

[For Information Purpose Only.]

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

July 1, 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

Invincible Investment Corporation (“INV”) has determined to obtain new debt financing. Details are as follows.

1. Reason for Borrowing

INV has decided to execute new borrowing (the “Borrowing”) in order to fund a portion of the anticipated acquisition price and related expenses of eighteen domestic hotel properties (in the form of trust beneficiary interests) (the “Anticipated Acquisitions”) (Note) scheduled to be acquired on July 19, 2019. The Borrowing is provided by a syndicate of lenders arranged by Mizuho Bank, Ltd. as an arranger. INV continues to be supported by the existing lenders and its bank formation will be further strengthened.

(Note) For details on the Anticipated Acquisitions, please refer to the press release entitled “Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests” dated July 1, 2019.

This English language notice is a translation of the Japanese-language notice released on July 1, 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.

2. Details of the Borrowing (anticipated)

<New Syndicate Loan (L)>

6-Year Tranche

- | | | |
|--------------------------------|---|---|
| (1) Lenders | : | Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., AEON Bank, Ltd., Aozora Bank, Ltd., The Nomura Trust and Banking Co., Ltd. |
| (2) Borrowing amount | : | JPY 4,942 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.700%) (Note1) Variable interest rate |
| (4) Borrowing method | : | Borrowing based on separate term loan agreement dated July 1, 2019 Unsecured / with no guarantee |
| (5) Agreement date | : | July 1, 2019 |
| (6) Anticipated borrowing date | : | July 19, 2019 |
| (7) Interest payment date | : | (i) The last Japanese business day of each month before the principal maturity date, beginning with July 31, 2019, and (ii) the principal maturity date |
| (8) Principal repayment method | : | Lump-sum repayment on the principal maturity date |
| (9) Principal maturity date | : | July 16, 2025 |

5.5-Year Tranche

- | | | |
|--------------------------------|---|---|
| (1) Lenders | : | Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., AEON Bank, Ltd., Aozora Bank, Ltd., The Nomura Trust and Banking Co., Ltd. |
| (2) Borrowing amount | : | JPY 4,943 million |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.550%) (Note 1) Variable interest rate |
| (4) Borrowing method | : | Borrowing based on separate term loan agreement dated July 1, 2019 Unsecured / with no guarantee |
| (5) Agreement date | : | July 1, 2019 |
| (6) Anticipated borrowing date | : | July 19, 2019 |

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- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with July 31, 2019, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 16, 2025

5-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.,
Sumitomo Mitsui Banking Corporation,
MUFG Bank, Ltd.,
Sumitomo Mitsui Trust Bank, Limited,
Citibank, N.A., Tokyo Branch,
Development Bank of Japan Inc.,
AEON Bank, Ltd.,
Aozora Bank, Ltd.,
The Nomura Trust and Banking Co., Ltd.
- (2) Borrowing amount : JPY 4,943 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.500%)
(Note 1)
Variable interest rate (Note 2)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 1, 2019
Unsecured / with no guarantee
- (5) Agreement date : July 1, 2019
- (6) Anticipated borrowing date : July 19, 2019
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with July 31, 2019, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : July 16, 2024

4.5-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.,
Sumitomo Mitsui Banking Corporation,
MUFG Bank, Ltd.,
Sumitomo Mitsui Trust Bank, Limited,
Citibank, N.A., Tokyo Branch,
Development Bank of Japan Inc.,
AEON Bank, Ltd.,
Aozora Bank, Ltd.,
The Nomura Trust and Banking Co., Ltd.
- (2) Borrowing amount : JPY 4,943 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.450%)
(Note 1)

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- Variable interest rate (Note 2)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 1, 2019
Unsecured / with no guarantee
- (5) Agreement date : July 1, 2019
- (6) Anticipated borrowing date : July 19, 2019
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with July 31, 2019, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 16, 2024

3.5-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.,
Sumitomo Mitsui Banking Corporation,
MUFG Bank, Ltd.,
Sumitomo Mitsui Trust Bank, Limited,
Citibank, N.A., Tokyo Branch,
Development Bank of Japan Inc.,
AEON Bank, Ltd.,
The Nomura Trust and Banking Co., Ltd.
- (2) Borrowing amount : JPY 4,943 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.350%)
(Note 1)
Variable interest rate (Note 2)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 1, 2019
Unsecured / with no guarantee
- (5) Agreement date : July 1, 2019
- (6) Anticipated borrowing date : July 19, 2019
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with July 31, 2019, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 16, 2023

Short-term consumption tax loan (Note 3)

- (1) Lender : Mizuho Bank, Ltd.,
Sumitomo Mitsui Banking Corporation,
MUFG Bank, Ltd.,
Sumitomo Mitsui Trust Bank, Limited
- (2) Borrowing amount : JPY 2,686 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.200%)

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(Note 1)

Variable interest rate

- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 1, 2019
Unsecured / with no guarantee
- (5) Agreement date : July 1, 2019
- (6) Anticipated borrowing date : July 19, 2019
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with July 31, 2019, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : July 18, 2020 (Note 4)

(Note 1) · Base rate applicable to the interest calculation period for interests to be paid on the relevant interest payment date shall be the 1-month JPY TIBOR announced by JBA TIBOR Administration two Japanese business days prior to the immediately preceding interest payment date.

· JPY TIBOR announced by the JBA TIBOR Administration is available at its website

(<http://www.ibatibor.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>).

(Note 2) The interest rate (annual rate) is scheduled to be substantively fixed by concluding swap agreements for 5-Year Tranche, 4.5-Year Tranche and 3.5-Year Tranche of the New Syndicate Loan (L).

(Note 3) Short-term consumption tax loan is a loan which is to be repaid before maturity date with refund of consumption taxes and regional consumption taxes on an acquisition of a property. The same shall apply hereinafter.

(Note 4) Short-term consumption tax loan will be prepaid before maturity date once INV receives the refund of consumption taxes and regional consumption taxes on the acquisition of properties through New Syndicate Loan (L).

(Note 5) Borrowing under the New Syndicate Loan (L) is subject to certain conditions including satisfaction of separately agreed conditions.

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3. Amount and use of proceeds and scheduled timing of disbursement

(1) Loan proceeds

JPY 27,400 million

(2) Use of proceeds

To be appropriated for a portion of the acquisition price (the total anticipated acquisition price of JPY 82,646 million) (Note) and related expenses of Anticipated Acquisitions.

(Note) For details on the Anticipated Acquisitions, please refer to the press release entitled "Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests" dated July 1, 2019.

(3) Scheduled timing of expenditure

July 19, 2019

4. Future outlook

For revision of the forecasted financial results for the fiscal period ended June 2019 (from January 1, 2019 to June 30, 2019) and revision of the forecasted financial results and distribution for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019), please refer to the press release entitled "Notice concerning Revision of Forecast of Financial Results for the 32nd Fiscal Period Ended June 2019 and Revision of Forecast of Financial Results and Distribution for the 33rd Fiscal Period Ending December 2019" dated July 1, 2019.

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

With respect to the risks associated with the Borrowing, please refer to "Investment Risks" stated in the semi-annual securities report (*yuka shoken hokokusho*) for the fiscal period ended December 2018 (from July 1, 2018 to December 31, 2018) (available in Japanese only) filed as of 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 July 1, 2019.

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

[For reference only]

< Change in balance of interest-bearing liabilities (anticipated)>

Unit: million yen

| | Before the Borrowing (As of July 1, 2019) | After the Borrowing (Note 3) | Increase (Decrease) |
|---|--|---------------------------------|------------------------|
| Total loans | 224,774 | 252,174 | +27,400 |
| Total investment corporation bonds | 4,000 | 4,000 | — |
| Total interest-bearing liabilities | 228,774 | 256,174 | +27,400 |
| Total appraisal value of properties owned by INV (and Anticipated Acquisitions) (Note 1) | 486,620 | 570,107 | +83,487 |
| LTV (based on appraisal value) (%)(Note 2) | 47.0 | 44.5 | ▲2.5 |

(Note 1) As to “Total appraisal value of properties owned by INV (and Anticipated Acquisitions)”, for “Before the Borrowing”, among the 130 properties owned by INV as of July 1, 2019 before the Borrowing (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset and the two Cayman hotels “Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”), 127 properties (excluding the preferred equity interest in the TMK and the two Cayman hotels) are based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 2018. Appraisal value for “Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort” are 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 was 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. For “After the Borrowing”, the Anticipated Acquisitions are based on the appraisal value stated in the appraisal reports on the valuation date of April 1, 2019.

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

$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)}}{\text{Total appraisal value of properties owned by INV (and Anticipated Acquisition)}} \times 100$$
 “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) “After the Borrowing” in the above table is the date when INV has executed the Borrowing and had acquired the Anticipated Acquisitions.

(Note 4) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

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