

March 18, 2021

Invincible Investment Corporation

FAQ regarding the following Press Release disclosed on March 11, 2021

- 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 January to June, 2021 with Major Tenant

Q: Fixed rent based on the Memorandum of Understanding (MOU) in the fourth quarter of 2020 was set at 30% of the original contract. However, in the MOU for the current fiscal period (from January to June 2021), the fixed rent was set at 20% of the original contract. Does this mean that the situation will be more severe in the current fiscal period compared to the fourth quarter of 2020?

A: The situation continues to be challenging under the current circumstances such as the suspension of the GoTo Travel Campaign and the reissuance / extension of the State of Emergency. In the first six months of 2021, the 20% level was judged to be appropriate, but we believe the situation will improve in the future.

Q: Is there a possibility that the current fixed rent set at 20% of the original contract will be lowered further, or that the rent will be completely variable without fixed rent?

A: We expect the situation will improve after July 2021, and do not anticipate further reductions in fixed rent levels or changes to full variable rent. The State of Emergency will eventually be lifted and vaccinations are being rolled out in Japan. In addition, while a final decision has not yet been made as to whether the Tokyo Olympics will be held, the Olympics are expected to have a positive effect, including accommodation demand from the media even if overseas spectators are excluded. Moreover, hotel demand is expected to improve if the GoTo Travel Campaign is resumed, regardless of its form.

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