

Articles of Incorporation

(Last modified: March 27, 2019)

Premier Investment Corporation

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Articles of Incorporation of Premier Investment Corporation

Chapter 1: General Provisions

Article 1 (Corporate Name)

The name of the Investment Corporation in Japanese shall be Premier Toshi Hojin. In English, the Investment Corporation shall be named Premier 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 specified assets including real estate and real estate backed securities (assets referred to in the "Asset Management Targets and Policies" in the Exhibits of this Articles of Incorporation; hereinafter the same.)

Article 3 (Location of Head Office)

The head office of the Investment Corporation shall be in Chiyoda Ward, Tokyo.

Article 4 (Method of Public Notice)

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

Chapter 2: Investment Units

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

The Investment Corporation shall not refund any investment units upon request of unitholders

1. The Investment Corporation may acquire its treasury investment units with compensation based on agreement with any of its unitholders.

Article 6 (Total Number of Authorized Investment Units, Etc.)

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 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 concerned investment units in response to the invitation) shall be the amount that is determined by the Executive Director and approved by the Board of Directors as a fair price in the light of the substance of the assets held by the Investment Corporation (hereinafter, the "Investment Assets").

Article 7 (Restrictions on Handling of Investment Units)

Registration or recording in the unitholder registry of the Investment Corporation, and any other procedures relating to handing of investment units and the fees for those procedures are subject to laws and regulations or these Articles of Incorporation as well as the rules for handling investment units provided by the Board of Directors.

Articles 8 (Minimum Net Assets to Be Regularly Held by the Investment Corporation)

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

Chapter 3: Asset Management and Accounts, Etc.

Article 9 (Asset Management Targets and Policies)

The Investment Corporation shall manage its assets in accordance with the provisions stipulated in the "Asset Management Targets and Policies" in the Exhibits of the Articles of Incorporation. The "Asset Management Targets and Policies" in the Exhibits is attached at the end of this document as an inseparable part of the Articles of Incorporation, and shall be viewed as an integral part of the Articles of Incorporation.

Article 10 (Reinvestment of Proceeds)

The Investment Corporation may reinvest proceeds from sales of the Investment Assets, redemption money

on securities, interest, distributions from equity interests in real estate backed silent partnerships, real estate rental income and any other proceeds.

Article 11 (Methods, Standards and Reference Date of Asset Evaluation)

1. The methods and standards of asset evaluation of the Investment Corporation are set forth in the provisions of the “Methods and Standards of Asset Evaluation” in the Exhibits, and the reference date of asset evaluation shall be the settlement date set forth in Article 12. The “Methods and Standards of Asset Evaluation” in the Exhibits is attached at the end of this document as an inseparable part of the Articles of Incorporation, and shall be viewed as an integral part of the Articles of Incorporation.
2. The net assets amount in the Articles of Incorporations refers to the amount obtained by deducting the total liabilities of the Investment Corporation from its total assets calculated by using the methods stated in Paragraph 1.

Article 12 (Settlement Date)

The fiscal periods for the Investment Corporation are the six months from May 1 through October 31 and from November 1 through April 30 each year (the last day of each fiscal period is referred to hereinafter as the “settlement date”).

Article 13 (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, profits (the amount obtained by subtracting the sum total of unitholders’ capital and surplus from the net assets amount appearing on the balance sheet of the Investment Corporation; hereinafter the same) shall be calculated based on the Investment Trusts Act, corporate accounting standards generally accepted in Japan and other corporate accounting practices.

(2) Where it is approved by tax-related laws and regulations in Japan to include the cash distributions to unitholders of the Investment Corporation in deductible expenses under certain conditions, the Investment Corporation must make cash distributions to its unitholders in a way that meets the requirements provided by the tax-related laws and regulations in Japan for approving the inclusion in deductible expenses.

2. Distributions in Excess of Earnings

When it is possible to reduce imposition of corporate tax and other taxes for the Investment Corporation or is otherwise determined by the Board of Directors as appropriate, the Investment Corporation shall be able to make cash distributions in excess of earnings based on the Statements of Cash Distributions approved by the Board of Directors, pursuant to the provisions of the Investment Trusts Act, on the condition that, however, the distribution amount shall not exceed the amount designated by the rules of The Investment Trusts Association, Japan, etc.

3. Distribution Method

Distributions provided in Paragraphs 1 and 2 shall be paid in cash and, in principle, distributed within three months from the settlement date to the unitholders or registered investment unit pledgees who are listed or registered or recorded in the latest unitholder registry as of the settlement date, in accordance with the number of investment units held by the unitholders or the number of investment units subject to the registered pledges of investment units.

4. Limitation on Cash Distributions

If the distributions specified in Paragraphs 1 and 2 are unclaimed for a period of three full years after the date on which such distributions first became payable, the Investment Corporation shall be discharged from its payment obligation thereof. Furthermore, any distributions remaining unpaid shall bear no interest.

Article 14 (Maximum Borrowing Amounts of Borrowings and Issuance of Corporate Bonds)

The Investment Corporation shall be able to borrow funds or issue corporate bonds (including short-term corporate bonds; hereinafter the same) for the purpose of funding acquisition and repair, etc. of assets, payment of cash distributions, operations of the Investment Corporation, and repayment of debts (including tenant security deposits, borrowings and corporate bonds), in order to contribute to stable growth of the Investment Assets and efficient and stable operation of investments. When the Investment Corporation borrows funds, lenders shall be limited to qualified institutional investors as defined in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (but limited to institutional investors designated in the “Special Tax Measures for an Investment Corporation” under the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended).

1. When the Investment Corporation borrows funds or issues corporate bonds in accordance with Paragraph 1, the Investment Corporation shall be able to provide the Investment Assets as collateral.
2. The respective maximum amount of the borrowings and corporate bonds to be issued shall be 1 trillion yen, and the combined amount shall not exceed 1 trillion yen.

Article 15 (Calculation Methods and Payment Date of Asset Management Fees to Asset Management Company)

The calculation methods and payment date of asset management fees payable to the asset management company to which the Investment Corporation entrusts management of its assets are as follows.

1. Asset Management Fee 1

Asset Management Fee 1 shall be the amount (rounded down to the nearest 1 yen) equivalent to 3% of the total amount of rents, common area charge, parking fees, incidental revenue, facility use charge, facility installation charge, delay damage charge, cancellation penalty or similar monies for cancelling lease agreements, and other income from leasing operations, generated from real estate, etc. (including real estate backing securities and other assets that the Investment Corporation acquires) in the Investment Assets, and calculated for each settlement period. However, if the Investment Assets are equity interests as set forth in II. (1) A. a. 4) in the Asset Management Targets and Policies in the Exhibits or real estate backed securities as set forth in II. (1) A. b. in the Asset Management Targets and Policies in the Exhibits, the amount shall be equivalent to 3% of the total amount (rounded down to the nearest 1 yen) of dividend income, interests or similar revenues for the said equity interests or real estate backed securities, calculated for each settlement period. Moreover, gains from sale of real estate, etc. (including real estate backing the securities and other assets that the Investment Corporation acquires) and other assets in the Investment Assets shall be excluded. The Investment Corporation shall pay the amount and the consumption taxes and local consumption taxes levied on the amount within a month after the accounts are settled.

2. Asset Management Fee 2

Asset Management Fee 2 shall be the amount (rounded down to the nearest 1 yen) equivalent to 3% of the distributable amount calculated for each settlement period. The Investment Corporation shall pay the amount and the consumption taxes and local consumption taxes levied on the amount within a month after the accounts are settled. "Distributable amount" shall be the amount calculated from net income before tax before the deduction of Asset Management Fee 2, calculated in accordance with generally accepted corporate accounting principles and other corporate accounting practices, plus a compensation amount for the losses carried forward, if any.

3. Asset Management Fee 3

When the Investment Corporation has newly acquired real estate, etc. as the Investment Assets (including the case where the Investment Corporation has acquired securities and other assets backed by real estate), the Investment Corporation shall pay the amount designated in the asset management agreement it has concluded with the asset management company, in accordance with the acquisition price of the real estate, etc. (meaning the combined acquisition price for the land and building, or the respective acquisition price when multiple real estate properties are acquired simultaneously; with the amount equivalent to the consumptions taxes and local consumption taxes as well as expenses associated with the acquisition are excluded), to an extent not larger than the sum total of the amount obtained by multiplying the acquisition price by the following rates (rounded down to the nearest 1 yen) and the amount equivalent to the consumption taxes and local consumption taxes levied on the amount. Payment shall be made by the end of the month following the month to which the acquisition date belongs.

- 0.5% for the portion up to 10 billion yen
- 0.2% for the portion over 10 billion yen and up to 30 billion yen
- 0.05% for the portion over 30 billion yen and up to 50 billion yen
- None for the portion over 500 billion yen

Furthermore, in the event that the acquisition is made from interested parties, etc. of the asset management company as defined in the asset management agreement which the Investment Corporation has concluded with the asset management company (which includes all interested parties, etc. as defined in the Investment Trusts Act), the rates to be applied shall be one half of the above rates.

Chapter 4: Consignment of Asset Management

Article 16 (Attribution of Profit and Loss)

Any and all profit and loss arising from the management of the Investment Corporation's Investment Assets by the asset management company shall be attributable to the Investment Corporation.

Chapter 5: Accounting Auditor

Article 17 (Appointment)

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

Article 18 (Term of Office)

1. The term of office of the accounting auditor shall be until the close of the first general meeting of unitholders to be held following the first settlement date after one year has passed since 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 general meeting of unitholders.

Article 19 (Payment Standard and Payment Date of Accounting Auditor's Compensation)

The accounting auditor's compensation shall be no more than 15 million yen for each fiscal period that is subject to audit, and shall be an amount determined by the Board of Directors. The compensation shall be paid by the end of January, April, July and October, respectively, each year for the preceding three months.

Chapter 6: General Meeting of Unitholders and Board of Directors, Etc.**Article 20 (Matters Concerning General Meeting of Unitholders)**

1. The Investment Corporation shall convene its general meeting of unitholders on March 1, 2017 and onwards without delay, and subsequently convene the general meetings of unitholders on March 1 and onwards every two years without delay.
2. When convening a general meeting of unitholders pursuant to the preceding paragraph, the unitholders eligible to exercise their voting rights at such general meeting of unitholders shall be those who are registered or recorded in the latest unitholder registry as of December 31, 2016 and subsequently as of December 31 of every two years.
3. Aside from Paragraph 1, the Investment Corporation shall convene a general meeting of unitholders at any time when it is necessary.
4. When convening a general meeting of unitholders pursuant to the preceding paragraph, the unitholders eligible to exercise their voting rights at such general meeting of unitholders shall be those who are registered or recorded in the latest unitholder registry as of the record date, which the Investment Corporation determines by resolution of the Board of Directors and publicly notifies in advance pursuant to laws and regulations.
5. Unless otherwise provided 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.
6. 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. When no Executive Director is able to do so due to vacancies or an accident, the general meeting of unitholders shall be chaired by a Supervisory Director in accordance with the order predetermined by the Board of Directors.
7. Unless otherwise provided by laws and regulations as well as 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.
8. Unitholders who do not attend a general meeting of unitholders and do not exercise voting rights shall be deemed to approve the proposals for resolution (excluding any proposal with purposes that conflict with each other in the case that multiple proposals are submitted) submitted to the general meeting of unitholders. In such a case, the number of voting rights of unitholders deemed to approve the proposals for resolution shall be included in the number of voting rights of attending unitholders.
9. Unitholders who do not attend the general meeting of unitholders shall be able to exercise their voting rights in writing. The number of voting rights exercised in writing shall be included in the number of voting rights of attending unitholders.
10. With a resolution of the Board of Directors, the Investment Corporation may decide that unitholders who do not attend the general meeting of unitholders can exercise their voting rights in electromagnetic formats. The number of voting rights exercised in electromagnetic formats shall be included in the number of voting rights of attending unitholders.
11. Unitholders may exercise their voting rights through a proxy who is also a unitholder with voting rights in the Investment Corporation. To do so, the said unitholders or the proxy must submit a document proving the power of attorney to the Investment Corporation for each general meeting of unitholders.
12. With respect to the proceedings and outcome of the general meeting of unitholders, minutes containing matters required by laws and regulations shall be prepared. The attending chairman, the Executive Directors and the Supervisory Directors shall sign and seal the minutes. The minutes that have been prepared, signed and sealed shall be kept in the head office of the Investment Corporation for a period of

ten years from the day of such general meeting of unitholders.

Article 21 (Matters Concerning Executive Director and Supervisory Director)

1. The Investment Corporation shall have two or less Executive Directors and three or less Supervisory Directors (however, the number of Supervisory Directors shall be at least one more than the number of Executive Directors).
2. The Executive Directors and Supervisory Directors shall be appointed by resolution of the general meeting of unitholders.
3. 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 as set forth by laws and regulations, by the resolution of the general meeting of unitholders. Furthermore, the term of office of the Executive Directors and Supervisory Directors who are elected to fill vacancies or to increase the number of directors shall be the same as the remaining term of the preceding or current Executive Directors or Supervisory Directors.
4. The effective period of resolution of the election of the substitute Executive Directors or substitute Supervisory Directors shall be until the expiration of the term of office of the incumbent Executive Directors or elected at the general meeting of unitholders at which such resolution was made (or, if the Executive Directors or Supervisory Directors were not elected in the said general meeting of unitholders, the last general meeting of unitholders at which they were elected). However, such term may be shortened by resolution of the general meeting of unitholders.

Article 22 (Matters Concerning Board of Directors)

1. The Board of Directors shall be composed of all Executive Directors and Supervisory Directors, and shall exert authorities provided by laws and regulations or the Articles of Incorporation as well as supervise the execution of duty by the Executive Directors.
2. Unless otherwise provided 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, the Board of Directors meeting shall be convened and chaired by a single Executive Director in accordance with the order predetermined by the Board of Directors.
3. The convocation notice of the Board of Directors meeting shall be sent out to all Executive Directors and Supervisory Directors at least three days prior to 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.
4. Unless otherwise provided by laws and regulations or the Articles of Incorporation, a resolution of the Board of Directors meeting shall be made through the approval of a majority of the Board members who can participate in voting, with the attendance of a majority of the Board members.
5. With respect to the proceedings and outcome of the Board of Directors meeting, minutes containing matters required by laws and regulations shall be prepared. The attending Executive Directors and the Supervisory Directors shall sign and seal the minutes. The minutes that have been prepared, signed and sealed shall be kept in the head office of the Investment Corporation for a period of ten years since the day of the Board of Directors meeting.

Article 23 (Liability for Damages Compensation of Directors, Etc. to Investment Corporation)

The Investment Corporation may, to the extent permitted by laws and regulations, exempt the Executive Directors, Supervisory Directors or the Accounting Auditor from liability, pursuant to the provisions of the Investment Trusts Act and by resolution of the Board of Directors.

Article 24 (Payment Standards of Compensation for Executive Directors and Supervisory Directors and Payment Date)

Payment standards of compensation for the Executive Directors and Supervisory Directors of the Investment Corporation and the payment date shall be as follows:

The compensation shall be no more than 800,000 yen per month for each Executive Director and no more than 350,000 yen per month for each Supervisory Directors, and shall be the amount judged reasonable in light of such factors as the compensation levels for the directors and auditors, etc. who perform similar assignments, general price trends and wage trends. Said amount shall be determined by the Board of Directors, to the extent not larger than the above-mentioned amount, respectively, and shall be paid by no later than the last day of each month for the month's portion by transfer to the accounts designated by the Executive Directors and Supervisory Directors.

Chapter 7: Other Matters

Article 25 (Bearing of Expenses)

1. The Investment Corporation shall bear taxes related to the Investment Assets, expenses required for the general administrative agents, asset management company and asset custodian to conduct services consigned by the Investment Corporation, and overdue interests or damages for proceeds advanced for the Investment Corporation by the general administrative agents, asset management company and asset custodian if such claims are made.
2. In addition to the preceding paragraph, the Investment Corporation shall bear the following expenses:
 - (1) Expenses related to the issuance of investment units and corporate bonds, the acquisition of treasury investment units, the allotment of investment unit subscription rights without contribution and the borrowing of funds;
 - (2) Expenses related to the preparation, printing and submission of securities registration statements, securities reports and extraordinary reports;
 - (3) Expenses related to the preparation, printing and distribution of prospectuses and summarized (provisional) prospectuses;
 - (4) Expenses related to the preparation, printing and distribution of financial statements and asset management reports, etc. required by laws and regulations (including submission expenses for any submission of these documents to regulatory authorities);
 - (5) Expenses related to public announcements and advertising, etc. of the Investment Corporation;
 - (6) Fees or expenses of experts, etc. (including legal advisers, appraisers, asset investigators, tax advisers and judicial scriveners);
 - (7) Actual expenses and insurance premiums for the Executive Directors and Supervisory Directors as well as proceeds advanced on behalf of the Investment Corporation by the Executive Directors and Supervisory Directors, and expenses related to the holding of general meetings of unitholders and the Board of Directors meetings;
 - (8) Expenses related to the acquisition, administration and operation of the Investment Assets (including brokerage fees, property management fees, nonlife insurance premiums, maintenance and repair fees, and utility expenses);
 - (9) Interests on borrowings and corporate bonds;
 - (10) Expenses related to the operation of the Investment Corporation; and
 - (11) Other expenses similar to the above items that shall be borne by the Investment Corporation

Article 26 (Consumption Tax and Local Consumption Tax)

Of the expenses and amounts that the Investment Corporation must pay for services such as management of the Investment Assets, the Investment Corporation shall be liable for consumption taxes and local consumption taxes levied on the taxable items under the Consumption Tax Act (hereafter, collectively called "taxable items"), and pay the consumption taxes and local consumption taxes by adding them to the various amounts of the taxable items.

Article 27 (Miscellaneous Provisions)

The Articles of Incorporation were established on April 22, 2002.

The Articles of Incorporation were revised on July 16, 2002.

The Articles of Incorporation were revised on April 23, 2004.

The Articles of Incorporation were revised on April 21, 2006. However, the revisions shall become effective on the date of enforcement of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005, as amended).

The Articles of Incorporation were revised on April 18, 2008. However, the revisions shall become effective on May 1, 2008.

The Articles of Incorporation were revised on April 14, 2010.

The Articles of Incorporation were revised on March 25, 2011.

The Articles of Incorporation were revised on March 22, 2013.

The Articles of Incorporation were revised on March 20, 2015.

The Articles of Incorporation were revised on March 28, 2017.

The Articles of Incorporation were revised on March 27, 2019. However, of the revisions, the revision to Article 3 (Location of Head Office) shall become effective on the date of relocation of the head office of the Investment Corporation, which shall be decided by the Board of Directors of the Investment Corporation scheduled to meet by June 28, 2019.

Asset Management Targets and Policies

The following shall be the asset management targets and policies (hereinafter, the “Management Policies”) separately established based on Article 9 of the Articles of Incorporation of Premier Investment Corporation (hereinafter, the “Investment Corporation”).

I. Basic Policies of Asset Management

The Investment Corporation shall primarily invest in real estate located primarily in the Tokyo metropolitan area and comprising buildings mainly for office and residential uses and their lots, as well as in securities and other assets that are backed by the said real estate. The Investment Corporation shall conduct management with an aim to achieve steady growth of assets it owns (hereinafter, the “Investment Assets”) and secure stable earnings from medium- to long-term perspectives.

II. Types, Objectives and Scopes, Etc. of Assets as Object of Management

The Investment Corporation’s purpose is to manage its assets by investing primarily in real estate assets (which represent real estate, real estate leasehold interest or surface rights, and beneficiary interest in trust for these assets alone, as set forth in the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ministerial Ordinance No. 129 of 2000 issued by the Prime Minister’s Office, as amended).

(1) Investment Targets

A. Specified Assets as Primary Investment Targets

The Investment Corporation shall invest primarily in the following specified assets with an aim to achieve steady growth and secure stable earnings.

- a. Real estate, etc.
 - 1) Real estate, real estate leasehold interest and surface rights
 - 2) Beneficiary interest in trust for real estate, real estate leasehold interest or surface rights (including comprehensive trust in which monies incidental to real estate are also in trust but excluding the trust that falls under the category of real estate backed securities stipulated in b. below)
 - 3) Beneficiary interest in monetary trust to be managed as investment in real estate, real estate leasehold interest or surface rights (excluding the trust that falls under the category of real estate backed securities stipulated in b. below)
 - 4) Equity interest in an agreement where one party promises to make a financial contribution to the other party for managing assets described in above (1) through (3), while the other party promises (a) to manage the contribution by investing it primarily in those assets and (b) to distribute profits from managing the assets
- b. Real estate backed securities: the following items, where an amount exceeding one-half of the assets backing such real estate backed securities is to be invested in real estate, etc.
 - 1) Preferred securities as set forth in the Act on Securitization of Assets (Act No. 105 of 1998, as amended; hereinafter, the “Asset Securitization Act”)
 - 2) Beneficiary securities as set forth in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trusts Act”)
 - 3) Investment securities as set forth in the Investment Trusts Act
 - 4) Specified purpose trust beneficiary securities as set forth in the Asset Securitization Act

B. Other Specified Assets

In addition to the specified assets that fall under the category of real estate, etc. and real estate backed securities as set forth in above A, the Investment Corporation shall also be able to invest in the specified assets listed below.

- 1) Bank deposits
- 2) Call loans
- 3) National government bonds (as set forth in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter, the “Financial Instruments Act”))
- 4) Municipal bonds (as set forth in the Financial Instruments Act)
- 5) Bonds issued by a juridical person pursuant to a special law (as set forth in the Financial Instruments Act)
- 6) Specified bonds as set forth in the Asset Securitization Act
- 7) Bonds (as set forth in the Financial Instruments Act, excluding convertible bonds and bonds with warrants)
- 8) Investment securities or corporate bonds as set forth in the Investment Trusts Act or foreign investment securities (as set forth in the Financial Instruments Act, excluding those as set forth in the above A. b. (3))

- 9) Commercial paper (as set forth in the Financial Instruments Act)
 - 10) Securities or certificates issued by a foreign country or foreign person and having the nature of the securities or certificates in above (3) through (7) and (9)
 - 11) Foreign beneficiary securities of a trust in loan claims, etc. (as set forth in the Financial Instruments Act)
 - 12) Securities or certificates that indicate options (as set forth in the Financial Instruments Act, but limited to those related to the above (3) through (11) and the following (13) through (16))
 - 13) Deposited certificates (as set forth in the Financial Instruments Act and denominated in Japanese yen, having the nature of the securities in above (3) through (5) and (7))
 - 14) Negotiable deposit certificates issued by a foreign person (as set forth in the Financial Instruments Act and denominated in Japanese yen)
 - 15) Beneficiary interest in trusts (as set forth in the Financial Instruments Act, excluding those set forth in above A.)
 - 16) Rights to a foreign person, with the nature of the rights in above (15) (as set forth in the Financial Instruments Act)
 - 17) Other monetary claims
 - 18) Rights related to derivative transactions (as set forth in the Financial Instruments Act, but limited to those that are managed for the purpose of hedging risks such as interest rate fluctuation risk arising from liabilities of the Investment Corporation)
 - 19) Share certificates (as set forth in the Financial Instruments Act; however, investments shall be made only when it is considered to be necessary or useful for the Management Policies)
 - 20) Other securities set force in the Financial Instruments Act but not falling under the above (1) through (19)
 - 21) Renewable energy generating facilities (as set forth in the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended))
- C. Investment in Assets Other Than Specified Assets (Excluding Assets Owned in Association with Organization Operations)
- Other than the specified assets, the Investment Corporation may invest in the following assets; however, investments shall be made only when it is considered to be necessary or useful for the Management Policies.
- 1) Trademark rights, and the exclusive right to use or non-exclusive right to use trademarks based on the Trademark Act (Act No. 127 of 1959, as amended)
 - 2) Rights to use the source of a hot spring as prescribed by the Hot Springs Act (Act No. 125 of 1948, as amended) and facilities, etc., related to such hot spring
 - 3) Movable designated by the Civil Code (Act No. 89 of 1896, as amended)
 - 4) Easements designated by the Civil Code
 - 5) Specified investment in specific purpose companies as set forth in the Asset Securitization Act
 - 6) Telephone subscription rights designated by the Telecommunications Business Act (Act No. 86 of 1984, as amended)
 - 7) 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 which have similar nature, or emission rights (including emission rights related to greenhouse gases)
 - 8) Any other assets considered to be appropriate to acquire in conjunction with real estate, etc. or real estate backed securities
- D. Investment in Assets Other Than Specified Assets (Assets Owned in Association with Organization Operations)
- Other than the assets set forth in the preceding three items, the Investment Corporation shall be able to acquire the trademark for the trade name of the Investment Corporation, copyrights, etc. under the Copyright Act (Act No. 48 of 1970, as amended) and any others held incidental to organizational operations that are considered to be appropriate.
- E. Rights to Be Indicated on Securities Set Forth in the Financial Instruments Act
- If securities that indicate the said rights have not been issued, those rights shall be deemed to be the securities and the provisions of the above A. through D. shall be applied to them.

(2) Investment Attitude

- 1) Major investment targets of the Investment Corporation shall be real estate and beneficiary interest in real estate trust.
- 2) In selecting the individual real estate properties and real estate as trust property for investment, the Investment Corporation shall make comprehensive considerations and sufficient surveys regarding expected income from relevant real estate, prospects of areas where the properties are located, building size, building and facility specifications, earthquake resistance performance, status of rights, tenants, property management conditions, and environment and soil quality, among other factors.
- 3) With regard to the ratios of the portfolio assets the Investment Corporation acquires, the total amount of the specified real estate (the specified assets the Investment Corporation acquires and

referring to the real estate, real estate leasehold interest or surface rights, or beneficiary interest in trust for real estate ownership, land leasehold interest or surface rights) shall be at least 75% to the total amount of the specified assets held by the Investment Corporation.

III. Investment Limitations

- (1) The Investment Corporation shall not invest in real estate (including real estate backing the securities, beneficiary interest in trust and other assets the Investment Corporation acquires) that is located outside Japan.
- (2) The Investment Corporation shall not invest in assets denominated in foreign currencies.

IV. Purposes and Scope of Leasing of Portfolio Assets

- (1) In principle, the Investment Corporation shall lease (including lease of parking lots and installation of signboards) all of its real estate (including real estate backing the beneficiary interest in trust and other assets that the Investment Corporation acquires) in order to secure stable earnings over the medium to long term.
- (2) When leasing real estate described in the preceding paragraph, the Investment Corporation may collect or provide tenant security deposits and guarantees and other similar monies (hereinafter, the “tenant security deposits, etc.”). The collected tenant security deposits, etc. shall be managed pursuant to the provisions of the Management Policies.
- (3) The Investment Corporation may take real estate on lease and then sublease the said real estate as part of its asset management.

V. Compliance with Laws and Regulations

In managing its Investment Assets, the Investment Corporation shall abide by the provisions of the Management Policies as well as the Investment Trusts Act, relevant laws and regulations, and rules of The Investment Trusts Association, Japan (as amended).

[Exhibits]

Methods and Standards of Asset Evaluation

The following shall be the methods and standards of asset evaluation (hereinafter, the "Evaluation Standards") separately established based on Article 11, Paragraph 1 of the Articles of Incorporation of Premier Investment Corporation (hereinafter, the "Investment Corporation").

I. Principles of Asset Evaluation

- (1) The purpose of the Evaluation Standards is to establish the methods and standards of asset evaluation for the Investment Corporation to calculate the net assets amount set forth in Article 11, Paragraph 2 of the Articles of Incorporation and cash distributions, etc. as set forth in Article 13 of the Articles of Incorporation.
- (2) In evaluating the assets held by the Investment Corporation (hereinafter, the "Investment Assets"), the Investment Corporation shall do so prudently and faithfully for the benefit of its unitholders.
- (3) In evaluating the Investment Assets, the Investment Corporation shall do so in conformity with principle of consistency in principle.
- (4) In evaluating the Investment Assets, the Investment Corporation shall endeavor to ensure the reliability of the evaluation results.

II. Asset Evaluation Reference Date

The asset evaluation reference date for the Investment Corporation shall be the settlement date set forth in Article 12 of the Articles of Incorporation.

III. Methods and Standards of Asset Evaluation

1. The methods and standards of asset evaluation for the Investment Corporation shall be provided as follows in accordance with the types of the Investment Assets.

- (1) Real estate, etc.

- 1) Real estate, real estate leasehold interest and surface rights
Evaluation shall be made by using the value obtained by deducting accumulated depreciation amount from the acquisition price. Depreciation amount for buildings and facilities, etc. is calculated by using the straight-line method. However, other calculation methods may be employed when calculation by the straight-line method is no longer appropriate due to legitimate reasons and if the Investment Corporation can reasonably determine that changing the methods would not cause any problem in terms of unitholder protection.
- 2) Beneficiary interest in trust for real estate, real estate leasehold interest or surface rights (including comprehensive trust)
If the trust property is an asset stipulated in above 1), evaluation shall be made as designated in above 1). If the trust property is a financial asset, evaluation shall be made based on the generally accepted corporate accounting standards and other corporate accounting practices, and then the value of the relevant beneficiary interest in trust shall be calculated by deducting the debt amount from the total amount.
- 3) Beneficiary interest in monetary trust to be managed as investment in real estate, real estate leasehold interest or surface rights
If the asset composing the trust property is an asset stipulated in above 1), evaluation shall be made as designated in above 1). If the asset is a financial asset, evaluation shall be made based on the generally accepted corporate accounting standards and other corporate accounting practices, and then the value of the relevant beneficiary interest in trust shall be calculated by deducting the debt amount from the total amount.
- 4) Equity interest in silent partnership related to real estate
If the asset composing the equity interest in silent partnership is an asset stipulated in above 1) through 3), evaluation shall be made as designated respectively. If the asset is a financial asset, evaluation shall be made based on the generally accepted corporate accounting standards and other corporate accounting practices, and then the value of the relevant equity interest in silent partnership shall be calculated by deducting the debt amount from the total amount.

- (2) Securities

- 1) Securities listed on the financial instruments exchange
These securities shall be evaluated at the value calculated based on the closing price on the financial instruments exchange market established by the financial instruments exchange or on the foreign

financial instruments exchange market. However, when there is no closing price, the value shall be calculated based on quoted price (either the minimum offered quotation price or the maximum bid quotation price; if both of them are quoted, the mean price thereof)

2) Securities other than the above

If the securities have a market price (the price (including quoted price) indicated through brokerage by a party engaged in Type I Financial Instruments Business set forth in the Financial Instruments Act or the price that are similar to that of the financial instruments exchange market and established by a trading system that can conduct transactions and conversions into money at any time; hereinafter the same), these securities shall be evaluated at the market price. If there is no market price, the value shall be calculated as similar value by reasonable methods. However, for preferred securities, commercial papers, foreign beneficiary securities of a trust in loan claims, negotiable deposit certificates issued by a foreign person, beneficiary interest in trusts and rights to a foreign person with the nature of the rights in beneficiary interests in trusts, the value may be evaluated by using the acquisition price if there is no market price or a price calculated through reasonable methods.

(3) Monetary claims

Monetary claims shall be evaluated at the value obtained by deducting the provisions for doubtful accounts from the acquisition price. However, when the claims are acquired at a price lower or higher than the claimable price, and the difference between the acquisition price and the claimable price is recognized to be an interest rate adjustment, the evaluation shall be made by using the value obtained by deducting the provisions for doubtful accounts from the value estimated based on the amortized-cost method.

(4) Rights related to derivative transactions

1) Claims and liabilities resulting from transactions of derivatives listed on the financial instruments exchange

Evaluation shall be made at the value calculated based on the closing price on the relevant financial instruments exchange or, if there is no closing price, at the quoted price (either the minimum offered quotation price or the maximum bid quotation price; if both of them are quoted, the mean price thereof)

2) Claims and liabilities resulting from transactions of non-listed derivatives without market price on the financial instruments exchange market

Evaluation shall be made at the value calculated by reasonable methods as similar to the market price. If it is extremely difficult to calculate a fair evaluation value, evaluation may be made at the acquisition price.

3) Despite the above 1) and 2), if requirements are met for applying hedge accounting pursuant to the accounting standards for financial instruments and practical guidelines on financial instruments accounting, hedge accounting may be applied. Moreover, special accounting for interest rate swaps may be applied for transactions that satisfy the requirements for special accounting for interest rate swaps set forth in the accounting standards for financial instruments and practical guidelines on financial instruments accounting.

(5) Others

Unless otherwise provided in the above, evaluation shall be made at the value to be assessed in accordance with the evaluation rules of The Investment Trusts Association, Japan, or the value to be assessed based on the generally accepted corporate accounting standards and other corporate accounting practices.

2. If values different from those on the balance sheet are to be used for the purpose of recording them in the asset management report, etc., the "value obtained by deducting accumulated depreciation amount from the acquisition price" in the above 1. (1) 1) shall be replaced by "value assessed based on appraisal by a real estate appraiser as a rule" and the latter shall be applied.

3. In principle, consistent applications of the evaluation methods shall be made as follows in accordance with the types of the Investment Assets. For the evaluation methods set forth in above 1. and 2., the Investment Corporation shall make evaluations in conformity with the principle of consistency and no change shall be made. However, other calculation methods may be employed if evaluations made by the employed methods have become inappropriate due to legitimate reasons and if the Investment Corporation can reasonably determine that changing the methods would not cause any problem in terms of unitholder protection. If the evaluation methods are changed, the following matters shall be recorded in the asset management report to be issued to the unitholders immediately after such changes.

(1) The fact of changing the relevant evaluation method and the date of change

- (2) Detailed description of the evaluation method that was employed before the change and the evaluation method after the change
- (3) Evaluation value as of the end of a fiscal period by the evaluation method that was employed before the change and the evaluation value by the evaluation method after the change
- (4) Specific reasons for the change
- (5) Other matters needed in terms of unitholder protection