

To all concerned parties:

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 Officer

Inquiries: Tomohiro Honda,
Director,
Chief Financial Officer
(TEL: +81-3-6262-5456)

Notice of Conclusion of Memorandum of Understanding
Concerning Revise on the Basic Agreement on New Rent System

Oedo Onsen Reit Investment Corporation (the "Investment Corporation") announces that the Investment Corporation has concluded a memorandum of understanding concerning revise on the Basic Agreement on new rent system (the "Basic Agreement") that had been signed on November 15, 2022 with Oedo-Onsen Monogatari Hotels & Resorts Co., Ltd. and Reoma Unity Co., Ltd. (the "Oedo-Onsen Monogatari Group"), which are its major tenants.

1. Reason for revise

The Investment Corporation decided to undertake value-added renovations of three facilities, namely Ito Hotel New Okabe, Oedo-Onsen Monogatari Atami and Oedo-Onsen Monogatari Ikaho (hereinafter referred to as "additional facilities subject to value-added renovations"), which are located in sightseeing areas and visited by many people throughout the year. The value-added renovations will be paid for by tenants. This project will be in addition to Oedo-Onsen Monogatari Iseshima and Kinugawa Kanko Hotel, which are positioned as facilities subject to value-added renovations under the Basic Agreement. In association with the above, the content of the new rent structure under the Basic Agreement will be changed for the additional facilities subject to value-added renovations.

The Investment Corporation considers that value-added renovations will contribute to raising the per person unit price of the additional facilities subject to value-added renovations, as well as the possibility of the Investment Corporation's revenue growth.

2. Changes

The target GOP (gross operating profit) provided for in the Basic Agreement will be changed to an estimated value after the implementation of value-added renovations. Changes in the composition ratio of new rents in the sum total of rent after target GOP is achieved and the new rent structure is adopted are underlined in the table below.

	Fixed rent	Variable rent
<u>Oedo-Onsen Monogatari Ise-shim, Kinugawa Kanko Hotel, Ito Hotel New Okabe, Oedo-Onsen Monogatari Atami, Oedo-Onsen Monogatari Ikaho</u>	60%	40%
<u>Six properties other than the above</u>	70%	30%

As a result of the above, monthly fixed rent and variable rent ratio after the transition to the new rent system will be as shown in the underlined part of the table below.

Property number	Property name	Monthly fixed rent	GOP ratio of variable rent Ratio of Variable Rent I
		After shift	After shift
S-3	Ito Hotel New Okabe	<u>8,819,256 yen</u> (Before change 9,743,608 yen)	<u>12.2%</u> (Before change 12.9%)
S-4	Ooedo-Onsen Monogatari Atami	<u>10,420,433 yen</u> (Before change 11,856,581 yen)	<u>15.9%</u> (Before change 15.4%)
S-8	Ooedo-Onsen Monogatari Ikaho	<u>4,329,798 yen</u> (Before change 4,810,885 yen)	<u>18.5%</u> (Before change 19.3%)

(Note) There is no changes to Ratio of Variable Rent II. Refer to the press release, "Notice Concerning Conclusion of Basic Agreement on New Rent System" dated November 15, 2022.

3. Future outlook

The Investment Corporation does not assume to change the rent system for the time being because achievement of Target GOP is the condition for shift to the new rent system. Therefore there is no impact on the forecasts of financial results and distributions for the fiscal period ending November 30, 2023, and the fiscal period ending May 31, 2024, related to the conclusion of the memorandum of understanding.

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