	353	732	1,219	(399)	820
Extraordinary income / loss	-	-	-	-	-	-
Net income	335	352	731	1,218	(398)	820
Investment units outstanding	1,348,292	1,573,179	1,573,179	1,573,179		1,573,179
Earnings per unit (JPY)	249	259⁽⁴⁾	465	775	(253)	521
DPU⁽²⁾ (JPY)	264	237	464			550
Total debt outstanding as of fiscal period end	43,851	41,310	41,208	41,000		40,944
Appraisal values of properties	74,347	75,430	75,430	76,099		76,099
LTV (%) appraisal value basis⁽⁴⁾	59.0	54.8	54.6	53.9		53.8
DSCR⁽⁵⁾	1.9	2.2	3.5	3.5		3.6
Weighted average interest rate(%)	3.67	3.23	1.94	1.84		1.48
NOI yield based on acquisition price(%)	5.3	5.2	5.2	4.8		4.8

(Note 1) The earnings per unit for the 21st Period is calculated using the weighted average number of investment units for the 21st Period (1,362,959)

(Note 2) DPU for the 20th Period is based on 1,348,292 investment units; 21st period and 22nd period are based on 1,573,179 investment units

(Note 3) Revised forecast data assumes refinancing takes place on May 23, 2014

(Note 4) LTV calculation: total outstanding interest bearing debt ÷ Portfolio appraisal value (existing Portfolio uses December 2013 appraisal values, new acquisitions use March 2014 appraisal values)

(Note 5) DSCR calculation: (Operating Profits + Depreciation) ÷ (Scheduled Amortization + Interest Expense)

(Note 6) "Normalization" is the sum of the following adjustments:

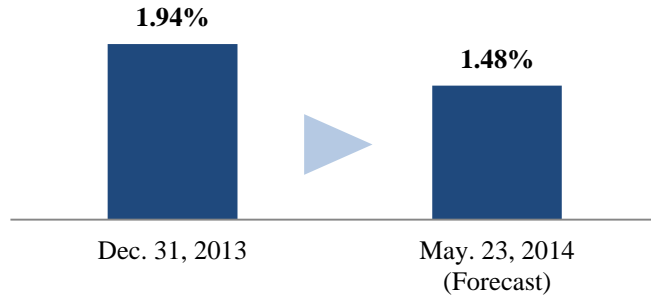
(i) Excluding one-time gains of the sale of Bon Sejour properties
(ii) Effects assuming that the change of portfolio and refinancing occurred prior to the beginning of the 22nd period.

(iii) Effects assuming initial property-related taxes for the two hotels as if they were expensed and not capitalized.

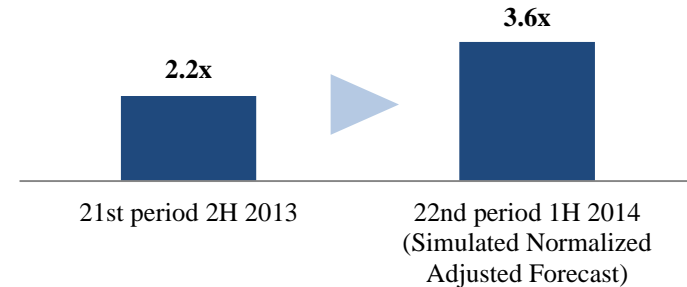
Financing Cost Reduction While Further Enhancing Solid Bank Formation

- Continued efforts to reduce financing costs with support from leading Japanese and global banks
- 1 month TIBOR + 0.80% sets new benchmark for Invincible's borrowing costs
- Expanded bank group provides greater financing availability and flexibility

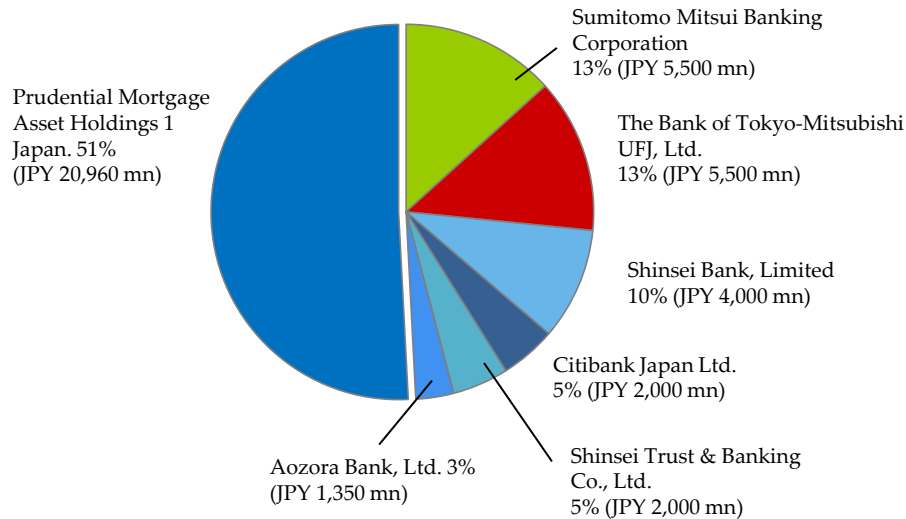
Weighted Average Interest Rate⁽¹⁾



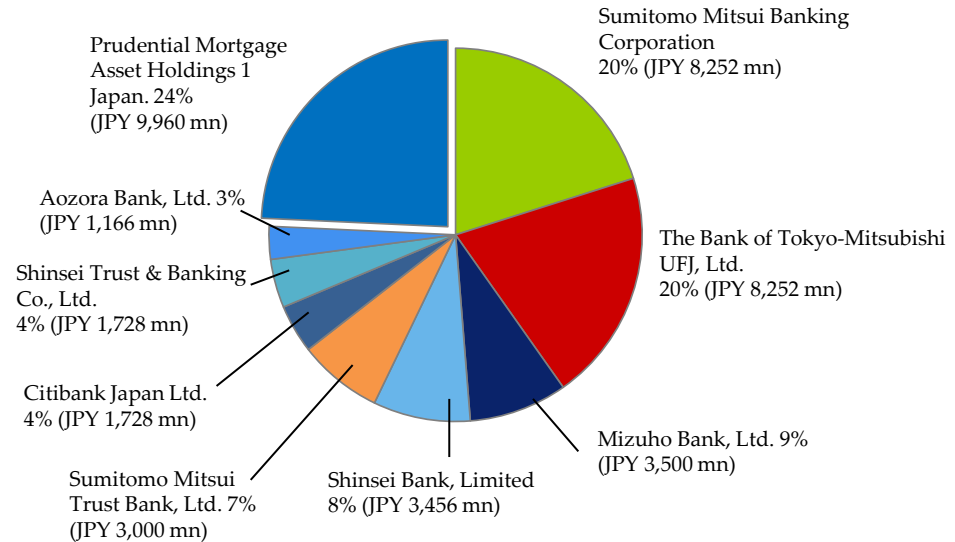
DSCR⁽²⁾



Before (7 Institutions) (as of December 31, 2013)



After (9 Institutions) (as of anticipated refinancing date, effective May 23, 2014)



(Note 1) Based on the applicable rate as of May 21, 2014

(Note 2) DSCR calculation: (Operating Profits + Depreciation) ÷ (Scheduled Amortization + Interest Expense)

Acquisition of Two Limited Service/Extended Stay Hotels Expected to Promote Stability and Upside Potential

The two acquired hotels have demonstrated strong occupancy, cash flow and GOP margins⁽¹⁾⁽⁵⁾

	Area	Number of Guest Rooms	Total Floor Area (sqm)	Normalized NOI (JPY mn) (2014E)	Acquisition Price (JPY mn)	Acquisition Normalized NOI Cap Rate ⁽²⁾
Hotel Mystays Kanda	Tokyo	126	2,585.72	164	2,851	5.76%
Hotel Mystays Asakusa	Tokyo	160	3,327.38	162	2,584	6.28%
Total		286	5,913.10	326	5,435	6.01%

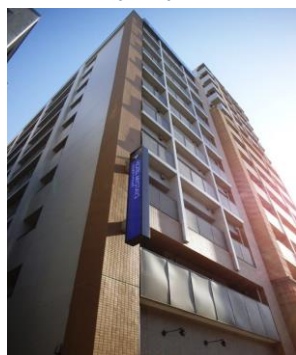
Stability

- Hotels are located near major business and tourism centers and are within walking distance to major subway/train stations
- High GOP margin of 56.3%⁽³⁾ in 2013 as a result of low cost business model unlike full-service hotels with high cost business models
- Strong mix of weekly/monthly stays (36.4%) (2013)
- Corporate contracts represent greater than 25% of the revenue base

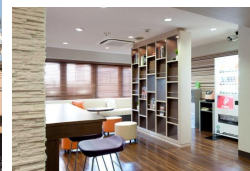
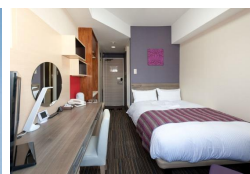
Growth

- Portfolio occupancy for the two hotels has increased to 91.3%⁽³⁾ YTD (as of March 2014) from 86.3% compared to the same period in 2013
- Revenue is up 17.2%⁽³⁾ in 2013 compared to 2012 and 16.1%⁽³⁾ YTD (as of March 2014) compared to the same period in 2013
- RevPAR⁽⁴⁾ is up 8.3%⁽³⁾ in 2013 compared to 2012 and 16.8%⁽³⁾ YTD (as of March 2014) compared to the same period in 2013
- Affordable but increasing ADR of ¥5,638 as of 2013

Hotel MyStays Kanda



Hotel MyStays Asakusa



Locations of the 2 Hotels and Landmarks Nearby



(Note 1) See Appendix for further detail regarding each property's financial and operating performance.

(Note 2) Cap rate is calculated as 2014E NOI divided by acquisition price.

(Note 3) Calculated based on the sum of the figures of the two hotels. See appendix for further detail regarding each property's financial and operating performance.

(Note 4) Excluding the period in which Hotel MyStays Asakusa was undergoing a 2-month renovation completed in January 2013

(Note 5) "GOP", Gross Operating Profit is the amount equivalent to gross revenue of hotel minus staff cost, cost of materials and utilities, advertisement cost and other expenses. "GOP margins" is calculated in accordance with the following formula: $GOP \text{ margins} = GOP / \text{Total Operating Revenues}$

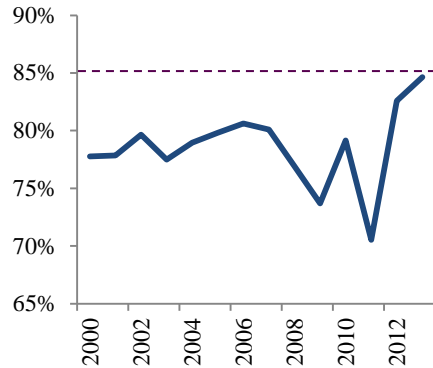
Favorable Environment for Limited Service/Extended Stay Hotels

Hospitality Sector: Improving Fundamentals

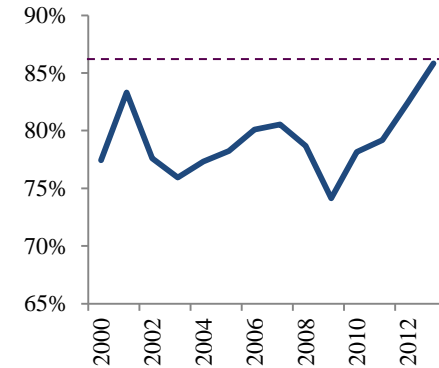
- Occupancy rates in Tokyo and Osaka areas are at 10-year highs
- Economic growth in Asia coupled with an emerging middle class are key catalysts for the increase in foreign guests
- Weaker yen and senior population trigger growing domestic tourism
- Rate of increase of new hotel supply has been low in recent years, helping to maintain strong occupancy

Hotel Occupancy Rate by Location

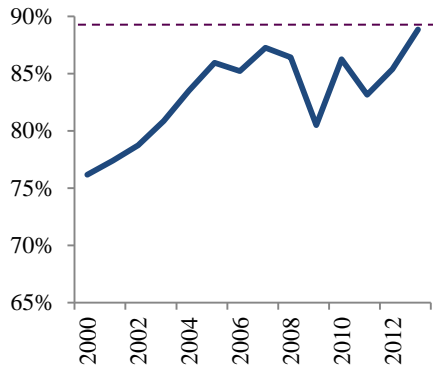
Tokyo



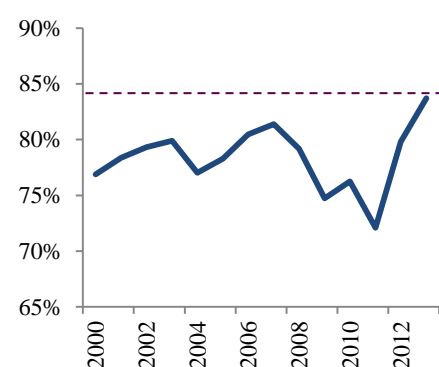
Osaka



Kyoto

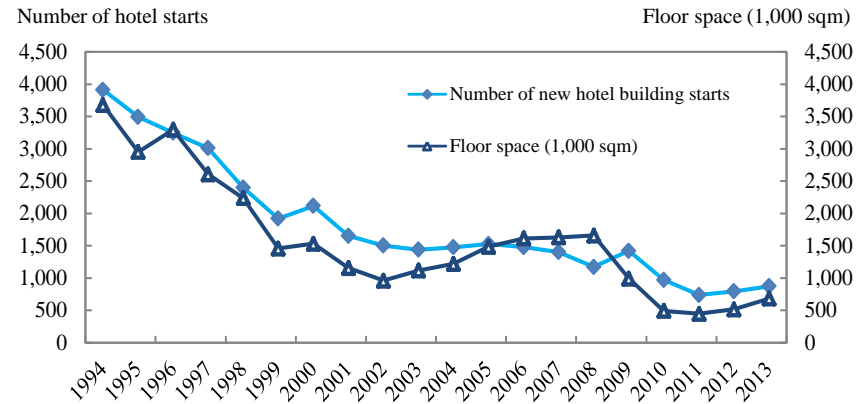


Sapporo



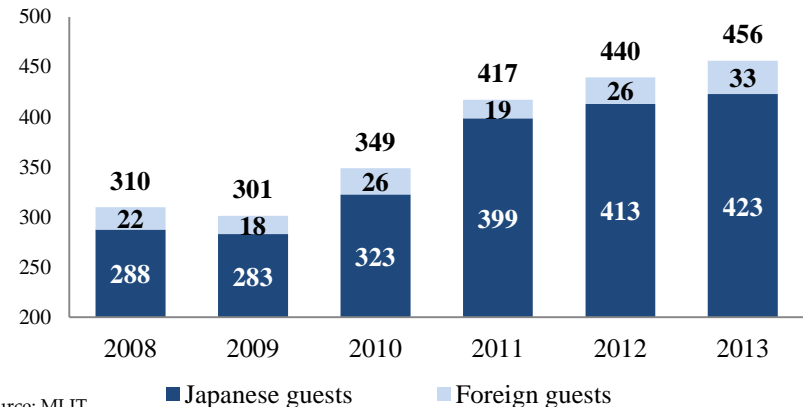
Source: Hoteres. Figures above represent overall accommodation data

Number of New Building Starts in the Accommodation Sector



Source: Ministry of Land, Infrastructure and Tourism (MLIT)

Number of Overnight Stays (mn)

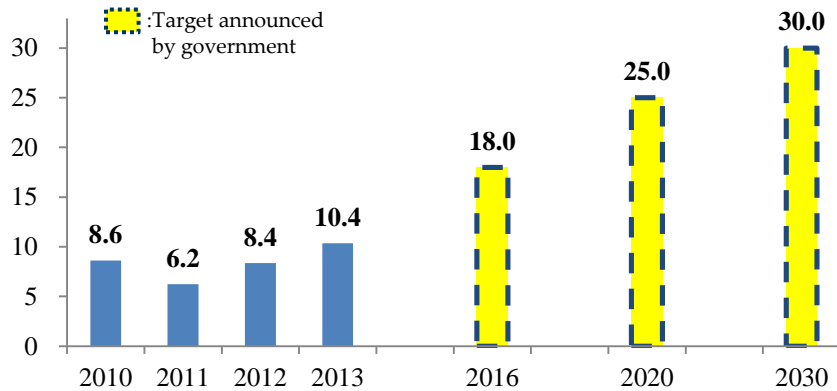


Source: MLIT

Key Drivers of Hospitality Demand

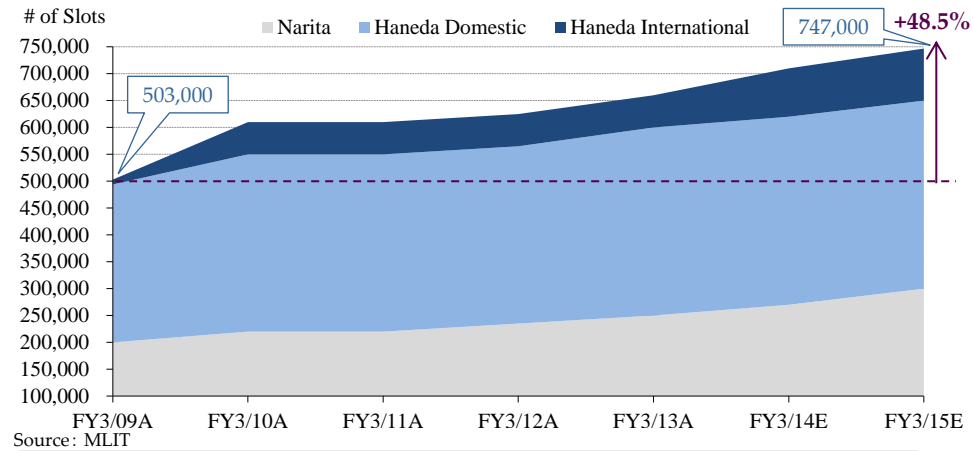
- Government efforts to increase foreign visitors including tourism promotion and visa reform
- Infrastructure improvements and promotion efforts in connection with the 2020 Tokyo Olympics
- Increased airport capacity at Haneda and Narita airports
- Growth of Low Cost Carriers (LCCs)

Japan Inbound Visitors (mn)



Source: JNTO, Japan Tourism Agency

Airport Capacity Expansion



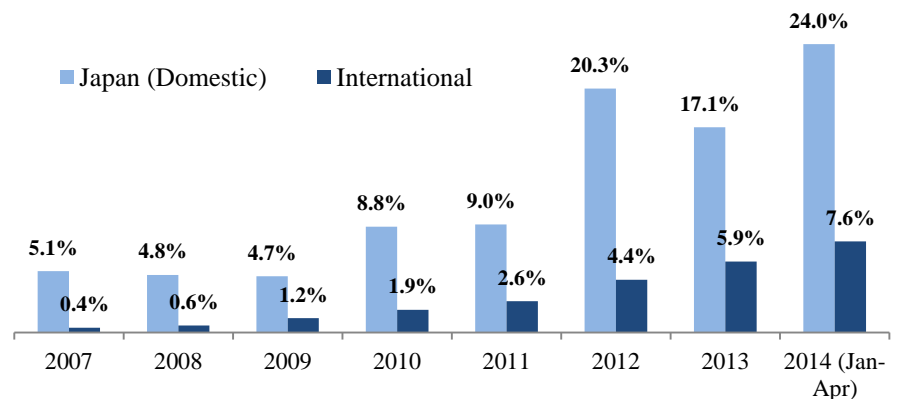
Source: MLIT

Outbound and Inbound LCCs in Operation

Launch Date	Airline Company	Destination
2011/7	Jin Air	Sapporo, Naha, Nagasaki, Incheon
2009/3	Jeju Air	Kansai, Chubu, Fukuoka, Narita, Incheon, Gimpo
2011/12	Tway Air	Fukuoka, Incheon
2008/11	Cebu Pacific Air	Kansai, Manila
2010/3	Air Busan	Busan, Fukuoka, Kansai, Narita
2010/7	Jetstar Asia	Kansai, Manila, Taipei, Singapore
2010/12	Air Asia X	Kuala Lumpur, Haneda, Kansai
2011/5	Eastar Jet	Incheon, Narita, Kansai
2007/3	Jetstar Airways	Gold Coast, Cairns, Sydney, Manila, Narita, Kansai, Nagoya, Singapore, Darwin
2012/3	Peach Aviation	Kansai, Sapporo, Fukuoka, Nagasaki, Naha, Ishigaki, Kagoshima, Sendai, Narita, Matsuyama, Incheon, Hongkong, Taoyuan, Busan
2012/6	Spring	Shanghai, Ibaraki, Kansai, Takamatsu, Saga
2012/7	Jetstar Japan	Narita, Kansai, Oita, Sapporo, Chubu, Fukuoka, Naha, Kagoshima, Matsuyama, Takamatsu
2012/10	Scoot	Taipei, Singapore, Narita
2013/12	Vanilla Air (Air Asia Japan)	Narita, Naha, Sapporo, Fukuoka, Incheon, Busan, Taoyuan

Source: MLIT

LCC Market Share in Japan (# of Seats)

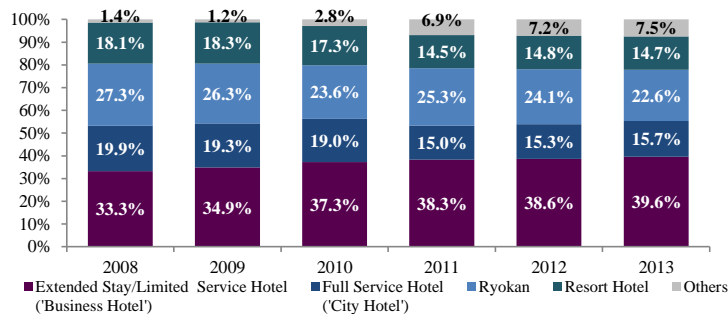


Source: CAPA - Centre for Aviation, OAG, MLIT

Limited Service / Extended Stay Business Model

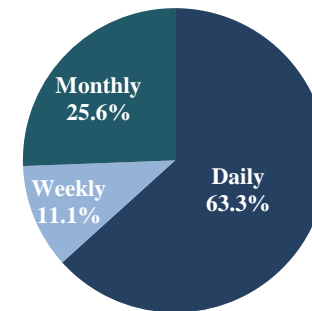
- Superior GOP margin of 56.3% compared to other hotel types⁽¹⁾
- Growing market share
- Balanced mix of daily / weekly / monthly visitors
- Diversified customer base including strong corporate base
- Increasing revenues in hotel segment compared to declining trend in office rents

Accommodation Guests in Japan – By Accommodation Type



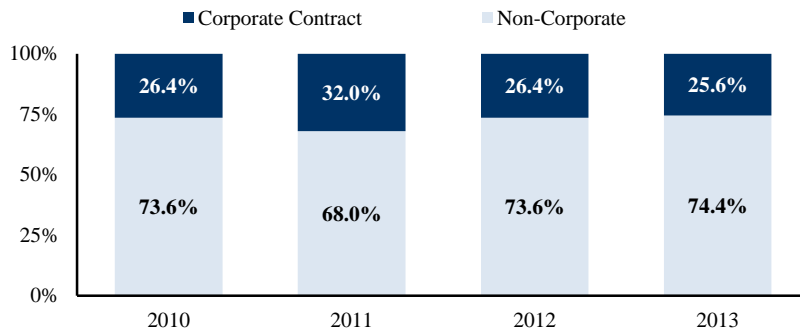
Source: MLIT

Balanced Mix of Daily/Weekly/Monthly Visitors of 2 Hotels (Kanda/Asakusa) (April 2013 to March 2014)⁽²⁾



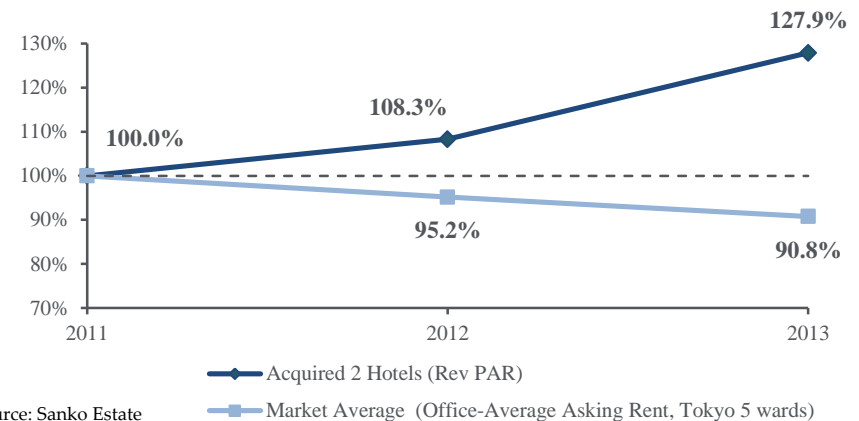
Source: FHM

Corporate Contract Rate for the 2 Acquired Hotels (Kanda/Asakusa)



Source: FHM, based on revenues

Historical RevPAR / Average Office Rent (2011–2013)⁽³⁾



Source: Sanko Estate

(Note1) GOP margin for the two acquired hotels is higher than GOP margins for full service hotels that were reported by Japan Hotel REIT in 2013.
 (Note2) The percentages are based on revenues. Daily/Weekly/Monthly are defined as Daily=1-6, Weekly=7-29, Monthly=over 30 night stays basis.
 (Note3) RevPAR is calculated as the average of the figures of the two newly acquired hotels in Kanda and Asakusa. Tokyo 5 wards consist of Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku. The percentages are based upon the average of the Asakusa and Kanda figures. All figures are indexed to 2011 base.

Track Record and Strategy of Invincible Investment Corporation

Track Record of Unit Holder Value Growth

STEP 1

STEP 2

STEP 3

July 2011~

December 2013

May 2014 Transactions

✓ Finance

- Capital infusion from Fortress Group through subscription of new units

✓ Internal Growth

- Initiated aggressive cost reduction plan resulting in JPY 209 mn in savings between 2011 and 2012
- Increased portfolio occupancy from 92.9%⁽¹⁾ as of the end of June 2011 to 96.6% as of the end of March 2013

✓ External Growth (2012/9)

- Acquisition of 24 new properties without dilutive equity issuances

✓ Finance

- Significant decrease of interest expense due to refinancing of Shinsei Trust Loan A/B, mega-banks led syndicate loans, creating a stronger bank group formation
- Reduced average interest rate from 3.66% to 1.94%
- Enhanced financial stability through third-party allotment of new units mainly to Fortress Group

✓ Internal Growth

- Commenced rent increase program for residential assets

✓ External Growth

- Acquisition of two hotels
- Memorandum of Understanding with Fortress entities

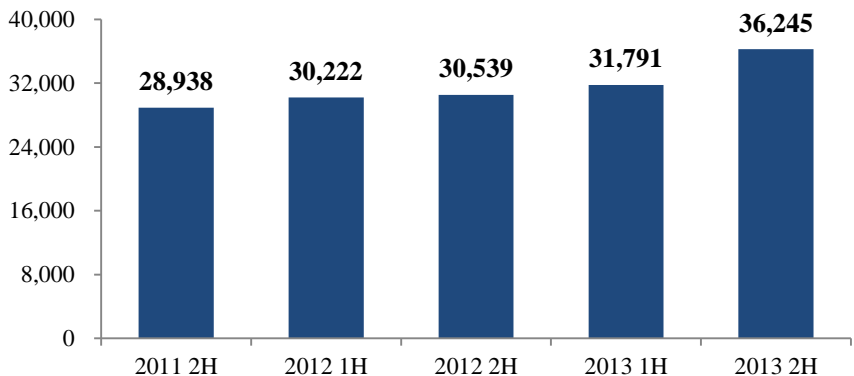
✓ Internal Growth

- Moved to aggressively lower net leasing costs through extensive cost cutting analysis of the residential portfolio

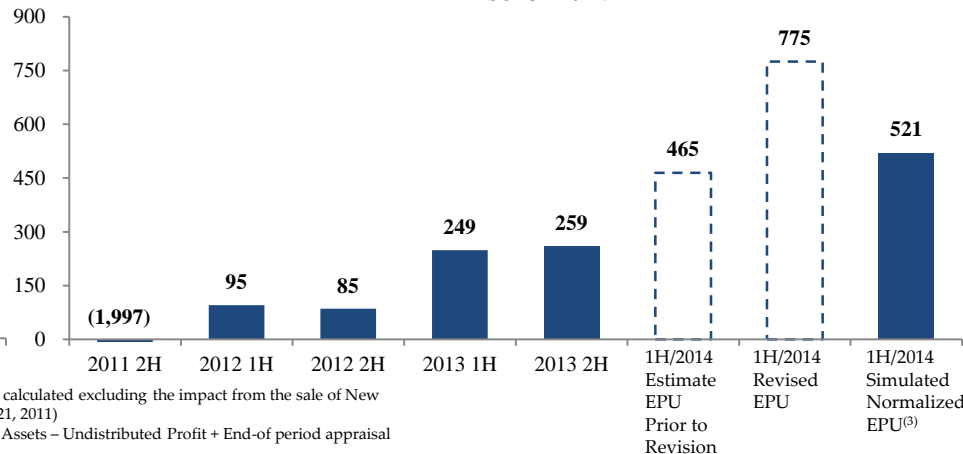
✓ Finance

- Continued to significantly lower weighted average interest rates through additional debt refinancing
- Expanded bank group
- 1 month TIBOR + 0.80% set new borrowing benchmark

Net Asset Value (NAV) (JPY mn)⁽²⁾



Earnings Per Unit (JPY)



(Note1) Occupancy at the end of June 2011 is calculated excluding the impact from the sale of New Edobashi Building (sold on October 21, 2011)

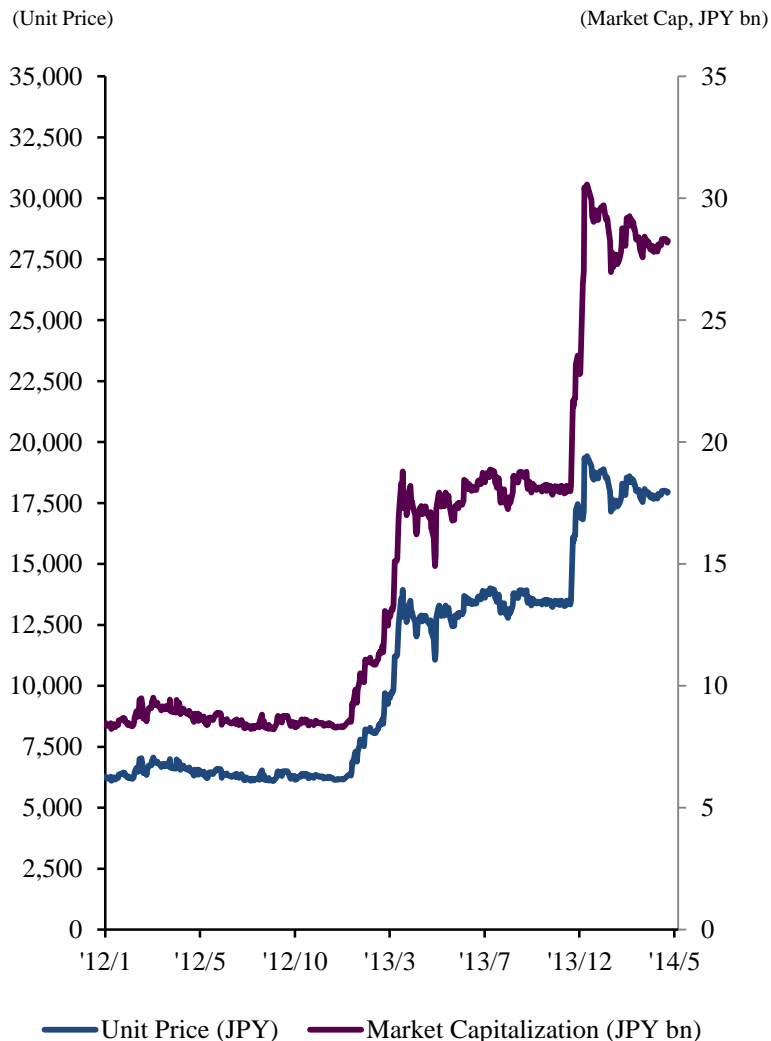
(Note2) NAV=End-of-period Amount of Net Assets – Undistributed Profit + End-of period appraisal Value – Tangible property

(Note3) See the notes on the pages 5 and 6 for the definition of “normalize”

Focus on Unit Holder Value

- ✓ Continued intensive asset management of the existing portfolio by reducing financing costs and implementing proactive property management initiatives to increase rents and decrease leasing expenses
- ✓ Invest in a balanced portfolio of properties that provide stable income as well as a clearly delineated growth plan
- ✓ Seek to acquire hospitality assets with positive fundamentals, and to enhance profitability of existing residential properties by implementing Invincible's rent increase/leasing cost reduction plan
- ✓ Expand relationships with Japanese and global financial institutions so as to increase access to low cost financing and to increase flexibility and availability
- ✓ Enhance investor communication efforts to broaden domestic and foreign unit holder base
- ✓ Steadily increase assets and market capitalization

Unit Price and Market Capitalization of Invincible



Source: Bloomberg as of May 16, 2014

Repositioning of Portfolio and Opportunities for Future Growth

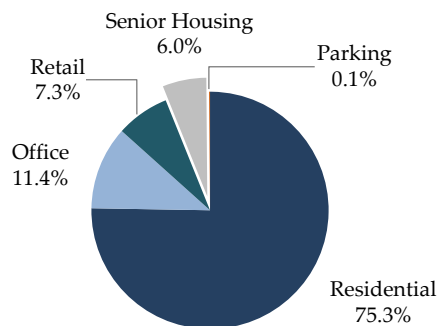
Strategic Repositioning of Portfolio

Portfolio focused on both increased stability and growth potential

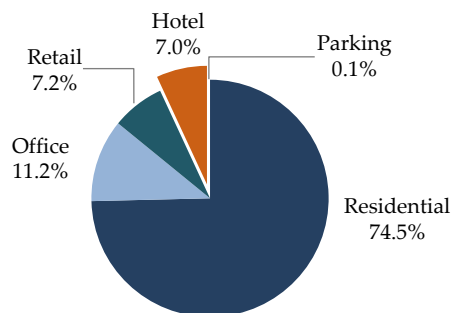
Portfolio Comparison by Property Type

- Commenced rent increase program for residential assets on December 9, 2013
 - From January 1, 2014 to May 15, 2014 average rents increased by approximately 1.4% and 0.6% on new leases and renewal leases, respectively, as compared to prior leases for same units
- Two Limited Service / Extended Stay Hotels: 2013 revenue growth was 17.2% over 2012 and 16.1% YTD (as of March 2014) compared to same period in 2013

Before⁽¹⁾



After⁽²⁾



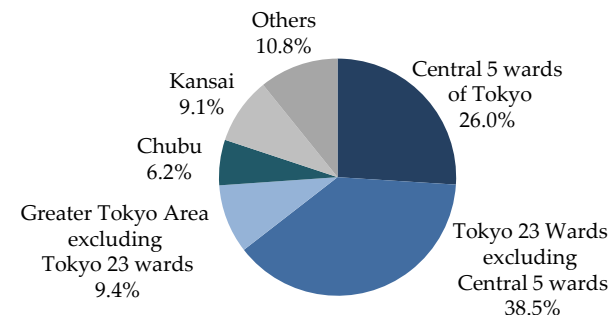
Note: Based on acquisition price
 Note (1): As of December 31, 2013
 Note (2): As of May 23, 2014

Portfolio Comparison by Geography

- 76.1% of the Portfolio is located in Greater Tokyo, of which 69.1% is located in the Tokyo 23 wards

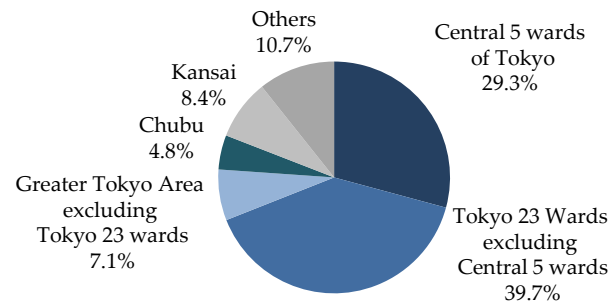
Before⁽¹⁾

Greater Tokyo Area: 73.9% (Tokyo 23 wards: 64.5%)



After⁽²⁾

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



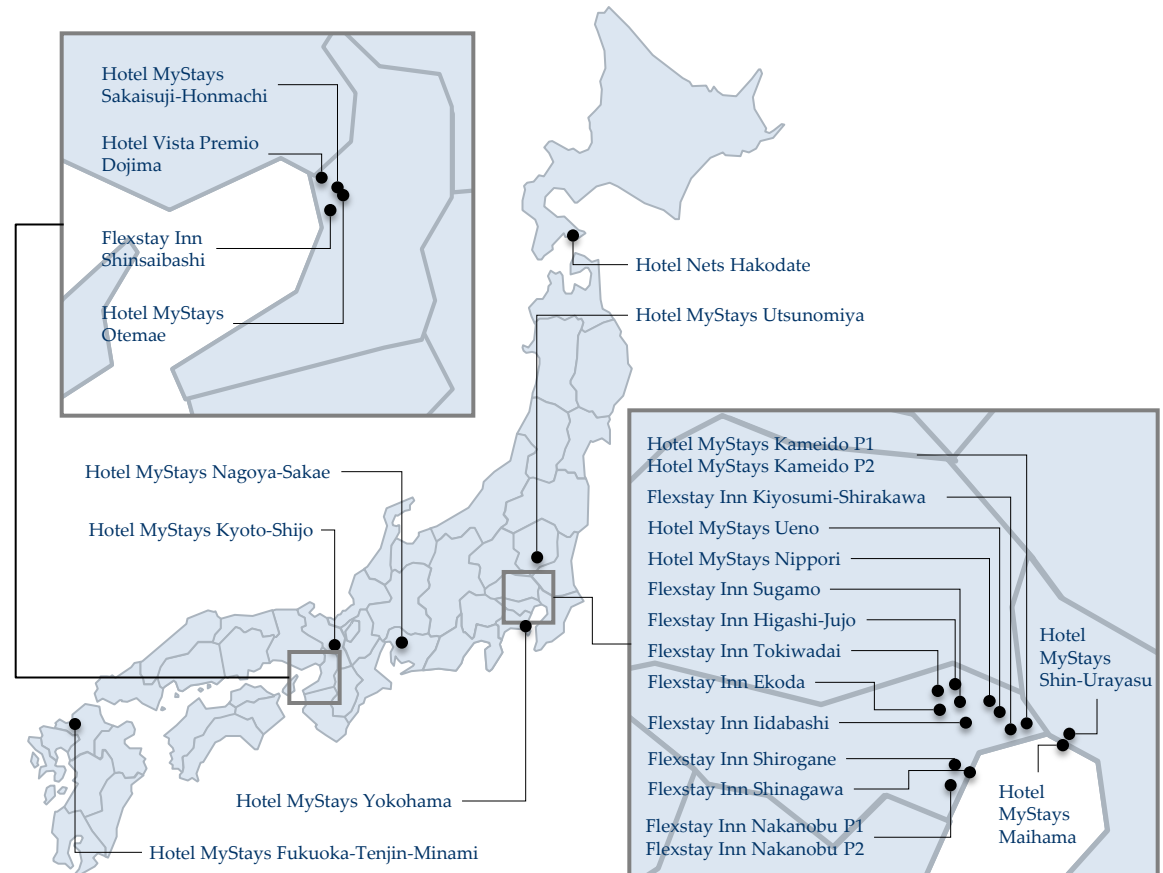
Overview of MOU

Arrangement to pursue further external growth

Overview

- Executed a MOU on May 21, 2014 with Fortress entities regarding the potential purchase of 26 additional limited service/extended stay hotels
- MOU provides Invincible with a right of first look for a 1 year period with respect to the acquisition of the Portfolio
- Proactively seek to close the acquisition of all or part of 26 properties subject to due diligence and financing

Location of the Properties



Overview of MOU

Property Photos



Hotel MyStays Maihama



Hotel MyStays Nagoya-Sakae



Hotel MyStays Kyoto-Shijo



Hotel Vista Premio Dojima



Hotel MyStays Nippori



Flexstay Inn Idabashi

Overview of Flexstay Hotel Management

Subject hotels are managed by an experienced operator: Flexstay Hotel Management

Company Overview

- Company Name: Flexstay Hotel Management Co., Ltd.
- Date of Establishment: July 8, 1999
- Acquired by Fortress in June 2012
- Representative: President and CEO Atsuki Asano
- Hotel operation and management under the following brands: Hotel MyStays, Flexstay Inn, Monthly ResiStays
- Employees: 500 (as of April 30, 2014)
- Capital: JPY100 mn
- Properties under management: 47 properties (5,768 rooms), of which 30 properties are owned by Fortress



FLEXSTAY HOTEL MANAGEMENT CO.,LTD.
株式会社フレックスステイ・ホテルマネジメント

Asset Management Initiatives

Competitive Advantages

- Extensive know-how in selling rooms on a daily, weekly, and monthly basis, thereby achieving more stable occupancies and higher profit margins
- A corporate client base of over 2,200 corporations

Rebranding

- Reduced number of brands to reduce customer confusion and increase focus
- Website reconstructed to provide easier navigation and provide a more modern appearance
- Enhanced web marketing to stimulate untapped demand including Free Independent Travelers (FITs)

Renovations

- Since 2011, FHM renovated 13 hotels (1,822 rooms)
- Strategic renovations increased ADR for renovated hotels

Revenue Management

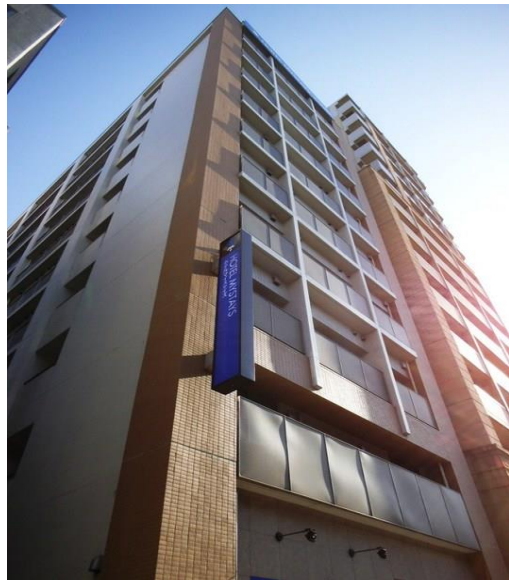
- Various revenue management methods implemented, including hiring a revenue manager to analyze market trends, in order to maximize revenue
- Focus on employee training to improve efficiency and reduce turnover

Cost Control

- Promoting efficient and low cost operations via effective procurement strategies

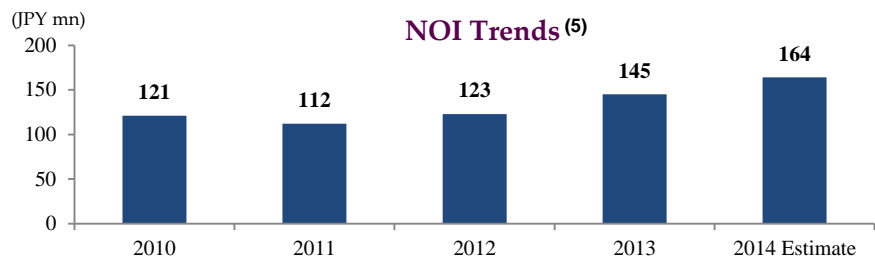
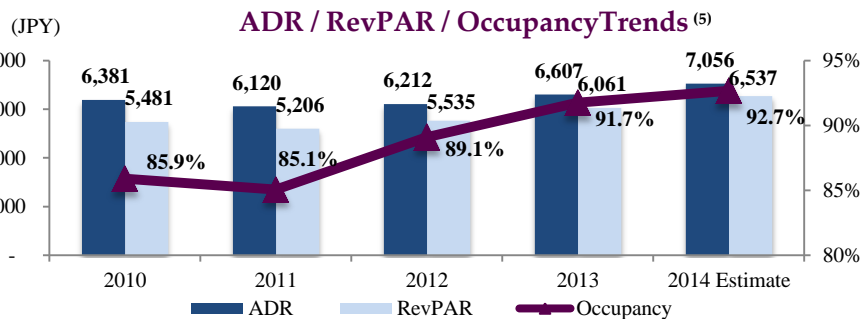
Appendix

Property Summary – Hotel MyStays Kanda

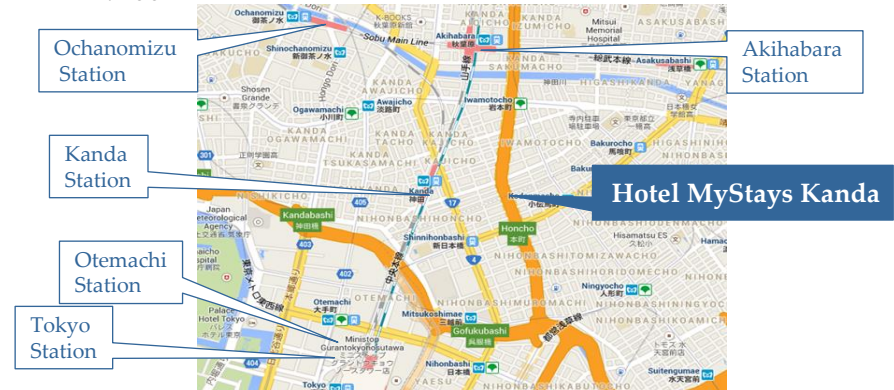


Hotel MyStays Kanda (Rebranded from Flexstay Kanda Inn)	
Property Name	Hotel MyStays Kanda (Rebranded from Flexstay Kanda Inn)
Location	1-2-2 Iwamotocho, Chiyoda-ku
Prefecture	Tokyo
Access	6 minute walk from Kanda Station
Date of Construction	December 2005
Number of Guest Rooms	126
Total Floor Area	2,585.72 sqm
Land Area	348.12 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	71.5% / 9.5% / 19.0%
ADR (2013) ⁽²⁾	JPY 6,607
Occupancy (2013) ⁽³⁾	91.7%
RevPAR (2013) ⁽⁴⁾	JPY 6,061
Gross Revenue (2013)	JPY 286 mn
GOP / GOP% (2013)	JPY 155 mn / 54.3%
NOI (2013)	JPY 145 mn

- The hotel is located in Tokyo's business district, a six minute walk from Kanda Station on the JR Yamanote Line and the Tokyo Metro Ginza Line, which is one stop to both Tokyo Station and Akihabara Station, respectively
- In addition, the location provides convenient access to Shin-Nihonbashi Station on the JR Sobu Line as well as Kodenma-cho Station on the Tokyo Metro Hibiya Line
- Room mix and configuration are targeted primarily towards business travelers, including project personnel for extended assignments in Tokyo
- Guest rooms are well-maintained, of which some are equipped with kitchenettes for longer-staying guests

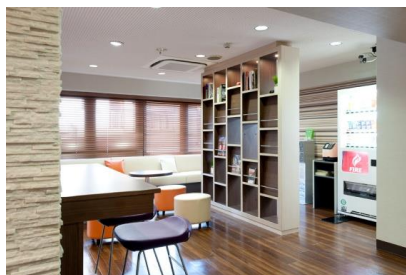


Source: FHM

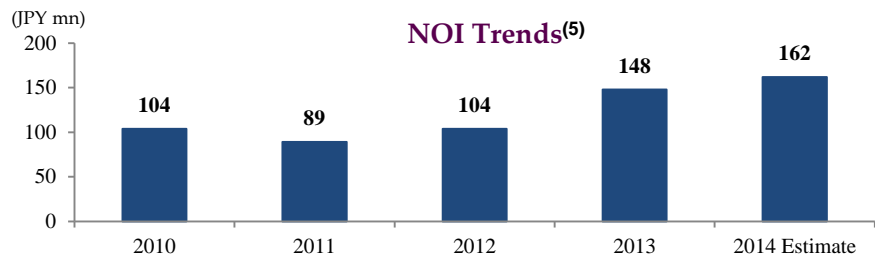
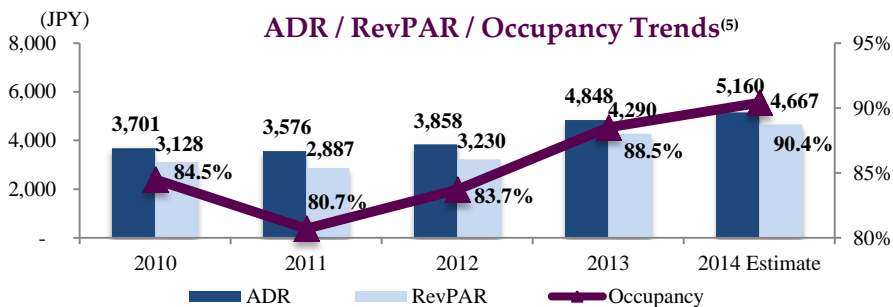


(Note 1) The percentages are based on revenues. Daily/Weekly/Monthly are defined as Daily=1-6, Weekly=7-29, Monthly=over 30 night stays basis.
 (Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
 (Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
 (Note 4) Calculated based on the total number of guest rooms.
 (Note 5) Please refer to the explanatory notes on slide 24.

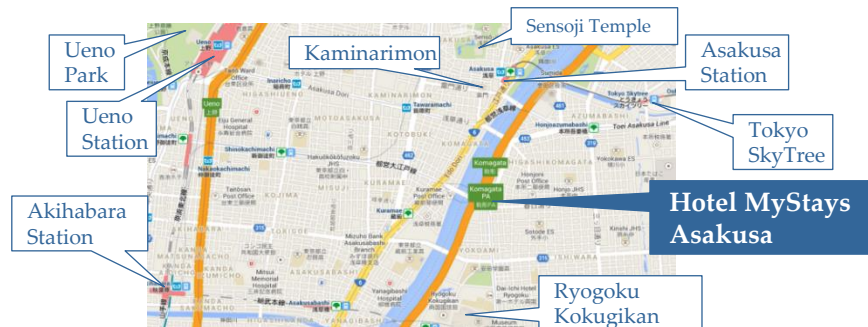
Property Summary – Hotel MyStays Asakusa



Hotel MyStays Asakusa (Rebranded from Weekly Mansion Asakusa)	
Property Name	Hotel MyStays Asakusa
Location	1-21-11 Honjo, Sumida-ku
Prefecture	Tokyo
Access	4 minute walk from Kuramae Station
Date of Construction	January 1990
Date of Renovation	January 2013
Number of Guest Rooms	160
Total Floor Area	3,327.38 sqm
Land Area	827.53 sqm
Daily / Weekly / Monthly % ⁽¹⁾ (2013)	54.8% / 13.4% / 31.8%
ADR (2013) ⁽²⁾	JPY 4,848
Occupancy (2013) ⁽³⁾	88.5%
RevPAR (2013) ⁽⁴⁾	JPY 4,290
Gross Revenue (2013)	JPY 270 mn
GOP / GOP% (2013)	JPY 157 mn / 58.3%
NOI (2013)	JPY 148 mn



- The hotel is located in Asakusa, one of Tokyo's major tourist destinations with popular attractions including Tokyo Sky Tree (1.8 km from the hotel), Sensoji Temple (1.4 km) and the Kokugikan/Edo Tokyo Museum (1.0 km)
- Guest rooms and public area were renovated in 2013 to update the image of the facility and to capture increasing tourist demand in the area
- In 2013, 3.7% of total revenue was from inbound (non-Japanese) customers, equivalent to an increase of 20.8% compared to 2012
- 45.2% of the total revenues are generated from weekly/monthly business which is primarily driven by an existing customer base, including IT solution companies, maintained by the hotel operator (2013)



(Note 1) The percentages are revenue basis. Daily/Weekly/Monthly are defined as Daily=1-6, Weekly=7-29, Monthly=over30 night stays basis.
 (Note 2) Total room sales for period divided by aggregate number of days per room for which each room was occupied.
 (Note 3) Total room sales for period divided by the number of days per room for which each room was available during the period.
 (Note 4) Calculated based on the total number of guest rooms.
 (Note 5) Please refer to the explanatory notes on slide 24.

Source: FHM

Explanatory notes regarding 2014 forecasts on Slides 22 and 23:

Adjusted ADR/RevPar/Occupancy Table:

The information for 2010-2013 is based on historical figures provided by FHM. The 2014 estimates are based on (i) historical figures provided by FHM from January through March 2014 and (ii) Invincible's forecasted figures for the remainder of the year (including, in the case of the period from the date of acquisition to June 30, 2014, figures that are consistent with the assumptions used to calculate the 1H/2014 forecast).

NOI Table:

The NOI for 2010-2013 is based on historical figures provided by FHM (as adjusted to reflect an expected change in trust fees, management fees and insurance expenses upon the acquisition by Invincible). The 2014 normalized NOI forecast assumes a hypothetical acquisition of the two hotels by Invincible at immediately prior to the start of 1H/2014, and is based on (i) historical figures provided by the seller for the two properties from January through March 2014 (as adjusted to reflect an expected change in trust fees, management fees and insurance expenses upon the acquisition by Invincible), (ii) Invincible's forecasted figures for the remainder of the year (including, in the case of the period from the date of acquisition to June 30, 2014, figures that are consistent with the assumptions used to calculate the 1H/2014 forecast) and (iii) treating initial property-related taxes for the two hotels as if they were expensed and not capitalized.



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