

April 23, 2021

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)

## **Performance Update for March 2021**

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 March 2021 were heavily affected by the coronavirus (COVID-19). Regarding the residential portfolio, COVID-19 continues to have a minor impact on the occupancy rate. The residential occupancy rate for March 2021 decreased by 0.9pt year-over-year, but increased by 1.0pt compared to the previous month.

As announced in “Performance Update for February 2021” dated March 25, 2021, the GOP<sup>1</sup> and NOI<sup>2,3</sup> of domestic hotels for each month from January to June 2021 will not be finalized for the time being.

The following are the details by segment.

### 2. Hotel Assets Overview

#### (1) Domestic Hotels

As for the domestic hotel portfolio<sup>4</sup> performance for the month of March 2021, the occupancy rate decreased by 49.6pt to 38.7%, ADR decreased by 26.7% to JPY 7,362, and RevPAR decreased by 67.9% to JPY 2,849 compared to March 2019 prior to the COVID-19 pandemic. A comparison with March 2020 is described in “4. Performance” and RevPAR for March 2021 was at a similar level to March 2020.

In March 2021, hotel demand was sluggish due to the government extension of the State of

This English language notice is a translation of the Japanese-language notice released on April 23, 2021 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

Emergency in Tokyo and three surrounding prefectures. However, several hotels in the Tokyo metropolitan area maintained relatively high occupancy rates by procuring demand from group accommodations, and some hotels in local areas have captured business demand, thanks to the sales efforts of MyStays Hotel Management Co., Ltd., INV's main hotel operator.

In April 2021, a quasi-State of Emergency has been implemented in Miyagi, Tokyo, Kanagawa, Saitama, Chiba, Aichi, Kyoto, Osaka, Hyogo and Okinawa prefectures and the issuance of another State of Emergency for several prefectures has been discussed as of April 22, 2021. There are no signs that COVID-19 infections will be contained, and the occupancy rates have been sluggish due to the impact from self-restraint regarding business trips and leisure travel. As of today, we are forecasting that April 2021 RevPAR will significantly exceed April 2020, but will be approximately 70% lower than the April 2019 figure.

Table below shows the KPIs for each area of the 75 domestic hotels portfolio<sup>4</sup>.

Area	Occupancy Rate <sup>5</sup>	ADR (JPY) <sup>6</sup>	RevPAR (JPY) <sup>7</sup>
Tokyo 23 Wards	34.0%	5,340	1,815
Greater Tokyo (ex. Tokyo 23 Wards)	52.6%	8,673	4,560
Chubu	39.3%	6,880	2,703
Kansai	27.6%	5,260	1,453
Kyushu	35.2%	6,823	2,400
Hokkaido	28.0%	6,359	1,779
Other domestic	60.0%	11,885	7,135
Total	38.7%	7,362	2,849

## (2) Cayman Hotels

Of the Cayman Hotels (the Westin Grand Cayman Seven Mile Beach & Spa ("Westin") and Sunshine Suites Resort ("Sunshine")), Sunshine has operated as one of the hotels for isolation facilities, which utilized 28.7% of the rooms in March 2021. The NOI<sup>3</sup> for the Cayman Hotels in March 2021 was JPY -73 million, a significant decrease from JPY 180 million in March 2020. The COVID-19 vaccination process has started from early January 2021. Approximately 54% of the Cayman population have been administered the first dose and approximately 45% have been administered the second dose as of April 21. In the United States, which accounts for more than 80% of the number of tourists visiting the Cayman Islands by country, there are signs of a recovery in travel demand along with progress in vaccinations. While the timing for resuming commercial flights at Owen Roberts International Airport in Grand Cayman is undetermined as of today, Westin is scheduled to reopen in a limited way from June 1, 2021 mainly to capture the staycation demand by domestic customers and to prepare for a subsequent resumption of accepting tourists from overseas.

This English language notice is a translation of the Japanese-language notice released on April 23, 2021 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

### 3. Residential Assets Overview

The residential portfolio<sup>8</sup> in-place occupancy rate as of the end of March 2021 was 96.0%, a year-over-year decrease of 0.9pt, but an increase of 1.0pt compared to the previous month. The average in-place rent per tsubo decreased by 0.8% year-over-year. The NOI<sup>9</sup> for the residential portfolio in March 2021 decreased by 2.8% year-over-year.

Rents, compared with those based on the immediately preceding leases, decreased by 1.5% for new leases, increased by 0.8% for renewal leases, and decreased by 0.1% for new and renewal leases combined for the June 2021 fiscal period. INV achieved a rent increase on 25.4% of lease contract renewals for the June 2021 fiscal period. The retention rate for the existing tenants continues to be high at 83.2% for the June 2021 fiscal period.

### 4. Performance

\* The "Difference" in the table below indicates the increase / decrease in value for the month of March 2021 or cumulative figures from January to June 2021 compared to the corresponding value in 2020 or 2019. Hereinafter the same.

#### (1) 75 Domestic Hotel Properties<sup>4</sup>

	Mar. 2021	Mar. 2020	Difference	Mar. 2019	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference	Jan.-Jun. 2019	Difference
Occupancy Rate <sup>5</sup>	38.7%	43.8%	-5.1pt	88.3%	-49.6pt	33.7%	66.6%	-32.9pt	86.0%	-52.3pt
ADR (JPY) <sup>6</sup>	7,362	6,539	+12.6%	10,044	-26.7%	6,895	8,021	-14.0%	9,637	-28.4%
RevPAR (JPY) <sup>7</sup>	2,849	2,864	-0.5%	8,869	-67.9%	2,326	5,342	-56.5%	8,288	-71.9%
Gross Revenue (JPY million) <sup>10</sup>	2,443	2,027	+20.5%	6,047	-59.6%	5,409	10,818	-50.0%	16,009	-66.2%

#### (2) Cayman Hotels

	Mar. 2021	Mar. 2020	Difference	Mar. 2019	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference	Jan.-Jun. 2019	Difference
Occupancy Rate <sup>5</sup>	7.9%	44.6%	-36.6pt	93.6%	-85.7pt	8.4%	75.1%	-66.7pt	91.6%	-83.2pt
ADR (USD) <sup>6</sup>	154	482	-68.0%	478	-67.7%	167	487	-65.8%	481	-65.3%
RevPAR (USD) <sup>7</sup>	12	215	-94.3%	447	-97.3%	14	366	-96.2%	440	-96.8%
Gross Revenue (USD thousand)	585	5,633	-89.6%	11,039	-94.7%	1,844	26,514	-93.0%	31,121	-94.1%

This English language notice is a translation of the Japanese-language notice released on April 23, 2021 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

## (3) 54 Residential Properties<sup>8</sup>

	End of Mar. 2021	End of Mar. 2020	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference
Occupancy Rate	96.0%	96.9%	-0.9pt	95.2%	96.4%	-1.2pt
Rent per Tsubo (JPY)	8,967	9,039	-0.8%	9,020	9,034	-0.2%

## 5. Portfolio NOI<sup>2,3,9</sup>

(JPY Million)	Mar. 2021	Mar. 2020	Difference	Mar. 2019	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference	Jan.-Jun. 2019	Difference
Tokyo 23 Wards	-	34	-	611	-	-	633	-	1,389	-
Greater Tokyo (ex. Tokyo 23 Wards)	-	144	-	444	-	-	759	-	1,077	-
Greater Tokyo - Subtotal	-	178	-	1,055	-	-	1,392	-	2,467	-
Chubu	-	-23	-	247	-	-	181	-	471	-
Kansai	-	-42	-	213	-	-	103	-	429	-
Kyushu	-	-30	-	255	-	-	168	-	547	-
Hokkaido	-	-261	-	154	-	-	78	-	698	-
Other domestic	-	-93	-	283	-	-	-8	-	331	-
Domestic Hotel- Subtotal	-	-272	-	2,209	-	-	1,917	-	4,946	-
Residential	227	233	-2.8%	221	+2.8%	682	692	-1.6%	666	+2.3%
Commercial	30	30	+0.1%	30	-1.4%	90	90	-0.3%	91	-1.2%
Domestic Asset- Subtotal	-	-8	-	2,461	-	-	2,701	-	5,704	-
Overseas	-73	180	-	612	-	-209	1,266	-	1,658	-
Total	-	171	-	3,073	-	-	3,967	-	7,363	-

(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 March 2021, 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 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 March 2021, 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

This English language notice is a translation of the Japanese-language notice released on April 23, 2021 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

other than NOI in the table above are based on the figures for December 2020; hereinafter the same.

- (Note 5) "Occupancy Rate" for hotel portfolio is calculated using the following formula:  
room occupancy rate = total number of rooms occupied during the relevant period ÷ (aggregate number of rooms during the relevant period x 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 54 properties held by INV as of the end of March 2021.
- (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) 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 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 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 13) 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/>

This English language notice is a translation of the Japanese-language notice released on April 23, 2021 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

(Appendix 1)

<Temporary Closure Status of Hotels Owned by INV><sup>1</sup>

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	Mar. 22, 2020	May 31, 2021	-
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Jan. 24, 2021	Feb. 26, 2021	
D68	Hotel MyStays Kanazawa Castle	Kanazawa-shi, Ishikawa	Jan. 24, 2021	Feb. 28, 2021	Hotel MyStays Premier Kanazawa
D75	Hotel MyStays Sapporo Susukino	Sapporo-shi, Hokkaido	Feb. 1, 2021	Mar. 21, 2021	Hotel MyStays Premier Sapporo Park
D76	Hotel Mystays Sapporo Nakajima Park	Sapporo-shi, Hokkaido	Jan. 12, 2021	Mar. 21, 2021	
D77	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo-shi, Hokkaido	Dec. 1, 2020	Mar. 21, 2021	

(Note 1) As of April 22, 2021, and subject to change.

(Note 2) In addition to the above, APA Hotel Yokohama-Kannai has been used as an accommodation and medical facility for people with mild COVID-19 cases since August 4, 2020 and is scheduled to be used as such until July 2021.

This English language notice is a translation of the Japanese-language notice released on April 23, 2021 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.