Invincible Investment Corporation

February 21, 2013

To All Concerned Parties

Name of REIT Issuer:
Invincible Investment Corporation
Naoki Shibatsuji, Executive Director
Roppongi Hills Mori Tower, 6-10-1 Roppongi,
Minato-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. +81-3-5411-2731)

Notice concerning Revision of Forecast of Financial Results and Distribution for the 19th Fiscal Period Ended December 2012

Invincible Investment Corporation (INV) announces that it decided to revise its forecast of financial results and distribution per unit for the fiscal period ended December 2012 (19th fiscal period: from July 1, 2012 to December 31, 2012) announced in the press release titled "Notice concerning Revision of Forecast of Financial Results and Distribution for the 19th Fiscal Period Ending December 2012" dated December 20, 2012, as described below. Further, there is no revision to the forecast of financial results and distribution per unit for the fiscal period ending June 2013 (20th fiscal period: from January 1, 2013 to June 30, 2013).

1. Revision of forecast of financial results and distribution per unit for the 19th fiscal period (from July 1, 2012 to December 31, 2012)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (excluding exceeding profit distribution per unit) (Note 1)
Previous forecast (A) (December 20, 2012)	Million JPY 2,464	Million JPY 1,020	Million JPY 48	Million JPY 47	JPY 72
Revised forecast (B)	Million JPY 2,476	Million JPY 1,084	Million JPY 114	Million JPY 114	JPY 117
Amount of Variance (B) – (A)	Million JPY 11	Million JPY 63	Million JPY 66	Million JPY 66	JPY 45
Rate of variance [(B) − (A)] ÷ (A)	% 0.5	% 6.3	% 138.9	% 141.1	% 62.5
(Reference) Actual results (18th fiscal period)	Million JPY 2,176	Million JPY 894	Million JPY 125	Million JPY 128	JPY 200

	Exceeding profit distribution per unit	Reversal of surplus	Total distribution amount
Previous forecast (A) (December 20, 2012)	JPY 0	Million JPY 49	Million JPY 97
Revised forecast (B)	JPY 0	Million JPY 43 (Note 2)	Million JPY 157 (Note 3)
Amount of Variance (B) – (A)	JPY —	Million JPY -6	Million JPY 60
Rate of variance [(B) − (A)] ÷ (A)	% —	% -12.4	% 62.5
(Reference.) Actual results (18th fiscal period)	JPY 0	Million JPY 141	Million JPY 269

(Note 1) The number of investment units issued and outstanding at the end of the fiscal period: 1,348,292 units

(Note 2) Reversal of surplus (revised forecast) for the 19th fiscal period is calculated using the following formula: Reversal of surplus (JPY 43 million) = Total distribution amount (JPY 157 million) – Net income (JPY 114 million)

(Note 3) For the total distribution amount (JPY 157 million), please refer to "2. Reason for revision of forecast of financial results and distribution per unit for the fiscal period ended December 2012 (2) Distribution per unit for the fiscal period ended December 2012" below.

(Note 4) Figures are rounded down to the indicated unit and percentages are rounded to first decimal place.

2. Reason for revision of forecast of financial results and distribution per unit for the fiscal period ended December 2012

While the previous forecast dated December 20, 2012 was calculated based on the actual result for the period from July to October in 2012 and the forecast in November and December in 2012, the financial results for the fiscal period ended December 2012 have generally been fixed through the process of settlement of accounts for the relevant fiscal period. As a result, no less than 30% change is expected in the forecast of the net income, and no less than 5% change is expected in the forecast of the distribution per unit, compared to the previous forecast for the fiscal period ended December 2012 announced on December 20, 2012, and accordingly INV hereby announces the revised forecast .

The main factors causing the changes to the forecast of the financial results and distribution per unit are as follows:

(1) Net income

Because of the factors causing changes in (i) and (ii) below, the net income is expected to increase by JPY 66 million from the previous forecast of JPY 47 million to JPY 114 million.

(i) Operating revenues are expected to increase by JPY 11 million from the previous forecast of 2,464 million to JPY 2,476 million because the revenues in relation to fees for restoration were conservatively estimated for the previous forecast.

(ii) Operating expenses are expected to decrease by JPY 52 million from the previous forecast of JPY 1,444 million to JPY 1,392 million. The repair costs and the costs incurred for promoting the leasing activities (such as costs of construction work for restoration, fees payable for new contract and advertising expenses) in connection with change in tenants were conservatively estimated for the previous forecast, and these costs are expected to decrease by JPY 26 million, compared to the previous forecast. Also, due to change in the calculation method for the amount of consumption tax credit in relation to that imposed onpurchase amount, the depreciation expenses and taxes and other public charges are expected to decrease by JPY 9 million in total, compared to the previous forecast.

(2) Distribution per unit for the fiscal period ended December 2012

By utilizing a part of the surplus based on the gains on negative goodwill resulting from the merger (the "Surplus") in the amount of JPY 43 million for payment of distribution, in addition to the net income, the total amount of JPY 157 million will be distributed, and the amount of the distribution per unit is expected to be JPY 117. INV believes that INV has established the revenue base for the stable distribution at the same level as those of the past distributions, by having newly acquired 24 properties as of September 28, 2012 (for details, please refer to the press release titled "Notice concerning Acquisition of Assets (Trust Beneficiary Interests in Domestic Real Estates)" dated September 26, 2012.). However, with respect to the fiscal period ended December 2012, because the temporary expenses were incurred in connection with the acquisition of 24 properties, the net income will not be sufficient for payment of the distribution at the same level as those in the past (i.e., the amount of distribution per unit of approximately JPY 200). The distribution for the fiscal period ended December 2012 will be more than the amount equal to 90% of the distributable income of INV provided in Article 67-15 of the Act on Special Measures Concerning Taxation, pursuant to the basic policy for the cash distribution set forth in INV's Articles of Incorporation, as announced in the previous forecast, and the distribution per unit is expected to be JPY 117 as stated above.

(Note) Amount of distributable income (JPY 174 million (*)) × 90% = JPY 156.6 million
Total distribution amount for the fiscal period ended December 2012 is JPY 157.7 million, which exceeds the amount of JPY 156.6 million, calculated as above.

(*) Distributable income (JPY 174 million) = Net income before income tax (JPY 114 million) ＋ Amortization of negative goodwill for each fiscal period (JPY 59 million)(**)

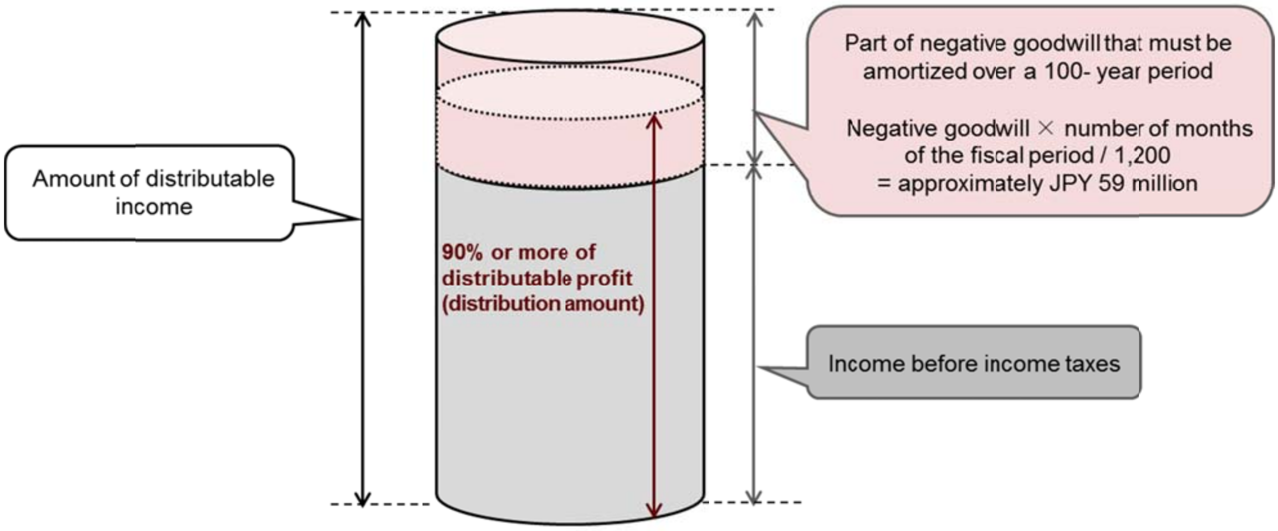
(**) Amortization of negative goodwill for each fiscal period (JPY 59 million) = Gain on negative goodwill accrued upon the merger (JPY 11,843 million) × (Number of months of fiscal period ÷ 1,200 months (***))

(***) 1,200 months = 100 years × 12 months (1 year)

As a result, the distribution per unit is expected to increase by JPY 45 from the previous forecast of JPY 72 to JPY 117.

Further, there is no revision at this moment with regard to the forecast of financial results and distribution per unit for the fiscal period ending June 2013 announced on September 26, 2012. Such forecast was made on the assumption that INV will not satisfy the dividend payment requirement, and such assumption has not been changed. INV is not expected to satisfy the conduit requirements for the fiscal period ending June 2013, however, even in such case, no corporation tax will be levied since INV has a loss carried forward for the tax purpose totaling JPY 20,561 million (as of December 31, 2012) due to the sale of assets in the past.

(Reference) <Overview image of distribution on the assumption of satisfying dividend payment requirement>



(Note) Conduit requirements and distribution payment by INV

Unlike ordinary stock companies, investment corporations under the J-REIT system are granted a tax exemption for profits that are equivalent to the distributions they deliver to their unitholders, on the condition that they satisfy the conduit requirements. Only the unitholders are taxed for the delivered profit so that double taxation is prevented. One of the conduit requirements is the dividend payment requirement, in which investment corporations are required to distribute at least 90% of their distributable income.

However, INV revised its Articles of Incorporation in relation to the distribution policy, as resolved at its unitholders' meeting held on November 30, 2012, taking into account the circumstances described in 1) and 2) below. While INV makes it a principle to distribute the amount that exceeds 90% of the amount of its distributable income, the revision enables INV to determine the amount of distributions on a rational basis after comprehensively taking into account INV's financial status, past actual distribution amounts, trends of interest rate levels and the real estate market, etc. and with consideration to the stability of distribution amounts, when income for the tax purpose does not arise due to the carried-over deduction of a loss carried forward for the tax purpose.

1) Usually, net income before income taxes is equal to the amount of distributable income. At INV, however, distributable income is equal to the amount obtained by adding JPY 59 million to net income before income taxes, as it must amortize the amount of gain on negative goodwill (JPY 11,843 million) resulting from the merger (fiscal period ended December 2010 (15th fiscal period)), which is a profit for the accounting purpose, over a hundred-year period after the merger. Nevertheless, the added amount is no more than the profit for the accounting purpose and not backed by any cash from which distribution is paid. Payment of distributions up to the fiscal period ended June 2012 had been made from the amount equivalent to the added amount by reversing the Surplus. Since the amount of the Surplus has a limit, however, it will be difficult to continue the similar arrangement in the future.

2) On the other hand, since INV has a loss carried forward for the tax purpose totaling JPY 20,561 million (as of December 31, 2012) due to the sale of assets, no corporation tax will be levied for a certain period even if INV does not satisfy the conduit requirements.

3. Future outlook

Announcement of the financial summary (*Kessan-Tanshin*) for the 19th fiscal period ended December 2012 (19th: from July 1, 2012 to December 31, 2012) is scheduled to be made on February 27, 2013.

Note: This English language notice is a translation of the Japanese language notice released on February 21, 2013 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. Readers are urged to read the original Japanese language notice.

(Attachment)

<Pre-Conditions and Assumptions Underlying Distribution Forecasts, etc. for the 19th Fiscal Period (From July 1, 2012 to December 31, 2012)>

Item	Assumptions
Fiscal period	From July 1, 2012 to December 31, 2012
Assets under management	78 properties As a result of acquiring 24 properties on September 28, 2012 during the 19th fiscal period, INV owns 78 properties as of the end of the 19th fiscal period ended December 2012. For details, please refer to the press release titled “Notice concerning Acquisition of Assets (Trust Beneficiary Interests in Domestic Real Estates)” dated September 26, 2012.
Units outstanding	1,348,292 units
Interest-bearing liabilities	JPY 43,982 million As a result of procuring funds through a new loan (JPY 9,960 million) and refinance existing borrowings (the amount to be increased upon refinance: JPY 2,550 million) on September 28, 2012 during the 19th fiscal period, the balance of interest-bearing liabilities as of 19th fiscal period became JPY 43,982 million. For details, please refer to the press release titled “Notice concerning Debt Financing, Repayment of Borrowings, and Fund Procurement through Debt Financing Backed by Trust Assets” dated September 26, 2012.
Operating revenues	INV assumes it will generate JPY 2,476 million in operating revenues. The breakdown is as follows: ・Rental revenues: JPY 2,476 million
Operating expenses	INV assumes it will incur JPY 1,156 million in property related expenses. The breakdown is as follows: ・Facility management fees JPY 403 million (of these, JPY 29 million are repair costs) ・Taxes and other public charges JPY 141 million ・Insurance expenses JPY 4 million ・Other expenses JPY 126 million ・Depreciation expenses JPY 480 million Operating expenses other than the property related expenses are estimated to be JPY 235 million and out of such operating expenses, asset management fees, administrative service fees and taxes and other public charges are estimated to be JPY 130 million, JPY 24 million and JPY 27 million, respectively.
Non-operating expenses	INV assumes it will incur JPY 972 million in non-operating expenses. The breakdown is as follows: ・Interest expense JPY 763 million ・Finance related costs JPY 208 million ・Other non-operating expenses JPY 1 million JPY 972 million
Distribution per unit	The distribution per unit is calculated in accordance with the cash distribution policy set forth in INV’s Articles of Incorporation. INV plans that JPY 157 million (JPY 117 per unit) will be distributed out of the net

	income for the fiscal period ended December 2012 and the surplus based on the gains on negative goodwill resulting from the merger.
Exceeding profit distribution per unit	INV currently does not expect to make distributions exceeding profits (exceeding profit distribution per unit).
Other	INV assumes there will be no amendments to laws and ordinances, the taxation system, accounting standards and other regulations that will affect the foregoing forecasts. In addition, INV assumes there will be no unforeseen material changes in the market environment, including general economic trends and real estate market conditions.