

July 15, 2011

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation  
Naoki Shibatsuji, Executive Director  
Nihon-bashi Nishikawa Bldg.  
1-5-3 Nihon-bashi, Chuo-ku, Tokyo, Japan  
(Securities code: 8963)  
URL: <http://www.invincible-inv.co.jp/eng/>

Asset manager:

Consonant Investment Management Co., Ltd.  
Naoki Shibatsuji, CEO  
Contact: Michiko Ishibachi,  
Manager in charge of Investor Relations  
(Tel. +81-3-3272-7311)

## Notice concerning Debt Financing and Repayment of Borrowings, etc.(1)

Invincible Investment Corporation (INV) hereby announce that it expects to partially repay an existing loan and revise the loan terms of its existing debt financing (hereinafter, the “Borrowing”) terms.

Furthermore, INV has received a commitment letter dated July 8, 2011 from Shinsei Bank, Limited (“Shinsei Bank”), which will acquire the beneficiary interests of the trust for which Shinsei Trust & Banking Co., Ltd. (“Shinsei Trust”), the lender, is the trustee, and expects that the Borrowing will be conducted subject to certain conditions. As of today, however, INV has not yet executed the loan agreement regarding the Borrowing.

1. Reason for borrowing, partial repayment of a loan and partial modification of its terms

INV will conduct the Borrowing for the partial repayment of JPY 16,800 million in the Term Loan (Shinsei Trust & Banking Co., Ltd.) (the “Securitized Loan”), which will mature on July 29, 2011. For the said repayment, INV will also use the proceeds (JPY 2,910 million) out of the JPY 6,999 million to be procured from the issuance of new investment units by way of Third-Party Allotment (the “Third-Party Allotment”), 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. INV also plans to change part of the loan’s terms, as described below.

Note: This document is an English translation of a public announcement regarding debt financing and repayment of borrowings, etc. and has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions at their own examination and responsibility. This translation of the original Japanese public announcement is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.

## 2. Details of borrowing (planned)

Term Loan (Shinsei Trust A) (hereinafter, the “Shinsei Trust Loan A”)

- (a) Lender : Shinsei Trust & Banking Co., Ltd. (Note 1)
- (b) Borrowing amount : JPY 7,300 million
- (c) Interest rate, etc. : 8.5% (Note 2)  
Fixed interest rate
- (d) Borrowing method : Borrowing based on the term loan agreement dated 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 : To be repaid in full on the maturity date
- (i) Principal maturity date : January 30, 2015

(Note 1) The borrowing will be conducted in the form of a specified money trust, with Shinsei Trust as the trustee and Shinsei Bank holds beneficiary interests for such trust. Shinsei Bank will re-entrust the subordinated beneficiary interests in the said trust to Shinsei Trust as self-benefit trust. Shinsei Trust will enter into a total return swap transaction agreement with Calliope Godo Kaisha (“Calliope”) in connection to the said re-entrusted trust. The total return swap will give Calliope an indirect and partial economic interest in the subordinated 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) between the contract parties. The total return swap agreement in the arrangement is planned to be executed between Calliope, Shinsei Bank, which is the owner of the trust beneficiary interests, 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 A, 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” below.

(Note 3) The first pledges will be established on trust beneficiary interests in real estate for two properties (Spacia Ebisu and Lexington Plaza Nishigotanda).

## 3. Details of partial modification of terms (including partial repayment of principal before maturity) Securitized Loan

### [Before change]

- (a) Lender : Shinsei Trust & Banking Co., Ltd.
- (b) Borrowing amount before repayment : JPY 16,800 million
- (c) (Initial loan amount) : (JPY 25,800 million)
- (d) Interest rate, etc. : 3.64000% (July 1, 2011 to July 29, 2011)  
Variable interest rate
- (e) Borrowing method : Borrowing based on the term loan agreement dated March 28, 2007 (including changes made thereafter) (the "Agreement")  
Mortgage / non guarantee
- (f) Borrowing date : March 30, 2007
- (g) Interest payment date : June 30, 2011 and principal repayment date
- (h) Principal repayment method : To be repaid in full on the maturity date
- (i) Principal repayment date : July 29, 2011

### [After change] (Changed sections only)

- (c) Interest rate, etc. : One-month JPY LIBOR + 3.5% (July 30, 2011 to August 31, 2011)  
Three-month JPY LIBOR + 3.5% (September 1, 2011 to November 30, 2011),  
Two-month JPY LIBOR + 3.5% (December 1, 2011 to January 31, 2012)  
Variable interest rate  
Specific interest rate will be disclosed as soon as it is determined.
- (f) Interest payment date : August 31, 2011, November 30, 2011 and principal repayment date
- (g) Principal repayment method : INV plans to repay part (JPY 10,210 million) of principal before maturity on the partial repayment date of principal. The source of repayment is the borrowings of JPY 7,300 million as described in 2. Details of borrowing (planned) above and part (JPY 2,910 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. The remaining amount of principal (JPY 5,615 million) will be repaid in full on the principal repayment date.
- (h) Principal repayment date : January 31, 2012
- (i) Partial repayment date of : July 29, 2011

Note: This document is an English translation of a public announcement regarding debt financing and repayment of borrowings, etc. and has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions at their own examination and responsibility. This translation of the original Japanese public announcement is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.

principal

(j) Other

The principal of the Securitized Loan is JPY 16,800 million. However, on the condition that JPY 10,210 million out of the remaining principal be paid on July 29, 2011 (partially on the principal repayment date), the lender will release INV from the obligation for JPY 975 million out of the said loan principal, and the collateral properties and nonexempt properties will be limited to the trust beneficiary interest in real estate for New Edobashi Building (the "Property").

For the remaining principal after repayment by using the proceeds held in the reserve account (proceeds reserved pursuant to the Agreement, in preparation for any shortage of monies for repayment of the Securitized Loan when certain events occur; the same holds true for below.), INV will conduct substitute performance for all of its obligations under the Agreement, as of January 31, 2012, which is the principal repayment date after amendment with the Property for a price based on reasonable grounds. However, if INV sells the property before the planned repayment date at a certain level of price (or with consent from the lender if the amount is below that level), INV will use the proceeds from the sale to pay all of its obligations under the Agreement, and allocate the proceeds held in the reserve account for the repayment. For the remainder after these repayments are made, the lender shall waive its claim.

#### 4. Terms of borrowing

As described in the above 2. Details of borrowing (planned), while the terms of the Borrowing (including conditions on financing fees and exit fees, etc., on top of the interest; the same holds true for below.) are significantly different from the terms of past borrowings, and the terms of the Term Loan (Syndicate A) (the "Syndicate Loan A") and the trust asset-backed borrowing (Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership) (the "Prudential LPS Loan") to be executed at the same time (collectively, "the Simultaneous Borrowings"; please see the press releases titled "Notice concerning Debt Financing and Repayment of Borrowings, etc.(2)" and "Notice concerning Fund Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets" both dated today for details), INV believes that the Borrowing is rational considering comprehensively the following reasons and the financial condition of INV, the terms and conditions proposed in the negotiations to date with the existing lenders and the potential new lenders, and the necessity of the procurement of funds;

Note: This document is an English translation of a public announcement regarding debt financing and repayment of borrowings, etc. and has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions at their own examination and responsibility. This translation of the original Japanese public announcement is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.

- (a) The Borrowing is secured by only 2 properties (Spacia Ebisu and Lexington Plaza Nishigotanda) (the “2 Subject Properties”), which respectively have higher vacancy rates compared to INV’s other properties.
- (b) 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 Borrowing is materially different from that of the Simultaneous Borrowings.
- (c) 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 Borrowing 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 loans with long-term loans and thus enable INV to avert the risk of bankruptcy) of the Advisory Service by Calliope.

## 5. 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 Borrowing 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 concerning Forecasted Financial Results and Distribution per Unit for the 17th Fiscal Period Ending December 2011” dated today.

## 6. 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)

---

Note: This English language notice is a translation of the Japanese language notice released on July 15, 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.

<p>Note: This document is an English translation of a public announcement regarding debt financing and repayment of borrowings, etc. and has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions at their own examination and responsibility. This translation of the original Japanese public announcement is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.</p>
--

[For reference]

Borrowing amount outstanding as of July 29, 2011

(Units: mn JPY, figures rounded down to a million 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, the 24th Individual Credit Loan 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 Borrowing, etc.(2)” dated today for the details of the refinances of the Term Loan and the 24th Individual Credit Loan, 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).

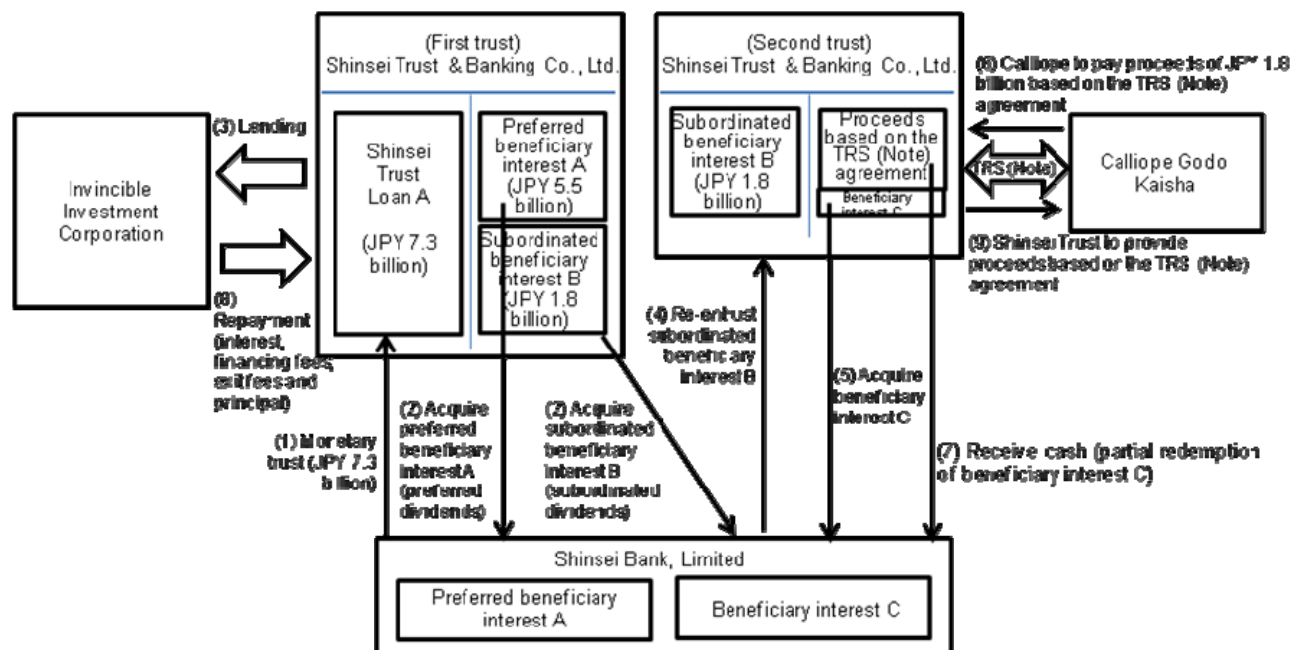
---

Note: This English language notice is a translation of the Japanese language notice released on July 15, 2011 and was prepared solely for the convenience of, and reference by, non-Japanese investors. No warranties or assurance are given for its accuracy or completeness of this English translation. Readers are urged to read the original Japanese language notice.

<p>Note: This document is an English translation of a public announcement regarding debt financing and repayment of borrowings, etc. and has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions at their own examination and responsibility. This translation of the original Japanese public announcement is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.</p>
--

(Attachment)

[Scheme Diagram (Shinsei Trust Loan A)]



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

Note: This document is an English translation of a public announcement regarding debt financing and repayment of borrowings, etc. and has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions at their own examination and responsibility. This translation of the original Japanese public announcement is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.