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

December 19, 2023

To All Concerned Parties

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Notice concerning Revision of Forecast of Financial Results and Distribution for the 41st Fiscal Period Ending December 2023 and 42nd Fiscal Period Ending June 2024, together with Forecast of Financial Results and Distribution for the 43rd Fiscal Period Ending December 2024

Invincible Investment Corporation ("INV") today announced the revision of its forecast of financial results and Distribution per Unit ("DPU") for the fiscal periods ending December 2023 (41st Fiscal Period) and June 2024 (42nd Fiscal Period), which were previously announced in "Financial Summary for the June 2023 Fiscal Period (from January 1, 2023 to June 30, 2023)" dated August 24, 2023, together with the newly announced forecast of financial results and DPU for the fiscal period ending December 2024 (43rd Fiscal Period).

1. Revision of the forecast of financial results and distribution for the fiscal period ending December 2023 (from July 1, 2023 to December 31, 2023) and forecast of financial results and distribution for the fiscal periods ending June 2024 (from January 1, 2024 to June 30, 2024) and December 2024 (from July 1, 2024 to December 31, 2024)

<Fiscal Period Ending December 2023>

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Previous forecast (A) (announced on August 24, 2023)	JPY million 17,786	JPY million 11,255	JPY million 9,586	JPY million 9,586	JPY million 9,708
Revised forecast (B)	JPY million 18,640	JPY million 12,374	JPY million 10,715	JPY million 10,714	JPY million 10,732
Amount of variance (B) – (A)	JPY million 854	JPY million 1,119	JPY million 1,128	JPY million 1,128	JPY million 1,024
Rate of variance ((B) – (A)) / (A)	% 4.8	% 9.9	% 11.8	% 11.8	% 10.5

	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 24, 2023)	JPY 1,422	JPY 1,441	JPY -	JPY 1,441
Revised forecast (B)	JPY 1,590	JPY 1,593	JPY -	JPY 1,593
Amount of variance (B) – (A)	JPY 168	JPY 152	JPY -	JPY 152
Rate of variance ((B) – (A)) / (A)	% 11.8	% 10.5	% -	% 10.5

(Note 1) The total number of investment units issued and outstanding at the end of the fiscal period: 6,737,121 units.

<Fiscal Period Ending June 2024>

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Previous forecast (A) (announced on August 24, 2023)	JPY million 18,000	JPY million 11,348	JPY million 9,855	JPY million 9,854	JPY million 9,876
Revised forecast (B)	JPY million 20,199	JPY million 13,717	JPY million 11,887	JPY million 11,886	JPY million 11,904
Amount of variance (B) – (A)	JPY million 2,199	JPY million 2,368	JPY million 2,031	JPY million 2,031	JPY million 2,027
Rate of variance ((B) – (A)) / (A)	% 12.2	% 20.9	% 20.6	% 20.6	% 20.5

	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 24, 2023)	JPY 1,462	JPY 1,466	JPY -	JPY 1,466
Revised forecast (B)	JPY 1,764	JPY 1,767	JPY -	JPY 1,767
Amount of variance (B) – (A)	JPY 302	JPY 301	JPY -	JPY 301
Rate of variance ((B) – (A)) / (A)	% 20.7	% 20.5	% -	% 20.5

(Note 1) The total number of investment units issued and outstanding at the end of the fiscal period: 6,737,121 units.

<Fiscal Period Ending December 2024>

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Total Distribution Amount
Forecast for the fiscal period ending December 2024	JPY million 20,255	JPY million 13,509	JPY million 11,699	JPY million 11,698	JPY million 11,715

	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)
Forecast for the fiscal period ending December 2024	JPY 1,736	JPY 1,739	JPY -	JPY 1,739

(Note 1) The total number of investment units issued and outstanding at the end of the fiscal period: 6,737,121 units.

(Reference)

Assumptions underlying the forecast of financial results and DPU for the fiscal periods ending December 2023, June 2024 and December 2024 are provided in Appendix 1.

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

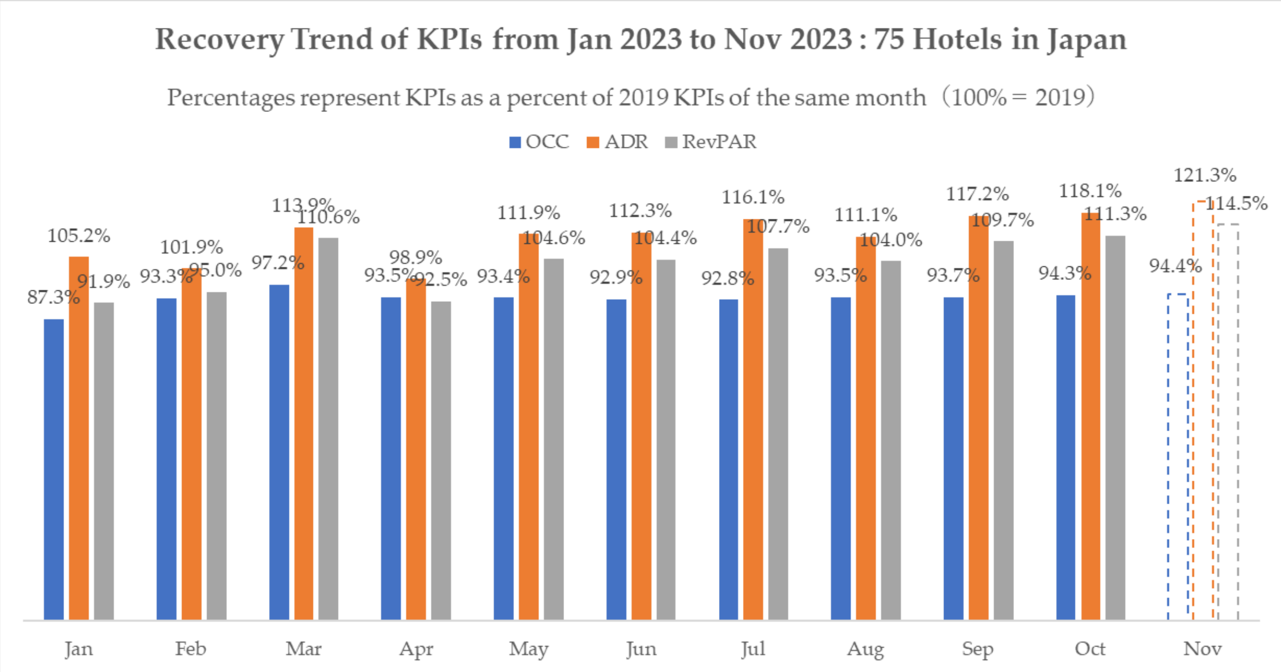
The operating status of each property up to December 2023 has been generally clarified, and DPU for the fiscal period ending December 2023 is expected to increase by more than 5% (10.5%) from the previous forecast announced in “Financial Summary for the June 2023 Fiscal Period (from January 1, 2023 to June 30, 2023)” dated August 24, 2023. Therefore, we have decided to announce the revision of forecast of financial results and DPU for the fiscal period ending December 2023.
Moreover, INV has decided to announce the revised forecast of financial results and DPU for the fiscal period ending June 2024 and new forecast of financial results and DPU for the fiscal period ending December 2024, based on the information currently available to INV and certain assumptions that are deemed reasonable by INV. An overview and outlook by segment are as follows:

3. Overview by segment

(1) Domestic hotels

Hotels in Japan continue to recover from the COVID-19 pandemic. Domestic demand has remained strong, with the recent number of total Japanese overnight stays remaining roughly at the same level as in 2019, prior to the COVID-19 pandemic. Even with the gradual end of the "National Travel Discount Campaign" program, the government’s travel subsidy program, there has been no decline in demand due to a reaction from the elimination of the program.
Inbound demand is also strong. With the help of the weak yen, the number of total foreign overnight stays continues to exceed that of 2019, while a full-fledged recovery of Chinese tourists is yet to be seen.
Under such environment, domestic hotels owned by INV continue to perform well, with ADR and RevPAR above the 2019 levels, while occupancy rates are slightly below the 2019 levels. In addition, while the hotel sector is not immune to the rising costs, including but not limited to labor costs, the increase in room revenues through revenue management generally tends to overcome the rising costs in the domestic hotels owned by INV. GOP is above the level of the same period in 2019, indicating a strong resilience to inflation.
For our 2024 forecast, we have conservatively factored in a marginal rebound in domestic demand following the end of the "National Travel Discount Campaign" program, but we do not expect the current trend to change significantly.

The KPIs of the domestic hotel portfolio are as shown below.



<Forecast of KPIs of the 75 domestic hotel portfolio[1] by fiscal period>

	Y2023			Y2024		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)	June fiscal period (Forecast)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate[2]	80.7%	83.0%	81.9%	85.0%	87.8%	86.4%
ADR (JPY)[3]	10,868	12,546	11,726	11,423	12,692	12,071
RevPAR (JPY)[4]	8,772	10,411	9,598	9,705	11,143	10,428
GOP (JPY million)[5]	10,368	13,792	24,161	12,039	14,399	26,439
NOI (JPY million)[6]	9,302	12,540	21,843	11,372	12,984	24,356

<Forecast of KPIs of the 81 domestic hotel portfolio[7] by fiscal period>

	Y2023			Y2024		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)	June fiscal period (Forecast)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate[2]	80.5%	82.8%	81.7%	84.6%	87.6%	86.1%
ADR (JPY)[3]	11,545	13,577	12,584	12,054	13,810	12,953
RevPAR (JPY)[4]	9,295	11,241	10,276	10,193	12,102	11,153
GOP (JPY million)[5]	11,659	16,036	27,696	13,413	16,846	30,260
NOI (JPY million)[6]	10,489	14,711	25,201	12,658	15,408	28,066

(Note 1) Based on 75 hotel properties held at the beginning of the December 2023 Fiscal Period; 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. Such nine hotels with fixed rent are Super Hotel Shinbashi/Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo-JR Tachikawa Kitaguchi, Super Hotel JR Ueno-iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubamesanjo, Comfort Hotel Kitami, and Takamatsu Tokyu

REI Hotel Of nine hotels that are excluded, Takamatsu Tokyu REI Hotel has changed its lease agreement with its major tenant, TOKYU HOTELS CO., LTD., to “fixed rent plus variable rent” effective April 25, 2023, but in consideration of the continuity of disclosed data and other factors, the hotel will continue to be treated as a hotel with fixed-rent lease agreement, and will remain excluded. Hereinafter the same.

(Note 2) “Occupancy Rate”, or “OCC” 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 3) “ADR,” or Average Daily Rate, is the value of the total room sales for a certain period (excluding service fees) divided by the total number of sold rooms for the same period. Hereinafter the same.

(Note 4) “RevPAR”, or Revenues Per Available Room, is calculated by dividing the total sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same figure as that of a product of ADR and occupancy rate.

(Note 5) “GOP” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel’s revenues. In addition, GOP for the Sheraton Grande Tokyo Bay Hotel has been multiplied by 49%, or INV’s ownership ratio of the preferred equity interest. Hereinafter the same.

(Note 6) “NOI” is calculated using the following formula:
NOI＝ Rental Revenues – Property Related Expenses + Depreciation Expenses + Dividends on the preferred equity interest (TMK dividend) + (Management Contract Revenue – Management Contract Expense). Hereinafter the same.

(Note 7) Based on 81 hotel properties held as of today; in addition to the 75 domestic hotel properties stated in note 1 above, six domestic hotels acquired in August 2023 are added. Hereinafter the same.

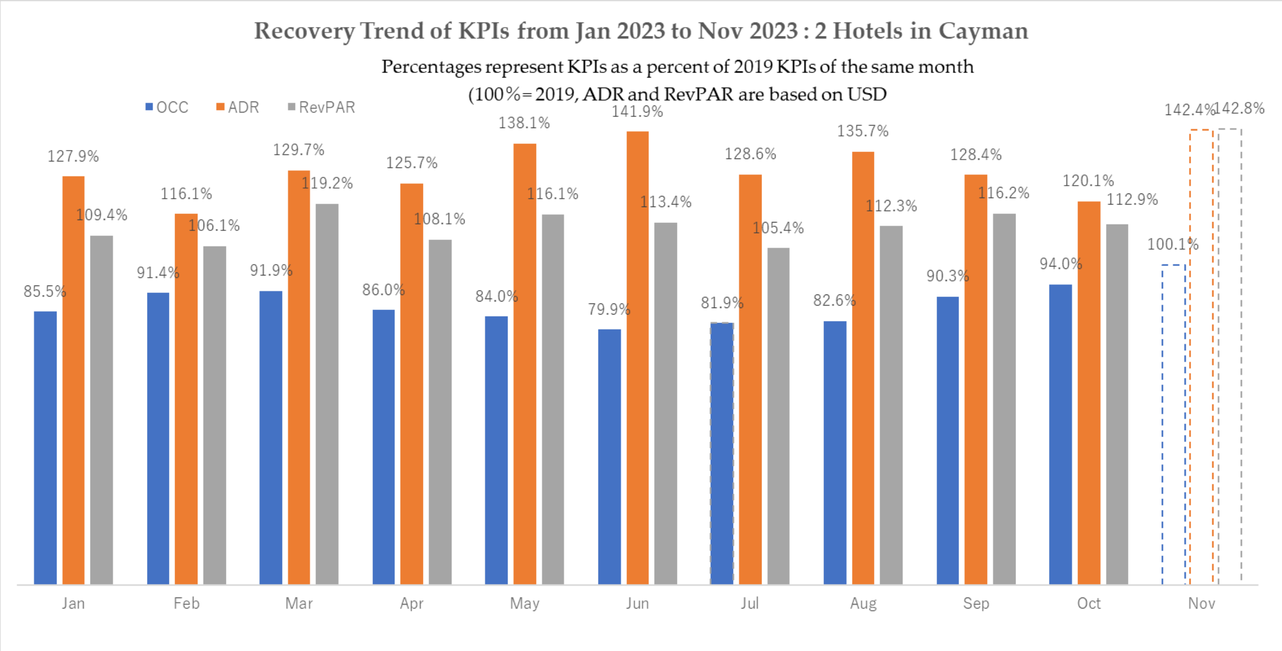
(Note 8) Percentages are rounded to one decimal place. Hereinafter the same. ADR and RevPAR are rounded to the nearest yen and GOP is rounded down to the nearest million yen.

(Note 9) The figures for November 2023 onwards show preliminarily estimated figures as of today, and are subject to change.

(2) Cayman Hotels

For the Cayman Hotels, demand continues to be on a recovery trend. Visitors are more willing to pay a premium for their long-delayed vacations, and while occupancy rates are below the 2019 levels, ADR and RevPAR have exceeded the 2019 levels from January to October 2023. In the Cayman Islands, labor and other costs are also increasing. However, cumulative GOP for January to October 2023 is above the same period in 2019 due to higher sales growth.

The KPIs of the two Cayman Hotels are as shown below.



<Forecast of KPIs of the two Cayman Hotels by fiscal period>

	Y2023			Y2024		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)	June fiscal period (Forecast)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate	77.3%	64.3%	70.7%	81.0%	60.7%	70.8%
ADR (USD)	537	420	483	562	436	508
RevPAR (USD)	415	270	342	455	265	359
GOP (USD)	29,182,631	14,564,977	43,747,608	32,323,800	14,506,504	46,830,304
NOI (USD)	27,648,333	12,608,620	40,256,953	30,311,973	12,231,798	42,543,771

(Note 10) The figures for November 2023 onwards show preliminarily estimated figures as of today, and are subject to change.
(Note 11) ADR and RevPAR are based on USD.

(3) Residences

The residential sector saw a temporary decline in occupancy rates immediately after the outbreak of the COVID-19 pandemic in 2020, but has remained stable since then, and stable earnings are expected going forward. Due to the recent trend of renewed population inflow into the city center, occupancy rates have remained stable, and unit rents have also been increasing.

<Forecasts for KPIs of 41 residential properties[12]>

	Y2023			Y2024		
	June fiscal period (Actual)	December fiscal period (Forecast)	Full-Year (Forecast)	June fiscal period (Forecast)	December fiscal period (Forecast)	Full-Year (Forecast)
Occupancy Rate[13]	96.5%	96.1%	96.3%	96.8%	96.8%	96.8%
Average Rent per Tsubo (JPY)[14]	9,190	9,229	9,209	9,273	9,296	9,284

NOI (JPY million)[15]	1,126	1,121	2,247	1,127	1,124	2,251

(Note 12) Based on 41 properties held by INV as of today. The figures for November 2023 onwards show preliminarily estimated figures as of today, and are subject to change.

(Note 13) Occupancy rate for residential portfolio is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month and the percentages are rounded to one decimal place.

(Note 14) Cumulative rent per tsubo is calculated by dividing the sum of the total rental revenue including common area charges for each month by the sum of total leased area (tsubo) at the end of each month.

(Note 15) NOI is rounded down to the nearest unit. NOI excludes one-off insurance-related revenues and expenses; hereinafter the same.

4. Outlook

The impact of the COVID-19 pandemic has largely disappeared, and as of today, there has been no reduction in fixed rents at any of the hotels owned by INV. The rent income (total of 79 properties) for the fiscal year ending December 31, 2023 from MyStays Hotel Management Co., Ltd. ("MHM"), INV's main tenant, and its affiliates (collectively with MHM, the "MHM Group") is expected to be JPY 6,956 million (48.9%) in fixed rent and JPY 7,263 million (51.1%) in variable rent, with the ratio of variable rent exceeding that of fixed rent.

Regarding dividend income 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 for the fiscal period ending December 2023, as the TMK has been suspending the dividend payment due to the cumulative losses arising from decline in earnings of the underlying asset caused by the COVID-19 pandemic. However, as the recovery in the performance of the underlying asset has continued for a certain period of time and the TMK's cumulative losses have been recently eliminated, dividends from the TMK are expected to accrue from the fiscal year ending June 30, 2024, but such dividends are expected to be JPY 1,231 million, which is significantly higher than the actual amount before the COVID-19 pandemic, as it is a dividend for the 12-month calculation period from April 2023 to March 2024 (Note 16) and includes a one-off special factor. On the other hand, dividend income for the fiscal year ending December 31, 2024 is expected to be JPY 679 million, as the dividend is based on the TMK's six-month accounting period from April 2024 to September 2024. (Note 17)

(Note 16) 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 been in a situation where it cannot pay dividends even if it settles the accounts as it has a cumulative loss due to the decline in profits of the underlying asset caused by the spread of COVID-19. 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. This measure is temporary, and the TMK plans to restore to the original 6-month settlement for the six months ending September 2024, as the cumulative loss is resolved and the TMK is expected to be able to resume payment of dividends.

(Note 17) Dividends received for the fiscal period ended December 2019 were JPY 673 million (TMK's calculation period: April 2019 to September 2019) and for the period ended June 2020 were JPY 634 million (TMK's calculation period: October 2019 to March 2020), which correspond to actual values before the COVID-19 pandemic.

We are planning to implement a renovation work at Sunshine Suites Resort beginning in the autumn of 2024, and we expect a decline in revenue in the fiscal period ending December 2024, due to partial sales stoppage during the renovation.

Moreover, there are no special items to be noted for residential and retail properties.

As a result, the DPU for the fiscal period ending December 31, 2023 is expected to be JPY 1,593 (forecast), and together with the actual DPU for the fiscal period ended June 30, 2023 (JPY 1,464), the DPU for the full year of 2023 is expected to be JPY 3,057. In addition, the DPU for 2024 is expected to be JPY 1,767 (forecast) for the fiscal period ending June 2024, and JPY 1,739 (forecast) for the fiscal period ending December 2024, and JPY 3,506 (forecast) for the full year of 2024, exceeding the actual amount (JPY 3,381) for the full year of 2019 before the COVID-19 pandemic.

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

(Appendix 1)

<Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending December 2023, June 2024 and December 2024>

Item	Assumptions
Fiscal period	The December 2023 Fiscal Period: from July 1, 2023 to December 31, 2023 (184 days) The June 2024 Fiscal Period: from January 1, 2024 to June 30, 2024 (182 days) The December 2024 Fiscal Period: from July 1, 2024 to December 31, 2024 (184 days)
Assets under management	Properties held as of the end of the December 2024 Fiscal Period: 133 properties and preferred equity interests in one TMK Based on the properties held as of today (133 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 2024.
Units outstanding	As of the end of the December 2024 Fiscal Period: 6,737,121 units INV assumes that there will be no change to the current 6,737,121 units issued and outstanding through the end of the December 2024 Fiscal Period.
Interest-bearing liabilities	Balance as of the end of the December 2023 Fiscal Period ended: JPY 269,100 million (borrowing: JPY 254,200 million, investment corporation bonds: JPY 14,900 million) Balance as of the end of the June 2024 Fiscal Period: JPY 266,014 million (borrowing: JPY 251,114 million, investment corporation bonds: JPY 14,900 million) Balance as of the end of the December 2024 Fiscal Period: JPY 266,014 million (borrowing: JPY 251,114 million, investment corporation bonds: JPY 14,900 million) INV assumes that of the current total balance of JPY 269,100 million, INV intends to repay the consumption tax loan of JPY 3,086 million maturing on August 1, 2024 in the fiscal period ending June 2024. Regarding other loans and investment corporation bonds maturing during the June 2024 Fiscal Period and December 2024 Fiscal Period, INV intends to refinance the same amount during the respective fiscal periods. INV assumes no other new loan or prepayment of loan through the end of the December 2024 Fiscal Period.

<table>
<tr><td>Operating revenues</td><td>
INV expects to record rental revenues for the fiscal period as follows:

	December 2023 Fiscal Period	June 2024 Fiscal Period	December 2024 Fiscal Period
・Rental revenues	JPY 16,518 million	JPY 14,603 million	JPY 17,617 million
(of these, hotel rents)	(JPY 14,770 million)	(JPY 12,836 million)	(JPY 15,865 million)
(fixed hotel rents)	(JPY 7,469 million)	(JPY 5,853 million)	(JPY 7,623 million)
(variable hotel rents)	(JPY 7,301 million)	(JPY 6,982 million)	(JPY 8,241 million)
・ Management contract revenue	JPY 2,121 million (USD 14,564 thousand)	JPY 4,363 million (USD 32,325 thousand)	JPY 1,958 million (USD 14,506 thousand)
・TMK dividend amount	-	JPY 1,231 million	JPY 679 million
Total operating revenues	JPY 18,640 million	JPY 20,199 million	JPY 20,255 million

In the 2024 forecasts, INV has conservatively factored in a marginal rebound in domestic demand following the end of the "National Travel Discount Campaign" program.

With regard to inbound demand, we assume that the number of Chinese tourists will recover to 2019 levels in the spring of 2024.

In addition to the demand forecasts above, INV has taken into account various factors including scheduled conferences, concerts and other events in the vicinity of each hotel, trends at competing hotels, and price trends, to forecast hotel rents for the period ending June 2024 and thereafter. The reservations already made for the period from December 2023 to January 2024 as of the forecast are also taken into account.

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.

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 December 2023 have been calculated based on the monthly average exchange rate of each month. Management contract revenues for December 2023 have been calculated based on exchange rate of USD 1 = JPY 145, management contract revenues for January to December 2024 have been conservatively calculated based on exchange rate of USD 1 = JPY 135, and the foreign currency risk on the management contract revenues are partially hedged by foreign exchange forward contracts. Please refer to “Notice concerning Execution of Foreign Exchange Forward” dated January 25, 2023 and March 10, 2023 for details of the foreign exchange forward. INV plans to implement a renovation work at Sunshine Suites Resort beginning in the autumn of 2024, and we expect a decline in revenue in the fiscal period ending December 2024, due to partial sales stoppage during such renovation. While INV is considering the expansion and renovation of Westin Grand Cayman Seven Miles Beach & Resort details are yet to be determined. Therefore, INV does not anticipate or incorporate any particular impact of the expansion and renovation for the purpose of this forecast through the end of the fiscal period ending December 2024.

In addition, INV assumes there will be no delinquencies or non-payment of rent by other tenants.
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<tr><td>Operating expenses</td><td>
INV expects to incur property related expenses and management contract expenses out of operating expenses for the fiscal period as follows:

	December 2023 Fiscal Period	June 2024 Fiscal Period	December 2024 Fiscal Period
・Facility management fees	JPY 427 million	JPY 458 million	JPY 468 million
(of these, repair costs)	(JPY 20 million)	(JPY 22 million)	(JPY 25 million)
・Taxes and other public charges (Note)	JPY 751 million	JPY 649 million	JPY 841 million
・Insurance expenses	JPY 278 million	JPY 266 million	JPY 297 million
・Depreciation expenses	JPY 4,207 million	JPY 4,316 million	JPY 4,373 million
・Other expenses	JPY 102 million	JPY 123 million	JPY 100 million
Total property related expenses and management contract expenses	JPY 5,767 million	JPY 5,814 million	JPY 6,080 million

As announced in the "Notice concerning Amendments of Articles of Incorporation and Appointment of Directors" dated November 20, 2023, INV plans to submit a proposal for a partial amendments to the Articles of Incorporation, including changes to the asset management fee to be applied from January 2024, at the 21st General Meeting of Unitholders scheduled to be held on December 21, 2023 Therefore, the asset management fees for the periods ending June 2024 and December 2024 are subject to approval of such proposed changes at the 21st General Meeting of Unitholders.

(Note) Property taxes and city planning taxes on the assets acquired in 2023 are calculated on a pro-rata basis with the previous owners and settled at the time of acquisition, and are not recorded for the fiscal period ending December 2023 and recorded from the fiscal period ending June 2024, as the amount equivalent to such settlement is included in the acquisition cost.

INV expects to incur other operating expenses than the property related expenses or management contract expenses for the fiscal period as follows:

	December 2023 Fiscal Period	June 2024 Fiscal Period	December 2024 Fiscal Period
・Other operating expenses	JPY 497 million	JPY 667 million	JPY 664 million
(of these, asset management fees)	(JPY 300 million)	(JPY 450 million)	(JPY 450 million)
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<tr><td>NOI</td><td>
INV expects to record net operating income for the fiscal period as follows:

	December 2023 Fiscal Period	June 2024 Fiscal Period	December 2024 Fiscal Period
・NOI	JPY 17,079 million	JPY 18,701 million	JPY 18,547 million
(of these, domestic hotel NOI)	(JPY 14,044 million)	(JPY 13,404 million)	(JPY 15,694 million)
(of these, overseas hotel NOI)	(JPY 1,835 million)	(JPY 4,092 million)	(JPY 1,651 million)
(of these, residential NOI)	(JPY 1,122 million)	(JPY 1,127 million)	(JPY 1,124 million)

NOI calculation method in the above table is as follows:
・NOI ＝ Rental Revenues - Property Related Expenses + Depreciation Expenses+ Dividends on the preferred equity interest (TMK dividend) + (Management Contract Revenue - Management Contract Expense)
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Non-operating expenses	INV expects to incur non-operating expenses for the fiscal period as follows: | | December 2023 Fiscal Period | June 2024 Fiscal Period | December 2024 Fiscal Period | ・Interest expense: JPY 605 million / JPY 1,053 million / JPY 1,066 million ・Finance related costs: JPY 631 million / JPY 564 million / JPY 575 million ・Interest for investment corporation bonds: JPY 65 million / JPY 103 million / JPY 114 million ・Depreciation of investment corporation bonds issuance expenses: JPY 11 million / JPY 14 million / JPY 15 million ・Other non-operating expenses (expenses relating to the issuance of new units): JPY 153 million / - / - ・Foreign exchange losses: JPY 193 million / JPY 93 million / JPY 39 million Total non-operating expenses: JPY 1,659 million / JPY 1,830 million / JPY 1,810 million In addition to working to lengthen borrowing periods, INV assumes to fix the interest rates for approximately 50% of total interest-bearing liabilities in light of the current financial environment, and the above non-operating expenses incorporate the increase in financing costs associated with these changes. The average borrowing rate is expected to increase by about 0.2% as a result of the above increase in the ratio of fixed rate borrowing.
Distribution per unit	The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation. With respect to the distribution for the fiscal period ended December 2023, INV expects to distribute an aggregate amount of JPY 10,732 million (distribution per unit: JPY 1,593) from the net income for the fiscal period ended December 2023 (JPY 10,714 million) including the JPY 17 million reversal of retained earnings (internal reserve). With respect to the distribution for the fiscal period ending June 2024, INV expects to distribute an aggregate amount of JPY 11,904 million (distribution per unit: JPY 1,767) from the net income for the fiscal period ending June 2024 (JPY 11,886 million) including the JPY 17 million reversal of retained earnings (internal reserve). With respect to the distribution for the fiscal period ending December 2024, INV expects to distribute an aggregate amount of JPY 11,715 million (distribution per unit: JPY 1,739) from the net income for the fiscal period ending December 2024 (JPY 11,698 million) including the JPY 17 million reversal of retained earnings (internal reserve). For the fiscal periods ending December 2023, June 2024 and December 2024, INV expects to record a deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 4 million, which is equal to the amount for the fiscal period ended June 2023. The distribution per unit is calculated based on the assumption that the fluctuation of the market value of the interest rate swap does not affect the distribution per unit and earnings per unit. Distribution per unit may vary due to various factors, including changes in the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.

Excess profit distribution per unit	INV believes maintaining the stability of cash distributions over the medium term is an important factor 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 or reversal of retained earnings (“distributions in excess of profits, etc.” together with distributions in excess of profits hereinafter) in order to stabilize distributions, in cases where a 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. INV may also consider making distributions in excess of profits for the purpose of reducing the impact from a 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. With respect to the fiscal period ending December 2023, earnings per unit was expected to decrease due to (i) one-off expenses in connection with the public offering and the borrowings and (ii) partial income contribution from the acquisition of assets for the fiscal period ending December 2023. Therefore, INV planned to pay distributions through the reversal of retained earnings (internal reserve) (JPY 19 per unit) in order to stabilize the total amount of DPU for the fiscal period ending December 2023. However, since operating revenues are expected to exceed forecasts and net income per unit is not expected to temporarily decline, INV will not implement the reversal of retained earnings (internal reserves), while INV plans to distribute the reversal of retained earnings (internal reserve) (JPY 3 per unit) as “distributions in excess of profit for the difference arising from the difference between tax and accounting treatment.” With respect to the fiscal period ending June 2024, INV plans to distribute the reversal of retained earnings (internal reserve) (JPY 3 per unit) as “distributions in excess of profit for the difference arising from the difference between tax and accounting treatment.” With respect to the fiscal period ending December 2024, INV plans to distribute reversal of retained earnings (internal reserve) (JPY 3 per unit) as “distributions in excess of profit for the difference arising from the difference between tax and accounting treatment.” | | December 2023 Fiscal Period | June 2024 Fiscal Period | December 2024 Fiscal Period | | Excess profit distribution per unit | - | - | - |
Other	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. In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.