

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)

Performance Update for March 2017

Invincible Investment Corporation (“INV”) hereby announces its monthly and fiscal period to date performance for the hotel and residential assets.

1. Hotel Assets Overview

The hotel portfolio¹ performance for the month of March 2017 (year-on-year) has shown declines in occupancy, ADR and RevPAR by 0.4pt, 4.0% and 4.4% respectively, however Gross Revenue only declined by 1.3% due to strong performance of the wedding business at both Hotel Epinard Nasu and Hotel MyStays Utsunomiya. Tourism demand in late March shifted to early April due to factors such as (i) unseasonal weather that pushed the cherry blossom season back later than last year and (ii) the timing of Easter holidays shifted to April this year compared to March 2016.

The performance for the June 2017 fiscal period (January to March 2017) is as follows: occupancy, ADR and RevPAR decreased by 1.4pt, 0.4% and 1.9% respectively compared to the same period of the previous year.

(Note 1) Based on 38 hotel properties stated in “4. Performance (1) 38 Hotel Properties” below.

2. Residential Assets Overview

The residential portfolio¹ occupancy rates as of the end of March 2017 and average occupancy rate for the June 2017 fiscal period (January to March 2017) were 95.8% (-1.0pt year-on-year) and 94.5% (-1.6pt year-on-year) respectively. However, the rent increase program continues to maintain progress as average rent per tsubo as of the end of March 2017 and the June 2017 fiscal period increased by 0.8% and 0.9%, respectively, year-on-year.

Rents, compared with immediately preceding leases, increased by 2.7% across all new leases,

This English language notice is a translation of the Japanese-language notice released on April 25, 2017 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.

2.0% across all renewal leases and 2.3% across all combined new and renewal leases for the June 2017 fiscal period (cumulative).

INV achieved a rent increase for 52.9% of contract renewals, which is an increase of 13.8pt compared to 39.1% for the previous calendar year. The retention rate for existing tenants remained high at 82.7% for June 2017 fiscal period. While the rent increase program continues to maintain progress, expenses related to leasing activities have increased compared to the same period last year; NOI² increased slightly by 0.3% for the month of March 2017 year-on-year, but increased by a solid 1.4% for the June 2017 fiscal period compared to the same period of the previous year.

(Note 1) Based on 66 residential properties stated in “4. Performance (2) 66 Residential Properties” below; provided, however, that the rent increase and retention rate are based on 70 residential properties held by INV at the end of March 2017.

(Note 2) NOI excludes one-off insurance-related revenues and expenses. NOI is provisional figure and subject to change when it is determined at financial closing; hereinafter the same.

3. Hotel and Residential Assets Overview

The combined NOI for the hotel and residential portfolio¹ decreased by 0.9% for the June 2017 fiscal period to date

(Note 1) Based on 38 hotel properties and 66 residential properties stated in “4. Performance (1) 38 Hotel Properties” and “(2) 66 Residential Properties” below.

4. Performance

(1) 38 Hotel Properties¹

	March 2017 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate ²	90.9%	91.3%	-0.4pt	-0.4%
ADR (JPY) ³	9,774	10,177	-403	-4.0%
RevPAR (JPY) ⁴	8,880	9,287	-407	-4.4%
Gross Revenue (JPY million)	2,059	2,085	-26	-1.3%
# of Properties	38	38	—	—

	Fiscal period ending June 2017 Cumulative ⁵ (C)	Same period of the previous year ⁶ (D)	Difference (C – D)	YoY Change
Occupancy Rate ²	87.7%	89.1%	-1.4pt	-1.5%
ADR (JPY) ³	8,880	8,913	-33	-0.4%
RevPAR (JPY) ⁴	7,789	7,940	-151	-1.9%
Gross Revenue (JPY million)	5,177	5,211	-33	-0.6%
# of Properties	38	38	—	—

This English language notice is a translation of the Japanese-language notice released on April 25, 2017 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) 66 Residential Properties⁷

	March 2017 (A)	Same month of the previous year (B)	Difference (A-B)	YoY Change
Occupancy Rate	95.8%	96.8%	-1.0pt	-1.1%
Rent per Tsubo (JPY)	9,906	9,824	+82	+0.8%
# of Properties	66	66	—	—

	Fiscal period ending June 2017 Cumulative ⁵ (C)	Same period of the previous year ⁶ (D)	Difference (C-D)	YoY Change
Occupancy Rate	94.5%	96.1%	-1.6pt	-1.7%
Rent per Tsubo (JPY)	9,969	9,876	+93	+0.9%
# of Properties	66	66	—	—

(Note 1) Based on 38 hotel properties; of the 48 hotel properties in our portfolio as of the end of February 2017, 9 hotels with fixed-rent lease agreements as well as one hotel, D01 Hotel MyStays Kanda, which was renovated from May 20, 2016 to August 22, 2016 is excluded. 9 hotels with fixed-rent lease agreements are D29 Super Hotel Shinbashi/ Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iriyaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel. Furthermore, the 2016 performance includes the pre-acquisition data for the properties acquired in 2016, which was obtained from third-parties including previous owners.

(Note 2) "Occupancy Rate" for hotel portfolio is calculated using the following formula:

$$\text{room occupancy rate} = \frac{\text{total number of rooms occupied during the relevant period}}{\text{aggregate number of rooms during the relevant period} \times \text{number of business days during target period}}$$

(Note 3) "ADR," or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.

(Note 4) "RevPAR," or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of ADR and occupancy rate.

(Note 5) Cumulative figures from January 2017 to March 2017 are stated.

(Note 6) Cumulative figures from January 2016 to March 2016 are stated.

(Note 7) Based on 66 residential properties owned as of the beginning of January 2016. Portfolio consists of 70 residential properties, and the occupancy rate for the entire residential portfolio is 96.3%, as of the end of March 2017.

(Note 8) Percentages are rounded to one decimal place. ADR and RevPAR are rounded to the nearest yen and Gross Revenue is rounded down to the nearest million yen.

(Note 9) For the details of performance for each asset, please visit INV's website:
<http://www.invincible-inv.co.jp/eng/cms/review.html>

(Note 10) Cumulative occupancy rate for residential portfolio is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month and the percentages are rounded to one decimal place. Cumulative 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.

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

This English language notice is a translation of the Japanese-language notice released on April 25, 2017 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.