

May 29, 2020

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of Representative:

Naoki Fukuda, Executive Director
(Securities code: 8963)

Asset Manager:

Consonant Investment Management Co., Ltd.

Naoki Fukuda, President & CEO

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Notice concerning Prepayment of Loan

Invincible Investment Corporation (“INV”) today implemented the prepayment (the “Prepayment”) of its short-term consumption tax loan that constitutes a portion of the New Syndicate Loan (L), which was announced in the press release “Notice concerning Debt Financing” on July 1, 2019.

1. Details and Reasons for the Prepayment

The entire amount of INV’s outstanding short-term consumption tax loan (in the amount of JPY 2,686 million) has been prepaid today upon the refund of consumption tax relating to asset acquisitions in accordance with the terms of the relevant loan agreement.

Loan	Prepayment Amount (JPY million)	Prepayment Date	Source of Funds for Prepayment
New Syndicate Loan (L)	2,686	May 29, 2020	Refund of consumption tax with respect to asset acquisitions on July 19, 2019 and cash on hand

2. Status of Loans after the Prepayment

New Syndicate Loan (L)

(as of May 29, 2020)

Lender	Borrowing Date	Borrowing Amount Before the Prepayment (JPY million)	Prepayment Amount (JPY million)	Borrowing Amount After the Prepayment (JPY million)	Interest Rate (Annual Rate)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd.	July 19, 2019	2,686	2,686	-	-	July 18, 2020	Unsecured / with no guarantee
Sumitomo Mitsui Banking Corporation	July 19, 2019	4,943	-	4,943	0.41326% (Note 1)	January 16, 2023	
MUFG Bank, Ltd.	July 19, 2019	4,943	-	4,943	0.52473% (Note 1)	January 16, 2024	
Sumitomo Mitsui Trust Bank, Limited	July 19, 2019	4,943	-	4,943	0.57984% (Note 1)	July 16, 2024	
Citibank, N.A., Tokyo Branch	July 19, 2019	4,943	-	4,943	0.59091% (Note 2)	January 16, 2025	
Development Bank of Japan, Inc.	July 19, 2019	4,943	-	4,943	0.74091% (Note 2)	July 16, 2025	
Aozora Bank, Ltd.	July 19, 2019	4,942	-	4,942			
AEON Bank, Ltd.							
The Nomura Trust and Banking Co., Ltd.							
Total		27,400	2,686	24,714			

(Note 1) Figures are shown as virtually fixed interest rates because interest rates are fixed by interest rate swap agreements while they are borrowings with floating interest rates. For details of the interest rate swap agreements, please refer to "Notice concerning Execution of Interest Rate Swap Agreements" and "(Correction) Notice concerning Execution of Interest Rate Swap Agreements" on July 17, 2019.

(Note 2) The interest rates are those applicable as of May 29, 2020.

(Note 3) For details of the loans, please refer to "Notice concerning Debt Financing" on July 1, 2019.

3. Change in Balance of Interest-bearing Liabilities, etc.

(Unit : million yen)

	Before the Prepayment (As of May 28, 2020)	After the Prepayment (As of May 29, 2020)	Increase (Decrease)
Total Loans	257,954	255,268	(2,686)
Total Investment Corporation Bonds	8,200	8,200	—
Total Interest-bearing Liabilities	266,154	263,468	(2,686)
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) Based on the 148 properties owned by INV as at the Prepayment (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel and the overseas real estate assets ("The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort")). The appraisal values for the 145 properties (including the two overseas properties and excluding preferred equity interest in the TMK) owned by INV as of December 31, 2019 and two properties acquired on January 6, 2020 are based on figures stated in the appraisal reports on the valuation date of

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December 31, 2019 and October 1, 2019, respectively. 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. For the appraisal value of overseas real estate assets, the exchange rate of 1 USD=110.45 JPY is used under the foreign exchange forward entered into on July 26, 2018 and implemented on 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.

4. Future Outlook

The impact of the Prepayment to financial results is minimal.

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