

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of representative:

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Roppongi Hills Mori Tower

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(Securities code: 8963)

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Notice Concerning Amendment to Memorandum of Understanding on Preferential Negotiation Rights

Invincible Investment Corporation (“INV”) decided today to amend (the “Amendment”) the Memorandum of Understanding on Preferential Negotiation Rights (the “MOU”) which was entered into by INV and affiliates of its Sponsor, Fortress Investment Group LLC on May 21, 2014 and last amended on March 10, 2016.

1. Reasons for the Amendment

INV has added two large-size Tokyo centric high quality residential properties to its pipeline on the back of the continued success of the rent increase program initiated in early 2014 for its residential assets.

As announced in today’s release “Notice concerning Revision of Forecast of Financial Results and Distribution for the 27th Fiscal Period Ending December 2016, together with Forecast of Financial Results and Distribution for the 28th Fiscal Period Ending June 2017 and 29th Fiscal Period Ending December 2017,” INV’s residential portfolio continues to perform well with 95.6% occupancy across all 68 residential properties as of the end of November 2016. The rent increase program continues to maintain progress as rents, compared with immediately preceding leases, increased at 54.6% of new leases for an average increase of 1.5% across all new leases, and increased at 30.5% of renewal leases for an average increase of 0.9% across all renewal leases while the retention rate for existing tenants was 84.1% from July to November 2016. In total, all leases increased by 1.2% from July to November 2016. The rent increase program from January to November 2016 period is shown in Appendix 1. The residential portfolio NOI is forecast to increase by 2.2% for the December 2016 period and 3.6% for the full year 2016 year-on-year, as shown in Appendix 2.

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The two residential assets are among the highest quality assets in the Minami-Senju area. Royal Parks Tower Minami-Senju is a 39 floor tower with 557 units built in 2008 developed by Daiwa House as part of the Minami-Senju master development project. Royal Parks Seair Minami-Senju was built in 2006 with 113 units, a high quality asset that is master-leased by Daiwa Living, a subsidiary of Daiwa House.

After the Amendment, the MOU will have 22 hotels (6,116 rooms) and 11 residential properties (1,413 units), which will continue to provide INV with considerable opportunity for external growth.

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2. Newly Added Properties

(1) Royal Parks Tower Minami-Senju



| | |
|-----------------|---|
| Address | Minami-Senju 4-chome, Arakawa-ku, Tokyo |
| Access | 5 minute walk from Minami-Senju Station (Tokyo Metro Hibiya Line, JR Joban Line, Tsukuba Express Line) |
| Completion Date | May 2008 |
| # of Units | 557 (Apartments 555, Nursing home 1, Shop 1) ¹ |
| Rentable Area | 39,113.46m ² |
| Land Area | 8,738.44m ² |

(Note 1) The nursing home and the shop are counted as 1 unit for the counting of the number of units.

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(2) Royal Parks Seair Minami-Senju



| | |
|-----------------|--|
| Address | Minami-Senju 3-chome, Arakawa-ku, Tokyo |
| Access | 10 minute walk from Minami-Senju Station (Tokyo Metro Hibiya Line, JR Joban Line, Tsukuba Express Line) |
| Completion Date | August 2006 |
| # of Units | 113 |
| Rentable Area | 6,496.86m ² |
| Land Area | 3,570.00m ² |

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3. Properties Covered by the MOU after the Amendment

(1) Hotel Properties

| No. | Property Name | Location | Type ¹ | # of Rooms | Status | Renovation/ Construction Completion (Expected) |
|-----|--|---------------------|-------------------|------------|---------------------------------|---|
| 1 | Hotel MyStays Premier Akasaka | Minato-ku, Tokyo | Limited | 327 | In Operation | Jul 2016 |
| 2 | Hotel MyStays Yokohama Kannai | Yokohama, Kanagawa | Limited | 166 | In Operation | Oct 2016 |
| 3 | RIHGA Royal Hotel Kyoto | Kyoto, Kyoto | Full | 489 | In Operation | Sep 2016 |
| 4 | Narita Excel Hotel Tokyu | Narita, Chiba | Full | 706 | In Operation | — |
| 5 | Hotel MyStays Premier Sapporo Park | Sapporo, Hokkaido | Full | 418 | In Operation | Jul 2015 |
| 6 | Hotel MyStays Sapporo Station | Sapporo, Hokkaido | Limited | 242 | In Operation | — |
| 7 | Hotel MyStays Oita | Oita, Oita | Limited | 145 | In Operation | — |
| 8 | Art Hotel Hirosaki City | Hirosaki, Aomori | Full | 134 | In Operation | — |
| 9 | Beppu Kamenoi Hotel | Beppu, Oita | Resort | 322 | In Operation | Oct 2015 |
| 10 | Fusaki Resort Village | Ishigaki, Okinawa | Resort | 195 | In Operation | Jun 2015 |
| 11 | Sheraton Grande Tokyo Bay Hotel | Urayasu, Chiba | Full | 1,016 | In Operation | Dec 2016 |
| 12 | Hotel MyStays Shin Osaka Conference Center | Osaka, Osaka | Limited | 397 | In Operation | Jun 2016 |
| 13 | Art Hotel Asahikawa | Asahikawa, Hokkaido | Full | 265 | In Operation | — |
| 14 | Hotel MyStays Kanazawa Castle | Kanazawa, Ishikawa | Limited | 206 | In Operation | Mar 2016 |
| 15 | Hotel JAL City Matsuyama | Matsuyama, Ehime | Full | 161 | In Operation | — |
| 16 | Hotel MyStays Ueno East | Taito-ku, Tokyo | Limited | 150 | In Operation | Mar 2016 |
| 17 | (tentative) Hotel MyStays Honmachi 3-chome | Osaka, Osaka | Limited | 120 | Under Construction ² | Nov 2017 |
| 18 | Hotel MyStays Sapporo Nakajima Park | Sapporo, Hokkaido | Limited | 86 | In Operation | May 2016 |
| 19 | Flexstay Inn Sakuragicho | Yokohama, Kanagawa | Limited | 70 | In Operation | Sep 2016 |
| 20 | MyCUBE by MYSTAYS Asakusa Kuramae | Taito-ku, Tokyo | Limited | 161 | In Operation | Jun 2016 |
| 21 | Hotel MyStays Premier Hamamatsucho | Minato-ku, Tokyo | Limited | 120 | In Operation | Nov 2016 |
| 22 | Hotel MyStays Premier Omori | Shinagawa-ku, Tokyo | Limited | 220 | In Operation | Nov 2016 |

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(2) Residential Properties

| No. | Property Name | Location | # of Apartment Units |
|-----|--|-------------------|----------------------|
| 1 | Gran Charm Hiroo | Shibuya-ku, Tokyo | 121 |
| 2 | Plestay Win Kinshicho | Sumida-ku, Tokyo | 92 |
| 3 | Gran Charm Kichijoji | Musashino, Tokyo | 28 |
| 4 | Green Patio Noda | Noda, Chiba | 240 |
| 5 | Dainichi F-45 | Urayasu, Chiba | 54 |
| 6 | Gran Charm Urayasu | Urayasu, Chiba | 54 |
| 7 | Gran Charm Urayasu 5 | Urayasu, Chiba | 54 |
| 8 | Gran Charm Minami Gyotoku I | Ichikawa, Chiba | 52 |
| 9 | Gran Charm Minami Gyotoku II | Ichikawa, Chiba | 48 |
| 10 | Royal Parks Tower Minami-Senju (New) | Arakawa-ku, Tokyo | 557 |
| 11 | Royal Parks Seasir Minami-Senju (New) | Arakawa-ku, Tokyo | 113 |

(Note 1) “Limited” refers to “Limited Service Hotel”, a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities.

“Full” refers to “Full Service Hotel,” a hotel having sections of stay, foods and beverages, and banquet.

“Resort” refers to “Resort Hotel,” a hotel located at tourist destinations or recreational lots, having sections of stay, foods and beverages, and incidental facilities.

(Note 2) (tentative) Hotel MyStays Honmachi 3-chome (Osaka) is scheduled to be completed in November 2017, and is scheduled to open in December 2017.

(Note 3) The term of validity of the MOU is from December 22, 2016, the date of amendment to the MOU, to December 21, 2017. Regarding the 33 properties listed above, there is no guarantee that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties.

4. Future Outlook

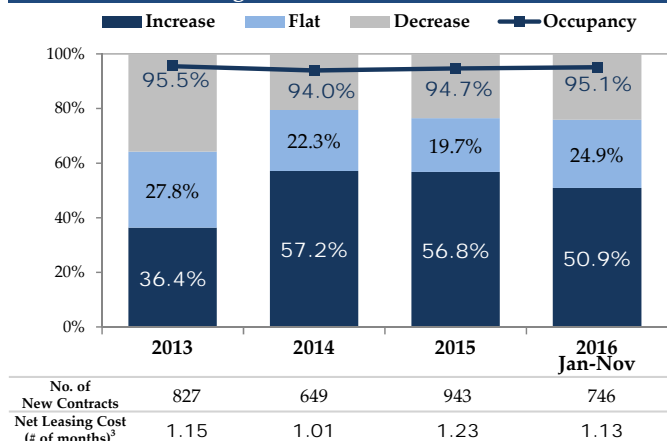
The Amendment is expected to have no impact on INV’s financial forecasts for the fiscal period ending December 2016 (July 1, 2016 to December 31, 2016). Therefore, financial forecasts remain unchanged.

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

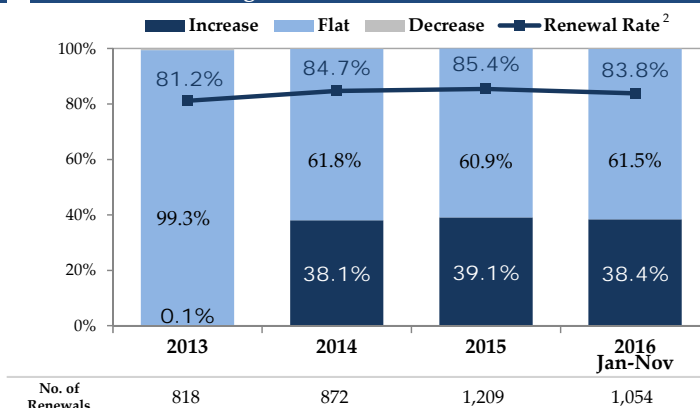
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<Residential Rent Increase Initiative>

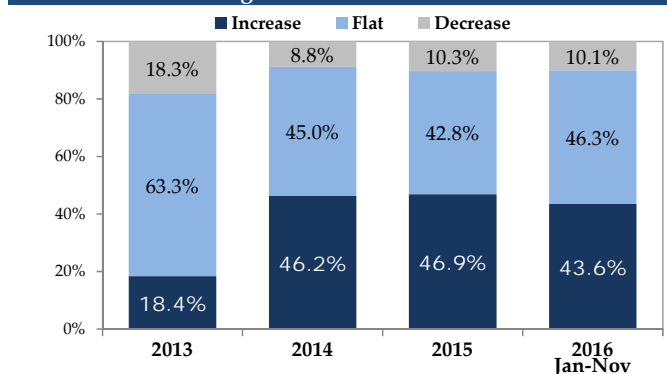
Change in Rent for New Contracts¹



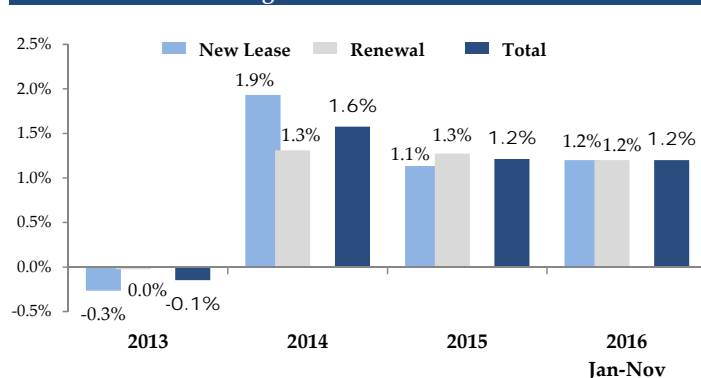
Change in Rent for Renewal Contracts¹



Change in Rent for All Contracts¹



Average Rent Increase/Decrease⁴



(Note 1) Based on the properties owned at the end of period. 63 properties for 2013 and 2014, 66 properties for 2015, and 68 properties for June 2016

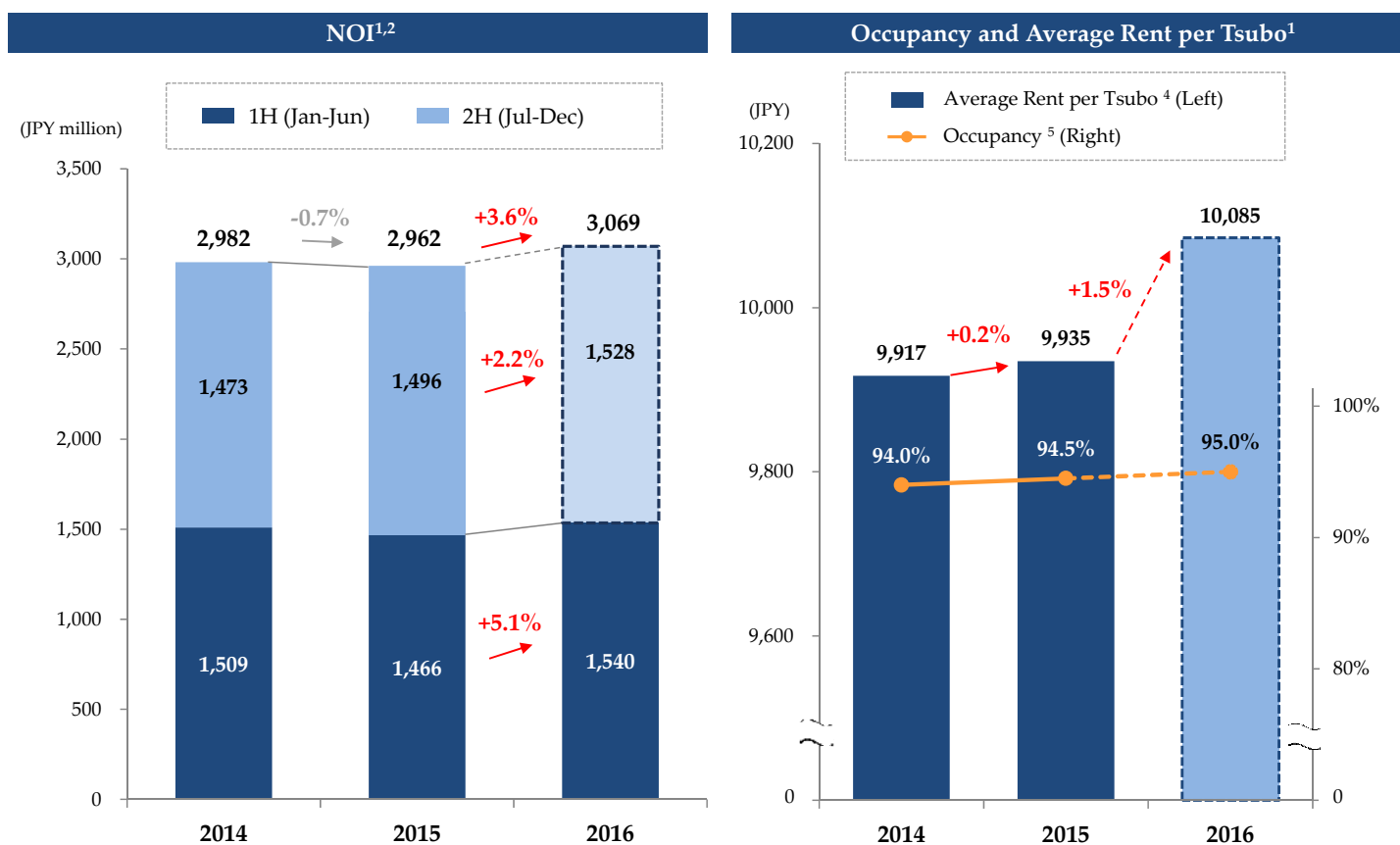
(Note 2) Renewal rate is calculated by "Number of Renewals during the Period" ÷ "Number of Cases Targeted for Renewal during the Period"

(Note 3) Net Leasing Cost (Multiple of Monthly Rent) = Advertising Expenses (Multiple of Monthly Rent) + Free Rent (Multiple of Monthly Rent) – Key Money (Multiple of Monthly Rent)

(Note 4) Monthly rent increase (%) of new or renewed contracts compared with previous contracts of existing properties.

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<Internal Growth in Residential Portfolio>



(Note 1) Based on the 63 properties owned as of the end of 2014

(Note 2) Excludes one-off insurance-related revenues and expenses

(Note 3) Average Rent per Tsubo is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leasable area at the end of each month.

(Note 4) Occupancy is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month.

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