

[For Information Purpose Only.]

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

May 19, 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 Issuance of Investment Corporation Bonds

Invincible Investment Corporation (“INV”) hereby announces its decision today to issue its investment corporation bonds (the “Issuance”) as follows.

### 1. Summary of the investment corporation bonds

- (1) Name : Invincible Investment Corporation 7th series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (“the 7th Series Investment Corporation Bonds”)  
Invincible Investment Corporation 8th series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (“the 8th Series Investment Corporation Bonds”).  
The 7th Series Investment Corporation Bonds and the 8th Series Investment Corporation Bonds shall be hereinafter collectively referred to as the “Investment Corporation Bonds.” In the following items, matters common to each series of investment corporation bonds are not described separately.
- (2) Total issue amount : JPY 6.2 billion  
The breakdown is as follows:  
The 7th Series Investment Corporation Bonds: JPY 5.0 billion  
The 8th Series Investment Corporation Bonds: JPY 1.2 billion
- (3) Form of bond certificate : The Act concerning Book-Entry Transfer of Corporate Bonds, Stocks etc. is applicable to the Investment Corporation Bonds, thus investment corporation bond certificates will not be issued.
- (4) Issue price : ¥100 per ¥100 of each bond
- (5) Redemption price : ¥100 per ¥100 of each bond

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# Invincible Investment Corporation

- (6) Interest rate : The 7th Series Investment Corporation Bonds: 1.000% per annum  
The 8th Series Investment Corporation Bonds: 1.200% per annum
- (7) Denomination price : JPY 100 million
- (8) Offering method : Public offering
- (9) Offering period : May 19, 2023 (Friday)
- (10) Payment date : May 25, 2023 (Thursday)
- (11) Collateral/Guarantee : Neither collateral nor guarantee is applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.
- (12) Redemption method and date : The 7th Series Investment Corporation Bonds: May 25, 2026 (3 years)  
The 8th Series Investment Corporation Bonds: May 25, 2028 (5 years)  
The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case where the laws and regulations or the Depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on the bank holiday, the payment will be moved forward to the previous bank business day.
- (13) Interest payment dates : May 25 and November 25 every year (the first interest payment date is to be November 25, 2023)
- (14) Rating : A (Japan Credit Rating Agency, Ltd.)
- (15) Financial covenants : Negative pledge among unsecured bonds
- (16) Depository : Japan Securities Depository Center, Inc.
- (17) Fiscal agent, issuing agent, and paying agent : Mizuho Bank, Ltd.
- (18) Underwriting securities companies : Mizuho Securities Co., Ltd.  
SMBC Nikko Securities Inc.  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
Nomura Securities Co., Ltd.

## 2. Reason for bonds issuance

INV is pleased to issue the Investment Corporation Bonds for the purpose of raising funds to redeem the investment corporation bonds and to repay its existing borrowings, while at the same time increasing the fixed-interest rate ratio of its debt, lengthening the average maturity period and diversifying the maturity date.

## 3. Total amount to be raised, use of funds and scheduled timing of disbursement

### (1) Total amount to be raised (approximate net proceeds)

JPY 6,164 million in total

### (2) Use of funds and scheduled timing of disbursement

The proceeds will be used to redeem the 1st Series Investment Corporation Bonds (with pari passu conditions among specified corporate bonds) (Note) in the amount of JPY 1,000 million which is due in May 2023, and also to repay its existing borrowings in the total amount of JPY 3,678 million that will mature by March 2024 after the issuance of the Investment Corporation

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Bonds. The remainder of the proceeds will be used to repay other existing borrowings that will mature by March 2024.

(Note) For the details of the 1st Series Investment Corporation Bonds, please refer to the press release entitled “Notice concerning Issuance of Investment Corporation Bonds” dated May 18, 2018.

#### 4. Future outlook

The impact of the Issuance to financial results is minimal and therefore no changes are required for the forecasts of the financial results for the fiscal periods ending June 2023 (from January 1, 2023 to June 30, 2023) and December 2023 (from July 1, 2023 to December 31, 2023).

#### 5. Other matters necessary for investors’ appropriate understanding/judgment of the concerned Information

With respect to the risks associated with the Issuance, there will be no change that substantially affects the matters stated in “Investment Risks” (*toshi risuku*) stated in the securities report (*yuka shoken hokokusho*) for the fiscal period ended December 2022 (from July 1, 2022 to December 31, 2022) (available in Japanese only) filed on March 27, 2023.

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 Issuance (As of May 19, 2023)	After the Issuance (As of May 25, 2023)	Increase (Decrease)
Total loans	231,817	231,817	—
Total investment corporation bonds	8,200	13,400	+5,200
Total interest-bearing liabilities	240,017	245,217	+5,200
Total appraisal value of assets owned by INV (Note 1)	541,295	541,295	—
LTV (based on appraisal value) (%) (Note 2)	44.3	45.3	+1.0

(Note 1) As to “Total appraisal value of assets owned by INV”, among the 128 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel), the appraisal value for the 127 properties is based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 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 and included. The appraisal value of overseas real estate assets (which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”) is translated into JPY based on the exchange rate of 1 USD=110.45 JPY which is the foreign exchange forward rate under the foreign exchange forward agreement which we entered into on July 26, 2018 and became effective as of 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.  
 INV will appropriate the funds to be procured through this issuance only for the redemption of the first series of unsecured investment corporation bonds of JPY 1,000 million as of May 25, 2023 and the repayment of existing borrowings will be implemented thereafter. Therefore, LTV (based on appraisal value) after the issuance (as of May 25, 2023) will be higher than that before the issuance (as of May 19, 2023). However, LTV is anticipated to decrease to the level before the issuance if the existing borrowings are repaid in the future.

(Note 3) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

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