February 25, 2016

To Our Unitholders

Invincible Investment Corporation

[Translation for Information Purpose Only]
The document is originally for individual investors in Japan.
This English translation of the original Japanese document is provided solely for information purposes.
Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Notice of Excess Profit Distribution for the 25th Fiscal Period

Invincible Investment Corporation (INV) decided at its board of directors meeting held on February 25, 2016 that it will distribute funds in excess of retained earnings (Excess Profit Distribution; hereinafter "EPD") of 239 yen per unit for the period in addition to the 948 yen per unit ordinary distributions of earnings for the 25th Fiscal Period (ended December 2015). Payment of distributions will commence on March 29, 2016.

This document lays out the tax treatment of the EPD, which is a return of capital originated from "unitholders' capital", and therefore, differs in its tax treatment from ordinary distributions which originate from "retained earnings."

The EPD of an investment corporation is categorized as a "dividend distribution originated from capital surplus" of a stock corporation and it is treated as an "income from deemed transfer" and "deemed dividend" received by unitholders; however, there will be no portion considered "deemed dividend" for the EPD for this period. Please be aware of this when filing final income tax returns.

Further, while this document describes matters concerning the payment of distributions, the Japanese tax treatment as well as matters that should be notified to unitholders pursuant to the provisions of the tax laws, it does not provide a comprehensive explanation of the tax procedures that are required of unitholders.

As detailed below, the computation of specific "acquisition price" and "capital gain/loss from deemed transfer" for investment units, as well as the computation of income tax on capital gains realized in a future sale of the units will differ for each individual unitholder depending on their particular circumstances. It is therefore recommended that unitholders consult their securities firm, their local tax office, or their tax accountant, etc. regarding these matters.

1. Payment of Distributions for this Period

The distributions in this period are sourced from "retained earnings (ordinary distributions of 948 yen per unit)" and "unitholders' capital (EPD of 239 yen per unit)." As different payment procedures are necessary depending on the source of the distributions, the documents indicated below have been enclosed for each payment method.

(1) For unitholders that have chosen to receive distributions via bank transfer:
"Statement of Distributions" and "Confirmation of Bank Transfer Details"

For unitholders that have chosen the method of allocation in proportion to the number of shares held:
"Statement of Distributions" and "Method of Receiving Distributions"

(2) For unitholders that have not chosen to receive distributions via bank transfer:
"Statement of Distributions" and "Receipt for Distributions for the 25th Fiscal Period"

*"Statement of Distributions" also serves as the "notice of payment" prepared in accordance with the provisions of the Act on Special Measures Concerning Taxation and can be used as an attachment when filing final tax returns.

2. Matters that Should be Notified to Unitholders Pursuant to the Provisions of the Tax Laws

(1) Information for individual unitholders:

Items prescribed in Article 114, Paragraph 5 of the Enforcement Order of the Income Tax Act	Matters to be Notified
Rate of net asset decrease (ratio prescribed in Article 61, Paragraph 2, Item iv of the Enforcement Order of the Income Tax Act concerning return of capital)	0.008 (rounded up to three decimal places)

(2) Information for corporate unitholders:

Items prescribed in Article 23, Paragraph 4 of the Enforcement Order of the Corporation Tax Act	Matters to be Notified
Matters stipulated in each item of Article 24, Paragraph 1 of the Corporate Tax Act which resulted in the delivery of money or other assets	Return of capital
Applicable date	March 29, 2016
Total number of investment units issued and outstanding as of the record date for return of capital	3,193,686 units
Deemed dividend per unit	0 yen per unit

Items prescribed in Article 119-9, Paragraph 2 of the Enforcement Order of the Corporation Tax Act	Matters to be Notified
Rate of net asset decrease (ratio prescribed in Article 23, Paragraph 1, Item iv of the Enforcement Order of the Income Tax Act concerning return of capital)	0.008 (rounded up to three decimal places)

3. Tax Treatment of EPD for this Period

(1) Category of income of the EPD for this period (Articles 24, 25, etc. of the Income Tax Act)

・The EPD of an investment corporation is a return of capital originated from "unitholders' capital" and will be categorized as a "dividend distribution from capital surplus" of a stock corporation. Therefore, under the Japanese tax laws, the portion attributable to capital, etc., is deemed an "income pertaining to transfer of investment units" (hereinafter "income from deemed transfer"), while the portion attributable to accumulated retained earnings is deemed "dividends" (hereinafter "deemed dividends"). However, as all of the EPD for this period is being paid out from the portion attributable to capital, etc., there will be no portion considered "deemed dividends."

・Not only will an "income from deemed transfer" require that an adjustment (reduction) be made to the investment unit acquisition price, in principle, a final tax return will need to be filed if a "capital gain from deemed transfer" is realized (Note).

(Note) "Capital gain from deemed transfer" for the EPD this period is only realized when the average acquisition price per investment unit is lower than 29,875 yen.

(2) Capital gain/loss from deemed transfer (Article 37-10 of the Act on Special Measures Concerning Taxation)

・In the EPD for this period, the deemed dividend is "0 yen" and the rate of net asset decrease is "0.008".

・Pursuant to the Japanese tax laws, "capital gain/loss from deemed transfer" will arise for unitholders as it is deemed that there has been a transfer of some investment units (the portion attributable to 8/1000).

・"(3) Capital gain/loss from deemed transfer", which falls under income from transfer, etc., is the amount derived by subtracting "(2) Transfer cost of investment units" from "(1) Amount of income from deemed transfer."

(1) Amount of income from deemed transfer	=	EPD amount	−	Deemed dividend (0 yen)
(2) Transfer cost of investment units	=	Previous total acquisition price	×	Rate of net asset decrease (0.008)
(3) Capital gain/loss from deemed transfer	=	(1) Amount of income from deemed transfer	−	(2) Transfer cost of investment units

[Example] Where 10 INV investment units were acquired at 60,000 yen per unit

(1) Amount of income from deemed transfer = 239 yen (EPD per unit) × 10 units – 0 yen = 2,390 yen

(2) Transfer cost of investment units = (60,000 yen × 10 units) × 0.008 (rate of net asset decrease) = 4,800 yen

(3) Capital gain/loss from deemed transfer = 2,390 yen – 4,800 yen = ▲2,410 yen (deemed loss on transfer)

*Based on the above computation, capital gains from deemed transfer will arise for unitholders whose average acquisition price per investment unit is lower than 29,875 yen.

*If (3) above is a negative figure as a result of the computation, it will be a deemed loss on transfer.

*For the details regarding the computation of capital gain/loss from deemed transfer, please consult the relevant securities firm, your local tax office or tax accountant, etc.

(3) Treatment of acquisition price (Article 114, Paragraph 1 of the Enforcement Order of the Income Tax Act)

・Pursuant to the Japanese tax laws, the acquisition price of each investment unit will be adjusted (reduced).

・The adjustment formula is indicated below. <u>The rate of net asset decrease will be "0.008" and the portion attributable to 8/1000 will be reduced.</u>

$$\boxed{\text{New acquisition price per unit}} = \boxed{\text{Previous acquisition price per unit}} - \left(\boxed{\text{Previous acquisition price per unit}} \times \boxed{\text{Rate of net asset decrease } \underline{(0.008)}} \right)$$

[Example] Where 10 INV investment units were acquired at 60,000 yen per unit

(1) Adjustment (reduction) per unit = 60,000 yen × 0.008 (rate of net asset decrease) = 480 yen

(2) New acquisition price per unit = 60,000 yen – 480 yen = 59,520 yen

*For unitholders with "specified accounts" at securities firms, etc., the above adjustments will be made within the specified accounts.

*Unitholders who are not using "specified accounts" at securities firms, etc., must make adjustments to the acquisition price using the above formula.

4. Other Information

(1) Matters that require unitholders to conduct procedures different from usual distributions (originating from "retained earnings") accompanying the EPD (the distributions originating from "unitholders' capital") for this period.

● Computation of "capital gain/loss from deemed transfer" will be necessary.

In principle, as to "income from deemed transfer" associated with the EPD, unitholders will be required to carry out computation of "capital gain/loss from deemed transfer". However, in the case where unitholders choose to receive distributions using "specified accounts", which are "with withholding" (the method of allocation in proportion to the number of shares held), it may be included in the computation for the specified accounts depending on securities firm, etc., please confirm this with your securities firm, etc.

● If a "capital gain from deemed transfer" arises.

In principle, final tax returns will need to be filed. However, if a "capital gain/loss from deemed transfer" is calculated within specified accounts, it will not be necessary to file final tax returns. <u>A "capital gain from deemed transfer" will only arise if the average acquisition price per investment unit is below 29,875 yen</u> with regard to the EPD (239 yen per unit) for this period.

● If a "deemed loss on transfer" arises.

In the case where the deemed loss on transfer is to be offset against other income from transfer, etc., of listed shares, etc., or to be carried over to forthcoming years, final tax returns will need to be filed. However, if computation of "capital gain/loss from deemed transfer" is carried out within specified accounts, it will be offset in the specified accounts and thus the filing of final tax returns may not be required.

- “Adjustments to the acquisition price” will be necessary.
  However, as to the unitholders who are using “specified accounts”, adjustments to the acquisition price will be carried out in the specified accounts. Please contact the relevant securities firm, etc., for further details.

(2) Disclaimer

This document outlines the Japanese tax treatment as well as matters that should be notified to unitholders pursuant to the provisions of the Japanese tax laws with regard to the EPD for this period. However, since the tax treatment will differ for each individual unitholder depending on their specific circumstances, the information outlined in this document does not cover all of the tax treatments that are required of unitholders.

If you have any questions please contact the relevant party indicated in “5. Inquiries”, below.

Please preserve this document as it will be a document to support the “acquisition price” in the event the investment units are sold in the future.

This notice will also be posted on the INV J-REIT website (http://www.invincible-inv.co.jp).

5. Inquiries

(1) General inquiries concerning this document

General administrator of the unitholders’ registry
Sumitomo Mitsui Trust Bank, Limited
Corporate Agency Division
Telephone: 0120-782-031 (toll-free number)
Operating hours: 9:00 to 17:00 (except Saturdays, Sundays and holidays)

(2) Specific inquiries concerning adjustment of acquisition price

Please consult your securities firm, etc., local tax office or your tax accountant.

(3) Inquiries concerning tax filing, etc.

Please consult the local tax office or your tax accountant.