

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 October 2017

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

1. Hotel and Residential Assets Overview

The combined NOI for the hotel and residential portfolio¹ increased by 2.4% for the December 2017 fiscal period (July to October 2017, year-on-year).

(Note 1) Based on 40 hotel properties and 70 residential properties stated in “4. Performance (1) 40 Hotel Properties” and “(2) 70 Residential Properties” below.

2. Hotel Assets Overview

The hotel portfolio¹ performance for the month of October 2017 (year-on-year) has shown ADR and RevPAR growth of 1.2% and 1.0% respectively, and a 0.3pt decline in occupancy. Strong leisure demand especially at regional hotels in Utsunomiya and Fukuoka increased ADR and RevPAR year-on-year. NOI for the month of October 2017 (year-on-year) increased by 1.4%.

The cumulative performance for the December 2017 fiscal period (July to October 2017) is as follows: occupancy, ADR, RevPAR, and NOI increased by 0.1pt, 1.1%, 1.2% and 3.3% respectively compared to the same period in the previous year.

(Note 1) Based on 40 hotel properties stated in “4. Performance (1) 40 Hotel Properties” below.

3. Residential Assets Overview

The residential portfolio¹ occupancy rate as of the end of October 2017 was 95.0% (-0.4pt year-on-year), 0.5pt higher than the previous month. The rent increase program continues to maintain progress as average rent per tsubo as of the end of October 2017 increased by 1.1%

This English language notice is a translation of the Japanese-language notice released on November 22, 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.

year-on-year.

Rents, compared with immediately preceding leases, increased by 2.7% across all new leases, 1.9% across all renewal leases, and 2.3% across all combined new and renewal leases for the December 2017 fiscal period (cumulative).

INV achieved a rent increase for 61.3% of contract renewals (December 2017 fiscal period cumulative), which is a significant increase of 22.2pt compared to 39.1% for the previous calendar year. The retention rate for existing tenants remained high at 88.0% for the December 2017 fiscal period (cumulative).

Due to the rent increase program, NOI² increased by 0.1% in October 2017 year-on-year, and NOI increased by a solid 0.4% for the December 2017 fiscal period (cumulative) compared to the same period in the previous year.

(Note 1) Based on 70 residential properties stated in “4. Performance (2) 70 Residential Properties” below.

(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.

4. Performance

(1) 40 Hotel Properties¹

	October 2017 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate ²	91.2%	91.4%	-0.3pt	-0.3%
ADR (JPY) ³	10,085	9,961	+124	+1.2%
RevPAR (JPY) ⁴	9,196	9,108	+88	+1.0%
Gross Revenue (JPY million)	2,247	2,219	+27	+1.3%
# of Properties	40	40	—	—

	Fiscal period ending December 2017 Cumulative ⁵ (C)	Same period of the previous year ⁶ (D)	Difference (C – D)	YoY Change
Occupancy Rate ²	91.2%	91.1%	+0.1pt	+0.1%
ADR (JPY) ³	10,121	10,015	+105	+1.1%
RevPAR (JPY) ⁴	9,232	9,126	+106	+1.2%
Gross Revenue (JPY million)	8,796	8,628	+167	+1.9%
# of Properties	40	40	—	—

This English language notice is a translation of the Japanese-language notice released on November 22, 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) 70 Residential Properties⁷

	October 2017 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate	95.0%	95.4%	-0.4pt	-0.4%
Rent per Tsubo (JPY)	9,688	9,580	+109	+1.1%
# of Properties	70	70	—	—

	Fiscal period ending December 2017 Cumulative ⁵ (C)	Same period of the previous year ⁶ (D)	Difference (C – D)	YoY Change
Occupancy Rate	94.5%	95.5%	-1.0pt	-1.0%
Rent per Tsubo (JPY)	9,692	9,521	+172	+1.8%
# of Properties	70	70	—	—

(Note 1) Based on 40 hotel properties; of the 49 hotel properties held as of the end of June 2017, 9 hotels with fixed-rent lease agreements are 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. Moreover, during the period between July 1, 2017 and October 31, 2017, INV acquired D50 Hotel MyStays Shin Osaka Conference Center, D51 Hotel MyStays Premier Omori, D52 Beppu Kamenoi Hotel and D53 Hotel MyStays Sapporo Station on October 13, 2017, and D43 Hotel MyStays Gotanda Station (additional acquisition) on October 31, 2017. Our hotel portfolio as of the end of October 2017 comprises 53 properties (excluding Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV)

(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 as product of room occupancy rate and ADR.

(Note 5) Figures from July 2017 to October 2017 are stated.

(Note 6) Figures from July 2016 to October 2016 are stated. Figures are based on the assumption that the properties acquired from July 1, 2016 to June 2017 were held as of July 1, 2016, and figures before acquisition by INV is based on the data obtained from third-parties including previous owners.

(Note 7) Based on 70 residential properties owned as of the end of October 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 November 22, 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.