

Invincible Investment Corporation

[For Information Purpose Only.]

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

January 20, 2021

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation

Name of Representative:

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 Prepayment of Loans

Invincible Investment Corporation (“INV”) decided on the prepayment (the “Prepayment”) of some of its existing loans.

1. Details and Reasons for the Prepayment

INV intends to maintain an appropriate LTV ratio by way of Prepayment, using JPY 10,000 million, a majority of the sales proceeds of the six residential properties sold on December 18, 2020. The Prepayment will be implemented to all lenders on a pro-rata basis. Moreover, please refer to “Notice concerning Sale of Domestic Trust Beneficiary Interests” dated November 27, 2020 for details of the sale of six residential properties.

Loans Subject to Prepayment	Prepayment Amount (JPY million)	Prepayment Date	Source of Funds for Prepayment
See “2. Status of Loans Subject to Prepayment after the Prepayment” below.	10,000	January 29, 2021	A majority of the sales proceeds for the six residential properties sold on December 18, 2020

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2. Details and Reasons for the Prepayment

(As of January 29, 2021)

Loan/Lender(s)	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
New Syndicate Loan (F) <5-Year Loan> Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited The Hiroshima Bank, Ltd. The Kagawa Bank, Ltd. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. Resona Bank, Limited The Nomura Trust and Banking Co., Ltd.	March 31, 2016	10,433	4,037	6,396	0.68818% (Note 2)	Mar. 30, 2021	Unsecured / non-guaranteed
New Syndicate Loan (G) <4-Year Loan> Mizuho Bank, Ltd. Resona Bank, Limited The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Shizuoka Bank, Ltd. The Towa Bank, Ltd. The Gunma Bank, Ltd.	March 14, 2017	3,250	2,323	927	0.58818% (Note 2)	Mar. 14, 2021	
New Syndicate Loan (K) <3-Year Loan> Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Senshu Ikeda Bank, Ltd	March 29, 2019	7,934	12	7,922	0.36100% (Note 3)	Mar. 29, 2022	

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New Syndicate Loan (K) <5-Year Loan> Aozora Bank, Ltd The Nishi-Nippon City Bank, Ltd. The Tochigi Bank, Ltd.	March 29, 2019	2,500	99	2,401	0.59400% (Note 3)	Mar. 29, 2024
New Syndicate Loan (K) <10-Year Loan> Kiraboshi Bank, Ltd.	March 29, 2019	1,000	39	961	0.88818% (Note 2)	Mar. 30, 2029
New Syndicate Loan (L) <4.5-Year Loan> Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Citibank, N.A.,Tokyo Branch Development Bank of Japan, Inc. AEON Bank, Ltd. Aozora Bank, Ltd The Nomura Trust and Banking Co., Ltd.	July 19, 2019	4,943	138	4,805	0.52473% (Note 3)	Jan. 16, 2024
New Syndicate Loan (N) <4.4-Year Loan> Mizuho Bank, Ltd. The Daisan Bank, Ltd.	August 28, 2019	3,682	138	3,544	0.46219% (Note 3)	Jan. 16, 2024
New Syndicate Loan (P) <5-Year Loan> Sumitomo Mitsui Trust Bank, Limited Momiji Bank, Ltd. The Kiyo Bank	January 6, 2020	4,550	59	4,491	0.64291% (Note 3)	Jan. 6, 2025
New Syndicate Loan (Q) <5-Year Loan> Mizuho Bank, Ltd. Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Shizuoka Bank, Ltd. The Yamaguchi Bank, Ltd.	March 16, 2020	3,250	39	3,211	0.48700% (Note 3)	Mar. 16, 2025
New Syndicate Loan (Q) <5-Year Loan> Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	March 30, 2020	6,960	39	6,921	0.58818% (Note 2)	Mar. 16, 2025

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Shinsei Bank, Limited Resona Bank, Limited The Nomura Trust and Banking Co., Ltd. Aozora Bank, Ltd The Shizuoka Bank, Ltd. The Kagawa Bank, Ltd. The Yamaguchi Bank, Ltd. The Chukyo Bank, Ltd.							
New Syndicate Loan (R) <1-Year Loan> Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	July 16, 2020	28,979	1,550	27,429	0.33818% (Note 2)	Jul. 16, 2021	
Term Loan (C) <5-Year Loan> Citibank, N.A.,Tokyo Branch	June 15, 2016	1,000	651	349	0.68818% (Note 2)	Jun. 15, 2021	
Term Loan (D) <5-Year Loan> AEON Bank, Ltd.	June 30, 2016	3,000	267	2,733	0.68818% (Note 2)	Jun. 30, 2021	
Term Loan (E) <5-Year Loan> The Tokyo Star Bank, Limited	July 20, 2016	1,700	118	1,582	0.68818% (Note 2)	Jul. 20, 2021	
Term Loan (G) <4.5-Year Loan> Mizuho Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	May 29, 2017	7,321	157	7,164	0.63818% (Note 2)	Nov. 29, 2021	
Term Loan (O) <1-Year Loan> Development Bank of Japan, Inc.	July 20, 2020	1,000	334	666	0.33818% (Note 2)	Jul. 20, 2021	
Total		91,502	10,000	81,502			

(Note 1) Of the loans that are subject to prepayment, only the tranches that are eligible for prepayment are listed.

(Note 2) The interest rate applicable as of January 20, 2021 is shown

(Note 3) Figure is shown as virtually fixed interest rate because interest rate is fixed by interest rate swap agreement while it is a borrowing with floating interest rate

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3. Change in Balance of Interest-bearing Liabilities, etc.

(Unit : million yen)

	Before the Sale of Six Residential Properties (As of December 17, 2020)	After the Prepayment (As of January 29, 2021)	Increase (Decrease)
Total Loans	254,388	244,388	(10,000)
Total Investment Corporation Bonds	8,200	8,200	-
Total Interest-bearing Liabilities	262,588	252,588	(10,000)
Total Appraisal Value of Assets Owned by INV (Note 1)	561,103	549,253	(11,850)
LTV (Based on Appraisal Value) (%) (Note 2)	46.8	46.0	(0.8)

(Note 1) Based on the 142 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel and the overseas real estate assets ("The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort")) and six residential properties. The appraisal values for the 141 properties (excluding preferred equity interest in the TMK) and six residential properties are based on figures stated in the appraisal reports on the valuation date of June 30, 2020. 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. For the appraisal value of overseas real estate assets, the exchange rate of 1 USD=110.45 JPY is used under the foreign exchange forward entered into on July 26, 2018 and executed on September 26, 2018.

(Note 2) "LTV (Based on Appraisal Value)" in the above table is calculated according to the following formula:

$$\text{LTV (Based on Appraisal Value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)}}{\text{Total Appraisal Value of Assets Owned by INV}} \times 100$$

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

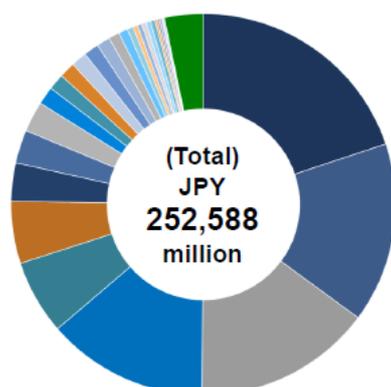
4. Future Outlook

The impact of the Prepayment to financial results is minimal. Moreover, the forecast of financial results and DPU for the fiscal period ending June 2021 and onwards will be announced at a later date, once we have a clearer outlook

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

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■ Lender formation after the New Borrowing (anticipated)



Mizuho Bank	19.9%	Shizuoka Bank	0.9%
MUFG	15.3%	Nishi-Nippon City Bank	0.8%
SMBC	15.0%	Hiroshima Bank	0.5%
SMTB	13.6%	Kagawa Bank	0.4%
Citibank	6.3%	Kiraboshi Bank	0.4%
Shinsei Bank	5.3%	Momiji Bank	0.4%
DBJ	3.2%	Yamaguchi Bank	0.4%
Resona Bank	2.8%	Chukyo Bank	0.4%
Aeon Bank	2.6%	Towa Bank	0.2%
Dai-ichi Life Insurance	1.5%	Tochigi Bank	0.2%
Fukuoka Bank	1.4%	Kiyo Bank	0.2%
Daisan Bank	1.3%	Gunma Bank	0.1%
Aozora Bank	1.3%	Sensyu Ikeda Bank	0.1%
Nomura TB	1.3%	REIT Bond	3.2%
Tokyo Star Bank	1.1%		

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