

● Policy and Management System for Dealing with Conflict of Interest Transactions

(1) Basic Policy on Conflict of Interest Transactions

In implementing transactions concerning assets under management in which there may be conflicts between the interest of the Investment Corporation and the Company or its interested parties, etc., the Company always maintains awareness of its accountability to the Investment Corporation and its unitholders and prevents transactions that are not just or fair in line with laws and regulations and its internal rules.

(2) Appropriate Management of Conflict of Interest Transactions

Based on its Rules regarding Transactions with Interested Parties, etc., the Company has defined interested parties, etc. more broadly than that which is defined by laws and regulations, has stipulated standards for decision-making processes concerning transactions with interested parties as well as the scope of applicable transactions and transaction standards and appropriately manages conflict of interest transactions.

[Overview of Rules regarding Transactions with Interested Parties, etc.]

A. Scope of Interested Parties, etc.

The Company has stipulated its own standards for interested parties, etc. distinct from interested parties, etc. defined by laws and regulations, which includes the following parties assumed to be particularly connected to the Company, and in principle treats these interested parties, etc. the same as interested parties, etc. defined by laws and regulations.

- a) Shareholders that have seconded personnel to the Company (excluding interested parties, etc. defined by law)
- b) Subsidiaries, etc. of major shareholders of the Company (excluding interested parties, etc. defined by law)
- c) Special purpose companies, etc. that have concluded discretionary investment contracts on real estate, etc. with interested parties, etc. as stipulated in the Act on Investment Trusts and Investment Corporations (hereinafter the "Investment Trust Act")

B. The Company's Processes regarding Transactions with Interested Parties, etc.

- a) The propriety and conditions of certain transactions with interested parties, etc. will be sufficiently deliberated by the Investment Review Meeting.
- b) After deliberation by the Investment Review Meeting, important transactions as stipulated in the internal rules will be deliberated and reported by the Compliance Committee.
- c) When implementing certain important transactions, the approval of the Investment Corporation's board of directors (consent of the Investment Corporation) shall be obtained following the completion of approval processes by the Company.

C. Standards regarding Transactions with Interested Parties, etc.

a) Acquisition of real estate and trust beneficiary interests in real estate (collectively “real estate, etc.”)

- When acquiring or receiving brokerage for real estate, etc. from interested parties, etc., the Company will not make purchases at unreasonably high prices or acquire properties that do not meet acquisition standards. Moreover, acquisitions shall be within the scope of the investment standards and price evaluation standards of the Investment Corporation.
- The indicator of the maximum price when acquiring real estate, etc. from interested parties, etc. shall in principal be the price as appraised by a disinterested real estate appraiser.

b) Sale of real estate, etc.

- The indicator of the minimum price when selling real estate, etc. to interested parties, etc. shall in principal be the price as appraised by a disinterested real estate appraiser.

c) Lease of real estate, etc.

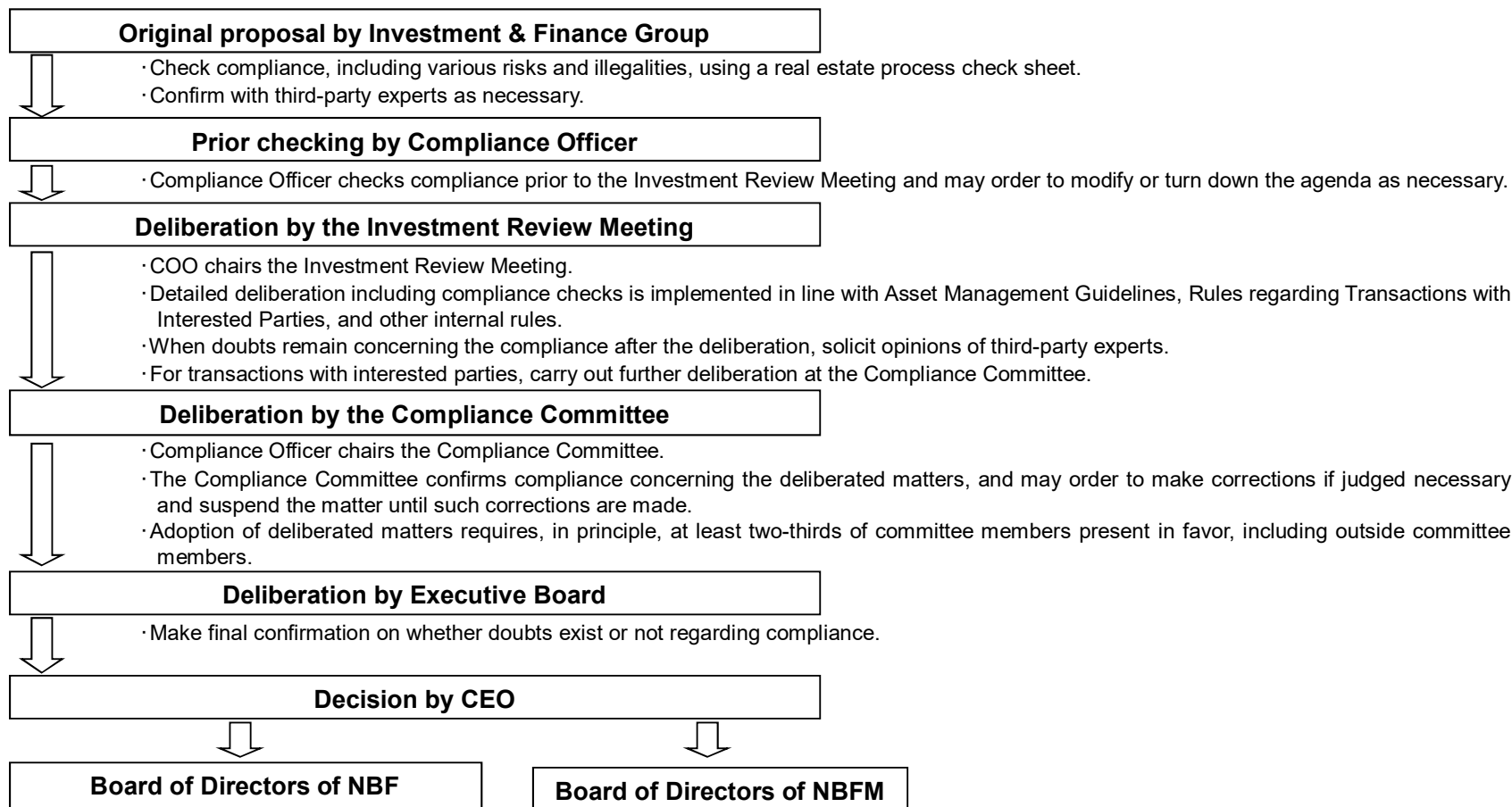
- When leasing real estate, etc. to interested parties, etc. or changing the rent or other important conditions of lease agreements with interested parties, etc., leasing shall be implemented on conditions deemed appropriate using other real estate, etc. or cases of transactions nearby and such as reference. Leasing with interested parties, etc. shall not be carried out with unreasonably high or low rent.

d) Mediation concerning transactions and leasing of real estate, etc.

- The amount of fees for mediation when interested parties, etc. entrusts mediation for the transaction of real estate, etc. shall be determined within the scope stipulated by the Building Lots and Buildings Transaction Business Act. Moreover, the content of the service provided shall be inspected when concluding mediation agreements.
- When interested parties, etc. entrust mediation for the transaction of real estate, etc., a general mediation agreement shall be concluded and the fee for the mediation shall be determined within the scope stipulated by the Building Lots and Buildings Transaction Business Act.

(3) System of Investment Management Decision-Making and Internal Control regarding Conflict of Interest Transactions

[Decision-Making Processes regarding the Acquisition and Sale of Assets]



- Report on the transaction.
- Implement “delivery of written document for conflict of interest transaction” based in internal rules when making a transaction with interested parties before the transaction. The document delivery will also be implemented after the transaction based on the Investment Trusts Act. When implementing certain important transactions, the approval of the Investment Corporation’s board of directors (consent of the Investment Corporation) shall be obtained following the completion of approval processes by the Company.

- Report on the transaction.