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

December 25, 2019

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation
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(Securities Code: 8963)

Asset Manager:

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Performance Update for November 2019

Invincible Investment Corporation (“INV”) hereby announces its monthly performance.

1. Overall Performance of the Entire Portfolio

The overall Portfolio NOI^{1,2} for December 2019 fiscal period (from July to November) decreased by 6.0% compared to the same period in 2018. The decline in NOI for November 2019 (-7.8%) stems primarily from the prolonged trade and diplomatic dispute between Japan and South Korea resulting in fewer inbound travelers from South Korea. Guests from South Korea only represented 3.3% of INV’s total hotel room revenue³ from January-June 2019, but declined to 0.9% in October 2019 and remained the same in November 2019. The decline in guests from South Korea is in line with the November 2019 figures announced by Japan National Tourism Organization (JNTO), showing a 65.1% decline in visitor arrivals from South Korea to Japan year-on-year.

The following are the details by segment.

2. Hotel Assets Overview

(1) Domestic Hotels

The domestic hotel portfolio⁴ performance for the month of November 2019 has shown declines in Occupancy of 1.0pt, ADR of 5.5% and RevPAR of 6.5% year-on-year, respectively, due to the reason mentioned above. The November 2019 NOI declined by 10.2% year-on-year, and the cumulative NOI for the December 2019 fiscal period (July to November) declined by 7.8% compared to the same period last year.

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Table below shows the KPIs for each area of the domestic hotel portfolio.

Area	Pre-offering (55 properties ⁵)			Post-offering (71 properties ⁴)		
	Occupancy Rate ⁸	ADR (JPY) ⁹	RevPAR (JPY) ¹⁰	Occupancy Rate ⁸	ADR (JPY) ⁹	RevPAR (JPY) ¹⁰
Tokyo 23 Wards	93.4%	9,403	8,779	93.3%	9,150	8,533
Greater Tokyo (ex. Tokyo 23 Wards)	92.3%	14,006	12,932	92.5%	13,692	12,660
Chubu	87.3%	9,264	8,089	88.1%	10,148	8,936
Kansai	86.4%	9,344	8,074	86.4%	9,344	8,074
Kyushu	91.5%	9,852	9,015	89.3%	9,782	8,739
Hokkaido	73.6%	9,198	6,773	73.6%	9,136	6,721
Other domestic	91.3%	16,335	14,921	91.4%	14,837	13,567
Total	89.7%	10,715	9,609	88.2%	10,445	9,209

(2) Cayman Hotels

The Cayman Hotels (the Westin Grand Cayman Seven Mile Beach & Spa and Sunshine Suites Resort) continue to perform well. ADR increased by 5.2%, Occupancy declined by 3.6pt, and RevPAR increased by 0.8% in November 2019 year-on-year. On a cumulative basis for the July to November 2019 period, ADR increased by 10.0%, Occupancy declined by 5.0%, and RevPAR increased by 2.6% compared to the same period last year.

The NOI (direct ownership basis, hereafter the same) for the month of November 2019 decreased by 3.1% year-on-year (which is included in the calculation of the overall Portfolio NOI for November 2019 as stated in “1. Overall Performance of the Entire Portfolio” on page 1). The cumulative NOI for the December 2019 fiscal period (July to November) increased by 3.9% compared to the same period last year.

3. Residential Assets Overview

The residential portfolio⁶ in-place occupancy rate as of the end of November 2019 was 96.3%, a year-on-year increase of 0.3pt. The rent increase program continues to show positive results as the average in-place rent per tsubo as of the end of November 2019 increased by 0.3% year-on-year. NOI⁷ for the residential portfolio in November 2019 increased by 3.1% year-on-year, and increased by 1.4% on a cumulative basis for the December 2019 fiscal period (July to November).

Rents, compared with those based on the immediately preceding leases, increased by 0.5% across all new leases, 1.4% across all renewal leases, and 1.0% across all combined new and renewal leases for the December 2019 fiscal period.

INV achieved a rent increase on 42.7% of lease contract renewals (December 2019 fiscal period). The retention rate for the existing tenants continues to be high at 82.2% for the December 2019 fiscal period.

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4. Performance

(1) 55 Domestic Hotel Properties⁵

	Nov. 2019 (A)	Nov. 2018 (B)	(A－B)	YoY Change	Cumulative (July-Nov.)			
					2019 (C)	2018 (D)	(C－D)	YoY Change
Occupancy Rate ⁸	89.7%	91.0%	-1.3pt	-1.4%	89.9%	91.0%	-1.1pt	-1.3%
ADR (JPY) ⁹	10,715	11,465	-751	-6.5%	10,814	11,275	-460	-4.1%
RevPAR (JPY) ¹⁰	9,609	10,431	-821	-7.9%	9,717	10,260	-543	-5.3%
Gross Revenue (JPY million) ¹¹	4,816	4,982	-166	-3.3%	23,284	24,384	-1,099	-4.5%

(2) 71 Domestic Hotel Properties⁴

	Nov. 2019 (A)	Nov. 2018 (B)	(A－B)	YoY Change	Cumulative (July-Nov.)			
					2019 (C)	2018 (D)	(C－D)	YoY Change
Occupancy Rate ⁸	88.2%	89.2%	-1.0pt	-1.1%	89.4%	90.1%	-0.7pt	-0.8%
ADR (JPY) ⁹	10,445	11,047	-603	-5.5%	10,992	11,365	-373	-3.3%
RevPAR (JPY) ¹⁰	9,209	9,853	-643	-6.5%	9,825	10,237	-412	-4.0%
Gross Revenue (JPY million) ¹¹	5,759	5,857	-97	-1.7%	29,086	29,889	-803	-2.7%

(3) Cayman Hotels

	Nov. 2019 (A)	Nov. 2018 (B)	(A－B)	YoY Change	Cumulative (July-Nov.)			
					2019 (C)	2018 (D)	(C－D)	YoY Change
Occupancy Rate ⁸	82.6%	86.2%	-3.6pt	-4.2%	69.7%	74.8%	-5.0pt	-6.7%
ADR (USD) ⁹	301	286	+15	+5.2%	268	243	+24	+10.0%
RevPAR (USD) ¹⁰	249	247	+2	+0.8%	187	182	+5	+2.6%
Gross Revenue (USD thousand)	6,466	6,334	+132	+2.1%	25,588	25,588	+0	+0.0%

(4) 62 Residential Properties⁶

	Nov. 2019 (A)	Nov. 2018 (B)	(A－B)	YoY Change	Cumulative (July-Nov.)			
					2019 (C)	2018 (D)	(C－D)	YoY Change
Occupancy Rate	96.3%	96.0%	+0.3pt	+0.3%	96.4%	96.1%	+0.3pt	+0.3%
Rent per Tsubo (JPY)	9,387	9,364	+23	+0.3%	9,386	9,344	+42	+0.5%

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5. Portfolio NOI

Pre-offering (130 properties)

		2018 Simulated NOI ¹³		NOI ^{14,2} (JPY million)					
				Nov.			Cumulative (July-Nov.)		
				2019	2018	YoY Change	2019	2018	YoY Change
	Tokyo 23 Wards	6,388	23.5%	522	617	-15.3%	2,362	2,724	-13.3%
	Greater Tokyo (ex. Tokyo 23 Wards)	3,568	13.1%	342	401	-14.7%	1,405	1,561	-10.0%
	Greater Tokyo - Subtotal	9,957	36.6%	865	1,019	-15.1%	3,767	4,286	-12.1%
	Chubu	1,456	5.4%	127	136	-6.5%	556	642	-13.3%
	Kansai	2,227	8.2%	171	253	-32.5%	708	966	-26.7%
	Kyushu	1,649	6.1%	140	173	-19.1%	637	697	-8.6%
	Hokkaido	1,479	5.4%	61	73	-16.3%	727	708	+2.7%
	Other domestic	2,181	8.0%	199	144	+38.1%	1,303	1,229	+6.1%
	Domestic Hotel – Subtotal	18,951	69.7%	1,565	1,800	-13.0%	7,701	8,529	-9.7%
	Residential	5,098	18.7%	308	299	+3.1%	1,510	1,489	+1.4%
	Commercial	368	1.4%	30	31	-1.5%	154	154	+0.0%
	Domestic Asset – Subtotal	24,417	89.8%	1,904	2,130	-10.6%	9,366	10,173	-7.9%
	Overseas	2,782	10.2%	252	260	-3.1%	756	728	+3.9%
	Total	27,200	100.0%	2,157	2,391	-9.8%	10,123	10,901	-7.1%

Post-offering (148 properties)

		2018 Simulated NOI ¹³		NOI ^{1,2} (JPY million)					
				Nov.			Cumulative (July-Nov.)		
				2019	2018	YoY Change	2019	2018	YoY Change
	Tokyo 23 Wards	6,450	21.6%	526	624	-15.6%	2,381	2,752	-13.5%
	Greater Tokyo (ex. Tokyo 23 Wards)	3,635	12.2%	348	407	-14.5%	1,438	1,592	-9.7%
	Greater Tokyo – Subtotal	10,086	33.8%	875	1,032	-15.2%	3,819	4,344	-12.1%
	Chubu	2,857	9.6%	249	255	-2.3%	1,157	1,269	-8.8%
	Kansai	2,227	7.5%	171	253	-32.5%	708	966	-26.7%
	Kyushu	2,406	8.1%	190	214	-10.8%	1,031	1,151	-10.4%
	Hokkaido	3,179	10.7%	102	100	+1.9%	1,624	1,509	+7.6%
	Other domestic	2,363	7.9%	226	165	+36.7%	1,396	1,315	+6.2%
	Domestic Hotel – Subtotal	23,119	77.5%	1,815	2,020	-10.2%	9,738	10,556	-7.8%
	Residential	3,555	11.9%	308	299	+3.1%	1,510	1,489	+1.4%
	Commercial	368	1.2%	30	31	-1.5%	154	154	+0.0%
	Domestic Asset – Subtotal	27,043	90.7%	2,154	2,351	-8.3%	11,402	12,200	-6.5%

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Overseas	2,782	9.3%	252	260	-3.1%	756	728	+3.9%
Total	29,826	100.0%	2,407	2,611	-7.8%	12,159	12,929	-6.0%

(Note 1) Based on all properties held as of the end of November 2019, excluding (i) 9 hotels with fixed-rent lease agreements and (ii) D70 Hotel MyStays Nagoya Nishiki and D75 Hotel MyStays Sapporo Susukino which do not have comparable performance figure for the previous year. 9 hotels with fixed-rent lease agreements are D29 Super Hotel Shinbashi/Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iriyaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel. NOI includes a simulated amount of dividend income from Kingdom TMK (the "TMK") that owns Sheraton Grande Tokyo Bay Hotel as an underlying asset. The fiscal periods of the TMK are semi-annual periods from April 1 to September 30 and from October 1 to March 31 every year, and INV will receive the dividend within three months from the end of each semi-annual fiscal period of the TMK. Since INV does not receive a dividend from the TMK on a monthly basis, the amount of dividend INV receives from the TMK for each month is a simulated figure, which is calculated by deducting (i) simulated expenses such as operating expense of the TMK and the interest of debt (calculated dividing the budget of the TMK for the fiscal period that includes the relevant month by the number of months in such fiscal period) from (ii) NOI based on the performance of Sheraton Grande Tokyo Bay Hotel in the month which is three months before the target month for this performance disclosure and multiplied by INV's ownership ratio of the preferred equity interest in the TMK (49.0%). The revenue from the Cayman Hotels is calculated at the exchange rate of US\$1 to ¥110, which is the exchange rate fixed by the acquisition of puts and selling calls, covering approximately 85% of expected cash flow through December 31, 2020. Furthermore, NOI is provisional figure and subject to change when it is determined at financial closing; hereinafter the same.

(Note 2) NOI figures before acquisition by INV is based on the data obtained from third-parties including previous owners; hereinafter the same.

(Note 3) Based on 71 domestic hotel properties managed by MyStays Hotel Management Co., Ltd. or its subsidiary, out of the 82 domestic hotel properties held by INV as of the end of November 2019.

(Note 4) Based on 71 hotel properties; of the 82 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the end of July 2019, (i) 9 hotels with fixed-rent lease agreements and (ii) (D70 Hotel MyStays Nagoya Nishiki and D75 Hotel MyStays Sapporo Susukino which do not have comparable performance figure for the previous year are excluded. As for Sheraton Grande Tokyo Bay hotel, NOI is based on the figure for the month which is three months prior to the target month for this performance disclosure as INV will receive the dividend from the TMK within three months of each fiscal period end for the TMK occupancy rate above. However, in consideration of seasonality, figures other than NOI in the table above are based on the figures for November 2019; hereinafter the same.

(Note 5) Based on 55 hotel properties; of the 64 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the end of November 2019, 9 hotels with fixed-rent lease agreements are excluded.

(Note 6) Based on 62 properties held as of the beginning of July 2019.

(Note 7) NOI excludes one-off insurance-related revenues and expenses, as well as expenses required to detach trust beneficiary interest from an integrated trust account.

(Note 8) "Occupancy Rate" for hotel portfolio is calculated using the following formula:

$$\text{room occupancy rate} = \frac{\text{total number of rooms occupied during the relevant period}}{(\text{aggregate number of rooms during the relevant period} \times \text{number of business days during target period})}$$

(Note 9) "ADR," or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period.

(Note 10) "RevPAR," or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same as product of the TMK occupancy rate and ADR.

(Note 11) Gross Revenue of Sheraton Grande Tokyo Bay Hotel used in the table is the whole gross revenue of such hotel, regardless of INV's ownership ratio of the preferred equity interest in the TMK (49.0%)

(Note 12) Cumulative occupancy rate for residential portfolio is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month and the percentages are rounded to one decimal place. Cumulative rent per subo is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leasable area at the end of each month.

(Note 13) Based on either (i) 130 properties owned by INV as of the beginning of July 2019, or (ii) 148 properties owned by INV as of the end of July 2019, assuming all properties were owned since the beginning of 2018. Includes the dividends from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel and estimated TK dividend backed by two Cayman hotels, assuming these dividends contributed throughout the June 2018 fiscal period and the December 2018 fiscal period of INV. Actual results for the pre-acquisition period of the properties acquired in 2018 are based on actual results provided by sellers. The revenue from the Cayman Hotels is calculated at the exchange rate of US\$1 to ¥110, which is the exchange rate fixed by the acquisition of puts and selling calls, covering approximately 85% of expected cash flow through December 31, 2020.

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(Note 14) Based on properties held as of the beginning of July 2019, excluding 9 hotels with fixed-rent lease agreements.

(Note 15) Percentages are rounded to one decimal place. ADR and RevPAR are rounded to the nearest yen and Gross Revenue is rounded down to the nearest million yen.

(Note 16) For the details of performance for each asset, please visit INV's website:

<https://www.invincible-inv.co.jp/en/portfolio/hotel.html>

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