

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: Masayuki Inagaki,

General 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 five hotel properties and one residential property (trust beneficiary interests in domestic real estate) (Note), which are to be acquired on January 22, 2016, as well as a portion of the related expenses.

(Note) For details on the acquisition of the five hotel properties and one residential property, 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 (B)

[Term: three (3) years]

- | | |
|----------------------|--|
| (1) Lender | : Sumitomo Mitsui Trust Bank, Limited
Mitsubishi UFJ Trust and Banking Corporation |
| (2) Borrowing amount | : JPY 4,250 million |
| (3) Interest rate | : One-month JPY TIBOR (Base Rate) + spread (0.4%);
however the first interest calculation period uses
two-month JPY TIBOR + spread (0.4%) (Note 1)
Variable interest rate |
| (4) Borrowing method | : Borrowing based on separate term loan agreement dated
as of January 20, 2016 |

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- Unsecured / with no guarantee
- (5) Agreement date : January 20, 2016
(6) Anticipated borrowing date : January 22, 2016
(7) Interest payment date : On (1) the last Japanese business day of each month before the principal maturity date, beginning with February 29, 2016, and (2) the principal maturity date
(8) Principal repayment method : Lump-sum repayment on the principal maturity date
(9) Principal maturity date : January 22, 2019

[Term: five (5) years]

- (1) Lender : Sumitomo Mitsui Trust Bank, Limited
Mitsubishi UFJ Trust and Banking Corporation
(2) Borrowing amount : JPY 4,250 million
(3) Interest rate : One-month JPY TIBOR (Base Rate) + spread (0.6%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.6 %) (Note 1)
Variable interest rate
(4) Borrowing method : Borrowing based on separate term loan agreement dated as of January 20, 2016
Unsecured / with no guarantee
(5) Agreement date : January 20, 2016
(6) Anticipated borrowing date : January 22, 2016
(7) Interest payment date : On (1) the last Japanese business day of each month before the principal maturity date, beginning with February 29, 2016, and (2) the principal maturity date
(8) Principal repayment method : Lump-sum repayment on the principal maturity date
(9) Principal maturity date : January 22, 2021

[Borrowings corresponding to the expected consumption tax refund (Note 2)]

- (1) Lender : Sumitomo Mitsui Trust Bank, Limited
(2) Borrowing amount : JPY 498 million
(3) Interest rate : One-month JPY TIBOR (Base Rate) + spread (0.2%); however the first interest calculation period uses two-month JPY TIBOR + spread (0.2 %) (Note 1)
Variable interest rate
(4) Borrowing method : Borrowing based on separate term loan agreement dated as of January 20, 2016
Unsecured / with no guarantee
(5) Agreement date : January 20, 2016
(6) Anticipated borrowing date : January 22, 2016
(7) Interest payment date : On (1) the last Japanese business day of each month

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- before the principal maturity date, beginning with February 29, 2016, and (2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 22, 2017

- (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 are available at the “Borrowings & Investment Corporation Bonds” page of INV’s website (<http://www.invincible-inv.co.jp/eng/cms/loan.html>).
- (Note 2)
- 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, in the case where the above-mentioned consumption tax refunds are received. The same shall apply hereinafter.

3. Future outlook

The Financing has no effect on the forecasted financial results and distributions for the fiscal period ended December 2015 (July 1, 2015 to December 31, 2015). For 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 25th Fiscal Period Ended December 2015, the 26th Fiscal Period Ending June 2016 and the 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

JPY 8,998 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 related expenses	8,998	January 22, 2016

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 June 2015 (January 1, 2015 – June 30, 2015) (available in Japanese only), filed on September 28, 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 is underlined in each of the tables below.

(Before the Financing: as of January 20, 2016)

	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.	July 16, 2015	28,979	0.63% Variable Interest Rate (Note 1) (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 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	1,080	0.33% Variable Interest Rate (Note 1) (Note 5)	May 16, 2016	Unsecured / non guarantee
Term Loan (A)	Mizuho Bank, Ltd.	August 28, 2015	3,682	0.63% Variable Interest Rate (Note 1) (Note 3)	August 28, 2019	Unsecured / non guarantee
	Total debt		91,699	0.63% (Note 6)		

(Note 1) The interest rates applicable for the period from December 30, 2015 to January 28, 2016.

(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, and rounded to the nearest two decimal places.

(Note 7) The borrowing amount is rounded down to the nearest million JPY. The same shall apply hereinafter.

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

(After the Financing: as of January 22, 2016 (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					
	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	July 16, 2015	1,080	0.73% Variable Interest Rate (Note 1) (Note 4)	July 16, 2020	Unsecured / non guarantee
Term Loan (A)	Mizuho Bank, Ltd.	August 28, 2015	3,682	0.63% Variable Interest Rate (Note 1) (Note 3)	August 28, 2019	Unsecured / non guarantee
Term Loan (B)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation	January 22, 2016	4,250	Variable Interest Rate (Note 2) (Note 6)	January 22, 2019	Unsecured / non guarantee
		January 22, 2016	4,250	Variable Interest Rate (Note 4) (Note 6)	January 22, 2021	Unsecured / non guarantee
	Sumitomo Mitsui Trust Bank, Limited	January 22, 2016	498	Variable Interest Rate (Note 5) (Note 6)	January 22, 2017	Unsecured / non guarantee
	Total debt		100,697	0.63% (Note 7)		

(Note 1) The interest rates applicable for the period from December 30, 2015 to January 28, 2016.

(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) For the first interest calculation period, two-month JPY TIBOR + spread is used in lieu of One-month JPY TIBOR. The interest rates applicable from January 22, 2016 to February 28, 2016 will be disclosed on the date of implementation of the borrowing.

(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, and as a matter of convenience, the one-month JPY TIBOR as of December 28, 2015, is applied. The interest rates obtained are rounded to the nearest two decimal places.

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[For reference only]

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

(Units: mn JPY)

	Before the Financing (As of January 20, 2016)	After the Financing (As of January 22, 2016)	Change
Total debt	91,699	100,697	8,998
Appraisal value (Note 1)	214,952	225,262	10,310
LTV based on appraisal value (%) (Note 2)	42.2	44.0	1.8

(Note 1) With regard to appraisal value, the appraisal values of 111 properties held as of the end of December 2015 are the values as of such date. Furthermore, among the six properties scheduled to be acquired as of January 22, 2016, the appraisal value of "Hotel MyStays Shinsaibashi" is the value as of November 1, 2015; the appraisal values of "Comfort Hotel Kurosaki", "Comfort Hotel Maebashi", "Comfort Hotel Tsubame-Sanjo", "Comfort Hotel Kitami" and "Royal Parks Momozaka", are the values as of November 20, 2015.

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

$$\text{LTV based on appraisal value} = \frac{\text{interest-bearing debt (excluding JPY 1,080 million borrowings corresponding to the expected consumption tax refund, which is included in New Syndicate Loan (E) and JPY 498 million borrowings corresponding to the expected consumption tax refund, which is included in Term Loan (B))}}{\text{appraisal value}} \times 100$$

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