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To All Concerned Parties

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Notice concerning Invitation of New Sponsor and Issuance of New Investment Units by way of Third-Party Allotment

Invincible Investment Corporation (“INV”) announced that it today decided on the issuance of new investment units by way of a third-party allotment (the “Third-Party Allotment”), as follows.

Originally, on March 18, 2011, INV had decided on the issuance of new investment units by way of a third-party allotment, and submitted a securities registration statement concerning the issuance. After submitting the statement, however, a material concern was raised as to the sale of the trust beneficiary interest in real estate for New Edobashi Building (the “Property”), which was one of the preconditions for the Third-Party Allotment and transactions related to it. Because of this, INV decided to suspend the Third-Party Allotment and withdrew the said statement. (For details of these events, please refer to “Notice concerning Status on Issuance of New Investment Units by Way of Third-Party Allotment” announced on March 19, 2011, “Notice concerning Status on Issuance of New Investment Units by Way of Third-Party Allotment (Continued)” and “Notice concerning Status on Issuance of New Investment Units by Way of Third-Party Allotment (Continued II)” dated March 22, 2011, and “Notice concerning Suspension of Issuance of New Investment Units by Way of Third-Party Allotment and Withdrawal of Securities Registration Statement” dated March 23, 2011 (all in Japanese only). Afterwards, as a result of discussions and negotiations conducted with related parties, INV determined that it would likely be able to implement the Transactions without including the sale of the Property as a precondition. Accordingly, INV has decided to proceed with the implementation of the Transactions and hereby announces it today.

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1. Issuance of new investment units

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| (1) Number of new investment units | 711,597 units |
| (2) Issue price | JPY 9,837 per unit |
| (3) Total issue price | JPY 6,999,979,689 |
| (4) Offering or allotment method | Third-party allotment |
| (5) Subscription period | July 25, 2011 (Monday) |
| (6) Payment date | July 29, 2011 (Friday) |
| (7) Allottee and number of investment units to be allotted | Calliope Godo Kaisha: 609,942 units Stanhope Investments: 64,043 units Prospect Japan Fund Limited: 24,397 units Permal Prospect Japan Limited: 13,215 units |
| (8) Offering units | Minimum of one unit and in increments of one unit |
| (9) Placement agent | SMBC Nikko Securities Inc. |
| (10) The Third-Party Allotment shall be implemented subject to the conditions precedent that, among others, (a) in the judgment of Calliope Godo Kaisha in its absolute discretion (hereinafter, "Calliope") it is certain that, by July 29, 2011, each of the loan agreements regarding the Syndicate Loan A and the Prudential LPS Loan, stated in "3. Purpose and Reason for Issuance (3) Overview of Transactions with the New Sponsor," as well as the loan agreement regarding the Shinsei Trust Loan, stated in "7. Rationale behind Conditions of Issuance, etc. (1) Basis for Calculation of Issue Price", will be concluded and the borrowings under such agreements will be securely implemented, and that, by July 29, 2011, part of INV's existing borrowings (JPY10,210 million out of JPY 16,800 million in Term Loan (Note), JPY 11,056 million in Term Loan, JPY 3,608 million in 24th Individual Credit Loan, and JPY 11,131 million in Term Loan(D)) will be fully repaid, (b) the acquisition of 8,372 outstanding stocks of Consonant Investment Management Co., Ltd. (CNST) by Calliope will have been completed, (c) Calliope judges, in its absolute discretion, that no storm, heavy rain, heavy snow, flood, high tide, earthquake, tsunami (tidal wave), eruption, nuclear accident and other incidents or damages caused by these (including, but not limited to, the Great East Japan Earthquake) has occurred, regardless of their size or type, and may have a negative impact, either directly or indirectly, on the economy, finance, markets, market prices, fortunes, business activities, etc. in all or any part of Japan, and (d) the Securities Registration Statement concerning the Third-Party Allotment will become effective and the effect of the Securities Registration Statement will not be suspended on the Payment Due Date. | |

(Note) INV plans to agree with the lender of the Term Loan as of July 27, 2011 that, among other things, (1) upon the fulfillment of various conditions, including that JPY 10,210 million out of the principal of JPY 16,800 million be paid on July 29, 2011, the collateral properties and nonexempt properties will be limited to the Property (the trust beneficiary interest in real estate for New Edobashi Building), the lender will release INV from repayment of JPY 975 million out of the loan principal, and the repayment date of the remaining principal of JPY 5,615 million will be set at January 31, 2012; (2) if INV is able to sell the Property before the maturity date of the Loan in a way that satisfies certain conditions, INV will use the proceeds it receives from the sale as well as certain reserves to pay the remaining principal and other obligations, and the lender will waive its claim for the remaining amount of the proceeds, if any; and (3) if INV is not able to sell the Property in accordance with the above (2),

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INV will offer the Property to the lender in lieu of repayment of a specified loan amount after using certain reserves for repayment and, if there is remaining amount, the lender will waive its claim for the remaining amount.

2. Changes in total number of issued investment units after the issuance

Total current number of currently issued investment units: 636,695 units

Increase in the number of investment units by this issuance: 711,597 units

Total number of issued investment units after this issuance: 1,348,292 units

3. Purpose and reason for issuance

(1) Recognition of management issues

As a “comprehensive investment REIT focusing on the Tokyo metropolitan area and on residential properties,” INV was listed on the Osaka Securities Exchange in May 2004 and on the J-REIT market of the Tokyo Stock Exchange in August 2006 (in order to focus trading on one securities exchange and reduce administrative tasks and costs accompanying a duplicate listing, INV delisted from the Osaka Securities Exchange in October 6, 2007). INV has steadily accumulated a track record in management since its establishment in May 2002, and has striven to secure the steady growth of assets and stable revenues.

However, the Japanese economy in 2011 continues to face a severe situation, and fears of deflation and unemployment remaining, though some sectors have begun to show signs of recovery against the backdrop of the recovery in world economy. Moreover, after the Great East Japan Earthquake on March 11, 2011 (hereinafter, the “Earthquake”), the future of the economy has become even more uncertain, with consumer sentiment declining and production decreasing due to the impact of the nuclear power plant accident and other factors.

The real estate market in Japan remains in an adjustment phase, amid fears of deflation, unemployment and the impact of the Earthquake, despite some positive signs that the market is being stimulated by an increase in property acquisitions and equity financing by J-REITs. In these economic conditions, INV continues to be face of severe difficulties in obtaining funding.

In order to overcome its financial problems, including concerns over increasing financing costs and the availability of refinancing, INV merged with LCP Investment Corporation (“LCP”) effective on February 1, 2010 (the “Merger”). After the Merger, INV repaid borrowings worth a total of JPY 32,688 million (Note 1), using proceeds from the sale of 49 properties in total and cash on hand, in order to improve its financial standing. However, as mentioned above, the financing environment surrounding INV is still grave.

(Note 1) This figure does not include the amount of JPY 11,499 million repaid upon the refinance of existing borrowings as of February 3, 2010.

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Of INV's borrowings, it was not specifically clear whether INV was able to repay JPY 16,800 million in a term loan (hereinafter, the "Securitized Loan") or whether further extension of the maturity date for the Securitized Loan was admitted as of the date when INV submitted the semiannual report for the interim period ended June 2010. This situation was a factor to that might enhance the risk relating to INV's business continuity. Accordingly, INV judged that there existed serious uncertainty over the going concern basis as of the same date, and decided to make a note on matters regarding the going concern basis.

Furthermore, as of the end of the fiscal period that ended December 2010, there was still no significant change in the above-mentioned conditions. Moreover, as described below, an event of default occurred for part of INV's borrowings. Thus, INV uncertainty remains concerning INV's business continuity and, as of today, the above-mentioned note regarding the going concern basis has not been resolved and eliminated.

With regards to the extension of the maturity dates of INV's borrowings including the Securitized Loan, the maturity dates of all loans were extended from March 31, 2011 to June 30, 2011, and were further extended to July 29, 2011 as of June 28, 2011. However, it is difficult to obtain agreement from related parties as to refinancing or further extension of the maturity dates after July 29, 2011, and it is not clear whether the issue will be resolved.

In addition, under each agreement on borrowings in the Term Loan (the term loan agreement dated November 19, 2009 (including changes made thereafter; hereinafter, the "Term Loan Agreement")) (hereinafter, the "Term Loan") and on borrowings based on the Individual Credit Loan Agreement dated November 19, 2009 (including changes made thereafter) (hereinafter, the "24th Individual Credit Loan") that was concluded pursuant to the Master Credit Loan Agreement dated November 19, 2009 (hereinafter, the "Master Credit Loan Agreement"), if the "Investment Corporation LTV"(Note 2) exceeds 60%, INV is obligated to cure such condition within six months (the "Obligation to Resolve"). At the end of INV's interim fiscal period ended June 2010 (June 30, 2010), the Investment Corporation LTV exceeded 60% (Investment Corporation LTV at the end of the interim fiscal period ended June 2010: 60.4% (Note 3)). With the settlement of financials for INV's 15th fiscal period, the Investment Corporation LTV at the end of the fiscal period ended December 2010 exceeded 60% again (Investment Corporation LTV at the end of the fiscal period ended December 2010: 60.2% (Note 3)), which resulted in an event of default due to a breach of the Obligation to Resolve pertaining to the Term Loan and the 24th Individual Credit Loan at the end of the 15th fiscal period.

Moreover, since INV was in breach of the Obligation to Resolve and a waiver for performance of the Obligation to Resolve was not granted to INV by all lenders of the Term Loan Agreement and the Master Credit Loan Agreement within the twenty business days grace period after the breach (at the end of the fiscal period ended December 2010), these

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also constituted an event of default upon lenders' request at the instructions of a majority of lenders for another of INV's borrowings, Term Loan (D) (borrowing based on the term loan agreement dated February 1, 2010 (including changes made thereafter) (hereinafter, the "Term Loan (D)").

As of today, none of the lenders of the above-mentioned loans has expressed an intention to request repayment prior to the maturity date.

(Note 2) "Investment Corporation LTV" is defined in respective agreements as being the figure calculated by dividing the amount presented as total liabilities on INV's balance sheets for the respective fiscal period by the amount presented as total assets.

(Note 3) Percentages are rounded down to the first decimal places.

INV recognizes that the prompt resolution and elimination of the above-mentioned note regarding the going concern basis, improving its financial status including refinancings and extension of the maturity dates of all the borrowings of INV, including the Securitized Loan, and obtaining agreement from the lenders not to accelerate the defaulted loans are all urgent and material business issues.

(2) Reason and purpose for fund procurement through the Third-Party Allotment

In the event that the management issues mentioned under (1) Recognition of management issues above are not resolved, it is expected that INV will face difficulty in continuing business. In order to avoid such a serious situation, continue business in the future, and secure stable medium to long-term revenues, INV believes that a significant improvement in its financial status and borrowing conditions, including the extension of relevant maturity dates, and the refinancing of relevant borrowings based on such improvements, are absolutely necessary. Thus INV has conducted frequent discussions and negotiations to explore various means of financing.

As a result, INV felt that without a new, reliable sponsor, it would prove difficult to improve borrowing conditions, let alone obtain new financing from financial institutions. Furthermore, due to the severe financial situation of INV and the risks pertaining to refinancing of the Securitized Loan, INV judges that currently raising funds through a public offering is practically impossible. Additionally, in view of past negotiations concerning refinancing of borrowings, including the Securitized Loan, conditions are such that, should the current situation continue, reaching an agreement with lenders concerning the refinancing or extension of maturity dates of borrowings due on July 29, 2011 will also prove difficult.

For these reasons, INV believes that, at the current moment, the only means left for INV to survive is to realize invitation of a reliable sponsor, accompanied by a capital increase by way of a third-party allotment.

Since the merger in February 2010, INV has made inquiries to more than 25 sponsor

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candidates concerning support, and has conducted frequent discussions and negotiations with several candidates that presented specific proposals. Based on these discussions and negotiations, INV has come to the conclusion that receiving support from Calliope, an affiliate of Fortress Investment Group LLC ("FIG", and together with Calliope and its affiliates, "Fortress"), as the new sponsor will best achieve the above-mentioned goal. Based on this judgment and after extensive discussions with Calliope, INV selected to receive support from Calliope as its new sponsor. At the same time, in order to procure refinancing funds for the Securitized Loan, the Term Loan and the 24th Individual Credit Loan, INV decided to implement the Third-Party Allotment (hereinafter, the "Transactions"). In addition, Calliope is planning to acquire approximately 97.3% of outstanding stock of CNST at the same time as the payment for investment units to be issued by the Third-Party Allotment, and has entered into share purchase agreements with some stockholders of CNST as of the payment date of the Third-Party Allotment. For details of the share transfer, please refer to the press release titled "Notice concerning Change of Stockholders of Asset Manager" dated today.

In addition, Prospect Japan Fund Limited (hereinafter, "Prospect Japan"), a major unitholder of INV, and other allottees who have the same investment advisor as Prospect Japan (Stanhope Investments and Permal Prospect Japan Limited), expressed their support by accepting part of the Third-Party Allotment, as well as backup for the sponsor support by Fortress. Therefore, INV decided to allocate some of the Third-Party Allotment to these allottees. Furthermore, these allottees do not plan to acquire any stock of CNST.

The dilution ratio of investment units resulting from the Third-Party Allotment is approximately 111.76%. The investment units to be issued will be equivalent to approximately 52.77% of the total number of issued and outstanding investment units of INV after implementation of the Third-Party Allotment. However, as mentioned in "(3) Summary of Transactions with the New Sponsor" below, the capital increase by way of the Third-Party Allotment to Calliope and the changes in sponsors will enable INV to obtain commitments from Fortress on new borrowings through Fortress's strong relationships with financial institutions both in Japan and abroad. Based on this, INV expects to be able to obtain financing (new borrowings as well as the Third-Party Allotment) for the purpose of repaying the Securitized Loan, which is an urgent issue for INV, and other borrowings (Note). If these financings enable INV to avert the risk of bankruptcy and realize strengthening of its financial base, INV will be able to raise its mid-to-long term profit-earning capacity through the improvement of its financial conditions including reduction of finance-related risks through new borrowings. With these developments, INV is confident that it can firmly establish a foundation for future growth.

(Note) For the repayment before maturity and the extension of the maturity date of the Securitized Loan, please refer to the press release titled "Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)" dated today. For the refinancing of other borrowings, please refer to the press releases titled "Notice concerning Debt Financing and Repayment of Borrowings, etc. (2)" and "Notice concerning Fund

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Procurement through Debt Financing Backed by Trust Assets and Repayment of Borrowings and Change in Trustee of Trust Assets” both dated today.

Furthermore, INV feels that the realization of the Transactions will lead to the enhancement of unitholder value over a medium-to-long term, as INV will be able to stabilize its operations through the Transactions and by later implementing various measures described in “(3) Overview of Transactions with the New Sponsor” below.

(3) Overview of transactions with the new sponsor

The main allottee, Calliope, is an affiliate of FIG, a global investment management firm with approximately \$43.1 billion (approximately JPY 43.5 trillion) in assets under management as of March 31, 2011. Established in 1998, FIG became the first publicly listed alternative investment manager in the U.S. when it completed its initial public offering on the New York Stock Exchange in February 2007. FIG is headquartered in New York and employs approximately 900 employees worldwide. Its affiliates have offices in Tokyo, Singapore, Dallas, Frankfurt, London, Los Angeles, New Canaan, Philadelphia, Rome, San Francisco and Sydney.

Fortress is one of the largest opportunistic real estate investors in the world, having completed over \$50 billion of real estate and real estate-related investments globally to date. As of March 2011, Fortress had over \$12 billion in assets under management in its Credit and Real Estate funds, which raised over \$3.5 billion in third-party investor capital in 2010. In 2010, Fortress also closed the placement of the Fortress Japan Opportunity Fund (“FJOF”) at its cap of \$800 million. FJOF has been actively investing in Japan since 2009, primarily in real estate-related investments.

INV would like to rebuild its financial base, which is currently facing a bankruptcy crisis, and will strive to enhance unitholder value in the medium-to-long term through the following measures.

[Phase I]

As stated in (1) Recognition of Management Issues and (2) Reason and Purpose for Choosing Financing through the Third-Party Allotment above, INV continues to face grave financial problems, and is close to bankruptcy. Therefore, INV will first focus on implementing the following measures:

- (a) Changing the main sponsorship to Calliope, an affiliate of FIG (changes in the parent companies of CNST)
- (b) Equity financing by way of the Third-Party Allotment with Calliope as the main allottee
- (c) Partial repayment of the Securitized Loan (Note) by using part of the funds procured through the Third-Party Allotment and by procuring new borrowings

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- (d) Realizing improvement and normalization of the financial base by executing refinancing with regards to the entire amount of remaining borrowings excluding the Securitized Loan

(Note) For details, please refer to the press release titled “Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)” dated today.

Concerning (d) above, Fortress’s strong relationship with financial institutions both in Japan and abroad has helped INV obtain commitments to date for additional financings that are planned to be implemented as of July 29, 2011 from the lenders or their related parties of the Term Loan (Syndicate A) and Prudential Mortgage Asset Holdings 1 Japan Limited Partnership, a member of the Prudential Financial, Inc. group (hereinafter, respectively referred to as the “Syndicate Loan A” and the “Prudential LPS Loan.”). For more details, please refer to 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.

Moreover, since the Transactions allow early, partial repayment of the Securitized Loan, it is planned that INV will be able to agree with the lender on releasing INV from the repayment of JPY 975 million of the principal of the said loan.

[Phase II]

After the operations of INV become stable, INV will strive to enhance unitholder value.

Specifically, INV is planning to primarily deliberate and implement the following measures:

- (a) Raise the quality of/reconstruct the portfolio:

INV will maximize the profit-earning capacity of its portfolio and replace assets appropriately and in a timely manner. By doing so, INV will work to raise the quality of and reconstruct its portfolio.

- (b) “Stable Management” while ensuring freedom of management:

INV will deliberate upon the flexible use of retained earnings generated from gain on negative goodwill for the speedy replacement of assets in line with future environmental changes and for dividend policies in addition to the original use in preparation for the sales of properties to repay the principal of borrowings.

- (c) Strengthening the bank formation:

As mentioned above, Fortress’s strong relationship with financial institutions both in Japan and abroad has helped INV obtain commitments for additional financing regarding the Syndicate Loan A and the Prudential LPS Loan.

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INV will deliberate and implement each of these measures. By achieving steady internal growth and external growth, and by stabilizing its financial status, INV will strive to raise unitholder value. Furthermore, in the medium-to-long term, INV will strive to establish at an early stage a foundation that enables activities for further enhancement of unitholder value, such as realizing property acquisitions through capital increases by way of public offerings, which in its nature may be the core of the growth strategy of a REIT.

4. Amount to be procured, use of proceeds, and scheduled timing of expenditure of procured funds

(1) Amount to be procured (approximate net proceeds)

JPY 6,939,979,689 (Note)

(Note) Amount to be procured (Approximate net proceeds) (JPY 6,939,979,689) = total amount of proceeds to be procured (JPY 6,999,979,689) – expenses on issuing new investment units (JPY 60,000,000)

(2) Details of use of proceeds and scheduled timing of expenditure of procured funds

The amount to be procured from the Third-Party Allotment (approximate net proceeds) is JPY 6,939 million. The chart below shows detailed use of the proceeds.

| Detailed Use | Amount | Scheduled Timing of Expenditure of Procured Funds |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------|
| Part of funds used to repay borrowings (the Securitized Loan) (principal amount is JPY16,800 million) (Note 1) | JPY 2,910 million (Note 2) | July 29, 2011 |
| Part of funds used to repay borrowings (the Term Loan) (principal amount is JPY11,056 million) and borrowings (the 24th Individual Credit Loan) (principal amount is JPY3,608 million) | JPY 1,664 million (Note 3) | |
| Loan interest reserves, loan-related expenses (loan fees and lender expenses) and funds for partial repayment of loans as agreed, funds for loan interest payment excluding loan interest reserves, cash on hand including proceeds for payment of repair work and others, etc. (Note 4) | JPY 2,365 million | (Note 4) |

(Note 1) The principal of the Securitized Loan is JPY 16,800 million. However, it is planned that, on the condition that JPY 10,210 million out of the remaining principal be paid on July 29, 2011, the lender will agree to release INV for JPY 975 million out of the loan principal.

(Note 2) Amounts of the procured funds to be used for repaying the Securitized Loan will not meet the amount of JPY 10,210 million to be repaid on July 29, 2011. However, the remaining amount required for the repayment (JPY 7,300 million) is scheduled to be repaid through new borrowings. For more details, please refer to the press release titled “Notice concerning Debt financing and Repayment of Borrowings, etc.(1)” dated today.

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(Note 3) Amounts of the procured funds to be allocated for repaying the Term Loan and the 24th Individual Credit Loan will not meet the principals of the Term Loan and the 24th Individual Credit Loan. However, the remaining amount (JPY 13,000 million) is scheduled to be repaid through new borrowings. For more details, please refer to the press release titled "Notice concerning Debt financing and Repayment of Borrowings, etc.(2)" dated today.

(Note 4) The fund is planned to be allocated for loan interest reserves (JPY 400 million planned for payment and scheduled for payment on July 29, 2011), loan-related expenses (JPY 600 million planned for payment and scheduled for payment on July 29, 2011), repayment of loans as agreed for the Syndicate Loan A and the Shinsei Trust Loan B among INV's borrowings (JPY 842 million in total planned for repayment during the loan periods, comprising JPY 450 million for the Syndicate Loan A and JPY 392 million for the Shinsei Trust Loan B, scheduled to be paid every three months in accordance with the provisions of the said loans), proceeds for loan interest payment excluding above-mentioned JPY 400 million as loan interest reserves (JPY 400 million planned for payment and scheduled to be paid in the fiscal period ending December 2011 in accordance with the provisions of respective loans), and cash on hand that includes proceeds for payment of repair work and others for repairs that may be needed because of the Earthquake and other factors (JPY 30 million presently planned for payment and scheduled to be paid in the fiscal period ending December 2011). Furthermore, the funds will be managed in INV's bank account until payment is implemented, except for those planned to be used on July 29, 2011 for payment.

As for the repayment of borrowings as agreed, please refer to the press releases titled "Notice concerning Debt financing and Repayment of Borrowings, etc.(1)" and "Notice concerning Debt financing and Repayment of Borrowings, etc. (2)" both dated today.

(Note 5) INV will pay Calliope 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"). This fee is not included in the above-mentioned use of funds to be procured through the Third-Party Allotment. INV plans to pay the said fees by using cash on hand.

5. Projections of LTV after the issuance

After the funds procured through the Third-Party Allotment and from new borrowings (Note 1) as a result of the Transactions are allocated to the repayment of borrowings, the interest-bearing debt ratio (LTV) (Note 2) is projected to decrease from 62.6% as of the end June 2011 to 53.3%.

(Note 1) For details of new borrowings, please refer to the press releases titled "Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)," "Notice concerning Debt Financing and Repayment of Borrowings, etc. (2)," "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.

(Note 2) The LTV is calculated using the following formula. Moreover, unitholders' capital is calculated by adding the amount of unitholders' capital increased through the Third-Party Allotment, or JPY 6,999,979,689, and JPY 6,264,432,000 of retained earnings on unitholders' capital of INV as of today to the JPY 19,134,417,100 of unitholders' capital of INV as of today. Furthermore, the LTV is rounded to the first decimal place. This figure is based on information that INV has obtained as of today and on certain conditions that INV judges as being rational. Actual LTV may fluctuate depending on future new borrowings, or repayment of existing borrowings, changes in the real estate market, etc., and changes in other circumstances surrounding INV, etc.

$$\text{LTV} = \text{Interest-bearing debt} / (\text{Interest-bearing debt} + \text{unitholders' capital (including retained earnings on unitholders' capital)}) \times 100$$

6. Rationale behind the use of proceeds

As mentioned in "3. Purpose and Reason for Issuance (1) Recognition of Management Issues" above, achieving significant improvement in the financial status including refinances and

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extension of maturity dates is an important management issue for INV. With regard to the extension of the maturity dates of INV's borrowings, the maturity dates of all loans were extended from March 31, 2011 to June 30, 2011 as of March 29, 2011, and were further extended to July 29, 2011 as of June 28, 2011. However, it was difficult to obtain agreement from related parties as to refinancing or further extension of the maturity dates after July 29, 2011, and it was not yet specifically clear whether the issue would be solved. This condition has become a factor for resolving the risk relating to the going concern of INV and is a management issue that INV must resolve as soon as practicable.

Because of this, INV plans to allocate part of the proceeds procured through the Third-Party Allotment to partially repay the Securitized Loan, the Term Loan and the 24th Individual Credit Loan and, combined with proceeds from new borrowings, repay the entire amount of the existing loans excluding part of the Securitized Loan or refinance them with long-term loans. INV plans to allocate the remainder of the proceeds procured through the Third-Party Allotment to payment of loan interest (including loan interest reserves), loan-related expenses, and repayment of loans as agreed with lenders, as well as to cash on hand including proceeds for payment of repair work and others, etc.

As such, the Transactions including fund procurement through the Third-Party Allotment are intended to make a significant improvement in the financial status of INV. INV believes that the above-mentioned use of proceeds will help enhance its financial base, and at the same time, will contribute to its continued development as a listed J-REIT. As such, INV judges that the above use of proceeds is a rational choice.

7. Rationale behind conditions of issuance, etc.

(1) Basis for calculation of issue price

The issue price of JPY 9,837 is equivalent to 90% of the closing price (JPY 10,930) of the regular transactions of investment units of INV announced by the Tokyo Stock Exchange ("TSE") on July 14, 2011, which is the business day immediately prior to the date of resolution of the issuance.

Furthermore, the market price of INV's investment unit decreased by approximately 8.31% from the closing price (JPY 11,920) of March 11, 2011 when the Earthquake broke out. However, INV judges that the closing price of its investment unit on July 14, 2011 reasonably represents INV's investment unit price in the market at this point in time, and does not represent any irrational sudden and temporary decrease, because of such reasons as: (a) more than four months have already passed from the occurrence of the Earthquake, etc. and the market appears to have calmed down; (b) the average closing price in the market of INV's investment units for the last three months is JPY 11,146, and the closing price of July 14, 2011 represents only a decrease of 1.94% compared with the said average price, (c) Considering the situation of the Earthquake, etc. and the fact that INV owns five properties in the Tohoku area, among other things, it is anticipated that INV's earnings will

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drop due to the decreases in rents and occupancy rates of the properties it owns and there will be a significantly negative impact on the values of the properties, and the decline of INV's investment unit price from the closing price of March 11, 2011 may arguably reflect such anticipation.

In addition, as a component of the sponsor support from Calliope, the main allottee, INV shall receive financing of JPY 7,300 million and JPY 2,900 million as of July 29, 2011 from Shinsei Trust & Banking Co., Ltd. ("Shinsei Trust"). Shinsei Trust is the trustee of the trusts for these borrowings, and Shinsei Bank, Limited ("Shinsei Bank") and Citibank Japan Ltd. ("Citibank") holds beneficiary interests of the respective trusts. Shinsei Bank and Citibank will re-entrust all or part of such beneficiary interests to Shinsei Trust as self-benefiting trust. Shinsei Trust will enter into a total return swap transaction agreement with Calliope in connection with the re-entrusted trust, pursuant to which Calliope will have a partial, indirect economic interest in certain beneficiary interests of the financing provided by Shinsei Trust (the entire foregoing transaction, as a whole, the "Shinsei Trust Loan." For more details, please refer to the press releases titled "Notice concerning Debt Financing and Repayment of Borrowings, etc. (1)" and "Notice concerning Debt Financing and Repayment of Borrowings, etc. (2)" dated today.).

While there are significant differences between the terms and conditions of the Syndicate Loan A and the Prudential LPS Loan as compared to that of the Shinsei Trust Loan, INV believes that the terms and conditions of the Shinsei Trust Loan are rational for the following reasons and that it will not affect the rationale behind the conditions of the Issuance of the Third-Party Allotment;

- (a) The Shinsei Trust Loan is secured by only 2 properties (Spacia Ebisu and Lexington Plaza Nishigotanda) or 7 residential properties for elderly people ("7 Senior Properties"). The former two properties have higher vacancy rates compared to INV's other properties, and the 7 Senior Properties have relatively low security value as they are for special use.
- (b) The Syndicate Loan A and the Prudential LPS Loan are secured by 21 properties and 24 properties of INV, respectively, and the value of the underlying security of Shinsei Trust Loan is materially different from that of the Syndicate Loan A and the Prudential LPS Loan.
- (c) Achieving significant improvement in its financial status, including refinancing and extension of maturity dates of all its borrowings, and averting the risk of financial bankruptcy are important management issues for INV that need to be resolved as soon as practicable. The implementation of the Shinsei Trust Loan is an integral part of the efforts to fully repay existing borrowings excluding the Securitized Loan or refinancing them with long-term loans, and to maintain INV as an ongoing 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 Advisory Service. INV considers such a fee to be rational

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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.

Further, as a result of the Third-Party Allotment, the Transactions call for a dilution of INV's investment units at approximately 111.76%. Also, aside from the Third-Party Allotment to Calliope, the Transactions involve borrowings from a specified money trust (Shinsei Trust Loan) in which Calliope, the main allottee of the Third-Party Allotment, will indirectly hold partial economic interest. Furthermore, fees will be paid to Calliope, the main allottee of the Third Party Allotment, for the Advisory Service concerning refinances, etc. that will be related to and simultaneously conducted with the Third-Party Allotment to Calliope. Because of these factors, INV's board of directors meeting held today to discuss the issuance of new investment units and other items judged that prudent consideration on the fairness of all Transactions was required, and resolved on the issues unanimously by all directors, including the two supervisory officers of INV who attended the meeting, after confirming the opinions of the said supervisory advisors as stated below:

- (i) Considering the severe business environment and other factors for INV, it is necessary to improve the financial situation of INV through the Third-Party Allotment, and its size is appropriate for the purpose of procuring funds to partially repay the Securitized Loan and fully repay all loans other than the Securitized Loan and drastically improve the financial basis of INV through the invitation of the new sponsor, even taking into account the fact that INV's investment units will be diluted at approximately 111.76% as a result of the Third-Party Allotment;
- (ii) The amount to be paid is equivalent to 90% of the market price as at the business day immediately prior to the resolution date of the board of directors meeting concerning the Third-Party Allotment. As long as it is judged based on currently available information, the amount to be paid is within the price range that may be regarded as fair in light of the assets held by INV, while taking into consideration such factors as the most recent price trend of INV's investment units, concerns of decreased revenues from INV's properties and the general downward trend in the market due to the impact of the Earthquake, as well as the urgency of the Third-Party Allotment, and the conditions of the issuance are reasonable; and
- (iii) Although the borrowing from a specified money trust (Shinsei Trust Loan) in which Calliope, the main allottee, indirectly has a partial economical benefit will be made and fees will be paid to Calliope for its Advisory Service in connection with the Third-Party Allotment, the conditions of such borrowing are not unreasonable when comprehensively considering the financial condition of INV, the level of risk based on the differences in the status of collaterals for other borrowings, the loan period, the loan conditions of the existing borrowings (finance costs including fees, shortened periods in the extension of maturity date and other issues), as well as the results of extensive

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negotiations with related parties including many other sponsors candidate, etc. Furthermore, the said fees are believed to be rational and reasonable when considering 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. As such, these conditions do not harm the fairness of the conditions for the Third-Party Allotment.

(2) Basis for judging that the number of issuance and degree of dilution of investment units is rational

Approximately 111.76% of dilution to the existing investment units will occur due to the Third-Party Allotment. However, INV will repay part of borrowings using the proceeds obtained by the Third-Party Allotment to be implemented along with the invitation of a new sponsor. Furthermore, INV expects that the dividend per unit will not decrease considerably due to implementation of the Third-Party Allotment, taking into consideration the possible use of retained earnings generated from gain on negative goodwill and other measures.

INV believes that it will be able to eliminate bankruptcy risk through the Third-Party Allotment and it foresees an improvement of its own financial status and a subsequent increase in unitholder value. Implementation of the Third-Party Allotment is essential to protect the interests of all existing unitholders. Thus INV judged that the degree of dilution of the aforementioned is rational.

(3) Others

Calliope, the main allottee of the Third-Party Allotment, does not fall under the definition of Sponsor-related Persons (Note) set forth in INV's internal rules against conflicts of interest in connection with the asset management of INV by CSNT. However, considering that the allottee is planning to acquire stock of CSNT simultaneously with the implementation of the Third-Party Allotment, CSNT decided to obtain the approval of the Compliance Committee and the board of directors, as with Transactions with Sponsor-related Persons, the execution of the agreement regarding the Third-Party Allotment which will be implemented on the condition that (i) the stocks of CSNT will be transferred and (ii) the Shinsei Trust Loan in which the allottee will have an indirect economic interest will be executed, and the execution of the business consignment agreement concerning the Advisory Service. The execution was approved after careful discussion concerning the appropriate conditions of the related transactions pursuant to the Regulations on Transactions with Sponsor-related Persons and the Management Manual regarding Transactions with Sponsor-related Persons.

(Note) The Sponsor-related Persons mean (i) any person who falls under the "Interested Persons, etc." set forth in the Act on Investment Trusts and Investment Corporations and the Enforcement Order of the Act on Investment Trusts and Investment Corporations, (ii) all shareholders of CSNT and (iii) special purpose

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companies (*tokubetsu-mokuteki-gaisha*) (a) which delegate their management to persons who fall under (ii) or (b) which are invested or made investment in anonymous association by persons who fall under (ii).

8. Reason, etc., for selection of allottee

(1) Profile of allottees

| | |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Company name | Calliope Godo Kaisha |
| (b) Location | 2-12-3, Minami-azabu, Minato Ward, Tokyo |
| (c) Title/name of representative | Executive Member: Calliope Holdings II LLC Executive Officer: Kazumasa Takizawa |
| (d) Major business | Investment real estate-related instruments in Japan, including investment equity in investment corporations |
| (e) Capital | JPY 100,000 |
| (f) Date of establishment | March 14, 2011 |
| (g) Total number of issued shares | None |
| (h) Fiscal period | September 30 |
| (i) Number of employees | 0 |
| (j) Main business partners | None |
| (k) Main banks | None |
| (l) Major shareholders & ratio of shareholdings | Calliope Holdings I LLC (99%) Calliope Holdings II LLC (1%) |
| (m) Relationship with INV and its asset manager | |
| Capital relationship | INV and CSNT have no capital relationships or personal relationships to be mentioned with the said company. Furthermore, the relevant parties and affiliated companies of INV and CSNT have no noteworthy capital relationships, personal relationships or business relationships with those of the said company. |
| Personal relationship | |
| Business relationship | INV has agreed to pay Calliope a fee of JPY 336.5 million on July 29, 2011 (planned) as consideration for the Advisory Service. |
| Status of classification as related party | The said company does not fall under the category of a related party of INV or CSNT. Furthermore, the relevant parties and affiliated companies of the said company do not fall under the category of related parties of INV or CSNT. |
| (n) Operating results and financial situation of the last 3 years | N/A since it is their first fiscal year |

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* INV has confirmed that the Allottee, directors and officers of the said Allottee and main shareholders (main capital investors) of the said Allottee do not have any relationships with racketeers, etc. and have submitted a written confirmation to the Tokyo Stock Exchange stating the aforementioned.

| | | |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Company name | The Prospect Japan Fund Limited | |
| (b) Location | Channel Islands (British Territory) | |
| (c) Grounds of establishment, etc. | Limited liability company based on the Gandhi Law | |
| (d) Purpose of formation | Closed-end type investment company | |
| (e) Date of formation | November 18, 1994 | |
| (f) Investment amount | US\$91,235,060 (as of June 30, 2011) | |
| (g) Investors, investment ratio and overview of investors | 1. Permal Investment Management: 24.69% 2. Lazard Asset Management: 12.17% 3. CG Asset Management: 10.34% (as of June 30, 2011) | |
| (h) Overview of investment advisor | Company name | Prospect Asset Management, Inc. (PAMI) |
| | Location | State of Hawaii, United States of America |
| | Title/name of representative | Curtis Freeze, Chief Investment Officer |
| | Major business | Securities investment advisory service for Japanese stocks |
| | Capital | US\$ 356,000 (as of the date of this document) |
| (i) Overview of domestic agent | Company name | The Hong Kong and Shanghai Banking Corporation Limited Custodian and Clearing |
| | Location | HSBC Building, 3-11-1, Nihonbashi, Chuo Ward Tokyo |
| | Title/name of representative | Stuart Milne, Japan Representative & CEO |
| | Major business | Banking |
| | Capital | HK\$ 22.494 billion and US\$ 12.5335 billion (as of December 31, 2009) |
| (j) Relationship of the fund with INV and its asset manager | Relationship of the fund with INV and its asset manager | No investment, whether direct or indirect, has been made by INV, CSNT, or related parties and affiliated companies of INV and CSNT to the fund. The fund owns a certain number of INV's investment units as of July 15, 2011. |
| | Relationship of the investment advisor with INV and its asset | Other funds managed by PAMI own a certain number of INV's investment units as of July 15, 2011. Other than that, INV and CSNT have no capital |

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| | | |
|--|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | manager | relationships, personal relationships or business relationships to be mentioned with the said investment advisor. Furthermore, INV, CSNT, and the relevant parties and affiliated companies of INV and CSNT have no noteworthy capital relationships, personal relationships or business relationships with the said investment advisor and the relevant parties and affiliated companies of the said investment advisor. |
| | Relationship of the domestic agent with INV and its asset manager | INV and CSNT have no capital relationships, personal relationships or business relationships to be mentioned with the said domestic agent. Furthermore, INV, CSNT, and the relevant parties and affiliated companies of INV and CSNT have no noteworthy capital relationships, personal relationships or business relationships with the said domestic agent and the relevant parties and affiliated companies of the said domestic agent. |

* INV has confirmed that the Allottee, directors and officers of the said Allottee and main shareholders (main capital investors) of the said Allottee do not have any relationships with racketeers, etc. and have submitted a written confirmation to the Tokyo Stock Exchange stating the aforementioned.

| | | |
|-----------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------|
| (a) Company name | Stanhope Investments | |
| (b) Location | Cayman Islands (British Territory) | |
| (c) Grounds of establishment, etc. | Tax-exempt, limited liability company based on the Company Law of Cayman Islands | |
| (d) Purpose of formation | Investment company | |
| (e) Date of formation | July 8, 2008 | |
| (f) Investment amount | — (Note) | |
| (g) Investors, investment ratio and overview of investors | — (Note) | |
| (h) Overview of investment advisor | Company name | Prospect Asset Management, Inc. (PAMI) |
| | Location | State of Hawaii, United States of America |
| | Title/name of representative | Curtis Freeze, Chief Investment Officer |
| | Major business | Securities investment advisory service for Japanese stocks |
| | Capital | US\$ 356,000 (as of the date of this document) |

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| | | |
|-------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Overview of domestic agent | Company name | Goldman Sachs Japan Co., Ltd. |
| | Location | Roppongi Hills Mori Tower, 6-10-1, Roppongi, Minato ward, Tokyo |
| | Title/name of representative | Masanori Mochida, President and Representative Director |
| | Major business | Investment banking and securities service |
| | Capital | JPY 83.616 billion (as of May 2, 2011) |
| (j) Relationship of the fund with INV and its asset manager | Relationship of the fund with INV and its asset manager | No investment, whether direct or indirect, has been made by INV, CSNT, or related parties and affiliated companies of INV and CSNT to the fund. The fund owns a certain number of INV's investment units as of July 15, 2011. |
| | Relationship of the investment advisor with INV and its asset manager | Other funds managed by PAMI own a certain number of INV's investment units as of July 15, 2011. Other than that, INV and CSNT have no capital relationships, personal relationships or business relationships to be mentioned with the said investment advisor. Furthermore, INV, CSNT, and the relevant parties and affiliated companies of INV and CSNT have no noteworthy capital relationships, personal relationships or business relationships with the said investment advisor and the relevant parties and affiliated companies of the said investment advisor. |
| | Relationship of the domestic agent with INV and its asset manager | INV and CSNT have no capital relationships, personal relationships or business relationships to be mentioned with the said domestic agent. Furthermore, INV, CSNT, and the relevant parties and affiliated companies of INV and CSNT have no noteworthy capital relationships, personal relationships or business relationships with the said domestic agent and the relevant parties and affiliated companies of the said domestic agent. |

(Note) These items have not been disclosed by the company.

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* INV has confirmed that the Allottee, directors and officers of the said Allottee and main shareholders (main capital investors) of the said Allottee do not have any relationships with racketeers, etc. and have submitted a written confirmation to the Tokyo Stock Exchange stating the aforementioned.

| | | | |
|-----|---------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | Company name | Permal Prospect Japan Limited | |
| (b) | Location | Virgin Islands (British Territory) | |
| (c) | Grounds of establishment, etc. | BVI business company based on the Company Law of Virgin Islands (British Territory) | |
| (d) | Purpose of formation | Investment company | |
| (e) | Date of formation | April 23, 2010 | |
| (f) | Investment amount | — (Note 1) | |
| (g) | Investors, investment ratio and overview of investors | — (Note 1) | |
| (h) | Overview of investment advisor | Company name | Prospect Asset Management, Inc.(PAMI) |
| | | Location | State of Hawaii, United States of America |
| | | Title/name of representative | Curtis Freeze, Chief Investment Officer |
| | | Major business | Securities investment advisory service for Japanese stocks |
| | | Capital | US\$ 356,000 (as of the date of this document) |
| (i) | Overview of domestic agent | Company name | — (Note 2) |
| | | Location | |
| | | Title/name of representative | |
| | | Major business | |
| | | Capital | |
| (j) | Relationship of the fund with INV and its asset manager | Relationship of the fund with INV and its asset manager | No investment, whether direct or indirect, has been made by INV, CSNT, or related parties and affiliated companies of INV and CSNT to the fund. The fund owns a certain number of INV's investment units as of July 15, 2011. |
| | | Relationship of the investment advisor with INV and its asset manager | Other funds managed by PAMI own a certain number of INV's investment units as of July 7, 2011. Other than that, INV and CSNT have no capital relationships, personal relationships or business relationships to be mentioned with the said investment advisor. Furthermore, INV, CSNT, and the relevant parties and affiliated companies of INV and |

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| | | |
|--|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | CSNT have no noteworthy capital relationships, personal relationships or business relationships with the said investment advisor and the relevant parties and affiliated companies of the said investment advisor. |
| | Relationship of the domestic agent with INV and its asset manager | INV and CSNT have no capital relationships, personal relationships or business relationships to be mentioned with the said domestic agent. Furthermore, INV, CSNT, and the relevant parties and affiliated companies of INV and CSNT have no noteworthy capital relationships, personal relationships or business relationships with the said domestic agent and the relevant parties and affiliated companies of the said domestic agent. |

(Note 1) These items have not been disclosed by the company.

(Note 2) This item has not been disclosed as no consent has been obtained by the domestic agent.

* INV has confirmed that the Allottee, directors and officers of the said Allottee and main shareholders (main capital investors) of the said Allottee do not have any relationships with racketeers, etc. and have submitted a written confirmation to the Tokyo Stock Exchange stating the aforementioned.

(2) Reason for selecting the allottee

(a) Background of selection of allottee

Since February 2010, INV has made inquiries to more than 25 sponsor candidates with a view toward soliciting proposals concerning the sponsorship and financing of INV. INV conducted extensive discussions and negotiations with several candidates who presented specific proposals. These discussions and negotiations with the said candidates focused on the new sponsor candidates' creditworthiness, including relationships and negotiations with existing lenders, likelihood of procuring borrowings from new lenders, detailed conditions of financing, the interests of existing unitholders of INV and the future growth strategy of INV, among other things. Due to the severe financial status of INV and the risks pertaining to refinancing its borrowings, it will prove difficult to continue the current situation without inviting a new sponsor willing to provide equity financing. In view of these factors, INV started negotiations and discussions with Fortress from early February 2011 and engaged in extensive negotiations on conditions of issuance, etc., stated in "7. Rationale behind conditions of issuance" above. As a result, INV decided to invite Calliope, an affiliate of FIG, as its new sponsor and to implement Third-Party Allotment with Calliope as the main allottee.

The other allottees, for which Prospect Japan, an affiliated company of PAMI, and PMI serve as investment advisors, they expressed their support for the proposed plan by

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accepting part of the Third-Party Allotment, as well as backup for the sponsor support by Fortress. Given this expression of support and considering, among other things, the fact that PAMI has built a good relation with INV over a medium to long term as investment advisor to Prospect Japan, a large unitholder of INV, INV concluded that it would be able to rely on their continued support in a medium to long term, and decided to allocate part of the Third-Party Allotment to them.

(b) Certainty of investment

Calliope, an affiliate of FIG, which is a global investment management firm, Prospect Japan, a major unitholder of INV, and other allottees who have the same investment advisor as Prospect Japan, are planning to undertake the Third Party Allotment. Calliope plans to procure capital from one or more affiliates of Fortress-managed funds, and Prospect Japan and other allottees plan to procure capital from one or more affiliated companies managed by PAMI. INV feels that, due to these capital procurement arrangements, the respective allottees will be able to obtain capital enough to acquire the allocated numbers of investment units to be issued through the Third-Party Allotment.

Furthermore, the Third-Party Allotment shall be implemented on the condition that all requirements described in the above “1. Issuance of new investment units (10)” are satisfied. Unless they are satisfied, the Third-Party Allotment will not be realized.

(3) Ownership policy of allottees

Each allottee of the Third-Party Allotment currently expects to aim for the growth of INV on the medium to long-term, and has confirmed that it intends to own INV’s investment units acquired through the Third-Party Allotment over the medium to long term. Each allottee has also entered into an agreement with INV and CSNT that it shall not sell or lend to a third party, or execute other dispositions of the investment units (609,942 units, 64,033 units, 24,397 units and 13,215 units, respectively) of INV acquired through the Third-Party Allotment, during the 6-month period from the payment date (including such date) for these investment units until January 29, 2012 without the prior written consent of INV and CSNT.

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9. Major unitholders and ratio of investment units held

(1) Major unitholders and ratio of investment units held, before and after the third-party allotment

| Before the Third-Party Allotment (as of June 30, 2011) | | After the Third-Party Allotment (Note 2) | |
|------------------------------------------------------------------------|---------|----------------------------------------------------------------------|---------|
| New Mission Funding G.K. | 20.32 % | Calliope Godo Kaisha | 45.23 % |
| Goldman Sachs International | 14.17 % | New Mission Funding G.K. | 9.59 % |
| Prospect Japan Fund Limited | 8.23 % | Goldman Sachs International | 6.69 % |
| The Nomura Trust and Banking Co., Ltd. (Investment trust account) | 5.61 % | Prospect Japan Fund Limited | 5.69 % |
| Japan Trustee Services Bank, Ltd. (Investment trust account) | 3.40 % | Stanhope Investments | 4.74 % |
| BBH for Oppenheimer Quest International Value Fund, LLC | 2.29 % | The Nomura Trust and Banking Co., Ltd. (Investment trust account) | 2.65 % |
| BBH for Oppenheimer Master International Value Fund, LLC | 1.76 % | Japan Trustee Services Bank, Ltd. (Investment trust account) | 1.60 % |
| Trust & Custody Services Bank, Ltd. (securities investment account) | 1.42 % | BBH for Oppenheimer Quest International Value Fund, LLC | 1.08 % |
| The Master Trust Bank of Japan, Ltd. (Investment trust account) | 1.26 % | Permal Prospect Japan Limited | 0.98 % |
| CGML-IPB Customer Collateral Account | 1.18 % | BBH for Oppenheimer Master International Value Fund, LLC | 0.83 % |
| Total | 59.69 % | Total | 79.13 % |

(Note 1) The ratio of investment units held to the total number of issued investment units in the above table is rounded down to the second decimal place.

(Note 2) The table above shows the condition of unitholders in the event the Third-Party Allotment is executed on the condition that the content of the unitholder registry as of June 30, 2011 has not changed. Therefore, the actual condition of unitholders might be different from the above.

(Note 3) The situation of large holdings of the share holdings reports (including reports of changes) filed in relation to the investment units of INV between July 1, 2011 and July 14, 2011, is as follows.

| Filing date | Unitholder name | Number of investment units held (total number) (units) | Ratio of investment units held (%) |
|--------------|---------------------------------|--------------------------------------------------------------|------------------------------------------|
| July 5, 2011 | Prospect Asset Management, Inc. | 153,188 | 24.06 |

(2) Matters related to satisfaction of conduit requirements

Although the investment unit holding ratio of Calliope, an allottee, is scheduled to surpass 45% as a result of the Third-Party Allotment, INV believes that the requirements for a non-family corporation in the conduit requirements (i.e., the company does not fall under the category of a family corporation in which one of the unitholders and its special interested parties owns over 50% of the total outstanding investment units or total voting

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rights as of the end of the business year) can be satisfied. However, since INV does not have any particular agreement with the Allottee, this requirement of non-family corporation may be contravened depending on the Allottee's investment status in the future.

Furthermore, even if the requirement of non-family corporation is contravened, INV does not expect to have any additional tax burdens for some time by utilizing the deficiency account for the accounting purpose that it incurred in the fiscal period ended December 2010.

10. Future forecasts

For the impact the Third-Party Allotment may give on the forecasted operating results for the 16th Fiscal Period Ended June 30, 2011 (January 1, 2011 - June 30, 2011) and for the 17th Fiscal Period Ending December 31, 2011 (July 1, 2011 – December 31, 2011), when it is realized, 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.

11. Operating results and condition of equity finance for last three fiscal periods, etc.

(1) Operating results for last three fiscal periods

| | Fiscal period ended June 2009 | Fiscal period ended December 2009 | Fiscal period ended December 2010 |
|------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| Net Income per Unit (JPY) | 6,620 | 4,928 | 7,857 |
| Distribution per Unit (JPY) | 6,620 | 4,928 | 435 |
| Actual Dividend Payout Ratio | 100.0% | 99.9% | 5.5 |
| Net Assets per Unit (JPY) | 361,559 | 359,934 | 47,364 |

(Note 1) With the Merger with LCP, the unit split of one INV investment unit into five units was made with January 31, 2010 as the record date for allocation and February 1, 2010 as the effective date.

(Note 2) In connection with the Merger with LCP, the first fiscal period (15th Fiscal Period) including the effective date of the Merger, is from January 1, 2010 to the end of December 2010.

However, the operating period of the 16th Fiscal Period and onwards is from January 1 to end of June and from July 1 to end of December every year.

(Note 3) “Net Income per Unit (JPY)” of the fiscal period ended December 31, 2010 is the amount after adding the negative goodwill generated by the Merger.

(2) Condition of recent investment unit prices

(a) Condition of last three fiscal periods

| | Fiscal period ended December 2009 | Fiscal period ended December 2010 | Fiscal period ended June 2011 |
|---------------|--------------------------------------|--------------------------------------|----------------------------------|
| Opening price | JPY 127,900 | JPY 90,400 | JPY 13,230 |
| High price | JPY 134,600 | JPY 91,700 | JPY 13,280 |
| Low price | JPY 86,000 | JPY 12,000 | JPY 9,380 |
| Closing price | JPY 91,500 | JPY 13,230 | JPY 11,400 |

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(b) Condition of last six months

| | Jan. 2011 | Feb. 2011 | Mar. 2011 | Apr. 2011 | May 2011 | Jun. 2011 |
|---------------|------------|------------|------------|------------|------------|------------|
| Opening price | JPY 13,230 | JPY 11,840 | JPY 11,650 | JPY 11,110 | JPY 11,330 | JPY 10,900 |
| High price | JPY 13,280 | JPY 11,970 | JPY 12,600 | JPY 11,490 | JPY 11,400 | JPY 11,480 |
| Low price | JPY 11,800 | JPY 11,490 | JPY 9,380 | JPY 10,650 | JPY 10,720 | JPY 10,090 |
| Closing price | JPY 11,970 | JPY 11,650 | JPY 11,110 | JPY 11,370 | JPY 11,030 | JPY 11,400 |

(c) Investment unit price on business date immediately prior to the resolution on issuance

| | July 14, 2011 |
|---------------|---------------|
| Opening price | JPY 10,900 |
| High price | JPY 10,980 |
| Low price | JPY 10,760 |
| Closing price | JPY 10,930 |

(Note 1) Investment unit prices are based on transaction prices at the TSE.

(Note 2) With the Merger with LCP, the unit split of one INV investment unit into five units was made with January 31, 2010 as the record date for allocation and February 1, 2010 as the effective date.

(3) Condition of equity finance for last three fiscal periods

N/A.

Note: This English language notice is a summary 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.

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