

# By-laws on Rules on Real Estate Investment Trusts and Real Estate Investment Corporations

Established on March 19, 2004  
Revised on November 18, 2005  
Revised on February 14, 2006  
Revised on April 11, 2006  
Revised on September 21, 2007  
Revised on September 16, 2009  
Revised on December 20, 2012  
Revised on May 21, 2015

## Article 1 Purpose

These By-laws set forth necessary matters regarding the enforcement of the Rules on Real Estate Investment Trusts and Real Estate Investment Corporations (hereinafter referred to as the “Rules”).

## Article 2 Methods for Valuing Real Estate, etc.

The valuation method specified in the By-laws as prescribed in Article 6, Paragraph 2 of the Rules shall be a method whereby a Settlor Company of Investment Trusts (hereinafter referred to as the “Management Company”) shall value each asset comprising such assets based on the total amount of the values calculated under the provisions of Article 5, Article 7, Paragraph 1 and Article 8 of the Rules, corresponding to the type of each asset.

## Article 3 Appraised Value of Asset-Backed Securities

The valuation method specified in the By-laws as prescribed in Article 7, Paragraph 2 of the Rules shall be the total amount of the values calculated by a Settlor for each asset comprising such assets under the provisions of Article 5, Article 6, Paragraph 1, Article 7, Paragraph 1 and Article 8 of the Rules, corresponding to the type of each asset.

## Article 4 Capital Expenditure

The capital expenditure specified in the By-laws as prescribed in Article 24 of the Rules shall be capital expenditure that is equivalent to 1% or more of the acquisition book value of each individual property held by the real estate investment trust or real estate investment corporation.

## Article 5 Internal Rules, etc. for Closed-End Type Investment Trusts

The matters to be specified in the By-laws as prescribed in Article 28-2, Item 2 of the Rules shall be as follows:

- (1) Separate disclosure of profit distribution and refund of investment principal
- (2) Process for deciding on the implementation of refund of investment principal
- (3) Approach to implementation of refund of investment principal
- (4) Matters to be taken into consideration when implementing the refund of investment principal ((i) Matters affecting cash flow such as medium- to long-term capital needs such as long-term repair plans, etc., (ii) Other necessary matters))

Article 5-2 Internal Rules, etc. for Closed-End Type Investment Corporations

The matters to be specified in the By-laws as prescribed in Article 43-4, Item 2 of the Rules shall be as follows:

- (1) Separate disclosure of profit distribution and refund of capital contributions categorized as distribution for reduction of capital contributions, etc., under the Tax Act
- (2) Process for deciding on the implementation of refund of capital contributions categorized as distribution for reduction of capital contributions, etc., under the Tax Act
- (3) Approach to the implementation of refund of capital contributions categorized as distribution for reduction of capital contributions, etc., under the Tax Act
- (4) Matters to be taken into consideration when implementing the refund of capital contributions categorized as distribution for reduction of capital contributions, etc., under the Tax Act ((i) Matters affecting cash flow such as medium- to long-term capital needs such as long-term repair plans, etc., (ii) Other necessary matters))

Article 6 Deleted

Supplementary Provision

These By-laws shall come into effect on April 1, 2004.

Supplementary Provision

This amendment shall come into effect on November 18, 2005.

Supplementary Provision

This amendment shall come into effect on February 14, 2006.

Supplementary Provision

This amendment shall come into effect on May 1, 2006.

Supplementary Provision

This amendment shall come into effect on September 30, 2007.

Supplementary Provision

This amendment shall come into effect on September 16, 2009.

Supplementary Provision

This amendment shall come into effect on December 20, 2012.

### Supplementary Provisions

1. This amendment shall come into effect as of the effective date (April 1, 2015) of the Revised on Regulation for Investment Corporation Financial Statements (hereinafter referred to as the “New Regulation for Investment Corporation Financial Statements” in Paragraph 3).
2. With respect to the calculation of profit distribution and the financial statements to be prepared for an investment corporation’s business period that commenced prior to the effective date of these Revised on By-laws, the provisions then in force shall remain applicable.
3. If any amount of voluntary reserves and unappropriated retained earnings shown on the balance sheet pertaining to the business period which includes the effective date thereof (excluding any amount appropriated as cash distribution for the current business period) is subdivided into profits arising from negative goodwill set forth in Article 48, Paragraph 3 of the Ordinance on Investment Corporation’s Financial Statements prior to amendment during any business period prior to such business period, such amount shall be set aside as reserve for temporary difference adjustments in the statement of cash distribution for any business period ending on the date on which two years have passed since the effective date of the New Ordinance on Investment Corporation’s Financial Statements.
4. With respect to application of the provisions of Article 6 up to the time when the reserve for temporary difference adjustments is set aside in accordance with the preceding paragraph, the provisions then in force shall remain applicable.

\* The amended provisions are as follows:

- (1) Article 5-2 has been amended.
- (2) Article 6 and Attached Form No. 1 have been deleted.