

[For Information Purpose Only.]

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

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

(Tel. +81-3-5411-2731)

Notice concerning Debt Financing

Invincible Investment Corporation ("INV") has determined to obtain new debt financing. Details are as follows.

1. Reason for Borrowing

INV has decided to execute new borrowings (the "Borrowing") in order to fund a portion of the anticipated acquisition price and related expenses of four domestic hotel properties (in the form of trust beneficiary interests) (the "Four Domestic Hotel Properties") scheduled to be acquired on August 2, 2018 and TK Interest in connection with two overseas hotels (the "Overseas Real Estate TK Interest") (along with the acquisition of Four Domestic Hotel Properties, collectively referred to as "Anticipated Acquisitions") (Note) scheduled to be acquired on one preceding business day of the day when underlying assets of Overseas Real Estate TK Interest are to be acquired by October 31, 2018 or an earlier date which will be agreed upon with the sellers.

The Borrowing is provided by a syndicate of lenders arranged by Mizuho Bank, Ltd. as an arranger. INV continues to be supported by the existing lenders and its bank formation will be further strengthened.

(Note) For details on the Anticipated Acquisitions, please refer to the press release entitled "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.

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2. Details of the Borrowing (anticipated)

<New Syndicate Loan (J)>

5 Years Tranche

- | | |
|--------------------------------|--|
| (1) Lenders | : Syndicate of lenders arranged by Mizuho Bank, Ltd. |
| (2) Borrowing amount | : JPY 13,119 million |
| (3) Interest rate, etc. | : 1-month JPY TIBOR (Base Rate) + spread (0.50%) (Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.50%)) (Note1) Variable interest rate |
| (4) Borrowing method | : Borrowing based on separate term loan agreement to be entered into on July 31, 2018 Unsecured / with no guarantee |
| (5) Agreement date | : July 31, 2018 |
| (6) Anticipated borrowing date | : September 2018 (Note 2) |
| (7) Interest payment date | : To be determined (Note 2) |
| (8) Principal repayment method | : Lump-sum repayment on the principal maturity date |
| (9) Principal maturity date | : September 2023 (Note 2) |

4 Years Tranche

- | | |
|--------------------------------|---|
| (1) Lenders | : Syndicate of lenders arranged by Mizuho Bank, Ltd. |
| (2) Borrowing amount | : JPY 13,120 million |
| (3) Interest rate, etc. | : 1-month JPY TIBOR (Base Rate) + spread (0.40%) (Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.40%)) (Note 1) Variable interest rate |
| (4) Borrowing method | : Borrowing based on separate term loan agreement to be entered into on July 31, 2018 Unsecured / with no guarantee |
| (5) Agreement date | : July 31, 2018 |
| (6) Anticipated borrowing date | : September 2018 (Note 2) |
| (7) Interest payment date | : To be determined (Note 2) |
| (8) Principal repayment method | : Lump-sum repayment on the principal maturity date |
| (9) Principal maturity date | : September 2022 (Note 2) |

3 Years Tranche

- (1) Lenders : Syndicate of lenders arranged by Mizuho Bank, Ltd.
- (2) Borrowing amount : JPY 10,761 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.30%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.30%)) (Note 1)
Variable interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement to be entered into on July 31, 2018
Unsecured / with no guarantee
- (5) Agreement date : July 31, 2018
- (6) Anticipated borrowing date : September 2018 (Note 2)
- (7) Interest payment date : To be determined (Note 2)
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : September 2021 (Note 2)

3 Years Tranche

- (1) Lenders : Syndicate of lenders arranged by Mizuho Bank, Ltd.
- (2) Borrowing amount : JPY 2,359 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.30%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.30%)) (Note 1)
Variable interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement to be entered into on July 31, 2018
Unsecured / with no guarantee
- (5) Agreement date : July 31, 2018
- (6) Anticipated borrowing date : August 2, 2018
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with September 28, 2018, and
(ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : August 2, 2021

Short-term consumption tax loan (Note 3)

- (1) Lender : Syndicate of lenders arranged by Mizuho Bank, Ltd.
- (2) Borrowing amount : JPY 1,099 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.20%)
(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.20%)) (Note 1)
Variable interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement to be entered into on July 31, 2018
Unsecured / with no guarantee

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- (5) Agreement date : July 31, 2018
 (6) Anticipated borrowing date : August 2, 2018
 (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with September 28, 2018, and (ii) the principal maturity date
 (8) Principal repayment method : Lump-sum repayment on the principal maturity date
 (9) Principal maturity date : August 2, 2019 (Note 4)

- (Note 1) • Base rate applicable to the interest calculation period for interests to be paid on the relevant interest payment date shall be the 1-month JPY TIBOR announced by JBA TIBOR Administration two Japanese business days prior to the immediately preceding interest payment date.
 • JPY TIBOR announced by the JBA TIBOR Administration is available at its website (<http://www.ibatibor.or.jp/english/>).
 • Details of our debt financing is available at the "Borrowings & Investment Corporation Bonds" page of INV's website (<http://www.invincible-inv.co.jp/eng/cms/loan.html>).
 (Note 2) Anticipated borrowing date, interest payment date and principal maturity date have not been determined as of today and are to be separately agreed in accordance with the agreement of the Borrowing which is scheduled to be entered into on July 31, 2018.
 (Note 3) Short-term consumption tax loan is a loan which is to be repaid before maturity date with refund of consumption taxes and regional consumption taxes on an acquisition of a property. The same shall apply hereinafter.
 (Note 4) Short-term consumption tax loan will be prepaid before maturity date once INV receives the refund of consumption taxes and regional consumption taxes on the acquisition of properties through New Syndicate Loan (J).
 (Note 5) Borrowing under the New Syndicate Loan (J) is subject to certain conditions including the execution of the loan agreement in a form reasonably satisfactory to the lenders and satisfaction of separately agreed conditions.

3. Future outlook

For revision of the forecasted financial results and distributions for the fiscal period ended June 2018 (from January 1, 2018 to June 30, 2018) and the fiscal period ending December 2018 (from July 1, 2018 to December 31, 2018), please refer to the press release entitled “Notice concerning Revision of Forecast of Financial Results and Distribution for the 30th Fiscal Period Ended June 2018 and 31st Fiscal Period Ending December 2018” dated as of today.

4. Amount and use of proceeds and scheduled timing of disbursement

(1) Loan proceeds

JPY 40,458 million

(2) Use of proceeds

To be appropriated for a portion of the acquisition price and related expenses of Anticipated Acquisitions.

(3) Scheduled timing of expenditure

After August 2018

5. Other matters necessary for investors' appropriate understanding/judgment of the concerned information with respect to the risks associated with the Borrowing, please refer to “Investment Risks” stated in the semi-annual securities report (*yuka shoken hokokusho*) for the fiscal period ended December 2017 (from July 1, 2017 to December 31, 2017) (Japanese only) filed as of March 26, 2018 and “Part II, Reference Information II Supplemental Information to the Reference Documents 5. Investment Risks” of the securities registration statement (Japanese only) filed as of today.

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

[For reference only]

< Change in balance of interest-bearing debt (anticipated)>

Unit: million yen

| | Before the Borrowing (As of July 17, 2018) | After the Borrowing (Note 3) | Increase (Decrease) |
|---|---|---------------------------------|------------------------|
| Total loans | 187,415 | 227,873 | +40,458 |
| Total investment corporation bonds | 2,000 | 2,000 | — |
| Total interest-bearing debt | 189,415 | 229,873 | +40,458 |
| Total appraisal value of properties owned by INV (and Anticipated Acquisitions) (Note 1) | 428,750 | 514,362 | +85,612 |
| LTV (based on appraisal value)(Note 2) (%) | 44.2 | 44.5 | +0.3 |

(Note 1) As to “Total appraisal value of properties owned by INV (and Anticipated Acquisitions)”, for “Before the Borrowing”, among the 126 properties owned by INV before the Borrowing (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset), the 120 properties held as of December 31, 2017 are based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 2017, the four properties acquired on February 7, 2018 are based on the appraisal value stated in the appraisal reports on the valuation date of January 1, 2018, and the two properties acquired on June 27, 2018 are based on the appraisal value stated in the appraisal reports on the valuation date of April 1, 2018, respectively. However, for the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV’s investment amount) of such preferred equity interest, JPY 17,845 million, is deemed as the appraisal value and included. For “After the Borrowing”, the Four Domestic Hotel Properties to be acquired after the Borrowing, are based on the appraisal value stated in the appraisal reports on the valuation date of June 1, 2018. However, for the Overseas Real Estate TK Interest the underlying assets of which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”, the anticipated acquisition price (INV’s anticipated TK investment amount) of such TK interest, USD 339,836 thousand (JPY 37,382 million, converted into JPY amount via exchange rate of USD 1=JPY 110 as of June 27, 2018), is deemed as the appraisal value and included.

(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:

$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing debt (excluding short-term consumption tax loan)}}{\text{Total appraisal value of properties owned by INV (and Anticipated Acquisition)}} \times 100$$
“Total interest-bearing debt” does not include the interest-bearing debt of the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset.

(Note 3) “After the borrowing” in the above table is the date when INV has executes the Borrowing and makes investment in TK interest concerning the Overseas Real Estate TK Interest. INV’s investment in the TK interest will be made on one preceding business day of the day when underlying assets of Overseas Real Estate TK Interest are acquired by the SPC, the deadline of which is October 31, 2018 or an earlier date which will be agreed upon with the sellers. For details, please refer to “Notice Concerning Acquisition of TK Interest with Overseas Real Estate as Underlying Assets”.

(Note 4) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

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