

[For Information Purpose Only.]

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

January 18, 2019

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, CEO

Contact: Jun Komo

General Manager of Planning Department

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## **Notice concerning Debt Financing (Refinance)**

Invincible Investment Corporation ("INV") has determined today to obtain new debt financing (Refinance). Details are as follows.

### 1. Reason for Borrowing

INV has decided and executed a new loan agreement (the "New Borrowing") today in order to repay a portion of Term Loan (B) (Note 1) in the amount of JPY 4,250 million which is due on January 22, 2019, out of the outstanding amount of JPY 8,500 million of Term Loan (B).

In addition, INV has today executed an interest swap agreement in connection with the New Borrowing (Note 2).

(Note 1) For details on the Term Loan (B) please refer to the press releases entitled "Notice concerning Debt Financing" dated January 20, 2016 and "Notice Concerning Implementation of Debt Financing" dated January 22, 2016.

(Note 2) For details on the execution of the interest swap agreement please refer to the press release entitled "Notice concerning Interest Swap Agreement" as of today.

### 2. Details of the New Borrowing (anticipated)

< Term Loan (I) >

3 Year Tranche

- |                      |  |
|----------------------|--|
| (1) Lenders          | : MUFG Bank, Ltd.<br>Sumitomo Mitsui Trust Bank, Limited |
| (2) Borrowing amount | : JPY 4,250 million                                      |

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- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.30%)  
(For the first calculation period, 2-month JPY TIBOR (Base Rate) + spread (0.30%)) (Note)  
Variable interest rate
- (4) Borrowing method : Borrowing based on separate term loan agreement dated January 18, 2019  
Unsecured / with no guarantee
- (5) Agreement date : January 18, 2019
- (6) Anticipated borrowing date : January 22, 2019
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with February 28, 2019, and  
(2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : January 22, 2022
- (Note) • Base rate applicable to the interest calculation period for 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.  
• JPY TIBOR announced by the Japanese Bankers Association is available at its website (<http://www.jbatibor.or.jp/english/>).  
• Details of our debt financing is available at the “Borrowings & Investment Corporation Bonds” page of INV’s website (<http://www.invincible-inv.co.jp/eng/cms/loan.html>).

### 3. Details of Loan to be Repaid

#### Term Loan (B)

(As of January 18, 2019)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	January 22, 2016	4,250	4,250	—	0.34300% (Note)	January 22, 2019	Unsecured/ non guarantee
	January 22, 2016	4,250	—	4,250	0.60000% (Note)	January 22, 2021	
Total		8,500	4,250	4,250			

(Note) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates are fixed rate after swaps.

### 4. Future outlook

The impact of the New Borrowing on financial results is minimal and therefore no changes are required for the forecasts of financial results for the fiscal periods ending June 2019 (from January 1, 2019 to June 30, 2019) and December 2019 (from July 1, 2019 to December 31, 2019).

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

(1) Loan proceeds

JPY 4,250 million

(2) Use of proceeds

To be appropriated for a repayment of Term Loan (B)

(3) Scheduled timing of disbursement

January 22, 2019

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

With respect to the risks associated with the New Borrowing, please refer to the content of "Investment Risks" stated in the securities report for the fiscal period ended June 2018 (from January 1, 2018 to June 30, 2018) (Japanese only) filed on September 25, 2018.

Website of INV: <http://www.invincible-inv.co.jp/eng/>

[For reference only]

■ Change in balance of interest-bearing liabilities (anticipated)

(Unit : million yen)

	Before the New Borrowing (As of January 18, 2019)	After the New Borrowing (As of January 22, 2019)	Increase (Decrease)
Total loans	225,873	225,873	—
Total investment corporation bonds	4,000	4,000	—
Total interest-bearing liabilities	229,873	229,873	—
Total appraisal value of assets owned by INV <sup>1</sup>	514,401	514,401	—
LTV (based on appraisal value) <sup>2</sup> (%)	44.5	44.5	—

(Note 1) As to “Total appraisal value of assets owned by INV”, among the 132 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 TK interest the underlying assets of which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”), the 125 properties held as of June 30, 2018 (excluding preferred equity interest in the TMK) are based on the appraisal value stated in the appraisal reports on the valuation date of June 30, 2018, and the four properties acquired in and after July 2018 (excluding the overseas real estate TK interest) are based on the appraisal value stated in the appraisal reports on the valuation date of June 1, 2018. 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. Also, for the overseas real estate TK interest the underlying assets of which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”, the acquisition price (INV’s TK investment amount after a partial refund; INV funded an amount which was reasonably estimated to enable the Cayman SPC to acquire the underlying assets. However, based on the closing settlement, the Cayman SPC did not need as much capital as anticipated. Therefore INV received a refund of the TK investment from the Cayman SPC) of such TK interest, USD 333,036 thousand (JPY 36,783 million, converted into JPY amount via exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward executed on July 26, 2018 and implemented on September 26, 2018), is deemed as the appraisal value and included.

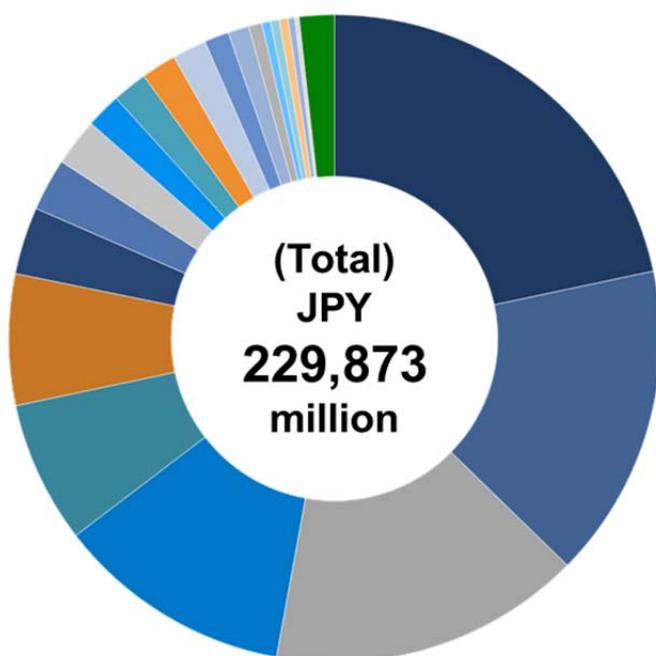
(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:  

$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)}}{\text{Total appraisal value of assets owned by INV}} \times 100$$
 “Total interest-bearing liabilities” do 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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■ Lender formation after the New Borrowing (anticipated)



Mizuho Bank	21.7%
SMBC	15.7%
MUFG	15.5%
SMTB	11.7%
Shinsei Bank	7.1%
Citibank	6.6%
Resona Bank	3.4%
DBJ	2.6%
Aeon Bank	2.4%
Japan Post Bank	1.7%
Tokyo Star Bank	1.7%
Dai-ichi Life Insurance	1.7%
Fukuoka Bank	1.7%
Nomura TB	1.2%
Shizuoka Bank	1.0%
Hiroshima Bank	0.7%
Kagawa Bank	0.4%
Daishi Bank	0.4%
Hyakugo Bank	0.4%
Towa Bank	0.3%
Gunma Bank	0.2%
REIT Bond	1.7%

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