

[For Information Purpose Only.]

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

January 26, 2024

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 Issuance of Investment Corporation Bonds

Invincible Investment Corporation (“INV”) hereby announces its decision today to issue investment corporation bonds (the “Issuance”) as follows.

1. Summary of the investment corporation bonds

- | | |
|---------------------------------|---|
| (1) Name | : Invincible Investment Corporation 11th series unsecured bonds (with pari passu conditions among investment corporation bonds) (nickname : INV Hotel Bonds) (the “Investment Corporation Bonds”) |
| (2) Total issue amount | : JPY 6 billion |
| (3) Form of bond certificate | : The Act concerning Book-Entry Transfer of Corporate Bonds, Stocks etc. is applicable to the Investment Corporation Bonds, thus investment corporation bond certificates will not be issued. |
| (4) Issue price | : JPY100 per JPY100 of each bond |
| (5) Redemption price | : JPY100 per JPY100 of each bond |
| (6) Interest rate | : 1.470% per annum |
| (7) Denomination price | : JPY 500 thousand |
| (8) Offering method | : Public offering |
| (9) Offering period | : January 29, 2024 (Monday) through February 8, 2024 (Thursday) |
| (10) Payment date | : February 9, 2024 (Friday) |
| (11) Collateral/Guarantee | : Neither collateral nor guarantee is applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds. |
| (12) Redemption method and date | : February 9, 2029 (five years)
The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case where the laws |

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and regulations or the Depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on a bank holiday, the payment will be moved forward to the previous bank business day.

- (13) Interest payment dates : February 9 and August 9 every year (the first interest payment date is to be August 9, 2024)
- (14) Rating : A (Japan Credit Rating Agency, Ltd.)
- (15) Financial covenants : A negative pledge clause and a clause for transformation from unsecured to secured status are applicable
- (16) Depository : Japan Securities Depository Center, Inc.
- (17) Bond administrator : Mizuho Bank, Ltd.
- (18) Issuing agent and paying agent : Mizuho Bank, Ltd.
- (19) Underwriting securities company : Mizuho Securities Co., Ltd.

2. Reason for bonds issuance

INV is pleased to announce its first corporate bond issued mainly to retail investors for the purpose of diversifying financing sources, lengthening the average maturity period, and diversifying the maturity date.

3. Total amount to be raised, use of funds and scheduled timing of disbursement

(1) Total amount to be raised (approximate net proceeds)

JPY 5,946 million in total

(2) Use of funds and scheduled timing of disbursement

The above approximate net proceeds will be used to repay its existing borrowings by the end of December 2024, and the remaining amount, if any, will be used to redeem a part of its existing investment corporation bonds.

4. Future outlook

The impact of the Issuance to financial results is minimal and therefore no changes are required for the forecasts of the financial results 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).

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

With respect to the risks associated with the Issuance, there will be no change that substantially affects the matters stated in "Investment Risk" stated in the securities report for the fiscal period ended June 2023 (from January 1, 2023 to June 30, 2023) (available in Japanese only) filed on September 26, 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 Issuance (As of Jan. 26, 2024)	After the Issuance (As of Feb. 9, 2024)	Increase (Decrease)
Total loans	253,340	253,340	—
Total investment corporation bonds	14,900	20,900	+6,000
Total interest-bearing liabilities	268,240	274,240	+6,000
Total appraisal value of assets owned by INV (Note 1)	618,350	618,350	—
LTV (based on appraisal value) (%) (Note 2)	42.9	43.9	+1.0

(Note 1) Based on the 134 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”). The appraisal values for the 127 properties (excluding preferred equity interest in the TMK) held as of June 30, 2023 are based on figures stated in the appraisal reports on the valuation date of June 30, 2023. Appraisal value for the six properties acquired on August 1, 2023 are based on figures stated in the appraisal reports on the valuation date of June 1, 2023. 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.

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