

[Translation for reference purpose only]

Articles of Incorporation of Investment Corporation

Nippon Hotel & Residential Investment Corporation

Articles of Incorporation of Nippon Hotel & Residential Investment Corporation

Section I General Provisions

Article 1 Corporate Name

The name of the investment corporation (the “**Investment Corporation**”) is *Nippon Hotel & Residential Investment Corporation* and is expressed as “Nippon Hotel & Residential Investment Corporation” in English.

Article 2 Purpose

The purpose of the Investment Corporation is to manage its assets by investing them mainly in the specified 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 Trust Act**”) (the “**Specified Assets**”).

Article 3 Location of Head Office

The head office of the Investment Corporation is in Minato-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 10,000,000.

5.2 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, 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 determined by the executive directors and 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 Total Number of Investment Units Offered in Japan

The aggregate issue amount to be paid of the investment units offered in Japan shall exceed 50% of the total issue amount to be paid of the investment units issued by the Investment Corporation. If any amendment is made to the requirement under the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the “**Act on Special Measures Concerning Taxation**”) that solicitation for offers for investment units be placed mainly in Japan, this Article shall be replaced with the amended provision.

Article 7 Redemption of Investment Units at the Request of a Unitholder and Acquisition of Own Investment Units through Agreement with Unitholders

7.1 The Investment Corporation shall not redeem any investment units at the request of unitholders.

7.2 The Investment Corporation may acquire its own investment units for value upon agreement with unitholders.

Article 8 Matters Relating to Handling of Investment Units

Procedures for the handling of investment units, such as registration or recording in the Investment Corporation's unitholders' register, the exercise of voting rights by unitholders, and other procedures and applicable fees are subject to laws, ordinances, and these Articles of Incorporation and the rules established by the board of directors.

Article 9 Minimum Net Asset Value

The minimum net asset value to be constantly maintained by the Investment Corporation is 50,000,000 Japanese yen.

Section III Asset Management

Article 10 Fundamental Asset Management Policy

10.1 With the aim of securing stable income in the medium to long term and steady growth of the Managed Assets, the Investment Corporation will manage its assets by investment mainly in assets falling under real property and other assets (meaning assets which constitute real property and other assets as 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 Trust Act Enforcement Ordinance**"); the same hereinafter) and Real Estate (as defined in Article 11.1(1); the same hereinafter). The Investment Corporation may also invest in (a) Real Estate which does not constitute real property and other assets, (b) Real-Estate-Backed Securities (as defined in Article 11.1(2); the same hereinafter) whose investments are mainly in Real Estate, and (c) other assets.

10.2 In the case provided for in Article 116-2 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended; the "**Investment Trust Act Enforcement Order**"), the Investment Corporation may acquire the issued shares or contribution of a corporation provided for in Article 221-2.1 of the Investment Trust Act Enforcement Order ("**Foreign Real Estate Holding Corporation**") in excess of the product of the total number or amount of the issued shares or contribution of that Foreign Real Estate Holding Corporation and the ratio provided for in Article 221 of the Investment Trust Act Enforcement Ordinance.

Article 11 Types, Purpose, and Scope of Assets to be Managed

11.1 The Investment Corporation shall invest in Real Estate and Real-Estate-Backed Securities listed in Article 11.1(1) and Article 11.1(2) below. Real Estate and Real-Estate-Backed Securities shall be collectively referred to hereinafter as "**Real Estate Related Assets**".

- (1) Real Estate means the following assets:
- (i) real estate (not limited to that in Japan; the same hereinafter in this Article 11.1(1));
 - (ii) leasehold rights in real estate;
 - (iii) surface rights (not limited to those pertaining to land in Japan; the same hereinafter in this Article 11.1(1));

- (iv) beneficial interests of trusts the principal of which is real estate, leasehold rights in real estate, or surface rights (including comprehensive trusts the principal of which is real estate and cash incidental to real estate);
 - (v) beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investing mainly in real estate, leasehold rights in real estate, and surface rights;
 - (vi) equity interests in investments under an agreement where one party makes a financial contribution to another party to manage the assets set out in Article 11.1(1)(i) through Article 11.1(1)(v), 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*”); and
 - (vii) beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investment primarily in *Tokumei Kumiai Equity Interests*.
- (2) Real-Estate-Backed Securities means the following assets whose purpose is to invest more than 50% of the underlying in Real Estate:
- (i) preferred equity securities (meaning those provided for in Article 2(9) of the Act on Securitization of Assets (Act No. 105 of 1998, as amended; the “**Asset Securitization Act**”));
 - (ii) beneficiary securities (meaning those provided for in Article 2(7) of the Investment Trust Act);
 - (iii) investment securities (meaning those provided for in Article 2(15) of the Investment Trust Act);
 - (iv) beneficiary securities of special purpose trusts (meaning those provided for in Article 2(15) of the Asset Securitization Act) (excluding beneficiary securities of special purpose trusts that constitute assets listed in Article 11.1(1)(iv), Article 11.1(1)(v), or Article 11.1(1)(vii)); and
 - (v) shares or contribution issued by a Foreign Real Estate Holding Corporation whose assets consist entirely of real estate and monetary claims associated with such real estate (excluding those listed on foreign financial instruments market or registered on an OTC financial instruments market opened in a foreign country) (limited to those in excess of the product of the rate provided for in Article 221 of the Investment Trust Act Enforcement Ordinance and the total number or amount of such issued shares or contribution (excluding treasury shares or contribution in a Foreign Real Estate Holding Corporation owned by itself)).
- 11.2 The Investment Corporation may invest in the following Specified Assets in addition to the Real Estate Related Assets:
- (i) deposits;
 - (ii) call loans;
 - (iii) Japanese national government bonds (meaning those provided for in each item of Article 2.1(1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**FIEA**”));
 - (iv) Japanese municipal bonds (meaning those provided for in Article 2.1(2) of the FIEA);
 - (v) monetary claims (meaning those claims provided for in Article 3(vii) of the Investment Trust Act Enforcement Order);

- (vi) securities (excluding securities provided for in Article 2.1 of FIEA and rights to be deemed as securities provided for in Article 2.2 of FIEA that are provided for in Article 11.1 and Article 11.2);
 - (vii) rights pertaining to derivative transactions (meaning those provided for in Article 3(ii) of the Investment Trust Act Enforcement Order);
 - (viii) renewable energy power generation facilities (meaning those provided for in Article 3(xi) of the Investment Trust Act Enforcement Order); and
 - (ix) beneficial interests of trusts, *Tokumei Kumiai* Equity Interests, and other Specified Assets whose main underlying assets are those listed in Article 11.2(ix).
- 11.3 The Investment Corporation may invest in the following assets incidental to the investment in Real Estate or Real-Estate-Backed Securities where necessary:
- (i) trademark rights etc. (meaning trademark rights and exclusive or non-exclusive rights to use trademarks under the Trademark Act (Act No. 127 of 1959, as amended));
 - (ii) copyrights etc. under the Copyright Act (Act No. 48 of 1970, as amended)
 - (iii) rights to use the source of a hot spring (onsen) under the Hot Spring Act (Act No. 125 of 1948, as amended) and related facilities;
 - (iv) movables (meaning, of the movables provided for in the Civil Code (Act No. 89 of 1896, as amended), facilities, equipment, and other structural or practical additions to the real estate); and
 - (v) carbon dioxide equivalent quotas under the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, as amended) and other similar rights, and emission credits (including greenhouse gas emission credits).
- 11.4 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 11.1 through Article 11.3 shall apply.

Article 12 Investment Policy

- 12.1 The real estate that forms the main part of or the underlying in the Real Estate Related Assets in which the Investment Corporation invests is to mainly consist of real estate used for *ryokan* (meaning lodgings whose main structure and facilities are Japanese style; the same hereinafter), hotels (meaning lodgings whose main structure and facilities are Western style; the same hereinafter), or other facilities available for or possibly available for accommodation, and for baths (public bathing facilities which employ onsen or other similar facilities; the same hereinafter), resort facilities (facilities to provide opportunities for sports or recreation activities during leisure time; the same hereinafter), amusement parks, or other facilities for utilizing leisure time (including multi-use facilities that contain the foregoing), and accommodation facilities (meaning rental houses, student apartments, company dormitories, serviced apartments, shared houses and senior citizen facilities and residences, etc. and other facilities used or capable of being used for residential purposes; the same hereinafter).
- 12.2 When investing in Real Estate Related Assets, the Investment Corporation shall (a) conduct economic research into the estimated revenue and the potential and stability of the location of, (b) physically inspect the construction specifications, premises and equipment, earthquake-proofing, property management status, environment, and soil quality of, and (c) make legal inquiries into the rights that exist with respect to the buildings on the real estate that forms the main part of or the underlying in the Real

- Estate Related Assets, and comprehensively review the results.
- 12.3 The Investment Corporation may take any measures necessary to protect the unitholders' interests if macroeconomic conditions such as general economic conditions, financial conditions, consumer attitudes, real estate market conditions, or the economic environment of the Investment Corporation suddenly change, the unitholders' affiliations or the status of distributions to unitholders changes, or the unitholders' interests may be damaged for other reasons.
- 12.4 The Investment Corporation may extend and reconstruct, alter the specifications of, or conduct other additional investment into the real estate that forms the main part of or the underlying in the Real Estate Related Assets in order to maintain stable distributions to unitholders.

Article 13 Investment Restrictions

- 13.1 The Investment Corporation will invest in the monetary claims listed in Article 11.2(v) and securities listed in Article 11.2(vi) by taking safety and liquidity factors into full consideration and will not conduct such investment solely to obtain active investment returns.
- 13.2 The Investment Corporation will invest in rights pertaining to the derivative transactions listed in Article 11.2(vii) only for the purpose of: realizing the same level of profit and loss compared to the case where the Investment Corporation owns the assets in which it may invest, reducing the risks arising from price and interest rate fluctuations on the Investment Corporation's assets or liabilities, and, by means of forward foreign exchange transactions, reducing the risks arising from exchange rate fluctuations on the Investment Corporation's assets or liabilities.
- 13.3 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, 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.

Article 14 Reinvestment of Income, etc.

The Investment Corporation may invest or reinvest proceeds from the disposition of Managed Assets, proceeds from the redemption of, interest on, and other earnings from securities, trust dividends, distributions on *Tokumei Kumiai* Equity Interests, income from the leasing or management of real estate, and other income, and security deposits, guarantee deposits, and other deposits.

Article 15 Purpose and Scope of Leasing of Underlying Assets

- 15.1 The Investment Corporation shall, in principle, lease all real estate forming part of the Managed Assets (including the real estate that forms the main part of or the underlying in the Real Estate Related Assets obtained by the Investment Corporation) through the execution of a lease agreement with a third party 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, signboards, and equipment; the same hereinafter in this Article 15). 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.

- 15.2 In leasing real estate, the Investment Corporation may receive security deposits, guarantee deposits, and other similar monies, which it shall manage in accordance with Articles 10 through Article 14.
- 15.3 The Investment Corporation may lease the Managed Assets that are not real estate (including the real estate that forms the main part of or the underlying in the Real Estate Related Assets obtained by the Investment Corporation; the same hereinafter in this Article 15).
- 15.4 As part of its asset management operations, the Investment Corporation may sublease real estate after leasing that real estate from a third party.

Section IV Asset Valuation

Article 16 Principles of Asset Valuation

The Investment Corporation shall value the Managed Assets in accordance with generally accepted corporate accounting practices. To ensure the reliability of valuation results, the Investment Corporation shall value the Managed Assets with care and in good faith for the interest of unitholders, in compliance with the general principle of consistency.

Article 17 Asset Valuation Reference Date

The reference date for the Investment Corporation's asset valuation is to be the Closing Date provided for in Article 24; provided, however, that the reference date is the end of each month for those assets provided for in Article 11.1(1) and Article 11.2 that may be valued using the market price (the transaction price on a financial instruments exchange, the price published by the Japan Securities Dealers Association or a similar organization, or the transaction price that emerges on a similar transaction system that allows liquidation by purchase and disposition on demand; the same hereinafter).

Article 18 Method of Asset Valuation and Criteria

The criteria and methods for valuing the assets of the Investment Corporation are to be stipulated for each type of Managed Assets and are, in principle, as follows:

- (1) Real estate, leasehold rights in real estate and surface rights (as provided for in Article 11.1(1)(i) through Article 11.1(1)(iii))
The valuation shall be the amount calculated by deducting the accumulated depreciation from the acquisition value. The straight-line method shall be used to calculate the amount of depreciation for buildings and equipment, etc.; provided, however, that another calculation method may be used if the Investment Corporation considers it inappropriate to use the method used by the Investment Corporation for any justifiable reason, and as far as it can be reasonably 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 (as provided for in Article 11.1(1)(vi))
In cases where the trust assets are any of the assets listed in Article 18.1(1), the valuation shall be made pursuant to Article 18.1(1), while financial assets and liabilities shall be valued based on the net asset value of trust, calculated by deducting the total amount of trust liabilities from the total amount of trust assets after valuation in accordance with the generally accepted corporate accounting practices.
- (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 (as provided for in Article 11.1(1)(v))

In cases where the trust assets are any of the assets listed in Article 18.1(1), the valuation shall be made pursuant to Article 18.1(1), while financial assets and liabilities shall be valued based on the net asset value of trust, calculated by deducting the total amount of trust liabilities from the total amount of trust assets after valuation in accordance with the generally accepted corporate accounting practices.

- (4) *Tokumei Kumiai* Equity Interests (as provided for in Article 11.1(1)(vi))
In cases where the *tokumei kumiai* property is composed of the assets listed in Article 18.1(1) through Article 18.1(3), the valuation shall be made pursuant to the relevant item, while financial assets and liabilities shall be valued based on the equity interests of the Investment Corporation in the net asset value of the *tokumei kumiai*, calculated by deducting the total amount of *tokumei kumiai* liabilities from the total amount of *tokumei kumiai* assets after valuation in accordance with the generally accepted corporate accounting practices.
- (5) Beneficial interests in monetary trusts the purpose of which is to manage the trust assets through investment primarily in *Tokumei Kumiai* Equity Interests (as provided for in Article 11.1(1)(vii))
The valuation shall be made after valuation pursuant to Article 18.1(4) based on the net asset value of trust, calculated by deducting the total amount of trust liabilities from the total amount of *Tokumei Kumiai* Equity Interests.
- (6) Securities (as provided for in Article 11.1(2), Article 11.1(2)(iii), Article 11.1(2)(iv), and Article 11.1(2)(vi))
The valuation shall be made as follows;
 - (a) if the securities are classified as held-to-maturity bonds, the valuation shall be made using the acquisition cost; provided, however, that in cases where such bonds are acquired for an amount either higher or lower than the face value and the nature of the difference between the acquisition price and the face value is deemed to be an adjustment related to interest rates, the value shall be the amount calculated by using the amortized cost method.
 - (b) if the securities are classified as other securities, the valuation shall be made using the current price; provided, however, that in cases where such securities are shares or other securities (including contributions that give rise to equity claims in the same manner as shares) with no market price, the valuation shall be made using the acquisition cost.
- (7) Monetary claims (as provided for in Article 11.2(v))
The valuation shall be made using an amount calculated by deducting the allowance for bad debts, calculated based on the estimated uncollectible amount, 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 (as provided for in Article 11.2(vii))

- (i) The valuation of net claims and obligations arising from transactions of derivatives shall be made based on the current price.
 - (ii) Hedge accounting may be applied in cases which are deemed as hedge transactions in accordance with generally accepted corporate accounting practices. Further, special treatment for interest rate swaps under accounting for financial instruments and the appropriation treatment under foreign currency-denominated transactions accounting standards relating to forward exchange contracts, etc. may be accounted for accordingly.
- (9) **Movables (as provided for in Article 11.3(iv))**
 The valuation shall be made based on 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; provided, however, that other calculation methods 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.
- (10) **Other**
 If the valuation method is not provided in the foregoing, the valuation shall be made for each type of Managed Assets based on the valuation rules prescribed by the Investment Trusts Association, Japan (“**JITA**”), or based on the amount valued pursuant to generally accepted corporate accounting standards.

Article 19 Price Used in Securities Registration Statement, Securities Report, Asset Management Report, Etc.

If a valuation is made by a method other than those provided for in Article 18 for the purpose of disclosure in the securities registration statement, the securities report, and 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 appraised value based on an appraisal conducted by a real property appraiser.
- (2) **Beneficial interests of trusts regarding real estate, leasehold rights in real estate and surface rights**
 If the trust assets are composed of real estate, leasehold rights in real estate and surface rights, the valuation shall be made in accordance with Article 19(1). Financial assets and liabilities shall be valued based on the net asset value of trust, calculated by deducting the total amount of trust liabilities from the total amount of trust assets after valuation in accordance with the generally accepted corporate accounting practices.
- (3) ***Tokumei Kumiai* Equity Interests**
 If the *Tokumei Kumiai* Equity Interests are composed of beneficial interests of trusts regarding real estate, leasehold rights in real estate and surface rights, the valuation shall be made in accordance with Article 19(1). Financial assets and liabilities shall be valued based on the net asset value of trust, calculated by deducting the total amount of trust liabilities from the total amount of trust assets after valuation in accordance with the generally accepted corporate accounting practices.
- (4) **Rights pertaining to derivative transactions (if special treatment for interest rate swaps is adopted under Article 18.1(8)(ii))**

The valuation shall be made based on the value provided for in Article 18.1(8)(i).

Section V Borrowing and Issuance of Investment Corporation Bonds

Article 20 Purpose of Borrowing and Issuance of Investment Corporation Bonds

With the aim of securing stable income in the medium to long term and steady growth of the Managed Assets, the Investment Corporation may enter into borrowings or issue investment corporation bonds (including short-term investment corporation bonds; the same hereinafter in this Section) from qualified institutional investors as defined in Article 2(3)(i) of the FIEA (and limited to qualified institutional investors under the Ordinance of the Ministry of Internal Affairs and Communications that are provided for in Article 67-15 (1)(b)(ii) of the Act on Special Measures Concerning Taxation and Article 7.7(3) of the Supplementary Provisions of Local Tax Act Enforcement Order (Order No. 245 of 1950, as amended). Upon issuing investment corporation bonds, the Investment Corporation shall, under the provisions of laws and ordinances, entrust to a third party the administrative services related to the solicitation of subscribers for, transfer, and issue of those investment corporation bonds, the payment of interests or redemption proceeds to creditors of the Investment Corporation, the acceptance of requests to exercise voting rights or any other applications from creditors of the Investment Corporation, and other administrative services.

Article 21 Purpose of Funds Raised Through Borrowings and Issuance of Investment Corporation Bonds

Funds raised through borrowings and issuance of investment corporate bonds shall be used for the acquisition of assets, maintenance and repair, refund of security deposits, payment of distributions, payment of expenses incurred by the Investment Corporation, repayment of debt (including the repayment of borrowings and investment corporate bonds), and other uses.

Article 22 Maximum Amount of Borrowings and Issuance of Investment Corporation Bonds

The maximum principal amount of any borrowing and issuance of investment corporation bonds shall be one trillion (1,000,000,000,000) Japanese yen respectively, and the aggregate amount of the foregoing shall not exceed one trillion (1,000,000,000,000) Japanese yen.

Article 23 Pledge of Collateral

If the Investment Corporation borrows funds or issues investment corporate bonds, it may pledge the Managed Assets as collateral.

Section VI Fiscal Period and Closing Date

Article 24 Fiscal Period and Closing Date

The fiscal periods of the Investment Corporation each year shall be from June 1 through the last day of November and from December 1 through the last day of May of the following year (hereinafter, the last day of each fiscal period shall be referred to as the “**Closing Date**”).

Section VII Cash Distributions

Article 25 Policy for Cash Distributions

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

- 25.1 Calculation method for the total amount to be distributed to unitholders
- (1) Of the total amount to be distributed to unitholders, the profit (the “**Distributable Amount**”) shall mean profit as provided for in Article 136(1) of the Investment Trust Act.
 - (2) In principle, the Investment Corporation shall distribute an amount that exceeds the equivalent of 90% of the amount of its profit available for distribution as provided for in Article 67-15(1) of the Act on Special Measures Concerning Taxation (the “**Profit Available for Distribution**”; if the calculation of such amount changes due to any modification of laws or ordinances, meaning the amount after the modification; the same hereinafter in this Article 25).
The Investment Corporation may accumulate, retain or otherwise employ a long-term repair reserve, payment reserve, distribution reserve, reserve for reduction for special tax treatment for property replacement, reserve for adjustment of temporary difference, and any other similar reserves and allowances that are deemed necessary to maintain or improve the value of the Managed Assets or to maintain stable distributions.
The amount of profit which is reserved instead of being allocated to distributions shall be managed in accordance with the objects of asset management of the Investment Corporation and under the fundamental policy for asset management.

- 25.2 Distribution of cash in excess of profit
- If the Investment Corporation considers it appropriate in light of the economic environment, the trends of real estate markets and lease markets, and the status of assets and financial conditions, the Investment Corporation may distribute in excess of the Distributable Amount of the sum of the distribution amount provided for in Article 25.1(2) and the amount determined by the Investment Corporation to the extent of the amount determined by the rules of JITA. If it is possible to limit the tax (including corporation tax) imposed on the Investment Corporation, the Investment Corporation may distribute the sum of the distribution amount provided for in Article 25.1(2) and the allowance for adjustment of temporary difference, etc., determined by the Investment Corporation to the extent of the amount provided for in the rules of the JITA as distributions in excess of the Distributable Amount. If, in the above case, the distribution amount will not satisfy the requirement in the special provisions for tax imposed on the Investment Corporation as provided for in laws or ordinances, the amount determined by the Investment Corporation for the purpose of satisfying that requirement may be distributed in excess of Distributable Amount. The amount distributed to unitholders in excess of profit shall be deducted from capital surplus first and then the remaining amount after the deduction from such capital surplus shall be deducted from unitholders’ capital.

Article 26 Method of Distribution

The Investment Corporation shall pay distributions to unitholders and registered investment unit pledgees who are recorded or registered in the final unitholders’ register as of each Closing Date, in principle within three (3) months after the Closing Date, in accordance with the number of investment units held or pledged.

Article 27 Expiration of Distributions

If the payment of distributions to any unitholder is 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. No interest shall accrue on any unpaid distributions.

Article 28 Rules of JITA

When making distributions, the Investment Corporation shall comply with the rules and regulations stipulated by JITA in addition to these Articles of Incorporation.

Section VIII Costs and Expenses

Article 29 Asset Management Fees Payable to Asset Manager

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

Article 30 Remuneration of Directors

The Investment Corporation shall pay monthly remuneration to each executive director of an amount determined by the board of directors up to an amount equivalent to eighty thousand (800,000) Japanese yen per month, by transfer into the account specified by each executive director no later than the last business day of the relevant month. In addition, the Investment Corporation shall pay monthly remuneration to each supervisory director of an amount determined by the board of directors up to an amount equivalent to fifty thousand (500,000) Japanese yen per month, by transfer into the account specified by each supervisory director no later than the last business day of the relevant month.

Article 31 Fees Payable 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 twenty million (20,000,000) Japanese yen per fiscal period subject to audit, by transfer into the account specified by the accounting auditor, no later than three months after receipt of all audit report documents required pursuant to the Investment Trust Act and other laws and regulations.

Article 32 Expenses

32.1 The Investment Corporation shall bear all taxes and public charges in connection with the Managed Assets, expenses incurred by the general administrator, asset manager and custodian in handling the business operations and administrative services entrusted by the Investment Corporation, and interest and default charges with respect to advances paid by the general administrator, asset manager and custodian.

32.2 In addition to Article 32.1, the Investment Corporation shall bear the following expenses:

- (1) expenses in connection with the issuance of investment units or investment equity subscription rights and listing;
- (2) expenses pertaining to the preparation, printing, and submission of the securities registration statement, the securities report, extraordinary reports and other statutory disclosure documents (including amendments to those statements and reports);
- (3) expenses pertaining to the preparation, printing, and delivery of the prospectus and the preliminary prospectus (including amendments thereto);
- (4) expenses pertaining to the preparation, printing, and delivery of the financial statements, asset management reports, and other documents provided for by

- laws and ordinances (including the additional expenses required if those documents are to be submitted to the regulatory authorities);
- (5) expenses pertaining to public notices of the Investment Corporation and advertising;
 - (6) remuneration and expenses pertaining to experts (including remuneration and expenses pertaining to legal advisors, tax advisers, judicial scriveners, and other experts engaged by the Investment Corporation, and expenses in connection with the appraisal, inspection of assets);
 - (7) expenses pertaining to holding general meetings of unitholders and the board of directors, expenses pertaining to public notice of such meetings, and expenses pertaining to the preparation, printing, and delivery of documents to be sent to unitholders;
 - (8) actual costs, insurance premiums, advances, and other expenses pertaining to executive directors and supervisory directors;
 - (9) expenses pertaining to the acquisition, management, operation, disposal and others of Managed Assets (including brokerage fees, management commission fees, damage insurance premiums, maintenance and repair costs, utilities expenses, etc.);
 - (10) interest pertaining to borrowings and investment corporation bonds;
 - (11) expenses required for the operation of the Investment Corporation; and
 - (12) any other expenses similar to any of preceding items that are to be borne by the Investment Corporation.

Article 33 Consumption Tax and Local Consumption Tax

The Investment Corporation shall bear consumption tax and local consumption tax (the “**Consumption Tax, etc.**”) 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 “**Taxable Items**”) and pay an amount equivalent to the Consumption Tax, etc. in addition to the amount of the Taxable Items.

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

Section IX General Meeting of Unitholders

Article 34 Convocation and Holding of a General Meeting of Unitholders

- 34.1 A general meeting of unitholders of the Investment Corporation shall be held at least once every two (2) years in principle.
- 34.2 Unless otherwise provided for in the applicable laws or ordinances, general meetings of unitholders shall be convened by an executive director, and 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 executive directors.
- 34.3 A general meeting of unitholders shall be convened on February 5, 2018 (or without delay thereafter), and subsequently be convened on February 5 of every second subsequent year (or without delay thereafter). Additional general meetings of unitholders may be held when necessary.
- 34.4 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 (2) months prior to such date, and notice thereof in writing or notice thereof by electronic or magnetic means as

provided for in the applicable laws or ordinances shall be provided to the unitholders no later than two (2) 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 twenty-five (25) months from the date of the immediately preceding general meeting of unitholders held pursuant to the first sentence of Article 34.3.

- 34.5 When convening a general meeting of unitholders, the Investment Corporation shall take electronic delivery measures to provide the contents of general meeting of unitholders reference documents, etc.
- 34.6 Of the items to be provided by electronic delivery measures prescribed in the Cabinet Office Order, the Investment Corporation may omit all or any of these items from documents to be delivered to unitholders that have requested the delivery of hard copies on or before the record date for entitlement to voting rights.

Article 35 Chairperson of a General Meeting of Unitholders

The executive director shall preside over the general meeting of unitholders if there is only one executive director, and 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 36 Record Date

- 36.1 If the Investment Corporation holds a general meeting of unitholders within three months after the Closing Date of the immediately preceding fiscal period, the unitholders registered or recorded in the final unitholders' register as of that immediately preceding Closing Date shall be the unitholders entitled to exercise their voting rights at the general meeting of unitholders.
- 36.2 Notwithstanding the provision of Article 36.1, the Investment Corporation may, upon issuing advance public notice thereof by a resolution of the board of directors, treat the unitholders or registered investment unit pledgees registered or recorded in the unitholders' register as of a certain date as the unitholders or registered investment unit pledgees entitled to exercise their rights.

Article 37 Exercise of Voting Rights by Proxy

- 37.1 A unitholder may exercise voting rights by a proxy, who must be a unitholder of the Investment Corporation with voting rights.
- 37.2 In the case of Article 37.1, 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.

Article 38 Exercise of Voting Rights in Writing

- 38.1 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.
- 38.2 The number of voting rights exercised in writing shall be included in the number of voting rights of unitholders present.

Article 39 Exercise of Voting Rights by Electromagnetic Means

- 39.1 The Investment Corporation may stipulate that unitholders not present at a general meeting of unitholders may exercise voting rights by electromagnetic means with a resolution of the board of directors.
- 39.2 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.
- 39.3 The number of voting rights exercised by electromagnetic means shall be included in the number of voting rights of unitholders present.

Article 40 Method of Resolution by the General Meeting of Unitholders

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 41 Deemed Approval

- 41.1 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).
- 41.2 The number of voting rights represented by the unitholders who are deemed to have approved the proposals under Article 41.1 shall be included in the number of voting rights represented by the unitholders present.
- 41.3 The provisions of Articles 41.1 and 41.2 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 with the asset manager;
 - (3) dissolution;
 - (4) consolidation of investment units; or
 - (5) exemption of executive directors, supervisory directors, or accounting auditor from liability.
- 41.4 The provisions of Articles 41.1 and 41.2 shall not apply to a proposal for amendment to these Articles of Incorporation to change this Article.

Article 42 Minutes of the General Meeting of Unitholders

- 42.1 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.
- 42.2 The executive directors of the Investment Corporation shall keep the minutes provided for in Article 42.1 at the Investment Corporation's head office for 10 (ten) years.

Section X Directors and the Board of Directors

Article 43 Number 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).

Article 44 Election of Directors

Executive directors and supervisory directors (the “**Directors**”) shall be elected by a resolution of the general meeting of unitholders.

Article 45 Term of Office of Directors

- 45.1 The term of office of directors shall be 2 (two) years; provided, however, (i) that this shall not preclude the extension or shortening of the term of office, to the extent prescribed by laws and ordinances, by a 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.
- 45.2 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 46 Convener and Chairperson of the Board of Directors

- 46.1 Executive directors and supervisory directors shall compose the board of directors.
- 46.2 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 of the executive directors shall convene and preside over the meetings of the board of directors in accordance with the sequence predetermined by the board of directors.
- 46.3 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 47 Method of 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 48 Regulations of the Board of Directors

Unless otherwise provided for in 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.

Article 49 Exemption of Directors from Liability for Damages

The Investment Corporation may, under Article 115-6(7) of the Investment Trust Act, 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 Trust Act by a 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 50 Minutes of the Board of Directors

- 50.1 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.
- 50.2 Executive directors of the Investment Corporation shall keep the minutes provided for in Article 50.1 at the Investment Corporation’s head office for ten (10) years.

Section XI Accounting Auditor

Article 51 Appointment of Accounting Auditor

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

Article 52 Term of Appointment of Accounting Auditor

- 52.1 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.
- 52.2 Unless it is otherwise resolved at the general meeting of unitholders referred to in Article 52.2, the accounting auditor shall, at such general meeting of unitholders, be deemed to have been reappointed.

Article 53 Exemption of Accounting Auditor from Liability to the Investment Corporation for Damages

The Investment Corporation may, under Article 115-6(7) of the Investment Trust Act, to the extent provided for by laws and ordinances, exempt the accounting auditor from the liability for damages provided for in Article 115-6(1) of the Investment Trust Act by a resolution of the board of directors if the accounting auditor 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 accounting auditor, and other circumstances.

Section XII Entrustment of Operations and Administrative Services

Article 54 Entrustment of Operations and Administrative Services

- 54.1 The Investment Corporation shall, pursuant to Article 198 and Article 208 of the

- Investment Trust Act, entrust the operations for the management of assets to the asset manager and the operations for the custody thereof to the custodian.
- 54.2 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 provided for in Article 117 of the Investment Trust Act to a third party.
- 54.3 The Investment Corporation shall, as necessary, entrust to the general administrator appointed by the board of directors administrative services related to (a) the solicitation of subscribers for investment units and investment corporation bonds issued by the Investment Corporation and the allotment of investment equity subscription rights without contribution, (b) the investment equity subscription rights register and investment corporation bonds register, including the preparation and maintenance of those registers, (c) the issuance of investment units and investment corporation bonds, (d) holders of investment equity subscription rights and creditors of the investment corporation (meaning the affairs provided for by Article 169.2 (iv), Article 169.2 (v) and Article 169.2 (v)-2 of Investment Trust Act Enforcement Ordinance), and (e) the acquisition of investment units of the Investment Corporation.

Section XIII Supplementary Provision

Article 55 Application of regulations, etc. concerning the location of head office.

- 55.1 The revision to Article 3 shall take effect on March 1, 2025.
- 55.2 This chapter shall be deleted on March 1, 2025.

End of document.

Attachment Asset Management Fees Payable to Asset Manager

- Enacted: March 28, 2016
 Amended: June 30, 2016
 Amended: February 27, 2018
 Amended: February 25, 2020
 Amended: February 25, 2022
 Amended: February 27, 2023
 Amended: February 27, 2024

Asset Management Fees Payable to Asset Manager

The calculation method and payment period of the asset management fees to be paid to the asset manager are set out below. The Investment Corporation is to transfer an amount equal to these fees plus the applicable consumption tax and local consumption tax into the account specified by the asset manager.

1. Method of calculating the asset management fees

The asset management fees to be paid to the asset manager consist of Asset Management Fees I and II, acquisition fees, disposition fees, and merger fees.

(1) Asset Management Fee I

“**Asset Management Fee I**” for each fiscal period of the Investment Corporation is the product (prorated according to the number of calendar days in that fiscal period on the basis of a 365-day year; any remainder less than one yen to be rounded down) of the total assets as recorded on the balance sheet (only if approved by the board of directors of the Investment Corporation pursuant to the Investment Trust Act; the same hereinafter) of the Investment Corporation as at the Closing Date of the fiscal period immediately preceding that fiscal period (the “**Immediately Preceding Fiscal Period**”) plus the total of the acquisition price(s) (less consumption tax, local consumption tax and expenses related to acquisition; the same hereinafter) of any assets acquired during that fiscal period prorated according to the number of calendar days between the date of acquisition of each asset and the Closing Date of that fiscal period compared to the total number of calendar days in that fiscal period (any remainder less than one yen to be rounded down), minus the book value as at the time of disposition of any assets sold during that fiscal period prorated according to the number of calendar days between the date of disposition and the Closing Date of that fiscal period compared to the total number of calendar days in that fiscal period (any remainder less than one yen to be rounded down), and a fee rate no greater than 1.0% separately agreed upon between the Investment Corporation and the asset manager (“**Asset Management Fee Rate I**”).

However, Asset Management Fee I for the fiscal period in which the management of the Investment Corporation’s assets is first commenced (the “**Initial Fiscal Period**”) is the product (prorated according to the number of calendar days in the Initial Fiscal Period on the basis of a 365-day year; any remainder less than one yen to be rounded down) of the acquisition price(s) of any assets acquired during the Initial Fiscal Period prorated according to the number of calendar days between the date of acquisition of each asset and the Closing Date of the Initial Fiscal Period compared to the total number of calendar days in the Initial Fiscal Period (any remainder less than one yen to be rounded down) and Asset Management Fee Rate I.

(2) Asset Management Fee II

“**Asset Management Fee II**” is an incentive based on the increase or decrease in the Investment Corporation’s distributions per investment unit for each fiscal period compared to the Immediately Preceding Fiscal Period, calculated as the product (any remainder less than one yen to be rounded down) of Asset Management Fee II for the Immediately Preceding Fiscal Period and the ratio of the amount obtained by dividing the Distributable Amount before deduction of

Asset Management Fee II for that fiscal period (including any distribution in excess of profit approved by the board of directors of the Investment Corporation; calculated by a method separately agreed upon between the Investment Corporation and the asset manager) by the total number of outstanding investment units as at the Closing Date of that fiscal period (if the Investment Corporation holds any of its own investment units that have not been disposed of or retired by the Closing Date of that fiscal period, meaning the total number of outstanding investment units as at the Closing Date of that fiscal period less any such investment units held) to an amount calculated in the same way for the Immediately Preceding Fiscal Period, multiplied by a multiplier separately agreed upon between the Investment Corporation and the asset manager (the “**Revised Asset Management Fee II Multiplier**”).

However, Asset Management Fee II for the Investment Corporation’s Initial Fiscal Period shall be an amount agreed upon between the Investment Corporation and the asset manager, taking into account the ratio of the total of Asset Management Fees I and II to the total asset balance, and Asset Management Fee II for the immediately following fiscal period will be calculated using the product (any remainder less than one yen to be rounded down) of the amount per day obtained by dividing Asset Management Fee II for the Initial Fiscal Period over to the number of calendar days between the acquisition date of real estate, etc., and the Closing Date of the Initial Fiscal Period, and the number of calendar days in the immediately following fiscal period.

Method of calculation:

$$\text{Asset Management Fee II for each fiscal period} = \text{Asset Management Fee II for the Immediately Preceding Fiscal Period} \times (\text{Distributable Amount per investment unit before deduction of Asset Management Fee II for that fiscal period} \div \text{Distributable Amount per investment unit before deduction of Asset Management Fee II for the Immediately Preceding Fiscal Period}) \times \text{the Revised Asset Management Fee II Multiplier.}$$

- (3) **Acquisition fees**
 When the Investment Corporation acquires an asset (excluding the case where the Investment Corporation succeeds an asset through the Merger provided for in Item (5) of this paragraph), the acquisition fee is to be the product of the acquisition price of that asset and a fee rate no greater than 1.0% (0.5% in the case of an acquisition from an interested party, etc., as defined in the asset manager’s regulations on transactions with interested parties, etc.) separately agreed upon between the Investment Corporation and the asset manager (however, if the acquisition fee calculated for a given asset would be less than five million (5,000,000) million Japanese yen, the acquisition fee for that asset shall be five million (5,000,000) million Japanese yen).
- (4) **Disposition fees**
 When the Investment Corporation sells an asset (excluding the case where an asset is succeeded through the Merger provided for in Item (5) of this paragraph), the disposition fee is to be the product of the disposition price (less consumption tax, local consumption tax and expenses related to the disposition) and a fee rate no greater than 1.0% (0.5% in the case of disposition to an interested party, etc., as defined in the asset manager’s regulations on transactions with interested parties, etc.) separately agreed upon between the Investment Corporation and the asset manager.
- (5) **Merger fees**

In the case of a consolidation-type merger or absorption-type merger between the Investment Corporation and another investment corporation (including the case where the Investment Corporation becomes a surviving corporation in an absorption-type merger, and becomes an absorbed corporation in an absorption-type merger) (collectively, the “**Merger**”), provided that the asset manager performs an examination and evaluation of the assets held by such other investment corporation, and other services related to the Merger, and the Merger takes effect, (i) if the Investment Corporation carries out an absorption-type merger or consolidation-type merger with such other investment corporation where such other investment corporation becomes an absorbed corporation in an absorption-type merger, the merger fee is to be the product of the appraised value, at the time of such Merger taking effect, of the assets such as the Real Estate Related Assets and Real Estate Related Loans (collectively meaning monetary claims such as loan claims to specified purpose companies (as provided for in the Asset Securitization Act), special purpose companies, and other companies of a similar form whose purpose is to make investment in Real Estate) (the “**Real Estate Related Monetary Claims**”), bond certificates issued by limited liability companies whose purpose is to make investment in the Real Estate Related Monetary Claims, and beneficial interests of trusts whose main trust assets are the Real Estate Related Monetary Claims; the same applies hereinafter) held by such other investment corporation that the Investment Corporation or a corporation incorporated in such consolidation-type merger succeeds, and a fee rate no greater than 1.0% separately agreed upon between the Investment Corporation and the asset manager, and (ii) if the Investment Corporation carries out an absorption-type merger with such other investment corporation where such other investment corporation becomes a surviving corporation in an absorption-type merger, the merger fee is to be the product of the appraised value, at the time of such Merger taking effect, of the assets such as the Real Estate Related Assets and real estate related loans held by such other investment corporation that such other investment corporation continues to hold through such Merger, and a fee rate no greater than 1.0% separately agreed upon between the Investment Corporation and the asset manager.

(6) **Remarks**

When agreeing on Asset Management Fee I and the amount of Asset Management Fee II for the Initial Fiscal Period, the Investment Corporation and the asset manager shall ensure that the currently expected total of Asset Management Fees I and II as does not exceed approximately 1% of the total assets currently expected to be recorded on the balance sheet for the relevant fiscal period.

2. **Timing of payment of asset management fees**

(1) **Asset Management Fee I**

Asset Management Fee I is to be paid in installments on the following dates.

- (i) Three months after the Closing Date of the Immediately Preceding Fiscal Period (or on the last day of September 2016 for the Initial Fiscal Period): Payment of the product (prorated according to the number of calendar days in the three month period beginning on the Closing Date of the Immediately Preceding Fiscal Period (the “**Interim Calculation Period**”) on the basis of a 365-day year; any remainder less than one yen to be rounded down) of the total asset value as recorded on the balance sheet as at the Closing Date of the Immediately Preceding Fiscal Period (to be

treated as 0 for the Initial Fiscal Period) plus the acquisition price(s) of any assets acquired during the Interim Calculation Period (in the case of the Initial Fiscal Period, meaning the period from the commencement of asset management through the last day of September 2016) prorated according to the number of calendar days from the acquisition date of each asset through the end of the Interim Calculation Period compared to the total number of calendar days in the Interim Calculation Period (any fraction less than one yen to be rounded down), minus the book value at the time of disposition of any assets sold during the Interim Calculation Period prorated according to the number of calendar days between the date of disposition of each asset and the end of the Interim Calculation Period compared to the total number of calendar days in the Interim Calculation Period (any fraction less than one yen to be rounded down), and Asset Management Fee Rate I (that product, the “**Interim Payment**”).

- (ii) One month after the Closing Date of the relevant fiscal period (December 31, 2016 for the Initial Fiscal Period):

Payment of Asset Management Fee I for the relevant fiscal period, less the amount of any Interim Payment already paid.

(2) **Asset Management Fee II**

To be paid within three months after the Closing Date of the relevant fiscal period.

(3) **Acquisition fees**

To be paid by the end of the month after the month in which the relevant asset is acquired (the date of acquisition is to be the date when the assignment of ownership rights takes effect).

(4) **Disposition fees**

To be paid by the end of the month after the month in which the relevant asset is sold (the date of disposition is to be the date when the assignment of ownership rights takes effect).

(5) **Merger fees**

To be paid within three months of the end of the month in which the Merger effective date belongs.

End of document.