

July 17, 2018

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

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## **Notice concerning Issuance of New Investment Units and Secondary Distribution of Investment Units**

Invincible Investment Corporation ("INV") today announced its decision at the Board of Directors Meeting held on July 17, 2018, concerning the issuance of new investment units and secondary distribution of investment units, as follows.

### 1. Issuance of new investment units through public offering

(1) Number of Investment : 909,524 investment units  
Units to be offered

(2) Amount to be paid : To be determined  
(issue value) (The amount to be paid shall be determined at the Board of Directors Meeting to be held between Wednesday, July 25, 2018 and Monday, July 30, 2018 (the "Issue Price Determination Date"). Amount to be paid (issue value) refers to an amount which INV shall receive from the Underwriters (as defined in (5)(ii) below) as payment proceeds for the investment units of INV (investment units of INV are hereinafter referred to as the "Investment Units").

(3) Total amount to be : To be determined  
paid (total issue  
value)

This English Language notice does not constitute or form a part of any offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to herein will not be publicly offered or sold in the United States. The contemplated transaction does not involve any public offering of securities in the United States. Not for publication, distribution or release, directly or indirectly in or into the United States of America.

- (4) Issue price (offer price) : To be determined
- The issue price (offer price) shall be determined at the Board of Directors Meeting to be held on the Issue Price Determination Date, taking into consideration the level of demand and other factors, using as a tentative price a figure obtained by multiplying a number between 0.90 and 1.00 by the closing price of “Investment Units” for ordinary trading on the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the immediately preceding date) (any fraction of one yen shall be rounded down to the nearest yen).
- (5) Offering method : Investment Units shall be offered simultaneously in Japan and overseas (the Domestic Public Offering, the Overseas Offering, the Overallotment Secondary Offering mentioned in “2. Secondary offering of Investment Units (overallotment secondary offering)” (each as defined below) shall be collectively referred to as the “Global Offering,” for which certain of the Underwriters (as defined below) shall serve as joint global coordinators).
- (i) Domestic Public Offering
- Investment Units shall be offered through a public offering in Japan (the “Domestic Public Offering”), and all Investment Units for the Domestic Public Offering shall be underwritten and purchased by certain domestic underwriters (collectively referred to as the “Domestic Underwriters”).
- Certain of the Domestic Underwriters shall serve as joint lead managers for the Domestic Public Offering.
- (ii) Overseas Offering
- Investment Units shall be offered in overseas markets, consisting mainly of the U.S., European, and Asian markets (provided, however, that offering in the U.S. market shall be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933) (referred to as the “Overseas Offering” and, together with the Domestic Public Offering, the “Offerings”). Certain overseas underwriters (referred to as the “Overseas Underwriters” and together with the Domestic Underwriters, the “Underwriters”), shall conduct the Overseas Offering through the individual underwriting and purchase of all the Investment Units.

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- (iii) The total number of Investment Units to be issued in the Offerings shall be 909,524, consisting of 479,774 units for the Domestic Public Offering and 429,750 units for the Overseas Offering, the ultimate details of which shall be determined on the Issue Price Determination Date, taking into consideration the level of demand and other factors.
- (6) Details of the underwriting agreements : The Underwriters shall, on the payment date stated in (9) shown below, pay INV the total amount to be paid (total issue value), and any difference between the total amount of the issue price (total offer price) and the total amount to be paid (total issue value) arising in the Offerings shall be retained by the Underwriters. No underwriting fee shall be paid by INV to the Underwriters.
- (7) Subscription unit : One unit or more in multiples of one unit
- (8) Subscription period (Domestic Public Offering) : From the Japanese business day immediately following the Issue Price Determination Date to the second Japanese business day following the Issue Price Determination Date
- (9) Payment date : A business day during the period from Wednesday, August 1, 2018 to Monday, August 6, 2018 which shall be five business days after the Issue Price Determination Date.
- (10) Delivery date : The following business day of the Payment Date as specified in (9) above.
- (11) The issue price (offer price), the amount to be paid (issue value), the final breakdown of the number of Investment Units for the Domestic Public Offering and for the Overseas Offering and any other matter required for the issuance of the new Investment Units shall be determined at a future Board of Directors Meeting .
- (12) Among the above-mentioned items, the Domestic Public Offering-related matters shall be subject to the securities registration under the Financial Instruments and Exchange Act becoming effective.

## 2. Secondary offering of Investment Units (overallotment secondary offering) (please see “Reference” below)

- (1) Seller : A Domestic Underwriter
- (2) Number of Investment Units to be offered in the secondary offering : 45,476 Investment Units  
The above-mentioned number of Investment Units to be offered in the secondary offering is the number of Investment Units to be offered in an overallotment secondary offering that will be conducted by a Domestic Underwriter (the “Overallotment Secondary Offering”), taking into consideration the level of demand and other factors in the Domestic Public Offering. The above-mentioned number of Investment Units in the secondary offering is the maximum number of Investment Units to be offered in the Overallotment Secondary Offering, and, depending on the level of demand and other factors, such number may decrease or such Overallotment Secondary Offering itself may not take place at all. The number of Investment Units to be offered in the Overallotment Secondary Offering shall be determined at a Board of Directors Meeting to be held on the Issue Price Determination Date, taking into consideration the level of demand and other factors in the Domestic Public Offering.
- (3) Offer price : To be determined  
(To be determined at the Board of Directors Meeting to be held on the Issue Price Determination Date. The offer price shall be identical to the issue price (offer price) for the Domestic Public Offering)
- (4) Total offer value : To be determined
- (5) Offering method : Apart from the Domestic Public Offering, one of the Domestic Underwriters shall offer Investment Units in the secondary offering up to a maximum of 45,476 units to be borrowed from FJODF GP INV Holdings LLC, a holder of Investment Units (such borrowed Investment Units shall be referred to as the “Borrowed Units”), taking into consideration the level of demand and other factors in the Domestic Public Offering.
- (6) Subscription unit : One unit or more in multiples of one unit
- (7) Subscription period : Identical to the subscription period for the Domestic Public Offering
- (8) Delivery date : Identical to the delivery date for the Domestic Public Offering
- (9) In the event the Domestic Public Offering is suspended, the Overallotment Secondary Offering shall also be suspended.
- (10) The offer price and other matters required for the Overallotment Secondary Offering shall be determined at a future Board of Directors Meeting.
- (11) The above-mentioned items shall be subject to the securities registration under the Financial Instruments and Exchange Act becoming effective.

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### 3. Issuance of new investment units through third-party allotment

- (1) Number of investment : 45,476 Investment Units  
units to be offered
- (2) Amount to be paid : To be determined  
(issue value) (To be determined at the Board of Directors Meeting to be held on the Issue Price Determination Date. The amount to be paid (issue value) shall be identical to the amount to be paid (issue value) for the Domestic Public Offering)
- (3) Total amount to be : To be determined  
paid (total issue value)
- (4) Allottee and number : A Domestic Underwriter: 45,476 units  
of investment units to be allotted
- (5) Subscription unit : One unit or more in multiples of one unit
- (6) Subscription period : Monday, August 20, 2018  
(Subscription date)
- (7) Payment date : Tuesday, August 21, 2018
- (8) Investment units for which no application for subscription has been made during the subscription period (subscription date), mentioned in (6) shown above, shall not be issued.
- (9) The amount to be paid (issue value) and any other matter required for the issuance of these new Investment Units through third-party allotment (the "Third-Party Allotment") shall be determined at a future Board of Directors Meeting.
- (10) In the event the Overallotment Secondary Offering is suspended, the Third-Party Allotment shall also be suspended.
- (11) Each of the items above shall be subject to securities registration under the Financial Instruments and Exchange Act becoming effective.

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<Reference>

1. Overallotment Secondary Offering and related matters

- (1) Taking into consideration the level of demand and other factors in the Domestic Public Offering, one of the Domestic Underwriters (the "Selling Domestic Underwriter") may conduct the Overallotment Secondary Offering of Investment Units in Japan, using a maximum of 45,476 units to be borrowed from FJODF GP INV Holdings LLC, a holder of Investment Units. The above number of Investment Units to be offered in the Overallotment Secondary Offering is the maximum number of Investment Units for the secondary offering. Depending on the level of demand and other factors, such number of Investment Units to be offered may decrease, or the Overallotment Secondary Offering itself may not take place at all.

In relation to the Overallotment Secondary Offering, INV's Board of Directors, on Tuesday, July 17, 2018, adopted a resolution to issue 45,476 new Investment Units through a third-party allotment to the Selling Domestic Underwriter, on Tuesday, August 21, 2018 as the payment date, for the purpose of allowing the Selling Domestic Underwriter to acquire Investment Units required for returning the borrowed Investment Units.

Additionally, during the period from the date following the last subscription period date for the Domestic Public Offering and the Overallotment Secondary Offering until Thursday, August 16, 2018 (the "Syndicate Cover Transaction Period"), the Selling Domestic Underwriter may purchase, on the Tokyo Stock Exchange, Investment Units in a quantity up to the number of Investment Units offered in the Overallotment Secondary Offering for the purpose of returning the Borrowed Units (each such purchase, a "Syndicate Cover Transaction"). All the Investment Units purchased by the Selling Domestic Underwriter through such Syndicate Cover Transactions will be used for returning the Borrowed Units. During the Syndicate Cover Transaction Period, the Selling Domestic Underwriter may, based on its own judgment, not carry out any Syndicate Cover Transactions or may conduct Syndicate Cover Transactions in an amount less than the number of Investment Units offered in the Overallotment Secondary Offering.

In addition, the Selling Domestic Underwriter may engage in stabilizing transactions in connection with the Domestic Public Offering and the Overallotment Secondary Offering, and may use all or part of the Investment Units purchased through such stabilizing transactions to return the Borrowed Units.

As for the number of Investment Units to be determined by subtracting the number of Investment Units purchased through the Syndicate Cover Transaction and stabilizing transaction, to be used for returning the borrowed Investment Units, from the number of Investment Units offered in the Overallotment Secondary Offering, the Domestic Underwriter intends to acquire such number of Investment Units through accepting the allotment under the Third-Party Allotment.

Consequently, there may be cases where there will be no subscription for whole or part of the Investment Units to be issued through the Third-Party Allotment, resulting in a commensurate shortfall in the ultimate number of Investment Units to be issued through the Third-Party Allotment, due to forfeiture, or there may be cases where such issuance itself will not take place at all.

- (2) The transactions described above will be conducted by the Selling Domestic Underwriter upon consultation with the other domestic joint lead managers.

2. Change in the number of Investment Units outstanding after the issuance of the new Investment Units

Current number of Investment Units outstanding	:	4,793,181	
Increase in the number of Investment Units outstanding due to the issuance of new Investment Units through the Offerings	:	909,524	
Total number of Investment Units outstanding after the issuance of new Investment Units through the Offerings	:	5,702,705	
Increase in the number of Investment Units outstanding through the issuance of new Investment Units through the Third-Party Allotment	:	45,476	(Note)
Total number of Investment Units outstanding after the issuance of new Investment Units through the Third-Party Allotment	:	5,748,181	(Note)

(Note) Represents the case where the Domestic Underwriter has applied for all the Investment Units to be issued through the Third-Party Allotment, resulting in the issuance of such Investment Units

3. Objective and rationale for the issuance

After considering the market conditions and other factors, INV decided to issue new Investment Units with the objective of achieving higher portfolio returns, increased financial stability and continuous growth of distributions per unit, through the acquisition of new specified assets (as set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, hereinafter the same)

4. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

(1) Amount of funds to be raised (estimated net proceeds)  
Up to JPY 45.6 billion (Note)

(Note) Amount of funds to be raised (estimated net proceeds) is total amount of proceeds from the Domestic Public Offering (JPY 22.9 billion), the Overseas Offering (JPY 20.5 billion) and the maximum proceeds from the issuance of new Investment Units through the Third-Party Allotment (JPY 2.1 billion). The above figures are the estimates calculated based on the closing price of the ordinary trading at the Tokyo Stock Exchange on Monday, July 9, 2018.

(2) Specific use of proceeds and scheduled timing of expenditure

INV will use the proceeds from the Domestic Public Offering (JPY 22.9 billion) and the Overseas Offering (JPY 20.5 billion) to fund part of its acquisition of specified assets (the “anticipated acquisitions”) announced in “Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests” and “Notice concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets” dated July 17, 2018. The remainder of the proceeds, if any, as well as the maximum amount of proceeds from the issuance of new Investment Units through the Third-Party Allotment (JPY 2.1 billion) decided on the same day as the Domestic Public Offering will be retained as cash reserves and be deposited to the financial institution until outlay to be funded a part of the future acquisitions of specified assets. However, if the total proceeds from the Domestic Public Offering, the Overseas Offering and the anticipated borrowings (JPY 40,458 million) announced in “Notice concerning Debt Financing” dated July 17, 2018, fall short of the total amount of acquisition fund of the anticipated acquisitions (Note2), INV may use the whole or a part of proceeds from the issuance of new Investment Units through the Third-Party Allotment to fund part of the anticipated acquisitions.

(Note1) The above proceeds are the estimated amount calculated based on the closing price of the ordinary trading of this investment unit at Tokyo Stock Exchange on Monday, July 9, 2018.

(Note2) Under such circumstances, INV will acquire the four domestic hotel properties on the anticipated acquisition date and also pay the whole or a part of the acquisition price of these properties on another date agreed respectively, pursuant to the relevant purchase and sale agreements to these properties. For more details, please refer to the press release entitled “Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests” dated July 17, 2018.

5. Designation of allottee

Not applicable

6. Others (Restrictions on sale and additional issuance)

- (1) With respect to the Global Offering, FJODF GP INV Holdings LLC and FIG LLC shall reach an agreement not to sell, without prior written consent of the joint global coordinators, any Investment Units held since before the Global Offering, during the period from the Issue Price Determination Date to a date 90 days from the delivery date (except for FJODF GP INV Holdings LLC where Investment Units are lent to a Domestic Underwriter for the purpose of Overallotment Secondary Offering).
- (2) With respect to the Global Offering, INV shall reach an agreement not to issue, without prior written consent of the joint global coordinators, any Investment Units during the period from the Issue Price Determination Date to a date 90 days from the delivery date (except for the issuance of Investment Units through the global offering, the Third-Party Allotment and investment unit split).
- (3) For (1) and (2) above, the joint global coordinators retain the right to terminate part or all of the aforementioned agreement and to shorten the relevant restriction period.

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

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