

[For Information Purpose Only.]

The Japanese language press release should be referred to as the original.]

July 19, 2023

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

Invincible Investment Corporation (“INV”) has determined to obtain new debt financing. Details are as follows.

1. Reason for Borrowing

INV has decided to execute new borrowing (the “Borrowing”) in order to fund a portion of the anticipated acquisition price and related expenses of six domestic hotel properties (in the form of trust beneficiary interests) (the “Anticipated Acquisitions”) (Note) scheduled to be acquired on August 1, 2023.

The Borrowing is provided by a syndicate of lenders arranged by Mizuho Bank, Ltd. as an arranger. INV continues to be supported by the existing lenders and its bank formation will be further strengthened.

(Note) For details on the Anticipated Acquisitions, please refer to the press release entitled “Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests” dated July 19, 2023.

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2. Details of the Borrowing (anticipated)

<New Syndicate Loan (010)>

5-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Trust Bank, Limited
Development Bank of Japan Inc.
The Tokyo Star Bank, Limited
Aozora Bank, Ltd.
The Ogaki Kyoritsu Bank, Ltd.
- (2) Borrowing amount : JPY 17,574.3 million
- (3) Interest rate, etc. : 3-month JPY TIBOR (Base Rate) + spread (0.500%) (Note 1)
Floating interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 19, 2023
Unsecured / with no guarantee
- (5) Agreement date : July 19, 2023
- (6) Anticipated borrowing date : August 1, 2023
- (7) Interest payment date : (i) The last Japanese business day of March, June, September, and December before the principal maturity date, beginning with September 30, 2023, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : July 14, 2028

3-Year Tranche

- (1) Lenders : Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Trust Bank, Limited
The Tokyo Star Bank, Limited
Aozora Bank, Ltd.
- (2) Borrowing amount : JPY 9,195.7 million
- (3) Interest rate, etc. : 3-month JPY TIBOR (Base Rate) + spread (0.300%) (Note 1)
Floating interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 19, 2023
Unsecured / with no guarantee
- (5) Agreement date : July 19, 2023
- (6) Anticipated borrowing date : August 1, 2023
- (7) Interest payment date : (i) The last Japanese business day of March, June, September, and December before the principal maturity date, beginning with September 30, 2023, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date

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Invincible Investment Corporation

(9) Principal maturity date : July 16, 2026

Short-term consumption tax loan (Note 5)

- (1) Lenders : Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Trust Bank, Limited
- (2) Borrowing amount : JPY 3,086 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.200%) (Note 2)
Floating interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement dated July 19, 2023
Unsecured / with no guarantee
- (5) Agreement date : July 19, 2023
- (6) Anticipated borrowing date : August 1, 2023
- (7) Interest payment date : (i) The last Japanese business day of each month before the principal maturity date, beginning with August 31, 2023, and (ii) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : August 1, 2024 (Note 6)

(Note 1) Base rate applicable to each interest calculation period for the interests to be paid on the relevant interest payment date shall be the 3-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).

(Note 2) 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).

(Note 3) JPY TIBOR announced by the JBA TIBOR Administration is available at its website (<https://www.jbatibor.or.jp/english/>).

(Note 4) 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>).

(Note 5) Short-term consumption tax loan is a loan which is to be repaid before maturity date with refund of consumption taxes and regional consumption taxes on an acquisition of a property. The same shall apply hereinafter.

(Note 6) Short-term consumption tax loan will be prepaid before maturity date once INV receives the refund of consumption taxes and regional consumption taxes on the acquisition of properties through New Syndicate Loan (010).

(Note 7) Borrowing under the New Syndicate Loan (010) is subject to certain conditions including satisfaction of separately agreed conditions.

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

(1) Loan proceeds

JPY 29,856 million

(2) Use of proceeds

To be appropriated for a portion of the total acquisition price (JPY 57,230 million) (Note) and related expenses of the Anticipated Acquisitions.

(Note) For details on the Anticipated Acquisitions, please refer to the press release entitled "Notice concerning Acquisition and Lease of Domestic Trust Beneficiary Interests" dated July 19, 2023.

(3) Scheduled timing of disbursement

August 1, 2023

4. Future outlook

For revision of the forecasted financial results and distribution for the fiscal period ended June 2023 (from January 1, 2023 to June 30, 2023) as well as the fiscal period ending December 2023 (from July 1, 2023 to December 31, 2023) and the forecasted financial results and distribution for the fiscal period ending June 2024 (from January 1, 2024 to June 30, 2024), please refer to the press release "Notice concerning Revision of Forecast of Financial Results and Distribution for the 40th Fiscal Period Ended June 2023 and the 41st Fiscal Period Ending December 2023 as well as Forecast of Financial Results and Distribution for the 42nd Fiscal Period Ending June 2024" dated July 19, 2023.

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

With respect to the risks associated with the Borrowing, please refer to "Investment Risks" stated in the securities report for the fiscal period ended December 2022 (from July 1, 2022 to December 31, 2022) (available in Japanese only) filed on March 27, 2023 and "Part II, Reference Information II Supplemental Information to the Reference Documents 5. Investment Risks" of the securities registration statement (available in Japanese only) filed on July 19, 2023.

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 Borrowing (As of July 19, 2023)	After the Borrowing (Note 3)	Increase (Decrease)
Total loans	225,790	255,646	+29,856
Total investment corporation bonds	13,400	13,400	—
Total interest-bearing liabilities	239,190	269,046	+29,856
Total appraisal value of properties owned by INV (and Anticipated Acquisitions) (Note 1)	541,295	599,105	+57,810
LTV (based on appraisal value) (Note 2) (%)	44.2	44.4	+0.2

(Note 1) For “Before the Borrowing”, “Total appraisal value of properties owned by INV (and Anticipated Acquisitions)” is based on total appraisal value of the 128 properties owned by INV as of July 19, 2023 (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset and the two Cayman hotels “Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”) (the “properties owned by INV”). For “After the Borrowing”, “Total appraisal value of properties owned by INV (and Anticipated Acquisitions)” is based on total appraisal value of the properties owned by INV and the Anticipated Acquisitions. The 127 properties (excluding the preferred equity interest in the TMK) of the properties owned by INV are based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 2022. 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 and included. The appraisal value of overseas real estate assets was translated into JPY based on the exchange rate of 1 USD= 110.45 JPY which is the foreign exchange forward rate under the foreign exchange forward agreement entered into on July 26, 2018 and executed on September 26, 2018. The Anticipated Acquisitions are based on the appraisal value stated in the appraisal reports on the valuation date of June 1, 2023.

(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:

$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)}}{\text{Total appraisal value of properties owned by INV (and Anticipated Acquisition)}} \times 100$$
 “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) “After the Borrowing” in the above table is the date when INV has executed the Borrowing and had acquired the Anticipated Acquisitions.

(Note 4) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

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