

[For Information Purpose Only.]

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

October 10, 2019

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, CEO  
Contact: Jun Komo  
General Manager of Planning Department  
(Tel. +81-3-5411-2731)

## **Notice concerning Debt Financing (Refinance) and Execution of Interest Rate Swap Agreement**

Invincible Investment Corporation ("INV") has determined today to obtain new debt financing to refinance existing debt and has executed an interest rate swap agreement (the "Interest Rate Swap Agreement") today with regards to the new borrowing.

### 1. Reason for Borrowing

INV has decided to execute a new loan agreement (the "New Borrowing") today in order to repay borrowings in the amount of JPY 3,700 million due on October 13, 2019, which is one of the tranches of the New Syndicate Loan (H) (Note) with a total outstanding amount of JPY 19,925 million.

(Note) For details of the New Syndicate Loan (H), please refer to "4. Details of Loan to be Repaid" below and the press releases entitled "Notice concerning Debt Financing" dated September 21, 2017, "Notice concerning Prepayment of Loan" dated May 31, 2018 and "Notice concerning Issuance of Investment Corporation Bonds" dated October 4, 2018. Since the maturity date (October 13, 2019) is a non-business day, as per the provisions of the contract, the repayment date will be adjusted to the following business day (October 15, 2019).

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

< New Syndicate Loan (O) >

6-Year Tranche

- |                         |   |  |
|-------------------------|---|--|
| (1) Lender              | : | The Nishi-Nippon City Bank, Ltd.   |
| (2) Borrowing amount    | : | JPY 1,000 million  |
| (3) Interest rate, etc. | : | 1-month JPY TIBOR (Base Rate) + spread (0.70000%)<br>Variable interest rate (Note) |

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- (4) Borrowing method : Borrowing based on separate term loan agreement dated October 10, 2019  
Unsecured / with no guarantee
- (5) Agreement date : October 10, 2019
- (6) Anticipated borrowing date : October 15, 2019
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with October 31, 2019, and  
(2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : October 15, 2025

## 5.5-Year Tranche

- (1) Lender : The Daisan Bank, Ltd.
- (2) Borrowing amount : JPY 1,000 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.55000%)  
Variable interest rate (Note)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated October 10, 2019  
Unsecured / with no guarantee
- (5) Agreement date : October 10, 2019
- (6) Anticipated borrowing date : October 15, 2019
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with October 31, 2019, and  
(2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : April 15, 2025

## 4.5-Year Tranche

- (1) Lender : The Daisan Bank, Ltd.
- (2) Borrowing amount : JPY 1,700 million
- (3) Interest rate, etc. : 1-month JPY TIBOR (Base Rate) + spread (0.45000%)  
Variable interest rate (Note)
- (4) Borrowing method : Borrowing based on separate term loan agreement dated October 10, 2019  
Unsecured / with no guarantee
- (5) Agreement date : October 10, 2019
- (6) Anticipated borrowing date : October 15, 2019
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with October 31, 2019, and  
(2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date

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(9) Principal maturity date : April 15, 2024

- (Note)
- Base rate applicable to each interest calculation period for the 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 (in case of the initial interest calculation period, two Japanese business days prior to the borrowing 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 (<https://www.invincible-inv.co.jp/en/finance/loan.html>).

### 3. Loan proceeds, use of proceeds and scheduled timing of disbursement

#### (1) Loan proceeds

JPY 3,700 million

#### (2) Use of proceeds

To be appropriated for the repayment of New Syndicate Loan (H)

#### (3) Scheduled timing of disbursement

October 15, 2019

### 4. Details of Loan to be Repaid

#### New Syndicate Loan (H)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual) (Note)	Maturity Date	Borrowing Method
Mizuho Bank, Ltd.	October 13, 2017	3,700	3,700	—	0.32727%	October 13, 2019	Unsecured/ non-guaranteed
Sumitomo Mitsui Banking Corporation							
Sumitomo Mitsui Trust Bank, Limited							
Citibank, N.A., Tokyo Branch							
Shinsei Bank, Limited							
Resona Bank, Limited							
Development Bank of Japan, Inc.	October 13, 2017	1,867	—	1,867	0.47727%	October 13, 2021	Unsecured/ non-guaranteed
AEON Bank, Ltd.							
The Bank of Fukuoka, Ltd.							
The Dai-ichi Life Insurance Company, Limited							
	October 13, 2017	5,365	—	5,365	0.67727%	October 13, 2022	Unsecured/ non-guaranteed
	October 13, 2017	3,565	—	3,565	0.77727%	October 13, 2023	Unsecured/ non-guaranteed

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The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd.	October 13, 2017	3,560	—	3,560	0.87727%	October 11, 2024
		19,925	3,700	16,225		

(Note) The interest rates applicable as of October 10, 2019 are shown

## 5. Details of the Interest Rate Swap Agreement

### (1) Reason for Executing the Interest Rate Swap Agreement

In order to hedge the risk of interest rate fluctuations

### (2) Details of the Interest Rate Swap Agreement

Counterparty	Notional Principal (JPY million)	Interest Rate (upper : fixed rate payable) (lower: floating rate receivable)	Agreement Date	Applicable Period	Interest Payment Date
Nomura Securities Co., Ltd.	1,700 (Note 1)	0.48590%	October 10, 2019	From October 15, 2019 to April 15, 2024	The last Japanese business day of each month and the last day of the applicable period
		One-month JPY TIBOR + 0.45000%			

(Note 1) Equivalent to the principal amount of borrowing by the New Syndicate Loan (O) (4.5-year tranche) to be implemented on October 15, 2019. By this Interest Rate Swap Agreement, the interest rate of the 4.5-year tranche will be fixed, in effect, at 0.48590%.

(Note 2) The initial interest calculation period is from October 15, 2019 (inclusive of the date) to October 31, 2019 (exclusive of the date and up to one day prior), and the interest calculation period thereafter will be from the immediately preceding interest payment date (inclusive of the date) to the relevant interest payment date (exclusive of the date and up to one day prior).

## 6. Future outlook

The impact of the New Borrowing and the Interest Rate Swap Agreement on financial results is minimal and therefore no changes are required for the forecasts of financial results for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019).

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

With respect to the risks associated with the New Borrowing and the Interest Rate Swap Agreement, please refer to the content of "Investment Risks" stated in the securities report for the fiscal period ended June 2019 (from January 1, 2019 to June 30, 2019) (available in Japanese only) filed on September 24, 2019.

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

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

(Unit : JPY million)

	Before the New Borrowing (As of October 10, 2019)	After the New Borrowing (As of October 15, 2019)	Increase (Decrease)
Total loans	252,174	252,174	—
Total investment corporation bonds	4,000	4,000	—
Total interest-bearing liabilities	256,174	256,174	—
Total appraisal value of assets owned by INV (Note 1)	574,500	574,500	—
LTV (based on appraisal value) (Note 2) (%)	44.1	44.1	—

(Note 1) As to “Total appraisal value of assets owned by INV”, among the 148 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel), the appraisal value for the 129 properties held as of June 30, 2019 is based on the appraisal value stated in the appraisal reports on the valuation date of June 30, 2019 and the 18 properties acquired in July 19, 2019 is based on the appraisal value stated in the appraisal reports on the valuation date of April 1, 2019. 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. The appraisal value of overseas real estate assets (which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”) is translated into JPY based on the exchange rate of 1 USD=110.45 JPY which is the foreign exchange forward rate under the foreign exchange forward agreement which we entered into on July 26, 2018 and became effective as of September 26, 2018.

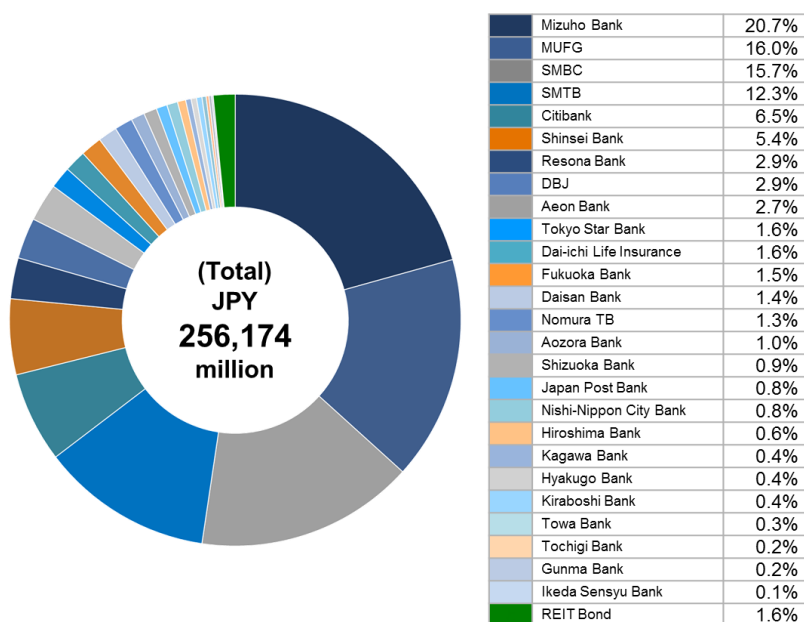
(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:

LTV (based on appraisal value) = Total interest-bearing liabilities (excluding short-term consumption tax loan) ÷ Total appraisal value of assets owned by INV × 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.

## Lender formation after the New Borrowing (anticipated)



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