

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: Shinya Ito,
Chief Planning &
Coordination Officer
(TEL:03-6262-5200)

Notice Concerning Partial Changes to Articles of Incorporation and Appointment of Directors

Oedo Onsen Reit Investment Corporation (the “Investment Corporation”) announces that it has decided at its board of directors meetings held today to discuss partial changes to the Articles of Incorporation and the appointment of directors at the Investment Corporation’s 3rd General Unitholders' Meeting (the “General Unitholders' Meeting”) scheduled to be held on February 25, 2020. The details are as follows.

The following matters will become effective after being approved at the General Unitholders' Meeting.

1. Partial Changes in Articles of Incorporation

The reasons for the changes are as follows

- (1) The Investment Corporation proposes changes to its Investment Policy, adopted since listing, to further clarify its Investment Policy of investing in onsen, onsen-related facilities and various other leisure facilities and to reflect expectations of further diversification in the type and nature of accommodation facilities in the future (proposed changes related to Paragraph 1 of Article 12).
- (2) The Investment Corporation proposes changes to the presentation of calendar years from the Japanese calendar to Western calendar (proposed changes related to Paragraph 3 of Article 34 and 2. (1) in the Attachment)
- (3) The Investment Corporation stipulates in Article 41 of its current Articles of Incorporation, pursuant to Article 93 of the Investment Trusts Act, that “if a unitholder is not present at a general meeting of unitholders and does not exercise its voting rights, the unitholder will be deemed to have approved the proposals submitted to the general unitholders’ meeting (excluding, if multiple proposals are submitted and such proposals conflict with each other, any of such proposals)” (so-called deemed approval system). In this regard, recent discussions concerning unitholder proposals by minority unitholders has led to an awareness of problems with respect to the deemed approval system, namely that the submission of a counterproposal is, by the nature of the system, difficult and, application of the deemed approval system with respect to proposals that will significantly affect the interests of unitholders or the Investment Corporation’s management structure or proposals that are likely to give rise to a critical conflict of interests between unitholders and the Investment Corporation’s officers or the Asset Manager may result in such proposals being approved without a majority decision of unitholders necessarily being reached through deliberation by all unitholders, and the deemed approval system, which was adopted based on the idea that unitholders will generally give their basic and comprehensive approval provided the Investment Corporation’s operations are being conducted smoothly, might have an outcome that is contrary to the system’s original aim. Based on this awareness of the problems with the system and also taking into consideration perspectives such as the foregoing and the question of whether dissenting unitholders are protected by laws and regulations through the right to demand purchase of investment units or other means, the Investment Corporation proposes amending its Articles of Incorporation to state, with respect to certain proposals considered particularly important (hereinafter “eligible proposals”), that it shall not

apply the deemed approval system in cases where a clear intention to oppose a proposal has been declared in advance by a minority unitholder or the Investment Corporation in accordance with the prescribed procedure.

Eligible proposals shall be proposals concerning (i) the election or dismissal of an executive officer or a supervisory officer, (ii) the conclusion or cancellation of an asset management agreement with the Asset Manager, (iii) dissolution, (iv) consolidation of investment units and (v) the exemption of an executive officer, supervisory officer or accounting auditor from liability.

Entities who may declare their intention to oppose a proposal in advance shall, from the viewpoint of fairness and impartiality, be minority unitholders with certain qualifications and the Investment Corporation.

The procedural requirements for declaring the intention to oppose a proposal shall be as follows: (i) minority unitholders shall be required to notify the Investment Corporation (if the convener is a person other than an executive officer or supervisory officer, both the Investment Corporation and the convener) within a certain period and (ii) the Investment Corporation shall state to this effect in the notice of convocation or make an announcement on the Investment Corporation's website.

The Investment Corporation proposes amendments to provisions concerning deemed approval to stipulate certain exceptions to the deemed approval system in accordance with the foregoing and to make necessary changes associated with this (proposed changes related to Paragraph 3 and Paragraph 4 of Article 41).

- (4) The Investment Corporation proposes required changes with respect to fees which the Investment Corporation pays to the Asset Manager such as the establishment of provisions concerning merger fees (proposed changes related to 1. (3), (4), (5) and (6) and 2. (5) of the Attachment).
- (5) The Investment Corporation proposes other necessary revisions to wording (proposed changes related to Article 29).

2. Appointment of Directors

The Investment Corporation will resubmit a proposal to appoint an executive director and two auditors at the General Unitholders' Meeting as it received an offer from an executive director (Fuminori Imanishi) and two auditors (Kentaro Suzuki and Takayuki Hongyo) of the Investment Corporation to temporarily resign at the conclusion of the General Unitholders' Meeting to adjust the term of office.

In addition, the Investment Corporation will submit a proposal to appoint a substitute executive director as of February 25, 2020 in the case of absence of the executive director or in the event the number of executive directors falls short of the number specified in laws or the Articles of Incorporation.

- (1) Candidate for executive director
Fuminori Imanishi (incumbent) (Note 1)
- (2) Candidates for auditor
Kentaro Suzuki (incumbent)
Takayuki Hongyo (incumbent)
- (3) Candidate for substitute executive director
Ikuo Kondo (incumbent) (Note 2)

(Note 1) Fuminori Imanishi, the candidate for executive director, is the President and Representative Director of Ooedo Onsen Asset Management Co., Ltd., the Asset Manager of the Investment Corporation.

(Note 2) Ikuo Kondo, the candidate for substitute executive director, is the Director and Chief Compliance Officer of Ooedo Onsen Asset Management Co., Ltd., the Asset Manager of the Investment Corporation.

3. Dates

January 21, 2020	Obtain approval of the board of directors for the proposal to be submitted at the 3rd General Unitholders' Meeting
February 4, 2020	Send Invitation to the 3rd General Unitholders' Meeting (scheduled)
February 25, 2020	Hold the 3rd General Unitholders' Meeting (scheduled)

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