

December 8, 2021

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 Revision of Forecast of Financial Results and Distribution for the 37th Fiscal Period Ending December 2021

Invincible Investment Corporation (“INV”) today announced the revision of its forecast of financial results and Distribution per Unit (“DPU”) for the fiscal period ending December 2021 (37th Fiscal Period), stated as TBD in “Financial Summary for the December 2021 Fiscal Period (from July 1, 2021 to December 31, 2021)” dated August 25, 2021.

1. Revision of the forecast of financial results and distribution for the fiscal period ending December 2021 (from July 1, 2021 to December 31, 2021)

| | Operating Revenues | Operating Income | Ordinary Income | Net Income | Total Distribution Amount |
|---|----------------------|----------------------|--------------------|--------------------|---------------------------|
| Previous forecast (A) (announced on August 25, 2021) | JPY million TBD | JPY million TBD | JPY million TBD | JPY million TBD | JPY million TBD |
| Revised forecast (B) | JPY million 7,957 | JPY million 1,804 | JPY million 516 | JPY million 515 | JPY million 512 |
| Amount of variance (B) – (A) | JPY million - | JPY million - | JPY million - | JPY million - | JPY million - |
| Rate of variance ((B) – (A)) / (A) | % - | % - | % - | % - | % - |
| (Reference) Fiscal Period Ended December 2020 | JPY million 8,340 | JPY million 1,690 | JPY million 624 | JPY million 623 | JPY million 1,018 |

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| | Earnings per Unit (Note 1) | Distribution per Unit (Excluding Excess Profit Distribution per Unit) (Note 1) | Excess Profit Distribution per Unit (Note 1) | Distribution per Unit (Including Excess Profit Distribution per Unit) (Note 1) |
|---|----------------------------|--|--|--|
| Previous forecast (A) (announced on August 25, 2021) | JPY | JPY | JPY | JPY |
| | TBD | TBD | TBD | TBD |
| Revised forecast (B) | JPY | JPY | JPY | JPY |
| | 84 | 84 | - | 84 |
| Amount of variance (B) – (A) | JPY | JPY | JPY | JPY |
| | - | - | - | - |
| Rate of variance ((B) – (A)) / (A) | % | % | % | % |
| | - | - | - | - |
| (Reference) Fiscal Period Ended December 2020 | JPY | JPY | JPY | JPY |
| | 102 | 167 | - | 167 |

(Note 1) The total number of investment units issued and outstanding at the end of the fiscal period: 6,096,840 units

(Reference)

Assumptions underlying the forecast of financial results and DPU for the fiscal period ending December 2021 are provided in Appendix 1.

2. Reasons for the revision of forecast of financial results and distribution

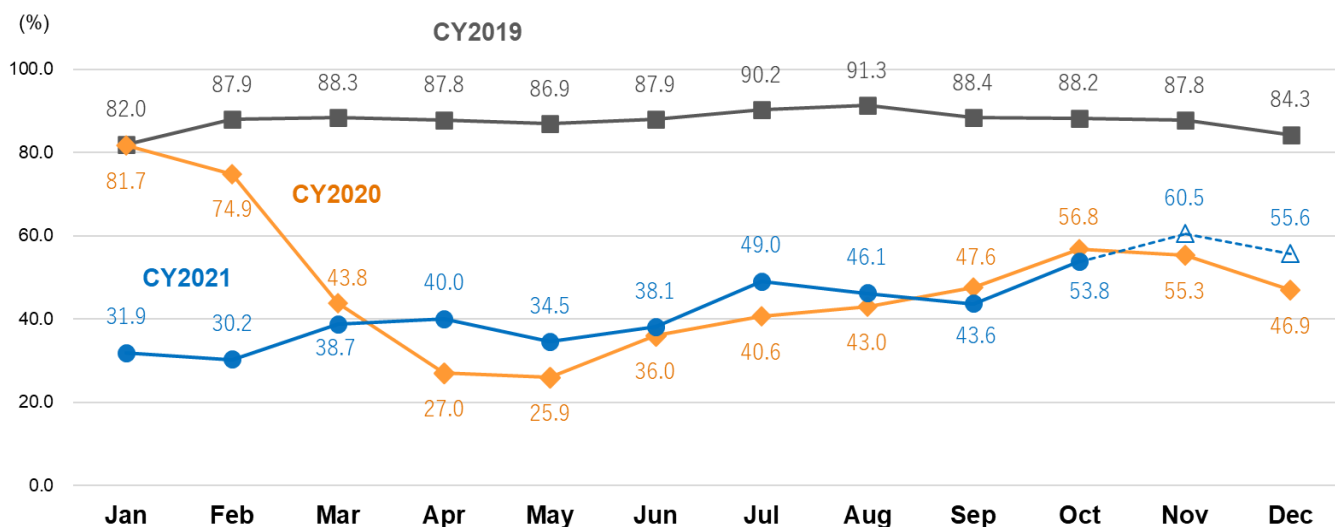
The forecast of financial results and DPU for the fiscal period ending December 2021 (from July 1, 2021 to December 31, 2021) remained undetermined at the time of the announcement of “Financial Summary for the June 2021 Fiscal Period” on August 25, 2021, as it was difficult to create the forecast due to the effects from the spread of COVID-19. As announced in “Notice concerning Conclusion of Memorandum of Understanding to Amend the Fixed-term Building Lease and Property Management Agreement pertaining to the rent conditions for the period from October to December, 2021 with Major Tenant” dated today (“MLPM Amended Agreements Press Release”), INV entered into a Memorandum of Understanding to amend each fixed-term building lease and property management agreement (“MLPM Agreements”) pertaining to the rent conditions for domestic hotels owned by INV with INV's main tenant, MyStays Hotel Management Co., Ltd. (“MHM”) and its affiliates (the “MHM Group”), who operate the hotels as of today. Furthermore, as announced in “Notice concerning Sale of Domestic Trust Beneficiary Interests” dated today, INV has decided to sell seven residential properties on December 22, 2021 and six residential properties on January 12, 2022. Taking these effects into account we have decided to announce the revision of the forecast of financial results and DPU for the fiscal period ending December 2021, based on the information currently available to INV and certain assumptions that are deemed reasonable by INV.

The forecast of financial results and DPU for the fiscal period ending June 2022 and onwards will be announced at a later date, once we have a clearer outlook.

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In the fiscal year ending December 2021 ("Current Period"), the occupancy rate of domestic hotels in July exceeded the previous year's results, but due to the influence of the spread of COVID-19, so-called 5th wave, priority measures such as State of Emergency and quasi-State of Emergency declarations were applied over a wide area nationwide from July to September, and hotel demand fell again. In addition, since most of the Tokyo Olympics and Paralympics were held without spectators, the previously assumed positive ripple effect on the accommodation demand of many hotels owned by INV in the Tokyo metropolitan area and Hokkaido was limited. However, after the cancellation of the state of emergency at the end of September, behavioral restrictions such as movement across prefectures were gradually relaxed, and both business demand and leisure demand started to show sign of recovery. The occupancy rate of domestic hotels at the moment is outperforming the previous year when the Go To Travel campaign was implemented. On the other hand, demand from inbound tourists cannot be expected for the time being, as the Japanese government has effectively halted non-resident foreigners from entering Japan, following the recent reports of infections from a new COVID-19 variant (Omicron variant) around the world.

Change in Occupancy Rate (Note 1) of 75 Domestic Hotels (Note 2)



(Note 1) "Occupancy Rate" for hotel portfolio is calculated using the following formula:

room occupancy rate = total number of rooms occupied during the relevant month ÷ (aggregate number of rooms during the relevant month x number of business days during the relevant months). Hereinafter the same.

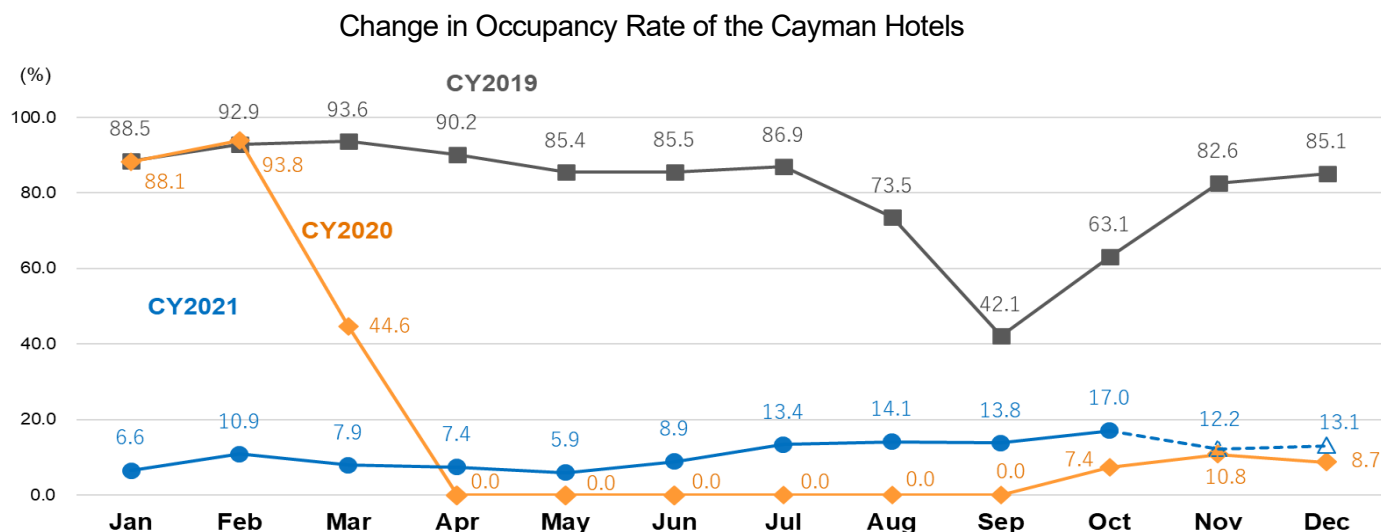
(Note 2) Based on 75 hotel properties; of the 84 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the end of November 2021, nine hotels with fixed-rent lease agreements are excluded. Hereinafter the same.

(Note 3) The figures for November 2021 and onwards show estimated figures as of today and are subject to change.

Regarding the two overseas hotels in the Current Period, the Cayman Islands government continued its cautious stance on when to resume accepting overseas tourists while paying close attention to the progress of vaccination on the island. Therefore, accommodation demand for the two Cayman hotels was limited to temporary isolation by arrivals and staycation by residents, continuing the

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severe business conditions on the island. On November 20, the Cayman Islands government lifted the self-quarantine measures required for vaccinated tourists after arrival, but unvaccinated children continue to require self-isolation for 14 days. Due to the need for isolation, it may be difficult to anticipate demand from families, and it will take some time for the occupancy rate of the two Cayman properties to recover.



(Note 4) The figures for November 2021 and onwards show estimated figures as of today and are subject to change.

In response to the above situation, as announced in “Notice concerning Conclusion of Memorandum of Understanding to Amend the Fixed-term Building Lease and Property Management Agreement pertaining to the rent conditions for the period from July to September, 2021 with Major Tenant” dated September 10, 2021 and MLPM Amended Agreements Press Release dated today, INV concluded a Memorandum of Understanding for MLPM Agreements with the MHM Group for domestic hotels operated by the MHM Group dated September 10, 2021 and December 8, 2021 (referred to as the “September 2021 MOU” and the “December 2021 MOU” respectively). As a result, the expected rent from the MHM Group for the fiscal period ending December 2021 will be a fixed rent of JPY 1.95 billion and a variable rent of JPY 0.62 billion, totaling JPY 2.57 billion.

Regarding dividend income for the fiscal period ending December 2021 related to preferred equity interest in the Kingdom TMK which holds the Sheraton Grande Tokyo Bay Hotel as an underlying asset, the dividend income is expected to be zero since it is based on the hotel's performance from April 1, 2021 to September 30, 2021, or the calculation period of the TMK issuing preferred equity interest, in which the hotel has seen a significant decline in room occupancy rates. (Note 5)

(Note 5) Kingdom Special Purpose Company (the “TMK”), which is the issuer of preferred equity interest and the owner of Sheraton Grande Tokyo Bay Hotel, or the underlying asset, has a cumulative loss due to the decline in profits of the underlying asset caused by the spread of COVID-19. Therefore, the TMK has been in a situation where it cannot pay dividends even if it settles the accounts. Under such circumstances, the TMK has amended its Articles of Incorporation to temporarily extend its six-month

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accounting period to a 12-months accounting period in order to curb the costs of settlement of accounts. Therefore, in INV's fiscal period ending December 2021, the settlement of accounts of the TMK will not be carried out. This measure is temporary, and TMK plans to restore to the original 6-month settlement once the cumulative loss is resolved and TMK is expected to be able to resume payment of dividends.

As a result, the NOI of domestic hotels for the fiscal period ending December 2021 is expected to be JPY 2,636 million, an increase of 6.8% compared to the December 2020 fiscal period, but a decrease of 76.5% compared to the December 2019 fiscal period prior to the pandemic.

For the two overseas hotels, expenses at the hotels are estimated to exceed its sales, so the excess amount of hotel expenses (JPY 164 million) will be recorded as management contract expense, while management contract revenue will not be recorded. NOI is expected to be JPY (320) million.

With regard to the residential portfolio, while the occupancy rate was sluggish in the fiscal period ending December 2021 due to the spread of COVID-19 infections, it recovered from the beginning of 2021, and at the end of November 2021 it is almost the same level as the end of November 2020. Due to the impact of the disposition of the six properties on December 28, 2020 and disposition of seven properties scheduled for December 22, 2021, NOI for the residential portfolio is expected to be JPY 1,373 million, a decline compared to the same period in the previous year. In addition to these, INV plans to record a gain on sale of JPY 2,539 million in the Current Period due to the disposition of Lexington Plaza Hachiman (a retail property) completed on July 2, 2021 and disposition of abovementioned seven residential properties to be completed on December 22, 2021.

As a result, net income for the fiscal period ending December 2021 is expected to be JPY 515 million. INV intends to distribute a total of JPY 512 million (JPY 84 per unit), or almost the entire amount of the abovementioned net income.

Nearly two years have passed since the outbreak of the pandemic. The outlook for the hotel sector remains uncertain, but INV and its asset management company will continue to make every effort to recover.

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

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<Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Period ending December 31, 2021>

| Item | Assumptions |
|------------------------------|---|
| Fiscal period | The: from July 1, 2021 to December 31, 2021 (184 days) |
| Assets under management | <p>Properties held as of the end of the fiscal period ending December 2021: 133 properties and preferred equity interests in one TMK</p> <p>Based on the properties held as of today (140 properties and preferred equity interests in one TMK), and INV assumes that INV will sell seven residential properties on December 22, 2021 and that there will be no change in the portfolio through the end of the fiscal period ending December 2021.</p> <p>(Note) For details of the sale of the seven residential properties, please refer to "Notice concerning Sale of Domestic Trust Beneficiary Interests" dated today.</p> |
| Units outstanding | <p>As of the end of the fiscal period ending December 2021: 6,096,840 units</p> <p>INV assumes that there will be no change to the current 6,096,840 units issued and outstanding through the end of the fiscal period ending December 2021.</p> |
| Interest-bearing liabilities | <p>Balance as of the end of the fiscal period ending December 2021: JPY 245,515 million (borrowing: JPY 237,315 million, investment corporation bonds: JPY 8,200 million)</p> <p>Regarding loans maturing during the fiscal period ending December 2021, INV intends to refinance at a similar condition and INV assumes that there will be no change to the current total balance of JPY 245,515 million.</p> <p>INV assumes no other new loan or prepayment of loan through the end of the fiscal period ending December 2021.</p> |

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| Operating revenues | <p>INV expects to record rental revenues for the fiscal period as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">December 2021 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Rental revenues</td> <td style="text-align: right;">JPY 5,418 million</td> </tr> <tr> <td> (of these, hotel rents)</td> <td style="text-align: right;">(JPY 3,426 million)</td> </tr> <tr> <td> (fixed hotel rents)</td> <td style="text-align: right;">(JPY 2,496 million)</td> </tr> <tr> <td> (variable hotel rents)</td> <td style="text-align: right;">(JPY 929 million)</td> </tr> <tr> <td>• Management contract revenue</td> <td style="text-align: right;">-</td> </tr> <tr> <td>• TMK dividend amount</td> <td style="text-align: right;">-</td> </tr> <tr> <td>• Gain on sale</td> <td style="text-align: right;">JPY 2,539 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total operating revenues</td> <td style="text-align: right; border-top: 1px solid black;">JPY 7,957 million</td> </tr> </tbody> </table> | | December 2021 Fiscal Period | • Rental revenues | JPY 5,418 million | (of these, hotel rents) | (JPY 3,426 million) | (fixed hotel rents) | (JPY 2,496 million) | (variable hotel rents) | (JPY 929 million) | • Management contract revenue | - | • TMK dividend amount | - | • Gain on sale | JPY 2,539 million | Total operating revenues | JPY 7,957 million |
|--|---|--------------------------------|--------------------------------|-------------------|-------------------|-------------------------|---------------------|---------------------|---------------------|------------------------|-------------------|-------------------------------|---|-----------------------|---|----------------|-------------------|--------------------------|-------------------|
| | | December 2021 Fiscal Period | | | | | | | | | | | | | | | | | |
| • Rental revenues | JPY 5,418 million | | | | | | | | | | | | | | | | | | |
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| (fixed hotel rents) | (JPY 2,496 million) | | | | | | | | | | | | | | | | | | |
| (variable hotel rents) | (JPY 929 million) | | | | | | | | | | | | | | | | | | |
| • Management contract revenue | - | | | | | | | | | | | | | | | | | | |
| • TMK dividend amount | - | | | | | | | | | | | | | | | | | | |
| • Gain on sale | JPY 2,539 million | | | | | | | | | | | | | | | | | | |
| Total operating revenues | JPY 7,957 million | | | | | | | | | | | | | | | | | | |
| <p>INV estimates gain on sale of JPY 2,539 million for the fiscal period ending December 2021, which is a total of JPY 590 million from the sale of Lexington Plaza Hachiman completed on July 2, 2021 and JPY 1,949 million from the sale of seven residential properties to be completed on December 22, 2021.</p> <p>INV estimates the amount of dividends on the preferred equity interests based on the performance of the underlying asset and the assumed amount of expenses incurred by the TMK. As stated in the main text, there will be no TMK dividend on preferred equity interests in the fiscal period ending December 2021.</p> <p>INV recognizes management contract revenue from the overseas hotels as real estate investment income from management contracts of the Cayman Hotels. The forecasts of management contract revenue are based on estimated performance of the overseas hotels and the assumed amount of expenses incurred by the hotel management company. However, there will be no management contract revenue for the fiscal period ending December 2021, as the expenses at the overseas hotels exceeded the revenues. Previously, INV had assumed that the expansion and renovation of the Cayman Hotels would begin in the summer of 2020 with the goal of completion in the summer of 2023. However, considering the situation of the Cayman Hotels under the impact of COVID-19, INV is forced to refrain from discussions on the expansion and renovation project. As a result, INV does not anticipate and incorporate any particular impact of the expansion and renovation for the purpose of this forecast for the fiscal period ending December 2021.</p> <p>Rental revenues are calculated after considering waiving of rent and change of variable rent pursuant to the September 2021 MOU and the December 2021 MOU, and based on estimates as of today. In addition, INV assumes there will be no delinquencies or non-payment of rent by other tenants</p> | | | | | | | | | | | | | | | | | | | |

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| <p>Operating expenses</p> | <p>INV expects to incur property related expenses and management contract expenses out of operating expenses for the fiscal period as follows:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">December 2021 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Facility management fees (Note 1) (of these, repair costs)</td> <td style="text-align: right;">JPY 593 million (JPY 18 million)</td> </tr> <tr> <td>• Taxes and other public charges</td> <td style="text-align: right;">JPY 775 million</td> </tr> <tr> <td>• Insurance expenses</td> <td style="text-align: right;">JPY 144 million</td> </tr> <tr> <td>• Depreciation expenses</td> <td style="text-align: right;">JPY 3,868 million</td> </tr> <tr> <td>• Other expenses</td> <td style="text-align: right;">JPY 137 million</td> </tr> <tr> <td><hr/></td> <td></td> </tr> <tr> <td>Total property related expenses and management contract expenses</td> <td style="text-align: right;">JPY 5,519 million</td> </tr> </tbody> </table> <p>(Note 1) Since the expenses at the overseas hotels are forecasted to exceed the revenues, the excess amount (JPY 164 million) is recorded as management contract expenses for a portion of facility management fees. Management contract expenses have been calculated based on the exchange rate of USD 1 = JPY 110.00,</p> <p>INV expects to incur other operating expenses than the property related expenses or management contract expenses for the fiscal period as follows:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">December 2021 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Other operating expenses (of these, asset management fees)</td> <td style="text-align: right;">JPY 633 million (JPY 300 million)</td> </tr> </tbody> </table> | | December 2021 Fiscal Period | • Facility management fees (Note 1) (of these, repair costs) | JPY 593 million (JPY 18 million) | • Taxes and other public charges | JPY 775 million | • Insurance expenses | JPY 144 million | • Depreciation expenses | JPY 3,868 million | • Other expenses | JPY 137 million | <hr/> | | Total property related expenses and management contract expenses | JPY 5,519 million | | December 2021 Fiscal Period | • Other operating expenses (of these, asset management fees) | JPY 633 million (JPY 300 million) |
|--|---|--|--------------------------------|---|-------------------------------------|----------------------------------|---------------------|--------------------------------|---------------------|-----------------------------|---------------------|------------------|-----------------|-------|--|--|-------------------|--|--------------------------------|---|--------------------------------------|
| | December 2021 Fiscal Period | | | | | | | | | | | | | | | | | | | | |
| • Facility management fees (Note 1) (of these, repair costs) | JPY 593 million (JPY 18 million) | | | | | | | | | | | | | | | | | | | | |
| • Taxes and other public charges | JPY 775 million | | | | | | | | | | | | | | | | | | | | |
| • Insurance expenses | JPY 144 million | | | | | | | | | | | | | | | | | | | | |
| • Depreciation expenses | JPY 3,868 million | | | | | | | | | | | | | | | | | | | | |
| • Other expenses | JPY 137 million | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | |
| Total property related expenses and management contract expenses | JPY 5,519 million | | | | | | | | | | | | | | | | | | | | |
| | December 2021 Fiscal Period | | | | | | | | | | | | | | | | | | | | |
| • Other operating expenses (of these, asset management fees) | JPY 633 million (JPY 300 million) | | | | | | | | | | | | | | | | | | | | |
| <p>NOI</p> | <p>INV expects to record net operating income for the fiscal period as follows:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">December 2021 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• NOI</td> <td style="text-align: right;">JPY 3,767 million</td> </tr> <tr> <td>(of these, domestic hotel NOI)</td> <td style="text-align: right;">(JPY 2,636 million)</td> </tr> <tr> <td>(of these, overseas hotel NOI)</td> <td style="text-align: right;">(JPY (320) million)</td> </tr> <tr> <td>(of these, residential NOI)</td> <td style="text-align: right;">(JPY 1,373 million)</td> </tr> </tbody> </table> <p>NOI calculation method in the above table is as follows</p> <p>• NOI = Rental Revenues - Property Related Expenses + Depreciation Expenses + Dividends on the preferred equity interest (TMK dividend) + (Management Contract Revenue - Management Contract Expense)</p> <p>NOI for the fiscal period ending December 2021 is calculated after considering waiving of rent, and changes of variable rent pursuant to the September 2021 MOU and the December 2021 MOU.</p> | | December 2021 Fiscal Period | • NOI | JPY 3,767 million | (of these, domestic hotel NOI) | (JPY 2,636 million) | (of these, overseas hotel NOI) | (JPY (320) million) | (of these, residential NOI) | (JPY 1,373 million) | | | | | | | | | | |
| | December 2021 Fiscal Period | | | | | | | | | | | | | | | | | | | | |
| • NOI | JPY 3,767 million | | | | | | | | | | | | | | | | | | | | |
| (of these, domestic hotel NOI) | (JPY 2,636 million) | | | | | | | | | | | | | | | | | | | | |
| (of these, overseas hotel NOI) | (JPY (320) million) | | | | | | | | | | | | | | | | | | | | |
| (of these, residential NOI) | (JPY 1,373 million) | | | | | | | | | | | | | | | | | | | | |

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| | | | | | | | | | | | | | | | | | |
|--|---|--|--------------------------------|-------------------------------------|-----------------|-------------------------|-----------------|---|----------------|--|---------------|------------------------------------|----------------|---------------------|----------------|------------------------------|-------------------|
| <p>Non-operating expenses</p> | <p>INV expects to incur non-operating expenses for the fiscal period as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">December 2021 Fiscal Period</td> </tr> <tr> <td>• Interest expense</td> <td style="text-align: right;">JPY 613 million</td> </tr> <tr> <td>• Finance related costs</td> <td style="text-align: right;">JPY 597 million</td> </tr> <tr> <td>• Interest for investment corporation bonds</td> <td style="text-align: right;">JPY 28 million</td> </tr> <tr> <td>• Amortization of investment corporation bonds issuance expenses</td> <td style="text-align: right;">JPY 6 million</td> </tr> <tr> <td>• Foreign exchange losses (Note 1)</td> <td style="text-align: right;">JPY 21 million</td> </tr> <tr> <td>• Derivative losses</td> <td style="text-align: right;">JPY 20 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total non-operating expenses</td> <td style="text-align: right; border-top: 1px solid black;">JPY 1,288 million</td> </tr> </table> <p>(Note 1) Since the yen has been depreciating compared to the end of the previous fiscal period, we expect to record foreign exchange losses.</p> | | December 2021 Fiscal Period | • Interest expense | JPY 613 million | • Finance related costs | JPY 597 million | • Interest for investment corporation bonds | JPY 28 million | • Amortization of investment corporation bonds issuance expenses | JPY 6 million | • Foreign exchange losses (Note 1) | JPY 21 million | • Derivative losses | JPY 20 million | Total non-operating expenses | JPY 1,288 million |
| | December 2021 Fiscal Period | | | | | | | | | | | | | | | | |
| • Interest expense | JPY 613 million | | | | | | | | | | | | | | | | |
| • Finance related costs | JPY 597 million | | | | | | | | | | | | | | | | |
| • Interest for investment corporation bonds | JPY 28 million | | | | | | | | | | | | | | | | |
| • Amortization of investment corporation bonds issuance expenses | JPY 6 million | | | | | | | | | | | | | | | | |
| • Foreign exchange losses (Note 1) | JPY 21 million | | | | | | | | | | | | | | | | |
| • Derivative losses | JPY 20 million | | | | | | | | | | | | | | | | |
| Total non-operating expenses | JPY 1,288 million | | | | | | | | | | | | | | | | |
| <p>Distribution per unit</p> | <p>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.</p> <p>With respect to the distribution for the fiscal period ending December 2021, INV expects to distribute JPY 512 million (distribution per unit: JPY 84), out of the net income of JPY 515 million.</p> <p>For the fiscal period ending December 2021, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY (75) million, which is equal to the amount for the fiscal period ended June 2020. The distribution per unit is calculated based on the assumption that fluctuation of the market value of the interest rate swap does not affect the distribution per unit and earnings per unit.</p> <p>Distribution per unit may vary due to various factors, including changes of the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.</p> | | | | | | | | | | | | | | | | |
| <p>Excess profit distribution per unit</p> | <p>INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period, and therefore, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution per unit, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period.</p> <p>INV may also consider making distributions in excess of profits for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on amortization of fixed term land lease or asset retirement obligation.</p> <p>With respect to the fiscal period ending December 2021, INV will not make distributions in excess of profits. INV will not make distributions in excess of profits in order to cope with the discrepancy between tax and accounting treatment.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">December 2021 Fiscal Period</td> </tr> <tr> <td>Excess profit distribution per unit</td> <td style="text-align: right;">-</td> </tr> </table> | | December 2021 Fiscal Period | Excess profit distribution per unit | - | | | | | | | | | | | | |
| | December 2021 Fiscal Period | | | | | | | | | | | | | | | | |
| Excess profit distribution per unit | - | | | | | | | | | | | | | | | | |

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| Other | <p>INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts.</p> <p>In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.</p> |
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