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To All Concerned Parties

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## Notice concerning Debt Financing and Repayment of Borrowings, etc. (2)

Invincible Investment Corporation (INV) announced that it expects to conduct debt financing (hereinafter, “the Borrowings”) and repayment of borrowings. Details are as follows.

Furthermore, although INV expects that the Borrowings will be realized respectively under certain conditions as it already has received commitment letters to date from the respective lenders or Citibank Japan Ltd. (“Citibank”), which will acquire the beneficiary interests of the trust for which Shinsei Trust & Banking Co., Ltd. (“Shinsei Trust”), one of the lenders, is the trustee, the loan agreements covering the Borrowings have not been concluded to date. In addition, of the Borrowings, the Term Loan (Syndicate A) (the “Syndicate Loan A”) is subject to respective items described in 3. Preconditions for implementing the borrowing in Syndicate Loan A below as preconditions for its implementation.

### 1. Reason for borrowing and repayment of borrowings

INV intends to conduct the Borrowings, respectively, for the repayment of JPY 11,056 million in the Term Loan and JPY 3,608 million in the 24th Individual Credit Loan, both of which are existing borrowings that will mature on July 29, 2011.

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## 2. Details of borrowing (planned)

### (1) Syndicate Loan A

- (a) Lenders : Citibank Japan Ltd.  
Shinsei Bank, Limited  
The Chuo Mitsui Trust and Banking Company, Limited  
Resona Bank, Limited
- (b) Borrowing amount : JPY 10,100 million
- (c) Interest rate, etc. : Three-month JPY TIBOR + spread (2.1%)  
Variable interest rate  
Specific interest rate will be disclosed as soon as it is determined.
- (d) Borrowing method : Borrowing based on the term loan agreement planned to be concluded as of July 27, 2011  
Mortgage (Note 1) / non guarantee
- (e) Agreement date : July 27, 2011
- (f) Borrowing date : July 29, 2011
- (g) Interest payment date : Last business day of every three months before the principal repayment date, with October 31, 2011 set as the first payment date, and the principal repayment date
- (h) Principal repayment method : Part of the principal (JPY 37.5 million) will be repaid on the same day as the interest payment date (every three months), and the rest will be repaid in full on the principal repayment date.
- (i) Principal Maturity date : July 28, 2014
- (j) Partial repayment date of principal : Same day as the above (g) Interest payment date
- (k) Other : The following cases, among others, will constitute an event of default concerning the Borrowings: when certain repayment before maturity of the Shinsei Trust Loan A (the Term Loan (Shinsei Trust A) dated July 27, 2011 as described in the press release titled "Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)" dated today) and the Shinsei Trust Loan B (as defined below) is made by using the total amount of proceeds (all proceeds including interest and dividends) to be paid by INV and Consonant Investment Management Co., Ltd. ("CSNT") to Calliope Godo Kaisha ("Calliope"), which is a related legal entity of Fortress Investment Group LLC ("FIG") and will be an allottee of INV's new investment units by way of a Third-Party Allotment, and its related parties (Note 2) and the amount after deducting the said early repayment amount and related interests, etc. surpasses the certain amount designated in the above-mentioned

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term loan agreement, or when the holding ratios of Calliope and its related parties in the stocks of CSNT falls below two thirds of the entire stocks outstanding without prior consent by the lender.

(Note 1) The first pledges will be established on trust beneficiary interests in real estate for 19 properties (City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Crescent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Lexel Mansion Ueno Matsugaya, Towa City Coop Sengencho, Royal Park Omachi, Lexington Square Haginomachi, Visconti Kakuoan, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, AMS TOWER Minami 6-Jo, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman and Loc Town Sukagawa), and the first mortgages will be established on 2 properties (Shinjuku Island and Stop Parking Kanda-Sudacho). In addition, the first pledge will be established on trust beneficiary interests in the trust assets for the loan backed by trust assets to be granted by Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership (hereinafter, "Prudential LPS"), which is a part of the Prudential Financial, Inc. group, on the condition that full repayment of the credit in the loan backed by trust assets or prior consent by Prudential LPS is required for the execution of the pledges.

(Note 2) The related parties above represent either the fund administered by an affiliate of FIG or a subsidiary FIG owns directly or indirectly.

## (2) Term Loan (Shinsei Trust B) (the "Shinsei Trust Loan B")

- (a) Lender : Shinsei Trust & Banking Co., Ltd. (Note 1)
- (b) Borrowing amount : JPY 2,900 million
- (c) Interest rate, etc. : 9.5% (Note 2)  
Fixed interest rate
- (d) Borrowing method : Borrowing based on the term loan agreement planned to be concluded as of July 27, 2011  
Mortgage (Note 3) / non guarantee
- (e) Agreement date : July 27, 2011
- (f) Borrowing date : July 29, 2011
- (g) Interest payment date : Last business day of every three months before the principal repayment date, with October 31, 2011 set as the first payment date
- (h) Principal repayment method : Part of the principal (JPY 28 million) will be repaid on the same day as the interest payment date (every three months), and the rest will be repaid in full on the principal repayment date.
- (i) Principal Maturity date : January 30, 2015
- (j) Partial repayment date of principal : Same day as the above (g) Interest payment date

(Note 1) The borrowing will be conducted in the form of a specified money trust, with Shinsei Trust as the trustee and Citibank holds beneficiary interests for such trust. Citibank will re-entrust the part of the beneficiary interests in the said trust to Shinsei Trust as self-benefit trust benefit. Shinsei Trust will enter into a total return swap agreement with Calliope in connection to the said re-entrusted trust. The total return swap will give Calliope an indirect and partial economic interest in certain beneficiary interests in the trust concerning the lending by Shinsei Trust. Further, the total return swap is an agreement executed for the purpose of exchanging economic benefits or risks on certain assets (such as corporate bonds and trust beneficiary interests)

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between the contract parties. The total return swap agreement in the arrangement is planned to be executed between Calliope, Citibank, which is the owner of the trust beneficiary, and Shinsei Trust, the trustee, in order to exchange economic benefits obtained from the trust beneficiary interests, which are trusted assets, or risks involved in them. In accordance with the agreement, Calliope will pay proceeds to Shinsei Trust in an amount that is almost equivalent to the present value of the principal of the trust beneficiary interests, and Shinsei Trust will pay monies to Calliope by using the principal and dividends of the trust it will receive for the trust beneficiary interests.

For the scheme of the Shinsei Trust Loan B, please also refer to the attached "Scheme Diagram".

(Note 2) INV will pay the amount obtained by multiplying the borrowing amount by 3.0% as loan fees, and the amount obtained by multiplying the principal amount by 15.0% as exit fees, in addition to the interest. Concerning the rationale of interest rate and other terms and conditions, please see "4. Terms of borrowing in Shinsei Trust Loan B" below.

(Note 3) The first pledges will be established on trust beneficiary interests in real estate for seven properties (Bon Sejour Chitose Funabashi, Bon Sejour Yotsugi, Bon Sejour Hino, Bon Sejour Musashi Shinjo, Bon Sejour Komaki, Bon Sejour Hadano Shibusawa and Bon Sejour Itami).

### 3. Preconditions and assumptions for implementing the borrowing in Syndicate Loan A

Major preconditions for implementing the Syndicate Loan A include the following:

- (1) Lending to INV (Shinsei Trust Loan A (the term loan dated July 29, 2011 (Shinsei Trust A) as described in the press release titled "Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)" dated today) and Shinsei Trust Loan B), in which Calliope will indirectly have partial economic interest, and the capital increase by way of third party allotment with Calliope as an allottee, are completed or expected to be completed without fail.
- (2) Acquisition of more than two-thirds of the entire stocks outstanding of CNST by Calliope is completed or expected to be completed without fail.
- (3) Full repayment of JPY 11,056 million in the Term Loan and JPY 3,608 million in the 24th Individual Credit Loan is completed or expected to be completed without fail.
- (4) Payment of JPY 10,210 million out of JPY 16,800 million in the Securitized Loan is completed or expected to be completed without fail; and the maturity date of the Securitized Loan has been extended and other modifications have been made, and
- (5) Full repayment of JPY 11,131 million in the Term Loan (D) is completed or expected to be completed without fail due to the implementation of the Prudential LPS Loan.

For details concerning the transactions related to each of the above-mentioned preconditions, please refer to the press releases titled "Notice concerning Series of Transactions with Calliope Godo Kaisha," "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)" and "Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets" all dated today.

### 4. Terms of borrowing in Shinsei Trust Loan B

As described in the above 2. Details of borrowing (planned) (2) Term Loan (Shinsei Trust B), while the borrowing conditions of the Shinsei Trust Loan B (including conditions on financing fees and exit fees, etc., on top of the interest; the same holds true for below.) has a significant

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difference between the borrowing conditions of the past borrowings, and the borrowing conditions of the Syndicate Loan A and the Prudential LPS Loan to be executed at the same time (collectively, “the Simultaneous Borrowings”; for details of the Prudential LPS Loan, please see the press release titled “Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets” dated today), INV believes that the Shinsei Trust Loan B is rational considering comprehensively the following reasons and the financial condition of INV, the terms and conditions proposed in the negotiations with the existing lenders and the possible new lenders up to now, and the necessity of the procurement of fund;

- (1) The Shinsei Trust Loan B is secured by only seven 7 residential properties for elderly people (the “7 Senior Properties”). As they are for special use, the 7 Senior Properties have relatively low security value compared with other properties.
- (2) The Simultaneous Borrowings are secured by 21 properties for the Syndicate Loan A and 24 properties for the Prudential LPS Loan, and the value of the underlying security of the Shinsei Trust Loan B is materially different from that of the Simultaneous Borrowings.
- (3) Achieving significant improvement in the financial status through such measures as conducting refinances and extension of maturity dates of the entire borrowings and endeavor to avert the risk of financial bankruptcy is an important management issue for INV to be solved as soon as possible. The implementation of the Shinsei Trust Loan B is essential to repay in full the existing borrowings excluding part of the Securitized Loan or refinancing them with long-term loans, and maintaining INV’s activities as a going concern.

Moreover, INV has agreed with Calliope to pay a fee of JPY 336.5 million on July 29, 2011 (planned) as consideration for the advice on partial repayment (including partial release of obligation) and extension of the maturity date of the Securitized Loan and schematic formation of the fund procurement methods for the Syndicate Loan A and Prudential LPS Loan, and other issues (hereinafter, the “Advisory Service”). INV considers such a fee to be rational and reasonable, taking into account the content and achievements (modification of terms and conditions of the Securitized Loan and other results that should realize refinancing of other existing borrowings with long-term loans and thus enable INV to avert the risk of bankruptcy) of the Advisory Service by Calliope.

## 5. Details of repayment of borrowings

### (1) Term Loan

- |   |   |
|---|---|
| (a) Lender  | : Aozora Bank, Ltd. (agent)<br>Tokio Marine & Nichido Fire Insurance Co., Ltd.<br>Resona Bank, Limited.<br>THE NISHI-NIPPON CITY BANK, LTD.<br>The Musashino Bank, Ltd.<br>Shinsei Bank, Limited<br>The Chuo Mitsui Trust and Banking Company, Limited  |
| (b) Borrowing amount<br>outstanding before repayment<br>(Initial loan amount) | JPY 11,056 million<br>: (JPY 15,216 million)  |
| (c) Repayment amount  | : JPY 11,056 million  |
| (d) Borrowing amount<br>outstanding after repayment                           | : JPY 0   |
| (e) Source of repayment   | : The source of repayment for the Term Loan and the 24th Individual Credit Loan below is the borrowings of JPY 10,100 million as described in 2. Details of borrowing (planned) (1) Syndicate Loan A above and JPY 2,900 million as described in 2. Details of borrowing (planned) (2) Term Loan (Shinsei Trust B), and part (JPY 1,664 million) of the proceeds to be procured from the issuance of new investment units, as announced in the press release titled "Notice concerning Invitation of New Sponsor and Issuance of New Investment Units by Way of Third Party Allotment" dated today. |
| (f) Interest rate   | : 2.68000%<br>(from July 1, 2011 to July 29, 2011)<br>Variable interest rate  |
| (g) Borrowing method  | : Borrowing based on the term loan agreement as of November 19, 2009 (including changes made thereafter)<br>Mortgage / non guarantee  |
| (h) Borrowing date  | : November 24, 2009   |
| (i) Principal Maturity date   | : July 29, 2011   |

### (2) 24th Individual Credit Loan

- |   |  |
|---|--|
| (a) Lender  | : Aozora Bank, Ltd. (agent)                              |
| (b) Borrowing amount before<br>repayment<br>(Initial loan amount) | : JPY 3,608 million<br>: (JPY 4,660 million)             |
| (c) Repayment amount  | : JPY 3,608 million                                      |
| (d) Borrowing amount<br>outstanding after repayment               | : JPY 0  |
| (e) Source of repayment   | : The source of repayment for the 24th Individual Credit |

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Loan and the Term Loan above is the borrowings of JPY 10,100 million as described in 2. Details of borrowing (planned) (1) Syndicate Loan A above and JPY 2,900 million as described in 2. Details of borrowing (planned) (2) Term Loan (Shinsei Trust B), and part (JPY 1,664 million) of the proceeds to be procured from the issuance of new investment units, as announced in the press release titled “Notice concerning Invitation of New Sponsor and Issuance of New Investment Units by Way of Third Party Allotment” dated today.

- (f) Interest rate : 2.68000%  
(from July 1, 2011 to July 29, 2011)  
Variable interest rate
- (g) Borrowing method : Borrowing based on the individual credit loan agreement (the 24 Individual Credit Loan) with the lender as described in (1) above as of November 19, 2009 (including changes made thereafter) that was executed based on the master credit loan agreement as of November 19, 2009  
Mortgage / non guarantee
- (h) Borrowing date : November 24, 2009
- (i) Principal Maturity date : July 29, 2011

## 6. Future outlook

For the impact to the outlook on performance for the fiscal period ended June 2011 (January 1, 2011 to June 30, 2011) if the Borrowings are conducted, please refer to the press release titled “Notice concerning Revision of Forecasted Financial Results for the 16th Fiscal Period Ended June 2011 and concerning Forecasted Financial Results and Distribution per Unit for the 17th Fiscal Period Ending December 2011” dated today.

## 7. Others: for appropriate understanding of investors

Regarding the risk involving repayment of the 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 the fiscal period ended December 2010 (January 1, 2010 – 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 down to a mn JPY)

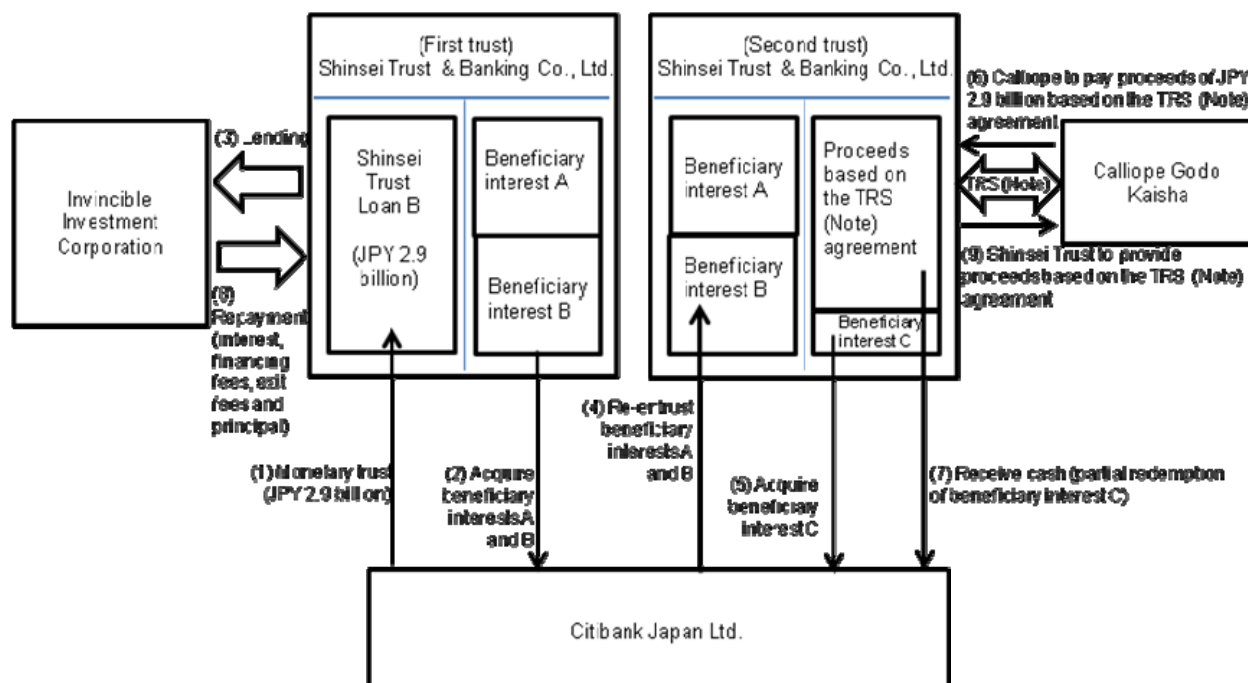
	Before borrowing	After borrowing	Balance
Short-term debt	25,796	—	-25,796
Long-term debt to be repaid within one year	16,800	5,615	-11,185
Long-term debt	—	31,300	31,300
Total debt	42,596	36,915	-5,681

(Note) The amount in “After borrowing” above reflects the amount after refinancing (and partially refinancing) the Term Loan (Shinsei Trust & Banking Co., Ltd.) and the Term Loan (D) to be conducted on July 29, 2011. Furthermore, please refer to the press release titled “Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)” dated today for the details of the refinances of the Term Loan (Shinsei Trust & Banking Co., Ltd.), and the press release titled “Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets” dated today for the details of the refinance of the Term Loan (D).

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[Scheme Diagram (Shinsei Trust Loan B)]



(Note) "TRS" in the above diagram represents "total return swap."