

[Translation]

Articles of Incorporation of Investment Corporation

Daiwa House REIT Investment Corporation

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Section I General Provisions

Article 1 Corporate Name

The name of the investment corporation (the “**Investment Corporation**”) is *Daiwa House REIT Investment Corporation* and is expressed as “Daiwa House REIT Investment Corporation” in English.

Article 2 Purpose

The purpose of the Investment Corporation is to manage the assets of the investment corporation by investing them mainly in real property and other assets (those specified assets (meaning assets provided for in Article 2(1) of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the “**Investment Trusts Act**”; the same applies hereinafter)) provided for in Article 105(i)(f) of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000, as amended; the “**Investment Trusts Enforcement Regulation**”; the same applies hereinafter)) in accordance with the Investment Trusts Act.

Article 3 Location of Head Office

The head office of the Investment Corporation is in Chiyoda-ku, Tokyo.

Article 4 Method of Public Notice

All public notices by the Investment Corporation shall be given in the *Nihon Keizai Shimbun*.

Section II Investment Units

Article 5 Total Number of Investment Units Authorized to be Issued

- 5.1 The total number of investment units authorized to be issued by the Investment Corporation is 8,000,000.
- 5.2 The proportion of the aggregate issue price of the investment units offered in Japan shall exceed 50% of the total issue price of the investment units of the Investment Corporation.
- 5.3 The Investment Corporation may offer persons to subscribe for the investment units issued by the Investment Corporation, within the limit of the total number of the investment units authorized to be issued provided for in Article 5.1, with the approval of the board of directors. The amount payable per unit upon the issuance of investment units offered (meaning investment units allocated to a person applying for

subscription of investment units in response to the offering) shall be the amount approved by the board of directors as a fair value in light of the contents of the assets held by the Investment Corporation (“**Managed Assets**”).

Article 6 Matters Relating to Handling of Investment Units

Unless otherwise provided for in applicable laws, ordinances, or these Articles of Incorporation, procedures for the handling of investment units, such as registration or recording of unitholders in the Investment Corporation’s unitholders’ register and other procedures and applicable fees are subject to the rules for the handling of investment units prescribed by the board of directors.

Article 7 Minimum Net Assets

The minimum net assets of the Investment Corporation is 50,000,000 yen.

Article 8 Redemption of Investment Units at the Request of a Unitholder and Acquisition of Investment Units through Agreement with Unitholders

- 8.1 The Investment Corporation shall not redeem any investment units at the request of unitholders.
- 8.2 The Investment Corporation may acquire its investment units for value upon agreement with unitholders.

Section III General Meeting of Unitholders

Article 9 Convocation

- 9.1 A general meeting of unitholders of the Investment Corporation shall be held at least once every two years in principle.
- 9.2 Unless otherwise provided for in applicable laws or ordinances, general meetings of unitholders shall be convened by the executive director if there is only one executive director, and by one of the executive directors in accordance with the sequence predetermined by the board of directors if there are two or more executive directors.
- 9.3 A general meeting of unitholders of the Investment Corporation shall be convened on November 5, 2015 (or without delay thereafter), and subsequently be convened on November 5 of every second subsequent year (or without delay thereafter). Additional general meetings of unitholders may be held when necessary.
- 9.4 In order to convene a general meeting of unitholders, a public notice of the date of such meeting shall be provided no later than two months prior to such date, and notice thereof in writing or notice thereof by electromagnetic means as provided for in the applicable law or ordinance shall be provided to the unitholders no later than two weeks prior to that date; provided, however, that said public notice shall not be

required with respect to a general meeting of unitholders that is to be convened within less than 25 months from the date of the immediately preceding general meeting of unitholders held pursuant to the first sentence of the preceding paragraph.

9.5 The Investment Corporation shall provide information pertaining to reference documents, etc. of a general meeting of unitholders in electronic format upon the convocation of a general meeting of unitholders.

9.6 The Investment Corporation may decide not to include all or part of the items stipulated by the Investment Trusts Enforcement Regulation among those provided in electronic format in the documents delivered to unitholders who requested the delivery of documents in paper-based format by the record date of voting rights.

Article 10 Chairperson

The executive director shall preside over the general meeting of unitholders if there is only one executive director. One of the executive directors shall preside over the general meeting of unitholders in accordance with the sequence predetermined by the board of directors if there are two or more executive directors. If all of the positions of executive directors become vacant or all of the executive directors are unable to so act, one of the supervisory directors shall preside over the general meeting of unitholders in accordance with the sequence predetermined by the board of directors.

Article 11 Resolution

Unless otherwise provided for in applicable laws, ordinances, or these Articles of Incorporation, the resolutions of the general meeting of unitholders shall be adopted by a majority of the voting rights represented by the unitholders present at the meeting.

Article 12 Exercise of Voting Rights by Proxy

12.1 A unitholder may exercise voting rights by a proxy, who must be a unitholder of the Investment Corporation with voting rights.

12.2 In the case of the preceding paragraph, the relevant unitholder or proxy shall, in advance of each general meeting of unitholders, submit to the Investment Corporation a document certifying the authority of the proxy, or provide the Investment Corporation with the information required to be stated in such a document by electromagnetic means. Unitholders or proxies who intend to provide the Investment Corporation with the information required to be stated in a document certifying the authority of the proxy by electromagnetic means shall, in advance, indicate to the Investment Corporation the type and details of the electromagnetic means that will be used and obtain the consent of the Investment Corporation in writing or by electromagnetic means.

Article 13 Exercise of Voting Rights in Writing

- 13.1 Exercise of voting rights in writing shall be conducted by the unitholder filling in a document for the exercise of voting rights (the “**Voting Form**”) with the necessary matters and submitting the completed Voting Form to the Investment Corporation by the time provided for by laws and ordinances.
- 13.2 The number of voting rights exercised in writing under the preceding paragraph shall be included in the number of voting rights of unitholders present.

Article 14 Exercise of Voting Rights by Electromagnetic Means

- 14.1 Exercise of voting rights by electromagnetic means shall be conducted by the unitholder providing the Investment Corporation by the electromagnetic means with the information that is required to be stated in the Voting Form by the time provided for by laws or ordinances, with the consent of the Investment Corporation, in accordance with the provisions of laws and ordinances.
- 14.2 The number of voting rights exercised by electromagnetic means under the preceding paragraph shall be included in the number of voting rights of unitholders present.

Article 15 Deemed Approval

- 15.1 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 meeting of unitholders (excluding, if multiple proposals are submitted and such proposals conflict with each other, any of such proposals).
- 15.2 The number of voting rights represented by the unitholders who are deemed to have approved the proposals under the preceding paragraph shall be included in the number of voting rights represented by the unitholders present.
- 15.3 The provisions of Articles 15.1 and 15.2 shall not apply to any of the following proposals if (i) unitholders continuing to hold at least one-hundredth of the total number of outstanding investment units for six months or more give notice to the Investment Corporation (or, if a convener is not an executive director or supervisory director, both the Investment Corporation and the convener) stating that they object to such proposal within two weeks of the earlier of the date on which the Investment Corporation announces on its website that such proposal is to be submitted to the general meeting of unitholders, or the date on which the convener makes such announcement by a similar method, or (ii) the Investment Corporation indicates in a notice of convocation, or announces on its website, that it objects to such proposal:
 - (1) appointment or dismissal of an executive director or supervisory director;
 - (2) execution or cancellation of the asset management agreement;
 - (3) dissolution;
 - (4) consolidation of investment units; or

- (5) exemption of executive directors, supervisory directors, or accounting auditor from liability.
- 15.4 The provisions of Articles 15.1 and 15.2 shall not apply to a proposal for amendment to these Articles of Incorporation to change this Article.

Article 16 Record Date

- 16.1 If the Investment Corporation convenes the general meeting of unitholders pursuant to the provisions of the first sentence of Article 9.3, the unitholders registered or recorded in the final unitholders' register as of the end of August 2015 and thereafter as of the end of August of every second subsequent year shall be the unitholders entitled to exercise their voting rights at the general meeting of unitholders convened by the Investment Corporation.
- 16.2 Notwithstanding the provisions of the preceding paragraph, the Investment Corporation may treat the unitholders or registered investment unit pledgees registered or recorded in the final unitholders' register as of a certain date upon giving prior public notice in accordance with laws and ordinances through resolution of the board of directors as the unitholders or registered investment unit pledgees entitled to exercise their rights.

Article 17 Minutes of the General Meeting of Unitholders

Regarding the proceedings of the general meeting of unitholders, a summary of the course of proceedings and the results of the general meeting of unitholders and other matters provided for by laws and ordinances are to be registered or recorded in the minutes. The Investment Corporation shall keep the minutes at its head office for ten years from the date of the general meeting of unitholders.

Section IV Directors and the Board of Directors

Article 18 Number of Directors and Composition of the Board of Directors

The Investment Corporation shall have at least one executive director and at least two supervisory directors (provided that the number of supervisory directors shall be at least one more than that of the executive directors) and the directors (meaning the executive directors and supervisory directors; the same hereinafter) shall compose the board of directors.

Article 19 Election and Term of Office of Directors

- 19.1. Directors shall be elected by a resolution of the general meeting of unitholders.
- 19.2 The term of office of directors shall be two years from their election; provided, however, (i) that this shall not preclude the extension or shortening of the term of office, to the extent prescribed by laws and regulations, by resolution of the general

meeting of unitholders, and (ii) that the term of office of directors appointed to fill a vacancy or increase the number of directors shall be the same as the remaining term of their predecessors or the directors in office.

- 19.3 The effective period of a resolution regarding the appointment of a director who is appointed to fill a vacancy shall be until the expiration of the term of office of the directors, as prescribed at the general meeting of unitholders in which the director was appointed (or, if directors were not appointed at such general meeting of unitholders, the most recent general meeting of unitholders at which directors were appointed); provided, however, that such period may be shortened by a resolution of the general meeting of unitholders.

Article 20 Criteria for Payment of Remuneration to Directors

The criteria for payment of remuneration to directors of the Investment Corporation and the timing of such payments shall be as follows:

- (1) The Investment Corporation shall pay monthly remuneration to each executive director of an amount determined by the board of directors to be reasonable in light of general price and wage trends, etc., up to an amount equivalent to 800,000 yen per month for each executive director, no later than the last day of the relevant month.
- (2) The Investment Corporation shall pay monthly remuneration to each supervisory director of an amount determined by the board of directors to be reasonable in light of general price and wage trends, etc., up to an amount equivalent to 350,000 yen per month for each supervisory director, no later than the last day of the relevant month.

Article 21 Liability of Directors for Damages

The Investment Corporation may, to the extent provided for by laws and ordinances, exempt a director from the liability for damages provided for in Article 115-6(1) of the Investment Trusts Act by resolution of the board of directors if the director was acting in good faith without gross negligence in performing his or her duties and if it is considered particularly necessary to do so in light of the details of the facts that caused the liability, the performance of duties by the director, and other circumstances.

Article 22 Convocation and Chairperson of the Board of Directors

- 22.1 Unless otherwise provided for under laws or ordinances, the executive director shall convene and preside over the meetings of the board of directors if there is only one executive director, and if there are two or more executive directors, one executive director shall convene and preside over the meetings of the board of directors in accordance with the sequence predetermined by the board of directors.
- 22.2 A notice of convocation of a meeting of the board of directors must be dispatched to all directors no later than three days before the date of the meeting of the board of

directors. However, the convocation period may be shortened or convocation procedures may be omitted with the consent of all directors.

Article 23 Resolution by the Board of Directors

Unless otherwise provided for in applicable laws, ordinances, or these Articles of Incorporation, a resolution of the board of directors shall be adopted by a majority vote of the directors present at a meeting where a majority of all directors who are entitled to exercise vote are present.

Article 24 Minutes of the Board of Directors

Regarding the proceedings of the meeting of the board of directors, a summary of the course of proceedings and the results of meetings of the board of directors and other matters provided for by laws and ordinances are to be registered or recorded in the minutes, and directors that attend the meeting shall affix their signatures or their names and seals, or their electronic signatures. The Investment Corporation shall keep the minutes at its head office for ten years from the date of the applicable meeting of the board of directors.

Article 25 Regulations of the Board of Directors

Unless otherwise provided for by laws, ordinances, or these Articles of Incorporation, matters relating to the board of directors shall be subject to the regulations of the board of directors established by the board of directors.

Section V Accounting Auditor

Article 26 Appointment of Accounting Auditor

The accounting auditor shall be appointed by a resolution of the general meeting of unitholders.

Article 27 Term of Appointment of Accounting Auditor

- 27.1 The term of appointment of the Accounting Auditor shall be until the conclusion of the first general meeting of unitholders held after the end of the first fiscal period following the passage of one year from the appointment.
- 27.2 Unless it is otherwise resolved at the general meeting of unitholders referred to in the preceding paragraph, the accounting auditor shall, at such general meeting of unitholders, be deemed to have been reappointed.

Article 28 Criteria for Payment of Fees to Accounting Auditor

The Investment Corporation shall pay fees to the accounting auditor of an amount determined by the board of directors up to an amount equivalent to 25,000,000 yen per fiscal period subject to an audit no later than three months after the end of the relevant fiscal period.

Section VI Asset Management Target and Policy

Article 29 Basic Policy of Asset Management

With the aim of securing stable income in the medium to long term and steadily increasing its assets, the Investment Corporation shall conduct its asset management by making investments primarily in real property and other assets.

Article 30 Investment Policy

- 30.1 The Investment Corporation shall mainly invest in (i) Real Estate (meaning the assets defined in Article 31.2; the same hereinafter) used mainly for logistics facilities, residential facilities, commercial facilities, and hotels located in the three major metropolitan areas (the greater Tokyo area (Tokyo, Kanagawa, Saitama, and Chiba prefectures), the greater Nagoya area (Aichi, Gifu, and Mie prefectures), and the greater Osaka area (Osaka, Kyoto, Hyogo, Nara, and Shiga prefectures)) and the rest of Japan and (ii) Real-Estate-Backed Securities (meaning the assets defined in Article 31.3; the same hereinafter) backed by Real Estate used mainly for logistics facilities, residential facilities, commercial facilities, and hotels located in such three major metropolitan areas and the rest of Japan. The Investment Corporation may invest in other Real Estate and Real-Estate-Backed Securities.
- 30.2 In selecting each investment, the Investment Corporation shall comprehensively consider (i) “macro factors” such as general economic conditions, financial conditions, consumer trends, and real estate market conditions, (ii) “geographical factors” such as potential, stability, etc. regarding a site location’s surrounding environment and city planning status and (iii) results of detailed property inspections (including economic research, physical inspections, and legal inquiries).
- 30.3 The Investment Corporation shall conduct its asset management so as to keep the ratio of the total amount of specified real estate (meaning, of the specified assets obtained by the Investment Corporation, real estate (building lots or buildings defined in the Building Lots and Buildings Transaction Business Act (Act No. 176 of 1952, as amended; the same hereafter in this Article 30.3)), leasehold rights in real estate or surface rights, or beneficial interests in trust the principal of which is ownership of real estate, leasehold rights in land or surface rights) to the total amount of specified assets held by the Investment Corporation at 75% or more.
- 30.4 The Investment Corporation may reinvest the money obtained in relation to the Managed Assets (including but not limited to: sales proceeds of the Managed Assets; dividends, redemption proceeds and interest, etc., on securities; interest and default charges on monetary claims; distributions on *tokumei kumiai* equity interests; income from the leasing of real estate; and other income).

Article 31 Types, Purpose, and Scope of Specified Assets to be Managed

31.1 The Investment Corporation shall invest in Real Estate and Real-Estate-Backed Securities in accordance with the basic policy of asset management provided for in Article 29.

31.2 Real Estate means the following assets:

- (1) real estate;
- (2) leasehold rights in real estate;
- (3) surface rights;
- (4) beneficial interests of trusts the principal of which is any of the assets listed in Article 31.2(1) through (3) (including comprehensive trusts the principal of which is real estate and cash incidental to real estate);
- (5) beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investing in the assets provided for in Article 31.2(1) through (3);
- (6) equity interests in investments under an agreement where one party makes a financial contribution to another party to manage the assets set out in the preceding Items, and that other party manages that contribution primarily as an investment in those assets and distributes the profits from its management of those assets (the “*Tokumei Kumiai Equity Interests Concerning Real Estate*”); and
- (7) beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investment primarily in *Tokumei Kumiai Equity Interests Concerning Real Estate*.

31.3 Real-Estate-Backed Securities means the following assets whose purpose is to invest more than 50% of assets in Real Estate (including the rights represented on the securities listed in each item below):

- (1) preferred equity securities, as defined in Article 2(9) of the Act on Securitization of Assets (Act No. 105 of 1998, as amended; the “**Asset Securitization Act**”);
- (2) beneficiary certificates of special purpose trusts, as defined in Article 2(13) and (15) of the Asset Securitization Act);
- (3) beneficiary certificates of investment trusts, as defined in Article 2(7) of the Investment Trusts Act; and
- (4) investment securities, as defined in Article 2(15) of the Investment Trusts Act.

31.4 The Investment Corporation may invest in the following specified assets in addition to the Real Estate and Real-Estate-Backed Securities listed in Article 31.2 and Article 31.3:

- (1) deposits;
- (2) securities (meaning those provided for in each item of Article 2(1) and those provided for in each item of Article 2(2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “FIEA”), and excluding the specified assets listed in Articles 31.2 and 31.3 and in the items in this Article 31.4);
- (3) rights pertaining to derivative transactions (meaning those provided for in Article 3(ii) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended; the “**Investment Trusts Act Enforcement Order**”));
- (4) monetary claims (meaning those claims, other than deposits, provided for in Article 3(vii) of the Investment Trusts Act Enforcement Order);
- (5) beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investment primarily in the assets listed in the preceding Items;
- (6) renewable energy power generation facilities (meaning those provided for in Article 3(xi) of the Investment Trusts Act Enforcement Order); and
- (7) rights to operate public facilities, etc. (meaning those provided for in Article 3(xii) of the Investment Trusts Act Enforcement Order).

31.5 The Investment Corporation may invest in the following non specified assets incidental to the investment in Real Estate:

- (1) trademark rights or exclusive or non-exclusive rights to use trademarks provided for in the Trademark Act (Act No. 127 of 1959, as amended);
- (2) movables (meaning, of the movables provided for in the Civil Code (Act No. 89 of 1896, as amended), facilities, equipment, or other things attached to the real estate for structural reasons or for use);
- (3) hot spring rights (hot spring source rights) permitted under customary law;
- (4) carbon dioxide equivalent quotas under the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, as amended) or other similar rights, or emission credits (including greenhouse gas emission credits); and
- (5) other rights and assets that need to be acquired and that are incidental to the investments in Real Estate and Real-Estate-Backed Securities

31.6 With respect to rights to be indicated on securities as provided for in Article 2(2) of the FIEA, even if securities indicating such rights are not issued, such rights shall be deemed to be such securities, and Article 31.2 through 31.5 shall apply.

Article 32 Investment Restrictions

- 32.1 The Investment Corporation will invest in the securities and monetary claims in Article 31.4 by taking safety and liquidity factors into full consideration and will not conduct such investment only for obtaining active investment returns.
- 32.2 The Investment Corporation will invest in rights pertaining to derivative transactions in Article 31.4(3) only for the purpose of hedging foreign exchange risk, interest rate risk, and other risks arising from liabilities of the Investment Corporation.
- 32.3 The Investment Corporation shall not invest in any real estate located outside Japan, any of the assets listed in Article 31.2(2) through (7) based on any real estate located outside Japan, or any Real-Estate-Backed Security backed by any real estate located outside Japan.
- 32.4 The Investment Corporation shall not invest in assets denominated in foreign currencies or securities mainly traded on foreign securities markets.

Article 33 Purpose and Scope of Leasing of Underlying Assets

- 33.1 The Investment Corporation shall, in principle, lease real estate forming part of the Managed Assets (including real estate that backs the Real-Estate-Backed Securities obtained by the Investment Corporation; the same hereafter in Article 33) for the purpose of securing stable income over the medium to long term (the lease includes, but is not limited to, installation of parking space and signboards). With respect to any real estate that is an asset of a trust in which the beneficial interest held is a specified asset, the Investment Corporation shall, in principle, cause a trustee of the trust to enter into a lease agreement with a third party and to lease such real estate to that third party.
- 33.2 In leasing real estate, the Investment Corporation may, by itself or through its trustee of a trust, receive security deposits, guarantee deposits and other similar monies, which it shall manage in accordance with Articles 29 and 30.
- 33.3 The Investment Corporation may lease the Managed Assets that are not real estate.

Section VII Valuation of Assets

Article 34 Method of Asset Valuation, Criteria, and Record Date

- 34.1 The criteria and methods for valuing the assets of the Investment Corporation are prescribed as follows for each type of assets subject to investment:
 - (1) Real estate, leasehold rights in real estate and surface rights set forth in Article 31.2(1) through (3)
The valuation shall be the amount calculated by deducting the accumulated depreciation from the acquisition price. The straight-line method shall be used to calculate the amount of depreciation for buildings and equipment,

etc.; provided, however, that another method may be used if it becomes inappropriate to use the straight-line method for any justifiable reason, and as far as it can be determined no problem will arise from the perspective of investor protection.

- (2) Beneficial interests of trusts the principal of which is real estate, leasehold rights in real estate and surface rights set forth in Article 31.2(4)

The valuation shall be made by deducting the total amount of trust liabilities from the total amount of trust assets and applying the proportion of the beneficial interests of trusts held. In cases where the trust property is any of the assets listed in the preceding Item, the valuation shall be made pursuant to the preceding Item, while financial assets and liabilities shall be valued in accordance with the generally accepted corporate accounting standards.

- (3) Beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investing primarily in real estate, leasehold rights in real estate and surface rights set forth in Article 31.2(5)

The valuation shall be made by deducting the total amount of trust liabilities from the total amount of trust assets and applying the proportion of the beneficial interests of trusts held. In cases where the trust property is any of the assets listed in Item (1), the valuation shall be made pursuant to Item (1), while financial assets and liabilities shall be valued in accordance with the generally accepted corporate accounting standards.

- (4) *Tokumei Kumiai* Equity Interests Concerning Real Estate set forth in Article 31.2(6)

The valuation shall be made by deducting the total amount of *tokumei kumiai* liabilities from the total amount of *tokumei kumiai* assets and applying the proportion of the *tokumei kumiai* equity interests held. In cases where the *tokumei kumiai* property is composed of any of the assets listed in the preceding Items, the valuation shall be made pursuant thereto, while financial assets and liabilities shall be valued in accordance with the generally accepted corporate accounting standards.

- (5) Beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investment primarily in *Tokumei Kumiai* Equity Interests Concerning Real Estate set forth in Article 31.2(7)

The valuation shall be made by deducting the total amount of trust liabilities from the total amount of trust assets and applying the proportion of the beneficial interests of trusts held. For the trust property that is *Tokumei Kumiai* equity interests, the valuation shall be made pursuant to the preceding Item, while financial assets and liabilities shall be valued in

accordance with the generally accepted corporate accounting standards.

(6) Securities set forth in Articles 31.3 and 31.4(2)

The valuation shall be made using the acquisition cost when the securities are classified as held-to-maturity securities; provided, however, that in cases where such securities are acquired for an amount either higher or lower than the securities amount, and if the nature of the difference between the acquisition price and the securities amount is deemed to be an adjustment related to interest rates, the valuation shall be made using an amount calculated based on the amortized cost method. The valuation shall be made using the current price when the securities are classified as other securities; provided, however, that the valuation shall be made using the acquisition cost when the securities are shares without a market price.

(7) Monetary claims set forth in Article 31.4(4)

The valuation shall be made using an amount calculated by deducting the allowance for bad debts from the acquisition price; provided, however, that in cases where such monetary claim is acquired for an amount either higher or lower than the claim amount, and if the nature of the difference between the acquisition price and the claim amount is deemed to be an adjustment related to interest rates, the valuation shall be made using an amount calculated by deducting the allowance for bad debts from the value calculated based on the amortized cost method.

(8) Rights pertaining to derivative transactions set forth in Article 31.4(3)

(i) Net claims and obligations arising from transactions of derivatives
The valuation shall be made using the current price.

(ii) Notwithstanding (i) above, hedge accounting may be applied in cases which are deemed as hedge transactions in accordance with generally accepted corporate accounting standards. Further, this does not preclude the application of special treatment for interest rate swaps under accounting principles for financial instruments.

(9) Beneficial interests in monetary trusts set forth in Article 31.4(5)

The valuation shall be made by deducting the total amount of trust liabilities from the total amount of trust assets and applying the proportion of the beneficial interests of trusts held. Depending on the assets being managed, the valuation shall be made in accordance with the investment asset valuation methods set forth in Items (1) through (8) and Item (10), and in the case of financial assets and liabilities, the valuation shall be made in accordance with generally accepted corporate accounting standards.

(10) Other

If the valuation method is not provided in the foregoing, the valuation shall

be made based on the valuation rules prescribed under the Investment Trusts Act and by the Investment Trusts Association, Japan, or follow generally accepted corporate accounting standards.

34.2 If a valuation is made by a method other than those set forth in the preceding paragraph for the purpose of disclosure in the asset management reports, etc., the Investment Corporation shall value the assets as follows:

- (1) Real estate, leasehold rights in real estate, and surface rights
In principle, the value shall be the appraisal value obtained based on the appraisal conducted by real estate appraisers.
- (2) Beneficial interests of trusts regarding real estate, leasehold rights in real estate and surface rights, and *Tokumei Kumiai* Equity Interests Concerning Real Estate

The valuation shall be made by deducting the total amount of trust or *tokumei kumiai* liabilities from the total amount of trust or *tokumei kumiai* assets and applying the proportion of the trust beneficiary or *tokumei kumiai* equity interests held. The valuation of trust or *tokumei kumiai* property comprised of the assets set forth in the preceding Item shall be made pursuant to the preceding Item, while financial assets and liabilities shall be valued in accordance with the generally accepted corporate accounting standards.

34.3 The record date for the asset valuation of the Investment Corporation shall be the each Fiscal Period Closing Date set forth in Article 36; provided, however, that such record date shall be the end of each month with respect to the assets set forth in Articles 31.3 and 31.4 that can be valued based on the market price.

34.4 In compliance with the general principle of consistency, the valuation methods set forth in Articles 34.1 and 34.2 shall not be altered; provided, however, that another method may be used if it becomes inappropriate to use the adopted method for any justifiable reason, and as far as it can be reasonably determined that no problem will arise from the perspective of investor protection. If a valuation method is changed, an asset management report sent to investors immediately thereafter shall contain the following:

- (1) the fact of the change in valuation method and the effective date of the change;
- (2) specific details of the pre- and post-change valuation methods;
- (3) the valuation at the end of the applicable fiscal period when using the pre-change valuation method and when using the post-change valuation method;
- (4) specific reasons for the change; and
- (5) other information necessary to protect the investors.

Section VIII Borrowings and Issuance of Investment Corporation Bonds

Article 35 Maximum Amount of Borrowings and Investment Corporation Bonds

- 35.1 The Investment Corporation may enter into borrowings or issue investment corporation bonds (including short-term investment corporation bonds; the same hereinafter) with the objective of securing stable income and steady growth of the Managed Assets. The Investment Corporation may borrow funds only from qualified institutional investors as defined in Article 2(3)(i) of the FIEA (and limited to those institutional investors set forth in Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the “**Act on Special Measures Concerning Taxation**”).
- 35.2 Money received through borrowings and investment corporate bonds pursuant to the preceding paragraph shall be used for the acquisition of assets, maintenance and repair expenses, payment of distributions, working capital required for the operation of the Investment Corporation or the repayment of debt (including the repayment of tenant leasehold and security deposits, borrowings and investment corporate bonds) and other uses; provided, however, that the purposes and use of funds raised through short-term investment corporate bonds shall be limited to the extent permitted by applicable laws and regulations.
- 35.3 If the Investment Corporation borrows funds or issues investment corporate bonds under Article 35.1, it may pledge the Managed Assets as collateral.
- 35.4 The maximum principal amount of any borrowing and issuance of investment corporation bonds shall be one trillion (1,000,000,000,000) yen respectively, and the aggregate amount of the foregoing shall not exceed one trillion (1,000,000,000,000) yen.

Section IX Calculation

Article 36 Fiscal Period and Closing Date

The fiscal period of the Investment Corporation shall be from March 1 through the last day of August and from September 1 through the last day of February of the following year each year (hereinafter, the last day of each fiscal period shall be referred to as the “**Fiscal Period Closing Date**”).

Article 37 Policy for Cash Distributions

The Investment Corporation shall, in principle, make distributions in accordance with the following policies.

- (1) Distribution of profits
 - (a) From the total amount to be distributed to unitholders, the amount of profit

(the “**Distributable Amount**”) shall be the profit calculated in accordance with the generally accepted corporate accounting standards in Japan (the profit provided for in Article 136(1) of the Investment Trusts Act).

- (b) In principle, the amount of distribution shall be the amount determined by the Investment Corporation that exceeds the amount equivalent to 90% of the amount of its profit available for distribution as set forth in Article 67-15(1) of the Act on Special Measures Concerning Taxation, unless the Investment Corporation reports a loss for tax purposes or reports no income for tax purposes due to a deduction for carryover of loss, in which case the amount of distribution shall be an amount reasonably determined by the Investment Corporation.

The Investment Corporation may accumulate, retain or otherwise employ a long-term repair reserve, payment reserve, distribution reserve and any other similar reserves and allowances that are deemed necessary to maintain or improve the value of the Managed Assets, and other necessary amounts, from the Distributable Amount.

- (2) Distribution of cash in excess of profit

If the Investment Corporation considers it appropriate in order to limit the tax (including corporation tax) imposed on the Investment Corporation or for any other reason, it may make a distribution of the amount determined by the Investment Corporation to the extent of the amount set forth in the rules of the Investment Trusts Association, Japan as distributions in excess of profit.

- (3) Method of distribution

Distributions pursuant to this Article 37 shall be made in cash and paid, in principle, within three months from the Fiscal Period Closing Date to unitholders and registered pledgees of investment units who are recorded or registered in the final register of unitholders as of the Fiscal Period Closing Date, in accordance with the number of investment units held or the investment units subject to the registered pledge.

- (4) Expiration of the rights to demand distributions

In case where the distributions pursuant to this Article 37 are unclaimed for a period of three (3) full years after the date of commencement of such payment, the Investment Corporation shall be discharged from its payment obligation thereof. No interest shall accumulate on any unpaid distributions.

- (5) Rules of the Investment Trusts Association, Japan

In addition to the preceding Items, the Investment Corporation shall comply with the rules, etc. set forth by the Investment Trusts Association, Japan for distributions.

Section X Entrustment of Operations and Administrative Services

Article 38 Asset Management Fees Payable to Asset Manager

The standards for the amount and payment of asset management fees payable to the asset manager to which the Investment Corporation entrusts the management of its assets shall be as set forth in the Attachment hereto, which shall constitute a part of these Articles of Incorporation.

Article 39 Entrustment of Operations and Administrative Services

- 39.1 The Investment Corporation shall, pursuant to Articles 198 and 208 of the Investment Trusts Act, entrust the operations for the management of assets to the Asset Manager and the operations for the custody thereof to the custodian of assets.
- 39.2 The Investment Corporation shall entrust any administrative services in connection with operations other than those relating to the management and custody of its assets that are set forth in Article 117 of the Investment Trusts Act to a third party.

Section XI Costs and Expenses

Article 40 Consumption Tax and Local Consumption Tax

The Investment Corporation shall bear consumption tax, local consumption tax, and other taxes imposed on the management of the Managed Assets and other expenses and money payable by the Investment Corporation considered to be taxable items under the Consumption Tax Act (Act No. 108 of 1988, as amended) (the “**Consumption Tax, etc.**”) and pay an amount equivalent to the Consumption Tax, etc. in addition to the amount of taxable items.

Unless otherwise provided herein, any amount in these Articles of Incorporation shall be the amount exclusive of Consumption Tax, etc.

Enacted: June 1, 2005

Amended: November 25, 2005

Amended: January 26, 2006

Amended: February 23, 2007

Amended: February 26, 2009

Amended: February 25, 2010

Amended: March 23, 2010

Amended: September 30, 2010

Amended: December 1, 2011

Amended: November 26, 2013

Amended: March 1, 2015

Amended: November 25, 2015

Amended: June 17, 2016 (Effective Date: September 1, 2016)

Amended: November 22, 2017

Amended: November 27, 2019

Amended: November 30, 2021 (Effective Date of Amendment to the Attachment
(Asset Management Fees Payable to Asset Manager): March 1, 2022)

Amended: November 28, 2023

Asset Management Fees Payable to Asset Manager

The calculation method and timing of payment of the fees to be paid to the asset manager undertaking the management of the Managed Assets held by the Investment Corporation are set out below. Each fee is to be paid by bank transfer into the account specified by the asset manager (with transfer fees to be borne by the Investment Corporation).

Fee	Calculation method	Timing of payment
Asset management fee 1 (asset-based fee)	Not to exceed the amount calculated by multiplying the total asset value ¹ as at each accounting period ² by 0.4% per annum (calculated on a daily basis in accordance with the number of days in each accounting period, assuming 365 days per year). ³	Within one month after the end of each accounting period.
Asset management fee 2 (profit-based fee)	Not to exceed the amount calculated by deducting the total costs (excluding depreciation and loss on retirement of noncurrent assets) of the Investment Corporation's real estate rental business from its total revenue for a given fiscal period and multiplying the result by 5.0%. ³	By the end of the month following the month in which the relevant accounts and related documents are approved.
Asset management fee 3 (sustainability index-based fee)	Total of the following amounts: (i) Not to exceed the amount calculated by multiplying the total asset value ¹ as at each accounting period ² by the ratio calculated in accordance with Table 1 and 0.012% per annum (calculated on a daily basis in accordance with the number of days in each accounting period, assuming 365 days per year). ³ (ii) Not to exceed the amount calculated by multiplying the total asset value ¹ as at each accounting period ² by the ratio calculated in accordance with Table 2 and 0.004% per annum (calculated on a daily basis in accordance with the number of days in each accounting period, assuming 365 days per	Within one month after the end of each accounting period.

	<p>year).³</p> <p>However, if the ratio is not available for reasons such as that the valuation is not made for a valuation organization's reasons, the calculation will be made using the ratio of the most recent accounting period. If the ratio is not available for reasons such as that the Investment Corporation does not participate in the valuation for the Investment Corporation's reasons, the calculation will be made using the lowest ratio indicated in Table 2.</p> <p>(iii) Not to exceed the amount calculated by multiplying the total asset value¹ as at each accounting period² by the ratio calculated in accordance with Table 3 and 0.004% per annum (calculated on a daily basis in accordance with the number of days in each accounting period, assuming 365 days per year).³</p> <p>However, if the ratio is not available for reasons such as that the valuation is not made for a valuation organization's reasons, the calculation will be made using the ratio of the most recent accounting period. If the ratio is not available for reasons such as that the Investment Corporation does not participate in the valuation for the Investment Corporation's reasons, the calculation will be made using the lowest ratio indicated in Table 3.</p>	
Acquisition and sale fees	<p>1. If the Investment Corporation acquires or sells Real Estate or Real-Estate-Backed Securities (excluding those that fall under 2. below):</p> <p>Not to exceed the amount calculated by multiplying the acquisition or sale price of the Real Estate or Real-Estate-Backed</p>	By the end of month following the month in which the Real Estate or Real-Estate-Backed Securities are acquired or sold.

	Securities by 0.5%. ³ 2. If the Investment Corporation acquires or sells Real Estate or Real-Estate-Backed Securities from or to an interested party: Not to exceed the amount calculated by multiplying the acquisition or sale price by 0.25%. ³	
Merger fee	If, in the event of a merger involving the Investment Corporation, the asset manager performs a due diligence and valuation of the other investment corporation's asset and the like or performs any other work related to the merger: not to exceed the amount calculated by multiplying the acquisition price at the time of the merger of the Real Estate or Real-Estate-Backed Securities of the other investment corporation succeeded to by the Investment Corporation by 0.8%. ³	By the end of the month following the month in which the merger takes effect.

¹ 'Total asset value' means the amount calculated in accordance with either (i) or (ii) below with respect to each accounting period²:

(i) Total asset value for the First Accounting Period (as defined below)

The total asset value (minus the amount equivalent to unamortized positive goodwill) recorded on the balance sheet as at the Fiscal Period Closing Date immediately preceding the First Accounting Period (provided that said balance sheet is approved under Article 131(2) of the Investment Trusts Act)

(ii) Total asset value for the Second Accounting Period (as defined below)

The amount obtained by adding, to the total asset value for the immediately preceding First Accounting Period, the total of the acquisition price(s) of any Real Estate or Real-Estate-Backed Securities acquired (including through succession by merger; in such case, the acquisition price of any Real Estate or Real-Estate-Backed Securities succeeded at the time of the merger is to be used) by the Investment Corporation during the First Accounting Period and subtracting the book value on the balance sheet as at the immediately preceding Fiscal Period Closing Date (or, if not recorded on the balance sheet as at the immediately preceding Fiscal Period Closing Date, the acquisition price) of any Real Estate or Real-Estate-Backed Securities sold by the Investment Corporation during the First Accounting Period

- ² ‘Each accounting period’ means the period from the day after the immediately preceding Fiscal Period Closing Date until the end of the third month thereafter (the “**First Accounting Period**”) and the period from the day after the end of the First Accounting Period until the current Fiscal Period Closing Date (the “**Second Accounting Period**”).
- ³ Any fraction smaller than one yen will be discarded.

Table 1

Ratio	1 – Greenhouse gas (GHG) emission reduction rate
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Note: Greenhouse gas (GHG) emission reduction rate = ((b)-(a))/(a) (rounded to the nearest three decimal places)

(a): 0.0556 of the greenhouse gas (GHG) emissions intensity for the FY2017 (from April 2017 to March 2018) (t-CO₂/m²)

(b): Greenhouse gas (GHG) emissions intensity for the fiscal year (from April to March) immediately preceding each accounting period (t-CO₂/m²)

Note: Greenhouse gas (GHG) emissions intensity is calculated by dividing the greenhouse gas (GHG) emission (t-CO₂) by intensity denominator (gross floor area (m²)), and fractions are rounded to the nearest fourth decimal places.

Note: Intensity denominator (gross floor area (m²)) covers the property held by the Investment Corporation in the FY2017 or the fiscal year (from April to March) immediately preceding each accounting period, excluding properties with respect to which data is unable to be obtained for reasons such as that it is not possible to obtain approval from a third party.

Table 2

GRESB real estate valuation	★	★★	★★★	★★★★	★★★★★
Ratio	0.8	0.9	1.0	1.1	1.2

Note: The ratio will be determined based on the valuation of the Fiscal Period Closing Date immediately preceding each accounting period.

Table 3

CDP climate change program valuation	D-	D	C-	C	B-	B	A-	A
Ratio	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3

Note: The ratio will be determined based on the valuation of the Fiscal Period Closing Date immediately preceding each accounting period.