

[Translation]

ARTICLES OF INCORPORATION

MORI HILLS REIT INVESTMENT CORPORATION

[NOTICE: This is a translation of the Japanese original for convenience purposes only, and in the event of any discrepancy, the Japanese original shall prevail.]

**ARTICLES OF INCORPORATION
OF
MORI HILLS REIT INVESTMENT CORPORATION**

CHAPTER I GENERAL PROVISIONS

Article 1 Trade Name

The name of the Investment Corporation shall be *Mori Hills Reit Toshi Hojin* in Japanese, expressed as MORI HILLS REIT INVESTMENT CORPORATION in English.

Article 2 Purpose

The purpose of the Investment Corporation shall be to manage its assets pursuant to the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended, or the “Investment Trusts Act”) principally through investments in real estate and other Specified Assets (as defined in Article 2, Paragraph 1 of the Investment Trusts Act).

Article 3 Location of Head Office

The head office of the Investment Corporation shall be located 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*.

CHAPTER II INVESTMENT UNITS

Article 5 Total Number of Authorized Investment Units

1. The total number of investment units of the Investment Corporation authorized to be issued shall be ten million (10,000,000) units.
2. The issue price of investment units offered in Japan must account for more than fifty (50) percent of the aggregate issue price of the investment units of the Investment Corporation.
3. With the approval of the board of directors, the Investment Corporation may solicit subscription for investment units within the limit of the total number of investment units authorized to be issued pursuant to Paragraph 1. The per unit amount to be paid for the subscribed investment units (which means the investment units allotted to persons who subscribe for such investment units in response to such solicitation) shall be an amount approved by the board of directors as the fair value in light of the assets held by the Investment Corporation (the “Operating Assets”).

Article 6 Matters concerning Handling of Investment Units

The handling of investment units, including registration or recording in the registry of unitholders of the Investment Corporation and the associated fees, shall be in accordance with applicable laws and regulations and these Articles of Incorporation, as well as the investment units handling rules prescribed by the board of directors.

Article 7 Value of Minimum Net Assets to be Held by the Investment Corporation at Any Time

The value of minimum net assets to be held by the Investment Corporation shall be fifty million (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

1. The Investment Corporation shall not redeem any investment units at the request of unitholders.
2. The Investment Corporation may acquire its investment units for value through agreement with unitholders.

CHAPTER III GENERAL MEETING OF UNITHOLDERS

Article 9 Convocation of General Meetings of Unitholders

1. General meetings of unitholders of the Investment Corporation shall be held somewhere within the 23 wards of Tokyo.
2. Unless otherwise provided by applicable laws and regulations, a general meeting of unitholders shall be convened with the approval of the board of directors by the executive director if the Investment Corporation has one executive director, or by one of the executive directors pursuant to procedures determined in advance by the board of directors if the Investment Corporation has two or more executive directors.
3. A general meeting of unitholders of the Investment Corporation shall be convened on April 1, 2017 (or without delay thereafter), and subsequently be convened on April 1 (or without delay thereafter) every two years thereafter. In addition, the general meetings of unitholders shall be held when it is necessary.
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 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 pursuant to the first sentence of the preceding paragraph.
5. The convening executive director may, in lieu of providing written notice as set forth in the immediately preceding paragraph, provide such notice by electromagnetic means with the consent of the unitholders, as provided by applicable laws and regulations.

Article 10 Chair of General Meetings of Unitholders

The executive director shall chair general meetings of unitholders if the Investment Corporation has one executive director, and one of the executive directors shall chair general meetings of shareholders pursuant to procedures determined in advance by the board of directors if the Investment Corporation has two or more executive directors. If one or more executive directors is absent or has been in an accident, one of the supervisory directors shall chair the general meeting of unitholders pursuant to procedures determined in advance by the board of directors.

Article 11 Resolutions of the General Meeting of Unitholders

Unless otherwise provided by applicable laws and regulations or these Articles of Incorporation, resolutions of a general meeting of unitholders shall be adopted by a majority of the votes of the unitholders present.

Article 12 Exercise of Voting Rights by Proxy

1. A unitholder may exercise his or her voting rights by designating as proxy another unitholder having voting rights in the Investment Corporation. In such a case, such unitholder or the person designated as proxy shall be required to submit in advance a document certifying such proxy authority to the Investment Corporation at each general meeting of unitholders.
2. The unitholder or the person designated as proxy set forth in the preceding paragraph may provide the Investment Corporation with the items required to be stated in the document certifying the proxy authority by electromagnetic means in lieu of submitting such document. In such case, the unitholder or the person designated as proxy who intends to provide the required matters by electromagnetic means shall be required to obtain prior approval in writing or by electromagnetic means by notifying the Investment Corporation of the type of electromagnetic means and details thereof.

Article 13 Exercise of Voting Rights in Writing

1. A unitholder may exercise voting rights in writing by stating the necessary items for the exercise of voting rights in a document (the "Voting Card") and submitting the completed Voting Card to the Investment Corporation by the time specified by applicable laws or regulations.
2. The number of voting rights exercised in writing pursuant to the preceding paragraph shall be included in the number of voting rights of unitholders present.

Article 14 Exercise of Voting Rights by Electromagnetic Means

1. A unitholder shall exercise voting rights by electromagnetic means by providing the Investment Corporation with the items required to be stated in the Voting Card by electromagnetic means by the time and means specified by applicable laws or regulations and with the consent of the Investment Corporation.
2. The number of voting rights exercised by electromagnetic means pursuant to the preceding paragraph shall be included in the number of voting rights of unitholders present.

Article 15 Deemed Affirmative Vote

1. If a unitholder neither attends a general meeting of unitholders nor exercises voting rights, such unitholder shall be deemed to have voted affirmatively to the proposal submitted to the general meeting of unitholders (except for any conflicting proposals if multiple proposals have been submitted).
2. The number of voting rights held by the unitholders deemed to have voted affirmatively for the proposal pursuant to the preceding paragraph shall be included in the number of voting rights of unitholders present.
3. The provisions of the preceding two paragraphs shall not apply where (i) within two weeks from the earlier of the date on which the Investment Corporation announces on its website or the date on which the person who has the right to convene the meeting announces in a similar manner that a proposal concerning one of the following items will

be submitted to the general meeting of unitholders, unitholders who have continuously held investment units of at least 1% of the total number of investment units issued and outstanding for six months or more notify the Investment Corporation (or both the Investment Corporation and the person who has the right to convene the meeting, if the person who has the right to convene the meeting is not an executive director or supervisory director) of their opposition to the proposal or (ii) the Investment Corporation states in the notice of convocation or announces on its website its opposition to a proposal concerning one of the following items.

- (1) Appointment or dismissal of an executive director or supervisory director
 - (2) Dissolution
 - (3) Consent to the termination of the asset management entrustment agreement by the asset management company (as defined in Article 38)
 - (4) Approval or termination of the asset management entrustment agreement by the Investment Corporation
4. The provisions of Paragraphs 1 and 2 shall not apply to proposals to revise this Article.

Article 16 Record Date

1. In cases where general meetings of unitholders are convened pursuant to the provisions of the first sentence of Article 9, Paragraph 3, the Investment Corporation shall determine the unitholders stated or recorded in the latest registry of unitholders as of the last day of January 2017 and the last day of January of every two years thereafter as the persons who may exercise rights at the relevant general meeting of unitholders.
2. Notwithstanding the provisions of the preceding paragraph, by providing public notice in advance pursuant to a resolution of the board of directors and applicable laws and regulations, the Investment Corporation may deem the unitholders or registered pledgees of investment units recorded or registered in the final unitholders' registry as of a certain date as the unitholders and registered pledgees of investment units who are entitled to exercise such rights.

Article 17 Minutes of General Meetings of Unitholders

Minutes of a general meeting of unitholders shall be prepared by stating or recording a summary of the proceedings, the results thereof and other matters specified by applicable laws and regulations. The Investment Corporation shall keep such minutes at its head office for ten (10) years after the date of the relevant general meeting of unitholders.

CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS

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

The Investment Corporation shall have at least one (1) executive director and at least two (2) supervisory directors (or, at least one (1) more than the number of the executive directors), and the board of directors shall be comprised of the executive directors and supervisory directors (the "Directors").

Article 19 Appointment of Directors and Term of Office

1. Directors shall be appointed by a resolution of the general meeting of unitholders.

2. The term of office of Directors shall be two (2) years after assumption of office; 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.
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 such Director 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 term of office prescribed in 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 executive directors at 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 one million (1,000,000) 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 supervisory directors at an amount decided by the board of directors to be reasonable in light of general price and wage trends, etc., up to an amount equivalent to fifty-hundred thousand (500,000) yen per month for each supervisory director, no later than the last day of the relevant month.

Article 21 Liability of Directors for Damages

Pursuant to Article 115-6(7) of the Investment Trusts Act, the Investment Corporation may release a Director from liability for damages due to negligence of his/her duties to the extent permitted by applicable laws or regulations and provided that such release was approved at a resolution of the board of directors.

Article 22 Convocation of Meetings of the Board of Directors

1. Unless otherwise provided by applicable laws and regulations, a meeting of the board of directors shall be convened by the executive director if the Investment Corporation has one executive director, or by one of the executive directors pursuant to procedures determined in advance by the board of directors if the Investment Corporation has two or more executive directors (the “Convener of Meeting of Board of Directors”).
2. The Convener of Meeting of Board of Directors shall give a notice of convocation of a meeting of the board of directors to each Director no later than three (3) days prior to the date of such meeting; provided, however, that such convocation period may be shortened or the convocation procedures may be omitted with the consent of all Directors.

Article 23 Method for Adopting a Resolution of the Board of Directors

Unless otherwise provided by applicable laws and regulations or these Articles of Incorporation, a resolution of the board of directors shall be adopted by a majority of the Directors present at a meeting where a majority of all Directors are present.

Article 24 Minutes of Meetings of the Board of Directors

Minutes of a meeting of the board of directors shall be prepared by stating or recording a summary of the proceedings, the results thereof and other matters specified by applicable laws and ordinances, and each Director present shall sign, or affix his or her name and seal or electronic signature to, such minutes. The Investment Corporation shall keep such minutes at its head office for ten (10) years after the date of the relevant meeting of the board of directors.

Article 25 Rules of the Board of Directors

Unless otherwise provided by applicable laws and regulations or these Articles of Incorporation, matters concerning the board of directors shall be subject to the rules of the board of directors stipulated by the board of directors.

CHAPTER 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

1. The term of appointment of the Accounting Auditor shall be until the conclusion of the first general meeting of unitholders held after the first fiscal period end following the passage of one year from the appointment.
2. Unless it is otherwise resolved at the general meeting of unitholders referred to in the previous 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

Criteria for payment of fees payable to the accounting auditor and the payment time shall be as follows:

The Investment Corporation shall pay fees to the accounting auditor at an amount decided by the board of directors up to an amount equivalent to fifteen million (15,000,000) yen per fiscal period subject to the audit within three (3) months of receipt of the request after receiving all necessary audit reports based on the Investment Trusts Act and other laws.

Article 28-2 Liability of Accounting Auditor for Damages

Pursuant to Article 115-6(1) of the Investment Trusts Act, the Investment Corporation may execute an agreement with the accounting auditor that limits the accounting auditor's liability to the extent permitted by applicable laws and regulations and provided that the accounting auditor has performed its duties in good faith and without gross negligence.

CHAPTER VI ASSET MANAGEMENT TARGET AND POLICY

Article 29 Basic Asset Management Policy

With the aim of securing stable income in the medium to long term and steadily increasing its assets, the Investment Corporation shall primarily conduct its asset management by making investments in Real Estate and Other Assets (fudosan-to shisan) (meaning the assets prescribed in the Ordinance for Enforcement of the Act on Investment Trusts and Investment

Corporations (Ordinance No. 129 of the General Administrative Agency of the Cabinet of 2000, as amended; the “Investment Trusts Act Enforcement Ordinance”)).

Article 30 Investment Policy

1. In accordance with the basic policy set forth in Article 29, the principal investment target by the Investment Corporation shall be real estate assets (meaning the assets set forth in Article 31, Paragraph 2) whose main use is office buildings, residential properties or retail facilities, as well as real estate-related securities (meaning the assets set forth in Article 31, Paragraph 3) with respect to such real estate.
2. The target investment geographic area shall be primarily the Tokyo area (Tokyo Metropolis, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture) and shall also include other government-designated cities and other major cities nationwide.
3. In making its investments in real estate assets and real estate-related securities (“Real Estate-Related Assets”), the Investment Corporation shall conduct sufficient due diligence, thoroughly ascertain the investment value and make investment decisions based on factors such as the investment environment.
4. The Investment Corporation shall take such measures as are necessary to protect the interests of unitholders in the event of the occurrence of any sudden and unforeseen changes, including changes in market trends, the general economic climate, or the real estate market.
5. The Investment Corporation shall manage its assets so that the value of total specified real estate assets (real estate, real estate leasehold rights, surface rights, and beneficiary interests in trusts which hold real estate, land leasing rights and surface rights) shall be 75% or more of the value of the total Specified Assets held by the Investment Corporation.

Article 31 (i) Type, Purpose, and Scope of Specified Assets, and (ii) Type of Assets Other Than Specified Assets, which are Subject to Asset Management

1. In accordance with the basic policy set forth in Article 29, the Investment Corporation shall primarily invest in Real Estate and Other Assets, but may also invest in Real Estate-Related Assets that do not constitute Real Estate and Other Assets.
2. Real estate assets include the following.
 - (1) Real estate
 - (2) Real estate leasehold interests
 - (3) Surface rights
 - (4) Trust beneficiary interests relating to real estate, real estate leasehold interests or surface rights (including comprehensive trusts holding money incidental to real estate)
 - (5) Trust beneficiary interests in cash the purpose of which is to principally invest the trust property in the assets listed in Items (1) through (3)
 - (6) Equity interests in *tokumei kumiai* anonymous associations (as defined in Article 3(viii) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended, the “Order for Act on Trusts”)) in which one of the parties agrees to make a contribution to an investment by the other party in the assets listed above, and such other party invests the contributed property mainly in such assets and distributes the profits derived from such investment

- (7) Trust beneficiary interests in cash the purpose of which is to principally invest the trust property in the *tokumei kumiai* interests set forth in Item (6)
3. Real estate-related securities means the securities listed below whose purpose is to invest more than one half of the value of the underlying assets in Real Estate-Related Assets
 - (1) Preferred equity security as defined in Article 2(9) of the Act on Securitization of Assets (Act No. 105 of 1998, as amended, the "Securitization Act")
 - (2) Beneficiary certificates for specific purpose trusts as defined in Article 2(15) of the Securitization Act (excluding investment in the assets set forth in Items (4), (5), and (7) of the immediately preceding paragraph (Article 31, Paragraph 2))
 - (3) Beneficiary certificates defined in Article 2(7) of the Investment Trusts Act
 - (4) Investment securities defined in Article 2(15) of the Investment Trusts Act
4. In addition to the Real Estate-Related Assets listed in (2) of the preceding two paragraphs, the Investment Corporation may invest in the following Specified Assets.
 - (1) Deposits
 - (2) Call loans
 - (3) Certificates of deposit
 - (4) Rights pertaining to derivative transactions (as set forth in Article 3(2) of the Order for Act on Trusts)
 - (5) Monetary claims (as set forth in Article 3(7) of the Order for Act on Trusts)
 - (6) Equity investments in *tokumei kumiai*, with the exception of those listed in Paragraph 2, Item (6)
 - (7) Shares of special limited liability companies as set forth in the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005), membership rights of a *godo kaisha* (limited liability company) as set forth in the Companies Act (Act No. 86 of 2005, as amended), equity interests related to limited partnership agreements as set forth in the Limited Partnership Act for Investment (Act No. 90 of 1998 as amended), equity interests related to limited liability partnership agreements as set for in the Limited Liability Partnership Act (Act No. 40 of 2005), and other corporate equity interests (limited to items that fall under securities as set forth in Article 3(1) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations), the purpose of any of which is to effectively invest in real estate (including indirectly)
 - (8) Equity interests (limited to equity interests represented by securities) related to a partnership contract as set forth in Article 667 of the Civil Code (Act No. 89 of 1896, as amended, the "Civil Code") (limited, however, to partnerships which are established by contributing real estate, real estate leasehold interests, surface rights, or easements for the purpose of leasing, operating, and managing such real estate, etc.)
 - (9) Trust beneficiary interests in cash the purpose of which is to make investments in the assets listed above, as well as Item (10) below and Items (1) through (4) of Paragraph 5
 - (10) Securities (excluding securities that fall under Paragraph 2, Paragraph 3, and the items above)

(11) Renewable energy power generation facilities (as set specified in Article 3(11) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations)

5. The Investment Corporation may, in addition to Specified Assets, invest in assets incidental to real estate investment, as follows:

- (1) Trademark rights as set forth in Article 18(1) of the Trademark Act (Act No. 127 of 1959, as amended) , the rights to use the source of hot springs as set forth in Article 2(1) of the Hot Springs Act (Act No. 125 of 1948, as amended), as well as the status of member of a general incorporated association and the status of fund contributor of a general incorporated association under the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006, as amended), all of which rights shall be incidental to specified real estate assets
- (2) Copyrights and other similar rights under the Copyright Act (Act No. 48 of 1970, as amended)
- (3) Movable assets (facilities, equipment, and other items added for the structure or use of real estate from those specified in the Civil Code, excluding renewable energy power generation facilities)
- (4) Easements
- (5) Specified shares as defined in Article 2(6) of the Securitization Act (limited to cases where the purpose is to effectively invest in Real Estate-Related Assets)
- (6) Rights related to insurance agreements (limited to cases where the purpose is to reduce risks related to investment in Real Estate-Related Assets)
- (7) Rights to emit equivalent quotas of carbon dioxide and similar gases under the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, as amended) (including rights to emit greenhouse gasses)
- (8) Other rights and assets that must be acquired and are incidental to the management of real estate

6. With respect to rights to be indicated on securities as set forth in Article 2(2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), even if securities indicating such rights are not issued, such rights shall be deemed to be securities, and Paragraph 2 through Paragraph 5 of Article 2 shall apply.

Article 32 Investment Restrictions

1. The Investment Corporation shall, when investing in the assets listed in Article 31(4), do so with a focus on stability and liquidity, and shall not make investments with the sole purpose of obtaining investment gains.
2. The Investment Corporation shall, when investing in the rights of derivatives transactions listed in Article 31(4), Item 4, only do so with the purpose of hedging the risks it faces related to foreign exchange, interest rate fluctuation and other risks.

Article 33 Purpose and Scope of Lending of Assets

1. With the aim of securing stable income in the medium- to long-term, the Investment Corporation shall, for its Operating Assets that are real estate (including real estate underlying Real Estate-Related Assets in addition to real estate directly acquired by the Investment Corporation), in principle, execute lease agreements with third parties in

order to lease such real estate (including parking lots, signs, and other installations). With respect to trust beneficiary interests for Specified Assets that are real estate, the trustee shall lease such real estate through the execution of lease agreements with third parties.

2. In connection with leasing real estate, the Investment Corporation may receive tenant leasehold and security deposits, as well as similar funds, and it shall manage such funds received in accordance with Article 29 and Article 30 hereof.
3. The Investment Corporation may lend Operating Assets other than real estate.

CHAPTER VII VALUATION OF ASSETS

Article 33-2 Principle of Asset Valuation

The Investment Corporation shall, in valuing Operating Assets, comply with a general principle of consistency in order to ensure the reliability of the results of valuation, and carry out the valuation carefully and in good faith for the interest of unitholders.

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

1. The Investment Corporation shall value the Operating Assets in accordance with generally accepted corporate accounting practices. The criteria and methods for valuing the Operating Assets of the Investment Corporation shall be prescribed for each type of assets subject to investment, and in principle, shall be subject to the following provisions:

- (1) Real estate, real estate leasehold interests and surface rights set forth in Article 31, Paragraph 2, Items (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 building and equipment; 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) Trust beneficiary interests relating to ownership of real estate, real estate leasehold interest or surface rights set forth in Article 31, Paragraph 2, Item (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 trust beneficiary interests 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 shall be valued in accordance with the generally accepted corporate accounting practices.

- (3) Trust beneficiary interests in cash the purpose of which is to principally invest the trust property set forth in Article 31, Paragraph 2, Item (5) as an investment in the assets set forth in Article 31, Paragraph 2, Items (1) through (3)

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 trust beneficiary interests held. In cases where the trust property is composed of any of the assets listed in Item (1), the valuation shall be made pursuant to Item (1), while financial assets shall be valued in accordance with the generally accepted corporate accounting practices.

- (4) Equity investments in *tokumei kumiai* for real estate set forth in Article 31, Paragraph 2, Item (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* interests held. In cases where the *tokumei kumiai* property is composed of any of the assets listed in Items (1) through (3), the valuation shall be made pursuant thereto, while financial assets shall be valued in accordance with the generally accepted corporate accounting practices.

- (5) Trust beneficiary interests in cash, the purpose of which is to principally invest the trust property set forth in Article 31, Paragraph 2, Item (7) in *tokumei kumiai* equity investments set forth in Article 31, Paragraph 2, Item (6)

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 trust beneficiary interests held. For the trust property that is *tokumei kumiai* equity investments, the valuation shall be made pursuant to Item (4), while financial assets shall be valued in accordance with the generally accepted corporate accounting practices.

- (6) Securities set forth in Article 31, Paragraph 3 and Paragraph 4, Item (10)

The valuation shall be made using the market price when the market price of such security is available. If such market price is unavailable, the valuation shall be made using a reasonable calculation method.

- (7) Rights to derivative transactions set forth in Article 31, Paragraph 4, Item (4)

- (i) Claims and obligations arising from transactions of derivatives listed on a financial instruments exchange

The valuation shall be made using the value calculated based on the closing price on the financial instruments exchange (if there is no closing price, the value shall be the one calculated based on the indicative price, i.e. either the final lowest indicative offer price published or the final highest indicative bid price published; if both prices are published, the middle rate shall be used). If no closing price is available on the relevant date, the valuation shall be made by the value calculated based on the most recent closing price.

- (ii) Claims and obligations arising from transactions of derivatives not listed on the financial instruments exchange and without quotation

The valuation shall be made using the value calculated by a reasonable method approximating market price. If it is considered extremely difficult to calculate a fair value, the valuation shall be made using the acquisition price.

Notwithstanding (i) and (ii) above, however, hedge accounting may be applied in cases which are deemed as hedge transactions in accordance with generally accepted corporate accounting practices. Further, transactions that satisfy the criteria under accounting principles for financial instruments for special treatment for interest rate swaps or the appropriation treatment for foreign currency-denominated transactions relating to forward exchange contracts may be accounted for accordingly.

- (8) Monetary claims set forth in Article 31, Paragraph 4, Item (5)

The valuation shall be made by an amount calculated by deducting the allowance for bad debts from the acquisition value; provided, however, that in cases where such monetary claim is acquired at either an amount 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 by an amount calculated by deducting the allowance for bad debts from the value calculated based on the amortized cost method.

(9) 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 Trust Act and by the Investment Trusts Association, Japan, or based on generally accepted corporate accounting practices.

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 Operation Assets as follows:
 - (1) Real estate, real estate leasehold interests, surface rights and easements
In principle, the value shall be that appraisal value obtained from real estate appraisers.
 - (2) Trust beneficiary interests regarding real estate, real estate leasehold interests, surface rights and easements, and *tokumei kumiai* equity interests in 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* interests held. The valuation of trust or *tokumei kumiai* property comprised of the assets set forth in Item (1) shall be made pursuant to Item (1), while financial assets shall be valued in accordance with the generally accepted corporate accounting practices.
3. The record date for the asset valuation of the Investment Corporation shall be the end of the applicable fiscal period 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 Article 31, Paragraphs 3 and 4 and Paragraph 5, Item (8) that can be valued based on the market price.

CHAPTER VIII BORROWINGS AND ISSUANCE OF INVESTMENT CORPORATION BONDS

Article 35 Maximum amount of Borrowings and Investment Corporation Bonds

1. The Investment Corporation may enter into borrowings or issue investment corporation bonds (including short-term investment corporation bonds) with the objective of securing stable income and steady growth of the Operating Assets. The Investment Corporation may borrow funds only from qualified institutional investors as defined in Article 2(3), Item 1 of the Financial Instruments and Exchange Act (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, or the “Act on Special Measures Concerning Taxation”).

2. Funds raised by borrowings and issuance of 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 required by applicable laws and regulations.
3. If the Investment Corporation borrows funds or issues investment corporate bonds under Paragraph 1, it may pledge Operating Assets as collateral.
4. The maximum principal amount of any borrowing or issuance of investment corporation bonds shall be one trillion (1,000,000,000,000) yen, and the aggregate amount of the foregoing shall not exceed one trillion (1,000,000,000,000) yen.

CHAPTER IX CALCULATION

Article 36 Fiscal Period and Closing Date

The fiscal period of the Investment Corporation shall be from February 1 through the last day of July and from August 1 through the last day of January of the following year each year (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) The method of calculating total amount of distribution to unitholders
 - (a) From the total amount to be distributed to unitholders, the amount of profit as stipulated in Article 136 of the Investment Trusts Act (the “Distributable Amount”) shall be the profit calculated in accordance with generally accepted corporate accounting practices in Japan (the amount calculated by deducting the total amount of unitholders’ capital, etc. from the amount of net assets (calculated by deducting the total amount of liabilities from the total amount of assets) on the Investment Corporation’s balance sheet as of the Fiscal Period Closing Date).
 - (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 (if there is any change in the calculation of this amount due to amendment of laws, regulations, etc., the amount after the change shall be used). The Investment Corporation may accumulate, reserve, or deal otherwise with a long-term repair reserve, payment reserve, distribution reserve and any other similar reserves and allowances, etc., as well as other necessary amounts that are deemed necessary to maintain and improve the value of the Operating Assets from the Distributable Amount.
- (2) Distributions of cash in excess of profit

If the Investment Corporation considers it appropriate or if tax (including corporation tax) imposed on the Investment Corporation can be reduced, 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 (“Toshin kyokai”) as distributions in excess of profit.

(3) Method of distribution

Distributions pursuant to this Article shall be made in cash and paid, in principle, within three months of 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 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 Items above, the Investment Corporation shall comply with the rules, etc. set forth by the Investment Trusts Association, Japan for distributions.

CHAPTER X ENTRUSTMENT OF OPERATIONS AND ADMINISTRATIVE SERVICES

Article 38 Asset Management Fees Payable to Asset Management Company

The standards for the amount and payment of asset management fees payable to the asset management company to which the Investment Corporation entrusts the management of its assets (the “Asset Management Company”) shall be as set forth in Attachment 1 hereto, which shall constitute a part of the Articles of Incorporation.

Article 39 Entrustment of Operations and Administrative Services

1. The Investment Corporation shall, pursuant to Articles 198 and 208 of the Investment Trust Act, entrust the operations for the management of assets to the Asset Management Company and the operations for the custody thereof to the custodian of assets.
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 Trust Act to a third party.
3. Administrative services relating to the offering of any units and investment corporation bonds and allotment of subscription rights without contribution to be issued by the Investment Corporation, preparation and maintenance of registry of subscription rights and registry of investment corporation bonds and other administrative services relating to the registry of subscription rights and the registry of investment corporation bonds, administrative services relating to the issuance of the subscription rights certificates and the investment corporation bonds, and the administrative services relating to the holders of the subscription rights and the investment corporation bonds, administrative services relating to acquisition of investment units of the Investment Corporation and other administrative services set forth in Article 169 of the Investment Trusts Act Enforcement Ordinance shall be entrusted to an administration agent appointed by the Board of Directors, as necessary.

CHAPTER XI SUPPLEMENTARY PROVISIONS

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 Operating 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, or 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 the Articles of Incorporation shall be the amount exclusive of Consumption Tax, etc.

Article 41 Transitional Provisions

The revisions to Attachment 1 of these Articles of Incorporation shall take effect on August 1, 2021. This Article shall be deleted after this effective date.

Enacted: January 27, 2006
Revised: March 10, 2006
Revised: October 16, 2007
Revised: October 9, 2009
Revised: April 8, 2011
Revised: August 1, 2011
Revised: April 5, 2013
Revised: February 1, 2014
Revised: April 3, 2015
Revised: April 21, 2017
Revised: April 23, 2019
Revised: April 16, 2021

Asset Management Fees Payable to Asset Management Company

The method of calculation and timing of payment of the asset management fees payable to the Asset Management Company shall be as follows and the Investment Corporation shall pay such asset management fees by way of remitting to the bank account designated by the Asset Management Company.

1. Asset Management Fee System

(1) Management Fee 1

- (i) Management Fee 1 for the relevant fiscal period shall be the amount (rounded down to the nearest whole yen) obtained when the amount of distribution per unit calculated every Fiscal Period Closing Date is multiplied by 1,000,000 and by a rate separately agreed upon of up to 9.0%.
- (ii) The amount of distribution per unit in (i) above shall be calculated by dividing the amount of Distributable Profits calculated every Fiscal Period Closing Date by the total number of investment units issued and outstanding as of the relevant Fiscal Period Closing Date.
- (iii) The amount of Distributable Profits in (ii) above shall be the amount of income before income taxes before deduction of Management Fee 1 and non-deductible consumption tax, etc. related to Management Fee 1 calculated in accordance with generally accepted corporate accounting practices (in cases where there are any losses carried forward, the amount after deducting the entire amount thereof).

(2) Management Fee 2

- (i) Management Fee 2 for the relevant fiscal period shall be the amount (rounded down to the nearest whole yen) obtained when the amount of the NAV per unit as of the prior Fiscal Period Closing Date multiplied by 1,000,000 and by a rate separately agreed upon of up to 0.4% is multiplied by the actual number of days in the fiscal period and divided by 365.
- (ii) The NAV per unit in (i) above shall be calculated by dividing the adjusted NAV as of the prior Fiscal Period Closing Date by the total number of investment units issued and outstanding as of the same date.
- (iii) The adjusted NAV in (ii) above shall be calculated in accordance with the following formula.

Calculation Formula:

$$\text{Adjusted NAV} = (a) + (b) - (c)$$

Where:

- (a) = The amount of net assets on the balance sheet as of the prior Fiscal Period Closing Date
- (b) = The amount obtained by subtracting the book value of the assets that are attributable to the Investment Corporation (the "Operating Assets") as of the prior Fiscal Period Closing Date (the total amount of items corresponding to Real Estate-Related Assets on the balance sheet) from their appraised value at the prior Fiscal Period Closing Date (the total amount of the value of the Real Estate-Related Assets appraised in accordance with each item of Article 34, Paragraph 2)
- (c) = The amount of distribution stated in the statement of cash distributions for the prior fiscal period

(3) Management Fee 3

[Translation]

- (i) Management Fee 3 for the relevant fiscal period shall be the amount (rounded down to the nearest whole yen) obtained when the performance of the investment units against the TSE REIT Index is multiplied by the market capitalization of the investment units and by a rate separately agreed upon of up to 0.15%. In the event that the amount of Management Fee 3 is not positive, Management Fee 3 shall be set to zero and the absolute value shall be further deducted from Management Fee 1 or Management Fee 2.
- (ii) The performance of the investment units against the TSE REIT Index in (i) above shall be calculated in accordance with the following formula.

Calculation Formula:

Performance of investment units against TSE REIT Index = (a) – (b)

Where:

(a) = [Final price of investment units of the Investment Corporation on the relevant Fiscal Period Closing Date (if there is no final price on that day, the final price on the most recent day prior to that day) – Final price of investment units of the Investment Corporation on the prior Fiscal Period Closing Date] ÷ Final price of investment units of the Investment Corporation on the prior Fiscal Period Closing Date

(b) = [Closing price of the Tokyo Stock Exchange (TSE) REIT Index (without dividends) on the relevant Fiscal Period Closing Date – Closing price of the TSE REIT Index (without dividends) on the prior Fiscal Period Closing Date] ÷ Closing price of the TSE REIT Index (without dividends) on the prior Fiscal Period Closing Date

However, if the closing price of the TSE REIT Index (without dividends) on the relevant Fiscal Period Closing Date is not available due to the TSE not publishing the TSE REIT Index (without dividends) or any other reason, the closing price of the TSE REIT Index (without dividends) shall be calculated using the figure calculated by the Investment Corporation in accordance with the calculation method of the TSE REIT Index (without dividends) announced at the most recent time on the closing date

- (iii) The market capitalization of the investment units in (i) above shall be calculated in accordance with the following formula.

Calculation Formula:

Market capitalization of investment units = Final price of investment units of the Investment Corporation on the relevant Fiscal Period Closing Date × Total number of investment units issued and outstanding as of the relevant Fiscal Period Closing Date

(4) Acquisition Fee

In cases where the Investment Corporation acquires Specified Assets, the Acquisition Fee shall be the amount (rounded down to the nearest whole yen) obtained when the purchase price thereof (excluding consumption tax, local consumption tax, and expenses arising in connection with the acquisition) is multiplied by a rate separately agreed upon of up to 1.0% (for acquisition from related parties (as set forth in the rules of the Asset Management Company relating to related-party transactions), 0.1%).

(5) Merger Fee

In the event of an incorporation-type merger or an absorption-type merger to which the Investment Corporation is party (including cases where the Investment Corporation becomes the corporation surviving in an absorption-type merger or the corporation dissolving in an absorption-type merger; the “Merger”), if the Asset Management Company researches and evaluates the assets held by the other party to the Merger and performs other Merger-related work for the Investment Corporation and the Merger takes effect, the Merger Fee shall be

[Translation]

the amount (rounded down to the nearest whole yen) obtained when the appraised value of the Specified Assets succeeded to or held by the corporation established in an incorporation-type merger or the corporation surviving in an absorption-type merger out of the Specified Assets held by the other party to the Merger as of the effective date of the Merger is multiplied by a rate separately agreed upon of up to 1.0%.

2. Adjustment Clause

- (1) In the event that the Investment Corporation acquires treasury investment units and holds undisposed or unretired treasury investment units at each Fiscal Period Closing Date, the total number of investment units issued and outstanding at each Fiscal Period Closing Date shall be the number of investment units excluding the treasury investment units held.
- (2) In the event of a consolidation or split of the investment units of the Investment Corporation on or after August 1, 2021, the total number of investment units issued and outstanding as at the Fiscal Period Closing Date for the fiscal period in which the consolidation or split takes place and after shall be the number of investment units adjusted to the number of investment units before the consolidation or split by the consolidation ratio or split ratio when calculating Management Fee 1 and Management Fee 2. Regarding Management Fee 3, when calculating the performance of the investment units against the TSE REIT Index, the final price of the investment units of the Investment Corporation as at the Fiscal Period Closing Date for the fiscal period in which the consolidation or split takes place shall be calculated by adjusting by the consolidation ratio or split ratio.
- (3) In the event that new investment units are issued through the exercise of new investment unit subscription rights pertaining to an allotment without contribution to unitholders (a “Rights Offering”) and the total number of investment units issued and outstanding increases, Management Fee 1 and Management Fee 2 after the date of issuance pertaining to the Rights Offering shall be calculated by multiplying the allotment ratio by the amount of distribution per unit and NAV per unit. The allotment ratio shall be calculated by dividing the total number of investment units issued and outstanding immediately after the Rights Offering by total number of investment units issued and outstanding immediately before the Rights Offering, having deducted the deemed number of units issued at market value (the number of investment units increased by the Rights Offering multiplied by the ratio obtained by dividing the paid-in amount per unit at the time of exercise of the new investment unit subscription rights by the market price per unit (in the case of a Rights Offering, the final price of ordinary trading of the investment units of the Investment Corporation on the TSE on the last day of the exercise period of the new investment unit subscription rights allotted without contribution in the Rights Offering)). Regarding Management Fee 3, when calculating the performance of the investment units against the TSE REIT Index, the final price of the investment units of the Investment Corporation as of the Fiscal Period Closing Date for the fiscal period in which the Rights Offering is conducted shall be adjusted by multiplying it by the allotment ratio.

3. Timing of Payment of Asset Management Fees

(1) Management Fee 1

Within three (3) months after the end of the relevant Fiscal Period Closing Date

(2) Management Fee 2

Within three (3) months after the end of the relevant Fiscal Period Closing Date

(3) Management Fee 3

Within three (3) months after the end of the relevant Fiscal Period Closing Date

(4) Acquisition Fee

[Translation]

No later than the last day of the month immediately following the month which includes the day of acquisition of such Specified Assets by the Investment Corporation.

(5) Merger Fee

No later than the last day of the month immediately following the month which includes the effective date of the merger.