

February 24, 2020

**Blackstone Update on UNIZO Holdings (Securities Code: 3258);
Blackstone Intends to Launch Tender Offer for Shares in UNIZO at ¥6,000 per Share,
subject to UNIZO Consent**

Urchin Holdings I Pte. Limited, an affiliate of funds managed and advised by Blackstone Real Estate (“Blackstone”), hereby announces that following recent developments in respect of UNIZO Holdings Company, Limited (Tokyo Stock Exchange; Securities Code: 3258) (“UNIZO” or the “Company”), including the increase in price of the currently outstanding tender offer by Chitoea Investment Co., Ltd. (“Chitoea”) to ¥5,700 per common share (the “Chitoea Offer”), it has reassessed its position in respect of UNIZO and hereby announces its intention to cause its wholly owned subsidiary, Urchin BidCo GK (the “Offeror”), to launch a tender offer to acquire up to all of the outstanding common shares of UNIZO, at a price of ¥6,000 per common share, subject to UNIZO consent and entry into an agreement between Blackstone and UNIZO (as further described below) by April 30, 2020 setting forth, in further detail, certain additional terms in respect of such offer, outlined below (the “Revised Blackstone Offer”).

Subsequent to issuing Blackstone’s press release, dated January 28, 2020, announcing Blackstone’s intention to conduct a tender offer for the shares of UNIZO at a higher price per share than the then-outstanding offer by Chitoea (the “January 28 Announcement”), UNIZO proposed to Blackstone certain additional incremental terms to the spin-off structure as described in UNIZO’s presentation titled “Overview of Status of Discussions” dated November 24, 2019. In order to demonstrate its commitment to expeditiously pursuing a consensual transaction with UNIZO, Blackstone submitted a binding agreement, together with its executed signature page, to UNIZO on February 6, 2020 (the “Revised Agreement”), accepting all material terms proposed by UNIZO. Thereafter, on February 9, 2020, Chitoea announced an increase to its offer price.

In light of these developments, Blackstone has decided to reiterate its offer, but with a meaningful increase of 5% over the ¥5,700 price per common share payable to UNIZO shareholders in the Chitoea Offer, and to resubmit the Revised Agreement, executed by Blackstone, to UNIZO today. As before, Blackstone believes that a consensual transaction is optimal for all parties and fundamental to Blackstone’s core investment principles, and has conditioned the Revised Blackstone Offer on UNIZO consent. Given the current situation and the expiration of both the Chitoea Offer and the outstanding Sapporo GK tender offer (the “Sapporo Offer”) on February 28, 2020, Blackstone urges the Company to meaningfully engage with Blackstone, who has shown a concrete commitment to a potential transaction with UNIZO.

There can be no assurances that UNIZO will countersign or otherwise agree to the terms set forth in the Revised Agreement or any other terms, or that a transaction between Blackstone and UNIZO will be agreed or ultimately consummated.

Blackstone believes that the Revised Blackstone Offer offers the best option, not only for UNIZO’s shareholders, who will be allowed to maximize the value of their shares, but also for all UNIZO

employees¹, who will benefit from the enhanced corporate value that will be achieved by Blackstone’s stewardship and development of UNIZO as a well-capitalized and sustainable real estate platform. The offer price for the Revised Blackstone Offer represents a:

- 5% premium to the Chitocea Offer of ¥5,700 per share; and
- 15% premium to the Sapporo Offer of ¥5,200 per share.

In addition to accepting the Company’s proposed construct, the Revised Agreement reiterates Blackstone’s commitment to UNIZO’s employees, as outlined in the January 28 Announcement, to:

1. ensure that UNIZO remains a positive and rewarding workplace for its employees by maintaining or improving labor conditions (for all UNIZO employees);
2. grant UNIZO employees the right to participate in an incentive program to share in future increase in corporate value;
3. provide UNIZO employees an opportunity to acquire shares in UNIZO and benefit from future favorable financial performance of UNIZO; and
4. allow UNIZO employees a voice in discussing UNIZO’s future direction through minority board representation.

It should be noted that the benefits listed above are not currently afforded to all UNIZO employees, nor, to Blackstone’s knowledge based on publicly available information published in connection with the Chitocea Offer, are such benefits available to UNIZO employees under the Chitocea Offer.

Provided the conditions of the Revised Blackstone Offer described below under the heading “Conditions to Launch the Tender Offer”, including UNIZO’s consent, are satisfied, the Revised Blackstone Offer will be commenced promptly.

Blackstone remains ready and willing to engage with UNIZO, as well as UNIZO’s shareholders (as appropriate), regarding the Revised Blackstone Offer, the Revised Agreement and the matters set forth above.

Key Terms of the Revised Blackstone Offer

The Revised Blackstone Offer is subject to the following key terms:

Tender Offer Price:	¥6,000 per common share
Maximum Number of Shares to Be Purchased:	None (100% acquisition)
Minimum Number of Shares to Be Purchased:	Two-thirds of the number of voting rights of outstanding shares
Tender Offer Period:	20 business days
Financing Certainty:	Fully funded through Blackstone funds with available capital in excess of US\$23.8 billion (approximately ¥2,622 billion, assuming a rate of ¥110 per U.S. dollar) as of September 30, 2019

¹ “UNIZO employees” excludes corporate executives (i.e., current UNIZO directors and executive officers).

	(while the tender offer price (¥6,000 per share) multiplied by the number of shares to be purchased (34,220,126 shares) is ¥205 billion)
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Conditions to Launch the Tender Offer

The Offeror will commence the Revised Blackstone Offer as soon as possible after the following conditions are satisfied:

- **Agreement with UNIZO:** UNIZO shall have entered into an agreement with Blackstone (by April 30, 2020) that includes the terms referenced above, the following key terms and such other terms as are satisfactory to Blackstone (including other terms which may not currently be included in the Revised Agreement, if proposed by the Company and acceptable to Blackstone) (the “Agreement”):
 - **Operation of UNIZO.** From the execution date of the Agreement until the completion of the procedure to make UNIZO wholly-owned, UNIZO will conduct its and its subsidiaries’ businesses in a manner substantively identical and within the ordinary course of its and their respective businesses as conducted prior to the execution date of the Agreement and not conduct or allow its subsidiaries to conduct certain material or non-ordinary course transactions or actions (including, among others, issuance of stock, declaration or payment of dividends (including those previously planned for March 31, 2020) or acquisition or disposal (other than on terms set forth in the Agreement) of assets).
 - **UNIZO cooperation.** UNIZO will provide all necessary cooperation, including calling shareholders meetings, required to effectuate any purchase of the remaining shares not acquired by Blackstone through the tender offer and the reconstitution of the UNIZO Board of Directors.
 - **Board of Directors.** After the successful completion of the Revised Blackstone Offer, Blackstone will have the right to nominate a majority of the UNIZO directors.
- **No Material Adverse Effect:** No events shall have occurred or been found, or shall reasonably be expected to occur or to be found, that (i) would cause a material adverse effect to the Revised Blackstone Offer and the subsequent squeeze-out procedure (including, but not limited to, a material negative impact on the assets of the Company as a result of sales of the Company’s properties or a change in the level of cash reserves or indebtedness (via distribution of dividends or otherwise)), (ii) would make it difficult to achieve the purpose of the Revised Blackstone Offer and the subsequent squeeze-out procedure (including, but not limited to, a case where the probability of successful completion of the Revised Blackstone Offer has become significantly low due to the status of tender offers by a third party) or (iii) would cause a material adverse effect to the financial condition (meaning the events set forth in the proviso of Article 27-11, Paragraph 1 of the Financial Instruments and Exchange Act based on which a tender offer may be withdrawn or any other events that are similar or equivalent to those events) of UNIZO or its subsidiaries.

About Blackstone Real Estate

Blackstone is a global leader in real estate investing. Blackstone's real estate business was founded in 1991 and has \$163 billion of investor capital under management. Blackstone is one of the largest property owners in the world, owning and operating assets across every major geography and sector, including logistics, multifamily and single family housing, office, hospitality and retail. Our opportunistic funds seek to acquire undermanaged, well-located assets across the world. Blackstone's Core+ strategy invests in substantially stabilized real estate globally through regional open-ended funds focused on high-quality assets, and Blackstone Real Estate Income Trust, Inc. (BREIT), a non-listed REIT that invests in U.S. income-generating assets. Blackstone Real Estate also operates one of the leading global real estate debt businesses, providing comprehensive financing solutions across the capital structure and risk spectrum, including management of Blackstone Mortgage Trust (NYSE: BXMT).

Contacts

Please reach out to any of the contacts below with any questions or inquiries regarding the matters set out in this statement.

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NOTE: THIS ANNOUNCEMENT IS ONLY INTENDED TO DISCLOSE BLACKSTONE'S CURRENT INTENTION TO LAUNCH A TENDER OFFER FOR THE SHARES IN UNIZO SUBJECT TO CERTAIN CONDITIONS, INCLUDING THE "KEY TERMS AND CONDITIONS OF THE BLACKSTONE OFFER" SET FORTH IN THIS ANNOUNCEMENT AND THE SATISFACTION OF THE "CONDITIONS TO LAUNCH THE TENDER OFFER" SET FORTH IN THIS ANNOUNCEMENT, AND SHALL NOT BE CONSTRUED TO CONSTITUTE, OR FORM A PART OF, AN OFFER OF PURCHASE, ETC. (AS PROVIDED IN THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN), OR A SOLICITATION OF OFFERS FOR SALES, ETC. (AS PROVIDED IN THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN), OF SHARE CERTIFICATES, ETC. (AS DEFINED IN THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN) OF UNIZO BY ANY MEANS IN ANY MANNER, OR AN OFFER TO SELL, A SOLICITATION OF A SALE OF, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION. BLACKSTONE WILL NOT LAUNCH A TENDER OFFER IF UNIZO DOES NOT CONSENT TO THE BLACKSTONE OFFER OR IF UNIZO DOES NOT ENTER INTO AN AGREEMENT WITH BLACKSTONE IN A FORM SATISFACTORY TO BLACKSTONE, IN EACH CASE NO LATER THAN APRIL 30, 2020. THIS ANNOUNCEMENT DOES NOT DESCRIBE ALL OF THE TERMS AND

CONDITIONS OF BLACKSTONE'S POTENTIAL TENDER OFFER, THE DETAILS OF WHICH WILL BE DESCRIBED IN THE TENDER OFFER NOTICE AND THE TENDER OFFER REGISTRATION STATEMENTS AND ANCILLARY DOCUMENTS TO BE SUBMITTED OR PUBLICLY DISCLOSED PURSUANT TO THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN IF BLACKSTONE LAUNCHES A TENDER OFFER. THE BLACKSTONE OFFER MAY BE AMENDED, MODIFIED OR WITHDRAWN WITHOUT PRIOR NOTICE DEPENDING ON NEGOTIATIONS AND DISCUSSIONS BETWEEN BLACKSTONE AND UNIZO AFTER THIS ANNOUNCEMENT.

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