

To all concerned parties:

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
Inquiries: Tomohiro Honda,
Chief Financial Officer
(TEL:03-6262-5200)

Notice Concerning Succession of Lease of Assets under Management
and Renewal of Sponsor Support Agreement

Oedo Onsen Reit Investment Corporation (the “Investment Corporation”) announces that Oedo Onsen Asset Management Co., Ltd. (the “Asset Manager”), to which the Investment Corporation entrusts the management of its assets, has decided matters concerning succession of lease of assets under management and renewal of the sponsor support agreement. Details are as follows.

1. Background to the succession of lease and renewal of the sponsor support agreement

The Investment Corporation concluded with the Asset Manager and Oedo-Onsen Monogatari Co., Ltd. a sponsor support agreement (the “Sponsor Support Agreement”) on July 29, 2016, as well as a MLPM agreement (the “MLPM Agreement”) specifying the Investment Corporation as the lessee and Oedo-Onsen Monogatari Co., Ltd. as the MLPM company for each of the following properties held by the Investment Corporation. As a result, as described in “Notice Concerning Changes in Parent Company and Specified Associated Corporation at the Asset Manager” announced on October 2, 2017, Oedo-Onsen Monogatari Co., Ltd. has decided to succeed the status of sponsor based on the said sponsor support agreement and the status of MLPM company based on the MLPM Agreement as well as all rights and obligations incidental to such to Oedo-Onsen Monogatari Group Co., Ltd. through an absorption-type split (the “Absorption-type Split”), taking effect on November 1, 2017.

With the Absorption-type Split, the Asset Manager has decided to conclude a new sponsor support agreement (the “New Sponsor Agreement”) with the Investment Corporation, Oedo-Onsen Monogatari Co., Ltd. and Oedo-Onsen Monogatari Group Co., Ltd. and terminate the Sponsor Support Agreement contingent upon the conclusion of the New Sponsor Agreement. In the New Sponsor Support Agreement, Oedo-Onsen Monogatari Co., Ltd. and Oedo-Onsen Monogatari Group Co., Ltd. are scheduled to undertake the same obligations as those of sponsors specified in the Sponsor Support Agreement as sponsors, and thus there will be no substantive changes to the terms of the Sponsor Support Agreement due to the renewal of the agreement.

Furthermore, with the Absorption-type Split, the Asset Manager has decided to approve in advance the succession of the status of Oedo-Onsen Monogatari Co., Ltd. based on the MLPM Agreement as well as all rights and obligations incidental to such to Oedo-Onsen Monogatari Group Co., Ltd. through the Absorption-type Split. The said approval is subject to the Absorption-type Split taking effect. Oedo-Onsen Monogatari Group Co., Ltd. complies with the tenant selection criteria described in the Report on the Management Structure and System of the Real Estate Investment Trust Securities Issuer and Related Parties dated August 24, 2017 submitted by the Investment Corporation and the Asset Manager. In addition, there will be no substantive changes to the terms of the MLPM Agreement due to the succession of the lease.

2. Details of the succession of the lease

[S-2 Ooedo-Onsen Monogatari Iseshima]

Lease details	
Property name	Ooedo-Onsen Monogatari Iseshima
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	9,782.37 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 18,009,399 yen monthly (however, 18,948,490 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 962,993 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 4.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 77.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-3 Ito Hotel New Okabe]

Lease details	
Property name	Ito Hotel New Okabe
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	10,211.46 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 12,296,799 yen monthly (however, 13,644,591 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 1,471,251 yen monthly, to be revised every six months and calculated as follows. (Note)</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 5.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 52.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-4 Ooedo-Onsen Monogatari Atami]

Lease details	
Property name	Ooedo-Onsen Monogatari Atami
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	8,469.22 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 15,619,380 yen monthly (however, 16,432,681 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 939,716 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 4.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 74.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for each Adjusted GOP Period for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-5 Ooedo-Onsen Monogatari Toi Marine Hotel]

Lease details	
Property name	Ooedo-Onsen Monogatari Toi Marine Hotel
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	6,125.84 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 9,098,235 yen monthly (however, 10,090,632 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 1,016,579 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 7.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 72.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for each Adjusted GOP Period for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-6 Ooedo-Onsen Monogatari Awara]

Lease details	
Property name	Ooedo-Onsen Monogatari Awara
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	14,132.27 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 10,963,033 yen monthly (however, 11,531,263 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 608,360 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 3.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 62.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for each Adjusted GOP Period for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-7 Ooedo-Onsen Monogatari Kamoshika-so]

Lease details	
Property name	Ooedo-Onsen Monogatari Kamoshika-so
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	5,947.80 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 5,953,916 yen monthly (however, 6,596,944 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 655,836 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 6.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 62.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for each Adjusted GOP Period for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-8 Ooedo-Onsen Monogatari Ikaho]

Lease details	
Property name	Ooedo-Onsen Monogatari Ikaho
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	5,177.18 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 6,126,558 yen monthly (however, 6,788,768 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 708,097 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 7.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 67.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for each Adjusted GOP Period for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

[S-9 Ooedo-Onsen Monogatari Kimitsu-no-mori]

Lease details	
Property name	Ooedo-Onsen Monogatari Kimitsu-no-mori
Former lessee	Ooedo-Onsen Monogatari Co., Ltd.
New lessee	Ooedo-Onsen Monogatari Group Co., Ltd.
Lease type	Fixed-term building lease agreement
Lease period	From the date on which the Investment Corporation acquires the property until the earlier of either the date on which 20 years have passed from the acquisition date or the date on which the lease agreement pertaining to the property (referred to as this “ Agreement ” in this lease overview) is cancelled or otherwise ends
Leased area	8,660.20 m ²
Percentage of total leasable area	100%
Rent	<p>1. The rent to be paid by the tenant to the Investment Corporation under this Agreement is the total of the rent to be paid under item 2 below (referred to as “Primary rent” in this lease overview) and the rent to be paid under item 3 below (referred to as “Secondary rent” in this lease overview).</p> <p>2. Primary rent is the total of fixed rent and variable rent for each month, and the amount of fixed rent and variable rent (both excluding consumption tax, etc.) for each month is as follows.</p> <p>(1) Fixed rent Fixed rent is 4,098,412 yen monthly (however, 4,535,272 yen monthly until November 2016).</p> <p>(2) Variable rent</p> <p>(i) Until (and including) November 2016, 0 yen.</p> <p>(ii) From (and including) December 2016, 436,860 yen monthly, to be revised every six months and calculated as follows.</p> <p>(a) Adjusted GOP for the most recent one-year period (for the six months starting from December of each year (referred to as the “First Term” in this lease overview), this means the one-year period from March of that year to February of the following year; for the six months starting from June of each year (referred to as the “Second Term” in this lease overview), this means the one-year period from September of the previous year to August of that year) (these one-year periods are referred to as “Adjusted GOP Calculation Periods” in this lease overview) × 5.0% (yearly; the monthly amount is 1/12th thereof)</p> <p>(b) If 52.0% of the adjusted GOP (referred to as the “Variable Rent Applicability Criteria Amount” in this lease overview) exceeds one year’s fixed rent, variable rent will apply.</p> <p>(iii) The amount obtained by multiplying the adjusted GOP for each Adjusted GOP Period for either September of the previous year to August of that year (for each month of the First Term) or March of the previous year to February of that year (for each month of the Second Term) by the variable rent rate (yearly; the monthly amount is 1/12th thereof; however, this amount will be zero if the Variable Rent Applicability Criteria Amount for that Adjusted GOP Calculation Period is less than one year’s fixed rent; referred to as the “Provisional Variable Rent Amount” in this lease overview) will be provisionally paid, and in the final month of each of the First Term and the Second Term, the difference between that Provisional Variable Rent Amount and the variable rent amount for the First Term or the Second Term will be settled.</p> <p>(iv) If the accounting methods of the tenant change due to a change in the accounting standards applicable to the tenant or other reason, and the adjusted GOP becomes substantially different from that as of the execution of this Agreement, the Investment Corporation and the tenant will change the calculation method of the variable rent and the Variable Rent Applicability Criteria Amount through a written agreement between the Investment Corporation and the tenant so that the adjusted GOP becomes substantially the same as the adjusted GOP as of the execution of this Agreement.</p> <p>3. Secondary rent is the total amount of taxes, public charges, and nonlife insurance premiums pertaining to the property and the possessions of the Investment Corporation located on or within the property to be borne by the Investment Corporation in relation to the property under this Agreement and other such fees for each month. To determine the amount of Secondary rent, on December 1 of each year during the lease term, the necessary amount for each month in the following one-year period will be calculated reasonably and objectively by the Investment Corporation based on tax notices for fixed asset taxes and city planning taxes, billed insurance premiums, and land rent (the amount of rent paid monthly at such time), each as of the immediately preceding October 31; the amount of Secondary rent will be revised annually.</p>
Planned date of succession of lease	November 1, 2017

3. Details of renewal of the sponsor support agreement

Duties of the sponsor specified in the Sponsor Support Agreement and the New Sponsor Support Agreement are as follows.

- (1) Preferential provision of information on property owned by Oedo-Onsen Monogatari Group and granting of preferential negotiation rights
- (2) Provision of information on property owned by a third party
- (3) Provision of warehousing functions
- (4) Consultation regarding execution of lease agreements
- (5) Cooperation related to investment strategy and property acquisition
- (6) Support for securing human resources at the Asset Manager
- (7) Provision of unitholders' special benefits plan
- (8) Acquisition and holding of investment units
- (9) License to use trademarks
- (10) Other support

The above duties which were to be assumed by Oedo-Onsen Monogatari Co., Ltd. as a sponsor in the Sponsor Support Agreement will be assumed by Oedo-Onsen Monogatari Co., Ltd. and Oedo-Onsen Monogatari Group Co., Ltd. as sponsors in the New Sponsor Support Agreement.

4. Future outlook

- (1) Expected impact on the management status in the current fiscal period onward

There is no expected impact on the management status in the current fiscal period onward.

- (2) Future policy, etc.

In the event when matters to be disclosed concerning execution of operation of the Investment Corporation and the Asset Manager arise, such will be promptly announced.

* Oedo Onsen Reit Investment Corporation's website is: <http://oom-reit.com/en/>