

[For Information Purpose Only.]

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

May 25, 2017

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 entered into a loan agreement dated today for a new borrowing (the “Borrowing”) in order to pay a portion of the acquisition price and related expenses of one hotel property (in the form of trust beneficiary interest) <sup>1</sup> scheduled to be acquired on May 29, 2017.

(Note 1) For details on the acquisition of the hotel property, please refer to the press release “Notice concerning Acquisition of Asset and Entering into Leasing Contract” as of today.

This English language notice is a translation of the Japanese-language notice released on May 25, 2017 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.

## 2. Details of the Borrowing (anticipated)

<Term Loan (G)>

Four and a Half Years Tranche

- |                                |   |
|--------------------------------|---|
| (1) Lender                     | : Mizuho Bank, Ltd.   |
| (2) Borrowing amount           | : JPY 7,321 million   |
| (3) Interest rate, etc.        | : 1-month JPY TIBOR (Base Rate) + spread (0.55%)<br>(Only in first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.55%)) <sup>1</sup><br>Variable interest rate |
| (4) Borrowing method           | : Borrowing based on separate term loan agreement dated May 25, 2017<br>Unsecured / with no guarantee   |
| (5) Agreement date             | : May 25, 2017  |
| (6) Anticipated borrowing date | : May 29, 2017  |
| (7) Interest payment date      | : (1) The last Japanese business day of each month before the principal maturity date, beginning with June 30, 2017, and (2) the principal maturity date                      |
| (8) Principal repayment method | : Lump-sum repayment on the principal maturity date   |
| (9) Principal maturity date    | : November 29, 2021   |

- (Note 1)
- Base rate applicable to the interest calculation period for interests to be paid on the relevant interest payment date shall be 1-month JPY TIBOR announced by Japanese Bankers Associations two Japanese business days prior to the immediately preceding interest payment date.
  - JPY TIBOR announced by the Japanese Bankers Associations is available at its website (<http://www.jbatibor.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>)

### 3. Future outlook

For revision of the forecasted financial results and distributions in relation to the Borrowing for the fiscal period ending June 2017 (from January 1, 2017 to June 30, 2017) and the fiscal period ending December 2017 (from July 1, 2017 to December 31, 2017), please refer to the press release “Notice concerning Revision of Forecast of Financial Results and Distribution for the 28th Fiscal Period Ending June 2017 and the 29th Fiscal Period Ending December 2017” dated as of today.

### 4. Loan proceeds, use of proceeds and scheduled timing of disbursement

#### (1) Loan proceeds

JPY 7,321 million

#### (2) Use of proceeds

To be appropriated for a portion of the acquisition price and related expenses of the hotel property

#### (3) Scheduled timing of expenditure

May 29, 2017

### 5. Other matters necessary for investors' appropriate understanding/judgment of the concerned information

With respect to the risks associated with the Borrowing, there will be no change that substantially affects the content of “Investment Risks” stated in the securities report for the fiscal period ended December 2016 (from July 1, 2016 to December 31, 2016) (Japanese only) filed on March 27, 2017.

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

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## ■ Borrowing amount outstanding (anticipated)

	Before Borrowing (As of May 25, 2017)	After Borrowing (As of May 29, 2017)	Variance
Total Borrowings (JPY million)	156,669	163,990	+7,321
Total Appraisal Value <sup>1</sup> (JPY million)	353,002	361,092	+8,090
LTV (Based on Appraisal Value) <sup>2</sup> (%)	44.4	45.4	+1.0pt

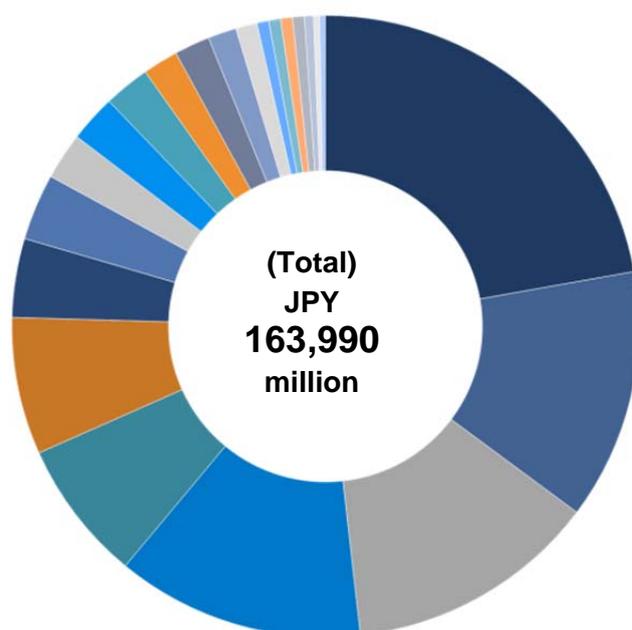
(Note 1) "Total Appraisal Value" is based on appraisal value stated in the appraisal reports on the valuation date of December 31, 2016 for the 124 properties owned as of December 31, 2016, the valuation date of December 1, 2016 for the two properties acquired on March 14, 2017, and the valuation date of April 30, 2017 for the one property to be acquired, respectively.

(Note 2) "LTV (Based on Appraisal Value)" in the above table is calculated according to the following formula:

$$\text{LTV (Based on Appraisal Value)} = \text{Total Borrowings} \div \text{Appraisal Value} \times 100$$

(Note 3) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

## ■ Lender formation as of May 29, 2017 (anticipated)



Mizuho Bank	22.2%
BTMU	13.0%
SMTB	13.0%
SMBC	12.8%
Citibank	7.3%
Shinsei Bank	7.1%
Resona Bank	4.1%
MUTB	3.4%
Tokyo Star Bank	2.4%
Japan Post Bank	2.4%
Aeon Bank	2.4%
DBJ	1.8%
Fukuoka Bank	1.8%
Shizuoka Bank	1.5%
Nomura TB	1.1%
Kagawa Bank	0.6%
Daishi Bank	0.6%
Hyakugo Bank	0.6%
Hiroshima Bank	0.6%
Towa Bank	0.5%
Dai-ichi Life Insurance	0.3%
Gunma Bank	0.3%

(Note) Percentages are rounded to the nearest one decimal place.

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