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

November 25, 2020

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation
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Performance Update for October 2020

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

1. Overall Performance of the Entire Portfolio

Similar to the previous month, both the domestic and overseas hotel portfolios for October 2020 continue to be heavily affected by the decline in tourism and the economy from the coronavirus (COVID-19), but we see signs of a gradual recovery as described below, while the residential portfolio continues to generate increases in rent compared to the same period of the previous year.

As for the 73 hotels that are operated by INV’s main tenant, MyStays Hotel Management Co., Ltd. and its affiliates (“MHM Group”), the amount of the employment adjustment subsidy for October 2020 has not been determined as of today. As a result, GOP¹ and NOI^{2,3} for October 2020 have not been determined yet.

As announced in “Notice concerning Conclusion of Memorandum of Understanding to Amend the Fixed-term Building Lease and Property Management Agreement pertaining to the rent conditions for the period from July to September, 2020 with Major Tenant” dated September 11, 2020, INV entered into a Memorandum of Understanding (“MOU”) to amend each fixed-term building lease and property management agreement pertaining to the rent conditions for the period from July 1, 2020 to September 30, 2020 for 73 hotels owned by INV with MHM Group. Under the MOU, we have changed the rent payment conditions for the three months in terms of the amount of fixed rent payment and the variable rent calculation method. The rent paid from MHM Group for the three months (July through September) was fixed rent of JPY 800 million and variable rent of JPY 391 million, for a total

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of JPY 1,191 million. As a result, NOI of 73 hotels operated by MHM Group for the three months was JPY 826 million. For details on the MOU, please refer to the above press release.

The following are the details by segment.

2. Hotel Assets Overview

(1) Domestic Hotels

The domestic hotel portfolio⁴ performance for the month of October 2020 has shown year-over-year declines in Occupancy of 31.4pt, ADR of 20.2%, and RevPAR of 48.6%. The NOI³ for October 2020 is TBD as explained above.

The weak domestic hotel demand for October 2020 stems primarily from the pronounced impact of the COVID-19 pandemic that has caused a significant reduction in demand for hotels due to the sharp decline in domestic and global travel. JNTO reported that inbound visitors declined by 98.9% in October (year-over-year). Hotels located in regional areas with high tourism demand have shown relatively strong occupancy rates mainly over the weekends, which we believe is partially due to the effect of the Go To Travel campaign. Demand for domestic business travel has started to return at some hotels. The government recently announced the relaxation of immigration controls on foreigners which has helped generate demand for group accommodations for self-isolation. However, some hotels located in urban areas such as Tokyo and Osaka continue to lag the occupancy rates of other areas, as the domestic demand related to tourism and leisure has not recovered enough to compensate for the absence of inbound demand.

All domestic hotels owned by INV have reopened as described in Appendix 1. APA Hotel Yokohama-Kannai has been used as an accommodation and medical facility for people with mild COVID-19 cases since August 4 and is scheduled to be used as such until March 2021.

Although it will take time for hotel occupancy rate to recover in full swing, further recovery in domestic accommodation demand is expected in November due to the Go To Travel campaign and other factors. Therefore, we are forecasting RevPAR in November 2020 to decrease by approximately 40% year-over-year.

Table below shows the KPIs for each area of the 75 domestic hotels portfolio⁴.

Area	Occupancy Rate ⁵	ADR (JPY) ⁶	RevPAR (JPY) ⁷
Tokyo 23 Wards	41.0%	5,319	2,179
Greater Tokyo (ex. Tokyo 23 Wards)	68.4%	10,145	6,937
Chubu	57.5%	6,997	4,022
Kansai	44.7%	4,603	2,056
Kyushu	59.4%	7,380	4,380

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Hokkaido	62.6%	6,700	4,192
Other domestic	83.8%	15,472	12,961
Total	56.8%	8,095	4,597

(2) Cayman Hotels

On October 1, Owen Roberts International Airport in Grand Cayman reopened and resumed acceptance of foreign nationals on a limited basis. Of the Cayman Hotels (the Westin Grand Cayman Seven Mile Beach & Spa ("Westin") and Sunshine Suites Resort ("Sunshine")), Sunshine resumed operations from October after being selected as one of the hotels for the Cayman Islands government's isolation facilities, which utilized 26.9% of the rooms in October. However, Westin is expected to remain closed for the time being, except for one restaurant, as the Cayman Islands government has not disclosed when the ban on tourists will be lifted.

The NOI³ for October 2020 and the NOI³ on a cumulative basis for the December 2020 fiscal period (July to December) decreased significantly year-over-year.

3. Residential Assets Overview

The residential portfolio⁸ in-place occupancy rate as of the end of October 2020 was 94.6%, a year-over-year decrease of 1.5pt. The rent increase program continues to show positive results as the average in-place rent per tsubo as of the end of October 2020 increased by 0.3% year-over-year. NOI⁹ for the residential portfolio in October 2020 increased by 0.3% year-over-year and increased by 0.5% year-over-year on a cumulative basis for the December 2020 fiscal period (July to December).

Rents, compared with those based on the immediately preceding leases, increased by 0.5% for new leases, 1.1% for renewal leases, and 0.8% for new and renewal leases combined for the December 2020 fiscal period. INV achieved a rent increase on 36.0% of lease contract renewals for the December 2020 fiscal period. The retention rate for the existing tenants continues to be high at 84.7% for the December 2020 fiscal period.

4. Performance

(1) 75 Domestic Hotel Properties⁴

	Oct. 2020 (A)	Oct. 2019 (B)	(A-B)	YoY Change	Cumulative (Jul.-Dec.)			
					2020 (C)	2019 (D)	(C-D)	YoY Change
Occupancy Rate ⁵	56.8%	88.2%	-31.4pt	-35.6%	47.0%	89.5%	-42.5pt	-47.5%
ADR (JPY) ⁶	8,095	10,139	-2,043	-20.2%	8,104	10,920	-2,816	-25.8%
RevPAR (JPY) ⁷	4,597	8,942	-4,345	-48.6%	3,807	9,775	-5,968	-61.1%
Gross Revenue (JPY million) ¹⁰	3,365	6,007	-2,642	-44.0%	10,988	25,044	-14,055	-56.1%

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(2) Cayman Hotels

	Oct. 2020 (A)	Oct. 2019 (B)	(A－B)	YoY Change	Cumulative (Jul.-Dec.)			
					2020 (C)	2019 (D)	(C－D)	YoY Change
Occupancy Rate ⁵	7.4%	63.1%	-55.7pt	-88.2%	1.9%	66.6%	-64.7pt	-97.2%
ADR (USD) ⁶	184	240	-56	-23.3%	181	258	-77	-29.8%
RevPAR (USD) ⁷	14	151	-138	-91.0%	3	172	-168	-98.0%
Gross Revenue (USD thousand)	454	4,228	-3,773	-89.2%	1,002	19,122	-18,120	-94.8%

(3) 60 Residential Properties⁸

	Oct. 2020 (A)	Oct. 2019 (B)	(A－B)	YoY Change	Cumulative (Jul.-Dec.)			
					2020 (C)	2019 (D)	(C－D)	YoY Change
Occupancy Rate	94.6%	96.1%	-1.5pt	-1.6%	94.7%	96.4%	-1.7pt	-1.8%
Rent per Tsubo (JPY)	9,139	9,108	+31	+0.3%	9,134	9,082	+52	+0.6%

5. Portfolio NOI

		2019 Simulated NOI ¹¹		NOI ^{2,3} (JPY million)					
		(JPY million)	Ratio	October			Cumulative (Jul.-Dec.)		
				2020	2019	YoY Change	2020	2019	YoY Change
	Tokyo 23 Wards	5,980	19.4%	-	-	-	-	-	-
	Greater Tokyo (ex. Tokyo 23 Wards)	4,094	13.3%	-	-	-	-	-	-
	Greater Tokyo – Subtotal	10,075	32.7%	-	-	-	-	-	-
	Chubu	2,791	9.1%	-	-	-	-	-	-
	Kansai	1,775	5.8%	-	-	-	-	-	-
	Kyushu	2,315	7.5%	-	-	-	-	-	-
	Hokkaido	3,442	11.2%	-	-	-	-	-	-
	Other domestic	2,700	8.8%	-	-	-	-	-	-
	Domestic Hotel – Subtotal	23,100	75.0%	-	-	-	-	-	-
	Residential	3,281	10.6%	276	276	+0.3%	1,100	1,096	+0.5%
	Commercial	368	1.2%	30	30	-1.4%	122	123	-0.9%
	Domestic Asset – Subtotal	26,750	86.8%	-	-	-	-	-	-
	Overseas	4,070	13.2%	-114	76	-	-516	504	-
	Total	30,820	100.0%	-	-	-	-	-	-

(Note 1) GOP means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel's revenues.

(Note 2) Based on all properties held as of the end of October 2020, excluding 9 hotels with fixed-rent lease agreements. 9 hotels with fixed-rent lease agreements are D29 Super Hotel Shinbashi/ Karasumoriguchi, D33 Comfort Hotel Toyama, D36

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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. Furthermore, NOI is provisional figure and subject to change when it is determined at financial closing; hereinafter the same.

- (Note 3) NOI figures before acquisition by INV is based on the data obtained from third-parties including previous owners, and are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance; hereinafter the same.
- (Note 4) Based on 75 hotel properties; of the 84 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 October 2020, 9 hotels with fixed-rent lease agreements 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 as described above. However, in consideration of seasonality, figures other than NOI in the table above are based on the figures for October 2020; hereinafter the same.
- (Note 5) "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 6) "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 7) "RevPAR," or Revenues Per Available Room, is calculated by dividing the total room 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 room occupancy rate and ADR.
- (Note 8) Based on 60 properties held by INV as of the end of October 2020.
- (Note 9) NOI excludes one-off insurance-related revenues and expenses.
- (Note 10) 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 11) Based on 148 properties owned by INV as of the end of October 2020, assuming all properties were owned since the beginning of 2019. Includes the dividend from preferred equity interest of TMK that owns Sheraton Grande Tokyo Bay Hotel, assuming this dividend contributed throughout the June 2019 fiscal period and the December 2019 fiscal period of INV. The revenue from the Cayman Hotels is calculated at the exchange rate of US\$1 to ¥110.
- (Note 12) Percentages are rounded to one decimal place. ADR, RevPAR and Rent per Tsubo are rounded to the nearest yen and Gross Revenue is rounded down to the nearest million yen.
- (Note 13) 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 tsubo is calculated by dividing the sum of the total rental revenue including common area charges for each month by the sum of total leased area (tsubo) at the end of each month.
- (Note 14) For the details of performance for each hotel 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/>

(Appendix 1)

<Temporary Closure Status of Hotels Owned by INV>

Property Number	Property Name	Location	Closed Date	End Date of Closing Period	Hotel That Consolidates Operations During Close
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	Cayman Islands	March 22	TBD	
D3	Hotel MyStays Kyoto-Shijo	Kyoto-shi, Kyoto	May 1	June 30	
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	April 28	May 31	
D48	Takamatsu Tokyu REI Hotel	Takamatsu-shi, Kagawa	April 25	May 31	
D53	Hotel MyStays Sapporo Station	Sapporo-shi, Hokkaido	March 18	July 17	Hotel MyStays Sapporo Aspen
D65	Art Hotel Ishigakijima	Ishigaki-shi, Okinawa	April 20	May 31	-
D66	Hotel MyStays Fuji Onsen Resort	Fujiyoshida-shi, Yamanashi	May 1	June 11	
D68	Hotel MyStays Kanazawa Castle	Kanazawa-shi, Ishikawa	April 13	June 30	Hotel MyStays Premier Kanazawa
D71	Hotel Nord Otaru	Otaru-shi, Hokkaido	March 18	June 30	Hotel Sonia Otaru
D75	Hotel MyStays Sapporo Susukino	Sapporo-shi, Hokkaido	March 18	July 17	Hotel MyStays Premier Sapporo Park
D76	Hotel Mystays Sapporo Nakajima Park	Sapporo-shi, Hokkaido	March 18	July 17	
D77	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo-shi, Hokkaido	March 6	July 17	
D79	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	March 8	October 31	-
D201	Sunshine Suites Resort	Cayman Islands	March 22	September 30	
-	Sheraton Grande Tokyo Bay Hotel	Urayasu-shi, Chiba	April 28	June 29	

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