

[For Information Purpose Only.
The Japanese language press release should be referred to as the original.]

January 12, 2023

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)

Invincible Investment Corporation (“INV”) has determined today to obtain new debt financing to refinance existing debt. Details are as follows.

1. Reason for borrowing

INV has decided and executed JPY 18,908 million of new loan agreements in total (the "New Borrowing") today in order to repay (i) the borrowing in the amount of JPY 4,943 million due on January 16, 2023, which is one of the tranches of the New Syndicate Loan (L) with a total outstanding amount of JPY 24,576 million, (ii) the borrowing in the amount of JPY 5,796 million due on January 16, 2023, which is one of the tranches of the New Syndicate Loan (M) with a total outstanding amount of JPY 28,979 million, and (iii) the Term Loan (001) in the amount of JPY 1,700 million and the Term Loan (002) in the amount of JPY 6,800 million due on January 24, 2023.

At the time of the New Borrowing (Refinance), INV intends to reduce interest-bearing debt by JPY 331 million using cash on hand, and maintain an appropriate LTV ratio.

(Note) For details of the borrowings to be repaid, please refer to “4. Details of loans to be repaid” below, as well as the following press releases: “Notice concerning Debt Financing” dated July 1, 2019 and “Notice concerning Prepayment of Loan” dated May 29, 2020 and “Notice concerning Prepayment of Loans” dated January 20, 2021 for the New Syndicate Loan (L); “Notice concerning Debt Financing (Refinance) and Execution of Interest Rate Swap Agreement” dated July 11, 2019 for the New Syndicate Loan (M); “Notice concerning Debt Financing (Refinance)” dated January 20, 2022 for the Term Loan (001) and the Term Loan (002).

2. Details of the New Borrowing (anticipated)

< New Syndicate Loan (006) >

1-Year Loan

(1) Lenders : Mizuho Bank, Ltd.
MUFG Bank, Ltd.

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Sumitomo Mitsui Banking Corporation
 Sumitomo Mitsui Trust Bank, Limited
 Citibank, N.A., Tokyo Branch
 SBI Shinsei Bank, Limited
 Development Bank of Japan, Inc.
 Resona Bank, Limited
 The Nomura Trust and Banking Co., Ltd.

- (2) Borrowing amount : JPY 10,408 million
 (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.25000%)
 : Variable interest rate (Note)
 (4) Borrowing method : Borrowing based on separate term loan agreement dated
 January 12, 2023
 Unsecured / with no guarantee
 (5) Agreement date : January 12, 2023
 (6) Anticipated borrowing date : January 16, 2023
 (7) Interest payment date : (i) The last Japanese business day of each month before the
 principal maturity date, beginning with January 31, 2023, and (ii)
 the principal maturity date
 (8) Principal repayment method : Lump-sum repayment on the principal maturity date
 (9) Principal maturity date : January 16, 2024

< Term Loan (011) >

1-Year Loan

- (1) Lender : MUFG Bank, Ltd.
 (2) Borrowing amount : JPY 1,700 million
 (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.25000%)
 : Variable interest rate (Note)
 (4) Borrowing method : Borrowing based on separate term loan agreement dated
 January 12, 2023
 Unsecured / with no guarantee
 (5) Agreement date : January 12, 2023
 (6) Anticipated borrowing date : January 24, 2023
 (7) Interest payment date : (i) The last Japanese business day of each month before the
 principal maturity date, beginning with January 31, 2023, and (ii)
 the principal maturity date
 (8) Principal repayment method : Lump-sum repayment on the principal maturity date
 (9) Principal maturity date : January 24, 2024

< Term Loan (012) >

1-Year Loan

- (1) Lender : Sumitomo Mitsui Trust Bank, Limited
 (2) Borrowing amount : JPY 6,800 million
 (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.25000%)
 : Variable interest rate (Note)

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- (4) Borrowing method : Borrowing based on separate term loan agreement dated January 12, 2023
Unsecured / with no guarantee
- (5) Agreement date : January 12, 2023
- (6) Anticipated borrowing date : January 24, 2023
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with January 31, 2023, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 24, 2024

(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 (<https://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 18,908 million

(2) Use of proceeds

Together with cash on hand, the proceeds will be appropriated for the repayment of one of the tranches of the New Syndicate Loan (L), one of the tranches of the New Syndicate Loan (M), the Term Loan (001), and the Term Loan (002).

(3) Scheduled timing of disbursement

January 16, 2023 for the repayment of one of the tranches of the New Syndicate Loan (L) and one of the tranches of the New Syndicate Loan (M)

January 24, 2023 for the repayment of the Term Loan (001) and the Term Loan (002)

4. Details of loans to be repaid

New Syndicate Loan (L)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch Development Bank of Japan, Inc. The Nomura Trust and	Jul. 19, 2019	4,943	4,943 (Note 1)	—	0.41326% (Note 2)	Jan. 16, 2023	Unsecured/ non-guaranteed

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Banking Co., Ltd. AEON Bank, Ltd.							
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch		4,805	—	4,805	0.52473% (Note 2)	Jan. 16, 2024	
Development Bank of Japan, Inc. Aozora Bank, Ltd The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.		4,943	—	4,943	0.57984% (Note 2)	Jul. 16, 2024	
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation		4,943	—	4,943	0.61818% (Note 3)	Jan. 16, 2025	
Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan, Inc.		4,942	—	4,942	0.76818% (Note 3)	Jul. 16, 2025	
Total		24,576	4,943	19,633			

New Syndicate Loan (M)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo Branch	Jul. 16, 2019	5,796	5,796 (Note 1)	—	0.40000% (Note 2)	Jan. 16, 2023	Unsecured/ non-guaranteed
SBI Shinsei Bank, Limited Resona Bank, Limited		5,796	—	5,796	0.49859% (Note 2)	Jan. 16, 2024	
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Citibank, N.A., Tokyo		5,796	—	5,796	0.56310% (Note 2)	Jul. 16, 2024	

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Branch SBI Shinsei Bank, Limited							
Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation		5,796	—	5,796	0.61818% (Note 3)	Jan. 16, 2025	
Sumitomo Mitsui Trust Bank, Limited SBI Shinsei Bank, Limited		5,795	—	5,795	0.76818% (Note 3)	Jul. 16, 2025	
Total		28,979	5,796	23,183			

Term Loan (001)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
MUFG Bank, Ltd.	Jan. 24, 2022	1,700	1,700	—	0.31818% (Note 3)	Jan. 24, 2023	Unsecured/ non-guaranteed

Term Loan (002)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
Sumitomo Mitsui Trust Bank, Limited	Jan. 24, 2022	6,800	6,800	—	0.31818% (Note 3)	Jan. 24, 2023	Unsecured/ non-guaranteed

(Note 1) For repayment, INV plans to allocate JPY 331 million of cash on hand in addition to the New Borrowing.

(Note 2) The New Syndicate Loan (L) and the New Syndicate Loan (M) are loans with variable interest rates, but the interest rates are fixed by the interest swap agreements. Therefore, the effective fixed rates are shown. For details of the interest swap agreements, please refer to the press releases “(Correction) Notice concerning Execution of Interest Rate Swap Agreements” dated July 17, 2019 for the New Syndicate Loan (L) and “Notice concerning Debt Financing (Refinance) and Execution of Interest Rate Swap Agreement” dated July 11, 2019 for the New Syndicate Loan (M).

(Note 3) The interest rate applicable as of January 12, 2023 is shown.

5. Future outlook

The impact of the New Borrowing on financial results is minimal.

6. Other matters necessary for investors' appropriate understanding/judgment of concerned information

With respect to the risks associated with the New Borrowing, please refer to the content of “Investment Risks” stated in the securities report for the fiscal period ended June 2022 (from January 1, 2022 to June 30, 2022) (available in Japanese only) filed on September 26, 2022.

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 January 12, 2023)	After the New Borrowing (As of January 24, 2023)	Increase (Decrease)
Total loans	232,597	232,266	-331
Total investment corporation bonds	8,200	8,200	—
Total interest-bearing liabilities	240,797	240,466	-331
Total appraisal value of assets owned by INV (Note 1)	537,738	537,738	—
LTV (based on appraisal value) (Note 2) (%)	44.8	44.7	-0.1

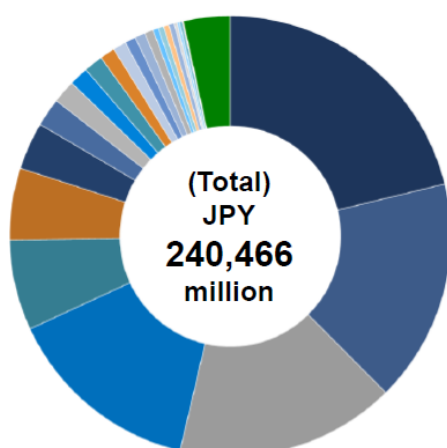
(Note 1) Based on the 128 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel and the overseas real estate assets (“The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”). The appraisal values for the 127 properties (excluding preferred equity interest in the TMK) are based on figures stated in the appraisal reports on the valuation date of June 30, 2022. As announced in “Notice concerning Acquisition of Domestic Real Estate (Additional Acquisition)” dated September 9, 2022, INV acquired a land adjacent to Hotel Epinard Nasu on September 9, 2022, and the above total appraisal value includes the appraisal value of the land in the amount of JPY 27 million (valuation date: June 21, 2022). 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 executed on September 26, 2018.

(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:

$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)} + \text{Total appraisal value of assets owned by INV}}{\text{Total appraisal value of assets owned by INV}} \times 100$$
 “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.

■ Lender formation after the New Borrowing (anticipated)



Mizuho Bank	21.2%	Nishi-Nippon City Bank	0.8%
MUFG	16.4%	Fukuoka Bank	0.8%
SMBC	16.1%	Aeon Bank	0.6%
SMTB	14.4%	Kiraboshi Bank	0.4%
Citibank	6.6%	Momiji Bank	0.4%
SBI Shinsei Bank	5.3%	Yamaguchi Bank	0.4%
DBJ	3.5%	The Chukyo Bank	0.4%
Resona Bank	2.1%	Kagawa Bank	0.2%
Tokyo Star Bank	1.7%	Tochigi Bank	0.2%
San ju San Bank	1.4%	Kiyo Bank	0.2%
Aozora Bank	1.4%	Ogaki Kyoritsu Bank	0.1%
Nomura TB	1.1%	REIT Bond	3.4%
Shizuoka Bank	1.0%		

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