

[Translation for reference purposes only]

December 12, 2023

To all parties concerned:

Real Estate Investment Trust Securities Issuer:

Oedo Onsen Reit Investment Corporation

Representative: Takeshi Kirihara,
Executive Director
(Securities Code: 3472)

Asset Manager:

Oedo Onsen Asset Management Co., Ltd.

Representative: Takeshi Kirihara,
Chief Executive OfficerInquiries: Tomohiro Honda,
Director, Chief Financial Officer
(TEL: +81-3-6262-5456)

Notice Concerning the Conclusion of a Memorandum of Understanding for Fixed Term Building Lease
Contract with Suspensive Conditions and Building Management Service Outsourcing Contract

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 reached a decision concerning Conclusion of Memorandum of Understanding for Fixed Term Building Lease Contract with Suspensive Conditions and Building Management Service Outsourcing Contract (the “MOU”). Details are as follows.

In addition, each lessee who concludes the MOU constitutes an Interested Party, etc., under Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the “Investment Trust Act”), and thus regarding the transactions related to the MOU has obtained the consent of the Investment Corporation based on the approval of its board of directors meeting, in accordance with the Investment Trust Act and the rules on Transactions with Interested Parties, etc. which are the internal rules of the Asset Manager.

1. Background to the conclusion of the MOU

In consideration of the transfer of the entire shares of the Asset Manager to APA Holdings Co., Ltd. (please refer to a “Notice Concerning Changes in the Principal Shareholders, Parent Company and Specified Associated Companies of the Asset Manager” released on December 12, 2023), it is necessary to maintain a rent structure based on the combination of fixed rents and variable rents, the former with a focus on the stability of the Investment Corporation after changes in principal shareholders and the latter in anticipation of upside potential, while also making sure to achieve stable profitability through the maintenance of that combination. From this perspective, with respect to the Fixed Term Building Lease Contract with Suspensive Conditions and Building Management Service Outsourcing Contract (including subsequent corrections and amendments), which covers the 11 properties described below, it has been decided that the MOU will be concluded among the Investment Corporation, the Asset Manager, Oedo Onsen Monogatari Hotels & Resorts Co., Ltd. and Reoma Unity Co., Ltd. on December 19, 2023.

2. Key details of the MOU

- (1) Prohibition of the cancellation or amendment of all or part of the original contracts for five years from the date of conclusion of the MOU.
- (2) Applicable properties (lessee)
 - Oedo-Onsen Monogatari Reoma Resort (Reoma Unity Co, Ltd.)
 - Oedo-Onsen Monogatari Ise-shima (Oedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)

- Ito Hotel New Okabe (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Atami (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Toi Marine Hotel (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Awara (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Ikaho (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Kimitsu-no-mori (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Kounkaku (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Kinugawa Kanko Hotel (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)
- Ooedo-Onsen Monogatari Higashiyama Grand Hotel (Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.)

3. Future outlook

(1) Expected impact on asset management in the current fiscal period and thereafter

The conclusion of the Agreement is not expected to have any impact on asset management in the current fiscal period or thereafter.

(2) Future policies, etc.

Announcements will be made promptly going forward on any matters that should be disclosed regarding services carried out by the Investment Corporation or the Asset Manager in conjunction with this matter.

4. Interested-party transaction

The Ooedo-Onsen Monogatari Group, the lessee in this MOU, falls under the interested persons, etc. as defined in Article 201 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations. Therefore, in concluding this MOU with the Ooedo-Onsen Monogatari Group in accordance with the Regulations on Trade with Interested Persons, Etc., which are internal regulations of the Asset Manager, the Asset Manager carefully verified whether it is possible to judge that prohibition of the cancellation or amendment is appropriate for securing stable profits for the Investment Corporation.

Based on the verification results above, appropriate procedures stipulated in the Act on Investment Trusts and Investment Corporations, the Regulations on Trade with Interested Persons, Etc., and other internal regulations were taken when concluding this MOU, including approval by the Compliance Committee attended by outside experts and by the Investment Corporation's Board of Directors.

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