

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: Jun Komo

General Manager of Planning Department

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

Notice concerning New Loan

Invincible Investment Corporation (“INV”) decided today to borrow funds via a new loan. Details are as follows.

1. Reason for borrowing

INV has entered into a loan agreement on June 13, 2016 for a new term loan (Term Loan (C)) (the “Borrowing”), in order to acquire two hotel properties (in the form of trust beneficiary interests)¹ scheduled to be acquired on June 15, 2016 and to finance part of the expenses related to such acquisition.

(Note 1) For details on the acquisition of the two hotel properties, please refer to the press release dated as of today titled “Notice concerning Acquisition of Assets and Entering into Leasing Contract”.

2. Details of the Borrowing (expected)

<Term Loan (C)>

3 Years Tranche

- | | | |
|--------------------------------|---|---|
| (1) Lender | : | Citibank Japan Ltd. |
| (2) Borrowing amount | : | JPY1,000 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.4%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.4%)) ¹
Variable interest rate |
| (4) Borrowing method | : | Borrowing based on separate loan agreement dated June 13, 2016
Unsecured / with no guarantee |
| (5) Agreement date | : | June 13, 2016 |
| (6) Anticipated borrowing date | : | June 15, 2016 |
| (7) Interest payment date | : | On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 29, 2016, and (2) the principal maturity date |
| (8) Principal repayment method | : | Lump-sum repayment on the principal maturity date |
| (9) Principal maturity date | : | June 15, 2019 |

4 Years Tranche

- | | | |
|--------------------------------|---|---|
| (1) Lender | : | Citibank Japan Ltd. |
| (2) Borrowing amount | : | JPY1,000 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.5%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.5%)) ¹
Variable interest rate |
| (4) Borrowing method | : | Borrowing based on separate loan agreement dated June 13, 2016
Unsecured / with no guarantee |
| (5) Agreement date | : | June 13, 2016 |
| (6) Anticipated borrowing date | : | June 15, 2016 |
| (7) Interest payment date | : | On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 29, 2016, and (2) the principal maturity date |
| (8) Principal repayment method | : | Lump-sum repayment on the principal maturity date |
| (9) Principal maturity date | : | June 15, 2020 |

This English language notice is a translation of the Japanese-language notice released on June 13, 2016 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.

5 Years Tranche

- (1) Lender : Citibank Japan Ltd.
(2) Borrowing amount : JPY1,000 million
(3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.6%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.6%))¹
Variable interest rate
(4) Borrowing method : Borrowing based on separate loan agreement dated June 13, 2016
Unsecured / with no guarantee
(5) Agreement date : June 13, 2016
(6) Anticipated borrowing date : June 15, 2016
(7) Interest payment date : On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 29, 2016, and (2) the principal maturity date
(8) Principal repayment method : Lump-sum repayment on the principal maturity date
(9) Principal maturity date : June 15, 2021

Short-term consumption tax loan²

- (1) Lender : Citibank Japan Ltd.
(2) Borrowing amount : JPY 882 million
(3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.2%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.2%))¹
Variable interest rate
(4) Borrowing method : Borrowing based on separate loan agreement dated June 13, 2016
Unsecured / with no guarantee
(5) Agreement date : June 13, 2016
(6) Anticipated borrowing date : June 15, 2016
(7) Interest payment date : On (1) the last Japanese business day of each month before the principal maturity date, beginning with July 29, 2016, and (2) the principal maturity date
(8) Principal repayment method : Once INV receives the consumption tax and regional consumption tax refunds, INV will make a lump-sum repayment at the next interest payment date
(9) Principal maturity date : June 15, 2017³

- (Note 1) • Base rate applicable to the interest calculation period for interests to be paid on the relevant interest payment date shall be 1-month JPY TIBOR announced by Japanese Bankers Associations two Japanese business days prior to the immediately preceding interest payment date.
• JPY TIBOR announced by the Japanese Bankers Associations is available at its website (<http://www.jbatibor.or.jp/english/>).
• Applicable rates for a period from June 15, 2016 to July 28, 2016 are 0.45182% for 3 years tranche, 0.55182% for 4 years tranche, 0.65182% for 5 years tranche and 0.25182% for short-term consumption tax loan.

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- Details of INV's loan 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) Short-term consumption tax loan is a loan which is to be repaid with refund of consumption taxes concerning an acquisition of an asset. The same shall apply hereinafter.

(Note 3) Short-term consumption tax loan will be prepaid once INV receives the refund of consumption taxes and regional consumption taxes for the acquisition of properties through Term Loan (C).

3. Future outlook

The impact of the Borrowing and the acquisition of the assets on INV's financial forecasts for the fiscal periods ending June 2016 (January 1, 2016 to June 30 2016) and ending December 2016 (July 1, 2016 to December, 2016) is minimal. Therefore, the financial forecasts remain unchanged.

4. Loan proceeds, use of proceeds and scheduled timing of disbursement

(1) Loan proceeds

JPY 3,882 million

(2) Use of proceeds and scheduled timing of expenditure

Use of proceeds	Amount (mn JPY)	Scheduled timing of expenditure
Part of funds for acquisition of assets	3,882	June 15, 2016

5. Other matters necessary for investors' appropriate understanding/judgment of the concerned information

With respect to the risks associated with the Borrowing, there will be no change that substantially affects the matters stated in the "Investment Risks" (*toshi risuku*) stated in the securities report (*yuka shoken hokokusho*) for the fiscal period ended December 2015 (from July 1, 2015 to December 31, 2015) submitted on March 31, 2016.

Website of INV: <http://www.invincible-inv.co.jp/eng>

[For reference only]

Borrowing amount outstanding as of June 15, 2016(Expected)

	Before Borrowing (As of June 13, 2016)	After Borrowing (As of June 15, 2016)	Change
Total Debts (mn JPY) ¹	131,419	134,419	3,000
Appraisal Value (mn JPY) ²	292,562	308,622	16,060
LTV (Based on Appraisal Value) (%) ³	44.9 ⁴	43.6 ⁵	-1.3

(Note 1) As announced in today's release "Notice concerning Acquisition of Assets and Entering into Leasing Contract," a partial acquisition price will be paid after the implementation of the Borrowing via additional new loans as well as cash-on-hand. The amount of additional new loans is not included in the Total Debts. The details will be announced as soon as they are determined.

(Note 2) Appraisal Value is based on appraisal value stated in the appraisal report on the valuation date of December 31, 2015 and November 20, 2015 for the 111 properties owned as of December 31, 2015, and 6 properties acquired on January 22, 2016, respectively. With respect to 5 properties acquired on March 31, 2016, appraisal value is based on the appraisal value stated in the appraisal report on the valuation date of November 20, 2015, January 1, 2016 and January 31, 2016. In addition, the appraisal value of two properties to be acquired on June 15, 2016, is on the valuation date of May 31, 2016.

(Note 3) "LTV (Based on Appraisal Value)" in the above table is calculated according to the following formula:

$$\text{LTV (Based on Appraisal Value)} = \text{Total Borrowings} \div \text{Appraisal Value} \times 100$$

In addition, since the Total Debts after the Borrowing does not include the amount of the additional new loans to be appropriated for the remaining acquisition price as stated in (Note 1), the LTV (Based on Appraisal Value) after the Borrowing is lower compared with the case where the full amount of the acquisition price would have been paid. Thus, LTV (Based on Appraisal Value) is expected to increase through the implementation of the additional new loans.

(Note 4) Short-term consumption tax loan of JPY 498 million included in Term Loan (B) and that of JPY 2,118 million included in New Syndicate Loan (F) are excluded.

(Note 5) Short-term consumption tax loan of JPY 498 million included in Term Loan (B), that of JPY 2,118 million included in New Syndicate Loan (F) and that of JPY 882 million to be included in Term Loan (C) are excluded.

(Note 6) The amount is rounded down to the nearest million JPY, rounded to the nearest a decimal place.

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