

[For Information Purpose Only]

August 21, 2015

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 three hotel properties (trust beneficiary interests in domestic real estate) (Note), which are to be acquired on August 28, 2015, as well as a portion of the related expenses.

(Note) For details on the acquisition of the three 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)

Term Loan (A)

- | | |
|----------------------|--|
| (1) Lender | : Mizuho Bank, Ltd. |
| (2) Borrowing amount | : JPY 3,682 million |
| (3) Interest rate | : One-month JPY TIBOR (Base Rate) + spread (0.5%);
however the first interest calculation period uses
two-month JPY TIBOR + spread (0.5%) (Note)
Variable interest rate |
| (4) Borrowing method | : Borrowing based on separate term loan agreement dated
as of August 26, 2015
Unsecured / with no guarantee |
| (5) Agreement date | : August 26, 2015 |

This English language notice is a translation of the Japanese-language notice released on August 21, 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.

- (6) Anticipated borrowing date : August 28, 2015
 (7) Interest payment date : On (1) the last Japanese business day of each month before the principal maturity date, beginning with September 30, 2015, and (2) the principal maturity date
 (8) Principal repayment method : Lump-sum repayment on the principal maturity date
 (9) Principal maturity date : August 28, 2019

- (Note)
- 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>).

3. Future outlook

The Financing has no effect on the forecasted financial results and distributions for the fiscal period ended June 2015 (January 1, 2015 to June 30, 2015). For the fiscal period ending December 2015 (July 1, 2015 to December 31, 2015), the fiscal period ending June 2016 (January 1, 2016 to June 30, 2016) and the fiscal period ending December 2016 (July 1, 2016 to December 31, 2016), please refer to the press release entitled “Notice concerning Revision of Forecast of Financial Results and Distribution for the 24th Fiscal Period Ended June 2015, the 25th Fiscal Period Ending December 2015, the 26th Fiscal Period Ending June 2016 and 27th Fiscal Period Ending December 2016” dated as of today.

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

(1) Amount of funds to be raised

JPY3,682 million

(2) Specific use of proceeds and scheduled timing of expenditure

Use of proceeds	Amount (mn JPY)	Scheduled timing of expenditure
A part of funds to acquire specified assets and the related expenses	3,682	August 28, 2015

5. 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 December 2014 (July 1, 2014 – December 31, 2014) (available in Japanese only), filed on March 27, 2015, as well as “Section Two: Reference Information, Part Two: Complementary Information of Reference Information, 6. Investment Risks” in the securities registration statement (*yuka shoken todokedesho*) of INV (available in Japanese only) filed on June 25, 2015.

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(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 August 21, 2015)

	Lender	Borrowing date	Borrowing amount (mn JPY)	Interest rate (per annum) (Note 1)	Maturity date	Security / guarantee
New Syndicate Loan (E)	Sumitomo Mitsui Banking Corporation	July 16, 2015	28,979	0.53% Variable Interest Rate (Note 2)	July 16, 2018	Unsecured / non guarantee
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mizuho Bank, Ltd.					
	Shinsei Bank, Limited					
	Citibank Japan Ltd.	July 16, 2015	28,979	0.63% Variable Interest Rate (Note 3)	July 16, 2019	Unsecured / non guarantee
	Sumitomo Mitsui Trust Bank, Limited					
	Resona Bank, Limited					
	Mitsubishi UFJ Trust and Banking Corporation	July 16, 2015	28,979	0.73% Variable Interest Rate (Note 4)	July 16, 2020	Unsecured / non guarantee
	Sumitomo Mitsui Banking Corporation	July 16, 2015	1,401	0.33% Variable Interest Rate (Note 5)	May 16, 2016	Unsecured / non guarantee
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mizuho Bank, Ltd.					
	Total debt		88,338	0.63% (Note 6)		

(Note 1) The interest rates applicable for the period from July 31, 2015 to August 30, 2015.

(Note 2) One-month JPY TIBOR + spread (0.4%)

(Note 3) One-month JPY TIBOR + spread (0.5%)

(Note 4) One-month JPY TIBOR + spread (0.6%)

(Note 5) One-month JPY TIBOR + spread (0.2%)

(Note 6) Interest rate (per annum) provided in Total debt is the weighted average interest rate based on the borrowing amount, excluding borrowings corresponding to the expected consumption tax refund, assuming that the one-month JPY TIBOR as of July 29, 2015, is applied, and rounded to the nearest two decimal places.

Borrowings corresponding to the expected consumption tax refund mean the borrowings which will be prepaid in the amount equivalent to the refund of consumption tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings executed at the same time, in the case where the above-mentioned consumption tax refunds are received. The same shall apply hereinafter.

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

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

(After the Financing: as of August 28, 2015 (anticipated))

	Lender	Borrowing date	Borrowing amount (mn JPY)	Interest rate (per annum)	Maturity date	Security / guarantee
New Syndicate Loan (E)	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	July 16, 2015	28,979	0.53% Variable Interest Rate (Note 1) (Note 2)	July 16, 2018	Unsecured / non guarantee
	Shinsei Bank, Limited Citibank Japan Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	July 16, 2015	28,979	0.63% Variable Interest Rate (Note 1) (Note 3)	July 16, 2019	Unsecured / non guarantee
	Mitsubishi UFJ Trust and Banking Corporation	July 16, 2015	28,979	0.73% Variable Interest Rate (Note 1) (Note 4)	July 16, 2020	Unsecured / non guarantee
	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	July 16, 2015	1,401	0.33% Variable Interest Rate (Note 1) (Note 5)	May 16, 2016	Unsecured / non guarantee
<u>Term Loan (A)</u>	<u>Mizuho Bank, Ltd.</u>	<u>August 28, 2015</u>	<u>3,682</u>	<u>Variable Interest Rate (Note 6)</u>	<u>August 28, 2019</u>	<u>Unsecured / non guarantee</u>
	Total debt		<u>92,020</u>	0.63% (Note 7)		

(Note 1) The interest rates applicable for the period from July 31, 2015 to August 30, 2015.

(Note 2) One-month JPY TIBOR + spread (0.4%)

(Note 3) One-month JPY TIBOR + spread (0.5%)

(Note 4) One-month JPY TIBOR + spread (0.6%)

(Note 5) One-month JPY TIBOR + spread (0.2%)

(Note 6) One-month JPY TIBOR + spread (0.5%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.5%). The interest rates applicable for the first interest calculation period will be determined as of August 26, 2015.

(Note 7) Interest rate (per annum) provided in Total debt is the weighted average interest rate based on the borrowing amount, excluding borrowings corresponding to the expected consumption tax refund, assuming that the one-month JPY TIBOR as of July 29, 2015, is applied, and rounded to the nearest two decimal places.

(Note 8) The borrowing amount is rounded down to the nearest million JPY.

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Borrowing amount outstanding and Loan to Value Ratio (LTV) before/after the Financing

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

	Before the Financing (As of August 21, 2015)	After the Financing (As of August 28, 2015)	Balance
Total debt	88,338	92,020	3,682
Appraisal value (Note 1)	182,488	189,928	7,440
LTV based on appraisal value (%) (Note 2)	47.6	47.7	0.1

(Note 1) With regard to appraisal value, the appraisal values of 94 properties held as of the end of June 2015 are the values as of such date, the appraisal values of 11 hotels and three residential properties acquired on July 16, 2015 are as of May 1, 2015. Furthermore, "Flexstay Inn Ekoda" in three hotels scheduled to be acquired as of August 28, 2015 is the value as of August 10, 2015, and the other two hotels are as of July 31, 2015.

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

$$\text{LTV based on appraisal value} = \frac{\text{interest-bearing debt (excluding JPY 1,401 million borrowings corresponding to the expected consumption tax refund, which is included in New Syndicate Loan (E))}}{\text{appraisal value}} \times 100$$

(Note 3) The amount is rounded down to JPY million, and the percentage is rounded to the nearest first decimal place.