

Articles of Incorporation

Star Asia Investment Corporation

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Chapter 1: General Provisions

Article 1 (Trade Name)

The name of the Investment Corporation shall be Star Asia Toshi Hojin in Japanese. In English, the Investment Corporation shall be named Star Asia Investment Corporation.

Article 2 (Purpose)

The Investment Corporation's purpose is, in accordance with the "Act on Investment Trusts and Investment Corporations" (Act No. 198 of 1951, as amended; hereinafter, the "Investment Trusts Act"), to manage its assets by investing them primarily in real estate assets (as stipulated in Article 29, Paragraph 1, Item 1 (1) through (4); hereinafter the same) among the specified assets (as set forth in the Investment Trusts Act; hereinafter the same).

Article 3 (Location of Head Office)

The Investment Corporation shall have its head office in Minato-ku, Tokyo.

Article 4 (Method of Public Notice)

Public notices of the Investment Corporation shall be made in the Nihon Keizai Shimbun.

Chapter 2: Investment Units

Article 5 (Refund of Investment Units upon Unitholder Request and Acquisition of its Investment Units Based on Agreement with Unitholders)

1. The Investment Corporation shall not refund any investment units upon request of unitholders.
2. The Investment Corporation may acquire its investment units with compensation based on agreement with any of its unitholders.

Article 6 (Total Number of Authorized Investment Units)

1. The total number of authorized investment units for the Investment Corporation shall be ten million units.
2. The ratio of the total issue price of investment units offered in Japan to the total issue price of investment units issued by the Investment Corporation shall exceed 50%.
3. The Investment Corporation shall be able to invite parties to underwrite investment units it issues within the limits of the total number of authorized investment units specified in Paragraph 1 with the approval of the Board of Directors. The monetary amount to be paid in for a single unit of the offered investment units (investment units allocated to those who applied for the underwriting of the relevant investment units in response to the invitation) shall be the amount that is approved by the Board of Directors as a fair price in the light of the substance of the assets that belong to the Investment Corporation (hereinafter, the "investment assets").

Article 7 (Regulations on Handling of Investment Units)

Descriptions or recordings in the unitholders register of the Investment Corporation, registration and cancellation of pledges on investment units, and any other procedures relating to the handling of investment units and the fees for those procedures are subject to laws and regulations and these Articles of Incorporation as well as the rules for the handling of investment units as prescribed by the Board of Directors.

Article 8 (Minimum Net Assets to Be Constantly Held by the Investment Corporation)

The Investment Corporation shall hold minimum net assets of fifty million yen at all times.

Chapter 3: General Meeting of Unitholders

Article 9 (Convocation and Holding)

1. The Investment Corporation shall convene its general meeting of unitholders on October 1, 2017 and onwards without delay, and subsequently convene the general meetings of unitholders on October 1 and onwards every two years without delay.
2. Aside from the preceding paragraph, the Investment Corporation shall convene a general meeting of unitholders at any time, when prescribed by laws and regulations to do so or when it is otherwise necessary.
3. Unless otherwise prescribed by laws and regulations, the general meeting of unitholders shall be convened, based on the resolution of the Board of Directors, by the Executive Director when there is one Executive Director. When there are two or more Executive Directors, the general meeting of unitholders shall be convened by a single Executive Director in accordance with the order predetermined by the Board of Directors.
4. The general meeting of unitholders shall be held at a venue located within the 23 wards of Tokyo.
5. To convene a general meeting of unitholders, the Investment Corporation shall make a public notice of the day of the general meeting of unitholders at least two months before the relevant date, and send such notice to the unitholders in writing, or in such electromagnetic formats as prescribed by laws and regulations, at least two weeks before the relevant date. Such public notice will not be required, however, for a general meeting of unitholders that is to be held before the elapse of 25 months from the day of the immediately prior general meeting of unitholders held in accordance with the provision of Paragraph 1.

Article 10 (Chairperson)

The general meeting of unitholders shall be chaired by the Executive Director when there is one Executive Director. When there are two or more Executive Directors, the general meeting of unitholders shall be chaired by a single Executive Director in accordance with the order predetermined by the Board of Directors. In the event of any accident involving the Executive Director who is to serve as chairperson, the general meeting of unitholders shall be chaired by another Executive Director or another Supervisory Director in accordance with the order predetermined by the Board of Directors.

Article 11 (Resolution)

1. Unless otherwise prescribed by laws and regulations or the Articles of Incorporation, a resolution of the general meeting of unitholders shall be made through a majority of the voting rights held

by unitholders attending the meeting.

2. Unitholders may exercise their voting rights through a proxy who is also a unitholder with voting rights in the Investment Corporation.
3. In the case of the preceding paragraph, the said unitholders or the proxy must submit a document proving the delegated authority to the Investment Corporation for each general meeting of unitholders.

Article 12 (Exercise of Voting Rights in Writing)

1. Unitholders who do not attend the general meeting of unitholders may exercise their voting rights in writing.
2. The number of voting rights exercised in writing shall be included in the number of voting rights of attending unitholders.

Article 13 (Exercise of Voting Rights in Electromagnetic Formats)

1. With a resolution of the Board of Directors, the Investment Corporation may determine that unitholders who do not attend the general meeting of unitholders may exercise their voting rights in electromagnetic formats.
2. The number of voting rights exercised in electromagnetic formats shall be included in the number of voting rights of attending unitholders.

Article 14 (Deemed Approval)

1. Unitholders who do not attend a general meeting of unitholders and do not exercise their voting rights shall be deemed to approve the proposals for resolution (excluding proposals whose purposes conflict with each other in cases where multiple proposals are submitted) submitted to the general meeting of unitholders.
2. The number of voting rights of unitholders deemed to approve the proposals for resolution in accordance with the provision of the preceding paragraph shall be included in the number of voting rights of attending unitholders.

Article 15 (Record Date, Etc.)

1. When convening a general meeting of unitholders within three months from the end of the immediately preceding fiscal period (as defined in Article 34; hereinafter the same), the unitholders described or recorded in the final register as of the end of the fiscal period shall be the unitholders who may exercise their rights at the relevant general meeting of unitholders.
2. Notwithstanding the provisions of the preceding paragraph, the Investment Corporation may, when necessary, have the unitholders described or recorded in the final register as of the record date, which the Investment Corporation determines by a resolution of the Board of Directors and gives public notice in advance in accordance with laws and regulations, to be the unitholders who should exercise their right at the relevant general meeting of unitholders.
3. With respect to the proceedings of the general meeting of unitholders, minutes shall be prepared as prescribed by laws and regulations. The chairman, the Executive Directors and the Supervisory Directors attending the relevant general meeting of unitholders shall sign or seal the minutes.

4. The Executive Directors shall keep the minutes as stipulated in the preceding paragraph at the head office of the Investment Corporation for a period of ten years.

Chapter 4: Executive Directors and Supervisory Directors

Article 16 (Number of Executive Directors and Supervisory Directors)

The Investment Corporation shall have at least one Executive Director and at least two Supervisory Directors (provided, in any event, that the number of Supervisory Directors shall be at least one more than the number of Executive Directors).

Article 17 (Appointment and Term of Office of Executive Directors and Supervisory Directors)

1. Unless otherwise prescribed by laws and regulations, the Executive Directors and Supervisory Directors shall be appointed by a resolution of the general meeting of unitholders.
2. The term of office of the Executive Directors and Supervisory Directors shall be two years after taking office. However, their term of office may be extended or shortened, to the extent prescribed by laws and regulations, by a resolution of the general meeting of unitholders. Furthermore, the term of office of the Executive Directors and Supervisory Directors who are appointed to fill vacancies or to increase the number of directors shall be the same as the remaining term of the preceding or incumbent Executive Directors or Supervisory Directors.
3. The effective period of a resolution for the appointment of substitute Executive Directors or Supervisory Directors shall be until the expiration of the term of office of the incumbent Executive Directors or Supervisory Directors to be replaced, who were appointed at the general meeting of unitholders at which such resolution was made. However, such term may be shortened by a resolution of the general meeting of unitholders.

Article 18 (Standards for Payment of Remuneration for Executive Directors and Supervisory Directors)

Standards for the payment of remuneration and the timing of payment to the Executive Directors and the Supervisory Directors of the Investment Corporation shall be as follows:

1. Remuneration for an Executive Director shall be no more than 800,000 yen per month, with the amount to be determined by the Board of Directors, and such amount shall be paid by the last day of each month by remittance into the account designated by the relevant Executive Director.
2. Remuneration for a Supervisory Director shall be no more than 400,000 yen per month, the amount to be determined by the Board of Directors, and such amount shall be paid by the last day of each month by remittance into the account designated by the relevant Supervisory Director.

Article 19 (Liability of Executive Directors and Supervisory Directors to the Investment Corporation)

With regard to the liability for damages of Executive Directors or Supervisory Directors under Article 115-6, Paragraph 1 of the Investment Trusts Act, and in cases where they perform their duties in good faith and without gross negligence, the Investment Corporation may, to the extent prescribed by laws and regulations and by a resolution of the Board of Directors, exempt the Executive Directors or Supervisory Directors from such liability for damages if it finds it particularly necessary to do so in consideration of the details of the facts that gave rise to the liability, the manner of execution of

duties by such directors and other circumstances.

Chapter 5: Board of Directors

Article 20 (Convocation)

1. Unless otherwise prescribed by laws and regulations, the Executive Director shall convene and chair the Board of Directors meeting when there is one Executive Director. When there are two or more Executive Directors, a single Executive Director shall convene and chair the Board of Directors meeting in accordance with the order predetermined by the Board of Directors.
2. The convocation notice of the Board of Directors meeting shall be dispatched to all Executive Directors and Supervisory Directors at least three days before the day of the meeting. However, the convocation period may be shortened or the convocation procedures may be omitted by unanimous approval of the Executive Directors and Supervisory Directors.
3. Each of the Executive Directors and Supervisory Directors who do not have the authority to convene the Board of Directors meeting may request for such meeting to be convened in accordance with the provisions of the Investment Trusts Act.

Article 21 (Resolution, Etc.)

1. Unless otherwise prescribed by laws and regulations or the Articles of Incorporation, a resolution of the Board of Directors meeting shall be made by a majority vote of the attendants, with the presence of a majority of the Executive Directors and Supervisory Directors who are entitled to participate in the vote.
2. With respect to the proceedings of the Board of Directors meeting, minutes shall be prepared as prescribed by laws and regulations. The Executive Directors and the Supervisory Directors attending the relevant general meeting of unitholders shall sign or seal the minutes.
3. The Executive Directors shall keep the minutes prepared in accordance with the preceding paragraph at the head office of the Investment Corporation for a period of ten years.

Article 22 (Rules of the Board of Directors)

Other than those as prescribed by laws and regulations as well as the Articles of Incorporation, matters with respect to the Board of Directors shall be as prescribed by laws and regulations as well as in accordance with the Rules of the Board of Directors determined by the Board of Directors.

Chapter 6: Accounting Auditor

Article 23 (Appointment of Accounting Auditor)

Unless otherwise prescribed by laws and regulations, the accounting auditor shall be appointed by a resolution of the general meeting of unitholders.

Article 24 (Term of Office of Accounting Auditor)

1. The term of office of the accounting auditor shall be until the conclusion of the first general meeting of unitholders to be held following the end of the first fiscal period after the elapse of one year from the date of assumption of office by the accounting auditor.
2. Unless otherwise resolved at the general meeting of unitholders described in the preceding

paragraph, the accounting auditor shall be deemed to have been reappointed at the said general meeting of unitholders.

Article 25 (Standards for Payment of Remuneration for Accounting Auditor)

Remuneration for the accounting auditor shall be no more than 20 million yen for each fiscal period, and shall be an amount determined by the Board of Directors. Such an amount shall be paid by remittance into the account designated by the accounting auditor within a month from the date on which the Investment Corporation receives the full audit reports required under the Investment Trusts Act and other laws and regulations.

Article 26 (Liability of Accounting Auditor to the Investment Corporation)

The Investment Corporation may, pursuant to the provisions of the Investment Trusts Act and by a resolution of the Board of Directors, exempt the accounting auditor from its liability to the extent prescribed by laws and regulations.

Chapter 7: Target and Policies of Asset Management

Article 27 (Basic Policies for Asset Management)

The Investment Corporation shall manage its assets to achieve internal and external growth of its investment assets from the medium- to long-term perspectives, with the objective of maximizing unitholders' profits.

Article 28 (Investment Approach)

1. The Investment Corporation shall aim to manage its assets by investing more than half of the total amount of its assets in real estate assets.
2. When investing in real estate assets, the Investment Corporation shall diversify its investments in real estate, and the primary or underlying property of such real estate assets shall mainly be for office, logistics, retail, residential and hotel use.
3. The target geographical areas for the Investment Corporation's investments shall be the Greater Tokyo area (which refers to Tokyo, Kanagawa, Chiba and Saitama Prefectures), the Osaka area (which refers to Osaka City and its neighboring areas), the Nagoya area (which refers to Nagoya City and its neighboring areas), the Fukuoka area (which refers to Fukuoka City and its neighboring areas) and the Sapporo area (which refers to Sapporo City and its neighboring areas) as well as other cities designated by government ordinances and similar cities.
4. Notwithstanding the provisions of each of the preceding paragraphs, the Investment Corporation may take measures necessary for protecting unitholders' interests when unpredictable events like sudden changes in market trends, general economic conditions, real estate market trends and other events occur, possibly damaging unitholders' interests.
5. The Investment Corporation shall set the total amount of its specified real estate (real estate interests, real estate leasehold interest or surface rights, trust beneficiary interests in real estate ownership, or land leasehold interest or surface rights among the specified assets acquired by the Investment Corporation) at 75% (or more) than the total amount of the specified assets held by the Investment Corporation.

Article 29 (Types, Objectives and Scope of Asset Management Target)

The Investment Corporation shall invest in the following specified assets in accordance with the basic asset management policies set forth in Article 27.

(1) Real estate, etc. (hereinafter collectively referred to as the following assets stipulated in (1) through (5) below; hereinafter the same)

- 1) Land and fixtures thereof, surface rights and leasehold interest in land and fixtures thereof (hereinafter collectively referred to as “real estate”)
- 2) Leasehold interest in real estate
- 3) Surface rights (including sectional surface rights)
- 4) Trust beneficiary interests in respect of the assets stipulated in (1) through (3) (including comprehensive trusts in which monies incidental to real estate are also held in trust)
- 5) Beneficiary interests in monetary trusts to be managed as investments in assets stipulated in Items (1) through (3) above.

(2) Asset backed securities, etc. with real estate, etc. as the primary investment target (hereinafter collectively referred to as the assets stipulated in Items (1) through (5) below; hereinafter referred to as “real estate backed securities”)

- 1) Silent partnership-related equity interest securities (which refers to the silent partnership equity interest set forth in Article 2, Paragraph 2, Item 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter, the “Financial Instruments Act”), but limited to those of the relevant silent partnership for which the operator manages an amount that is more than half of the assets the partnership owns, for management purposes, as investments in real estate, etc.)
- 2) Preferred securities (which refers to the preferred securities set forth in the Article 2, Paragraph 9 of the Act on Securitization of Assets (Act No. 105 of 1998, as amended; hereinafter, the “Asset Securitization Act”), but limited to those of the relevant specific purpose company that manages an amount that is more than half of the assets it has acquired, in relation to asset securitization, for its operations as investments in real estate, etc.)
- 3) Beneficiary securities (which refers to the beneficiary securities of investment trusts (including book-entry beneficiary securities of investment trusts) set forth in Article 2, Paragraph 7 of the Investment Trusts Act, but limited to those of the relevant investment trust that manages an amount that is more than half of its investment trust assets as investments in real estate, etc.)
- 4) Investment securities (which refers to the investment securities (including book-entry investment units) set forth in Article 2, Paragraph 15 of the Investment Trusts Act, but limited to those of the relevant investment corporation that manages an amount that is more than half of the assets it owns, for management purposes, as investments in real estate, etc.)

- 5) Beneficiary certificates of specified purpose trusts (which refers to the beneficiary certificates of specified purpose trusts set forth in Article 2, Paragraph 15 of the Asset Securitization Act, but limited to those of the relevant specified purpose trust that manages an amount that is more than half of its trust assets as investments in real estate, etc.)

(3) Other specified assets

- 1) Bank deposits
- 2) Call loans
- 3) National government bonds (as set forth in Article 2, Paragraph 1, Item 1 of the Financial Instruments Act)
- 4) Municipal bonds (as set forth in Article 2, Paragraph 1, Item 2 of the Financial Instruments Act)
- 5) Debentures issued by a juridical person by a special law (as set forth in Article 2, Paragraph 1, Item 3 of the Financial Instruments Act)
- 6) Specified bonds (as set forth in Article 2, Paragraph 1, Item 4 of the Financial Instruments Act)
- 7) Bonds (as set forth in Article 2, Paragraph 1, Item 5 of the Financial Instruments Act, excluding bonds with warrants)
- 8) Negotiable deposit certificates
- 9) Beneficiary securities of loan trust (as set forth in Article 2, Paragraph 1, Item 12 of the Financial Instruments Act)
- 10) Commercial paper (as set forth in Article 2, Paragraph 1, Item 15 of the Financial Instruments Act)
- 11) Monetary claims such as loan claims to specific purpose companies (as set forth in the Asset Securitization Act) with the objective of investing in real estate, etc., and other similar types of corporations, etc. (hereinafter, “real estate-related loans and other monetary claims”)
- 12) Bonds issued by a *godo-kaisha* (limited liability company) with the objective of investing in real estate-related loans and other monetary claims
- 13) Beneficiary interests in trust for real estate-related loans and other monetary claims (assets stipulated in (11) through (13); collectively referred to as “real estate-related loans and other monetary claims, etc.”)
- 14) Monetary claims (as set forth in Article 3, Item 7 of the Order for Enforcement Order of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended; hereinafter, the “Order for Enforcement of the Investment Trusts Act”), excluding what is otherwise set forth in Item (3) of this Article; hereinafter the same)

- 15) Beneficiary interests in trust for monetary claims (excluding real estate, etc., real estate backed securities and what is otherwise set forth in (3) of this Article)
 - 16) Beneficiary interests in monetary trust with the objective of managing the trust assets as investments primarily in the assets stipulated in (1) through (15)
 - 17) Shares (limited to cases where the objective is in effect to invest in real estate, etc. or real estate backed securities, or where they are to be acquired in association with or in relation to the management of real estate, etc. or real estate backed securities)
 - 18) Rights related to derivative transactions (as set forth in Article 3, Paragraph 2 of the Order for Enforcement of the Investment Trusts Act)
 - 19) Securities (as set forth in Article 3, Item 1 of the Order for Enforcement of the Investment Trusts Act, excluding those that fall under real estate, real estate backed securities, as well as the items in item (3) of this Article and the following paragraph)
 - 20) Easements, beneficiary interests in trust for easements (including comprehensive trusts in which monies incidental to real estate are also held in trust), beneficiary interests in monetary trust with the objective of managing the trust assets as investments primarily in easements, and equity interests related to an agreement in which one of the parties makes equity investment for the management of easements to be performed by the other party while the other party manages the invested capital as investments primarily in easements and promises to distribute the profits generated from the said management
 - 21) Renewable energy generating facilities as set forth in Article 3, Item 11 of the Order for Enforcement of the Investment Trusts Act)
2. Aside from the assets indicated in the preceding paragraph, the Investment Corporation may invest in the assets indicated below only in cases where the objective of the investment is to invest in effect in real estate, etc. or real estate backed securities, or where the investment is made in association with or in relation to the investment in said assets:
- 1) Trademark rights, and the exclusive or non-exclusive right to use the trademarks (as set forth in the Trademark Act (Act No. 127 of 1959, as amended))
 - 2) Copyrights, etc. (as set forth in the Copyright Act (Act No. 48 of 1970, as amended))
 - 3) Rights to use the source of a hot spring as set forth in the Hot Springs Act (Act No. 125 of 1948, as amended) and facilities, etc., related to such hot spring
 - 4) Movable (as set forth in the Civil Code (Act No. 89 of 1896, as amended) and referring to facilities, equipment, vehicles and other objects attached to real estate for structural and utilization reasons), but excluding the items set forth in Item 3 (21) of the preceding paragraph
 - 5) Beneficiary interests in monetary trusts with the objective of managing it as investments in items stipulated in (1) through (4)

- 6) Specified investments (as set forth in Article 2, Paragraph 6 of the Asset Securitization Act)
- 7) Membership rights in membership companies (as set forth in Article 575, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended))
- 8) Equity interests in partnerships under the Civil Code (limited to partnerships that have real estate, leasehold interest in real estate, surface rights or easements, or beneficiary interests in trust for these assets (including comprehensive trusts in which monies incidental to real estate are also held in trust) as partnership assets and that aim to lease, operate or manage such assets)
- 9) Rights under insurance contracts (limited to cases where such rights are acquired with the objective of mitigating risks associated with investments in real estate, etc. or real estate backed securities)
- 10) Carbon dioxide equivalent quota set forth in the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, as amended) and any other assets or rights of a similar nature, or emission rights (including emission rights related to greenhouse gases)
- 11) Other rights to be acquired incidentally with investments in real estate, etc. and real estate backed securities.

Article 30 (Investment Limitations)

1. With regard to the assets set forth in Paragraph 1, Item 3 and Paragraph 2 of the preceding article, the Investment Corporation shall manage them by taking into account security and liquidity or by considering their relevance with the specified assets set forth in Paragraph 1, Items 1 and 2 of the preceding article. For real estate-related loans and other monetary claims, etc., the Investment Corporation shall manage them only up to an amount equivalent to 5% of the Investment Corporation's total assets.
2. With regard to the rights relating to the derivative transactions set forth in Paragraph 1, Item 3 (18) of the preceding article, the Investment Corporation shall manage them only with the objective of hedging against the risk of interest rate fluctuations arising from its liabilities and other risks.

Article 31 (Purposes and Scope of Leasing of Portfolio Assets)

1. In principle, the Investment Corporation shall lease (including leasing of parking lots and spaces for installation of signboards) the real estate (including real estate underlying real estate-related assets it acquires (collectively referred to as "real estate, etc. and real estate underlying real estate-related assets acquired by the Investment Corporation"; hereinafter the same)) among its investment assets, in order to efficiently manage the investment assets and achieve high management performances.
2. When leasing the real estate described in the preceding paragraph, the Investment Corporation may receive or provide tenant security deposits, guarantees, and other similar monies. When receiving such monies, the Investment Corporation shall manage them in accordance with the basic policies of asset management as set forth in Article 27 and the investment approach as set forth in Article 28.
3. The Investment Corporation may lease the investment assets other than real estate (including

real estate, etc. and real estate underlying real estate-related assets acquired by the Investment Corporation) [that are among its investment assets.]

Article 32 (Principles of Asset Evaluation)

1. In evaluating its investment assets, the Investment Corporation shall do so prudently and faithfully for the benefit of its unitholders.
2. In evaluating the investment assets, the Investment Corporation shall endeavor to ensure the reliability of the evaluation results.
3. In evaluating the investment assets, the Investment Corporation shall do so in conformity with the principle of continuity as a rule.

Article 33 (Methods, Standards and Record Date of Asset Valuation)

1. The methods and standards of the Investment Corporation's asset valuation shall, for each type of investment assets, be determined in the manner stated below, in accordance with the Regulations on the Calculation of Investment Corporations (Cabinet Office Order No. 47 of 2006, as amended), the Rules on Real Estate Investment Trusts and Real Estate Investment Corporations established by The Investment Trusts Association, Japan (as amended; hereinafter, the "Rules on Real Estate Investment Trusts and Real Estate Investment Corporations"), other rules and regulations established by the Association, and generally accepted corporate accounting standards as well as other corporate accounting practices.

- (1) Real estate, leasehold interest in real estate and surface rights (as set forth in Article 29, Paragraph 1, Item 1 (1) through (3))

These assets shall be valued at the acquisition price less the accumulated depreciation amount. The depreciation amount of buildings and facilities, etc. shall be calculated by the straight-line method. For facilities, etc., however, other calculation methods may be employed if calculation using the straight-line method becomes inappropriate for a legitimate reason, and it can be reasonably judged that changing calculation methods will not cause any problem from the standpoint of investor protection.

- (2) Beneficiary interests in trusts for real estate, leasehold interest in real estate or surface rights (as set forth in Article 29, Paragraph 1, Item 1 (4))

If the trust assets are assets referred to in the preceding item, they shall be valued in accordance with the preceding item. If the trust assets are financial assets, they shall be valued in accordance with generally accepted corporate accounting standards and other corporate accounting practices. The value of the relevant beneficiary interests in trust shall be calculated by deducting the amount of liabilities from the total value of these assets.

- (3) Beneficiary interests in monetary trust to be managed as investment primarily in real estate, leasehold interest in real estate or surface rights (as set forth in Article 29, Paragraph 1, Item 1 (5))

If the assets comprising the trust assets are assets referred to in Item 1, they shall be valued in accordance with Item 1. If the assets comprising the trust assets are financial assets, they shall be valued in accordance with generally accepted corporate accounting standards and other corporate accounting practices. The value of the relevant beneficiary interests in trust shall be calculated by deducting the amount of liabilities from the total value of these assets.

- (4) Equity interest in silent partnerships related to real estate (as set forth in Article 29, Paragraph 1, Item 2 (1))

If the assets comprising the silent partnership are assets referred to in Items 1 through 3, they shall be valued in accordance with the methods set forth therein. If the assets comprising the

silent partnership are financial assets, they shall be valued in accordance with generally accepted corporate accounting standards and other corporate accounting practices. The value of the relevant equity interest in the silent partnership shall be calculated by deducting the amount of liabilities from the total value of these assets.

- (5) Real estate-backed securities (as set forth in Article 29, Paragraph 1, Item 2 (2) through (5))
If the relevant real estate-backed securities have a market price, the value based on the market price (meaning a trading price on a financial instruments exchange, a price published by an authorized financial instruments firms association, etc., or a trading price established by a trading system similar thereto that enables sale, purchase, liquidation and other transactions at any time; hereinafter the same) shall be used. If there is no market price, the relevant real estate-backed securities shall be valued at a value calculated in a reasonable manner. A market price or value calculated in a reasonable manner that should be used shall be obtained by the same methods in each fiscal period, except where the accuracy of valuation will be increased by other methods. If neither a market price nor a value calculated in a reasonable manner is available, the relevant real estate-backed securities may be valued at acquisition cost.
- (6) Securities, etc. (as set forth in Article 29, Paragraph 1, Item 3 (3) through (7) and (9), (10), (12), (13), (15), (17) and (19))
If the relevant securities, etc. have a market price, the value based on the market price shall be used. If there is no market price, the relevant securities, etc. shall be valued at a value calculated in a reasonable manner.
- (7) Monetary claims (as set forth in Article 29, Paragraph 1, Item 3 (11) and (14))
These assets shall be valued at acquisition price less provisions for doubtful accounts calculated based on estimated bad debts. However, if claims are acquired at a price lower or higher than the claimable amount, and the difference between the acquisition amount and the claimable amount is considered to be an interest rate adjustment, the claims shall be valued at the value calculated based on the amortized-cost method less the provisions for doubtful accounts.
- (8) Beneficiary interests in monetary trust (as set forth in Article 29, Paragraph 1, Item 3 (16))
If the assets comprising the trust assets are assets referred to in Item 4, 5 or 6, they shall be valued by the method set forth therein, and the value of the relevant beneficiary interests in monetary trusts shall be the total value of these assets.
- (9) Rights related to derivatives transactions (as set forth in Article 29, Paragraph 1, Item 3 (18))
 - 1) Claims and obligations arising from derivatives transactions listed on a financial instruments exchange
These claims and obligations shall be valued at the value calculated based on the final price (closing price; if there is no closing price, the quotation (the lowest ask quotation or highest bid quotation that has been published; if both of them have been published, the middle thereof)) on the financial instruments exchange on the record date. If there is no final price on the record date, these claims and obligations shall be valued at the value calculated based on the final price on the day before and closest to the record date.
 - 2) Claims and obligations arising from non-listed derivatives transactions without prices on a financial instruments exchange
These claims and obligations shall be valued at the value calculated by reasonable methods as the value similar to the market price. In a mark-to-market valuation, the best estimate shall be used. If it is considered extremely difficult to calculate a fair value, these claims and obligations shall be valued at acquisition price.
 - 3) Hedge accounting may be applied to transactions that are considered hedging transactions in accordance with generally accepted corporate accounting standards and

other corporate accounting practices. For transactions that satisfy the requirements for special accounting for interest rate swaps, such special accounting for interest rate swaps may be applied.

(10) Others

In cases not mentioned above, assets shall be valued at the valuation amount that should be used in accordance with the valuation rules of The Investment Trusts Association, Japan, or the valuation amount that should be used based on generally accepted accounting standards.

2. If a valuation is made by a method different from the one in the preceding paragraph in order to indicate values in asset management reports, etc., it shall be made in the following manner:
 - (1) Real estate, leasehold interest in real estate, and surface rights
In principle, the valuation amount based on the appraisal of a real estate appraiser.
 - (2) Beneficiary interests in trusts for real estate, leasehold interest in real estate or surface rights, and equity interests in silent partnerships related to real estate
If the trust assets or the assets comprising the silent partnership are assets referred to in the preceding item, they shall be valued in accordance with the preceding item. If the trust assets or the assets comprising the silent partnership are financial assets, they shall be valued in accordance with generally accepted corporate accounting standards and other corporate accounting practices. The value of the relevant equity interests in silent partnership or beneficiary interests in trust shall be calculated by deducting the amount of liabilities from the total value of these assets.
3. The record date for asset valuation shall be each settlement date. However, for assets set forth in Article 29, Paragraph 1, Item 3 and Paragraph 2 that can be valued at a value based on the market price, the record date shall be the last day of every month.

Article 34 (Settlement Date)

The fiscal periods of the Investment Corporation shall be from February 1 through the end of July of each year, and from August 1 through the end of January of the following year (the last day of each fiscal period is hereinafter referred to as the “settlement date”).

Article 35 (Cash Distribution Policies)

1. Distribution Policies

In principle, the Investment Corporation shall make distributions based on the following policies:

- (1) Of the total cash amount to be distributed to unitholders, the amount of profits (meaning the amount calculated by deducting the sum of the total capital contributions and other amounts from the net asset amount appearing on the balance sheet of the Investment Corporation; hereinafter the same) shall be calculated in accordance with the Investment Trusts Act, generally accepted corporate accounting standards and other corporate accounting practices.
- (2) When making a distribution up to the amount of profits, the distribution amount shall be an amount determined by the Investment Corporation, which shall be an amount in excess of 90% of the amount of distributable profits (or, if there is a change in the calculation of such amount due to amendments to laws and regulations or for any other reason, the amount after the change) as defined in the special taxation measures for investment corporations as set forth in the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; hereinafter, the “Special Taxation Measures Act”). Furthermore, the Investment Corporation may set aside long-term repair reserves, payment reserves, distribution reserves, and similar reserves and allowances that are considered necessary for maintaining or enhancing the value of its assets.
- (3) The amount of profits retained and not allocated to distributions shall be managed in accordance with the Investment Corporation’s targets and asset management policies.

2. Cash Distributions in Excess of Profits

The Investment Corporation may make cash distributions in excess of its profits to the unitholders based on the statement of cash distributions approved pursuant to the Investment Trusts Act, if the Board of Directors determines that it is appropriate to do so due to the trends in the economic environment, real estate market and leasing market, etc. or for purposes of maximizing unitholders' interests, or it is possible to avoid the imposition of corporate and other taxes on the Investment Corporation. If the Investment Corporation makes cash distributions in excess of its profits, the maximum amount shall be the amount of profits for the relevant fiscal period plus the amount prescribed by laws and regulations, etc. (including the rules of The Investment Trusts Association, Japan).

3. Method of Distributing Distributions, Etc.

Distributions shall be distributed in cash to the unitholders or registered investment unit pledgees who are registered or recorded in the latest unitholders register as of the settlement date in proportion to the number of investment units held by them within 3 months of the settlement date in principle.

4. Rules of The Investment Trusts Association, Japan

In addition to Paragraphs 1 through 3, the Investment Corporation shall make cash distributions in accordance with the Rules on Real Estate Investment Trusts and Real Estate Investment Corporations.

5. Period of exclusion (*joseki kikan*) of the right to demand distributions

The Investment Corporation shall be released from its obligation to pay distributions if 3 years have passed since the date of commencement of the payment thereof. No unpaid distributions shall bear interest.

Article 36 (Maximum Amounts, Etc. of Borrowings and Issuance of Investment Corporation Bonds)

1. The Investment Corporation may borrow funds (including through a call market) or issue investment corporation bonds (including short-term investment corporation bonds; hereinafter the same) for purposes of financing, among other things, the acquisition of assets, payment of repair costs or distributions, operation of the Investment Corporation, and repayment of debts (including the refund of tenant security deposits and guarantees, and repayment of borrowings and investment corporation bonds) for the steady growth, efficient management and stable management of its investment assets. When the Investment Corporation borrows funds, it shall do so only from qualified institutional investors as defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments Act (limited to those who fall within the category of institutional investors as defined in Article 67-15, Paragraph 1, Item 1 (b) (2) of the Special Taxation Measures Act).
2. In the case of the preceding paragraph, the Investment Corporation may provide its investment assets as collateral.
3. The maximum amount of borrowings shall be 1 trillion yen, and the maximum amount of investment corporation bonds that may be issued shall be 1 trillion, provided that their combined amount shall not exceed 1 trillion yen.

Article 37 (Standards for Payment of Asset Management Fees to Asset Management Company)

1. The method of calculating fees payable to the asset management company to which the Investment Corporation entrusts the management of its investment assets (hereinafter, the "Asset Management Company") shall be as follows:

(1) Midterm fee I

The midterm fee I shall be the amount (rounded down to the nearest yen) obtained by multiplying the total valuation amount of the investment assets by a rate to be agreed upon with the Asset Management Company, which shall be up to 0.3%. The total valuation amount

of the investment assets shall be the total of A. and B. below:

A. As for the real estate, etc. in Article 29, Paragraph 1, Item 1 (1) through (4), the total of the amounts obtained by multiplying (i) the appraisal value (if no appraisal value is obtained as of the end of the relevant fiscal period, the selling price (meaning the price stipulated in the relevant sales agreement, etc., and excluding the consumption tax and local consumption tax (hereinafter, the “consumption tax, etc.”)) or acquisition price (meaning the price, etc. stipulated in the relevant sales agreement, etc., (or the acquisition value by the Investment Corporation if such asset is succeeded to by the Investment Corporation through an absorption-type merger in which the Investment Corporation becomes the surviving corporation), and excluding the acquisition fee and other expenses related to the acquisition and the consumption tax, etc.), whichever is lower, of each of the relevant assets as of the end of the relevant fiscal period by (ii) the number of days of holding each of the relevant assets in the relevant fiscal period, and dividing the resulting figure by the number of days in a year (365 days for a year other than a leap year, and 366 days for a leap year; hereinafter the same)

B. As for the real estate, etc. in Article 29, Paragraph 1, Item 1 (5), real estate-backed securities in Article 29, Paragraph 1, Item 2, and assets related to the real estate-related loans and other monetary claims, etc. in Article 29, Paragraph 1, Item 3 (11) through (13) among the other assets in Article 29, Paragraph 1, Item 3, the total of the amounts obtained by multiplying (i) the value of each of the relevant assets valued by the method set forth in Article 33, Paragraph 1 as of the end of the relevant fiscal period by (ii) the number of days for which each of the relevant assets is held in the relevant fiscal period, and dividing the resulting figure by the number of days in a year.

(2) Midterm fee II

The midterm fee II shall be the amount (rounded down to the nearest yen) (i.e. the amount calculated by the following formula) obtained by multiplying (i) the amount obtained by dividing the distributable amount before deducting the midterm fee II as of the end of the relevant fiscal period of the Investment Corporation (if a loss carried forward is included in the net income before tax ((excluding the gains on negative goodwill incurred and before deducting the amount of amortization of goodwill, the midterm fee II and nondeductible consumption tax, etc.)), calculated in accordance with generally accepted corporate accounting standards in Japan, the amount after compensating for the amount of the loss carried forward) by the total number of issued and outstanding investment units as of the end of the relevant fiscal period (hereinafter, “distributions per unit before deducting midterm fee II”) by (ii) the “total real estate rental revenue minus real estate rental expenses (excluding depreciation expenses and losses on retirement of non-current assets) in the relevant fiscal period (hereinafter, “NOI”)” and (iii) a rate to be agreed upon with the Asset Management Company, which shall be up to 0.002%.

Midterm fee II = Distributions per unit before deducting midterm fee II x NOI x a rate of up to 0.002% (rounded down to the nearest yen)

If the Investment Corporation holds its undisposed or uncanceled investment units as of the end of the relevant settlement date, the total number of issued and outstanding investment units shall mean the total number of issued and outstanding investment units as of the end of the relevant settlement date less the number of investment units held by the Investment Corporation. If investment units have been consolidated or split, the total number of issued and outstanding investment units as of the settlement date of the fiscal period in which the consolidation or split has been conducted and any subsequent fiscal periods shall be the number that is adjusted to the number of investment units before the consolidation or split

using the consolidation ratio or split ratio.

(3) Acquisition fee

Upon acquisition of any new real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc., the acquisition fee shall be the amount (rounded down to the nearest yen) obtained by multiplying the acquisition price (meaning the price stipulated in the relevant sales agreement, etc., but excluding the acquisition fee and other expenses required for the acquisition and consumption tax, etc.) of such real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc. by a rate to be agreed upon with the Asset Management Company, which shall be up to 1% (or 0.5% if the Investment Corporation acquires any new real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc. from its interested parties as defined in the Interested Party Transaction Regulations of the Asset Management Company) of such acquisition price.

(4) Transfer fee

Upon transfer of any real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc., the transfer fee shall be the amount (rounded down to the nearest yen) obtained by multiplying the transfer price (meaning the price stipulated in the relevant sales agreement, etc., but excluding the transfer fee and other expenses required for the transfer and consumption tax, etc.) of such real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc. by a rate to be agreed upon with the Asset Management Company, which shall be up to 1% (or 0.5% if the Investment Corporation transfers any real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc. to its interested parties as defined in the Interested Party Transaction Regulations of the Asset Management Company) of such transfer price.

(5) Merger fee

If investigation and valuation of the assets, etc. held by the other party to a consolidation-type merger or an absorption-type merger of the Investment Corporation (including the case where the Investment Corporation becomes the surviving corporation in an absorption-type merger, and the case where the Investment Corporation becomes the dissolving corporation in an absorption-type merger; hereinafter the same) (hereinafter collectively referred to as the "Merger") or any other services related to the Merger are performed, and the Merger becomes effective, then the merger fee shall be the amount (rounded down to the nearest yen) obtained by multiplying the total of the valuation amounts of the real estate-related assets held by such other party that will be transferred to or held by the corporation established in the consolidation-type merger or the surviving corporation in the absorption-type merger as of the date on which such Merger becomes effective (hereinafter, the "Valuation Amount") by a rate to be agreed upon with the Asset Management Company, which shall be up to 1% (or 0.5% if the Investment Corporation merges with an investment corporation that falls within the category of interested parties as defined in the Interested Party Transaction Regulations of the Asset Management Company, or an investment corporation for which any of the interested parties is entrusted with the management of assets).

2. The fees payable to the Asset Management Company by the Investment Corporation, as set forth in the preceding paragraph, shall be paid at the following times:

(1) Management fee I: Within 3 months of the end of the fiscal period

(2) Management fee II: Within 3 months of the end of the fiscal period

(3) Acquisition fee: By the end of the month following the month in which the date of acquisition of the real estate, etc., real estate-backed securities or real estate-related loans

and other monetary claims, etc. (i.e., the date on which the transfer of ownership and other rights becomes effective) falls.

- (4) Transfer fee: By the end of the month following the month in which the date of transfer of the real estate, etc., real estate-backed securities or real estate-related loans and other monetary claims, etc. (i.e., the date on which the transfer of ownership and other rights becomes effective) falls.
- (5) Merger fee: By the end of the month following the month in which the effective date of the Merger falls (in the case of a consolidation-type merger, the corporation established in the consolidation-type merger shall pay the fee; if the Investment Corporation becomes the dissolving corporation in an absorption-type merger, the surviving corporation in the absorption-type merger shall pay the fee).

Article 38 (Attribution of Profit and Loss)

Any and all profits and losses arising from the management of the Investment Corporation's investment assets by the Asset Management Company shall be for the account of the Investment Corporation.

Article 39 (Burden of Expenses)

1. If the Investment Corporation is requested to pay overdue interest or damages involving taxes related to the investment assets, expenses required for its general administrator, its asset custodian and the Asset Management Company to take charge of the administrative work entrusted by the Investment Corporation, and advances made by such general administrator, asset custodian and the Asset Management Company, the Investment Company shall pay the overdue interest or damages.
2. In addition to the preceding paragraph, the Investment Corporation shall pay the following expenses:
 - (1) Expenses related to the issuance of investment units and investment unit acquisition rights, issuance of investment corporation bonds, and listing and listing maintenance (including the expenses of preparing, printing and delivering investment securities and investment unit acquisition right certificates as well as fees for underwriting securities firms);
 - (2) Expenses of preparing, printing and filing securities registration statements, securities reports and extraordinary reports;
 - (3) Expenses of preparing, printing and delivering prospectuses;
 - (4) Expenses of preparing, printing and delivering financial statements and asset management reports, etc. prescribed in laws and regulations (including filing expenses upon filing with regulatory authorities or other parties);
 - (5) Expenses of public notices of the Investment Corporation as well as expenses related to its advertising and IR activities, etc.;
 - (6) Fees and expenses payable to experts, etc. (including legal advisers, tax advisers, accounting advisers, appraisal experts, due diligence experts, and judicial scriveners, etc.);
 - (7) Out-of-pocket expenses and insurance premiums, etc. of the Executive Directors and Supervisory Directors, remuneration for accounting audits, and expenses incurred due to the holding of general meeting of unitholders and Board of Directors meetings, etc.;
 - (8) Expenses related to the acquisition, administration and operation of investment assets (including expenses related to registration, expenses for due diligence and other investigations, trust fees and trust expenses, advertising expenses, brokerage fees, management service fees, non-life insurance premiums, maintenance and repair costs, and utility expenses, etc.);
 - (9) Interest, loan fees, undertaking fees and other expenses on borrowings and investment

- corporation bonds;
- (10) Expenses of obtaining and maintaining ratings of the Investment Corporation;
 - (11) Expenses required for the operation of the Investment Corporation; and
 - (12) Other expenses incidental and related to, or similar to, the foregoing Items that should be borne by the Investment Corporation.

Article 40 (Consumption Tax and Local Consumption Tax)

The Investment Corporation shall be liable for the consumption tax, etc. levied on the expenses and amounts that should be paid by the Investment Corporation for the management of investment assets or other services and that constitute taxable items under the Consumption Tax Act (hereinafter collectively referred to as the “taxable items”), and pay an amount equivalent to the consumption tax, etc. in addition to the amounts of the taxable items. Unless otherwise provided, all the amounts described in these Articles of Incorporation shall be amounts that do not include consumption tax, etc.

Chapter 8: Entrustment of Services and Administrative Work

Article 41 (Entrustment of Asset Management, Custody and Other Services and Administrative Work)

1. Pursuant to the Investment Trusts Act, the Investment Corporation shall entrust asset management services to the Asset Management Company and asset custody services to its asset custodian.
2. The Investment Corporation shall entrust a third party with the administrative work, other than asset management and custody services, that is required to be entrusted to a third party pursuant to the Investment Trusts Act (hereinafter, the “general administrative work”).
3. With regard to administrative work to be entrusted after the establishment of the Investment Corporation that relates to the offering of investment units issued by the Investment Corporation and the issuance of investment securities, the Board of Directors shall, from time to time, determine the general administrator and execute an agreement on entrustment of general administrative work.

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