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The Japanese language press release should be referred to as the original.]

December 26, 2017

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 Revision of Forecast of Financial Results for the 29th Fiscal Period Ending December 2017

Invincible Investment Corporation ("INV") today announced the revision of its forecast of financial results for the fiscal period ending December 2017 (29th fiscal period), which were previously announced in "Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017" dated September 21, 2017.

1. Revision of forecasts of financial results for the fiscal period ending December 2017 (from July 1, 2017 to December 31, 2017)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Previous forecast (A) (announced on September 21, 2017)	JPY million 11,492	JPY million 7,024	JPY million 6,018	JPY million 6,018	JPY million 7,496
Revised forecast (B)	JPY million 12,589	JPY million 8,117	JPY million 7,111	JPY million 7,093	JPY million 7,496
Amount of variance (B) – (A)	JPY million 1,096	JPY million 1,093	JPY million 1,093	JPY million 1,075	JPY million -
Rate of variance ((B) – (A)) / (A)	% 9.5	% 15.6	% 18.2	% 17.9	% -

	Earnings per Unit (Note)	Distribution per Unit (Excluding Excess Profit Distribution per Unit) (Note)	Excess Profit Distribution per Unit (Note)	Distribution per Unit (Including Excess Profit Distribution per Unit) (Note)
Previous forecast (A) (announced on September 21, 2017)	JPY 1,255	JPY 1,255	JPY 309	JPY 1,564
Revised forecast (B)	JPY 1,479	JPY 1,479	JPY 85	JPY 1,564
Amount of variance (B) – (A)	JPY 224	JPY 224	JPY (224)	JPY -
Rate of variance ((B) – (A)) / (A)	% 17.8	% 17.8	% (72.5)	% -

(Note) The number of investment units issued and outstanding at the end of the fiscal period: 4,793,181 units.

(Reference)

Assumptions underlying the forecast of financial results and distributions for the fiscal period ending December 2017 are provided in Appendix 1.

2. Reasons for the revision of forecast of financial results

Reasons for the revision of forecast of financial results and distribution

While the operating income of INV's assets have similar income levels to previously announced, INV is updating the forecast due to the asset sales as announced in the press releases "Notice concerning Sale of Assets" dated December 21, 2017 and December 26, 2017, respectively. Specifically, INV completed the sale of one office building as of December 26, 2017 and expects to complete sale of three residential properties on December 28, 2017 and three residential properties and two office buildings on January 31, 2018, respectively (collectively the "Dispositions"). The office building sale and three residential sales in December 2017 will result in a gain of sales of JPY 1,074 million (Note) which increases the operating revenues, operating income, ordinary income and net income for the fiscal period ending December 2017. However, INV is maintaining the overall dividend forecast as of today, as further described below. The main effect is to lower the excess dividends being paid out due to one-time transaction costs associated with the equity offering and asset purchases in October 2017.

(Note) A total of (i) loss on sale of JPY 7 million due to the sale of Shinjuku Island completed on December 26, 2017, (ii) gain on sale of JPY 1,099 million due to sale of Casa Eremigattio, Lexel Mansion Ueno Matsugaya and Sun Terrace Minami-Ikebukuro to be completed on December 28, 2017 and (iii) impairment loss of JPY 17 million arising from sale of Ohki Aoba Building to be completed on January 31, 2018.

Although the sale of Ohki Aoba Building will be implemented on January 31, 2018 which falls into the fiscal period ending June 2018, the decision of such sale resulting in loss on sale (JPY 17 million) was made on December 26, 2017, prior to the completion of the audit procedures pursuant to the Act on Investment Trust and Investment Corporation (the "Investment Trust Act") for the fiscal period ending December 2017. Therefore, INV recognizes such loss as an impairment loss under an extraordinary loss for the fiscal period ending December 2017, and does not recognize loss on sale for the fiscal period ending June 2018 in which the transfer of Ohki Aoba Building will be completed.

3. Overview of the revision of forecast

As mentioned in "2. Reasons for the revision of forecast of financial results", INV revises its forecasts of financial results for the fiscal period ending December 2017 as it anticipates some gain on sale, loss on sale and impairment loss to be recorded due to the sale or decision to sale its portfolio properties.

INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period, and therefore, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution per unit, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period.
Based on such policy, INV announced in the "Notice concerning Revision of Forecast of Financial Results and Distribution for the 29th Fiscal Period Ending December 2017" dated September 21, 2017, that with respect to the fiscal period ending December 2017, (i) due to considerable one-off expenses in connection with a public offering and borrowings, earnings per unit is expected to decrease and that (ii) from the perspective of maintaining stable distributions, INV intends to make distributions in excess of profits within the scope of the expected shortfall between actual earnings per unit and the simulated earnings per unit.

However, since the Dispositions will deliver a certain amount of gain on sales and increase the net income per unit accordingly, INV will reduce the amount of distributions in excess of earnings by an amount equivalent to (i) the gain on sales deducted by the total of (ii) loss on sales and (iii) impairment loss. The amount of distributions in excess of earnings reduced will be reinvested in acquisition of new assets, which INV believes maximizes unitholders' value.

4. Others

The result of the 29th fiscal period ending December 2017 will be announced on February 20, 2018. Moreover, the forecast for fiscal period ending June 2018 will be announce promptly upon decision on acquisition of assets utilizing the sale proceeds of the Dispositions.

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

(Appendix 1)

<Assumptions Underlying the Forecast of Financial Results and Distribution for the 29th Fiscal Period >

Item	Assumptions
Fiscal period	The 29th fiscal period: from July 1, 2017 to December 31, 2017 (184 days)
Assets under management	Properties held as of the end of the 29th fiscal period: 125 properties and preferred equity interests in one special purpose company Based on the 129 properties and preferred equity interests in one special purpose company, INV assumes the completion of transfer of Shinjuku Island on December 26, 2017, and the transfer of Casa Eremitaggio, Lexel Mansion Ueno Matsugaya and Sun Terrace Minami-Ikebukuro to be completed on December 28, 2017 and that there will no other change through the end of the fiscal period ending December 2017.
Units outstanding	As of the end of the 29th fiscal period: 4,793,181 units INV assumes that there will be no additional issuance of units thereafter through the end of the fiscal period ending December 2017.
Interest-bearing liabilities	Balance as of the end of the fiscal period ending December 2017: JPY 186,983 mn INV assumes that no loan or repayment is implemented through the end of the fiscal period ending December 2017.

Invincible Investment Corporation

Item	Assumptions
Operating revenues	INV expects to record operating revenues for the fiscal period ending December 2017 as follows: December 2017 Fiscal Period ・Rental revenues: JPY 11,370 mn (of these, hotel rents): (JPY 7,315 mn) (fixed hotel rents): (JPY 3,623 mn) (variable hotel rents): (JPY 3,692 mn) ・Dividend amount: JPY – mn ・Gain on Sale: JPY 1,219 mn INV estimates a gain on sales of JPY 120 million as operating revenues other than rental revenues from sale of Kindai Kagaku Sha Building and Times Kanda-Sudacho 4th completed on July 31, 2017, a gain on sales of JPY 1,099 million from sale of Casa Eremitaggio, Lexel Mansion Ueno Matsugaya and Sun Terrace Minami-Ikebukuro to be completed on December 28, 2017. Rental revenues in the fiscal period ending December 2017 are calculated based on estimates as of today from July 2017 to December 2017. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants. The majority of INV's owned hotels uses a variable rent scheme linked to performance of the relevant hotel. Hotel demand is affected by seasonal factors and the December ending fiscal periods (from July to December) which include summer holiday and autumn outing seasons tend to record higher revenue than the June ending fiscal periods (from January to June). Accordingly, rental revenue of INV tends to be higher in the December ending fiscal periods than in the June ending fiscal periods. Furthermore, we estimate the amount of dividends on the preferred equity interests based on the performance of the underlying asset and the assumed amount incurred by the special purpose company. However, since the first dividends from the special purpose company will be paid after January 1, 2018, there is no dividend income for the fiscal period ending December 2017.

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Operating expenses</td><td>INV expects to incur property related expenses for the fiscal period ending December 2017 as follows:

<table>
<tr><th></th><th>December 2017 Fiscal Period</th></tr>
<tr><td>・Facility management fees</td><td>JPY 506 mn</td></tr>
<tr><td>(of these, repair costs)</td><td>(JPY 31 mn)</td></tr>
<tr><td>・Taxes and other public charges (Note)</td><td>JPY 465 mn</td></tr>
<tr><td>・Insurance expenses</td><td>JPY 11 mn</td></tr>
<tr><td>・Depreciation expenses</td><td>JPY 2,570 mn</td></tr>
<tr><td>・Other expenses</td><td>JPY 396 mn</td></tr>
<tr><td>Total property related expenses</td><td>JPY 3,950 mn</td></tr>
</table>

(Note) Property taxes and city planning taxes on the assets acquired in 2017 are calculated on a pro-rata basis with the previous owners and settled at the time of acquisition, and are not recorded for the fiscal period ending December 2017 and recorded from the fiscal period ending June 2018 as the amount equivalent to such settlement is included in the acquisition cost.

INV expects to incur other operating expenses than the property related expenses for the fiscal period ending December 2017 as follows:

<table>
<tr><th></th><th>December 2017 Fiscal Period</th></tr>
<tr><td>・Other operating expenses</td><td>JPY 521 mn</td></tr>
<tr><td>(of these, asset management fees)</td><td>(JPY 250 mn)</td></tr>
<tr><td>(of these, loss on sale)</td><td>(JPY 7 mn)</td></tr>
</table>
INV estimates JPY 7 million of loss on sale from the sale of Shinjuku Island completed on December 26, 2017.</td></tr>
<tr><td>NOI</td><td>INV expects to record net operating income for the fiscal period ending December 2017 as follows:

<table>
<tr><th></th><th>December 2017 Fiscal Period</th></tr>
<tr><td>・NOI</td><td>JPY 9,989 mn</td></tr>
<tr><td>(of these, hotel NOI)</td><td>(JPY 6,979 mn)</td></tr>
<tr><td>(of these, residential NOI)</td><td>(JPY 2,647 mn)</td></tr>
<tr><td>(of these, dividend amount)</td><td>(JPY - mn)</td></tr>
</table>

NOI calculation method in the above table is as follows
・NOI＝ Rental Revenues (including the amount of dividends on the preferred equity interests) － Property Related Expenses + Depreciation Expenses
However, since the first dividends from the special purpose company will be paid after January 1, 2018, there is no dividend income for the fiscal period ending December 2017.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Non-operating expenses</td><td>INV expects to incur non-operating expenses for the fiscal period ending December 2017 as follows:

<table>
<tr><td></td><td>December 2017
Fiscal Period</td></tr>
<tr><td>・Interest expense</td><td>JPY 454 mn</td></tr>
<tr><td>・Finance related costs</td><td>JPY 341 mn</td></tr>
<tr><td>・Other non-operating expenses
(expenses relating to the issuance of new units for public offering)</td><td>JPY 210 mn
(JPY 210 mn)</td></tr>
<tr><td>Total Non-operating expenses</td><td>JPY 1,006 mn</td></tr>
</table></td></tr>
<tr><td>Extraordinary Loss</td><td>INV expects JPY 17 million of impairment loss from the sale of Ohki Aoba Building. Although the sale of Ohki Aoba Building will be implemented on January 31, 2018 which falls into the fiscal period ending June 2018, the decision of such sale resulting in loss on sale (JPY 17 million) was determined on December 26, 2017, prior to the completion to the audit under the Investment Trust Act for the fiscal period ending December 2017. Therefore, INV recognizes such loss of JPY 17 million as an impairment loss for the fiscal period ending December 2017</td></tr>
<tr><td>Distribution per unit</td><td>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.
With respect to the distribution for the fiscal period ending December 2017, INV expects to distribute an aggregate amount of JPY 7,496 million (distribution per unit: JPY 1,564) based on the assumption that excess profit distribution will be paid (JPY 402million), in addition to net income for the fiscal period ending December 2017 (JPY 7,093 million) which will be used as funds.
For the fiscal period ending December 2017, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 92 million, which is equal to the amount for the fiscal period ended June 2017. The distribution per unit is calculated based on the assumption that fluctuation of the market value of the interest rate swap does not affect the distribution per unit.
Distribution per unit may vary due to various factors, including changes of the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.</td></tr>
</table>

Item	Assumptions
Excess profit distribution per unit	INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period, and therefore, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution per unit, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period. INV may also consider making distributions in excess of profits for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on depreciation of fixed term land lease or asset retirement obligation. With respect to the fiscal period ending December 2017, due to one-off expenses in connection with the public offering and the borrowings, earnings per unit is expected to decrease. Therefore, from the perspective of maintaining stable distributions, INV intends to make distributions in excess of profits (JPY 68 per unit) within the scope of the expected shortfall between actual earnings per unit and the simulated earnings per unit after the transactions mentioned above. In addition, INV also intends to make distributions in excess of profits (JPY 17 per unit for the fiscal period ending December 2017) in order to cope with the discrepancy between tax and accounting treatment for the fiscal period ending December 2017. December 2017 Fiscal Period Excess profit distribution per unit: JPY 85
Other	INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts. In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.