

July 15, 2011

To All Concerned Parties

Name of REIT Issuer:

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Asset manager:

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## Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets

Invincible Investment Corporation (INV) announced that it expects to conduct fund procurement through debt financing backed by trust assets (hereinafter, “the Trust Asset-Backed Borrowing”) and repayment of existing borrowings. Details are as follows. In addition, its asset manager, Consonant Investment Management Co., Ltd. (CSNT) is scheduled to change the trustee of trust assets as described below.

Furthermore, although INV expects that the Trust Asset-Backed Borrowing will be realized, subject to certain conditions, as it already received a commitment letter dated June 29, 2011 from the lender, the loan agreement covering the Trust Asset-Backed Borrowing or related agreements have not been concluded to date. In addition, the Trust Asset-Backed Borrowing is subject to the conditions precedent described in 4. Preconditions for implementing the trust asset-backed borrowing below.

1. Reason for fund procurement through debt financing backed by trust assets and repayment of borrowings

INV intends to conduct the fund procurement through Trust Asset-Backed Borrowing for the repayment of JPY 11,131 million in the Term Loan (D), which is an existing borrowing that was scheduled to mature on July 29, 2011, as described below.

2. Overview of the fund procurement through trust asset-backed borrowing

Mizuho Trust & Banking Co., Ltd. (hereinafter, “Mizuho Trust”), the trustee of real estate held in trust for which INV is the beneficiary (hereinafter, the “Trust”), will borrow JPY 11,000 million from Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership

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(hereinafter, "Prudential LPS"), which is a part of the Prudential Financial, Inc. group, as of July 29, 2011, as described below. INV will receive the borrowed funds (after deducting reserves and other proceeds) from Mizuho Trust as payment of the trust principal of the Trust on the same day. INV will use the funds for repayment of the borrowing described in "5. Details of repayment of borrowings" below.

In addition, Mizuho Trust will open bank accounts for respective trust accounts described in "3. Details of the trust asset-backed borrowing (planned)" below (hereinafter, "Trust Accounts"), and rents arising from respective subject properties will be paid to the Trust Accounts. As a rule, the proceeds paid to the Trust Accounts will first be used to pay for various expenses based on the trust agreement as well as for the principal and interest of the Trust Asset-Backed Borrowing and then the remaining amount will be paid to INV as trust dividends. (However, when a standard as agreed to be a certain financial indicator showing the remaining repayment ability under the Trust Asset-Backed Borrowing is not satisfied even in consideration of the cash flow and other income from the trust assets, the payment of the trust dividends will be suspended for the relevant period.) Furthermore, the various expenses based on the trust agreement shall be borne by the trust assets and, if the trust assets are not sufficient (except for the liabilities and expenses, etc. based on the Trust Asset-Backed Borrowing), by INV, which is the beneficiary.

As for the mechanisms of the fund procurement through the Trust Asset-Backed Borrowing, please refer to the Scheme Diagram in the Attachment.

### 3. Details of the trust asset-backed borrowing (planned)

Debt financing backed by trust assets (Prudential LPS) (hereinafter, "Prudential LPS Loan")

#### (1) First lending

- |                           |                                                                                                                                                                                 |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Borrower              | : Mizuho Trust & Banking Co., Ltd. (trustee of real estate in trust) (borrower of the Trust Asset-Backed Borrowing)                                                             |
| (b) Lender                | : Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership                                                                                            |
| (c) Borrowing amount      | : JPY 3,750 million (joint-and-several liabilities for trust accounts 1 through 8)                                                                                              |
| (d) Interest rate, etc.   | : 2.5%, or 7-year JPY swap rate at the day two business days before the borrowing date + 1.4%, whichever higher (from July 29, 2011 to January 25, 2017)<br>Fixed interest rate |
| (e) Borrowing method      | : Borrowing based on term loan agreement as of July 27, 2011<br>Mortgage (Note) / non guarantee                                                                                 |
| (f) Agreement date        | : July 27, 2011                                                                                                                                                                 |
| (g) Borrowing date        | : July 29, 2011                                                                                                                                                                 |
| (h) Interest payment date | : The 25th day of January, April, July and October each year from borrowing date through maturity date (or the previous                                                         |

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- business day if the date is not a business day)
- (i) Method of repayment : On each principal and interest payment date (the 25th day of January, April, July and October each year) after three years have passed since the borrowing date, INV will pay the amount calculated on the assumption that the remaining principal as of the date is repaid in equal installments of the principal and the interest over 20 years (80 times in total).  
The balance after the above payments are completed will be repaid in full on the maturity date.
- (j) Maturity date : January 25, 2017 (approximately 5.5 years)
- (k) Maturity date of partial repayment : On each principal and interest payment date (the 25th day of January, April, July and October each year) after three years have passed since the borrowing date (or the previous business day if the date is not a business day)

(Note) For the first lending, the following properties will be set as the trust assets, and the first mortgages will be established on them. Furthermore, trust accounts will be set for respective properties initially, but they are planned to be integrated into a single trust account after the implementation of borrowing.

- |                                         |                                      |
|-----------------------------------------|--------------------------------------|
| 1. Nisshin Palacestage Daitabashi       | (Owned property for trust account 1) |
| 2. Nisshin Palacestage Higashi-Nagasaki | (Owned property for trust account 2) |
| 3. Growth Maison Shin-Yokohama          | (Owned property for trust account 3) |
| 4. Belle Face Ueno-Okachimachi          | (Owned property for trust account 4) |
| 5. Growth Maison Yoga                   | (Owned property for trust account 5) |
| 6. Shibuya-Honmachi Mansion             | (Owned property for trust account 6) |
| 7. City Heights Kinuta                  | (Owned property for trust account 7) |
| 8. Foros Nakamurabashi                  | (Owned property for trust account 8) |

## (2) Second lending

- (a) Borrower : Mizuho Trust & Banking Co., Ltd. (trustee of real estate in trust) (borrower of the Trust Asset-Backed Borrowing)
- (b) Lender : Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership
- (c) Borrowing amount : JPY 3,620 million (joint-and-several liabilities for trust accounts 9 through 16)
- (d) Interest rate, etc. : 2.5%, or 7-year JPY swap rate at the day two business days before the borrowing date + 1.4%, whichever higher (from July 29, 2011 to January 25, 2018)  
Fixed interest rate
- (e) Borrowing method : Borrowing based on term loan agreement as of July 27, 2011  
Mortgage (Note) / non guarantee
- (f) Agreement date : July 27, 2011

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- (g) Borrowing date : July 29, 2011
- (h) Interest payment date : The 25th day of January, April, July and October each year from borrowing date through maturity date (or the previous business day if the date is not a business day)
- (i) Method of repayment : On each principal and interest payment date (the 25th day of January, April, July and October each year) after three years have passed since the borrowing date, INV will pay the amount calculated on the assumption that the remaining principal as of the date is repaid in equal installments of the principal and the interest over 20 years (80 times in total).  
The balance after the above payments are completed will be repaid in full on the maturity date.
- (j) Maturity date : January 25, 2018 (approximately 6.5 years)
- (k) Maturity date of partial repayment : On each principal and interest payment date (the 25th day of January, April, July and October each year) after three years have passed since the borrowing date (or the previous business day if the date is not a business day)

(Note) For the second lending, the following properties will be set as the trust assets, and the first mortgages will be established on them. Furthermore, trust accounts will be set for respective properties initially, but they are planned to be integrated into a single trust account after the implementation of borrowing.

- 9. Growth Maison Gotanda (Owned property for trust account 9)
- 10. Growth Maison Kameido (Owned property for trust account 10)
- 11. Emerald House (Owned property for trust account 11)
- 12. Growth Maison Ikebukuro (Owned property for trust account 12)
- 13. Route Tachikawa (Owned property for trust account 13)
- 14. College Square Machida (Owned property for trust account 14)
- 15. Belair Meguro (Owned property for trust account 15)
- 16. Wacore Tsunashima I (Owned property for trust account 16)

### (3) Third lending

- (a) Borrower : Mizuho Trust & Banking Co., Ltd. (trustee of real estate in trust) (borrower of the Trust Asset-Backed Borrowing)
- (b) Lender : Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership
- (c) Borrowing amount : JPY 3,630 million (joint-and-several liabilities for trust accounts 17 through 24)
- (d) Interest rate, etc. : 2.5%, or 7-year JPY swap rate at the day two business days before the borrowing date + 1.4%, whichever is higher (from July 29, 2011 to January 25, 2019)  
Fixed interest rate
- (e) Borrowing method : Borrowing based on term loan agreement as of July 27,

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- 2011  
Mortgage (Note) / non guarantee
- (f) Agreement date : July 27, 2011
- (g) Borrowing date : July 29, 2011
- (h) Interest payment date : The 25th day of January, April, July and October each year from borrowing date through maturity date (or the previous business day if the date is not a business day)
- (i) Method of repayment : On each principal and interest payment date (the 25th day of January, April, July and October each year) after three years have passed since the borrowing date, INV will pay the amount calculated on the assumption that the remaining principal as of the date is repaid in equal installments of the principal and the interest over 20 years (80 times in total).  
The balance after the above payments are completed will be repaid in full on the maturity date.
- (j) Maturity date : January 25, 2019 (approximately 7.5 years)
- (k) Maturity date of partial repayment : On each principal and interest payment date (the 25th day of January, April, July and October each year) after three years have passed since the borrowing date (or the previous business day if the date is not a business day)

(Note) For the third lending, the following properties will be set as the trust assets, and the first mortgages will be established on them. Furthermore, trust accounts will be set for respective properties initially, but they are planned to be integrated into a single trust account after the implementation of borrowing.

- |                                    |                                       |
|------------------------------------|---------------------------------------|
| 17. Harmonie Ochanomizu            | (Owned property for trust account 17) |
| 18. Suncrest Shakujii-Koen         | (Owned property for trust account 18) |
| 19. Grand Rire Kameido             | (Owned property for trust account 19) |
| 20. Acseeds Tower Kawaguchi-Namiki | (Owned property for trust account 20) |
| 21. Capital Heights Kagurazaka     | (Owned property for trust account 21) |
| 22. Growth Maison Kaijin           | (Owned property for trust account 22) |
| 23. College Square Machiya         | (Owned property for trust account 23) |
| 24. Kindai Kagakusha Building      | (Owned property for trust account 24) |

#### 4. Preconditions for implementing the trust asset-backed borrowing

Preconditions for implementing the Trust Asset-Backed Borrowing include that full repayment of JPY 11,056 million in the Term Loan and JPY 3,608 million in the 24th Individual Credit Loan will be conducted without fail at the same time as the implementation of the Prudential LPS Loan and in a manner that should satisfy the lenders (for details, please refer to the press release titled "Notice concerning Debt Financing, Repayment of Borrowings, etc.(2)" dated today. In addition, the loan conditions described in the commitment letter mentioned above must be fulfilled for the implementation of the Trust Asset-Backed Borrowing.

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## 5. Details of repayment of borrowings

### Term Loan (D)

- (a) Lender : The Chuo Mitsui Trust and Banking Company, Limited  
Aozora Bank, Ltd.  
Resona Bank, Limited.  
Mitsubishi UFJ Trust and Banking Corporation  
The Musashino Bank, Ltd.
- (b) Borrowing amount outstanding before repayment : JPY 11,131 million  
(Initial loan amount) : (JPY 11,499 million)
- (c) Repayment amount : JPY 11,131 million
- (d) Borrowing amount outstanding after repayment : JPY 0
- (e) Source of repayment : Fund procured by the Trust Asset-Backed Borrowing described in “3. Details of the trust asset-backed borrowing (planned)” above (JPY 11,000 million) and cash on hand (JPY 131 million)
- (f) Interest rate : 1.68000%  
(from July 1, 2011 to July 29, 2011)  
Variable interest rate
- (g) Borrowing method : Borrowing based on the term loan agreement (D) as of February 1, 2010 (including changes made thereafter)  
Mortgage / non guarantee
- (h) Borrowing date : February 3, 2010
- (i) Maturity date : July 29, 2011

## 6. Change in trustee of trust assets

In accordance with the Trust Asset-Backed Borrowing, CSNT plans to change the trustees of trust assets for the properties described in “3. Details of the trust asset-backed borrowing (planned)” above (owned properties for trust accounts 1 through 24) as described below.

|               | Property No. | Property name                        | Before change                                      | After change                     | Change date (planned) |
|---------------|--------------|--------------------------------------|----------------------------------------------------|----------------------------------|-----------------------|
| First lending | A26          | Nisshin Palacestage Daitabashi       | Mitsubishi UFJ Trust and Banking Corporation       | Mizuho Trust & Banking Co., Ltd. | July 27, 2011         |
|               | A27          | Nisshin Palacestage Higashi-Nagasaki | Mitsubishi UFJ Trust and Banking Corporation       |                                  |                       |
|               | A33          | Growth Maison Shin-Yokohama          | The Chuo Mitsui Trust and Banking Company, Limited |                                  |                       |
|               | A34          | Belle Face Ueno-Okachimachi          | The Chuo Mitsui Trust and Banking Company, Limited |                                  |                       |
|               | A37          | Growth Maison Yoga                   | The Chuo Mitsui Trust and Banking Company, Limited |                                  |                       |
|               | A39          | Shibuya-Honmachi Mansion             | Mitsubishi UFJ Trust and Banking Corporation       |                                  |                       |
|               | A40          | City Heights Kinuta                  | Mitsubishi UFJ Trust and Banking Corporation       |                                  |                       |

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|                |     |                                |                                                    |  |  |
|----------------|-----|--------------------------------|----------------------------------------------------|--|--|
|                | A46 | Foros Nakamurabashi            | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
| Second lending | A28 | Growth Maison Gotanda          | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
|                | A29 | Growth Maison Kameido          | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A30 | Emerald House                  | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A36 | Growth Maison Ikebukuro        | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A38 | Route Tachikawa                | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
|                | A43 | College Square Machida         | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
|                | A44 | Belair Meguro                  | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A45 | Wacore Tsunashima I            | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
| Third lending  | A31 | Harmonie Ochanomizu            | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
|                | A32 | Suncrest Shakujii-Koen         | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
|                | A35 | Grand Rire Kameido             | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A41 | Acseeds Tower Kawaguchi-Namiki | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A42 | Capital Heights Kagurazaka     | Mitsubishi UFJ Trust and Banking Corporation       |  |  |
|                | A47 | Growth Maison Kaijin           | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | A48 | College Square Machiya         | The Chuo Mitsui Trust and Banking Company, Limited |  |  |
|                | B8  | Kindai Kagakusha Building      | Mitsubishi UFJ Trust and Banking Corporation       |  |  |

## 7. Future outlook

For the results of the fiscal period ended June 2011 (January 1, 2011 to June 30, 2011) and the forecasted results the fiscal period ending December 2011 (July 1, 2011 to December 31, 2011) if the Trust Asset-Backed Borrowing and such is conducted, please refer to the press release titled "Notice concerning Revision of Forecasted Financial Results for the 16th Fiscal Period Ended June 2011 and Forecasted Financial Results and Distribution per Unit for the 17th Fiscal Period Ending December 2011" dated today.

## 8. Others: for appropriate understanding of investors

Regarding the risks relating to repayment of the Trust Asset-Backed Borrowing, please refer to "Part 2 Additional Information, 4. Investment Risks" in the securities registration statement submitted today, as well as to the description of "Investment risks" in the securities report for

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the fiscal period ended December 2010 (January 1, 2010 to December 31, 2010) which INV submitted on March 31, 2011. (all in Japanese only)

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[For reference]

Borrowing amount outstanding as of July 29, 2011

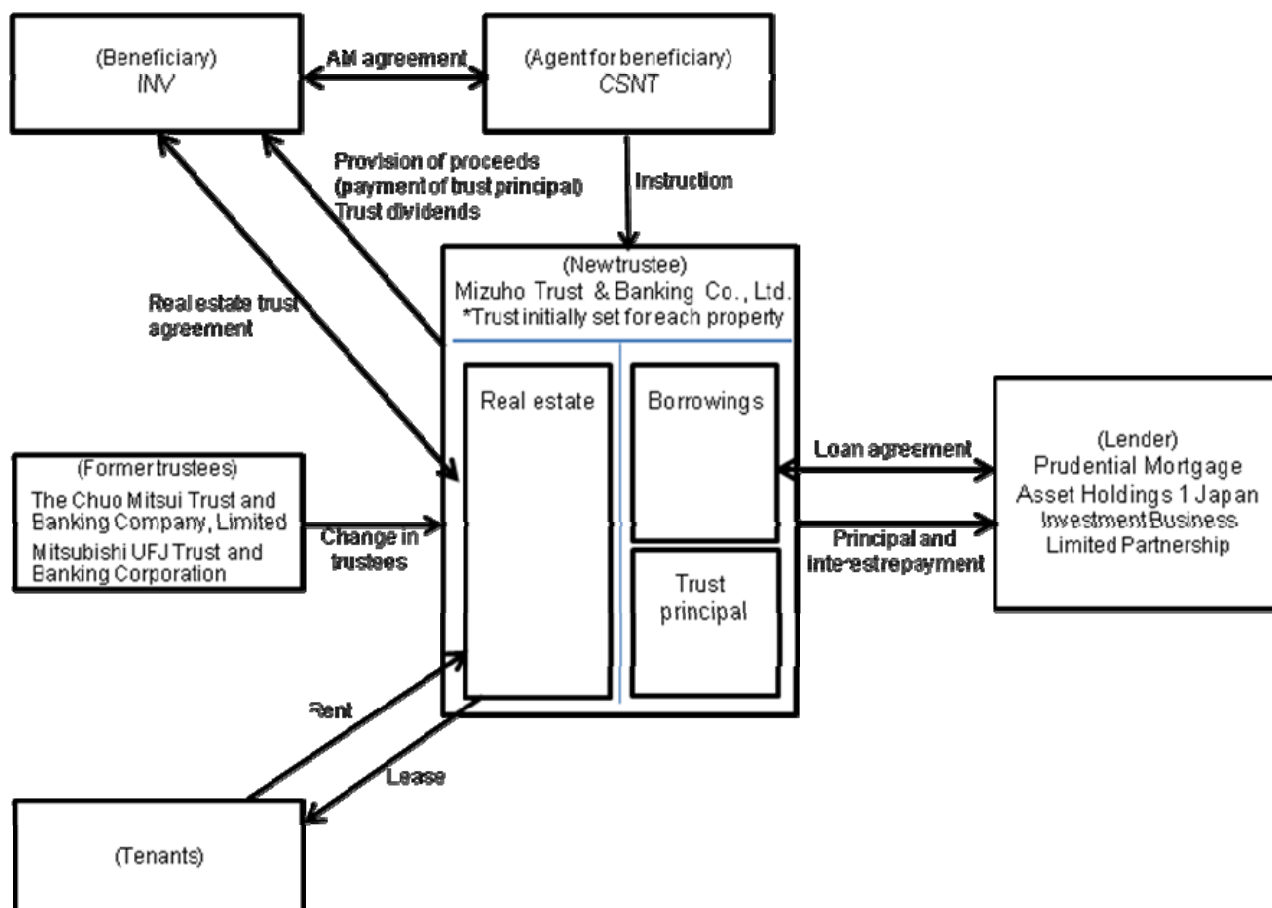
(Units: mn JPY, figures rounded to a mn JPY)

|                                             | Before borrowing | After borrowing | Balance |
|---------------------------------------------|------------------|-----------------|---------|
| Short-term debt                             | 25,796           | —               | -25,796 |
| Long-term debt to be repaid within one year | 16,800           | 5,615           | -11,185 |
| Long-term debt                              | —                | 31,300          | 31,300  |
| Total debt                                  | 42,596           | 36,915          | -5,681  |

(Note) The amount in “After borrowing” above reflects the amount after refinancing the Term Loan (Shinsei Trust & Banking Co., Ltd.), the Term Loan and the 24th Individual Credit Loan to be conducted on July 29, 2011 (includes partial refinance). Furthermore, please refer to the press release titled “Notice concerning Debt Financing, Repayment of Borrowings, etc.(1)” dated today for the details of the partial refinances of the Term Loan (Shinsei Trust & Banking Co., Ltd.), and the press release titled “Notice concerning Debt Financing, Repayment of Borrowings, etc.(2)” dated today for the details of the refinance of the Term Loan and the 24th Individual Credit Loan.

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<Scheme Diagram (common to the First lending through Third lending)>



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