

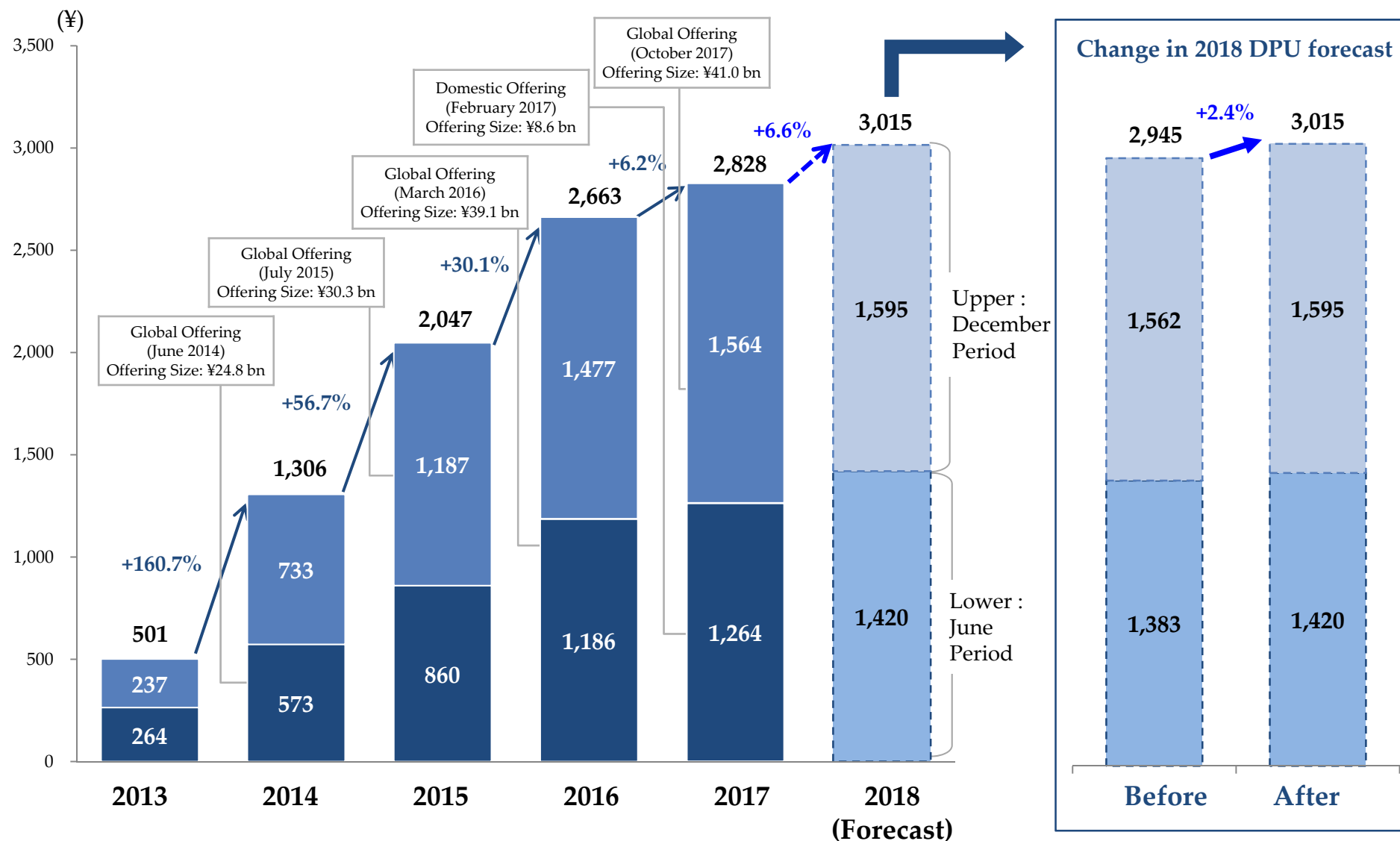


Invincible Investment Corporation
Follow on Acquisition

TSE Code : 8963

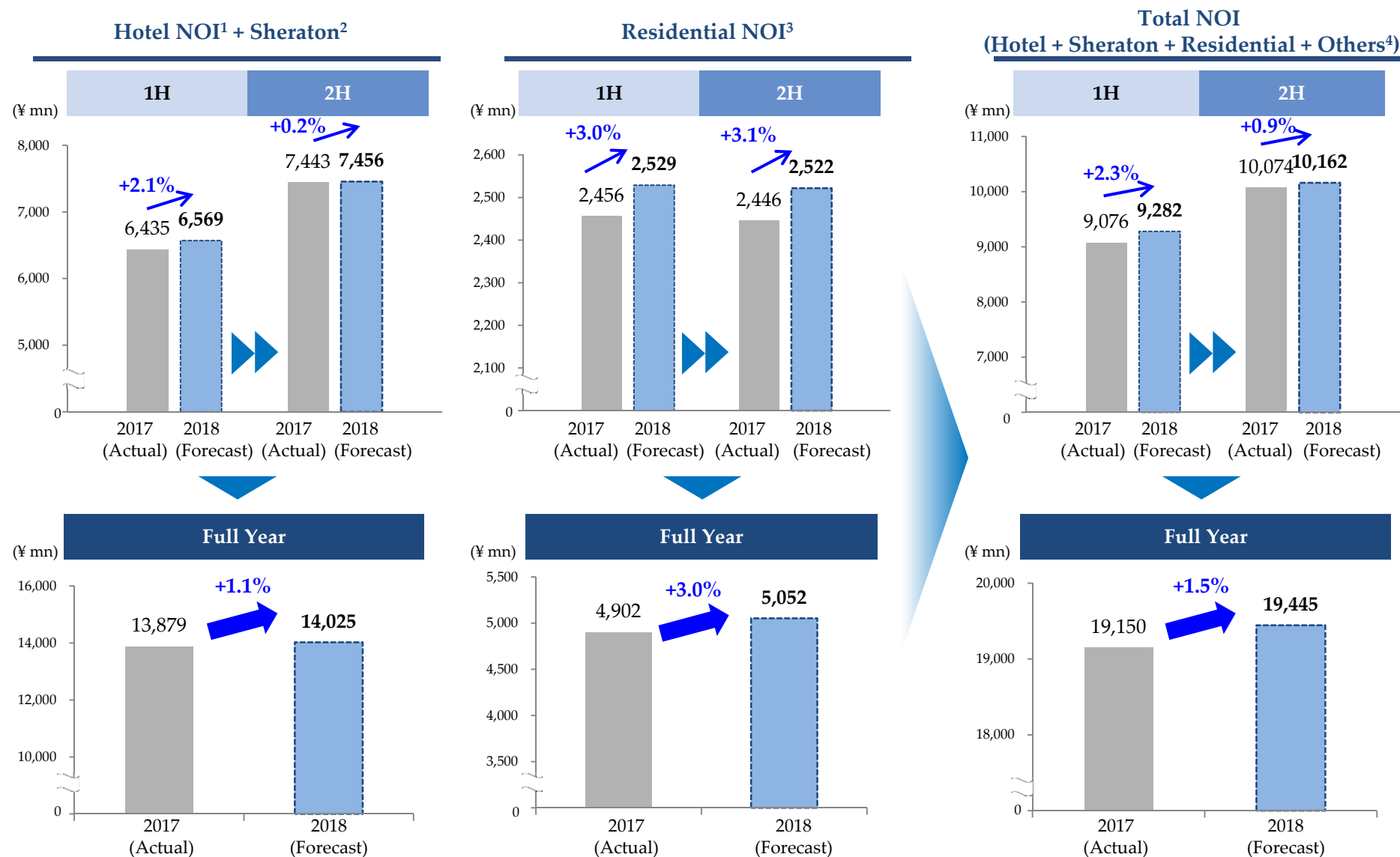
June 25, 2018

- After acquisition, 2018 DPU expected to increase by ¥70 to ¥3,015; which is 6.6% above last year and 2.4% above forecast
- The increase in the June 2018 period is mostly due to the increased NOI from the existing assets by ¥255 million or 2.5% above budget, which includes ¥242 million or 3.3% outperformance compared to budget by the hotels



Performance of Existing Properties

Total NOI Growth would be 1.5% when excluding the five hotels currently under renovation



(Note 1) Based on 44 hotel properties; of the 58 hotel properties in our portfolio as of May 31, 2018, 9 hotels with fixed-rent lease agreements as well as 5 hotels, which are under renovation in 2018, are excluded. 5 hotels under renovation are Hotel MyStays Kyoto-Shijo, MyStays Shin-Urayasu Conference Center, Hotel MyStays Maihama, Hotel MyStays Premier Dojima and Hotel MyStays Hakodate-Goryokaku
 (Note 2) Includes the dividends from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel, assuming INV owned the preferred equity interest of TMK from the beginning of 2017
 (Note 3) Based on the 64 residential properties owned as of May 31, 2018. Excludes one-off insurance-related revenues and expenses
 (Note 4) Based on 2 commercial properties owned by INV as of May 31, 2018, after the sale of Lexington Plaza Nishi-Gotanda
 (Note 5) For all properties, the pre-acquisition period of the properties acquired between January 2017 and June 2018 is based on actual results provided by sellers

Portfolio Rebalance Transaction

Portfolio rebalance: since July 2017 INV has sold six non-core properties and used the proceeds to acquire six high quality hotels, increasing the NOI after depreciation by ¥333 million per year

Acquisitions						(¥ mn)	
Property Name	Property Type	Date of Acquisition	Acquisition Price	Appraisal NOI ¹		NOI after Depreciation ¹	
					Cap Rate		Cap Rate
Hotel MyStays Yokohama Kannai	Hotel	February 2018	5,326	259	4.9%	199	3.7%
Art Hotel Joetsu	Hotel	February 2018	2,772	202	7.3%	139	5.0%
Art Hotel Hirosaki City	Hotel	February 2018	2,723	198	7.3%	116	4.3%
Hotel MyStays Oita	Hotel	February 2018	1,604	107	6.7%	67	4.2%
Hotel MyStays Gotanda (New Acquisition)	Hotel	June 2018	4,068	191	4.7%	178	4.4%
Hotel MyStays Tachikawa (New Acquisition)	Hotel	June 2018	3,257	155	4.8%	125	3.8%
Total			19,750	1,113	5.6%	826	4.2%

Dispositions						(¥ mn)	
Property Name	Property Type	Date of Sale	Sales Price	Actual NOI ²		NOI after Depreciation ²	
					Cap Rate		Cap Rate
Kindai Kagaku Sha Building	Office	July 2017	1,361	48	3.6%	27	2.0%
Times Kanda-Sudacho 4th	Parking	July 2017	130	4	3.8%	4	3.8%
Shinjuku Island	Office	December 2017	705	19	2.8%	16	2.4%
Casa Eremitaggio	Residential	December 2017	1,312	52	4.0%	33	2.6%
Lexel Mansion Ueno Matsugaya	Residential	December 2017	1,329	51	3.9%	34	2.6%
Sun Terrace Minami-Ikebukuro	Residential	December 2017	934	32	3.5%	22	2.4%
Harmonie Ochanomizu	Residential	January 2018	1,603	65	4.1%	49	3.1%
Growth Maison Ikebukuro	Residential	January 2018	1,057	41	4.0%	31	3.0%
Capital Heights Kagurazaka	Residential	January 2018	732	30	4.1%	24	3.4%
Cross Square NAKANO	Office	January 2018	1,350	66	4.9%	56	4.2%
Ohki Aoba Building	Office	January 2018	721	41	5.8%	27	3.8%
Lexington Plaza Nishi-Gotanda	Office	March 2018	5,160	217	4.2%	164	3.2%
Total			16,397	672	4.1%	492	3.0%

After
Acquisition
and
Disposition

Estimated Increased NOI after Depreciation ³ : +¥333 million (+¥69 per unit⁴)

(Note 1) Appraisal NOI of the newly acquired properties is based on the total NOI derived from the direct capitalization method stated in the appraisal reports obtained for the acquisition. The appraisal NOI after depreciation is calculated by deducting the depreciation amount from the Appraisal NOI. The depreciation amount is based on the estimate by CIM. Appraisal NOI Yield is calculated by dividing the NOI by the Acquisition Price

(Note 2) NOI of the properties sold is based on actual NOI for 2017. NOI after depreciation is calculated by deducting the depreciation amount from NOI. NOI yield is calculated by dividing the NOI by the sales price

(Note 3) The difference of total appraisal NOI after depreciation of the newly acquired properties and total actual NOI after depreciation for the sold assets. The amount of increase is an estimated amount and does not show the actual impact on NOI after depreciation of INV's portfolio. INV does not guarantee that such amount will increase in NOI after depreciation of INV's portfolio.

(Note 4) Calculated by dividing the difference above by the total number of investment units issued and outstanding as of today (4,793,181 units). This figure does not show the actual impact on distribution per unit, and INV does not guarantee that such amount will increase in the distribution amount per unit.

Asset Recycling Program - Dispositions

- Initiated Asset Recycling Program in July 2017. In total, INV has sold 12 properties for ¥16.4 billion at a 4.1%¹ NOI cap rate
- These sales prices are ¥2,821 million (or 20.8%) greater than book value² and ¥2,503 million (or 18.0%) greater than appraisal value³

(¥ million)

Property Name	Property Type	Sale Date	Sales Price	Actual NOI ¹	Exit NOI Cap Rate ¹	Book Value ²	Sales Price above Book	As % of Book	Appraisal Value ³	Sales Price above Appraisal	As % of Appraisal
			(A)	(B)	(B)/(A)	(C)	(A)-(C)=(D)	(D)/(C)	(E)	(E)-(A)=(F)	(F)/(E)
Kindai Kagaku Sha Building	Office	Jul.-17	1,361	48	3.6%	1,197	163	13.6%	1,060	301	28.4%
Times Kanda-Sudacho 4th	Parking	Jul.-17	130	4	3.8%	100	29	28.9%	113	17	15.0%
Shinjuku Island	Office	Dec.-17	705	19	2.8%	701	3	0.4%	558	147	26.3%
Casa Eremitaggio	Residential	Dec.-17	1,312	52	4.0%	948	363	38.4%	1,120	192	17.1%
Lexel Mansion Ueno Matsugaya	Residential	Dec.-17	1,329	51	3.9%	853	475	55.8%	1,230	99	8.1%
Sun Terrace Minami-Ikebukuro	Residential	Dec.-17	934	32	3.5%	591	343	58.1%	761	173	22.9%
2017 subtotal			5,772	210	3.6%	4,393	1,378	31.4%	4,842	930	19.2%
Harmonie Ochanomizu	Residential	Jan.-18	1,603	65	4.1%	1,346	256	19.1%	1,420	183	12.9%
Growth Maison Ikebukuro	Residential	Jan.-18	1,057	41	4.0%	743	314	42.3%	915	142	15.6%
Capital Heights Kagurazaka	Residential	Jan.-18	732	30	4.1%	623	108	17.5%	587	145	24.8%
Cross Square NAKANO	Office	Jan.-18	1,350	66	4.9%	1,125	224	19.9%	1,170	180	15.4%
Ohki Aoba Building	Office	Jan.-18	721	41	5.8%	709	11	1.6%	710	11	1.5%
Lexington Plaza Nishi-Gotanda	Office	Mar.-18	5,160	217	4.2%	4,632	527	11.4%	4,250	910	21.4%
2018 subtotal			10,624	462	4.4%	9,181	1,442	15.7%	9,052	1,572	17.4%
Total			16,397	672	4.1%	13,575	2,821	20.8%	13,894	2,503	18.0%



Lexington Plaza Nishi-Gotanda



Harmonie Ochanomizu



Kindai Kagaku Sha Building



Casa Eremitaggio



Cross Square NAKANO



Lexel Mansion Ueno Matsugaya



Growth Maison Ikebukuro



Ohki Aoba Building



Shinjuku Island



Sun Terrace Minami-Ikebukuro



Capital Heights Kagurazaka



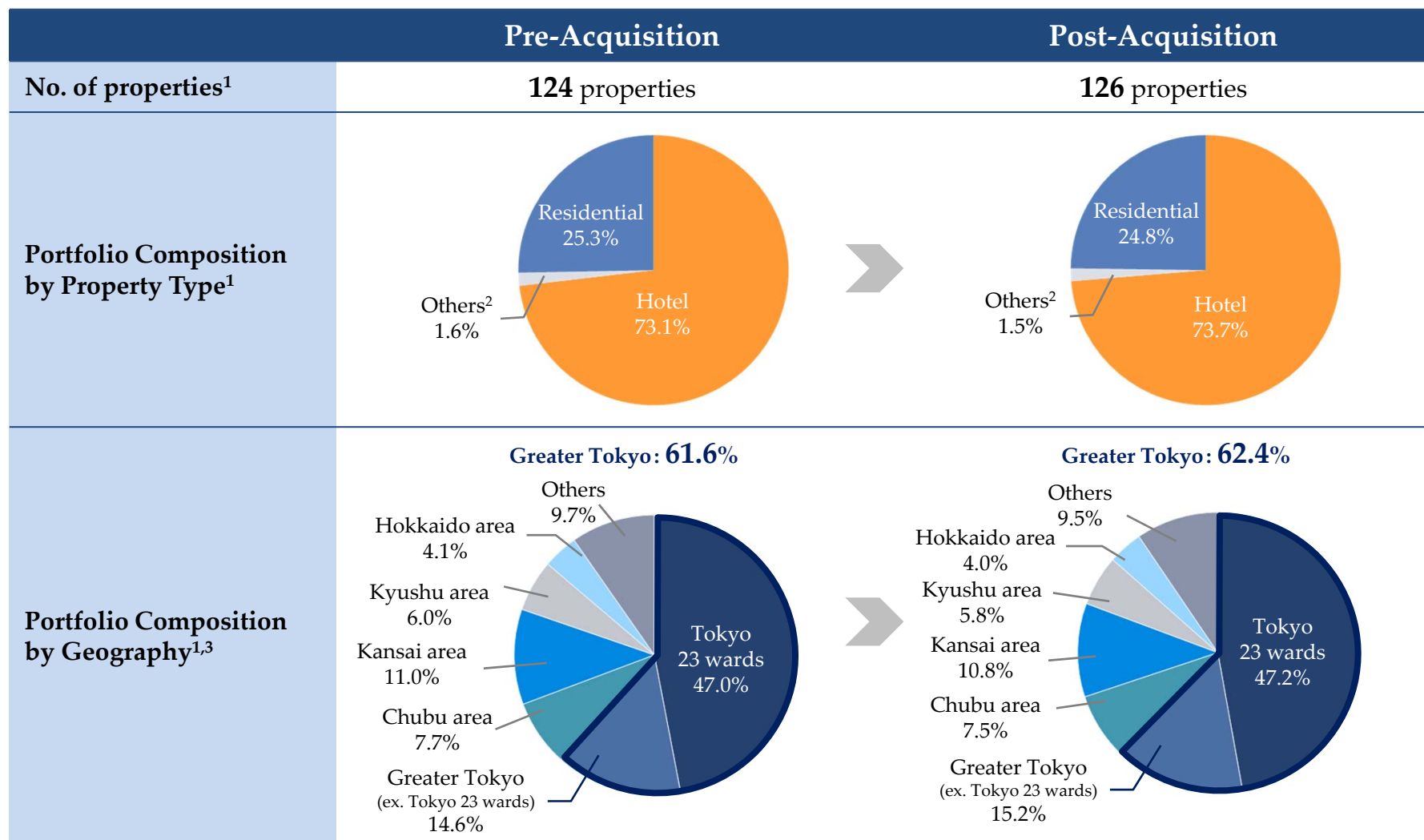
Times Kanda-Sudacho 4th

(Note 1) "Actual NOI" indicates actual NOI from July 2016 to June 2017 for the two properties sold in July 2017, or NOI for 2017 full year for the other ten properties (NOI of four properties sold in December 2017 indicates actual NOI from January 1, 2017 to the disposition date). NOI yield is calculated by dividing "Actual NOI" by total sales price

(Note 2) As of the sales date

(Note 3) Based on the appraisal reports as of the most recent state prior to sale

The anticipated acquisition of two hotels is consistent with recently acquired hotels in that all four are managed by MyStays and further diversifies the geographic footprint



(Note 1) Based on (anticipated) acquisition price. Preferred equity interest in the JV TMK which holds Sheraton Grande Tokyo Bay Hotel (SGTB) is counted as one hotel property in Greater Tokyo based on the property type and location of SGTB for Invincible's portfolio. Calculated by applying the anticipated amount of preferred equity contribution by Invincible to the JV TMK for the acquisition price of SGTB in Invincible's portfolio

(Note 2) "Others" includes Offices, Commercial facilities and Parking lots

(Note 3) Defined as follows: "Greater Tokyo" is Tokyo, Kanagawa, Chiba and Saitama. Greater Tokyo (ex. Tokyo 23 wards) is Tokyo (ex. Tokyo 23 Wards), Kanagawa, Chiba and Saitama. Kansai area is Osaka, Hyogo, Kyoto, Shiga, Wakayama and Nara. Chubu area is Aichi, Gifu, Mie, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui.

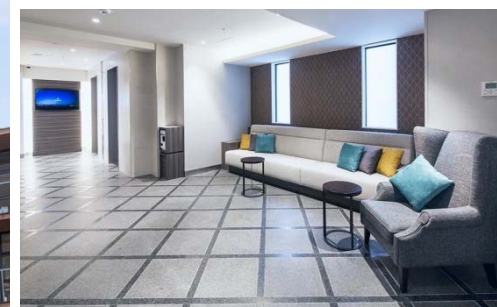
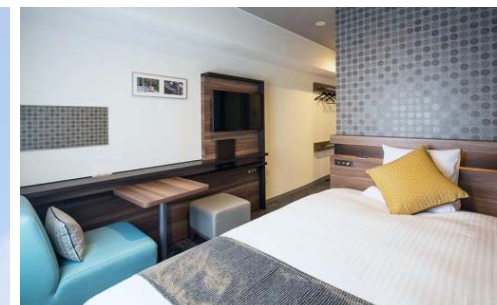
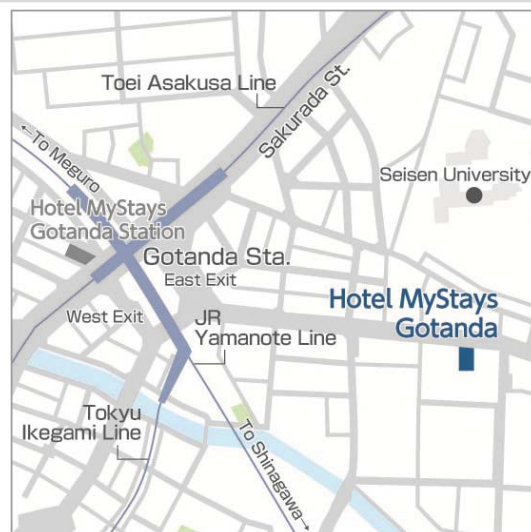
Hotel MyStays Gotanda

Characteristics

- Located a six-minute walk from Gotanda Station on the JR Yamanote Line, one of Tokyo's busiest and important lines, connecting Tokyo's major stations and urban centers
- Provides convenient access to Haneda Airport and is only two stops from Shinagawa Station which has a bullet train stop
- All rooms measure 12.8 square meters and are comfortably appointed to accommodate two guests, offering a quality room at affordable rates to meet both business and leisure demand
- Renovation recently completed in August 2016. High average occupancy of 98.1% over the last twelve months

Address	2-5-4 Higashigotanda, Shinagawa-ku, Tokyo
Access	6-minute walk from Gotanda Station (JR Yamanote Line, Toei Asakusa Line)
Completion Date	June 1988
Renovation Period	August 2016
No. of Rooms	110 rooms
Rentable Space	1,839.77 m ²
Land Area	439.74 m ²

Map



Hotel KPI (Actual)

Occupancy ¹	ADR ¹	RevPAR ¹	NOI ²
98.1%	¥9,650	¥9,462	¥192 mn

(Note 1) Blended average for the last twelve months as of April 2018

(Note 2) Sum of the last twelve months as of April 2018

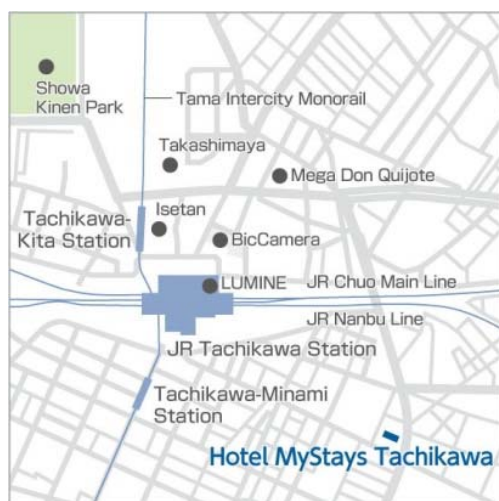
Hotel MyStays Tachikawa

Characteristics

- Located an eight-minute walk from Tachikawa Station on the Chuo Main Line, a major artery with direct access to Shinjuku Station and Tokyo Station
- Tachikawa has a population of 180,000 people on the western outskirts of Tokyo and serves as a major traffic hub and shopping center zone
- Tachikawa is home to numerous modern industrial facilities as well as various national research institutions and administrative office buildings, providing constant demand for both business and leisure travelers
- Popular tourist attractions include the spectacular scenery of Showa Memorial Park and picturesque views from Mount Takao

Address	1-8-14 Nishiki-cho, Tachikawa-shi, Tokyo
Access	8-minute walk from Tachikawa Station (JR Chuo Line)
Completion Date	May 1991
Renovation Period	April - June 2016
No. of Rooms	121 rooms
Rentable Space	3,844.64 m ²
Land Area	1,179.52 m ²

Map



Hotel KPI (Actual)

Occupancy ¹	ADR ¹	RevPAR ¹	NOI ²
94.1%	¥8,180	¥7,701	¥158 mn

(Note 1) Blended average for the last twelve months as of April 2018

(Note 2) Sum of the last twelve months as of April 2018

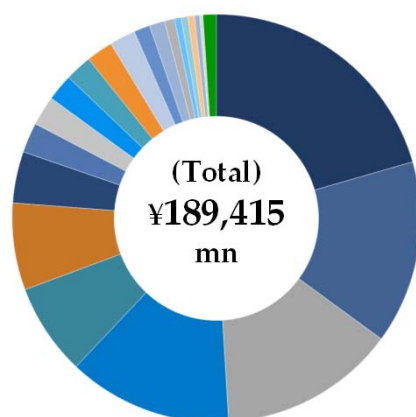
Bond Issuance and New Borrowing

- INV issued its first corporate bonds, which help diversify the financing sources for INV. The 5 and 10 year maturities, at 0.40% and 0.80% interest, respectively help to lower INV's borrowing costs and lengthen the overall maturity period of its debt
- The ¥2 billion bond issuance along with proceeds from the March 2018 asset disposition provided Invincible with ¥5.8 billion in dry powder for this acquisition
- Swapped floating rate to fixed rate on the new borrowing in order to reduce the risk from interest rate fluctuations

Investment Corporation Bonds (Issued on May 25, 2018)

Bonds name	Term (years)	Balance (¥ mn)	Annual Interest Rate ²	Rating
1st Series Investment Corporation Bonds	5.0	1,000	0.40%	A (JCR)
2nd Series Investment Corporation Bonds	10.0	1,000	0.80%	A (JCR)
Total / Average ¹	7.5	2,000	0.60%	

Lender Formation (After New Borrowing)

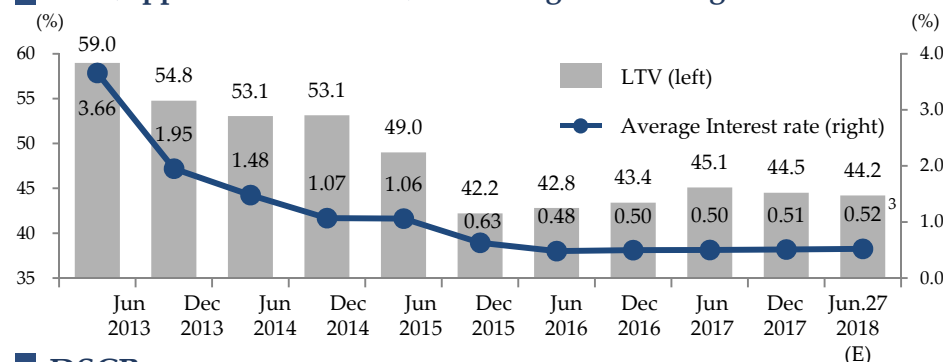


Mizuho Bank	20.5%
MUFG	14.5%
SMBC	14.0%
SMTB	13.0%
Shinsei Bank	7.3%
Citibank	6.9%
Resona Bank	4.1%
DBJ	2.4%
Aeon Bank	2.4%
Japan Post Bank	2.1%
Tokyo Star Bank	2.1%
Dai-ichi Life Insurance	2.1%
Fukuoka Bank	2.1%
Shizuoka Bank	1.3%
Nomura TB	1.2%
Hirosihma Bank	0.8%
Kagawa Bank	0.5%
Daishi Bank	0.5%
Hyakugo Bank	0.5%
Towa Bank	0.4%
Gunma Bank	0.3%
REIT Bond	1.1%

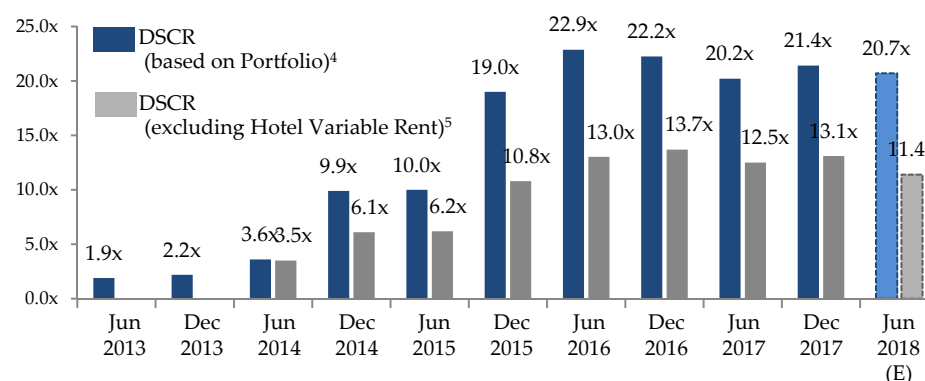
New Borrowing

Loan Name	Term (years)	Balance (¥ mn)	Interest Rate Before Swap	Interest Rate After Swap
Term Loan (H)	5.0	1,500	1MT+0.60%	0.7495%

LTV(Appraisal Value Base)¹ and Weighted Average Interest Rate²



DSCR



(Note 1) LTV (Appraisal Value Base) is calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the calculation of LTV after the acquisition of the preferred equity interest in the JV TMK which holds Sheraton Grande Tokyo Bay Hotel, "total appraisal value" includes the amount of preferred equity interest contribution by INV to the JV TMK of ¥17,845 million

(Note 2) The average interest rate is calculated by the following formula: (Total interest-bearing debt amount outstanding at the end of each fiscal period or as of June 27, 2018) / (The interest-bearing debt amount outstanding at the end of each fiscal period or as of June 27, 2018 multiplied by applicable interest rate at the end of each fiscal period for each loans and bonds)

(Note 3) Assuming 1 month TIBOR as of May 31, 2018 was applied as base rate

(Note 4) DSCR is calculated by dividing operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property by scheduled prepayments of interest-bearing debt and interest expense for the relevant period

(Note 5) DSCR (excluding hotel variable rent) is in the same manner as DSCR, except for excluding hotel variable rent from operating income

Robust pipeline of 26 assets (17 Hotels and 9 Residential assets) provides opportunity for continued growth and stability, even after the rebalance

Properties Covered by the MOU (Hotels)^{1,2}

No.	Property name	Location	Type ³	No. of Rooms
1	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Limited	327
2	Rihga Royal Hotel Kyoto	Kyoto, Kyoto	Full	489
3	Hotel MyStays Premier Narita	Narita, Chiba	Full	711
4	Hotel MyStays Premier Sapporo Park	Sapporo, Hokkaido	Full	418
5	Fusaki Resort Village	Ishigaki, Okinawa	Resort	188
6	Art Hotel Asahikawa	Asahikawa, Hokkaido	Full	265
7	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Limited	206
8	Hotel MyStays Matsuyama	Matsuyama, Ehime	Full	161
9	Hotel MyStays Ueno East	Taito-ku, Tokyo	Limited	150
10	Hotel MyStays Midosuji Honmachi	Osaka, Osaka	Limited	108
11	Hotel Mystays Sapporo Nakajima Park	Sapporo, Hokkaido	Limited	86
12	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Limited	70
13	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Limited	161
14	Hotel MyStays Fuji Onsen Resort	Fujiyoshida, Yamanashi	Resort	159
15	Hotel Nord Otaru	Otaru, Hokkaido	Limited	98
16	Hotel Sonia Otaru	Otaru, Hokkaido	Limited	94
17	Art Hotel Niigata Station	Niigata, Niigata	Full	304
Total				3,995

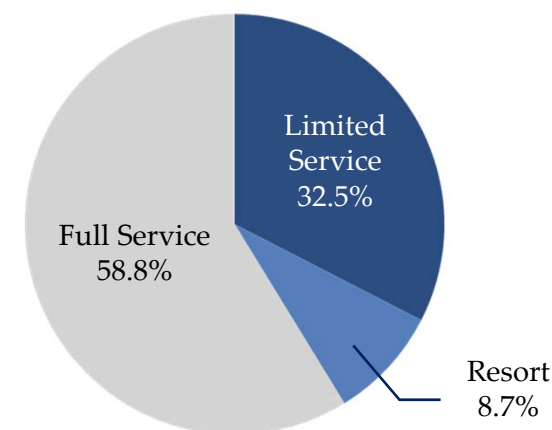
(Note 1) MOU providing preferential negotiation rights

(Note 2) We have not decided to acquire any of the properties listed above as of the date of this material and there is no assurance that we will acquire any of these properties in the future

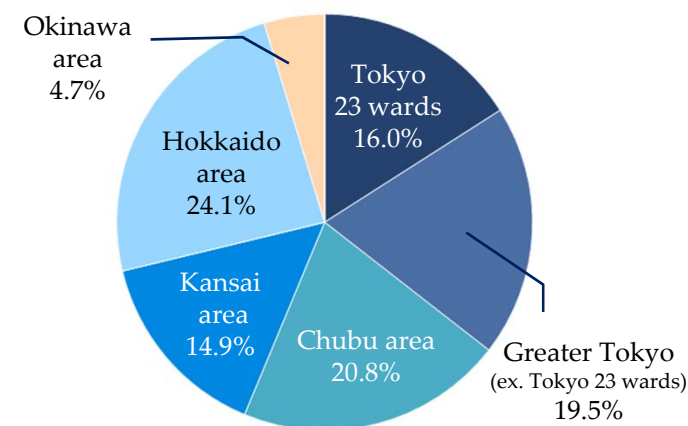
(Note 3) "Limited" refers to "Limited Service Hotel, which means a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities", "Full" refers to "Full Service Hotel, which means a hotel having segments of stay, foods and beverages, and banquet", and "Resort" refers to "Resort Hotel, which means a hotel located at tourist destinations or recreational lots, having segments of stay, foods and beverages, and incidental facilities"

Hotel Composition (*Based on No. of rooms)

By Property Type



By Geography



MyStays Uniquely Caters to Inbound Tourists



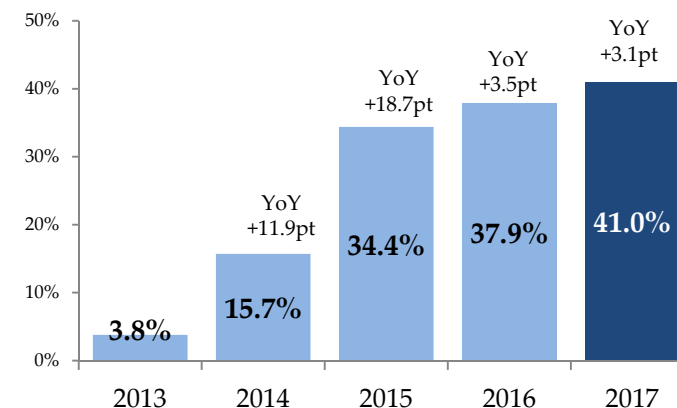
MYSTAYS HOTEL MANAGEMENT CO.,LTD.

- MHM manages **46 hotels** owned by INV and overall manages **85 hotels** in Japan (as of May 1, 2018)
- MHM recently launched its new website and is in the process of launching a new online reservation system in order to increase direct bookings



MHM Websites

Increased revenue from foreign guests¹



Major Recent Initiatives to Capitalize on Updated Customer Preferences & Market Trends

Non-smoking Rooms

- ✓ RevPAR has increased by 4.9%² on average. 650 rooms were converted to non-smoking rooms, reflecting customer preferences



Hotel MyStays Hamamatsucho

Revenue Management Expertise

- ✓ New revenue management system based on machine learning to improve the overbooking algorithms to help offset cancellation and improve revenue at the hotels overall
- ✓ Increased 99%+ occupied nights from 1,467 to 1,503 YoY for 2018 YTD³
- ✓ Implementation of new AI revenue management software

Extensive Online Marketing

- ✓ Affiliate marketing program with CTBC Bank Co., Ltd. (Taiwan's largest credit card issuer)
- ✓ Joint marketing programs with Hong Kong Airlines and ANA / Union Pay



CTBC campaign

Alliance with Alibaba Group (Fliggy)

- ✓ 61 MHM hotels on the Fliggy platform, of which 29 hotels are owned by INV
- ✓ Won "Most Popular Store of W11 2017" during the 11.11 Global Online Shopping Festival held on November 11, known as Single's Day in China

(Note 1) Overseas Sales Ratio refers to the sales revenue booked through overseas Online Travel Agents as a percent of the total room revenue, and is calculated based on the 29 hotels out of the 41 hotels managed by MHM for Invincible's portfolio as of the end of 2017, and does not include the following 12 hotels which have no data for the period from 2013 through 2017 due to rebrand etc. (Excluded properties: Hotel MyStays Nagoya-Sakae, Hotel MyStays Haneda, Hotel MyStays Utsunomiya, Hotel MyStays Gotanda Station, Hotel Epinard Nasu, Hotel MyStays Hamamatsucho, Hotel MyStays Premier Kanazawa, Hotel MyStays Premier Hamamatsucho, Hotel MyStays Dojima, Hotel MyStays Shin-osaka CC, Hotel MyStays Premier Omori, Beppu Kamenoi Hotel, Hotel MyStays Sapporo Station)

(Note 2) Based on the hotels owned by Invincible from as of the end of April 2018 that completed such conversion by the end of December 2017, and have both smoking room and non-smoking room after such conversion. The percentage is calculated by comparing (i) with (ii); (i) the average of the RevPAR from July 2018 to April 2018 of smoking room multiplied by the number of rooms converted at each hotel (ii) the average of RevPAR for the same term of non-smoking room multiplied by the same number of rooms at each hotel

(Note 3) Based on 35 hotel properties; of the 41 MHM operating hotels owned by INV from January to April 2018, excluding properties that include the period under renovation in 2016 or 2017

- SoftBank, including its group companies, focuses on multiple telecommunication and technology fields including advanced telecommunications, internet services, AI (artificial intelligence), smart robotics, IoT and clean energy technology providers. SoftBank has 74,952 employees globally¹
- MyStays and SoftBank are working to introduce SoftBank's Pepper robot to MyStays hotels in order to sign up more MyStays members and provide multilingual concierge services such as introducing hotel services and local attractions
- MyStays and SoftBank are discussing other areas of potential cooperation around AI, robotics, and marketing

Introduction of Pepper as remote concierge in MyStays hotels

- Pepper was introduced in three MyStays hotels from July 2017
- Pepper provides multilingual concierge services



(Note 1) As of March 31, 2018

Major Companies in SoftBank Group



- Sprint Corporation
- Yahoo Japan Corporation
- Brightstar Corp.
- SoftBank Commerce & Service Corp.
- Arm Holdings plc
- SoftBank Vision Fund L.P.

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