

Disclaimer

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

European Economic Area Investors

The Directive 2011/61/EU (the “Alternative Investment Fund Managers Directive”, or the “AIFMD”), was adopted on June 8, 2011 and was required to be implemented by each Member State of the EEA into its national legislation by July 22, 2013. The units of INV may not be marketed (within the meaning given to the term “marketing” under the AIFMD), and the Communication may not be conducted, to prospective investors domiciled or with a registered office in any Member State of the EEA unless: (i) the units of INV may be marketed under any national private placement regime (including under the AIFMD) or other exemption in that Member State; or (ii) the units of INV can otherwise be lawfully marketed or sold in that Member State in circumstances in which the AIFMD does not apply, provided that any such offer or sale is not made to a retail investor as described above. We have made a notification to each of the Netherlands Authority for the Financial Markets and the United Kingdom Financial Conduct Authority pursuant to Article 42 of the AIFMD in order to market the units of INV in the Netherlands and the United Kingdom, respectively.

Prohibition of Sales to EEA Retail Investors

In addition to the restrictions under the AIFMD, the units of Invincible Investment Corporation (“INV” or the “AIF”) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area, or the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, or the MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended, the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014, or the PRIIPs Regulation, for offering or selling the units of INV or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units of INV, or otherwise making them available, to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

The units of INV are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the Consonant Investment Management Co., Ltd. (the “AIFM”) has notified the Financial Conduct Authority (the “FCA”) of its intention to offer these units in the United Kingdom. For the purposes of the United Kingdom Financial Services and Markets Act 2000 (“FSMA”) INV is an unregulated collective investment scheme which has not been authorized by the FCA. Accordingly, any communications of an invitation or inducement to invest in INV may be made only to: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order; (ii) high net worth companies, unincorporated associations or other entities falling within Articles 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as “Relevant Persons”). In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

Prohibition of Sales to UK Retail Investors

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the Units of INV are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA; and the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the international units to be offered so as to enable an investor to decide to purchase or subscribe the international units.

Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”), for offering or selling the international units or otherwise making them available to retail investors in the United Kingdom

has been prepared and therefore offering or selling the international units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

Netherlands

The units of INV are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, the AIFM has notified the Dutch Authority for the Financial Markets of its intention to offer these units in the Netherlands. The units of INV will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalficeerde beleggers*) within the meaning of Article 1:1 of the Wft. and as a consequence neither the AIFM nor INV is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor INV is subject to supervision of the Dutch Central Bank (De Nederlandsche Bank, “DNB”) or the Netherlands Authority for Financial Markets (Autoriteit Financiële Markten, the “AFM”) and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 as amended and applicable in the Netherlands. The AIFM is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

Article 23 (1)(a)	
Objectives of the AIF	INV seeks to achieve distribution growth and enhancement of unitholders' value by building a balanced portfolio composed primarily of hotels, particularly limited service hotels, and affordable residential properties, which together constitute INV's "core assets". By achieving such balance, INV seeks to optimize the mix of stability associated with residential properties and growth opportunities arising from investments in hotels.
Investment strategy	<p>In addition to investing in and growing a balanced portfolio composed primarily of hotels and affordable residential properties, INV seeks to:</p> <ul style="list-style-type: none"> • utilize resources and pipeline support of Fortress Investment Group LLC and its affiliates (collectively, the "Fortress Group", which sponsors INV and is part of the Softbank Group); • source attractive properties using Consonant Investment Management Co., Ltd.'s (the "Asset Manager") information network; and • utilize limited service operational expertise of MyStays Hotel Management Co., Ltd. ("MyStays Hotel Management").
Types of assets the AIF may invest in	Real estate, including trust beneficiary interests in real estate, securities backed by real estate, specified assets and other assets, including any of the foregoing assets governed by foreign laws and regulations, as well as equity interests in corporations holding overseas real estate.
Techniques it may employ and all associated risks	<p>INV invests primarily in hotels and affordable residential properties, while also making investments in select office buildings, retail properties and parking facilities, to achieve distribution growth and enhancement of unitholders' value.</p> <p>The principal risks with respect to investment in INV are as follows:</p> <p>Property and Business Risks</p> <ul style="list-style-type: none"> • Any adverse conditions in the Japanese economy could adversely affect INV's properties. • An epidemic such as SARS, MERS and COVID-19 may have a significant long-term adverse impact on economic activities, including as a result of self-isolation measures, which in turn may adversely affect the operators' profitability, performance of INV's portfolio and market price of its units.

	<ul style="list-style-type: none"> • INV may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings. • INV's reliance on Fortress Group could have a material adverse effect on its business. • INV's investment in the Cayman Islands hotels exposes it to risks inherent in investment in overseas properties, including operational risks due to its limited experience in operating properties outside of Japan, exposure to the economic, market and environmental conditions in the Cayman Islands and foreign exchange risk. INV's strategy to acquire properties outside of Japan may expose it to additional risks. • As a large portion of INV's hotels are subject to a variable rent structure, its results of operations are inherently more volatile than the results of properties with fixed-lease arrangements, and INV may not be able to effectively manage its hotel portfolio due to its relatively limited operating history in owning full service hotels and resort hotels that it may decide to acquire in greater numbers in the future. • INV may not close its anticipated or other future property acquisitions. • Increases in prevailing market interest rates, particularly following the Bank of Japan's announcement of a major new policy for monetary easing, would increase INV's interest expense and may result in a decline in the market price of its units. • The relatively high geographic concentration of INV's real estate portfolio in the greater Tokyo area and other major cities could have a material adverse effect on its business. • Competition for tenants and hotel guests may adversely affect INV's ability to retain its current tenants and find new tenants, and to maintain occupancy rates and revenue. • INV's domestic hotels are subject to the operating risks common to the hospitality industry, which have a direct effect on the variable rent component of its portfolio's revenue. • The cyclical and seasonal nature of the hospitality industry may cause fluctuations in INV's operating performance, which could have a material adverse effect on it and its variable rent revenues. • INV may incur unexpected expenses, expenditure or other losses for repair or maintenance of its properties, and its hotels require periodic capital reinvestment for renovation.
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	<ul style="list-style-type: none"> • The majority of INV's hotels are leased to MyStays Hotel Management or its subsidiaries which are owned by Fortress Group-managed funds, and subject to the risk of default under their hotel lease agreements. • INV's focus on residential properties could have a material adverse effect on its business. • INV may lose rental revenues in the event of defaults by end-tenants under their lease agreements for properties other than hotels. • Master leases may give rise to certain risks. • INV may suffer large losses if any of its properties incur damage from a natural or man-made disaster or acts of violence. • INV may be liable for an unforeseen loss, damage or injury suffered by a third party at its properties. • Because most of INV's operating expenses are largely fixed, it may suffer adverse consequences if its rental revenues decline. • INV may not be able to promptly acquire suitable properties or sell those in its portfolio on acceptable terms in response to changing economic, financial or investment conditions. • Defects or problems relating to INV's properties, including non-conformity to agreements, may adversely affect its financial condition and results of operations. • INV relies on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties. • The environmental assessments of INV's properties made prior to its ownership may not have uncovered all environmental liabilities, and Japanese laws and other overseas laws subject property owners to strict environmental liabilities. • Decreases in tenant leasehold and/or security deposits would increase INV's funding costs. • Any inability to obtain financing for future acquisitions, or any restrictions on INV's activities under its financing arrangements, could adversely affect INV. • A high LTV ratio may increase INV's exposure to changes in interest rates and have a material adverse effect on its results of operations. • INV may suffer impairment losses relating to its properties and may also suffer adverse tax effects upon recognizing impairments. • The performance of Fortress Group is not an indicator or guarantee of
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	<p>INV's future results.</p> <ul style="list-style-type: none"> • INV's financial statements are prepared in accordance with Japanese GAAP, which differs in certain material respects from IFRS, U.S. GAAP and generally accepted accounting principles and financial reporting standards in other jurisdictions. • INV relies on industry and market data that are subject to significant uncertainties. • INV may be exposed to risks relating to investments in the operators or master lessees of its properties. <p>Management and Governance Risks</p> <ul style="list-style-type: none"> • INV's success depends on the performances of service providers to which it is required to assign various key functions. • There are potential conflicts of interest between INV and certain Fortress Group affiliates or Fortress Group-related companies including the Asset Manager, MyStays Hotel Management. • INV depends on the efforts of its executive director and key personnel of the Asset Manager. • Unitholders have limited control over INV's policies. • The Japanese regulatory authorities have tightened regulatory supervision of J-REITs and their asset managers and their corporate governance. • If unitholders do not exercise their voting rights, INV may count their votes in favor of proposals at a general meeting of unitholders. <p>Taxation Risks</p> <ul style="list-style-type: none"> • INV's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify INV from certain taxation benefits and significantly reduce its distributions to its unitholders. • If the Japanese tax authorities disagree with the interpretations INV used for prior periods, it may be forced to pay additional taxes for those periods. • INV may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs. • Changes in Japanese tax laws may significantly increase INV's tax burden. • INV may be subject to taxes in countries other than Japan due to its investments outside of Japan and investors may not be able to take
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	<p>advantage of available credits associated with such taxes.</p> <ul style="list-style-type: none"> • INV's distributions may decrease due to reversals of allowance for temporary differences adjustment. • INV expects to be treated as a "passive foreign investment company" for U.S. federal income tax purposes. • Unitholders may become subject to U.S. Foreign Account Tax Compliance Act (FATCA) withholding tax. <p>Legal and Regulatory Risks</p> <ul style="list-style-type: none"> • INV's ownership rights in some of its properties may be declared invalid or limited. • INV's may lose its rights in a property it owns if the purchase of the property is recharacterized as a secured financing. • Acquisition of properties for which third parties hold leasehold interests in the land and own the buildings may subject INV to various risks. • INV's leasehold interests may be terminated or may not be asserted against a third party in some cases, or its leases with its tenants could be modified. • INV currently hold interests in Sheraton Grande Tokyo Bay Hotel through, and may make further investments in, preferred equities of a TMK (<i>tokutei mokuteki kaisha</i>), and illiquidity in the market for such equities may limit its ability to sell its interests, and INV is exposed to risks unique to this investment structure. • INV may hold interests in some properties through Japanese anonymous association (<i>tokumei kumiai</i>) agreements. • INV currently holds several properties in the form of compartmentalized ownership interests (<i>kubun shoyu-ken</i>) and its rights relating to such properties may be affected by the intentions of other owners • INV may acquire properties in the form of co-ownership (<i>kyoyu</i>) and its rights relating to such properties may be affected by the intentions of other owners. • Tax increases or adverse changes in applicable laws may affect INV's potential liabilities relating to its properties and operations. • Compliance with energy conservation regulations in Japan may adversely affect INV's financial results. • INV's costs of complying with regulations applicable to its properties could adversely affect its results of operations.
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	<ul style="list-style-type: none"> • INV owns a substantial portion of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary. • The Alternative Investment Fund Managers Directive (AIFMD) may negatively affect INV's ability to market its units in the EEA and increase its compliance costs associated with the marketing of its units in the EEA. • INV's assets may be deemed to constitute "plan assets" for ERISA purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and its being held in violation of ERISA requirements.
Any applicable investment restrictions	<p>INV is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation.</p> <p>INV must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (<i>chijō-ken</i>) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights.</p> <p>Furthermore, a listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate.</p> <p>Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.</p> <p>The investment by the AIF must be made in accordance with the basic investment policy as set out in its articles of incorporation.</p>
Circumstances in which the AIF may use leverage	<p>INV may take out loans or issue investment corporation bonds (including short-term corporation bonds) for the purpose of, among other things, acquiring assets, repair or distribution payments and acquiring operational funding or procuring funds for debt repayment, which are conducive to the efficient management of investment assets and the stability of management.</p>
The types and	<p>INV may take out loans or issue investment corporation bonds for financing its</p>

sources of leverage permitted and associated risks	<p>activities.</p> <p>INV currently has outstanding loans from major financial institutions, such as Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation.</p> <p>INV currently does not have any outstanding guarantees and may be subject to restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties.</p> <p>Furthermore, INV may violate restrictive covenants contained in the loan agreements INV executes, such as the maintenance of debt service coverage or loan-to-value, or LTV, ratios, which may entitle the lenders to require INV to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that INV has any debt with unhedged floating rates of interest or INV incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties, and could cause the market price of the units to decline.</p>
Any restrictions on leverage	The maximum amount of any borrowing and issuance of investment corporation bonds is JPY 500 billion each, and the aggregate amount of all such debt must not exceed JPY 500 billion.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	INV has, in principle, set an upper limit of 60% for its LTV ratio (based on book value) in order to operate with a stable financial condition. INV may, however, temporarily exceed such level as a result of acquiring new investment assets.
Article 23(1) (b)	
Procedure by which the AIF may change its investment strategy / investment policy	INV's investment policy is set forth in its articles of incorporation. As a result, any change in its investment policy will require an amendment of its articles of incorporation. Amendment of the articles of incorporation requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that

	<p>under the ITA and INV's articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted or cases regarding (i) dismissal of an executive director or supervisory director, (ii) consent to the termination of the asset management agreement by the Asset Manager, (iii) termination of the asset management agreement by INV, (iv) addition, amendment or abolition of the provisions related to deemed affirmative vote in the articles of incorporation or (v) dissolution of INV.</p> <p>Additionally, the guidelines of the AIFM, which provide more detailed policies within INV's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.</p>
Article 23(1) (c)	
<p>Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established</p>	<p>INV is a corporate-type investment trust in the form of investment corporation (<i>toshi hojin</i>) provided for under the ITA. Therefore, the relationship between INV and its unitholders is governed by INV's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. INV's articles of incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of INV's directors.</p> <p>The relationship between INV and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.</p> <p>The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against INV obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) INV has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the</p>

	<p>subject matter by any Japanese court.</p> <p>The AIFM has entered into a sponsor support agreement with Fortress Investment Group Japan Godo Kaisha. INV has also entered into a memorandum of understanding with certain Fortress Group-related SPCs, which provides INV with preferential negotiation rights to acquire certain properties.</p> <p>All of the above agreements are governed by Japanese law.</p> <p>INV is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.</p>
Article 23(1) (d)	
<p>The identity of the AIFM, AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights thereto</p>	<ul style="list-style-type: none"> <p>AIFM (Asset Manager) / General Administrator: Consonant Investment Management Co., Ltd.</p> <p>The Asset Manager provides the services including asset management, financing, investor relations and financial reporting, and operational planning.</p> <p>The General Administrator provides administrative services to us, including administration of unitholder meetings (excluding services related to distribution of documents for the unitholders' meeting and acceptance and tabulation of the voting ballots) and administration of board meetings.</p> <p>Auditor: Ernst & Young ShinNihon LLC</p> <p>The independent auditor audits financial statements and prepare audit reports.</p> <p>Asset Custodian / Unitholders' Register Administrative Agent / Special Accounts Administrator: Sumitomo Mitsui Trust Bank, Limited ("SMTB")</p> <p>The Asset Custodian provides custodial services to us, including custody of our assets.</p> <p>The Unitholders' Register Administrative Agent provides administrative services to us, including creation, administration and custody of the unitholders' register and related documents.</p> <p>The Special Accounts Administrator provides administrative services to us, including the preparation, management and custody of the transfer account book and other services in relation to the special accounts of pre-merger unitholders of LCP.</p>

	<ul style="list-style-type: none"> ● Special Accounts Administrator: Mitsubishi UFJ Trust and Banking Corporation (“MUTB”) <p>The Special Accounts Manager provides administrative services to us, including the preparation, management and custody of the transfer account register and collection, registration, custody, use, removal and deletion of the individual number and other information in relation to the special accounts of pre-merger unitholders of us.</p> ● Accounting Administrator: SMTB <p>The Accounting Administrator provides administrative services to us, including administration of accounting matters, preparation of accounting books and tax-related services.</p> <p>INV relies on Consonant Investment Management Co., Ltd. to manage its operations, to formulate and implement strategies to achieve its investment objectives and to administer unitholder meeting and board meetings. Ernst & Young ShinNihon LLC is INV’s independent auditor and audits INV’s financial statements. SMTB provides custodian services and certain administrative services to INV, including custody of its assets, creation of the unitholders’ register and preparation of the transfer account book in relation to the special accounts of pre-merger unitholders of LCP Investment Corporation (“LCP”). MUTB provides certain administrative services to INV, including the custody of the transfer account register in relation to the special accounts of pre-merger unitholders of INV. SMTB provides certain administrative services to INV, including the administration of accounting matters and preparation of accounting books.</p> <p>Service providers owe contractual obligations under their respective agreements with the AIF or the AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the Asset Manager in good faith. The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF’s interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.</p>
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	The unitholders do not have any contractual relationship with INV's service providers and therefore will not be able to bring any contractual claims against a service provider.
Article 23(1) (e)	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
Article 23(1) (f)	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the asset custodian, which is responsible for safekeeping activities.
Article 23(1) (g)	
Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets	INV makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value. INV evaluates assets in accordance with its articles of incorporation. The methods and standards that INV uses for the evaluation of assets are based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP. J-REITs may only use the valuation methods prescribed in

	the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.
Article 23(1) (h)	
Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	<p>INV seeks to manage its capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions.</p> <p>Net cash provided by operating activities constitutes INV's primary source of liquidity to fund distributions, interest payments on loans payable, fees to the Asset Manager and other service providers, property-related taxes, repairs and maintenance, and capital expenditures for its properties in the ordinary course of business. INV's liquidity risks are managed by the Asset Manager by preparing monthly plans for funds, and monitoring the covenants defined in loan agreements.</p> <p>As INV is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.</p>
Article 23(1) (i)	
Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors	<p>Compensation: INV's articles of incorporation provide that it may pay its executive director up to JPY 800,000 per month and its supervisory director up to JPY 400,000 per month. The board of directors is responsible for determining the amounts of the monthly remuneration for the executive director and the supervisory director.</p> <p>Asset Manager:</p> <ul style="list-style-type: none"> Asset Management Fee: INV pays to the AIFM an asset management fee as follows: <ol style="list-style-type: none"> From January 2022 through December 2022, as a fee for every half accounting period (three months), an amount not exceeding the lower of either (A) the amount calculated by multiplying the total amount of the relevant assets recorded as of the end of the relevant half accounting period by 0.4%, and then dividing by 4 (disregarding any amounts less than one yen) or (B) JPY 150,000,000: From January 2023, as a monthly fee, the higher of either (A) the amount calculated by multiplying the total amount of the relevant assets recorded as of the end of each relevant month by 0.4%, and then dividing by 12 (disregarding any amounts less than one yen) or (B) JPY 25,000,000. Acquisition Fee:

	<p>If INV acquires any real estate or other underlying real estate by which other assets, including trust beneficiary interests, which are backed by any Real Estate, etc., which are targeted for asset investment, INV pays an amount not exceeding 0.5% of the amount contributed by INV among the purchase price thereof (excluding an amount equivalent to the consumption tax thereon relevant to the building) within three months from the end of the month in which the date of acquisition of such assets falls.</p> <ul style="list-style-type: none"> • Disposition Fee: If INV disposes of any real estate or other underlying real estate by which other assets, including trust beneficiary interests, which are backed by any Real Estate, etc., which are targeted for asset investment, INV pays an amount not exceeding 0.5% the amount received by INV among of the disposition price thereof (excluding an amount equivalent to the consumption tax thereon relevant to the building) within three months from the end of the month in which the date of disposition of such assets falls. • Administrative Agency Fee: INV pays the AIFM a fee of JPY 100,000 for each month, payable on a quarterly basis for services performed during the three-month periods ending March 31, June 30, September 30, and December 31, respectively, and payable within two months of the end of the relevant period. If INV holds a general meeting of unitholders, INV pays the AIFM an additional fee of JPY 500,000 for services performed in connection with each such meeting, payable within the three month period immediately following the end of the month in which such meeting is held. <p>Custodian:</p> <ul style="list-style-type: none"> • Custodian Fee: INV pays to the Asset Custodian a custodian fee for each fiscal period, which may not exceed, on an annual basis, 0.02% of the total amount of its assets. <p>Unitholders' Register Administrative Agent:</p> <ul style="list-style-type: none"> • Standard Fees:
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INV pays standard fees for services such as storage and administration of INV's unitholder's register, monthly reports or other reports that form part of the regular services, and the determination of the identity of INV's unitholders as of end-of-period, mid-period, and quarterly dates (excluding extraordinary determinations) and compilation of various statistical data. Monthly standard fees are equal to one-sixth of the sum of the total amount of fees calculated in the manner below, provided that the minimum monthly fee is set at JPY 200,000.

Number of unitholders	Fees per Unitholder
The first 5,000 unitholders	JPY 480
Over 5,000 and not more than 10,000	JPY 420
Over 10,000 and not more than 30,000	JPY 360
Over 30,000 and not more than 50,000	JPY 300
Over 50,000 and not more than 100,000	JPY 260
Over 100,000 unitholders	JPY 225

INV also pays a JPY 70 fee per case for data entry regarding deregistrations from the unitholder's register.

- Administration of Distributions Fees:

INV pays fees for the calculation of distributions and services such as the creation of distribution records and receipts, processing of stamp tax payment, preparation of payment records, determination of unpaid distributions and preparation of unpaid distributions records, preparation of wire transfer notices, wire transfer tape and wire transfer slips for distributions, application of withholding tax rates other than general tax rates, and preparation of distribution statements of accounts. The fees are determined based on the total number of unitholders as of the record date and calculated according to the table below, provided that the minimum fee is set at JPY 350,000.

Number of unitholders	Fees per unitholder receiving distributions
The first 5,000 unitholders	JPY 120
Over 5,000 and not more than 10,000	JPY 110
Over 10,000 and not more than 30,000	JPY 100
Over 30,000 and not more than 50,000	JPY 80
Over 50,000 and not more than 100,000	JPY 60

	<table border="1" data-bbox="571 262 1315 313"> <tr> <td>Over 100,000 unitholders</td><td>JPY 50</td></tr> </table> <p>INV pays an additional charge of JPY 150 per instance in connection with distribution wire transfer instructions; a charge of JPY 100 per instance in connection with postal dividends receipts; a charge of JPY 150 per instance in connection with the application of special tax rates; and a charge of JPY 15 per instance for preparation of distribution account statements.</p> <p>Special Accounts Administrator:</p> <ul style="list-style-type: none"> <p>Special Account Administration Fees (SMTB):</p> <p>These fees are for the administration of special accounts, transfer agent and handling reports, verification of securities storage and transfer mechanism and total unit numbers, and creation of reports on transaction totals. The fees are based on the total number of subscribers as of the end of the relevant month and are calculated according to the table below. There is a minimum special account administration fee of JPY 20,000 per month.</p> <table border="1" data-bbox="571 1081 1351 1276"> <tr> <th>Number of subscribers</th><th>Fees per subscriber</th></tr> <tr> <td>The first 5,000 subscribers</td><td>JPY 150</td></tr> <tr> <td>Over 5,000 and up to 10,000</td><td>JPY 130</td></tr> <tr> <td>Over 10,000 subscribers</td><td>JPY 110</td></tr> </table> <p>Special Account Administration Fees (MUTB):</p> <p>These fees are for the creation and administration of the transfer account register and the account ledger attached thereto; for reports for the notification of general unitholders; new listing, registration, cancellation, and total cancellation procedures; individual unitholder requests for information; listing and registration in the transfer account register, listing and registration of pledges, and listing and registration of trustees and assets held in trust; the opening and closing of special accounts; registration of seals for subscriber information and notifications, renewal of registration, and notifications to the subscriber information mechanism; services related to requests for the opening of special accounts for purchasers under the New Act on the Transfer of Corporate Bonds, etc.; and services relating to unit splits and reverse unit splits.</p> <p>The fees are based on the total number of unitholders as of the end of</p> 	Over 100,000 unitholders	JPY 50	Number of subscribers	Fees per subscriber	The first 5,000 subscribers	JPY 150	Over 5,000 and up to 10,000	JPY 130	Over 10,000 subscribers	JPY 110
Over 100,000 unitholders	JPY 50										
Number of subscribers	Fees per subscriber										
The first 5,000 subscribers	JPY 150										
Over 5,000 and up to 10,000	JPY 130										
Over 10,000 subscribers	JPY 110										

the relevant month and calculated according to the table below. There is a minimum fee of JPY 20,000 per month.

Number of unitholders	Fees per unitholder
The first 3,000 unitholder	JPY 150
Over 3,000 and up to 10,000	JPY 125
Over 10,000 and up to 30,000	JPY 100
Over 30,000 unitholders	JPY 75

INV also pays special account administration fees for the administration of each special account (except for certain unitholders as separately defined) as follows: a fee of JPY 150 for a general unitholder report; a fee of JPY 250 for offer or receipt of an individual unitholder notification; a fee of JPY 250 for receipt of information requests; a fee of JPY 250 for receipt of various notices; and a fee of JPY 130 for services related to distribution wire transfers.

Accounting Administrator:

- Accounting Administration Fee:

INV pays an accounting administration fee, payable by the end of the month immediately following the month in which it receives an invoice from the Accounting Administrator. The accounting administration fee for any month is established by written agreement between INV and the Accounting Administrator, subject to a cap calculated as follows: total assets shown on INV's trial balance as of the end of the immediately prior month, multiplied by 0.09% and divided by 12 (subject to a minimum fee of JPY 500,000).

The accounting administration fee in respect of any period less than a month is calculated on a daily pro rata basis for such period.

Auditor:

- Auditor Fee:

Remuneration for the independent auditor shall be determined by the board of directors within the maximum amount of JPY 25,000,000 per fiscal period subject to audit.

INV may also incur other miscellaneous fees in connection with the payment of distributions; certain notices, investigations and certificates; mailing of

	<p>notices; handling of returned mail; preparation for general unitholders' meetings; preparation of table of unitholders; preparation of CD-ROM; printing; solicitation of wire transfer distributions; creation and processing of certain data; processing of individual or corporate number-related data; and receipt of transfer requests.</p>
Article 23(1) (j)	
<p>Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM</p>	<p>Under Article 77 paragraph 4 of the ITA, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.</p>
Article 23(1) (k)	
<p>The latest annual report referred to in Article 22(1)</p>	<p>Additional information may be found in INV's most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo.</p>
Article 23(1) (l)	
<p>The procedure and conditions for the issue and sale of the units</p>	<p>INV is authorized under the articles of incorporation to issue up to 10,000,000 units. The units of INV's predecessor, TGR Investment, Inc., were listed on Osaka Stock Exchange on May 17, 2004. On February 1, 2010, TGR Investment, Inc. merged with LCP and changed the corporate name to Invincible Investment Corporation. The units of INV have been listed on the Tokyo Stock Exchange since August 1, 2006. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.</p>

Article 23(1) (m)				
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	INV's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information vendors (including Reuters), which can be viewed at http://www.reuters.com/finance/stocks/overview?symbol=8963.T			
Article 23(1) (n)				
Details of the historical performance of the AIF, where available	The units of INV were listed on the Tokyo Stock Exchange on August 1, 2006. The performance of the units for the most recent five fiscal periods is as follows.			
	Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Net Assets per unit (base value) (JPY)
	32nd fiscal period (from January 1, 2019 to June 30, 2019)	467,931	233,046	41,125
	33rd fiscal period (from July 1, 2019 to December 31, 2019)	522,431	259,730	42,601
	34th fiscal period (from January 1, 2020 to June 30, 2020)	516,663	249,538	40,929
	35th fiscal period (from July 1, 2020 to December 31, 2020)	516,490	249,641	40,946
	36th fiscal period (from January 1, 2021 to June 30, 2021)	497,899	245,113	40,203
Article 23(1) (o)				

Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist	No applicable prime broker.
Article 23(1) (p)	
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and other public disclosures.
Article 23(2)	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually	Not applicable.

discharge itself of liability in accordance with Article 21(13)	
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.
Article 23(4)(a)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.
How management and performance fees apply to such assets	There are no such special arrangements.

Article 23(4)(b)	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
<p>For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (i.e., there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could</p>	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

<p>impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).</p>	
<p>Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p>Overview of changes to liquidity arrangements, even if not special arrangements</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p>Terms of redemption and circumstances where management discretion applies, where relevant</p>	<p>INV is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.</p>
<p>Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included</p>	<p>There are no voting or other restrictions on the rights attaching to units.</p>

Article 23(4)(c)	
<p>The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks</p>	<p>The appropriateness and effectiveness of the risk management structure are regularly evaluated and enhanced by the AIFM.</p> <p>Funds from debts are mainly used for asset acquisition or debt repayment. These are exposed to liquidity risk at the time of repayment. However, the liquidity risk is controlled through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital raising, along with securing several fund procurement sources and diversifying repayment deadlines, and also preparing monthly plans for funds.</p> <p>Debt with a floating interest rate is exposed to interest rate fluctuation risks, but the impact that interest rate rises have on the operations is limited by keeping the LTV at low levels and maintaining the proportion of debt that is long-term, fixed-rate debt at high levels.</p> <p>Furthermore, derivative transactions (interest rate swap transactions) are available as hedging instruments to mitigate the risks of rises in floating interest rates.</p> <p>Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risks arising from tenants moving out of properties, but the liquidity risk is controlled through such measures as preparing monthly plans for funds.</p>
<p>Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed</p>	<p>No such measures have been implemented.</p>
<p>If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken</p>	<p>No such situation has occurred.</p>

Article 23(5)(a)	
<p>Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p>Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted</p>	<p>No such right or guarantee exists.</p>
<p>Details of any change in service providers relating to the above.</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>

Article 23(5)(b)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregated amount of debt with interest is JPY 249,198 million as of June 30, 2021.

PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

SFDR PRE-CONTRACTUAL DISCLOSURE

Product Name/Legal Identifier: Invincible Investment Corporation / 353800JY6M2692VAV685

Invincible Investment Corporation (hereafter referred to as “INV”) promotes environmental and social characteristics, but does not have as its objective a sustainable investment within the meaning of article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). INV and Consonant Investment Management Co., Ltd. (“Asset Manager”) are hereinafter referred to collectively as “we,” “us” or “our.” We have no reference benchmark designated for the purposes of attaining the environmental or social characteristics promoted by our investment units.

Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: __%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social (“E/S”) characteristics are promoted by INV?

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 designate improvement of sustainability as an important management issue. We also have established the basic policies for sustainability on the belief that the incorporation of ESG considerations into the real estate investment management business, which is our primary business, is essential to maximizing unitholder value over the medium to long term.

We have implemented various environmental initiatives including the following:

- Promotion of energy conservation and reduction of greenhouse gas.** We promote energy saving efforts and the reduction of greenhouse gas emissions in managing our investment assets. As of December 31, 2021, we have implemented the following initiatives in our properties: introduction of automatic meter readings (for 3 properties), adoption of Building and Energy Management System (“BEMS”) (for 1 property), installation of LED lightning (for all 124 properties), introduction of on-site renewable energy in the form of solar power (for 2 properties), installation of high-efficiency equipment and appliances (for 36 properties), installation of gas generation systems (for 10 properties) and installation of inverters (for 32 properties). We have established the following targets with respect to

energy saving efforts and the reduction of greenhouse gas emissions:

- Target to reduce energy consumption: Reduce energy intensity of our assets we manage as owner by 5% during the period from fiscal 2020 to fiscal 2024; and
- Target to reduce greenhouse gas: Reduce emission intensity (scope 1 and scope 2) of our entire portfolio by 5% during the period from fiscal 2020 to fiscal 2024.
- *Reducing water use.* As of December 31, 2021, we have implemented the following water saving measures in our properties: introduction of water-saving type toilets (for 8 properties) and water-saving showers (for 77 properties), implementation of wastewater treatment (for 1 property) and reuse of rainwater, reclaimed water, and drainage (for 2 properties).
- *Effective utilization of resources and reduction of waste.* MyStays Hotel Management Co., Ltd. (“MHM”), the main operator of INV’s domestic hotel portfolio, has established a matching system that reuses furniture, fixtures, equipment, tableware, and artwork that are no longer needed at other properties, in order to realize cost reduction and waste reduction.
- *Education of our hotel assets’ operators.* We provide our hotel assets’ operators with documentation regarding sustainable hotel operations. We conduct such education efforts and cooperate with them in order to decrease the burden on the environment caused by hotel operations and improve hotel users’ consciousness about environmental issues.
- *Including “Green Lease” provisions in our agreements.* We have introduced environmental provisions, which we refer to as “Green Lease” provisions, in our leases with our tenants, under which tenants are required to collaborate on environmentally conscious measures and share various environment-related data with us. As of June 30, 2022, Green Lease provisions had been introduced in 65.6% of our portfolio based on gross floor area.

We have implemented various social initiatives at our properties, including the following:

- *Collaboration with tenants, supply chains and local communities.* Amid the COVID-19 pandemic, we have been providing two of our properties as accommodation and medical facilities for patients with mild symptoms or quarantine facilities for returnees from overseas. In addition, also as of December 31, 2021, we provided meeting rooms at Hotel MyStays Shin Osaka Conference Center as a vaccination venue.
- *Contribution to disaster prevention.* As of December 31, 2021, three of our properties are designated as “Tsunami Evacuation Buildings”, which are buildings designated by municipalities in advance as an emergency evacuation site for local residents to evacuate temporarily when a Tsunami inundates an area.
- *Providing support for employees.* Employees of the Asset Manager are provided with a wealth of e-learning content to prepare for qualification exams and to acquire various business skills. Employees can use such content at any time to improve their expertise and skills. The Asset Manager also conducts sustainability-focused training for all its officers and employees, including temporary staff, at least once a year. The purpose of this training is to help the officers and employees acquire knowledge and raise awareness of sustainability considerations in line with business practices, such as market trends and regulations related to ESG investment and environmentally friendly real estate.
- *Benefit programs for the health and well-being of each employee.* The Asset Manager has established various benefit programs, listed below, to support the work and lifestyles of our employees.
 - ✓ Childcare leave (including shortened work hours for childcare) for employees with

- ✓ young children
 - ✓ Nursing care leave (including shortened work hours for nursing care)
 - ✓ Leave to care for sick or injured children
 - ✓ Monetary gifts for congratulations, condolences, etc.
 - ✓ Cooperation with social services companies
 - ✓ “Premium Friday” (which is where the work day ends early one Friday a month)
 - ✓ Designating Wednesdays as “no overtime days”
 - ✓ Off-peak commuting and remote working arrangements in the case of emergencies, such as infectious disease outbreaks
- *Respect for human rights and promotion of diversity.* The Asset Manager acknowledges and accept differences in each employee’s ability and values as well as pay respect to heterogeneity in order to maximize the abilities of each employee. We aspire to achieve sustainable corporate growth creating additional value. Our compliance regulations clearly prohibit all kind of discrimination and sexual harassment, and we strive to foster a corporate culture that respects personality. We also promote the active participation of women by creating work environment and systems that are comfortable for women.
- *Whistleblowing system.* The Asset Manager has established whistleblower protection rules that allow its officers and employees (including temporary employees) to report or consult about potential harassment, fraud or other inappropriate acts. In accordance with the Whistleblower Protection Act of Japan, the rules protect whistleblowers by prohibiting inappropriate treatment upon whistleblowing, allowing anonymous reports and keeping whistleblowers’ reports confidential, and stipulate procedures to find and correct reported acts, including investigation and disciplinary actions for those who are found to have engaged in inappropriate behavior. In addition to using an in-house contact system, a whistleblower may consult an outside attorney who has no business relationship with the Asset Manager.
- *Regular performance appraisals and feedback processes.* All of the Asset manager’s employees set an annual goal following an interview with their supervisor at the beginning of each fiscal period. We conduct personnel evaluations at the end of each fiscal period after an interview with all employees to look back on their performance and provide feedback on the evaluation results. Such results are reflected in each employee’s compensation. We also have established a transparent personnel evaluation system through regular measurement and feedback processes.
- *Promotion of local consumption of locally produced foods.* One of our properties, Hotel Epinard Nasu, has a restaurant that provides a dish using plentiful local foods. We support local agriculture and promote education regarding food.

What sustainability indicators are used to measure the attainment of each of the E/S characteristics promoted by INV?

We use the following indicators to measure the attainment of the E/S characteristics we promote.

- *GRESB Real Estate Assessment.* The GRESB is an annual benchmarking assessment to measure ESG integration of real estate companies and funds. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (“PRI”). The GRESB Real Estate Assessment is characterized by evaluating sustainability initiatives of real estate companies, REITs, and real estate funds, rather than targeting individual real estate. In the 2021 GRESB Real Estate Assessment, INV received the “2-Star” GRESB Rating, which is based on overall GRESB scores and its quintile position among participants. INV was also awarded the “Green Star” designation by achieving high performance in both the “Management Component” that evaluates policies

and organizational structure for ESG promotion, and the "Performance Component" that assesses environmental performance and tenant engagement of properties owned. Furthermore, INV was highly evaluated for its ESG information disclosure efforts and received the "A Level", which is the highest for GRESB Public Disclosure assessing the substantiality of ESG information disclosure.

- *Environmental targets.* The Asset Manager has formulated an "Energy Conservation Policy", "Greenhouse Gas Emissions Reduction Policy", "Water Saving Policy" and "Waste Management Policy", which stipulate initiatives to reduce environmental impact occurred by real estate investment management operations. Through the cycle of planning, implementation, performance management, and improvement set forth in an "Environmental Management System ("EMS") Operation Manual" that stipulates the details for operating these policies, the Asset Manager strives to continuously reduce the environmental impact.
- *Tenant Satisfaction Survey.* The Asset Manager conducted a satisfaction survey for all residents of our residential properties (excluding three residences for students with fixed-rent subleases) in March 2022 through an external research organization. We continuously collect opinions and requests of residents and share them with property management companies to improve building/equipment specifications and services.

Principal Adverse Impacts

Does INV consider principal adverse impacts on sustainability factors?

INV collects on an ongoing basis select information on our existing portfolio regarding the principal adverse impact indicators, including exposure to fossil fuels through investment assets, exposure to energy-inefficient investment assets and GHG emission intensity. We aim to manage the risk connected to principal adverse impacts from our investment decisions in several ways, including general screening criteria and due diligence.

- *Exposure to fossil fuels through assets.* We do not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.
- *Exposure to energy-inefficient investment assets.* We consider properties that have not received any of the green building certifications to be energy-inefficient. As described in more detail above, we implement as appropriate measures to reduce the environmental impact of these properties and believe such engagement leads the acquisition of environmental certifications.
- *GHG emission intensity.* Total GHG emissions generated by INV's portfolio were 31,405 t-CO₂ in FY2019, 24,545 t-CO₂ in FY2020 and 25,718 t-CO₂ in FY2021. The portfolio is comprised of 95 properties that have been held from the beginning of FY2019 to the end of FY2021 and for which data that enables comparison under the same conditions can be obtained. We aim to reduce GHG emissions intensity (aggregate amount of Scope 1 and 2) of our portfolio by 5% over five years from FY2019. Furthermore, we aim to reduce GHG emissions intensity (Scope 3 and aggregate amount of Scope 1, 2 and 3) of our portfolio by 1% over five years from FY2019.

We believe that investment decisions that negatively affect climate or other environment-related resources, or have negative implications for society, can have a significant impact to risk and value creation for our unitholders. To this end, we consider the principal adverse impacts of our investment decisions on the above sustainability factors throughout all major steps of the investment decision and management process throughout the lifecycle of the properties in our portfolio.

Investment Strategy

What investment strategy does INV follow?

- *Investment policy.* INV, making focused investments in hotels and residential properties as core assets, shall manage its assets with an aim to secure stable growth and profits over the medium and long term. INV also recognizes its social responsibility to the environment and local communities as a J-REIT and therefore proactively implements ESG-friendly investment management and sustainability initiatives that take advantage of assets' characteristics and carry out social contribution activities such as voluntary cleanup on roads and rivers.
- *Due diligence.* Prior to our investment in a property, the Asset Manager conducts due diligence review of the property, including investigation of soil contamination and toxic substances such as asbestos, Freon gas and PCBs by obtaining real estate appraisal reports and engineering reports in addition to conducting economical, physical and legal assessment. For overseas property, INV complies with laws and regulations regarding the environment and geology in the country or region where properties are located and makes a comprehensive judgment on whether or not to invest, taking into account the practices in the region.
- *Respect for human rights.* The Asset Manager respects human rights and diversity, and does not tolerate human rights infringement such as forced labor, child labor, discrimination and harassment in its business activities pursuant to our compliance rules. We also promote the active participation of women by creating work environment and systems that are comfortable for women as well as create corporate culture that respects personality.

What are the binding elements of the investment strategy used to select the investments to attain each of the E/S characteristics promoted by INV?

When the Investment Committee and the Compliance Committee of the Asset Manager make a decision to invest in a property (subject to the approval of the Board of Directors of the Asset Manager), findings about the property on the sustainability considerations are incorporated into the overall investment proposal. To the extent possible, the committees generally exclude investment proposals with the following ESG issues: (i) the level of asbestos in the property, after removal or treatment, exceeds the maximum level permitted under applicable environmental law; (ii) the usage and disposal of PCB-containing machines in the property are not properly handled in accordance with relevant law; (iii) soil contamination, after treatment, exceeds the maximum level permitted under applicable environmental law. Furthermore, the Asset Manager has established the Sustainability Committee, which generally meets at least four times a year. The Sustainability Committee uses the data of environmental performance to assess progress made against sustainable targets, and deliberates on necessary action plans in order to implement initiatives continuously and systematically based on our Sustainability Policy. The activity conducted by the Sustainability Committee is reported to all officers and employees of the Asset Manager and INV's board of directors.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Prior to our investment in a property, the Asset Manager conducts due diligence review of the property, including the assessment of compliance with applicable environmental laws and regulations, environmental performance and disaster risks, as well as investigation into hazardous substances and soil contamination by obtaining environmental assessment from third parties. We also do not consider investing in properties that do not meet the standards for soil contamination and other environmental contamination

in accordance with the related environmental laws and ordinances. However, from time to time we invest in properties not meeting the standards as long as they are deemed fixable promptly after the investment.

What is the policy to assess good governance practices of the investee companies and INV?

INV invests directly or indirectly through trust beneficiary interests in real estate and real estate-related assets. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable to INV.

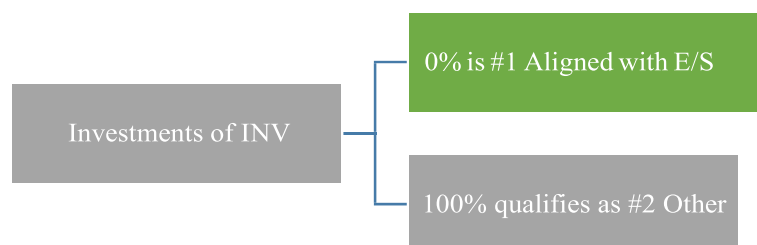
While there is no third-party rating used to assess our governance practices, we, along with the Asset Manager, have introduced the following measures to assess and enhance our governance systems:

- *Related-party transactions.* When INV conducts certain transactions such as asset acquisition from sponsor related parties, prior approvals by the Board of Directors of INV are required to ensure an objectivity in deliberation regarding conflicts of interests. In such agenda, only two supervisory directors (a lawyer and a certified public accountant) will participate in the vote, and the executive director who concurrently serves as the representative director of the Asset Manager will not participate in the vote as he is a related-party.
- *Risk management.* The Asset Manager has established a risk management manual for the purpose of ensuring stable management and performing appropriate risk management as a financial instruments business operator. In addition, the Asset Manager's Board of Directors has established a risk management policy and procedures to monitor and supervise the development of an appropriate risk management system.
- *Internal audit system.* The Asset Manager conducts annual internal audits at least once a year, in order to evaluate its risk management. Once the internal audit is completed, the Compliance Officer, who serves as the chief controller of internal audit, reports the audit results to the representative director of the Asset Manager, Compliance Committee and the audited departments. The Compliance Officer also reports to the Board of Directors of the Asset Manager as necessary. The Compliance Officer reports the progress made on matters for improvement indicated by internal audits. Verification of the status of improvement will be conducted subsequent to on-site audits.

Asset Allocation

What is the asset allocation planned for INV?

INV's asset allocation is 100% in real estate and real estate-related assets. INV has no environment-related certifications for its portfolio properties as of May 31, 2022. We target to acquire such certifications, such as BELS and CASBEE, prioritizing hotels which represent major portions of INV's portfolio in terms of gross floor area.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by INV?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

What investments are included under “#2 Other,” what is their purpose and are there any minimum environmental or social safeguards?

We have invested in these properties in accordance with our investment guidelines before we established the basic policies for sustainability, because these properties met our minimum investment criteria, and we believed the acquisition of the properties would enhance unitholder value. We implement as appropriate measures to reduce their environmental impact following acquisition, including by obtaining environmental certifications as discussed in detail above. We also investigate the presence of harmful substances, the history of past land usages and the environment of the soil when investing in properties. We do not invest in properties on which appropriate measures are not taken under the Soil Contamination Countermeasures Act of Japan and other environmental laws and ordinances.

Index as Reference Benchmark

Is a specific index designated as a reference benchmark to determine whether INV is aligned with the environmental or social characteristics that it promotes?

INV does not use a specific ESG benchmark. However, our investment units have been included in the Nikkei ESG-REIT index (“Nikkei Index”), which was established in 2020, since its establishment. The Nikkei Index is an index composed of Tokyo Stock Exchange-listed J-REITs, which are included based on GRESB's evaluations on ESG indicators. Its constituents are reviewed and updated every November.

How is the reference benchmark continuously aligned with each of the environmental or social

characteristics promoted by INV?

Not applicable.

Where can the methodology used for the calculation of the designated index be found?

The methodology used for the calculation of the designated index can be found on the website:
<https://indexes.nikkei.co.jp/en/nkave/index/profile?id=nk225>

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

We ensure the alignment of our investment strategy with the methodology of Nikkei ESG through investments in energy saving or environmentally certified buildings.

How does the designated index differ from a relevant broad market index?

See above.

More Product-specific Information

Where can I find more product-specific information online?

More product-specific information can be found on the website:
<https://www.invincible-inv.co.jp/en/strategy/sustainability.html>

Note Regarding the EU Taxonomy Regulation

As set out above, we promote certain environmental characteristics.

The Asset Manager is required, under Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy regulation. The EU Taxonomy Regulation is to be complemented by technical standards and screening criteria which are currently developed. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021. They apply as of January 1, 2022.

We invest in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The Asset Manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and the fact that, as a result thereof, data on alignment of our investments with these environmental objectives and climate related goals in line with EU Taxonomy Regulation are not sufficiently available, the Asset Manager is not currently in a position to disclose on an accurate and reliable basis to what extent our investments technically qualify as Taxonomy-aligned or “environmentally sustainable” within the specific meaning of the EU Taxonomy Regulation. Our investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the Asset Manager is required to state that there is no minimum proportion of our investments that qualify as such.

The Asset Manager further states that the “do no significant harm” principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF INV (SFDR ARTICLE 6 DISCLOSURE)

INV and the Asset Manager address sustainability risks by taking into account environmental, social and governance, or ESG, factors in our investment decision process and on a continuous basis.

The Asset Manager tracks and monitors the property-level environmental performance indicators of our properties to assess the environmental performance of our portfolio appropriately. The Asset Manager's Sustainability Committee, which generally meets at least four times a year, uses the data of environmental performance to assess progress made against sustainable targets, and deliberates on necessary action plans in order to implement initiatives continuously and systematically based on our Sustainability Policy. The Sustainability Committee consists of (i) the President and CEO, who is the final decision-maker, (ii) the general manager of the Asset Management Department and the general manager of the Planning Department, who are responsible for executing sustainability initiatives, and (iii) officers and employees that engage in promoting sustainability.

Under this organizational structure, we have instituted a number of initiatives, at both the portfolio level and the property level, to promote E/S characteristics. Such initiatives include climate change initiatives, initiatives for saving/reducing energy consumption, local community initiatives, and initiatives for employees'/tenant's initiatives.

In order to conduct sustainable asset management while maximizing the value of our properties, we have considered ESG factors in our investment and asset management processes. Our Sustainability Policy expressly states that we consider the environment and stakeholders such as tenants, supplier and local communities, and we request our hotel tenants to cooperate with our sustainability initiatives. We consider environmental and social factors when procuring products and services.

While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as one of the top priorities in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns. In other words, we believe that if we fail to consider ESG factors enough in the investment decision-making process, it may cause the increase of capital cost and even reduce investors' returns. If our ESG initiatives are not sufficient, our investment units may be excluded from investment by investors who use the status of ESG initiatives as one of their investment criteria. As a result, the investment unit price may be adversely affected. We are exposed to the following risks in particular.

Physical risks

We are exposed to earthquake, flood and storm risks because some of our properties are located in areas that are sensitive to their impact. If a significant earthquake, flood or storm hits any of our properties, it will likely have a negative effect on its value. This may include physical damage to the properties and tenants' premises. In order to secure stable growth of investment assets and stable profits over the medium and long term, INV aims to construct a portfolio of geographically diverse investment assets by avoiding concentrated investment in certain areas to mitigate earthquake and other risks.

Social and governance risks

We are exposed to the risk of funds being available only at less advantageous terms due to stricter ESG requirements on portfolio composition and other factors, as well as the risk of reputational decline if INV's measures on climate-related issues are perceived negatively by investors or the general public. We fulfill our accountability for stakeholders by actively disclosing ESG related information. We also consider the use of external evaluations and third-party certification to visualize the results of our environmental and social initiatives.