

To all parties concerned:

Real Estate Investment Trust Securities Issuer:
Oedo Onsen Reit Investment Corporation
Representative: Fuminori Imanishi,
Executive Director
(Securities Code: 3472)

Asset Manager:
Oedo Onsen Asset Management Co., Ltd.
Representative: Fuminori Imanishi,
Chief Executive Officer
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Notice Concerning Borrowing of Funds

Oedo Onsen Reit Investment Corporation (the “Investment Corporation”) announces that it has decided today to undertake the following borrowing of funds (the “Borrowing”).

1. Reason for the Borrowing

The proceeds of the loan will be allocated to constitute part of the funds for the repayment of long-term loans of 2,340 million yen (the “Existing Loans”) (Note) with a repayment date of November 30, 2020.

(Note) For details of the existing loans, please refer to “Notice Concerning Borrowing of Funds (Determination of Conditions, etc.)” announced on November 30, 2017. The balance of the Existing Loans prior to the undertaking of the Borrowing comes to 2,122 million yen, taking scheduled repayments and other factors into consideration.

2. Details of the Borrowing

Short-term loan (Note 1)

- (1) Lender : Syndicate with Sumitomo Mitsui Banking Corporation as the arranger (Note 6)
- (2) Loan amount : 1,487 million yen
- (3) Interest rate : Base interest rate (JBA 3-month JPY TIBOR) (Note 3) (Note 4) plus 0.50% (Note2)
- (4) Drawdown date : November 30, 2020
- (5) Borrowing method : Borrowing based on the individual loan agreement dated November 26, 2020 with the lender above
- (6) Interest payment date : The first interest payment date shall be January 31, 2021, and subsequent interest payment dates shall be the last day (Note 5) of every third month thereafter.
- (7) Principal repayment date : August 31, 2021 (Note 5)
- (8) Principal repayment method : The first repayment shall be made on January 31, 2021, and 12,710,000 yen shall be repaid to each Lender on the last day (Note 5) of every third month thereafter, with the balance to be repaid in full on the principal repayment date.
- (9) Security : Unsecured and unguaranteed

- (Note 1) “Short-term loan” refers to a loan where the principal is due within one year, and “long-term loan” refers to a loan where the principal is due within a period of more than one year. The same applies hereinafter.
- (Note 2) Borrowing expenses, etc. payable to the lenders are not included. The same applies hereinafter.
- (Note 3) The base interest rate applicable to the calculation period for the interest payable on each interest payment date shall be the JBA three-month Japanese yen TIBOR (Tokyo Interbank Offered Rate) (Note 4) two business days prior to the interest payment date (in the case of the first interest calculation period, two business days prior to the borrowing date). However, in cases where the interest rate is not announced, the base interest rate for such interest calculation period shall be calculated based on the method provided for in the loan agreements. Further, each interest rate will be 0% when it is below 0%.
- (Note 4) Please refer to the Japanese Bankers Association (JBA) TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>) regarding the Japanese yen TIBOR.
- (Note 5) If this date falls on a day that is not a business day, the repayment date shall be the immediately following business day or, if that immediately following business day falls in the next calendar month, the immediately preceding business day.
- (Note 6) The syndicate consists of Sumitomo Mitsui Banking Corporation and The Nomura Trust and Banking Co., Ltd.

3. Amount, Use and Scheduled Disbursement Date of Funds to Be Procured

(1) Amount of funds to be procured

1,487 million yen

(2) Specific use of funds to be procured

The proceeds of the loan will be allocated to constitute part of the funds for the repayment of the existing loans of 2,122 million yen announced on November 30, 2017 respectively.

(3) Scheduled disbursement date

November 30, 2020

4. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before drawdown	After drawdown	Increase or decrease
Short-term loans	—	1,487	+1,487
Long-term loans	15,092	12,970	(2,122)
Total loans	15,092	14,457	(634)
Investment corporation bonds	—	—	—
Total amount of loans and investment corporation bonds	15,092	14,457	(634)
Other interest-bearing debt	—	—	—
Total interest-bearing debt	15,092	14,457	(634)

(Note) Long-term loans includes the current portion of long-term loans within a year.

5. Other Matters Necessary for Investors’ Appropriate Understanding and Judgment of the Subject Information

There is no change to the content of “Part I. Fund Information, I Status of Fund, 3. Investment Risks” of the Securities Report for the fiscal period ended May 31, 2020 (8th fiscal period) submitted on August 26, 2020 due to the Borrowing.

* The Investment Corporation’s website: <https://oom-reit.com/en/>