

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 a new loan. Details are as follows.

1. Reason for borrowing

INV has entered into a loan agreement today for a new term loan (the “Borrowing”), in order to pay a portion of the acquisition price and related expenses¹ for the two hotel properties (in the form of trust beneficiary interests)² which were acquired on June 15, 2016.

INV is pleased to announce AEON Bank, Ltd. as a new lender, which helps broaden INV’s lender base as well as an additional loan from an existing lender, the Development Bank of Japan Inc.

(Note 1) As announced in the press release “Notice concerning Acquisition of Assets and Entering into Leasing Contract” on June 13, 2016, with regard to acquisition price (JPY 15,900 million in total) and related expenses for the two hotel properties, partial payment in the amount of JPY 3,882 million has been made on June 15, 2016 and the remaining portion is to be paid by August 19, 2016. The Borrowing (in the amount of JPY 4,000 million) is made for the purpose to make partial payment of the remaining portion.

(Note 2) For details of the two hotel properties, please refer to “Notice concerning Acquisition of Assets and Entering into Leasing Contract” above.

This English language notice is a translation of the Japanese-language notice released on June 28, 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.

2. Details of the Borrowing (expected)

<Term Loan (D)>

3 Years Tranche

- | | | |
|--------------------------------|---|---|
| (1) Lender | : | Development Bank of Japan Inc. |
| (2) Borrowing amount | : | JPY1,000 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.4%) ¹
Variable interest rate |
| (4) Borrowing method | : | Borrowing based on separate loan agreement dated June 28, 2016
Unsecured / with no guarantee |
| (5) Agreement date | : | June 28, 2016 |
| (6) Anticipated borrowing date | : | June 30, 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 30, 2019 |

5 Years Tranche

- | | | |
|--------------------------------|---|---|
| (1) Lender | : | AEON Bank, Ltd. |
| (2) Borrowing amount | : | JPY3,000 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.6%) ¹
Variable interest rate |
| (4) Borrowing method | : | Borrowing based on separate loan agreement dated June 28, 2016
Unsecured / with no guarantee |
| (5) Agreement date | : | June 28, 2016 |
| (6) Anticipated borrowing date | : | June 30, 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 30, 2021 |

- (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 30, 2016 to July 28, 2016 are 0.43364% for 3 years tranche and 0.63364% for 5 years tranche.
 - 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>)

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3. Future outlook

The impact of the Borrowing 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 4,000 million

(2) Use of proceeds

To be appropriated for a portion of the acquisition price of acquired assets and related expenses.

(3) Scheduled timing of expenditure

June 30, 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 30, 2016 (Expected)

	Before Borrowing (As of June 28, 2016)	After Borrowing (As of June 30, 2016)	Change
Total Debt (mn JPY)	134,419	138,419	4,000
Appraisal Value (mn JPY) ¹	308,622	308,622	—
LTV (Based on Appraisal Value) (%) ^{2, 3}	43.6	44.9	1.3

(Note 1) 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 acquired on June 15, 2016, is on the valuation date of May 31, 2016.

(Note 2) "LTV (Based on Appraisal Value)" in the above table is calculated according to the following formula:

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

(Note 3) 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 included in Term Loan (C) are excluded.

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

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