

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

Naoki Fukuda, Executive Director

Roppongi Hills Mori Tower

6-10-1 Roppongi, Minato-ku, Tokyo, Japan

(Securities code: 8963)

Asset manager:

Consonant Investment Management Co., Ltd.

Naoki Fukuda, CEO

Contact: Akiko Watanabe,

Manager of Planning Department

(Tel. +81-3-5411-2731)

Notice concerning Debt Financing

Invincible Investment Corporation (INV) decided to obtain new debt financing as shown below.

1. Reason for Obtaining New Debt Financing

INV decided today to obtain new debt financing (hereinafter the "Financing") in order to procure funds for the acquisition of 3 hotel properties (trust beneficiary interests in domestic real estate) (Note), which are to be acquired on February 6, 2015.

(Note) For details on the acquisition of the 3 hotel properties, please refer to the press release dated as of today entitled "Notice concerning Acquisition of Assets and Entering into Leasing Contract."

2. Details of the New Borrowing (anticipated)

New Syndicate Loan (D)

- | | | |
|----------------------|---|---|
| (1) Lender | : | Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Mizuho Bank, Ltd.
Citibank Japan Ltd.
Shinsei Bank, Limited
Sumitomo Mitsui Trust Bank, Limited
Resona Bank, Limited |
| (2) Borrowing amount | : | JPY 6,241 million |

This English language notice is a translation of the Japanese-language notice released on February 4, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

- (3) Interest rate : One-month JPY TIBOR (Base Rate) + spread (0.8%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.8%) (Note 1)
Variable interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement dated as of February 4, 2015
Secured (Note 2) / with no guarantee
- (5) Agreement date : February 4, 2015
- (6) Anticipated borrowing date : February 6, 2015
- (7) Interest payment date : On (1) the last Japanese business day of each month before the principal maturity date, beginning with February 27, 2015, and (2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : February 6, 2018

(Note 1) • Base rate applicable for the interest calculation period for interest to be paid on the relevant interest payment date shall be one-month JPY TIBOR as announced by Japanese Bankers Association two Japanese business days prior to the immediately preceding interest payment date.

• JPY TIBOR as announced by JBA TIBOR Administration is available at its website (<http://www.jbatibor.or.jp>).

• Details of our debt financing is available at the “Borrowings & Investment Corporation Bonds” page of INV’s website (<http://www.invincible-inv.co.jp/eng/cms/loan.html>).

(Note 2) First priority pledges over the real estate trust beneficiary interests for 3 properties: APA Hotel Yokohama-Kannai, Hotel Nets Hakodate, Flexstay Inn Shirogane and 65 properties: Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Harmonie Ochanomizu, Suncrest Shakujii Koen, Growth Maison Shin-Yokohama, Belle Face Ueno Okachimachi, Grand Rire Kameido, Growth Maison Ikebukuro, Growth Maison Yoga, Route Tachikawa, Shibuya Honmachi Mansion, City Heights Kinuta, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, College Square Machida, Belair Meguro, Wacore Tsunashima I, Foros Nakamurabashi, Growth Maison Kaijin, College Square Machiya, City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Crescent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Lexel Mansion Ueno Matsugaya, Towa City Coop Sengencho, Royal Park Omachi, Lexington Square Haginomachi, Visconti Kakuozan, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, AMS TOWER Minami 6-Jo, Spacia Ebisu, Kindai Kagakusha Building, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman, AEON TOWN Sukagawa, Hotel MyStays Kanda, Hotel MyStays Asakusa, Hotel MyStays Kyoto-Shijo, MyStays Shin Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstay Inn Iidabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1 and Flexstay Inn Nakanobu P2. First priority mortgages over 2 properties: Shinjuku Island and Stop Parking Kanda-Sudacho.

3. Future outlook

For the forecasted financial results and distributions in relation to the Financing for the fiscal period ending June 2015 (January 1, 2015 to June 30, 2015) and for the fiscal period ending December 2015 (July 1, 2015 to December 31, 2015), please refer to the press release entitled “Notice concerning Revision of Forecast of Financial Results and

This English language notice is a translation of the Japanese-language notice released on February 4, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

Distribution for the 23rd Fiscal Period Ended December 2014, the 24th Fiscal Period Ending June 2015 and the 25th Fiscal Period Ending December 2015” dated as of today.

4. Other matters necessary for appropriate understanding and decision by investors

The Financing described above will not result in any material change to the “Investment Risks” (*toshi risuku*) in the semi-annual securities report (*yuka shoken hokokusho*) of INV for the fiscal period ended June 2014 (January 1, 2014 – June 30, 2014) (available in Japanese only), filed on September 26, 2014.

This English language notice is a translation of the Japanese-language notice released on February 4, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

(Appendix)

< Status of Borrowings before and after the Financing >

The table below provides an overview of the borrowings of INV before the Financing.

Information which will be updated in connection with the Financing are underlined in each of the tables below.

(Before the Financing: as of February 5, 2015)

	Lender	Borrowing date	Borrowing amount (mn JPY)	Interest rate (per annum)	Maturity date	Secured / guarantee	
New Syndicate Loan (C)	Sumitomo Mitsui Banking Corporation	July 17, 2014	57,300	Variable Rate (Note 1)	July 14, 2017	Secured / non guarantee	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.						
	Mizuho Bank, Ltd.						
	Citibank Japan Ltd.						
	Shinsei Bank, Limited						
	Sumitomo Mitsui Trust Bank, Limited						
	Resona Bank, Limited						
	Subtotal of long-term debt		57,300				
Prudential LPS Loan B	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	First lending	September 28, 2012	2,700	1.9% Fixed Rate	March 31, 2018	Secured/ non guarantee
		Second lending	September 28, 2012	2,860	1.9% Fixed Rate	March 31, 2019	Secured/ non guarantee
		Third lending	September 28, 2012	1,830	1.9% Fixed Rate	March 31, 2020	Secured/ non guarantee
		Fourth lending (Note 3)	September 28, 2012	2,570	1.9% Fixed Rate	March 31, 2019	Secured/ non guarantee
	Subtotal of long-term debt in trust (Note 3)		9,960				
	Total debt		67,260	1.07% (Note 2)			

(Note 1) One-month JPY TIBOR + spread (0.8%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.8%).

The interest rate applicable for the period from January 30, 2015 to February 26, 2015 is 0.93000%.

(Note 2) Interest rate (per annum) provided in Total debt is the weighted average interest rate based on the borrowing amount, rounded to the nearest two decimal places.

The borrowing amount is rounded down to the nearest million JPY.

(Note 3) For the fourth lending of the Prudential LPS Loan B, on each principal and interest payment date (every three months) after three years have passed since the borrowing date, INV will conduct partial repayment of the principal in a manner in which the remaining principal as of the date is repaid in equal installments of the principal and the interest over 27 years (108 times in total), however, such partial repayments of the principal are included in "Subtotal of long-term debt in trust" in the above list.

The same shall apply hereinafter.

This English language notice is a translation of the Japanese-language notice released on February 4, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

The table below provides an overview of the borrowings of INV after the Financing.

(After the financing: as of February 6, 2015 (anticipated))

	Lender	Borrowing date	Borrowing amount (mn JPY)	Interest rate (per annum)	Maturity date	Secured / guarantee	
New Syndicate Loan (C)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Citibank Japan Ltd. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	July 17, 2014	57,300	Variable Rate (Note 1)	July 14, 2017	Secured / non guarantee	
New Syndicate Loan (D)	<u>Sumitomo Mitsui Banking Corporation</u> <u>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</u> <u>Mizuho Bank, Ltd.</u> <u>Citibank Japan Ltd.</u> <u>Shinsei Bank, Limited</u> <u>Sumitomo Mitsui Trust Bank, Limited</u> <u>Resona Bank, Limited</u>	<u>February 6, 2015</u>	<u>6,241</u>	<u>Variable Rate (Note 2)</u>	<u>February 6, 2018</u>	<u>Secured / non guarantee</u>	
	<u>Subtotal of long-term debt</u>		<u>63,541</u>				
Prudential LPS Loan B	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	First lending	September 28, 2012	2,700	1.9% Fixed Rate	March 31, 2018	Secured / non guarantee
		Second lending	September 28, 2012	2,860	1.9% Fixed Rate	March 31, 2019	Secured / non guarantee
		Third lending	September 28, 2012	1,830	1.9% Fixed Rate	March 31, 2020	Secured / non guarantee
		Fourth lending	September 28, 2012	2,570	1.9% Fixed Rate	March 31, 2019	Secured / non guarantee
	<u>Subtotal of long-term debt in trust</u>		<u>9,960</u>				
	<u>Total debt</u>		<u>73,501</u>	<u>1.06% (Note 2)</u>			

(Note 1) One-month JPY TIBOR + spread (0.8%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.8%)

(Note 2) One-month JPY TIBOR + spread (0.8%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.8%)

The interest rate applicable for the period from January 30, 2015 to February 26, 2015 is 0.93000%.

(Note 3) Interest rate (per annum) provided in Total debt is the weighted average interest rate, rounded to the nearest two decimal places. In addition, the interest rate for New Syndicate Loan (D) is calculated based on the assumption that a one-month JPY TIBOR as of January 29, 2015 applies. The borrowing amount

This English language notice is a translation of the Japanese-language notice released on February 4, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

is rounded down to the nearest million JPY.

[For reference only]

Borrowing amount outstanding before/after the Financing

(Units: mn JPY, figures rounded down to the nearest mn JPY)

	Before the Financing (As of February 5, 2015)	After the Financing (As of February 6, 2015)	Balance
Long-term debt	67,260	73,501	6,241
Total debt	67,260	73,501	6,241
Appraisal value (Note 1)	126,558	140,018	13,460
Loan to Value Ratio (LTV) based on appraisal value (%) (Note 2) (Note 3)	53.1 (Note 3)	52.5 (Note 3)	▲0.7

(Note 1) With regard to appraisal value, the appraisal values of 91 properties held as of the end of December 2014 are as of such date, the appraisal values of 3 properties scheduled to be acquired on February 6, 2015 are as of December 1, 2014.

(Note 2) LTV (appraisal value basis) is calculated using the following formula;

LTV based on the appraisal value = interest-bearing debt / appraisal value x 100

(Note 3) LTV based on the assumption that part of the New Syndicate Loan (C) and the New Syndicate Loan (D) will be repaid due to the refund of consumption tax expected to be made in 1H 2015 and 2H 2015 (expected to be JPY 1.521 million) will decline from 52.2% to 51.4% after the Financing.

	Refund of Consumption Tax (mn JPY)	Maturity Date
New Syndicate Loan (C)	1,200	Apr. to May, 2015
New Syndicate Loan (D)	321	Oct. to Nov., 2015
Total	1,521	

(Note 4) The amount is rounded down to JPY million, and the percentage is rounded to the nearest first decimal place.

This English language notice is a translation of the Japanese-language notice released on February 4, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.