

November 25, 2022

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 39th Fiscal Period Ending December 2022

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 2022 (39th Fiscal Period), stated as TBD in “Financial Summary for the June 2022 Fiscal Period (from January 1, 2022 to June 30, 2022)” dated August 25, 2022.

1. Revision of the forecast of financial results and distribution for the fiscal period ending December 2022 (from July 1, 2022 to December 31, 2022)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Previous forecast (A) (announced on August 25, 2022)	JPY million TBD	JPY million TBD	JPY million TBD	JPY million TBD	JPY million TBD
Revised forecast (B)	JPY million 10,882	JPY million 5,122	JPY million 3,995	JPY million 3,994	JPY million 3,993
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 2021	JPY million 8,406	JPY million 2,292	JPY million 1,014	JPY million 1,014	JPY million 1,012

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

	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, 2022)	JPY TBD	JPY TBD	JPY TBD	JPY TBD
Revised forecast (B)	JPY 655	JPY 655	JPY -	JPY 655
Amount of variance (B) – (A)	JPY -	JPY -	JPY -	JPY -
Rate of variance ((B) – (A)) / (A)	% -	% -	% -	% -
(Reference) Fiscal Period Ended December 2021	JPY 166	JPY 166	JPY -	JPY 166

(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 2022 are provided in Appendix 1.

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

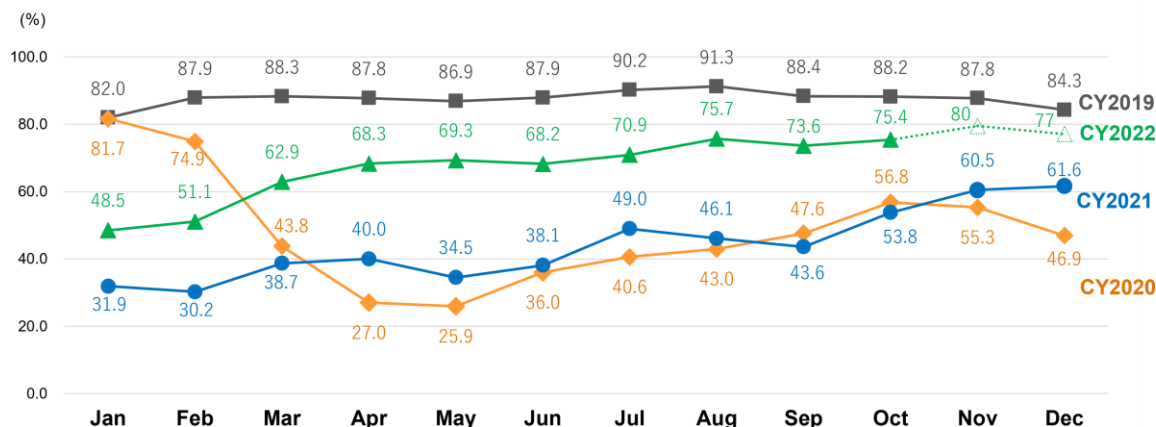
The forecast of financial results and DPU for the fiscal period ending December 2022 remained undetermined at the time of the announcement of “Financial Summary for the June 2022 Fiscal Period (from January 1, 2022 to June 30, 2022)” on August 25, 2022, as it was difficult to create the forecast due to the spread of COVID-19. As announced in “Performance Update for October 2022” dated today, the operating status of each property up to October 2022 has been generally clarified. Therefore, we have decided to announce the revision of forecast of financial results and DPU for the fiscal period ending December 2022, based on the information currently available to INV and certain assumptions that are deemed reasonable by INV.

During the fiscal period ending December 2022, Japan was hit by the seventh wave of COVID-19 infections from summer to early autumn. However, there were no restrictions on movement this summer. Tourism and accommodation demand was solid, partly because events such as fireworks festivals and summer festivals resumed in various places for the first time in three years. The government’s travel subsidy program "National Travel Discount Campaign" started in October, which is helping to boost domestic accommodation demand. On the other hand, inbound demand is expected to gradually recover in the future, in response to the substantial relaxation of border measures in October, and the current depreciation of the yen.

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

The occupancy rate of the domestic hotel portfolio is as shown below.

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.

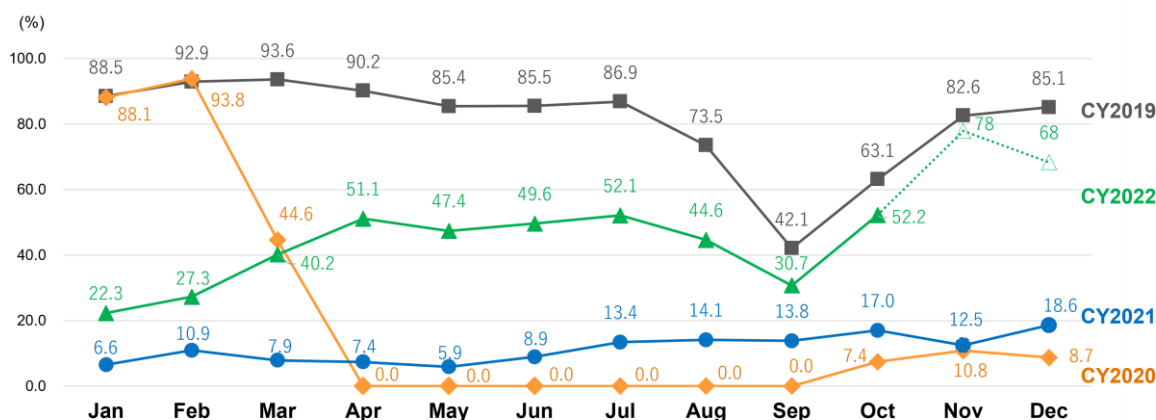
(Note 2) Based on 75 hotel properties; of the 84 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of today, nine hotels with fixed-rent lease agreements are excluded. Hereinafter the same.

(Note 3) The figures for November 2022 and onwards show estimated figures as of today, and are subject to change, as it is still difficult to anticipate the spread, containment and impact of the COVID-19 pandemic.

For the Cayman Hotels, demand is on a recovery trend, as travel-related restrictions to the Cayman Islands have been lifted, and major airlines resumed flights to and from the United States. While the occupancy rate is still below the 2019 level, visitors are more willing to pay a premium for their long-delayed vacations, and the 2022 ADR (average daily room rate) has exceeded the 2019 ADR by more than 10% compared to the level of the same month consistently since May 2022.

The occupancy rates of the two Cayman Hotels are as shown below.

Change in Occupancy Rate of the Cayman Hotels



(Note 4) The figures for November 2022 and onwards show estimated figures as of today, and are subject to change, as it is still difficult to anticipate the spread, containment and impact of the COVID-19 pandemic.

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

In response to the above situation, INV concluded a Memorandum of Understanding (“September 2022 MOU”) to amend each fixed-term building lease and property management agreement for 73 domestic hotels operated by INV’s main tenant, MyStays Hotel Management Co., Ltd. (“MHM”) and its affiliates (collectively with MHM, the “MHM Group”) 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, 2022 with Major Tenant” dated September 9, 2022, as it remains impossible for the MHM Group to pay the full amount of the fixed rent under the terms and conditions under the original MLPM Agreements for the period from July to September 2022. On the other hand, as for the period from October to December 2022, due to the recovery in hotel demand, the estimated total GOP of 73 hotels operated by the MHM Group is anticipated to exceed the total fixed rent amount stipulated in the original contract. However, on an individual hotel basis, GOP of some hotels is still below the fixed rent stipulated in the original contract. Moreover, concerns about the negative impact of the 8th wave of COVID-19 infections, which is currently spreading, cannot be ruled out. Therefore, as of today, we are discussing with the MHM Group about the necessity of a potential reduction of fixed rent or other measures for the period from October to December 2022 and aim to reach an agreement within early December.

In light of the current estimated GOP of 73 hotels operated by the MHM Group, rent from the MHM Group is estimated to be JPY 3.60 billion (of which, fixed rent of JPY 2.1 billion and variable rent of JPY 1.5 billion; approx. 95% of the fixed rent under the original leasing terms and conditions in the amount of JPY 3.78 billion) for the period from July to September 2022, and JPY 3.45 billion (the breakdown of fixed rent and variable rent is undetermined; approx. 128% of the fixed rent under the original leasing terms and conditions in the amount of JPY 2.68 billion) for the period from October to December 2022. Overall, rent from the MHM Group for the fiscal period ending December 2022 is estimated to be JPY 7.06 billion (the breakdown of fixed rent and variable rent is undetermined; approx. 109% of the fixed rent under the original leasing terms and conditions in the amount of JPY 6.46 billion), which is a significant increase from the fiscal period ended December 2021 in which INV received JPY 2.96 billion (of which, fixed rent of JPY 1.95 billion and variable rent of JPY 1.01 billion.)

Total Rent from the MHM Group as a Percentage of Original Fixed Rent Contract

(JPY billion)

Period	Fixed Rent under the Original Leasing Terms and Conditions (a)	Rent			
		Fixed Rent (b)	Variable Rent (c)	Total Rent (d = b+c)	Ratio (d/a)
Jul. to Sep. 2022	3.78	2.10	1.50	3.60	95%
Oct. to Dec. 2022	2.68	-	-	3.45	128%
Dec. 2022 Fiscal Period	6.46	-	-	7.06	109%
Dec. 2021 Fiscal Period	6.46	1.95	1.01	2.96	45%

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

Regarding dividend income for the fiscal period ending December 2022 related to preferred equity interest in the 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, 2022 to September 30, 2022 (Note 5), or the calculation period of the TMK issuing preferred equity interest, in which the hotel has seen a limited improvement in room occupancy rates.

(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 accounting period to a 12-month accounting period in order to curb the costs of settlement of accounts. Therefore, in INV's fiscal period ending December 2022, 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 2022 is expected to be JPY 6,916 million, an increase of 125.6% compared to the December 2021 fiscal period, but a decrease of 38.4% compared to the December 2019 fiscal period prior to the pandemic.

For overseas hotels, NOI is expected to be JPY 1,356 million, a significant increase compared to JPY -280 million in the December 2021 fiscal period.

Performance of the residential portfolio is solid. NOI for the 41 properties held today is expected to be JPY 1,123 million, almost the same level as the same period in the previous year.

As a result, net income for the fiscal period ending December 2022 is expected to be JPY 3,994 million. INV intends to distribute a total of JPY 3,993 million (JPY 655 per unit) from the net income.

It is almost three years since the outbreak of the COVID-19 pandemic. Performance of INV has finally recovered to the point where we can expect to post a positive net income without the sale of properties. As mentioned above, the recovery of inbound demand has started, and INV and its asset management company will continue to make all-out efforts with the goal of quickly approaching the profit levels before 2019.

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

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

<Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Period ending December 31, 2022>

Item	Assumptions
Fiscal period	The December 2022 Fiscal Period: from July 1, 2022 to December 31, 2022 (184 days)
Assets under management	<p>Properties held as of the end of the December 2022 Fiscal Period: 127 properties and preferred equity interests in one TMK</p> <p>Based on the properties held as of today (127 properties and preferred equity interests in one TMK), and INV assumes that there will be no change in the portfolio through the end of the fiscal period ending December 2022.</p>
Units outstanding	<p>As of the end of the December 2022 Fiscal Period: 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 December 2022 Fiscal Period.</p>
Interest-bearing liabilities	<p>Balance as of the end of the fiscal period ending December 2022: JPY 240,797 million (borrowing: JPY 232,597 million, investment corporation bonds: JPY 8,200 million)</p> <p>Out of the current total balance of JPY 240,797 million, INV assumes that JPY 4,321 million of borrowing (refinance) is implemented as of November 29, 2022 for the fiscal period ending December 2022, as mentioned in the press release entitled "Notice concerning Debt Financing (Refinance)" dated today. INV assumes no other new loan or prepayment of loan through the end of the December 2022 Fiscal Period.</p>

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

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: 60%;"></th> <th style="text-align: right;">December 2022 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Rental revenues (of these, hotel rents) (*)</td> <td style="text-align: right;">JPY 9,367 million (JPY 7,699 million)</td> </tr> <tr> <td>• Management contract revenue</td> <td style="text-align: right;">JPY 1,515 million (USD 11,174 thousand)</td> </tr> <tr> <td>• TMK dividend amount</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Total operating revenues</td> <td style="text-align: right;">JPY 10,882 million</td> </tr> </tbody> </table>		December 2022 Fiscal Period	• Rental revenues (of these, hotel rents) (*)	JPY 9,367 million (JPY 7,699 million)	• Management contract revenue	JPY 1,515 million (USD 11,174 thousand)	• TMK dividend amount	-	Total operating revenues	JPY 10,882 million
		December 2022 Fiscal Period									
• Rental revenues (of these, hotel rents) (*)	JPY 9,367 million (JPY 7,699 million)										
• Management contract revenue	JPY 1,515 million (USD 11,174 thousand)										
• TMK dividend amount	-										
Total operating revenues	JPY 10,882 million										
<p>(*) As stated in the main text, the breakdown of fixed rent and variable rent is undetermined.</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 2022.</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. Management contract revenues from July to October 2022 have been calculated based on the monthly average exchange rate of each month, while management contract revenues for November and December 2022 have been calculated based on exchange rate of USD 1 = JPY 140. 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. While it is assumed that we will resume consideration of expansion and renovation based on the market environment, etc., 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 2022.</p> <p>Rental revenues are calculated after considering waiving of rent, change of variable rent pursuant to the September 2022 MOU and changes in rent conditions for the period from October to December 2022 with the MHM Group assumed as of today, 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>											

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

<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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">December 2022 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Facility management fees (of these, repair costs)</td> <td style="text-align: right;">JPY 404 million (JPY 18 million)</td> </tr> <tr> <td>• Taxes and other public charges</td> <td style="text-align: right;">JPY 740 million</td> </tr> <tr> <td>• Insurance expenses</td> <td style="text-align: right;">JPY 139 million</td> </tr> <tr> <td>• Depreciation expenses</td> <td style="text-align: right;">JPY 3,780 million</td> </tr> <tr> <td>• Other expenses</td> <td style="text-align: right;">JPY 123 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total property related expenses and management contract expenses</td> <td style="text-align: right; border-top: 1px solid black;">JPY 5,188 million</td> </tr> </tbody> </table> <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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">December 2022 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Other operating expenses (of these, asset management fees)</td> <td style="text-align: right;">JPY 571 million (JPY 300 million)</td> </tr> </tbody> </table>		December 2022 Fiscal Period	• Facility management fees (of these, repair costs)	JPY 404 million (JPY 18 million)	• Taxes and other public charges	JPY 740 million	• Insurance expenses	JPY 139 million	• Depreciation expenses	JPY 3,780 million	• Other expenses	JPY 123 million	Total property related expenses and management contract expenses	JPY 5,188 million		December 2022 Fiscal Period	• Other operating expenses (of these, asset management fees)	JPY 571 million (JPY 300 million)
	December 2022 Fiscal Period																		
• Facility management fees (of these, repair costs)	JPY 404 million (JPY 18 million)																		
• Taxes and other public charges	JPY 740 million																		
• Insurance expenses	JPY 139 million																		
• Depreciation expenses	JPY 3,780 million																		
• Other expenses	JPY 123 million																		
Total property related expenses and management contract expenses	JPY 5,188 million																		
	December 2022 Fiscal Period																		
• Other operating expenses (of these, asset management fees)	JPY 571 million (JPY 300 million)																		
<p>NOI</p>	<p>INV expects to record net operating income 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 2022 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• NOI</td> <td style="text-align: right;">JPY 9,474 million</td> </tr> <tr> <td>(of these, domestic hotel NOI)</td> <td style="text-align: right;">(JPY 6,916 million)</td> </tr> <tr> <td>(of these, overseas hotel NOI)</td> <td style="text-align: right;">(JPY 1,356 million)</td> </tr> <tr> <td>(of these, residential NOI)</td> <td style="text-align: right;">(JPY 1,123 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 December 2022 fiscal period is calculated after considering waiving of rent, changes of variable rent pursuant to the September 2022 MOU and changes in rent conditions for the period from October to December 2022 with the MHM Group assumed as of today.</p>		December 2022 Fiscal Period	• NOI	JPY 9,474 million	(of these, domestic hotel NOI)	(JPY 6,916 million)	(of these, overseas hotel NOI)	(JPY 1,356 million)	(of these, residential NOI)	(JPY 1,123 million)								
	December 2022 Fiscal Period																		
• NOI	JPY 9,474 million																		
(of these, domestic hotel NOI)	(JPY 6,916 million)																		
(of these, overseas hotel NOI)	(JPY 1,356 million)																		
(of these, residential NOI)	(JPY 1,123 million)																		
<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;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">December 2022 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Interest expense</td> <td style="text-align: right;">JPY 562 million</td> </tr> <tr> <td>• Finance related costs</td> <td style="text-align: right;">JPY 546 million</td> </tr> <tr> <td>• Interest for investment corporation bonds</td> <td style="text-align: right;">JPY 28 million</td> </tr> <tr> <td>• Depreciation of investment corporation bonds issuance expenses</td> <td style="text-align: right;">JPY 6 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 1,144 million</td> </tr> </tbody> </table>		December 2022 Fiscal Period	• Interest expense	JPY 562 million	• Finance related costs	JPY 546 million	• Interest for investment corporation bonds	JPY 28 million	• Depreciation of investment corporation bonds issuance expenses	JPY 6 million	Total non-operating expenses	JPY 1,144 million						
	December 2022 Fiscal Period																		
• Interest expense	JPY 562 million																		
• Finance related costs	JPY 546 million																		
• Interest for investment corporation bonds	JPY 28 million																		
• Depreciation of investment corporation bonds issuance expenses	JPY 6 million																		
Total non-operating expenses	JPY 1,144 million																		

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

<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 2022, INV expects to distribute an aggregate amount of JPY 3,993 million (distribution per unit: JPY 655) from the net income for the fiscal period ending December 2022 (JPY 3,994 million).</p> <p>For the fiscal period ending December 2022, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 96 million, which is equal to the amount for the fiscal period ended June 2022. 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 depreciation of fixed term land lease or asset retirement obligation.</p> <p>With respect to the fiscal period ending December 2022, INV will not have to make distributions in excess of profits in order to cope with the discrepancy between tax and accounting treatment.</p> <p style="text-align: right;">December 2022 Fiscal Period</p> <p>Excess profit distribution per unit -</p>
<p>Other</p>	<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>

This English language notice is a translation of the Japanese-language notice released on November 25, 2022 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.