

[For Information Purpose Only.]

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

December 8, 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 (Green Bonds)**

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

### 1. Summary of the investment corporation bonds

- |                                 |   |
|---------------------------------|---|
| (1) Name                        | : Invincible Investment Corporation 10th series unsecured bonds (with pari passu conditions among specified investment corporation bonds) (green bonds) (the “Investment Corporation Bonds”)  |
| (2) Total issue amount          | : JPY 1.8 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                 | : JPY100 per JPY100 of each bond  |
| (5) Redemption price            | : JPY100 per JPY100 of each bond  |
| (6) Interest rate               | : 1.297% per annum  |
| (7) Denomination price          | : JPY 100 million   |
| (8) Offering method             | : Public offering   |
| (9) Offering period             | : December 8, 2023 (Friday)   |
| (10) Payment date               | : December 14, 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 | : December 14, 2028 (five years)<br>The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case where the laws                    |

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and regulations or the Depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on a bank holiday, the payment will be moved forward to the previous bank business day.

- (13) Interest payment dates : June 14 and December 14 every year (the first interest payment date is to be June 14, 2024)
- (14) Rating : A (Japan Credit Rating Agency, Ltd.)
- (15) Financial covenants : A negative pledge clause is applicable
- (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.  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
Nomura Securities Co., Ltd. (Note)  
SMBC Nikko Securities Inc.

(Note) Nomura Securities Co., Ltd. was appointed as the structuring agent for formulation of the green finance framework published in August 2023 and acquisition of the external evaluation.

## 2. Reason for bonds issuance

INV and Consonant Investment Management Co., Ltd. ("CIM"), the asset manager of INV, have established the green finance framework (Note 1) (the "Framework") in August 2023 as we recognize the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the viewpoint of sustainability such as economic and social development and contributing to global environmental conservation, and we regard the improvement of sustainability as an important management issue. In addition, INV has obtained a "Green1 (F)" rating, the highest rating in the "JCR Green Finance Framework Evaluation" (Note 2), with respect to the eligibility of the Framework from Japan Credit Rating Agency, Ltd. ("JCR").

We decided to issue the green bonds based on the Framework in the aim to further promote our sustainability initiatives and strengthen our fund-raising base by expanding the investor base interested in ESG investment.

(Note 1) For the details of the green finance framework, please refer to the INV's website below.

[https://www.invincible-inv.co.jp/en/upd/framework\\_202308\\_ENG.pdf](https://www.invincible-inv.co.jp/en/upd/framework_202308_ENG.pdf)

(Note 2) For the details of the Green Finance Framework Evaluation, please refer to the JCR's website below.

<https://www.jcr.co.jp/en/greenfinance/>

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

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

JPY 1,785 million in total

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

The above approximate net proceeds will be used to repay a part of the New Syndicate Loan (L) (Note1) of JPY 4,805 million that will mature on January 16, 2024, out of the outstanding amount of JPY 19,633 million. The New Syndicate Loan (L) was procured for the acquisition of "Hotel MyStays Fuji Onsen Resort" (Note 2), a green building that satisfies the eligible criteria (Note 3).

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(Note 1) For the details of New Syndicate Loan (L), please refer to “4. Details of loan to be repaid” below.

(Note 2) “Hotel MyStays Fuji Onsen Resort” has been rated four stars “★★★★” in BELS Certification.

(Note 3) Eligibility Criteria

Eligibility Criteria-1: Green Building

Properties that have or will have one of the following third-party certifications in effect as of the date of payment of the green bond or as of the date of the green loan.

- (i) BELS Certification: five stars, four stars or three stars
- (ii) CASBEE Appraisal: rank S, A, or B+
- (iii) DBJ Green Building Certification: five stars, four stars or three stars
- (iv) LEED Certification: Platinum, Gold or Silver

Eligibility Criteria-2: Renovation

Renovation of facilities that meets either of the following (i) or (ii).

- (i) Renovation work intended to improve the number of stars or the rank by one or more for properties that have or will have one of the third-party certifications listed in Eligibility Criteria-1.
- (ii) Renovation work that is expected to reduce either energy consumption, greenhouse gas emissions, or water consumption by 30% or more.

## 4. Details of loan to be repaid

### New Syndicate Loan (L)

Lenders	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. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Citibank, N.A.,Tokyo Branch	Jul. 19, 2019	4,805	4,805 (Note 1)	– (Note 1)	0.52473% (Note 2)	Jan. 16, 2024	Unsecured/ non-guaranteed
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. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited		4,943	–	4,943	0.59818% (Note 3)	Jan.16 2025	

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Development Bank of Japan, Inc. AEON Bank, Ltd. Aozora Bank, Ltd. The Nomura Trust and Banking Co., Ltd.		4,942	–	4,942	0.74818% (Note 3)	Jul.16 2025	
Total		19,633	4,805	14,828			

(Note 1) For repayment, INV plans to allocate JPY 3,005 million from the borrowings in addition to the funds procured from the Issuance. However, we have not determined any specific borrowings as of today, and we will announce promptly when determined.

(Note 2) The New Syndicate Loan (L) is a loan with floating interest rate, but the interest rate is fixed by the interest swap agreement. Therefore, the effective fixed rate is shown. For details of the interest swap agreement, please refer to the press releases “Notice concerning Execution of Interest Rate Swap Agreements” as well as “(Correction) Notice concerning Execution of Interest Rate Swap Agreements” dated July 17, 2019.

(Note 3) The interest rate applicable as of December 8, 2023 is shown.

## 5. Investors who declared investment in the Investment Corporation Bonds

Listed below in Japanese syllabary order are investors to date who declared their intention to invest in the Investment Corporation Bonds and agreed to disclose their names.

- Iizuka Shinkin Bank
- Osaka Shoko Shinkin Bank
- The Kita Osaka Shinkin Bank
- Kochi Prefectural Credit Federation of Agricultural Co-operatives
- Nakanogou Credit Cooperative
- Niigata Shinkin Bank
- JA Mienaka

## 6. 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 December 2023 (from July 1, 2023 to December 31, 2023) and June 2024 (from January 1, 2024 to June 30, 2024).

## 7. 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 Risk” stated in the securities report for the fiscal period ended June 2023 (from January 1, 2023 to June 30, 2023) (available in Japanese only) filled on September 26, 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 Dec. 8, 2023)	After the Issuance (Note 3)	Increase (Decrease)
Total loans	254,200	252,400	-1,800
Total investment corporation bonds	13,100	14,900	+1,800
Total interest-bearing liabilities	267,300	267,300	—
Total appraisal value of assets owned by INV (Note 1)	618,350	618,350	—
LTV (based on appraisal value) (%) (Note 2)	42.7	42.7	—

(Note 1) Based on the 134 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) held as of June 30, 2023 are based on figures stated in the appraisal reports on the valuation date of June 30, 2023. Appraisal value for the six properties acquired on August 1, 2023 are based on figures stated in the appraisal reports on the valuation date of June 1, 2023. 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:

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

“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) “After the issuance” in the above table is assumed that the INV issues the Investment Corporation Bonds on December 14, 2023 and refinances a portion of the tranches for the New Syndicate Loan (L) due on January 16, 2024 with the borrowings.

(Note 4) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

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