

[For Information Purpose Only.]

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

March 12, 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  
(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.

### 1. Reason for Borrowing

INV has decided to execute a new loan agreement (the "New Borrowing") today in order to repay borrowings (i) in the amount of JPY 3,250 million due on March 14, 2020, which is one of the tranches of the New Syndicate Loan (G) (Note 1) with a total outstanding amount of JPY 11,250 million and (ii) in the amount of JPY 10,433 million due on March 30, 2020, which is one of the tranches of the New Syndicate Loan (F) (Note 2) with a total outstanding amount of JPY 20,866 million.

(Note 1) For details of the New Syndicate Loan (G), please refer to "4. Details of Loan to be Repaid" below and the press release entitled "Notice concerning Debt Financing" dated February 22, 2017. Since the maturity date (March 14, 2020) is a non-business day, as per the provisions of the contract, the repayment date will be adjusted to the following business day (March 16, 2020).

(Note 2) For details of the New Syndicate Loan (F), please refer to "4. Details of Loan to be Repaid" below and the press releases entitled "Notice concerning Debt Financing" dated March 10, 2016, "Notice Concerning Implementation of Debt Financing" dated March 31, 2016, "Notice concerning Loan Transfer and New Loan" dated July 15, 2016, "Notice concerning Loan Transfer" dated July 27, 2016 and December 20, 2016 and "Notice concerning Prepayment of Loan" dated November 30, 2016.

### 2. Details of the New Borrowing (anticipated)

< New Syndicate Loan (Q) >

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# Invincible Investment Corporation

## 5-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.  
Resona Bank, Limited  
Development Bank of Japan Inc.  
The Bank of Fukuoka, Ltd.  
The Nomura Trust and Banking Co., Ltd.  
The Shizuoka Bank, Ltd.  
The Yamaguchi Bank, Ltd.
- (2) Borrowing amount : JPY 3,250 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.50000%)  
Variable interest rate (Note)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated  
March 12, 2020  
Unsecured / with no guarantee
- (5) Agreement date : March 12, 2020
- (6) Anticipated borrowing date : March 16, 2020
- (7) Interest payment date : (1) The last Japanese business day of each month before the  
principal maturity date, beginning with March 31, 2020, and  
(2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : March 16, 2025

## 5-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.  
MUFG Bank, Ltd.  
Sumitomo Mitsui Trust Bank, Limited  
Shinsei Bank, Limited  
Resona Bank, Limited  
The Nomura Trust and Banking Co., Ltd.  
Aozora Bank, Ltd.  
The Shizuoka Bank, Ltd.  
The Kagawa Bank, Ltd.  
The Yamaguchi Bank, Ltd.  
The Chukyo Bank, Ltd.
- (2) Borrowing amount : JPY 6,960 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.50000%)  
Variable interest rate (Note)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated  
March 12, 2020  
Unsecured / with no guarantee
- (5) Agreement date : March 12, 2020
- (6) Anticipated borrowing date : March 30, 2020

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- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with April 30, 2020, and (2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : March 16, 2025

## 3-Year Tranche

- (1) Lenders : MUFG Bank, Ltd.  
Sumitomo Mitsui Trust Bank, Limited  
The Bank of Fukuoka, Ltd.
- (2) Borrowing amount : JPY 2,273 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.30000%)  
Variable interest rate (Note)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated March 12, 2020  
Unsecured / with no guarantee
- (5) Agreement date : March 12, 2020
- (6) Anticipated borrowing date : March 30, 2020
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with April 30, 2020, and (2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : March 16, 2023

- (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 (<https://www.invincible-inv.co.jp/en/finance/loan.html>).

## 3. Loan proceeds, use of proceeds and scheduled timing of disbursement

- (1) Loan proceeds  
JPY 12,483 million
- (2) Use of proceeds

To be appropriated for the repayment of New Syndicate Loan (G), and the repayment of New Syndicate Loan (F) in conjunction with the funds raised from the investment corporation bonds (Note) to be issued on March 13, 2020.

- (Note) For details on issuance of the investment corporation bonds, please refer to the press releases entitled "Notice concerning Issuance of Investment Corporation Bonds" dated March 6, 2020.

(3) Scheduled timing of disbursement  
March 16, 2020 and March 30, 2020

4. Details of Loan to be Repaid  
New Syndicate Loan (G)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual) (Note)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd. Development Bank of Japan Inc.	March 14, 2017	3,250	3,250	—	0.46909%	March 14, 2020	Unsecured/ non-guaranteed
Resona Bank, Limited The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd.	March 14, 2017	3,250	—	3,250	0.56909%	March 14, 2021	
The Towa Bank, Ltd. The Shizuoka Bank, Ltd.	March 14, 2017	4,750	—	4,750	0.66909%	March 14, 2022	
		11,250	3,250	8,000			

(Note) The interest rates applicable as of March 12, 2020 are shown.

New Syndicate Loan (F)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million) (Note 1)	Balance after Repayment (JPY million)	Interest Rate (annual) (Note 2)	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.	March 31, 2016	10,433	10,433	—	0.56909%	March 30, 2020	Unsecured/ non-guaranteed
Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan Inc. The Kagawa Bank, Ltd. The Daishi Bank, Ltd. The Hyakugo Bank, Ltd. Hiroshima Bank, Ltd. The Nomura Trust and Banking Co., Ltd.	March 31, 2016	10,433	—	10,433	0.66909%	March 30, 2021	
		20,866	10,433	10,433			

(Note 1) Including the amount to be repaid using the funds raised by the issuance of investment corporation bonds to be issued on March 13, 2020.

(Note 2) The interest rates applicable as of March 12, 2020 are shown.

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## 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
Citigroup Global Markets Japan Inc.	3,250 (Note 1)	0.48700%	March 12, 2020	From March 16, 2020 to March 16, 2025	The last Japanese business day of each month and the last day of the applicable period
		One-month JPY TIBOR + 0.50000%			

(Note 1) Equivalent to the principal amount of borrowing by the New Syndicate Loan (Q) (5-year tranche) to be implemented on March 16, 2020. By this Interest Rate Swap Agreement, the interest rate of such 5-year tranche will be fixed, in effect, at 0.48700%.

(Note 2) The initial interest calculation period is from March 16, 2020 (inclusive of the date) to March 31, 2020 (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 periods ending June 2020 (from January 1, 2020 to June 30, 2020) and December 2020 (from July 1, 2020 to December 31, 2020).

## 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 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 New Borrowing (As of March 12, 2020)	After the New Borrowing (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 and overseas real estate assets, “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”), the appraisal value for the 145 properties held as of December 31, 2019, including the overseas real estate assets, is based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 2019 and the two properties acquired on 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 the overseas real estate assets 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:

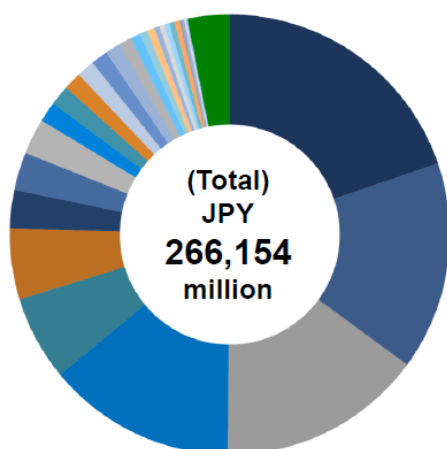
LTV (based on appraisal value) = Total interest-bearing liabilities (excluding short-term consumption tax loan) ÷ Total appraisal value of assets owned by INV × 100

“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 New Borrowing” refers to the time after the issuance of investment corporation bonds on March 13, 2020, and the refinance of New Syndicate Loan (G) on March 16, 2020 and New Syndicate Loan (F) 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.

## ■ Lender formation after the New Borrowing (anticipated)



Mizuho Bank	19.8%	Shizuoka Bank	0.9%
MUFG	15.3%	Nishi-Nippon City Bank	0.8%
SMB	15.1%	Towa Bank	0.6%
SMTB	13.9%	Hiroshima Bank	0.6%
Citibank	6.2%	Kagawa Bank	0.4%
Shinsei Bank	5.2%	Kiraboshi Bank	0.4%
DBJ	2.8%	Momiji Bank	0.4%
Resona Bank	2.8%	Chukyo Bank	0.4%
Aeon Bank	2.6%	Yamaguchi Bank	0.4%
Dai-ichi Life Insurance	1.5%	Tochigi Bank	0.2%
Fukuoka Bank	1.5%	Kiyo Bank	0.2%
Daisan Bank	1.3%	Gunma Bank	0.1%
Aozora Bank	1.3%	Ikeda Sensyu Bank	0.1%
Nomura TB	1.2%	REIT Bond	3.1%
Tokyo Star Bank	1.1%		

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