

[For Information Purpose Only.]

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

August 26, 2019

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)

Notice concerning Debt Financing (Refinance) and Execution of Interest Rate Swap Agreement

Invincible Investment Corporation ("INV") has determined today to obtain new debt financing to refinance existing debt and has executed an interest rate swap agreement (the "Interest Rate Swap Agreement") today with regards to the new borrowing. INV will further strengthen its lender formation by introducing a new bank, The Daisan Bank, Ltd through the new borrowing. Details are as follows.

1. Reason for Borrowing

INV has decided to execute a new loan agreement (the "New Borrowing") today in order to repay Term Loan (A) (Note) due on August 28, 2019.

(Note) For details of the Term Loan (A), please refer to "4. Details of Loan to be Repaid" below and the press releases entitled "Notice concerning Debt Financing" dated August 21, 2015 and "Notice Concerning Implementation of Debt Financing" dated August 28, 2015.

2. Details of the New Borrowing (anticipated)

< New Syndicate Loan (N) >

4.4-Year Loan

- | | | |
|-------------------------|---|--|
| (1) Lender | : | Mizuho Bank, Ltd.
The Daisan Bank, Ltd. |
| (2) Borrowing amount | : | JPY 3,682 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.45000%)
Variable interest rate (Note) |

This English language notice is a translation of the Japanese-language notice released on August 26, 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) Borrowing method : Borrowing based on separate term loan agreement dated August 26, 2019
Unsecured / with no guarantee
- (5) Agreement date : August 26, 2019
- (6) Anticipated borrowing date : August 28, 2019
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with August 30, 2019, and
(2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 16, 2024

- (Note)
- Base rate applicable to each interest calculation period for the interests to be paid on the relevant interest payment date shall be the 1-month JPY TIBOR announced by Japanese Bankers Association two Japanese business days prior to the immediately preceding interest payment date (in case of the initial interest calculation period, two Japanese business days prior to the borrowing date).
 - JPY TIBOR announced by the Japanese Bankers Association 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. Loan proceeds, use of proceeds and scheduled timing of disbursement

(1) Loan proceeds

JPY 3,682 million

(2) Use of proceeds

To be appropriated for the repayment of Term Loan (A)

(3) Scheduled timing of disbursement

August 28, 2019

4. Details of Loan to be Repaid

Term Loan (A)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd.	August 28, 2015	3,682	3,682	—	0.48000% (Note)	August 28, 2019	Unsecured/ non-guaranteed

(Note) This is a borrowing with floating interest rate, but the interest rate is fixed through interest rate swap agreement. The interest rate is fixed rate after swap.

5. Details of the Interest Rate Swap Agreement

(1) Reason for Executing the Interest Rate Swap Agreement

In order to hedge the risk of interest rate fluctuations

(2) Details of the Interest Rate Swap Agreement

Counterparty	Notional Principal (JPY million)	Interest Rate (upper : fixed rate payable) (lower: floating rate receivable)	Agreement Date	Applicable Period	Interest Payment Date
Nomura Securities Co., Ltd.	3,682 (Note 1)	0.46219%	August 26, 2019	From August 28, 2019 to January 16, 2024	The last Japanese business day of each month and the last day of the applicable period
		One-month JPY TIBOR + 0.45000%			

(Note 1) Equivalent to the principal amount of borrowing by the New Syndicate Loan (N) to be implemented on August 28, 2019. By this Interest Rate Swap Agreement, the interest rate of this loan will be fixed, in effect, at 0.46219%.

(Note 2) The initial interest calculation period is from August 28, 2019 (inclusive of the date) to August 30, 2019 (exclusive of the date and up to one day prior), and the interest calculation period thereafter will be from the immediately preceding interest payment date (inclusive of the date) to the relevant interest payment date (exclusive of the date and up to one day prior).

6. Future outlook

The impact of the New Borrowing and the Interest Rate Swap Agreement on financial results is minimal and therefore no changes are required for the forecasts of financial results for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019).

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

With respect to the risks associated with the New Borrowing and the Interest Rate Swap Agreement, please refer to the content of "Investment Risks" stated in the securities report for the fiscal period ended December 2018 (from July 1, 2018 to December 31, 2018) (available in Japanese only) filed on March 26, 2019 and "Part II Reference Information II Supplemental Information to the Reference Documents 5. Investment Risks" of the securities registration statement (available in Japanese only) filed on July 1, 2019.

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

This English language notice is a translation of the Japanese-language notice released on August 26, 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.

[For reference only]

■Change in balance of interest-bearing liabilities (anticipated)

(Unit : JPY million)

	Before the New Borrowing (As of August 26, 2019)	After the New Borrowing (As of August 28, 2019)	Increase (Decrease)
Total loans	252,174	252,174	—
Total investment corporation bonds	4,000	4,000	—
Total interest-bearing liabilities	256,174	256,174	—
Total appraisal value of assets owned by INV (Note 1)	574,500	574,500	—
LTV (based on appraisal value) (Note 2) (%)	44.1	44.1	—

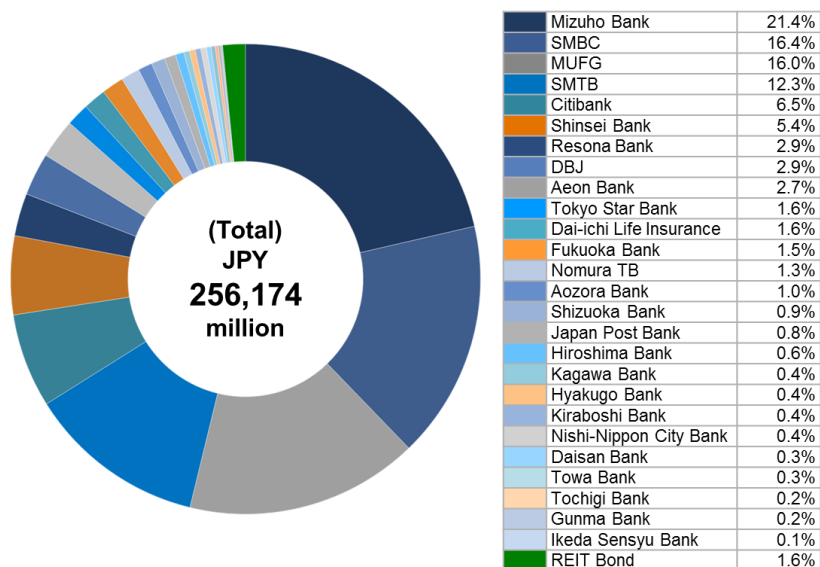
(Note 1) As to “Total appraisal value of assets owned by INV”, among the 148 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel), the appraisal value for the 129 properties held as of June 30, 2019 is based on the appraisal value stated in the appraisal reports on the valuation date of June 30, 2019 and the 18 properties acquired in July 19, 2019 is based on the appraisal value stated in the appraisal reports on the valuation date of April 1, 2019. 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. The appraisal value of overseas real estate assets (which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”) is translated into JPY based on the exchange rate of 1 USD=110.45 JPY which is the foreign exchange forward rate under the foreign exchange forward agreement which we entered into on July 26, 2018 and became effective as of September 26, 2018.

(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:

$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)}}{\text{Total appraisal value of assets owned by INV}} \times 100$$
 “Total interest-bearing liabilities” does 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 New Borrowing (anticipated)



This English language notice is a translation of the Japanese-language notice released on August 26, 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.