

[For Information Purpose Only.]

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

December 16, 2018

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Naoki Fukuda, Executive Director

(Securities code: 8963)

Asset Manager:

Consonant Investment Management Co., Ltd.

Naoki Fukuda, CEO

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Notice concerning Tax Reform Outline for FY 2019 proposed by Governing Parties

The governing parties of Japan adopted and made public on December 14, 2018 their Tax Reform Outline for Fiscal Year 2019, including the proposal ("Proposal") to amend the requirement that "J-REIT does not hold 50% or more of the equity of another corporation" as of the fiscal year end, one of the requirements for special taxation measures for J-REITs (so-called "tax conduit requirements") (Note) to include investments in anonymous associations (*tokumei kumiai*) ("TK interest") within the meaning of the equity of another corporation.

(Note) Under the special taxation measures applicable to J-REITs, distribution made by a J-REIT to its unitholders are deductible from the taxable income for Japanese corporate tax purposes if certain requirements (tax conduit requirements) are met.

Invincible Investment Corporation ("INV") has acquired the TK Interest with Overseas Real Estate as Underlying Assets ("TK Interest with Overseas Real Estate") on September 29, 2018 and holds 100% interest in the anonymous association. Therefore, there is a possibility that status of its tax conduit requirements may be affected if the Proposal will be formally adopted and enacted. Although the scope of application of possible amendment and the details thereof are not clear at this moment, and while we have been advised by our tax advisors that generally in previous cases tax law changes with negative outcomes for existing transactions have been granted relief through grandfathering, INV will discuss and monitor the exact implications of this reform which should become clear when the proposed wording of the law is presented to the parliament. Based on discussions with its Cayman legal counsel, INV believes there are viable alternative structures that can replace the TK Interest with Overseas

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Invincible Investment Corporation

Real Estate and provide the full economic benefits derived from the Cayman Hotels, and if necessary INV will consult with Japanese and Cayman regulators and its advisors and endeavor to implement such structures to maintain its tax conduit requirements.

INV will continue to seek to confirm the details of the Proposal, including the scope of its application, and the impact thereof, and will announce any updates.

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

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