Invincible Investment Corporation

[For Information Purpose Only.
The Japanese language press release should be referred to as the original.]

October 9, 2020

To All Concerned Parties

Name of REIT Issuer:
Invincible Investment Corporation
Naoki Fukuda, Executive Director
(Securities code: 8963)

Asset Manager:
Consonant Investment Management Co., Ltd.
Naoki Fukuda, President & CEO
Contact: Jun Komo
General Manager of Planning Department
(Tel. +81-3-5411-2731)

Notice concerning Debt Financing (Refinance)

Invincible Investment Corporation ("INV") has determined today to obtain new debt financing to refinance existing debt. Details are as follows.

1. Reason for borrowing

INV has decided and executed a new loan agreement (the "New Borrowing") today in order to repay borrowings in the amount of JPY 1,868 million due on October 13, 2020, which is one of the tranches of the New Syndicate Loan (H) (Note) with a total outstanding amount of JPY 16,225 million.

(Note) For details of the New Syndicate Loan (H), please refer to "4. Details of Loan to be Repaid" below and the press release entitled "Notice concerning Debt Financing" dated September 21, 2017.

2. Details of the New Borrowing (anticipated)

< New Syndicate Loan (S) >

1-Year Loan

(1) Lender	:	Mizuho Bank, Ltd. Citibank, N.A.,Tokyo Branch Shinsei Bank, Limited Resona Bank, Limited The Nomura Trust and Banking Co., Ltd.
(2) Borrowing amount	:	JPY 1,539.5 million
(3) Interest rate, etc.	:	1-month JPY TIBOR (Base Rate) + spread (0.25000%) Variable interest rate (Note)
(4) Borrowing method	:	Borrowing based on separate term loan agreement dated October 9, 2020 Unsecured / with no guarantee
(5) Agreement date	:	October 9, 2020

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(6) Anticipated borrowing date	:	October 13, 2020
(7) Interest payment date	:	(i) The last Japanese business day of each month before the principal maturity date, beginning with October 31, 2020, and (ii) the principal maturity date
(8) Principal repayment method	:	Lump-sum repayment on the principal maturity date
(9) Principal maturity date	:	October 13, 2021

< Term Loan (Q) >

1-Year Loan

(1) Lender	:	Sumitomo Mitsui Trust Bank, Limited
(2) Borrowing amount	:	JPY 328.5 million
(3) Interest rate, etc.	:	1-month JPY TIBOR (Base Rate) + spread (0.25000%) Variable interest rate (Note)
(4) Borrowing method	:	Borrowing based on separate term loan agreement dated October 9, 2020 Unsecured / with no guarantee
(5) Agreement date	:	October 9, 2020
(6) Anticipated borrowing date	:	October 13, 2020
(7) Interest payment date	:	(i) The last Japanese business day of each month before the principal maturity date, beginning with October 31, 2020, and (ii) the principal maturity date
(8) Principal repayment method	:	Lump-sum repayment on the principal maturity date
(9) Principal maturity date	:	October 13, 2021

(Note)
- Base rate applicable to each interest calculation period for the interests to be paid on the relevant interest payment date shall be the 1-month JPY TIBOR announced by Japanese Bankers Association two Japanese business days prior to the immediately preceding interest payment date (in case of the initial interest calculation period, two Japanese business days prior to the borrowing date).
- JPY TIBOR announced by the Japanese Bankers Association is available at its website (http://www.jbatibor.or.jp/english/).
- Details of our debt financing is available at the “Borrowings & Investment Corporation Bonds” page of INV’s website (https://www.invincible-inv.co.jp/en/finance/loan.html).

3. Loan proceeds, use of proceeds and scheduled timing of disbursement

(1) Loan proceeds

JPY 1,868 million

(2) Use of proceeds

To be appropriated for the repayment of a portion of New Syndicate Loan (H)

(3) Scheduled timing of disbursement

October 13, 2020

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4. Details of loan to be repaid

New Syndicate Loan (H)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Resona Bank, Limited The Bank of Fukuoka, Ltd. AEON Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd.	October 13, 2017	1,868	1,868	—	0.38000% (Note)	Oct. 13, 2020	Unsecured/ non-guaranteed
		1,867	—	1,867	0.48000% (Note)	Oct. 13, 2021	
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A., Tokyo Branch Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. AEON Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd. The Dai-ichi Life Insurance Company, Limited		5,365	—	5,365	0.68000% (Note)	Oct. 13, 2022	
Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited		3,565	—	3,565	0.78000% (Note)	Oct. 13, 2023	
Sumitomo Mitsui Banking Corporation		3,560	—	3,560	0.88000% (Note)	Oct. 11, 2024	
Total		16,225	1,868	14,357			

(Note) The interest rate applicable as of October 9, 2020 is shown.

5. Future outlook

The impact of the New Borrowing on financial results is minimal. INV's forecasts for financial results and distribution for the fiscal period ending December 2020 (from July 1, 2020 to December 31, 2020) still remain as to be announced since it remains difficult to predict the future spread of COVID-19 and its

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impact on hotel industry operators. INV will make an announcement of the forecasts for the fiscal period ending December 2020 when it determines such forecast upon consideration of the outlook of the impact of COVID-19 on hotel industry and other relevant factors.

6. Other matters necessary for investors' appropriate understanding/judgment of concerned information

With respect to the risks associated with the New Borrowing, please refer to the content of "Investment Risks" stated in the securities report for the fiscal period ended June 2020 (from January 1, 2020 to June 30, 2020) (available in Japanese only) filed on September 25, 2020.

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

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■ Change in balance of interest-bearing liabilities (anticipated)

(Unit：JPY million)

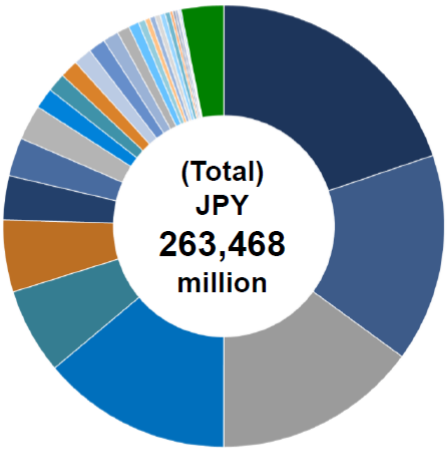
	Before the New Borrowing (As of October 9, 2020)	After the New Borrowing (As of October 13, 2020)	Increase (Decrease)
Total loans	255,268	255,268	—
Total investment corporation bonds	8,200	8,200	—
Total interest-bearing liabilities	263,468	263,468	—
Total appraisal value of assets owned by INV (Note 1)	561,103	561,103	—
LTV (based on appraisal value) (Note 2) (%)	46.8	46.8	—

(Note 1) Based on the 148 properties owned by INV as of October 9, 2020 (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel and the overseas real estate assets ("The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort")). The appraisal values for the 147 properties (excluding preferred equity interest in the TMK) are based on figures stated in the appraisal reports on the valuation date of June 30, 2020. For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV's investment amount) of such preferred equity interest, JPY 17,845 million, is deemed as the appraisal value. For the appraisal value of overseas real estate assets, the exchange rate of 1 USD = 110.45 JPY is used under the foreign exchange forward entered into on July 26, 2018 and executed on September 26, 2018.

(Note 2) "LTV (based on appraisal value)" in the above table is calculated according to the following formula:
LTV (based on appraisal value) ＝ Total interest-bearing liabilities (excluding short-term consumption tax loan) ÷ Total appraisal value of assets owned by INV × 100
"Total interest-bearing liabilities" does not include the interest-bearing liabilities of the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset.

(Note 3) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

■ Lender formation after the New Borrowing (anticipated)



Mizuho Bank	19.8%		Shizuoka Bank	0.9%
MUFG	15.2%		Nishi-Nippon City Bank	0.8%
SMBC	15.0%		Hiroshima Bank	0.5%
SMTB	13.9%		Kagawa Bank	0.4%
Citibank	6.3%		Kiraboshi Bank	0.4%
Shinsei Bank	5.3%		Momiji Bank	0.4%
DBJ	3.2%		Yamaguchi Bank	0.4%
Resona Bank	2.8%		Chukyo Bank	0.4%
Aeon Bank	2.6%		Towa Bank	0.2%
Dai-ichi Life Insurance	1.5%		Tochigi Bank	0.2%
Fukuoka Bank	1.4%		Kiyo Bank	0.2%
Daisan Bank	1.3%		Gunma Bank	0.1%
Aozora Bank	1.3%		Ikeda Sensyu Bank	0.1%
Nomura TB	1.3%		REIT Bond	3.1%
Tokyo Star Bank	1.1%			

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