

March 25, 2024

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation
Naoki Fukuda, Executive Director
(Securities Code: 8963)

Asset Manager:

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Naoki Fukuda, President & CEO
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Performance Update for February 2024

Invincible Investment Corporation (“INV”) hereby announces its monthly performance.

1. Overall Performance of the Entire Portfolio

As for the hotel portfolio performance in February 2024, while RevPAR for overseas hotels decreased year-over-year due to a storm that hit Grand Cayman, RevPAR for domestic hotels increased due to steady demand compared to February 2023, when the hotel performance was still affected by the COVID-19 pandemic. The overall portfolio NOI^{1,2} for February 2024 increased by 36.9% year-over-year to JPY 2.8 billion, and increased by 37.7% on a cumulative basis from January to February 2024 compared to the same period in 2023.

The following are the details by segment.

2. Hotel Assets Overview

(1) Domestic Hotels

As for the domestic hotel portfolio³ performance for February 2024, the occupancy rate increased by 0.1pt, ADR increased by 19.3%, and RevPAR increased by 19.4% year-over-year. The NOI in February 2024 increased by 60.1% year-over-year.

During the month of February 2024, strong inbound demand had a positive impact in the Tokyo 23 Wards and in Hokkaido, where RevPAR for the hotels was approximately 30% higher than February 2023.

The total number of visitor arrivals to Japan (estimated) announced by the Japan National

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Tourism Organization (JNTO) for February 2024 reached 2.78 million, which was 89.0% higher than the February 2023 figure.

We are forecasting that the March 2024 RevPAR will be approximately 6.9% higher than the same month in 2023 as of today.

Table below shows the KPIs for each area of the 81 domestic hotels portfolio³.

Area	Occupancy Rate ⁴	ADR (JPY) ⁵	RevPAR (JPY) ⁶
Tokyo 23 Wards	87.6%	11,084	9,711
Greater Tokyo (ex. Tokyo 23 Wards)	81.5%	13,954	11,376
Chubu	77.2%	11,253	8,692
Kansai	74.8%	9,484	7,091
Kyushu	80.1%	13,852	11,093
Hokkaido	83.5%	15,765	13,160
Other domestic	79.0%	11,749	9,277
Total	81.8%	12,574	10,283

(2) Cayman Hotels

The performance of the Cayman Hotels (Westin Grand Cayman Seven Mile Beach & Spa and Sunshine Suites Resort) in February 2024 was impacted by a storm that hit Grand Cayman in the beginning of that month. The occupancy rate was 83.5%, ADR was USD 602, and RevPAR was USD 503, or a decrease of 1.4pt, 0.2%, and 1.8% from February 2023, respectively. The NOI¹ for February 2024 decreased by 1.4% year-over-year to JPY 593 million.

We are forecasting that the occupancy rate for the Cayman Hotels in March 2024 will be 87.1%, or 1.1pt higher than the March 2023 figure, ADR will be USD 666, or 7.6% higher than the March 2023 figure, and RevPAR will be USD 581, or 8.9% higher than the March 2023 figure as of today, supported by steady demand.

3. Residential Assets Overview

The residential portfolio⁷ in-place occupancy rate as of the end of February 2024 increased by 0.5pt to 96.1% compared to the end of the previous month, and decreased by 0.2pt year-over-year.

The average in-place rent per tsubo increased by 0.5% year-over-year. The NOI⁸ for the residential portfolio in February 2024 increased by 2.2% year-over-year.

Rents, compared with those based on the immediately preceding leases, increased by 1.6% for new leases, increased by 1.3% for renewal leases, and increased by 1.4% for new and renewal leases combined for February 2024. INV achieved a rent increase on 42.9% of lease contract renewals, and the retention rate for existing tenants was 80.5% for February

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2024.

4. Performance

(1) 81 Domestic Hotel Properties³

	Feb. 2024	Feb. 2023	Difference	Jan.- Feb. 2024	Jan.- Feb. 2023	Difference
Occupancy Rate ⁴	81.8%	81.7%	+0.1pt	78.0%	76.0%	+2.0pt
ADR (JPY) ⁵	12,574	10,543	+19.3%	11,717	10,166	+15.3%
RevPAR (JPY) ⁶	10,283	8,612	+19.4%	9,138	7,728	+18.3%
Gross Revenue (JPY million) ⁹	6,517	5,304	+22.9%	12,268	10,161	+20.7%

(2) Cayman Hotels

	Feb. 2024	Feb. 2023	Difference	Jan.- Feb. 2024	Jan.- Feb. 2023	Difference
Occupancy Rate ⁴	83.5%	84.9%	-1.4pt	82.1%	80.1%	+2.0pt
ADR (USD) ⁵	602	603	-0.2%	611	587	+4.1%
RevPAR (USD) ⁶	503	512	-1.8%	502	470	+6.7%
Gross Revenue (USD thousand)	11,766	11,282	+4.3%	24,585	21,802	+12.8%

(3) 41 Residential Properties⁷

	End of Feb. 2024	End of Feb. 2023	Difference	Jan.- Feb. 2024	Jan.- Feb. 2023	Difference
Occupancy Rate	96.1%	96.3%	-0.2pt	95.9%	96.3%	-0.4pt
Rent per Tsubo (JPY)	9,208	9,158	+0.5%	9,226	9,170	+0.6%

5. Portfolio NOI^{1,2,8}

(JPY Million)	Feb. 2024	Feb. 2023	Difference	Jan.- Feb. 2024	Jan.- Feb. 2023	Difference
Tokyo 23 Wards	526	320	+64.1%	945	592	+59.5%
Greater Tokyo (ex. Tokyo 23 Wards)	423	157	+168.5%	779	295	+164.2%
Greater Tokyo Subtotal	950	478	+98.5%	1,725	887	+94.3%
Chubu	220	100	+118.9%	358	152	+134.9%

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Kansai	118	112	+5.6%	174	190	-8.5%
Kyushu	221	233	-5.1%	365	336	+8.7%
Hokkaido	436	287	+51.8%	573	400	+43.2%
Other domestic	121	79	+52.8%	135	96	+40.7%
Domestic Hotel- Subtotal	2,068	1,291	+60.1%	3,332	2,064	+61.4%
Residential	187	183	+2.2%	376	369	+1.9%
Commercial	12	12	-0.0%	25	25	-0.0%
Domestic Asset-Subtotal	2,268	1,487	+52.5%	3,734	2,459	+51.9%
Overseas	593	602	-1.4%	1,231	1,147	+7.3%
Total	2,862	2,090	+36.9%	4,966	3,606	+37.7%

- (Note 1) Based on all properties held as of the beginning of the June 2024 fiscal period, excluding nine hotels with fixed-rent lease agreements. Nine hotels with fixed-rent lease agreements are D29 Super Hotel Shinbashi/ Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iriyaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel. Of nine hotels that are excluded, "D48 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 for the time being, and will remain excluded. NOI includes a simulated amount of dividend income from Kingdom TMK (the "TMK") that owns Sheraton Grande Tokyo Bay Hotel as an underlying asset. The fiscal periods of the TMK are semi-annual periods from April 1 to September 30 and from October 1 to March 31 every year, and INV will receive the dividend within three months from the end of each semi-annual fiscal period of the TMK. Since INV does not receive a dividend from the TMK on a monthly basis, the amount of dividend INV receives from the TMK for each month is a simulated figure, which is calculated by deducting (i) simulated expenses such as operating expense of the TMK and the interest of debt (calculated dividing the budget of the TMK for the fiscal period that includes the relevant month by the number of months in such fiscal period) from (ii) NOI based on the performance of Sheraton Grande Tokyo Bay Hotel in the month which is three months before the target month for this performance disclosure and multiplied by INV's ownership ratio of the preferred equity interest in the TMK (49.0%). However, the TMK has a cumulative loss due to the decline in profits and has been in a situation where it cannot pay dividends. Since dividend income from the TMK is not recorded unless the cumulative loss is eliminated, a discrepancy may arise between the simulated amount of dividend income and the dividend income from the TMK in the process of eliminating the abovementioned cumulative loss. The revenue from the Cayman Hotels is calculated at the exchange rate of US\$1 to ¥110. Furthermore, NOI is provisional figure and subject to change when it is determined at financial closing; hereinafter the same.
- (Note 2) NOI figures before acquisition by INV is based on the data obtained from third-parties including previous owners, and are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance; hereinafter the same.
- (Note 3) Based on 81 hotel properties; of the 90 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) held as of the beginning of the June 2024 fiscal period, nine hotels with fixed-rent lease agreements are excluded. As for Sheraton Grande Tokyo Bay hotel, NOI is based on the figure for the month which is three months prior to the target month for this performance disclosure as INV will receive the dividend from the TMK within three months of each fiscal period end for the TMK as described above. However, in consideration of seasonality, figures other than NOI in the table above are based on the figures for the target month for this disclosure; hereinafter the same.
- (Note 4) "Occupancy Rate" for hotel portfolio is calculated using the following formula:

$$\text{room occupancy rate} = \frac{\text{total number of rooms occupied during the relevant period}}{(\text{aggregate number of rooms during the relevant period} \times \text{number of business days during target period})}$$
- (Note 5) "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.
- (Note 6) "RevPAR," or Revenues Per Available Room, is calculated by dividing the total room sales for a certain period by the aggregate number of rooms for the same period (rooms x number of days), and is the same as product of room occupancy rate and ADR.
- (Note 7) Based on 41 properties held by INV as of the beginning of the June 2024 fiscal period; hereinafter the same.
- (Note 8) NOI excludes one-off insurance-related revenues and expenses; hereinafter the same.
- (Note 9) Gross Revenue of Sheraton Grande Tokyo Bay Hotel used in the table is the whole gross revenue of such hotel, regardless

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of INV's ownership ratio of the preferred equity interest in the TMK (49.0%).

(Note 10) Percentages are rounded to one decimal place. ADR, RevPAR and Rent per Tsubo are rounded to the nearest yen and Gross Revenue is rounded down to the nearest million yen.

(Note 11) For the details of performance for each hotel asset, please visit INV's website:

<https://www.invincible-inv.co.jp/en/portfolio/hotel.html>

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