

[For Information Purpose Only.]

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

July 11, 2024

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
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Notice concerning Conclusion of the Fixed-term Building Lease and Property Management Agreements (Hotel MyStays Kyoto-Shijo and Other 17 Hotels)

Invincible Investment Corporation ("INV") announced the decision made today by Consonant Investment Management Co., Ltd. ("CIM"), the asset manager of INV, to conclude fixed-term building lease and property management agreements ("Next Agreements") with MyStays Hotel Management Co., Ltd. ("MHM") and its subsidiary (collectively with MHM, the "MHM Group") for 18 hotels (the "Eighteen Hotels"), as the current fixed-term building lease and property management agreements ("Current Agreements") expire on July 16, 2024.

The Eighteen Hotels are "Hotel MyStays Kyoto-Shijo", "MyStays Shin-Urayasu Conference Center", "Hotel MyStays Maihama", "Hotel MyStays Premier Dojima", "Hotel MyStays Nagoya-Sakae", "Hotel MyStays Sakaisuji-Honmachi", "Hotel MyStays Yokohama", "Hotel MyStays Nippori", "Hotel MyStays Fukuoka-Tenjin-Minami", "Flexstay Inn Iidabashi", "Hotel MyStays Ueno Inaricho", "Flexstay Inn Shinagawa", "Flexstay Inn Tokiwadai", "Flexstay Inn Sugamo", "Hotel MyStays Otemae", "Hotel MyStays Kiyosumi Shirakawa", "Flexstay Inn Nakanobu P1" and "Flexstay Inn Nakanobu P2", and they are referred to as "Kyoto-Shijo", "Shin-Urayasu", "Maihama", "Dojima", "Nagoya-Sakae", "Sakaisuji-Honmachi", "Yokohama", "Nippori", "Fukuoka-Tenjin-Minami", "Iidabashi", "Ueno Inaricho", "Shinagawa", "Tokiwadai", "Sugamo", "Otemae", "Kiyosumi Shirakawa", "Nakanobu P1" and "Nakanobu P2", respectively.

MHM Group has received investments through funds managed by affiliates of the Sponsor, Fortress Investment Group LLC ("FIG"). Therefore, CIM has treated MHM Group as equivalent to Sponsor-related Persons¹. As such, CIM and INV have sincerely deliberated, discussed, and resolved to conclude the Next Agreements in accordance with the internal rules of CIM to handle the related party transactions.

(Note 1) A Sponsor-related Person is (i) any person who falls under the "Interested Persons, etc." set forth in the Investment Trust Act and the Orders for Enforcement of the Act on Investment Trust and Investment Corporations, (ii) all shareholders of CIM and (iii)

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Invincible Investment Corporation

special purpose companies (tokubetsu mokuteki kaisha) (a) which delegate their management to persons who fall under (ii) above, or (b) which are invested by or invested through anonymous partnership (tokumei kumiai) by persons who fall under (ii) above. Hereinafter the same.

1. Outline of the Next Agreements

Main items of the Current Agreements / Next Agreements are as follows. For details of the Eighteen Hotels and the Current Agreements, please refer to the following press release: "Notice concerning Acquisition of Assets and Entering into Leasing Contract" dated June 23, 2014 and "Part I Fund Information / 1 Status of Fund / 5 Management Status / (2) Investment Assets" of the Securities Report for the 41st fiscal period (from July 1, 2023 to December 31, 2023) filed by INV on March 27, 2024 (available in Japanese only).

Comparison of main items between the Current Agreements and the Next Agreements

		Current Agreements	Next Agreements
Contract Period (Eighteen Hotels)		July 17, 2014 – July 16, 2024	July 17, 2024 – July 16, 2034
Fixed Rent	Kyoto-Shijo	Annual basis: JPY 190,440,000	Same as Left
	Shin-Urayasu	Annual basis: JPY 149,640,000	Same as Left
	Maihama	Annual basis: JPY 141,480,000	Same as Left
	Dojima	Annual basis: JPY 94,560,000	Same as Left
	Nagoya-Sakae	Annual basis: JPY 133,800,000	Same as Left
	Sakaisuji-Honmachi	Annual basis: JPY 88,380,000	Same as Left
	Yokohama	Annual basis: JPY 83,160,000	Same as Left
	Nippori	Annual basis: JPY 60,000,000	Same as Left
	Fukuoka-Tenjin-Minami	Annual basis: JPY 57,420,000	Same as Left
	Iidabashi	Annual basis: JPY 53,460,000	Same as Left
	Ueno Inaricho	Annual basis: JPY 42,270,000	Same as Left
	Shinagawa	Annual basis: JPY 39,600,000	Same as Left
	Tokiwadai	Annual basis: JPY 48,540,000	Same as Left
	Sugamo	Annual basis: JPY 45,000,000	Same as Left
	Otemae	Annual basis: JPY 48,000,000	Same as Left
	Kiyosumi Shirakawa	Annual basis: JPY 32,580,000	Same as Left
	Nakanobu P1	Annual basis: JPY 17,700,000	Same as Left
Nakanobu P2	Annual basis: JPY 9,840,000	Same as Left	
Variable Rent (Eighteen Hotels)		Calculated on a 3-month basis: February - April, May - July, August - October, and November - January. The amount obtained by deducting (i) the total amount of expenses, management fees, and fixed rents of the hotel property from (ii) the total monthly sales of the hotel property (if the calculation results are negative, the amount shall be JPY 0).	Calculated on a 6-month basis: January - June, and July - December. The amount obtained by deducting (i) the total amount of expenses, management fees, and fixed rents of the hotel property from (ii) the total monthly sales of the hotel property (if the calculation results are negative, the amount shall be JPY 0).
Management Fees (Eighteen Hotels)		Undisclosed (note1). However, basically the amount obtained by	Same as Left (No change)

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	<p>summing (i) the amount equal to 2% of the monthly gross sales; (ii) the amount equal to 0-6% of the monthly sales resulted from the guests referral developed by the head office sales division of MHM or via the website managed and operated by MHM; and (iii) the amount equal to 4-6% of the amount so obtained by deducting the amounts set forth in (i) and (ii) from the monthly gross sales less operating expenses excluding management fees</p>	
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(Note 1) Not disclosed because consent from the tenant has not been obtained.

Moreover, please refer to the press release “Notice concerning Conclusion of the Fixed-term Building Lease and Property Management Agreements (Hotel MyStays Kanda / Hotel MyStays Asakusa)” for the background of the conclusion of the Next Agreements. [The background of the conclusion of the Next Agreements are similar.](#)

2. Outline of MHM Group

- (1) Tenant and operator of the 17 hotels out of the Eighteen Hotels, and operator of Hotel MyStays Premier Dojima

(i) Name	MyStays Hotel Management Co., Ltd.
(ii) Location	Roppongi Hills North Tower 14 th Floor, 6-2-31, Roppongi, Minato-ku, Tokyo, Japan
(iii) Title and name of representative officer	President and CEO, Ryoichi Shirota
(iv) Business	Hotel and Ryokan (Japanese inn) operation and management
(v) Capital	JPY 100 million (as of the end of March 2024)
(vi) Date of establishment	July 8, 1999
(vii) Relationship between INV/Asset Manager and the Tenant/Operator	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and MHM, the parent company of MHM is owned by a fund operated by affiliates of FIG. FIG is a subsidiary of a company which indirectly holds 100% of CIM’s outstanding shares.
Personnel relationships	As of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, Naoto Ichiki, who is Chairman and Director of CIM, Christopher Reed, who is a part-time director of CIM, and an employee are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	As of today, INV has entered into lease agreements (Note 1) with MHM with respect to 79 hotel properties.

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Whether the Tenant/Operator is a related party	MHM is not a related party of INV/CIM. Further, related persons and affiliates of MHM are not related parties of INV/CIM. Furthermore, MHM is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations.
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(Note 1) Agreements with MHM subsidiaries and management contracts between MHM and tenants are included.

(2) Tenant of Hotel MyStays Premier Dojima

(i) Name	MGH Master Lease Co., Ltd.
(ii) Location	6-2-31, Roppongi, Minato-ku, Tokyo, Japan
(iii) Title and name of representative officer	President and CEO, Ryoichi Shirota
(iv) Business	1. Leasing of properties 2. Management of properties 3. All other businesses ancillary to the preceding items
(v) Capital	JPY 9 million (as of the end of March 2024)
(vi) Date of establishment	August 17, 2006
(vii) Relationship between INV/Asset Manager and the Tenant/Operator	
Capital relationships	While there are no capital relationships that should be noted between INV/CIM and the tenant. MHM, the parent company of the tenant is owned by a fund operated by affiliates of FIG. FIG is a subsidiary of a company which indirectly holds 100% of CIM's outstanding shares.
Personnel relationships	As of today, among the directors of INV and the officers and employees of CIM, Naoki Fukuda, who is Executive Director of INV and CEO of CIM, Naoto Ichiki, who is Chairman and Director of CIM, Christopher Reed, who is a part-time director of CIM, and an employee are seconded from Fortress Investment Group Japan Godo Kaisha, a subsidiary of FIG.
Transactional relationships	As of today, INV has entered into lease agreements with the tenant with respect to Hotel MyStays Premier Dojima.
Whether the Tenant/Operator is a related party	The tenant is not a related party of INV/CIM. Further, related persons and affiliates of the tenant are not related parties of INV/CIM. Furthermore, the tenant is not an interested party, etc. of CIM as provided in the Act on Investment Trusts and Investment Corporations.

3. Transactions with Interested Persons etc.

MHM Group, tenants and operators, or tenant of the Eighteen Hotels, are not Sponsor-related Persons under the voluntary rules established by CIM as countermeasures against conflicts of interests in the management of INV's investments. However, MHM Group has received investments directly or indirectly through funds managed by affiliates of the Sponsor, FIG. Therefore, CIM has treated MHM Group as equivalent to Sponsor-related Persons.

In accordance with Sponsor-Related Person Transaction Rules and Sponsor-Related Person Transaction Management Manual, which are internal rules of CIM, and following the deliberation and resolution of the compliance committee meeting and the investment committee meeting both held on July 10, 2024, the board of directors of CIM and INV held on July 11, 2024 each approved the conclusion of the Next Agreements.

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4. Future Outlook

The impact of the conclusion the Next Agreements on financial results is minimal.

Website of INV: <https://www.invincible-inv.co.jp/en/>

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