

February 24, 2021

To All Concerned Parties

Investment Corporation  
 ESCON JAPAN REIT Investment Corporation  
 Representative: Satoshi Omori  
 (Securities Code: 2971)

Asset Manager  
 ES-CON ASSET MANAGEMENT Ltd.  
 Representative: Satoshi Omori  
 President and Representative Director

Inquiries: Yuki Yoshida  
 General Manager of the Department of  
 Finance and Control  
 TEL: +81- 3-6230-9338

Notice Concerning the (planned) Change of the Parent Company (Specified Associated Corporation) of the Asset Management Company

ES-CON ASSET MANAGEMENT Ltd. (hereinafter, the "Asset Manager") is an asset management company that is entrusted with the management of assets of ESCON JAPAN REIT Investment Corporation (hereinafter, "ESCON REIT").

ES-CON JAPAN Ltd. (hereinafter, "ES-CON JAPAN"), the full owner and parent company of the Asset Manager, concluded a capital and business alliance agreement with Chubu Electric Power Co., Inc. (hereinafter, "Chubu Electric Power") on August 28, 2018. ES-CON JAPAN made resolutions at its board of directors meeting held today as follows: to enter into the new capital and business alliance agreement with Chubu Electric Power in order to promote the further strengthening of cooperation between the two companies, to issue new shares by third-party allotment with Chubu Electric Power as the planned third party (hereinafter, the "Third-party Allotment"), and to submit two agenda items to the 26th Ordinary General Meeting of Shareholders of ESCON JAPAN (scheduled to be held on March 26, 2021), (1) the item concerning the Third-party Allotment, and (2) the item concerning a partial amendment to the Articles of Incorporation to increase the total number of issuable shares required for the Third-party Allotment.

When the Third-party Allotment is implemented, the parent company (specified associated corporation) of the Asset Manager will change. We give notice as follows:

**1. Background and Reasons**

For ES-CON JAPAN, the decision was made for the purpose of increasing corporate value. For details, please refer to the press release separately issued today by ES-CON JAPAN.

<https://www.es-conjapan.co.jp/english/ir/index.php>

**2. Overview of the company planned to become the Specified Associated Corporation (parent company of the parent company of the Asset Manager)**

(As of March 31, 2020)

(1) Name	Chubu Electric Power Co., Inc.
(2) Location	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi
(3) Position and name of representative	President and director, Kingo Hayashi
(4) Business lines	Electricity business and businesses incidental to the electricity business

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(5) Capital	430,777 million yen	
(6) Established	May 1, 1951	
(7) Net assets	1,962,065 million yen	
(8) Total assets	5,500,815 million yen	
(9) Major shareholders and shareholding ratios (As of September 30, 2020)	Custody Bank of Japan, Ltd.	13.33%
	The Master Trust Bank of Japan, Ltd.	9.12%
	Meiji Yasuda Life Insurance Company	5.22%
	Nippon Life Insurance Company	3.10%
	Chubu Electric Employees Shareholders' Association	2.57%
	MUFG Bank, Ltd.	1.77%
	Sumitomo Mitsui Banking Corporation	1.58%
	JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.51%
	Mizuho Bank, Ltd.	1.40%
	STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.19%
(10) Relationship between ESCON REIT/the Asset Manager and the company	Capital relationship	There is no capital relationship to be stated with ESCON REIT and the Asset Manager.
	Personnel relationship	There is no personnel relationship to be stated with ESCON REIT and the Asset Manager.
	Business relationship	A support agreement dated November 5, 2018, has been concluded with ESCON REIT and the Asset Manager. It is also the electricity supplier for properties owned by ESCON REIT (in part).
	Related party status	It falls under the interested party according to the Asset Manager's internal rules on interested party transactions.

### 3. Scheduled Date of the Change

April 5, 2021 (Scheduled payment date for the Third-party Allotment)

### 4. The number (and its ratio) of shares owned by and voting rights of the company to become a specified associated corporation related to shares to be issued by the Asset Manager

	Attribute	Number of voting rights			Major shareholder ranking
		Portion owned directly	Portion owned indirectly	Total	
Before the change	Not applicable	0 (0.0%)	660 (33.0%)	660 (33.0%)	Not applicable
After the change	The parent company of the parent company (specified associated corporation)	0 (0.0%)	1,030 (51.5%)	1,030 (51.5%)	Not applicable

(Note) As of today, ES-CON JAPAN is the parent company that holds 100.0% of the voting rights of the Asset Manager.

As of the end of December 2020, Chubu Electric Power holds 33.0% of ES-CON JAPAN voting rights, and ES-CON JAPAN is an equity-method affiliate of Chubu Electric Power. Upon payment of the Third-party Allotment,

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Chubu Electric Power is expected to become the parent company (specified associated corporation), holding 51.5% of the ES-CON JAPAN voting rights. (However, this is the expected ratio based on the total number of voting rights as of the end of December 2020.)

## 5. Future Outlook

- (1) Changes to the investment corporation's asset management agreement  
As of today, no changes are planned.
- (2) Changes to the structure of the asset management company  
As of today, no changes are planned.
- (3) Changes to the investment management decision-making mechanism  
As of today, no changes are planned.
- (4) Changes to the rules on compliance, interested parties, etc.  
As of today, no changes are planned.
- (5) Changes to investment policies  
As of today, no changes are planned.
- (6) Changes to agreements with sponsors, etc.  
As of today, no changes are planned.
- (7) Prospect for a continued stock listing of the investment corporation  
We maintain the listing.
- (8) Future policies, etc.  
There are no changes to the policy to date.

The required notifications and other procedures concerning the change will be made in accordance with the provisions of the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Act, and other relevant laws and regulations.

\*URL of ESCON REIT: <https://www.escon-reit.jp/en/>

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