

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
Contact: Jun Komo
General Manager of Planning Department
(Tel. +81-3-5411-2731)

Performance Update for January 2019

Invincible Investment Corporation (“INV”) hereby announces its monthly performance for hotel and residential assets.

1. Domestic Hotel and Residential Assets Overview

The combined NOI for the domestic hotel and residential portfolio¹ for the month of January 2019 increased 1.2% compared to January 2018 driven by strong performance of INV’s diversified residential and hotel portfolio.

2. Hotel Assets Overview

(1) Domestic Hotels

The hotel portfolio² performance for the month of January 2019 has shown an increase in ADR of 4.0% and an increase in RevPAR of 4.0% year-on-year, while occupancy remained flat.

The January 2019 NOI³ for the hotel portfolio increased by 0.5% (year-on-year)

INV owns 37 hotels in the Greater Tokyo area (Tokyo, Kanagawa, Chiba and Saitama) which represent 36.6% of INV’s total property normalized NOI for 2018⁴ based on the assumption that INV had owned all existing hotels for the full year 2018 (hereinafter the same).

The 34 hotels on variable rent contracts in the Greater Tokyo area continue to demonstrate strong performance with an increase in ADR of 4.8%, occupancy growth of 2.2pt and RevPAR growth of 7.4% in January 2019 compared with January 2018. The Greater Tokyo area continues to perform well due to the strict enforcement of Minpaku regulations enacted in June 2018, which eliminated illegal listings and effectively reduced half of the shadow supply of rooms, along with the continued growth of inbound tourism.

This English language notice is a translation of the Japanese-language notice released on February 21, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

Table below shows the KPIs for each area of the hotel portfolio².

	Occupancy Rate	ADR (JPY)	RevPAR (JPY)
Tokyo 23 Wards	87.2%	8,251	7,193
Greater Tokyo (ex. Tokyo 23 Wards)	86.4%	11,794	10,191
Chubu	74.2%	7,117	5,281
Kansai	81.8%	7,488	6,125
Kyushu	89.7%	9,005	8,078
Hokkaido	85.4%	8,153	6,963
Other domestic	67.1%	15,163	10,175
Total	84.1%	9,091	7,645

(2) Cayman Hotels

The Cayman hotels (the Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort) represent 10.2% of total property normalized NOI for 2018.

During the month of January 2019, the Cayman hotels achieved an ADR, occupancy rate, and RevPAR that are 23.0%, 0.5pts. and 23.7% above previous year's performance, respectively. NOI⁵ increased by 129.2% (year-on-year), due to a major renovation at the Westin Grand Cayman Seven Mile Beach Resort & Spa, as such 2017 NOI was substantially lower than usual.

Cayman hotels are held in structures that require completed entity specific financial statements prior to INV's recognition of the income. As such the October 2018 – March 2019 results for the Cayman hotels will be recognized in the June 2019 fiscal period.

3. Residential Assets Overview

The residential portfolio⁶ occupancy rate as of the end of January 2019 was 95.5% (+0.8pt year-on-year). The rent increase program continues to show strong results as average rent per tsubo as of the end of January 2019 increased by 1.2% year-on-year.

INV's residential portfolio comprises 64 assets and these residential assets represent 18.7% of total property NOI for the December 2018 fiscal period based upon normalized NOI. NOI⁷ for the residential portfolio increased by 2.8% in January 2019 (year-on-year).

Rents, compared with immediately preceding leases, increased by 2.5% across all new leases, 1.9% across all renewal leases, and 2.2% across all combined new and renewal leases for the June 2019 fiscal period. INV achieved a rent increase on 43.4% of contract renewals (June 2019 fiscal period), compared to 53.8% for the full year 2018 (-10.4pt. year-on-year). The retention rate for the existing tenants continues to be high at 79.2% for the June 2019 fiscal period.

This English language notice is a translation of the Japanese-language notice released on February 21, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

4. Performance

(1) 55 Hotel Properties²

	January 2019 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate ⁸	84.1%	84.1%	-0.0pt	-0.0%
ADR (JPY) ⁹	9,091	8,742	+350	+4.0%
RevPAR (JPY) ¹⁰	7,645	7,352	+294	+4.0%
Gross Revenue (JPY million) ¹¹	3,687	3,533	+154	+4.4%
# of Properties	55	55	—	—

	Fiscal period ending June 2019 Cumulative ¹² (C)	Same period of the previous year ¹³ (D)	Difference (C – D)	YoY Change
Occupancy Rate ⁸	84.1%	84.1%	-0.0pt	-0.0%
ADR (JPY) ⁹	9,091	8,742	+350	+4.0%
RevPAR (JPY) ¹⁰	7,645	7,352	+294	+4.0%
Gross Revenue (JPY million) ¹¹	3,687	3,533	+154	+4.4%
# of Properties	55	55	—	—

(2) Cayman Hotels

	January 2019 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate ⁸	88.5%	88.0%	+0.5pt	+0.5%
ADR (USD) ⁹	447	364	+84	+23.0%
RevPAR (USD) ¹⁰	396	320	+76	+23.7%
Gross Revenue (USD)	9,488,628	8,971,165	+517,463	+5.8%
# of Properties	2	2	—	—

	Fiscal period ending June 2019 Cumulative ¹² (C)	Same period of the previous year ¹³ (D)	Difference (C – D)	YoY Change
Occupancy Rate ⁸	88.5%	88.0%	+0.5pt	+0.5%
ADR (USD) ⁹	447	364	+84	+23.0%
RevPAR (USD) ¹⁰	396	320	+76	+23.7%
Gross Revenue (USD)	9,488,628	8,971,165	+517,463	+5.8%
# of Properties	2	2	—	—

This English language notice is a translation of the Japanese-language notice released on February 21, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

(3) 64 Residential Properties⁶

	January 2019 (A)	Same month of the previous year (B)	Difference (A – B)	YoY Change
Occupancy Rate	95.5%	94.7%	+0.8pt	+0.8%
Rent per Tsubo (JPY)	9,861	9,746	+115	+1.2%
# of Properties	64	64	—	—

	Fiscal period ending June 2019 Cumulative ¹² (C)	Same period of the previous year ¹³ (D)	Difference (C – D)	YoY Change
Occupancy Rate ¹⁴	95.5%	94.7%	+0.8pt	+0.8%
Rent per Tsubo ¹⁴ (JPY)	9,861	9,746	+115	+1.2%
# of Properties	64	64	—	—

5. Portfolio NOI

		2018 Simulated NOI ⁴		NOI ^{3,5} (JPY million)		
		(JPY million)	Ratio	January 2019	January 2018	YoY Change
Domestic Hotel	Tokyo 23 Wards	6,388	23.5%	387	367	5.4%
	Greater Tokyo (ex. Tokyo 23 Wards)	3,568	13.1%	283	279	1.6%
	Greater Tokyo - Subtotal	9,957	36.6%	671	647	3.8%
	Chubu	1,456	5.4%	36	50	-28.7%
	Kansai	2,227	8.2%	99	123	-19.1%
	Kyushu	1,649	6.1%	109	98	10.7%
	Hokkaido	1,479	5.4%	68	66	2.7%
	Other domestic	2,181	8.0%	-15	-21	28.6%
Domestic Hotel – Subtotal		18,951	69.7%	969	965	0.5%
Residential		5,098	18.7%	432	420	2.8%
Commercial		368	1.4%	30	30	-0.5%
Domestic Asset- Subtotal		24,417	89.8%	1,432	1,416	1.2%
Overseas		2,782	10.2%	5	-20	129.2%
Total		27,200	100.0%	1,438	1,395	3.1%

(Note 1) Based on 55 hotel properties and 64 residential properties stated in (Note 2) and (Note 5) below. NOI includes a simulated amount of dividend income from Kingdom TMK (the "TMK") that owns Sheraton Grande Tokyo Bay Hotel as an underlying asset. The fiscal periods of the TMK are semi-annual periods from April 1 to September 30 and from October 1 to March 31 every year, and INV will receive the dividend within three months from the end of each semi-annual fiscal

This English language notice is a translation of the Japanese-language notice released on February 21, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

period of the TMK. Since INV does not receive a dividend from the TMK on a monthly basis, the amount of dividend INV receives from the TMK for each month is a simulated figure, which is calculated by deducting (i) simulated expenses such as operating expense of the TMK and the interest of debt (calculated dividing the budget of the TMK for the fiscal period that includes the relevant month by the number of months in such fiscal period) from (ii) NOI based on the performance of Sheraton Grande Tokyo Bay Hotel in the month which is three months before the target month for this performance disclosure and multiplied by INV's ownership ratio of the preferred equity interest in the TMK (49.0%). Moreover, NOI does not include the simulated amount of dividend income from the overseas TK interest that owns the Westin Grand Cayman Seven Mile Beach Resort and Spa and Sunshine Suites Resort as underlying assets acquired by INV in September 2018. Furthermore, NOI is provisional figure and subject to change when it is determined at financial closing; hereinafter the same.

- (Note 2) Based on 55 hotel properties; of the 64 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the end of November 2018, 9 hotels with fixed-rent lease agreements are excluded. 9 hotels with fixed-rent lease agreements are D29 Super Hotel Shinbashi/Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iriyaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel. As for Sheraton Grande Tokyo Bay hotel, NOI is based on the figure for the month which is three months prior to the target month for this performance disclosure as INV will receive the dividend from the TMK within three months of each fiscal period end for the TMK as described above. However, in consideration of seasonality, figures in the table above are based on the figures for January 2019. Moreover, the Westin Grand Cayman Resort and Spa and Sunshine Suites Resorts which are the underlying assets of the overseas TK interest acquired by INV in September 2018 are not included.
- (Note 3) NOI for Sheraton Grande Tokyo Bay Hotel includes a simulated amount of dividend income from the TMK. Please refer to (Note 1) above. Moreover, NOI figures before acquisition by INV is based on the data obtained from third-parties including previous owners.
- (Note 4) Based on the properties owned by INV as of the end of December 2018, assuming all properties were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed throughout the June 2018 fiscal period and the December 2018 fiscal period of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 is based on actual results provided by sellers. The TK dividend amount is calculated at the exchange rate of US\$1 to ¥110
- (Note 5) NOI for the Cayman hotels includes a simulated amount of dividend income from the Seven Mile Resort Holdings Ltd. (the "Cayman SPC") that owns the Westin Grand Cayman Seven Mile Beach Resort & Spa and Sunshine Suites Resort as underlying assets. The fiscal periods of the Cayman SPC are semi-annual periods from April 1 to September 30 and from October 1 to March 31 every year, and INV will receive the dividend within three months from the end of each semi-annual fiscal period of the Cayman SPC. Since INV does not receive a dividend from the Cayman SPC on a monthly basis, the amount of dividend INV receives from the Cayman SPC for each month is a simulated figure, which is calculated by deducting (i) simulated expenses such as operating expense of the Cayman SPC and the interest of debt (calculated dividing the budget of the Cayman SPC for the fiscal period that includes the relevant month by the number of months in such fiscal period) from (ii) NOI based on the performance of the underlying assets in the month which is three months before the target month for this performance disclosure. The TK dividend amount is calculated at the exchange rate of US\$1 to ¥110
- (Note 6) Based on 64 properties held as of the beginning of January 2019.
- (Note 7) NOI excludes one-off insurance-related revenues and expenses, as well as expenses required to detach trust beneficiary interest from an integrated trust account.
- (Note 8) "Occupancy Rate" for hotel portfolio is calculated using the following formula:
room occupancy rate = total number of rooms occupied during the relevant period ÷ (aggregate number of rooms during the relevant period x number of business days during target period)
- (Note 9) "ADR," or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.
- (Note 10) "RevPAR," or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same as product of room occupancy rate and ADR.
- (Note 11) Gross Revenue of Sheraton Grande Tokyo Bay Hotel used in the table is the whole gross revenue of such hotel, regardless of INV's ownership ratio of the preferred equity interest in the TMK (49.0%)
- (Note 12) Figures for January 2019 are stated.
- (Note 13) Figures from January 2018 are stated. Figures are based on the assumption that the properties acquired from January 1, 2018 to December 31, 2018 were held as of January 1, 2018, and figures before acquisition by INV is based on the data obtained from third-parties including previous owners.
- (Note 14) Cumulative occupancy rate for residential portfolio is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month and the percentages are rounded to one decimal place. Cumulative rent per subso is calculated by dividing the total rental revenue including common area charges for each month by the sum of

This English language notice is a translation of the Japanese-language notice released on February 21, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

total leasable area at the end of each month.

(Note 15) Percentages are rounded to one decimal place. ADR and RevPAR are rounded to the nearest yen and Gross Revenue is rounded down to the nearest million yen.

(Note 16) For the details of performance for each asset, please visit INV's website:
<http://www.invincible-inv.co.jp/eng/cms/review.html>

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

This English language notice is a translation of the Japanese-language notice released on February 21, 2019 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.