

[For Information Purpose Only.]

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

March 6, 2020

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, President & CEO

Contact: Jun Komo

General Manager of Planning Department

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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 6th series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (the "Investment Corporation Bonds") |
| (2) Total issue amount | : JPY 1.2 billion |
| (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 | : 0.850% per annum |
| (7) Denomination price | : JPY 100 million |
| (8) Offering method | : Public offering |
| (9) Offering period | : March 6, 2020 (Friday) |
| (10) Payment date | : March 13, 2020 (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 | : March 13, 2030 (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 |

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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 : March 13 and September 13 every year (the first interest payment date is to be September 13, 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 repay its existing borrowings, while at the same time lowering the financing costs of its debt, lengthening the average maturity period and diversifying the maturity date.

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

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

JPY 1,185 million in total

(2) Use of funds and scheduled timing of disbursement

The proceeds will be used to repay a portion of New Syndicate Loan (F) in the amount of JPY 10,433 million which is due on March 30, 2020, out of the outstanding amount of JPY 20,866 million of New Syndicate Loan (F).

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

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4. Loans to be Repaid

New Syndicate Loan (F)

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) (Note)	Maturity Date	Borrowing Method
Sumitomo Mitsui Trust Bank, Limited JAPAN POST BANK Co., Ltd. Mizuho Bank, Ltd. MUFG Bank, Ltd. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. The Kagawa Bank, Ltd. The Daishi Bank, Ltd. The Hyakugo Bank, Ltd. The Hiroshima Bank, Ltd. The Nomura Trust and Banking Co., Ltd.	March 31, 2016	10,433	1,200	9,233	0.56909%	March 30, 2020	Unsecured / with no guarantee
	March 31, 2016	10,433	—	10,433	0.66909%	March 30, 2021	
Total		20,866	1,200	19,666			

(Note) The interest rates are those applicable as of March 6, 2020.

5. 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 periods ending June 2020 (from January 1, 2020 to June 30, 2020) and December 2020 (from July 1, 2020 to December 31, 2020) as announced in the “Financial Summary for the December 2019 Fiscal Period” dated February 20, 2020.

6. 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/>

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

(Unit : JPY million)

	Before the Issuance (As of March 6, 2020)	After the Issuance (Note 3)	Increase (Decrease)
Total loans	259,154	257,954	(1,200)
Total investment corporation bonds	7,000	8,200	+1,200
Total interest-bearing liabilities	266,154	266,154	—
Total appraisal value of assets owned by INV (Note 1)	588,036	588,036	—
LTV (based on appraisal value) (%) (Note 2)	44.7	44.7	—

(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 145 properties held as of December 31, 2019 is based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 2019 and the 2 properties acquired in January 6, 2020 is based on the appraisal value stated in the appraisal reports on the valuation date of October 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) "After the Issuance" in this table refers to the time when INV issues the Investment Corporation Bonds on March 13, 2020 and refinances a portion of New Syndicate Loan (F) due on March 30, 2020.

(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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