

To All Concerned Parties

Name of REIT Issuer:

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Notice concerning Series of Transactions

Invincible Investment Corporation (INV) plans to implement a refinancing of the existing borrowings (the “Refinancing”) through (i) an equity raising through an issuance of new investment units by way of a third-party allotment (the “Third-Party Allotment”) and (ii) funds procured by new borrowings (the series of transactions collectively, hereinafter referred to as the “Transactions”). Thus, INV hereby announces the overview, background and purpose of the Transactions and strategy for future growth, as the comprehensive explanation of the Transactions as follows.

1. Press releases announced as of today
 - (1) Notice concerning Issuance of New Investment Units by way of Third-Party Allotment
 - (2) Notice concerning Debt Financing and Payment before Maturity of Existing Borrowings
 - (3) Notice concerning Revision of Forecasted Financial Results for the 21st Fiscal Period Ending December 2013 and concerning Forecasted Financial Results and Distribution per Unit for the 22nd Fiscal Period Ending June 2014
2. Overview of the Transactions
 - (1) Capital procurement
 - (a) Third-Party Allotment
INV will implement an equity raising through the Third-Party Allotment to (i) Rayo Godo Kaisha (“Rayo”) and (ii) SCG16 Godo Kaisha (“SCG16”). The number of investment units to be issued: 224,887 units, the aggregate amount to be paid: JPY 2,999 million (Note 1) (Note 2).

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(b) New borrowing

INV will implement new borrowing (New Syndicate Loan (A): JPY 20,350 million) from a syndicate led by Sumitomo Mitsui Banking Corporation ("SMBC") and The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") (Note 3).

(2) Refinancing

INV will implement the Refinancing through repayment of the full amount of Syndicate Loan B, Shinsei Trust Loan A and Shinsei Trust Loan B (the total outstanding amount: JPY 22,760 million) (Note 3) among the existing borrowings through the fund procurement described in above (1) with reducing the total amount of the borrowings.

(Note 1) Rayo is an affiliate of Fortress Investment Group LLC ("FIG") that accepts an anonymous partnership investment through funds which are managed by an affiliate of FIG that is an affiliate of Calliope Godo Kaisha ("Calliope"), the parent company of Consonant Investment Management Co., Ltd. ("Asset Manager"), which is an asset manager of INV. Rayo, Calliope, FIG and its affiliates are collectively referred to as the "Fortress Group".

SCG16 is a fund operated by Secured Capital Investment Management Co., Ltd. ("Secured Capital") acting as the executive officer, which is also acting as such for a major unitholder of INV, Infinite Value Investment Ltd. (holding ratio: 3.88%) as of the latest fiscal period end (June 30, 2013) are within the same group under a fund managed by an affiliate of Secured Capital.

(Note 2) For details of Third-Party Allotment, please refer to the press release titled "Notice concerning Issuance of New Investment Units by way of Third-Party Allotment" as of today.

(Note 3) For details of the refinance of Syndicate Loan B, Shinsei Trust Loan A and Shinsei Trust Loan B, please refer to the press release titled "Notice concerning Debt Financing and Payment before Maturity of Existing Borrowings" as of today.

(Note 4) For details of the status of the borrowings of INV before and after the implementation of the Transactions, please refer to Appendix to this press release.

3. Purpose of the Transactions and Future Growth Strategy

On the back of improved performance, INV is refinancing a large portion of its existing debt, by the funds raised through the Third-Party Allotment and new borrowing with lower interest rate. Through this refinance, INV is forecasting a more than 132% increase in its semi-annual dividend to JPY 464 for the next fiscal period ending June 2014 compared to its dividend of JPY 200 per unit after the merger in 2010, implying a 7.0% annualized dividend yield based on yesterday's closing price of JPY 13,340 per unit.

(Note 1) For details of the forecast of financial results and distributions for the 21st fiscal period ending December 2013 and the 22nd fiscal period ending June 2014, please refer to the press release titled "Notice concerning Revision of Forecasted Financial Results for the 21st Fiscal Period Ending December 2013 and concerning Forecasted Financial Results and Distribution per Unit for the 22nd Fiscal Period Ending June 2014" as of today.

INV is pleased to announce that both affiliates of Fortress Group and Secured Capital, two of the leading investors in Japanese real estate, have subscribed for a combined JPY 2,999 million or 224,887 of additional investment units enlarging the unit count by 16.68%.

The new JPY 20,350 million syndicated bank loan is led by two new agent banks, SMBC and BTMU, with other lenders Shinsei Bank, Limited, Citibank Japan Ltd., Shinsei Trust & Banking Co., Ltd. and Aozora Bank, Ltd. The refinancing and the Third-Party Allotment will reduce the LTV based on total amount of unitholder capital (Note 2) from 57.5% (20th Fiscal Period ended

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Jun.2013) to 53.9% (after the Transactions), and LTV based on appraisal value (Note 3) from 59.0% to 55.6%, and the average interest rate (Note 5) from 3.66% to 1.94% respectively. We believe the strong lender formation will be instrumental in growing the INV's portfolio with additional accretive investments in the near future.

- (Note 2) LTV based on total amount of unitholder capital is calculated using the following formula.
LTV based on total amount of unitholder capital = interest-bearing debt / (interest-bearing debt + total amount of unitholder capital + capital surplus) x 100
Further, the total amount of unitholder capital is calculated based on the total amount of unitholder capital as of today (JPY 26,134,396,789) plus amount of increase due to the Third Party Allotment (JPY 2,999,992,580) and the amount of capital surplus as of today (JPY 6,264,432,000).
- (Note 3) LTV based on appraisal value is calculated using the following formula.
LTV based on appraisal value = interest-bearing debt / appraisal value as of the end of June 2013
- (Note 4) LTV is rounded to the nearest first decimal place.
- (Note 5) "Average interest rate" is calculated as weighted average based on number of days for each period, and rounded to the nearest two decimal places. Average interest rate after the Refinancing is calculated on the assumption that the one-month JPY TIBOR as of December 4, 2013 is applicable.

Since Fortress Group's initial investment in July 2011, INV's operating results have improved due to occupancy increasing of overall portfolio, significant reductions in both property and REIT management expenses and the portfolio acquisition of 24 additional rental residential properties in September, 2012. Invincible was able to acquire these additional properties for a total price of JPY 14,043 million representing a 6.1% NOI yield (based on acquisition price) without having to issue any additional equity at the time. As detailed later, net income increased from JPY 95 per unit for the fiscal period ended June, 2012 to JPY 249 per unit for the fiscal period ended June 2013. The INV's unit price has increased more than twice compared with the level of market price prior to the acquisition of the above 24 additional rental residential properties, based on the closing price as of the day immediately preceding the resolution of the board of directors for the Third-Party Allotment.

This transaction represents a further step towards improving the unitholder value of INV by lowering interest expense, lowering of LTV and expanding the bank group to include leading Japanese and foreign banks. As a result, the dividend per unit is expected to increase from the current level of JPY 200 per share to JPY 464 per unit for the period ending June 2014. The next step is to increase rents in its properties and continue to acquire portfolios of properties which will increase DPU and grow its market capitalization.

Overall, 73.9% of INV's portfolio is in greater Tokyo (64.5% in the 23 wards), where INV believes land prices and rents will increase based on the effects of tightening employment, growing corporate profits, and increasing household formation. Along with the pursuit of growing income, INV continues to enjoy the benefit of a diversified portfolio of 78 properties of which 75.3% by value are residential, helping to provide risk diversification associated with tenant downtime. INV achieved its highest occupancy in the past five years of 96.6% in March 2013 and currently has a 96%+ occupancy rate.

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Given the low vacancy rate as well as limited new supply in its core urban markets, INV, through Asset Manager, recently completed a property by property, unit by unit, review of each of its residential properties evaluating the current rent, the market rent and the ability to raise this market rent upon renewal or new vacancy. This analysis took into account that many of INV's properties have a high occupancy rate and vacant units are quickly occupied. The Asset Manager also noted that the potential new supply in many of its core markets was limited. To the limited extent new construction is occurring, developers are primarily building for-sale condominiums versus rental residential. In addition, recent dramatic increases in construction costs should act as a further constraint on new supply. The result of this strategic review was on a unit by unit basis assigning new rents for both renewals and new leases which in aggregate are 1.9% higher than the current rents. The Bank of Japan's monetary policies with its 2% stated inflation target would provide further support for this proactive asset management approach.

As part of its further commitment to INV, Calliope, which belongs to Fortress Group has increased its holding of shares of the Asset Manager from 97.35% to 100%, and has offered covenants to the lenders of New Syndicate Loan (A) not to sell its shares in the Asset Manager and investment units in INV during the term of loan with certain conditions.

Rayo, which also belongs to Fortress Group, also represents its current intention to own INV's investment units to be acquired by Rayo through the Third-Party Allotment for the time being.

4. Schedule of the Transactions

Date	Matters
December 6, 2013	Resolution by INV's board of directors meeting concerning the Third-Party Allotment
December 17, 2013	Execution of the agreement of the New Syndicate Loan (A) (planned)
December 20, 2013	Payment date for the new investment units (planned)
December 20, 2013	Implementation of borrowing in the New Syndicate Loan (A) (planned)

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< Status of Borrowings >

The table below summarizes the overview of the borrowings of INV before the Transactions in a list.

(Before the Transactions: as of December 19, 2013)

	Lender	Borrowing date	Borrowing amount (mn JPY)	Interest rate (per annum)	Maturity date	Mortgage/guarantee
Syndicate Loan B	MetLife Alico Life Insurance K.K.	September 28, 2012	13,212	2.24214% Variable (Note 1)	July 31, 2014	Mortgage/non-guarantee
	The Bank of New York Mellon Trust (Japan), Ltd.					
	Citibank Japan Ltd.					
	Shinsei Bank, Limited					
Shinsei Trust Loan A	Shinsei Trust & Banking Co., Ltd.	July 29, 2011	7,100	8.5% Fix interest	January 30, 2015	Mortgage/non-guarantee
Shinsei Trust Loan B	Shinsei Trust & Banking Co., Ltd.	July 29, 2011	2,448	9.5% Fix interest	January 30, 2015	Mortgage/non-guarantee
	Subtotal of long-term Debt		22,760	4.98%		
Prudential LPS Loan	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	July 29, 2011	3,750	2.5% Fix interest	January 25, 2017	Mortgage/non-guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	July 29, 2011	3,620	2.5% Fix interest	January 25, 2018	Mortgage/non-guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	July 29, 2011	3,630	2.5% Fix interest	January 25, 2019	Mortgage/non-guarantee
Prudential LPS Loan B	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	September 28, 2012	2,700	1.9% Fix interest	March 31, 2018	Mortgage/non-guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	September 28, 2012	2,860	1.9% Fix interest	March 31, 2019	Mortgage/non-guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	September 28, 2012	1,830	1.9% Fix interest	March 31, 2020	Mortgage/non-guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	September 28, 2012	2,570	1.9% Fix interest	March 31, 2019	Mortgage/non-guarantee
	Subtotal of Trust long-term Debt		20,960	2.21%		
	Total debt		43,720	3.66%		

(Note 1) Interest rate applicable from November 29, 2013 to December 19, 2013.

(Note 2) The borrowing amount is rounded down to the JPY million.

(Note 3) Interest rate (per annum) described in Total (Subtotal of long-term Debt, Subtotal of Trust long-term Debt, and Total debt) is average interest rate. Average interest rate is calculated as weighted average based on number of days for each period, and rounded to the nearest two decimal place. The same applies to the following.

(Note 4) The grey highlighted parts are the place where changed. The same applies to the following.

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< Status of Borrowings after the Transactions (scheduled) >

(After the Transactions: as of December 20, 2013)

	Lender	Borrowing date	Borrowing amount (mn JPY)	Interest rate (per annum)	Maturity date	Mortgage/guarantee
New Syndicate Loan (A)	Sumitomo Mitsui Banking Corporation	December 20, 2013	20,350	Variable (Note 1)	December 20, 2016	Mortgage/non guarantee
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Shinsei Bank, Limited					
	Citibank Japan Ltd.					
	Shinsei Trust & Banking Co., Ltd.					
	Aozora Bank, Ltd.					
	Subtotal of long-debt		20,350	1.65% (Note 2)		
Prudential LPS Loan	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	July 29, 2011	3,750	2.5% Fix interest	January 25, 2017	Mortgage/non guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	July 29, 2011	3,620	2.5% Fix interest	January 25, 2018	Mortgage/non guarantee
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	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	September 28, 2012	1,830	1.9% Fix interest	March 31, 2020	Mortgage/non guarantee
	Prudential Mortgage Asset Holdings 1 Japan Investment Limited Partnership	September 28, 2012	2,570	1.9% Fix interest	March 31, 2019	Mortgage/non guarantee
	Subtotal o Trust long-term Debt		20,960	2.21%		
	Total debt		41,310	1.94%		

(Note 1) One-month JPY TIBOR + spread (1.5%)

As for the first interest calculation period, two-month JPY TIBOR+ spread (1.5%)

(Note 2) Interest rate (per annum) described in Total (Subtotal of long-term Debt, Subtotal of Trust long-term Debt, and Total debt) is average interest rate. Average interest rate after the Refinancing is calculated on the assumption that the one-month JPY TIBOR as of December 4, 2013 is applicable. Average interest rate is calculated as weighted average based on number of days for each period, and rounded to the nearest two decimal place.

(Note 3) The borrowing amount is rounded down to the million JPY.

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<Capital Transfer due to the Transactions>

Payment (mn JPY)			Procurement (mn JPY)	
Repayment of Syndicate Loan B	13,212	⇒	New Syndicate Loan (A)	20,350
Repayment of Shinsei Trust Loan A	7,100		Proceeds from Third-Party Allotment	2,410
Repayment of Shinsei Trust Loan B	2,448			
Refinancing related expenses	654	⇒	Proceeds from Third-Party Allotment	589
			Cash on hand	65
Payment of exit fees	982		Cash on hand	982
Total	24,396		Total	24,396

(Note) The amount is rounded down to JPY million.

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