

[For Information Purpose Only.]

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

October 18, 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 Issuance of Investment Corporation Bonds**

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

### 1. Summary of the investment corporation bonds

- (1) Name : Invincible Investment Corporation 4th series unsecured bonds (with pari passu conditions among specified investment corporation bonds) ("the 4th Series Investment Corporation Bonds")  
Invincible Investment Corporation 5th series unsecured bonds (with pari passu conditions among specified investment corporation bonds) ("the 5th Series Investment Corporation Bonds").  
The 4th Series Investment Corporation Bonds and the 5th Series Investment Corporation Bonds shall be hereinafter collectively referred to as the "Investment Corporation Bonds." In the following items, matters common to each series of investment corporation bonds are not described separately.
- (2) Total issue amount : 3 billion Yen  
The breakdown is as follows:  
The 4th Series Investment Corporation Bonds: 1 billion Yen  
The 5th Series Investment Corporation Bonds: 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

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# Invincible Investment Corporation

- (6) Interest rate : The 4th Series Investment Corporation Bonds: 0.480% per annum  
The 5th Series Investment Corporation Bonds: 0.900% per annum
- (7) Denomination price : 100 million Yen
- (8) Offering method : Public offering
- (9) Offering period : October 18, 2019 (Friday)
- (10) Payment date : October 28, 2019 (Monday)
- (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 : The 4th Series Investment Corporation Bonds: October 28, 2024 (5 years)  
The 5th Series Investment Corporation Bonds: October 26, 2029 (10 years)  
The Investment Corporation Bonds may be purchased and cancelled 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.
- (13) Interest payment dates : April 28 and October 28 every year (the first interest payment date is to be April 28, 2020)
- (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.  
SMBC Nikko Securities Inc.  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

## 2. Reason for bonds issuance

INV is pleased to issue the Investment Corporation Bonds for the purpose of raising funds to be used in strategic capital expenditures to improve the value and add value to the existing properties, 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)  
2,970 million Yen in total

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

The proceeds will be used to fund a portion of strategic capital expenditure to improve the value of existing properties.

## 4. Future outlook

The impact of the Issuance to financial results is minimal and therefore no changes are required for the forecasts of the financial results for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019) as announced in the “Summary of Financial Results for the Fiscal Period Ended June 30, 2019” dated August 22, 2019.

## 5. Other matters necessary for investors’ appropriate understanding/judgment of the concerned Information

With respect to the risks associated with the Issuance, 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 2019 (from January 1, 2019 to June 30, 2019) (available in Japanese only) filed on September 24, 2019.

Website of INV: <https://www.invincible-inv.co.jp/en/>

[For reference only]

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

(Unit : JPY million)

	Before the Issuance (As of October 18, 2019)	After the Issuance (As of October 28, 2019)	Increase (Decrease)
Total loans	252,174	252,174	—
Total investment corporation bonds	4,000	7,000	+3,000
Total interest-bearing liabilities	256,174	259,174	+3,000
Total appraisal value of assets owned by INV (Note 1)	574,500	574,500	—
LTV (based on appraisal value) (Note 2) (%)	44.1	44.6	+0.5pt

(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.

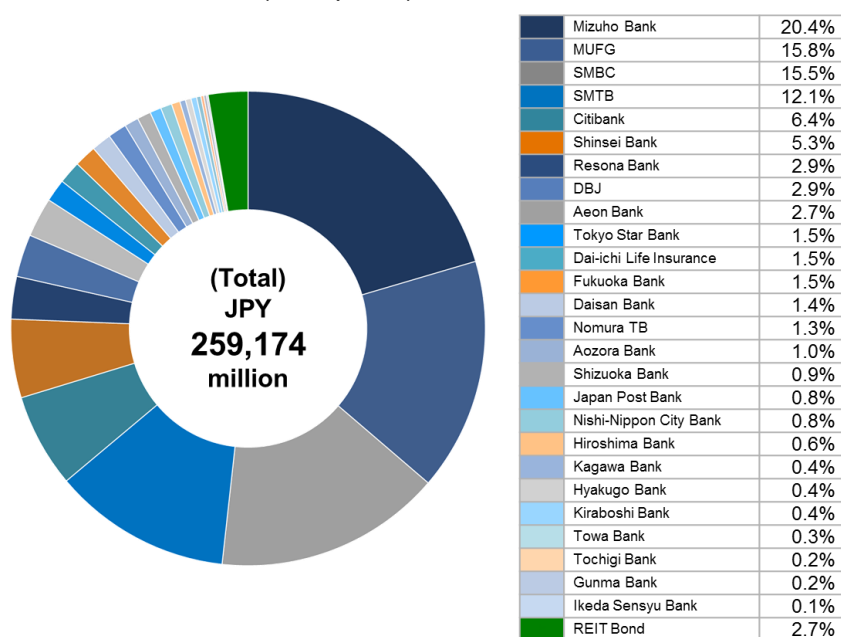
(Note 2) "LTV (based on appraisal value)" in the above table is calculated according to the following formula:

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

"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 Issuance (anticipated)



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