

September 15, 2020  
Invincible Investment Corporation

**Q&A regarding the following Press Release disclosed on September 11, 2020**

- Notice concerning Conclusion of Memorandum of Understanding to Amend the Fixed-term Building Lease and Property Management Agreement pertaining to the rent conditions for the period from July to September, 2020 with Major Tenant

**Q: It appears the hotel market has been improving compared to 2Q. What structure do you expect for the lease contracts with MyStays Hotel Management (MHM) from October and onwards? Are you trying to get closer to the original contracts or would it be an option to move to 100% variable rent as one of your competitors has adopted?**

A: We expect a gradual recovery of the hotel performance from October and thereafter as we have seen positive performance recently at the resort hotels close to Tokyo, such as Hotel Epinard Nasu, through the endeavors to capture demand “With Corona” and the potential positive effects from the inclusion of Tokyo to the “Go To Travel” campaign. However, we don’t think the level of recovery will be strong enough to enable MHM to pay the original fixed rent as the outlook is still uncertain.

Having said that, we don’t plan to move to a 100% variable rent structure because setting some fixed rent is important to urge MHM’s further efforts to maximize profits of hotels even though MHM has limited capacity to pay fixed rent beyond GOP. We continue to closely monitor the situation.

**Q: What is the status of requests of rent reductions and other support from the hotel operators other than MHM?**

A: Only one operator requested to discuss potential rent reductions but did not get into the details. We didn’t receive such requests from any other operators.