

August 25, 2011

To All Concerned Parties

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Notice concerning Revision of Forecasted Results for 16th Fiscal Period Ended June 2011 and 17th Fiscal Period Ending December 2011

Invincible Investment Corporation (INV) announces the revision of its forecasted results for the 16th fiscal period ended June 2011 (January 1, 2011 to June 30, 2011) and 17th fiscal period ending December 2011 (July 1, 2011 to December 31, 2011) announced in the “Notice concerning Revision of Forecasted Results for 16th Fiscal Period Ended June 2011, and Forecasted Results and Distribution for 17th Fiscal Period Ending December 2011” dated July 15, 2011. Details are as follows.

1. Revision of forecasted results for 16th fiscal period (January 1, 2011 to June 30, 2011)

	Operating revenues	Operating income	Ordinary income	Net income
Previous forecast (A) (July 15, 2011)	Million JPY 2,272	Million JPY 765	Million JPY -102	Million JPY -102
Revised forecast (B)	Million JPY 2,277	Million JPY 800	Million JPY -52	Million JPY -1,308
Amount of variance (B) – (A)	Million JPY 4	Million JPY 34	Million JPY 49	Million JPY -1,205
Rate of variance [(B) – (A)] ÷ (A)	% 0.2	% 4.5	% –	% –
(Reference) Actual results (Note 3) (15th fiscal period)	Million JPY 5,348	Million JPY -5,241	Million JPY -7,078	Million JPY 4,757

	Distribution per unit (excluding exceeding profit distribution per unit)	Exceeding profit distribution per unit	Reversal of earned surplus	Total distribution amount
Previous forecast (A) (July 15, 2011)	JPY 200	JPY –	Million JPY 230	Million JPY 127
Revised forecast (B)	JPY 200	JPY –	Million JPY 1,435	Million JPY 127
Amount of variance (B) – (A)	JPY 0	JPY –	Million JPY 1,205	Million JPY –
Rate of variance [(B) – (A)] ÷ (A)	% –	% –	% 524.6	% –
(Reference) Actual results (Note 3) (15th fiscal period)	JPY 435	JPY –	Million JPY –	Million JPY 276

(Note 1) The number of investment units issued and outstanding at the end of the fiscal period: 636,695 units

(Note 2) Total distribution amount (revised forecast) for the 16th fiscal period is calculated using the following formula:

Total distribution amount (JPY 127 million) =

Net income (JPY –1,308 million) + Reversal of earned surplus (JPY 1,435 million)

(Note 3) The period of operation of the 15th fiscal period is 365 days from January 1, 2010 to December 31, 2010.

(Note 4) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place. The same shall apply hereinafter.

2. Revision of forecasted results for 17th fiscal period (July 1, 2011 to December 31, 2011)

	Operating revenues	Operating income	Ordinary income	Net income
Previous forecast (A) (July 15, 2011)	Million JPY 2,274	Million JPY –1,283	Million JPY –4,483	Million JPY –3,509
Revised forecast (B)	Million JPY 2,274	Million JPY –516	Million JPY –3,716	Million JPY –2,756
Amount of variance (B) – (A)	Million JPY –	Million JPY 767	Million JPY 767	Million JPY 752
Rate of variance [(B) – (A)] ÷ (A)	% –	% –	% –	% –

	Distribution per unit (excluding exceeding profit distribution per unit)	Exceeding profit distribution per unit	Reversal of earned surplus	Total distribution amount
Previous forecast (A) (July 15, 2011)	JPY 200	JPY –	Million JPY 3,779	Million JPY 269
Revised forecast (B)	JPY 200	JPY –	Million JPY 3,026	Million JPY 269
Amount of variance (B) – (A)	JPY –	JPY –	Million JPY 752	Million JPY –
Rate of variance [(B) – (A)] ÷ (A)	% –	% –	% 19.9	% –

(Note 1) INV assumes number of investment units issued and outstanding of 1,348,292 units, which is the number of investment units issued and outstanding as of today, and assumes there will be no additional issuance of investment units thereafter through to the end of the 17th fiscal period.

(Note 2) Total distribution amount (forecast) for the 17th fiscal period is calculated using the following formula:

$$\begin{aligned} &\text{Total distribution amount (JPY 269 million)} = \\ &\text{Net income (JPY -2,756 million)} + \text{Reversal of earned surplus (JPY 3,026 million)} \end{aligned}$$

3. Reason for revision of forecasted results for 16th fiscal period and 17th fiscal period

As most of the performance results for the 16th fiscal period have become clear during the course of closing procedures, the revision to the forecasted results has been decided to be made at this time due to the fact that a review of the forecast revealed that a 30% or more change is expected from the forecasted net income for the 16th fiscal period and 17th fiscal period that was announced on July 15, 2011.

The main factors for fluctuations are as follows:

<16th fiscal period>

- (1) Occupancy rates and rents, etc. hovered at a level above the previously-assumed level and so rental revenues are expected to increase JPY 4 million.
- (2) Facility management fees (repair costs) and other expenses fell to a level below the previously-assumed level and so property related expenses are expected to decrease JPY 36 million. However, this amount includes JPY 6 million associated with the repair costs arising from the Great East Japan Earthquake.

(Note) The recognizing of repair costs arising from the Great East Japan Earthquake is changed from operating expenses to extraordinary loss in this revised forecast.

- (3) Finance related costs fell to a level below the previously-assumed level and so non-operating expenses are expected to decrease JPY 13 million.
- (4) Concerning New Edobashi Building (the “Property”), which is planned to be sold during the 17th fiscal period, impairment loss of JPY 1,249 million is expected to be posted following the assumed sale price being set at a level below the previously-assumed level and due to accounting for impairment in the 16th fiscal period.

<17th fiscal period>

As described in (4) above, accounting for impairment of the Property in the 16th fiscal period is expected to result in a decrease in book value and decrease in the previously-assumed loss from sale.

For details of the revision as well as the pre-conditions and assumptions underlying the forecast, please refer to the Attachment.

4. Future outlook

Announcement of the interim financial report (*Kessan-Tanshin*) for the 16th fiscal period ended June 2011 (January 1, 2011 to June 30, 2011) is scheduled to be made on August 26, 2011.

(Disclaimer)

The amounts for the 17th fiscal period above are the expected amounts based on current assumptions. Please take due note that the statements on the expected amounts assumed above are not provided as a guarantee of these by INV and the expected amounts assumed above are no more than amounts calculated based on certain presumptions assumed by INV.

Note: This English language notice is a translation of the Japanese language notice released on August 25, 2011 and was prepared solely for the convenience of, and reference by, non-Japanese investors. No warranties or assurances are given for the accuracy or completeness of this English translation.

**<Pre-Conditions and Assumptions Underlying Distribution and Other Expected Amounts Assumed
for 16th Fiscal Period (January 1, 2011 to June 30, 2011) and
17th Fiscal Period (July 1, 2011 to December 31, 2011)>**

Item	Assumptions								
Fiscal period	16th fiscal period: January 1, 2011 to June 30, 2011 17th fiscal period: July 1, 2011 to December 31, 2011								
Assets under management	16th fiscal period: 55 properties 17th fiscal period: INV assumes, of the 55 properties held as of today, New Edobashi Building will be sold during the 17th fiscal period.								
Units outstanding	16th fiscal period: 636,695 units 17th fiscal period: 1,348,292 units As announced in the “Notice concerning Invitation of New Sponsor and Issuance of New Investment Units by way of Third-Party Allotment” dated July 15, 2011 and “Notice concerning Completion of Payment for Issuance of New Investment Units by way of Third-Party Allotment” dated July 29, 2011, INV issued new investment units by way of third-party allotment, bringing INV’s total number of investment units issued and outstanding to 1,348,292 units as of today. INV assumes there will be no additional issuance of investment units thereafter through to the end of the 17th fiscal period.								
Interest-bearing liabilities	16th fiscal period: JPY 42,596 million in debts outstanding 17th fiscal period: On July 29, 2011 during the 17th fiscal period, existing debts, with the exception of part of the Securitized Loan, were fully repaid and refinanced into long-term debts. As a result, debts totaled JPY 36,915 million as of today. (For details, please refer to the “Notice concerning Invitation of New Sponsor and Issuance of New Investment Units by way of Third-Party Allotment,” “Notice concerning Debt Financing and Repayment of Borrowings, etc. (1),” “Notice concerning Debt Financing and Repayment of Borrowings, etc. (2)” and “Notice concerning Fund Procurement through Borrowings in Trust and Repayment of Borrowings, and Change of Trustee of Assets” dated July 15, 2011, and “Notice concerning Execution of Loan Agreements on the New Borrowings and Amendment Loan Agreement regarding Changes of the Borrowing Terms on the Existing Borrowing and Determination of Interest Rates” and “(Correction) Notice concerning Execution of Loan Agreements on the New Borrowings and Amendment Loan Agreement regarding Changes of the Borrowing Terms on the Existing Borrowing and Determination of Interest Rates” dated July 28, 2011.) In addition, INV assumes it will not conduct new financing other than the above.								
Operating revenues	INV assumes it will incur operating revenues of JPY 2,277 million in the 16th fiscal period and JPY 2,274 million in the 17th fiscal period. The breakdown is as follows: <table><tr><td></td><td>16th fiscal period</td><td>/</td><td>17th fiscal period</td></tr><tr><td>• Rental revenues</td><td>JPY 2,277 million</td><td>/</td><td>JPY 2,274 million</td></tr></table> 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.		16th fiscal period	/	17th fiscal period	• Rental revenues	JPY 2,277 million	/	JPY 2,274 million
	16th fiscal period	/	17th fiscal period						
• Rental revenues	JPY 2,277 million	/	JPY 2,274 million						

Item	Assumptions
Operating expenses	INV assumes it will incur property related expenses of JPY 1,151 million in the 16th fiscal period and JPY 1,237 million in the 17th fiscal period. The breakdown is as follows:
	16th fiscal period / 17th fiscal period
• Facility management fees	JPY 388 million / JPY 446 million
(of which, repair costs)	(JPY 21 million) / (JPY 70 million)
• Taxes and other public charges	JPY 161 million / JPY 167 million
• Insurance expenses	JPY 5 million / JPY 4 million
• Other expenses	JPY 167 million / JPY 193 million
• Depreciation expenses	JPY 428 million / JPY 425 million
	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 period. Furthermore, concerning assets newly acquired during the year in which the fiscal period 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 concerned adjusted amount reimbursed as part of the acquisition cost, and thus does not record the amount as expenses.
	*Repair costs arising from the Great East Japan Earthquake, which were presented under operating expenses in the “Notice concerning Revision of Forecasted Results for 16th Fiscal Period Ended June 2011, and Forecasted Results and Distribution for 17th Fiscal Period Ending December 2011” dated July 15, 2011, are recorded as extraordinary loss because these are expenses that are not usually incurred.
	Repair costs are recorded for the amount estimated based on the repair plans of INV’s asset manager. However, the actual amount may vary substantially from the amount estimated due to changes in conditions and other factors.
	In addition, other than the property related expenses, INV assumes it will incur operating expenses (excluding loss from sales of properties) of JPY 325 million in the 16th fiscal period and JPY 353 million in the 17th fiscal period.
	Moreover, in the 17th fiscal period, INV assumes a reasonably expected amount as loss from sales of properties associated with the sale of New Edobashi Building.
Non-operating expenses	INV assumes it will incur non-operating expenses of JPY 858 million in the 16th fiscal period and JPY 3,200 million in the 17th fiscal period. The breakdown is as follows:
	16th fiscal period / 17th fiscal period
• Interest revenues	JPY 598 million / JPY 800 million
• Finance related costs	JPY 258 million / JPY 2,262 million
(of which, fees to Calliope)	– / (JPY 336.5 million)
(of which, exit fees)	– / (JPY 1,530 million)
• Other non-operating expenses	JPY 1 million / JPY 138 million
	JPY 858 million / JPY 3,200 million
	The 17th fiscal period reflects INV achieving extension of the borrowing period and other change of borrowing terms on July 29, 2011.
	Finance related costs are scheduled to include expenses payable as exit fees in the amount of JPY 1,530 million that are to be recorded on an accrual basis.
Extraordinary profits	INV assumes it will record extraordinary profits in the 17th fiscal period of JPY 975 million in gain on forgiveness of debts for the Securitized Loan that was implemented on July 29, 2011.

Item	Assumptions																
Extraordinary loss	<p>INV assumes it will incur extraordinary loss of JPY 1,255 million in the 16th fiscal period and JPY 14 million in the 17th fiscal period. The breakdown is as follows:</p> <table><tr><td></td><td>16th fiscal period</td><td>/</td><td>17th fiscal period</td></tr><tr><td>• Impairment loss</td><td>JPY 1,249 million</td><td>/</td><td>—</td></tr><tr><td>• Loss on disaster</td><td>JPY 5 million</td><td>/</td><td>JPY 14 million</td></tr><tr><td></td><td>JPY 1,255 million</td><td>/</td><td>JPY 14 million</td></tr></table> <p>The impairment loss in the 16th fiscal period is for accounting for impairment of New Edobashi Building. In addition, loss on disaster posts the estimated amount of repair costs arising from the Great East Japan Earthquake. INV expects capital expenditures of JPY 106 million in the 16th fiscal period and JPY 270 million in the 17th fiscal period. Of these, INV expects the primary capital expenditures arising from restoration work for the Earthquake will be JPY 26 million in the 16th fiscal period and JPY 12 million in the 17th fiscal period.</p>		16th fiscal period	/	17th fiscal period	• Impairment loss	JPY 1,249 million	/	—	• Loss on disaster	JPY 5 million	/	JPY 14 million		JPY 1,255 million	/	JPY 14 million
	16th fiscal period	/	17th fiscal period														
• Impairment loss	JPY 1,249 million	/	—														
• Loss on disaster	JPY 5 million	/	JPY 14 million														
	JPY 1,255 million	/	JPY 14 million														
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. Of the earned surplus of JPY 4,480 million based on gain on negative goodwill recorded in the 15th fiscal period, INV assumes JPY 127 million in the 16th fiscal period and JPY 269 million in the 17th fiscal period will be distributed respectively within the scope of surplus funds. The distribution per unit may vary due to various factors, such as fluctuations in rental revenues in accordance with changes in the portfolio composition, changes in the tenant composition, 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. In addition, INV assumes there will be no unforeseen material changes in the environment, including general economic trends and real estate market conditions.</p>																