

May 25, 2021

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation  
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## **Performance Update for April 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 April 2021 were heavily affected by the coronavirus (COVID-19). Regarding the residential portfolio, the occupancy rate for the end of April 2021 was 95.9% and recovered to the same level as the end of April 2020.

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 April 2021, the occupancy rate increased by 13.0pt, ADR increased by 14.3%, and RevPAR increased by 69.3% compared to April 2020 while the occupancy rate decreased by 47.8pt, ADR decreased by 38.6%, and RevPAR decreased by 72.0% compared to April 2019 prior to the COVID-19 pandemic.

In April 2021, hotel demand was sluggish due to impacts from the State of Emergency and the quasi-State of Emergency. However, several hotels maintained relatively high

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occupancy rates by procuring demand from group accommodations and business demand thanks to the sales efforts of MyStays Hotel Management Co., Ltd., INV's main hotel operator.

On May 7, the State of Emergency was extended for 20 days until May 31 in four prefectures, with other prefectures being added subsequently. The quasi-State of Emergency has also been extended, expanding the target area. There are no signs that COVID-19 infections will be contained soon. Vaccinations are still in early stages, targeting medical workers and the elderly. 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 May 2021 RevPAR will significantly exceed May 2020, but will be approximately 70% lower than the May 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	39.0%	5,420	2,115
Greater Tokyo (ex. Tokyo 23 Wards)	59.0%	8,046	4,746
Chubu	34.6%	6,667	2,309
Kansai	28.6%	4,617	1,320
Kyushu	34.6%	6,777	2,344
Hokkaido	26.8%	6,154	1,651
Other domestic	52.6%	12,412	6,526
Total	40.0%	7,085	2,836

## (2) Cayman Hotels

Of the Cayman Hotels (Westin Grand Cayman Seven Mile Beach & Spa ("Westin") and Sunshine Suites Resort ("Sunshine")), Sunshine has been operated as one of the hotels for isolation facilities, which utilized 26.6% of the rooms in April 2021. The NOI<sup>3</sup> for the Cayman Hotels in April 2021 was JPY -80 million, a significant increase from JPY -157 million in April 2020, when both hotels were closed.

COVID-19 vaccinations have been making steady progress in the Cayman Islands. Approximately 64% of the Cayman population have been administered the first dose and approximately 54% have been administered the second dose as of May 20.

Westin is scheduled to reopen on a limited basis from June 9, 2021 to capture staycation demand from domestic customers during summer vacation and to prepare for accepting tourists from overseas after commercial flights resume. Sunshine will also aim to capture staycation demand for residents in addition to the above-mentioned isolation demand.

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### 3. Residential Assets Overview

The residential portfolio<sup>8</sup> in-place occupancy rate as of the end of April 2021 was 95.9%, which decreased by 0.1pt from the end of previous month, however recovered to the same level as the end of April 2020.

The average in-place rent per tsubo decreased by 0.8% year-over-year. The NOI<sup>9</sup> for the residential portfolio in April 2021 increased by 0.3% year-over-year.

Rents, compared with those based on the immediately preceding leases, decreased by 1.5% for new leases, increased by 0.7% for renewal leases, and decreased by 0.2% for new and renewal leases combined for the June 2021 fiscal period. INV achieved a rent increase on 21.5% of lease contract renewals for the June 2021 fiscal period. The retention rate for the existing tenants continues to be high at 81.0% for the June 2021 fiscal period.

### 4. Performance

\* The "Difference" in the table below indicates the increase / decrease in value for the month of April 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>

	Apr. 2021	Apr. 2020	Difference	Apr. 2019	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference	Jan.-Jun. 2019	Difference
Occupancy Rate <sup>5</sup>	40.0%	27.0%	+13.0pt	87.8%	-47.8pt	35.3%	56.8%	-21.5pt	86.5%	-51.1pt
ADR (JPY) <sup>6</sup>	7,085	6,201	+14.3%	11,530	-38.6%	6,949	7,806	-11.0%	10,118	-31.3%
RevPAR (JPY) <sup>7</sup>	2,836	1,675	+69.3%	10,122	-72.0%	2,453	4,433	-44.7%	8,747	-72.0%
Gross Revenue (JPY million) <sup>10</sup>	2,123	1,161	+82.8%	6,246	-66.0%	7,640	11,980	-36.2%	22,255	-65.7%

#### (2) Cayman Hotels

	Apr. 2021	Apr. 2020	Difference	Apr. 2019	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference	Jan.-Jun. 2019	Difference
Occupancy Rate <sup>5</sup>	7.4%	0.0%	+7.4pt	90.2%	-82.8pt	8.1%	56.5%	-48.3pt	91.3%	-83.1pt
ADR (USD) <sup>6</sup>	134	0	-	430	-68.9%	159	487	-67.3%	468	-66.0%
RevPAR (USD) <sup>7</sup>	10	0	-	388	-97.5%	13	275	-95.3%	427	-97.0%
Gross Revenue (USD thousand)	580	124	+368.2%	9,688	-94.0%	2,424	26,638	-90.9%	40,810	-94.1%

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

	End of Apr. 2021	End of Apr. 2020	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference
Occupancy Rate	95.9%	95.9%	0pt	95.4%	96.3%	-0.9pt
Rent per Tsubo (JPY)	9,045	9,122	-0.8%	9,027	9,056	-0.3%

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

(JPY Million)	Apr. 2021	Apr. 2020	Difference	Apr. 2019	Difference	Jan.-Jun. 2021	Jan.-Jun. 2020	Difference	Jan.-Jun. 2019	Difference
Tokyo 23 Wards	-	-26	-	710	-	-	606	-	2,100	-
Greater Tokyo (ex. Tokyo 23 Wards)	-	152	-	347	-	-	912	-	1,425	-
Greater Tokyo - Subtotal	-	125	-	1,058	-	-	1,518	-	3,525	-
Chubu	-	-116	-	339	-	-	65	-	811	-
Kansai	-	-64	-	261	-	-	39	-	690	-
Kyushu	-	-146	-	216	-	-	22	-	764	-
Hokkaido	-	-187	-	125	-	-	-108	-	824	-
Other domestic	-	-272	-	206	-	-	-281	-	538	-
Domestic Hotel- Subtotal	-	-660	-	2,208	-	-	1,256	-	7,154	-
Residential	229	228	+0.3%	228	+0.2%	911	921	-1.1%	895	+1.8%
Commercial	30	30	-0.4%	30	+0.0%	121	121	-0.3%	122	-0.9%
Domestic Asset- Subtotal	-	-401	-	2,468	-	-	2,300	-	8,172	-
Overseas	-80	-157	-	477	-	-289	1,108	-	2,136	-
Total	-	-559	-	2,945	-	-	3,408	-	10,309	-

(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 April 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 April 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

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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 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 April 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/>

(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	June 8, 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) Only hotels that were temporarily closed after January 2021 are listed. As of May 24, 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.

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