

October 4, 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)

URL: <http://www.invincible-inv.co.jp/eng/>

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 Issuance of Investment Corporation Bonds

Invincible Investment Corporation (“INV”) hereby announces its decision to issue its investment corporation bonds (the “Issuance”) today as follows.

### 1. Summary of the investment corporation bonds

- |                                 |   |
|---------------------------------|---|
| (1) Name                        | : Invincible Investment Corporation 3rd series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (the “Investment Corporation Bonds”)                 |
| (2) Total issue amount          | : 2 billion yen   |
| (3) Form of bond certificate    | : The Act concerning Book-Entry Transfer of Corporate Bonds, Stocks etc. is applicable to the Investment Corporation Bonds, thus investment corporation bond certificates will not be issued. |
| (4) Issue price                 | : ¥100 per ¥100 of each bond  |
| (5) Redemption price            | : ¥100 per ¥100 of each bond  |
| (6) Interest rate               | 0.550% per annum  |
| (7) Denomination amount         | 100 million yen   |
| (8) Offering method             | Public offering   |
| (9) Offering period             | October 4, 2018 (Thursday)  |
| (10) Payment date               | October 12, 2018 (Friday)   |
| (11) Collateral/Guarantee       | Neither collateral nor guarantee is applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.   |
| (12) Redemption method and date | October 12, 2023 (5 years)<br>The Investment Corporation Bonds may be purchased and cancelled   |

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at any time after the payment date, except for the case where the laws and regulations or the Depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on the bank holiday, the payment will be moved forward to the previous bank business day.

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|--|---|
| (13) Interest payment dates                        | April 12 and October 12 every year (the first interest payment date is to be April 12, 2019)                    |
| (14) Rating  | A (Japan Credit Rating Agency, Ltd.)  |
| (15) Financial covenants                           | Negative pledge among unsecured bonds   |
| (16) Depository                                    | Japan Securities Depository Center, Inc.  |
| (17) Fiscal agent, issuing agent, and paying agent | Mizuho Bank, Ltd.   |
| (18) Underwriting securities companies             | Mizuho Securities Co., Ltd.<br>SMBC Nikko Securities Inc.<br>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. |

## 2. Reason for bonds issuance

INV will issue the Investment Corporation Bonds for the purpose of raising funds to repay its existing borrowing, as the bonds diversify the financing sources for INV, while at the same time lowering its financing costs, lengthening the average maturity period of its debt and diversifying the maturity date of its debt.

## 3. Total amount to be raised, use of funds and scheduled timing of disbursement

### (1) Total amount to be raised (approximate net proceeds)

1,980 million yen in total

### (2) Use of funds and scheduled timing of disbursement

The proceeds will be used to repay a portion of New Syndicate Loan (H) in the amount of 2,000 JPY million which is due on October 15, 2018, out of the outstanding amount of 21,925 million of New Syndicate Loan (H) (the "Repayment").

(Note) For details on the New Syndicate Loan (H), please refer to "4. Loans to be Repaid" below.

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## 4. Loans to be Repaid New Syndicate Loan (H)

(as of October 4, 2018)

Lender	Borrowing Date	Borrowing Amount Before the Repayment (JPY million)	Repayment Amount (JPY million)	Borrowing Amount After the Repayment (JPY million)	Interest Rate (Annual Rate)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. AEON Bank, Ltd. The Bank of Fukuoka, Ltd. The Dai-ichi Life Insurance Company, Limited The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd.	October 13, 2017	2,000	2,000	—	0.26545% (Note 1)	October 13, 2018	Unsecured / with no guarantee
	October 13, 2017	3,700	—	3,700	0.31545% (Note1)	October 13, 2019	
	October 13, 2017	1,868	—	1,868	0.36545% (Note 1)	October 13, 2020	
	October 13, 2017	1,867	—	1,867	0.46545% (Note 1)	October 13, 2021	
	October 13, 2017	5,365	—	5,365	0.66545% (Note 1)	October 13, 2022	
	October 13, 2017	3,565	—	3,565	0.76545% (Note 1)	October 13, 2023	
	October 13, 2017	3,560	—	3,560	0.86545% (Note 1)	October 11, 2024	
Total		21,925	2,000	19,925			

(Note 1) The interest rates are those applicable for the period from September 28, 2018 to October 30, 2018.

(Note 2) For details of the loan, please refer to the press releases "Notice concerning Debt Financing" dated September 21, 2017 and "Notice concerning Prepayment of Loan" dated May 31, 2018. Since the maturity date (October 13, 2018) for the borrowing subject to the Repayment falls on a non-business day, as per provision of contract, the next business day (October 15, 2018) will be the actual maturity date.

## 5. Future outlook

The impact of the Issuance and the Repayment to financial results is minimal and therefore no changes are required for the forecasts of the financial results for the fiscal period ending December 2018 (from July 1, 2018 to December 31, 2018) as announced in the "Summary of Financial Results for the Fiscal Period Ended June 30, 2018" dated August 22, 2018.

## 6. Other matters necessary for investors' appropriate understanding/judgment of the concerned Information

With respect to the risks associated with the Issuance and the Repayment, there will be no change that substantially affects the matters stated in "Investment Risks" (*toshi risuku*) stated in the securities report (*yuka shoken hokokusho*) for the fiscal period ended June 2018 (from January 1, 2018 to June 30, 2018) filed on September 25, 2018 and the supplemental documents for shelf registration (*hakko toroku tsuiho shorui*) filed on October 4, 2018.

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

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[For reference only]

■ Balance of interest-bearing liabilities (anticipated)

(Unit : million yen)

	Before Issuance and Repayment (As of October 4, 2018)	After Issuance and Repayment (As of October 15, 2018)	Increase (Decrease)
Total loans	227,873	225,873	-2,000
Total investment corporation bonds	2,000	4,000	+2,000
Total interest-bearing liabilities	229,873	229,873	—
Total appraisal value of assets owned by INV <sup>1</sup>	515,151	515,151	—
LTV (based on appraisal value) <sup>2</sup> (%)	44.4	44.4	—

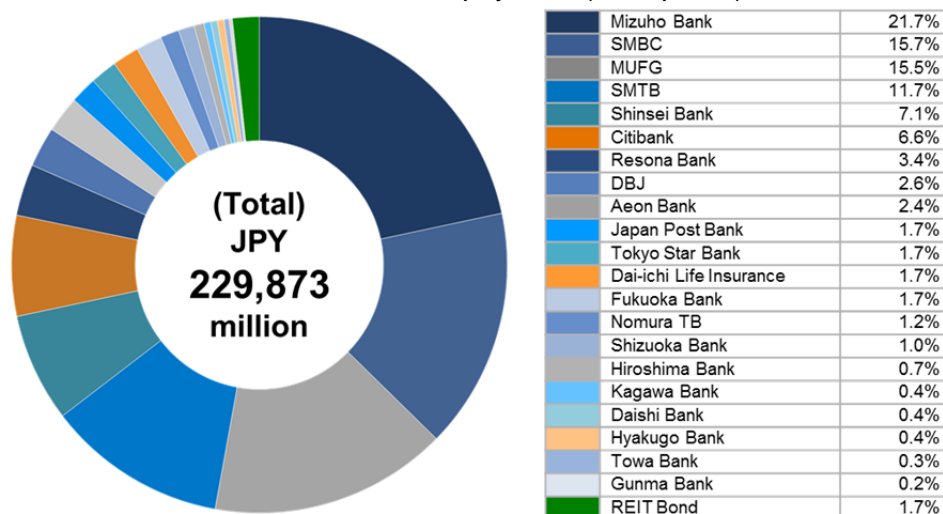
(Note 1) As to "Total appraisal value of assets owned by INV", among the 132 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel and the overseas real estate TK interest the underlying assets of which are "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort"), the 125 properties held as of June 30, 2018 (excluding preferred equity interest in the TMK) are based on the appraisal value stated in the appraisal reports on the valuation date of June 30, 2018, and the four properties acquired from July 2018 onward (excluding the overseas real estate TK interest) are based on the appraisal value stated in the appraisal reports on the valuation date of June 1, 2018. 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. Also, 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 acquisition price (INV's TK investment amount) of such TK interest, USD 339,836 thousand (JPY 37,534 million, converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward executed on July 26, 2018 and implemented on September 26, 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:  

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

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

■ Lender formation after the Issuance and Repayment (anticipated)



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