

## **Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties**

Issuer of Real Estate Investment Trust Unit

Japan Retail Fund Investment Corporation (Securities Code: 8953)

Yorishige Kondo, President & Executive Director

Asset management company: Mitsubishi Corp.- UBS Realty Inc.

Takuya Kuga, President & Chief Executive Officer

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### **1. Basic Information**

#### **(1) Basic policy concerning compliance**

[1] Basic compliance policy

Japan Retail Fund Investment Corporation (hereinafter referred to as “the Investment Corporation”) and Mitsubishi Corp.-UBS Realty Inc. (hereinafter referred to as “the Asset Management Company”), a company charged with the responsibility of managing the assets of the Investment Corporation, are striving to ensure the appropriateness of asset management and soundness and adequateness of operations, as well as protection of investors at the discretion and on the responsibility of each entity, by strengthening and facilitating functioning of the internal control system based on the highest quality standards of laws and regulations under the real estate investment fund system. In addition, the Investment Corporation and the Asset Management Company are of highly public nature and also assume the social responsibility of extensively making contributions to the economy and society.

Given such a business environment and in view of the fact that the Asset Management Company is a joint venture company between a Japanese company and a foreign financial institution and characteristically has an international corporate culture, it has developed the following compliance system with the aim of achieving a high-level compliance system in the industry.

- The Asset Management Company has formulated the code of ethics and compliance handbook and repeatedly ensures they are observed when necessary as the code of conduct for all its officers and employees to act in compliance with laws and regulations, the Articles of Incorporation and the norms of society.
- The Asset Management Company has set up the Compliance Administration in an effort for developing a companywide compliance system and keeping track of problems. In the meantime, it has established the Compliance Administration Committee with the President serving as the

Chairman, which deliberates on matters concerning compliance and risk management on a regular basis and reports the results to the Board of Directors as occasion arises.

- The Compliance Administration of the Asset Management Company develops a compliance program for the year and assigns priority compliance issues to each department, while confirming the status of improvement on these issues on a regular basis at the Compliance Administration Committee. In addition, the President reports the status of improvement of the program to the Board of Directors at the end of each fiscal year.
- In order to further facilitate the penetration of compliance on the field level, the Asset Management Company appoints a person charged with compliance in each department and performs self-assessment in each department, as well as facilitating an increase in awareness of and ensuring the sense of compliance on the field level in each department through the transmission of compliance information.
- If violation of compliance should occur or if there is a risk thereof, officers and employees of the Asset Management Company shall report to their immediate superiors or the Chief Compliance Officer based on the Compliance Handbook. The Compliance Administration, having received such report, will investigate the details with General Manager of the relevant department immediately, seek opinions and advice from persons such as outside corporate lawyers when required and implement appropriate measures to prevent the recurrence of such an event. The Chief Compliance Officer, Directors or Corporate Auditors shall report to the President promptly if they should detect compliance issues or receive reports thereof.

## [2] Systems concerning asset management of more than one investment corporation

The Asset Management Company has set the following management systems in place so as not to go against the obligation to the Investment Corporation and harm the interest of each investment corporation when managing assets of more than one investment corporation. (For the organization chart and other relevant materials, please refer to “(3) Policies on transactions involving conflicts of interest, etc.” in “2. Management Structure and System of Investment Corporation and Asset Management Company,” as described later.)

### (i) Separation of Asset Management division and its support system

The Asset Management Company has introduced the dual-headquarters system comprising Retail Division, which is engaged in asset management concerning the Investment Corporation, and Industrial Division, which is involved with asset management regarding Industrial & Infrastructure Fund Investment Corporation (hereinafter referred to as “IIF”), with each Division dedicatedly being responsible for asset management of each investment corporation to strengthen the management system and clarify the management responsibility. In addition, the Corporate Division provides support for the operations of each Division through finance- and accounting-related operations and IR-related operations.

### (ii) Securing independence concerning asset management decision-making

The Asset Management Company has established an internal system in which decision-making concerning asset management of each

investment corporation shall be implemented by the Head of each Division independently. As described later in “(3) Policies on transactions involving conflicts of interest, etc.” in “2. Management Structure and System of Investment Corporation and Asset Management Company,” decision-making on asset management of each investment company shall require the approval of the President of the Asset Management Company, as well as approval of the Board of Directors in some cases. In the meantime, “go” or “no go” on the approvals by the President and the Board of Directors shall be contemplated from the viewpoint solely of whether it is an appropriate decision of each Division of the Asset Management Company, and circumstances of other Divisions shall not be taken into consideration.

(iii) Risk Management System

In consideration of the importance of the asset management system of one or more investment corporations, each Division shall manage various risks associated with the acquisition or disposal of assets (principally the risk concerning the risk of deficiencies and defects of real estate, the risk associated with the bankruptcy of sellers, the risk associated with common properties, the risk associated with properties for development, and the risk concerning hazardous substances), various risks associated with operation and management of assets (principally the risk concerning lease contract, the risk of damage, loss and deterioration of assets caused by disasters, the risk concerning owner liability and the expenses of repair and maintenance on real estate), and various risks concerning financing of each investment corporation. In addition to the management of the above-mentioned risks, the Compliance Administration shall share and accumulate know-how related to risk management from the company-level viewpoint on grounds that are independent from each department which it takes charge of and make a proposal about the risk management method, etc.

In addition, the Asset Management Company shall verify the risk items concerning the real estate investment risks with both the Asset Management Review Committee and the Portfolio Review Committee while deciding countermeasures against those risks. In the meantime, please also refer to “[1] Policy and management system for dealing with transactions involving conflict of interests” in “(3) Policies on transactions involving conflicts of interest, etc.” in “2. Management Structure and System of Investment Corporation and Asset Management Company,” as stated below for the details of each Committee.

The Asset Management Company has established a system where the Compliance Administration Committee, which is comprised of the President, Vice President, Head of Division and Head of Compliance Administration, who serve as permanent committee, is held once every three months as a general rule and to grasp and examine the risks other than real estate investment risks concerning the asset management of the Investment Corporation and formulate necessary countermeasures and management policies on a timely basis.

In addition, Auditors are allowed to participate in each of the Investment Management Review Committee, the Portfolio Review Committee and the Compliance Administration Committee and give opinions.

In the meantime, the Internal Audit Office shall perform internal audits regularly based on the Internal Audit Regulations and prepare an internal audit report. Items pointed out in the internal audit report, along with items pointed out in the audit by Auditors and the audit by Accounting Auditors, shall be organized as the compliance program after going through deliberations in the Compliance Administration Committee. The General Manager of the Internal Audit Office shall participate in the meeting of the Compliance Administration Committee

as its committeeperson, hold discussions and endeavor to keep track of the progress of the compliance program. The compliance program shall be reported to the Board of Directors and receive its approval. The progress of this program is monitored by the Compliance Administration Committee and reported to the Board of Directors. The post of General Manager of the Internal Audit Office is held concurrently by the President of the Asset Management Company, who appoints a third-party service provider approved in the Internal Audit Regulations as auditor and performs internal audit. The Internal Audit Office has established an appropriate reporting system in which compliance staff in each department will carry out self-assessment for risk management and increasing operational efficiency in the department.

**(2) Unitholders**

As of August 31, 2009

Name	Relationship with the Investment Corporation, the Asset Management Company or sponsors and the background for holding units	Unite held (unit)	Percentage (%)
NikkoCiti Trust and Banking Corporation, trust account	—	31,325	8.10
Trust & Custody Services Bank, trust account	—	27,164	7.02
Japan Trustee Services Bank, trust account	—	26,146	6.76
Mitsubishi Corporation	The parent company of the Asset Management Company. The company acquired trust account at the time of listing and capital increase of the Investment Corporation.	13,975	3.61
Government of Singapore Investment Corporation Pte Ltd.	—	13,953	3.61
The Nomura Trust and Banking Co., Ltd., investment trust	—	12,046	3.11
CBLDN STICHTING PGGM DEPOSITORY	—	11,432	2.95
The Master Trust Bank of Japan, trust account	—	10,865	2.81
The Fuji Fire and Marine Insurance	—	10,140	2.62
The Bank of New York, Treaty JASDEQ Account	—	7,739	2.00
Total of the top 10 unitholders	—	164,785	42.63

Note: The figures in the percentage column represent the percentage of units held by individual unitholders to the total number of units issued, and are indicated by rounding off to the second decimal place.

**(3) Major shareholders of the Asset Management Company**

As of November 30, 2009

Name	Relationship with the Investment Corporation, the Asset Management Company or sponsors and the background for holding units	Number of shares held (shares)	Percentage (%)
Mitsubishi Corporation	Provided capital at the time of formation of the Asset Management Company.	5,100	51.00
UBS AG	Same as above.	4,900	49.00
Total	—	10,000	100.00

Note: The figures in the percentage column represent the percentage of shareholdings of individual shareholders to the number of shares outstanding and are indicated by rounding off to the second decimal place.

**(4)-1 Investment policy and investment target**

The Investment Corporation has established a basic investment policy of managing investment with the aim of securing stable profit on a medium- and long-term basis and steadily building investment assets.

The Investment Corporation shall make investments primarily in retail properties such as urban commercial buildings, suburban shopping centers and roadside stores (hereinafter referred to as “Retail Properties”) directly or mainly through specified assets which are supported by the Retail Properties.

The investment portfolio will be comprised of income assets, which are expected to generate stable cash flows in the medium- and long-term, and growth assets, which can offer potential growth in property value and cash flows through the replacement of tenants, etc. In addition, the Investment Corporation shall analyze the domestic economic conditions, real estate market and trends of the retail industry on a regular basis and make diversified investment of assets categorized by different attribution of type of business, area and lessee of the Retail Properties, in order to reduce the risks of disasters such as earthquakes, and the risk of vacancy due to the moving out of tenants and stabilize cash flows. For details, please refer to the Financial Statements of the Investment Corporation.

#### **(4)-2 Matters concerning overseas real estate investment**

##### **a. Investment stance toward overseas real estate properties**

The Investment Corporation changed the regulations of the Investment Corporation at the Fifth Meeting of Unitholders on November 22, 2006, and lifted restrictions on investment in overseas real estate properties. However, the Investment Corporation has no specific plan for making overseas real estate properties as of the date of this report.

#### **(5) Matters concerning sponsors**

##### **[1] Details of the businesses of sponsor company groups**

The Investment Corporation has two sponsor companies which specifically are Mitsubishi Corporation and UBS A.G. They are major shareholders of the Asset Management Company as listed above in (3).

The Mitsubishi Corporation group is one of the leading general trading companies in Japan and operates business in a wide range of fields in a diversified manner, ranging from trading a variety of goods, manufacturing, resource development and project development to provision of various services and commercialization of new business models and new technologies, by utilizing its network both at home and abroad. In the real estate related business, Mitsubishi Corporation is engaged in diversified businesses, ranging from development and sale of condominiums to the PFI business and overseas real estate property investment, by making full use of its comprehensive capabilities as a general trading company. For details of the corporate group of Mitsubishi Corporation, please refer to the financial statements of that company.

The UBS A.G. Group is one of the leading financial institutions in Europe and provides various financial services by making the most of its world's top-level asset values, global network and business foundations which it has built around the world. In the real estate business, the Group offers a wide range of services from trading to investment and management of real estate properties mainly in Europe and the U.S. as part of its efforts for global asset management. For details of the UBS A.G. Group, please refer to the financial statements of that company.

##### **[2] Agreements on supply of properties and information provision with sponsor company groups**

Not applicable.

## 2. Management structure and system of the Investment Corporation and the Asset Management Company

### (1) Investment Corporation

#### [1] Directors of the Investment Corporation

As of November 30, 2009

Job title	Name	Brief biography		Reason for selection
Executive Director	Yorishige Kondo	<p>April 1974</p> <p>June 1980</p> <p>October 1993</p> <p>February 1997</p> <p>June 1998</p> <p>April 2000</p> <p>March 2001</p> <p>April 2002</p> <p>April 2003</p> <p>October 2003</p> <p>April 2006</p> <p>December 2006</p>	<p>Joined Mitsubishi Trust and Banking Corporation (presently, Mitsubishi UFJ Trust and Banking Corporation, hereinafter the same)</p> <p>Received MBA from New York University (U.S.)</p> <p>Temporarily transferred to Mitsubishi TB Securities Co., Ltd. (presently, Mitsubishi UFJ Securities Co., Ltd.) to assume the position of Deputy General Manager of Underwriting Dept.</p> <p>General Manager of Market Financing Dept. of Mitsubishi Trust and Banking Corporation.</p> <p>General Manager of Securities Business Dept.</p> <p>General Manger of Tokyo Sales Dept. I</p> <p>Received Ph.D. in International Public Policy from Osaka University)</p> <p>General Manager of Institutional Banking Dept. of Mitsubishi Trust and Banking Corporation</p> <p>General Manager of Institutional Sales Dept. I of the Head Office of the Bank</p> <p>Assumed post of professor at Hirosaki University</p> <p>Assumed post of professor at Tokyo University of Technology (present post)</p> <p>Executive Director of the Investment Corporation (present post)</p>	<p>Mr. Kondo was selected as Executive Director as he was deemed to be qualified for the position of executing the duties of the Investment Corporation from the viewpoint of a financial expert.</p>
Supervisory Director	Shuichi Namba	<p>April 1984</p> <p>September 1986</p> <p>September 1987</p> <p>February 1988</p> <p>June 1988</p> <p>December 1988</p> <p>April 1989</p> <p>December 1997</p> <p>February 1998</p> <p>September 2001</p> <p>June 2002</p> <p>April 2007</p> <p>January 2009</p>	<p>Admitted to Japanese Bar and joined Ozaki &amp; Momo-o</p> <p>Received Master of Law at Columbia University, Law School (U.S.)</p> <p>Joined Weil, Gotshal &amp; Manges</p> <p>Admitted to New York Bar</p> <p>Joined Bankers Trust Company</p> <p>Admitted to California Bar</p> <p>Partner of Momo-o, Matsuo &amp; Namba (present post)</p> <p>Part-time Auditor of Fort Dodge Corporation (present post)</p> <p>Part-time Auditor of Sanshin Corporation (present post)</p> <p>Supervisory Director of the Investment Corporation (present post)</p> <p>Part-time Auditor of Itochu Enex Co., Ltd. (present post)</p> <p>Part-time Auditor of SC Asset Management Co., Ltd. (present post)</p> <p>Part-time Auditor of F2U (present post)</p>	<p>Mr. Namba was selected as Supervisory Director as he was deemed to be qualified for the position of supervising the activities of Directors from the viewpoint of a legal expert.</p>

Supervisory Director	Masayoshi Satoh	April 1976	Joined Coopers & Lybrand Tokyo Office (presently, PricewaterhouseCoopers)	Mr. Satoh was selected as Supervisory Director as he was deemed to be qualified for the position of supervising the activities of Directors from the viewpoint of an accounting expert.
		September 1979	Registered as certified public accountant	
		October 1984	Joined Chuo Audit Corporation, International Division	
		June 1988	Partner of Chuo Audit Corporation	
		June 1995	Withdrew from post as Partner of Chuo Audit Corporation	
		July 1998	Partner of Tokyo Kyodo Accounting Office	
		July 2003	Supervisory Director of the Investment Corporation (present post)	
		August 2005	Part-time Auditor of Nikko Cordial Securities Inc.	
		June 2007	Part-time Auditor of Cemedine Henkel Co., Ltd. (present post)	
		June 2009	Part-time Auditor of N.E. Chemchat Corporation (present post)	
	Part-time Auditor of Nikko Cordial Securities Spin-off Preparation Co., Ltd. (changed in corporate name to Nikko Cordial Securities Inc. in October 2009)(present post)			
	July 2009	Chief of Sato Certifies Public Accountants Firm (present post)		

**[2] Reasons why Directors of the Investment Corporation concurrently holding the position of officers and staff of the Asset Management Company and measures for relationships involving conflicts of interest**

Not applicable.

**[3] Other relationships involving conflicts of interest due to other positions held simultaneously by directors of the Investment Corporation.**

Not applicable.

**(2) Asset Management Company**

**[1] Officers of the Asset Management Company**

As of November 30, 2009

Job title/ permanent or part-time	Name	Brief biography		Interlocking of post/assignment, temporal transfer
President & CEO	Takuya Kuga	April 1986 April 1988 July 1989 April 1994 October 1996 December 1997 June 1999 March 2003 April 2003 October 2004 April 2007  May 2008 June 2009 October 2009	Mitsubishi Corporation Head office (General Machinery Department) Development & Construction First Division Construction & Building Equipment Division Residential & Regional Development Department Overseas Properties and Project Development Department Temporarily transferred to MC Realty, Inc. (Dallas Texas, USA) Temporarily transferred to MC Realty, Inc. (Los Angeles California, USA) Mitsubishi Corporation Head office Global Real Estate Unit Mitsubishi Corporation Head office Property & Project Development Unit Part-time Director of Diamond Realty Management Inc. Mitsubishi Corporation Head office Commercial Properties Development & Management Unit President & CEO of Diamond Realty Management Inc. Director of Mitsubishi Corp. - UBS Realty Inc. President & CEO of Mitsubishi Corp. – UBS Realty Inc. (present post)	(Interlocking of post/assignment) Not applicable.  (Temporal transfer) Mitsubishi Corporation
Executive Vice President	Minoru Mukai	April 1976 September 1980 April 1987 March 1990 April 1991 February 1995 April 1996  February 1998 June 2000  July 2000  April 2001 May 2003 January 2004 April 2004 June 2004 June 2005 August 2006	Joined the Bank of Tokyo, Ltd. Bank of Tokyo (Deutschland) AG, Frankfurt Branch Associate Director of Bank of Tokyo Capital Markets London Acting General Manager of Capital Market Dept. I of the Bank Deputy Director-General of Capital Market Dept. I of the Bank Deputy General Manager of Capital Market Dept. I of the Bank General Manager of Underwriting Dept. III of the Tokyo Mitsubishi Securities Co., Ltd. Director and Head of Capital Market Sales Dept. of HSBC Securities (Japan) Limited Managing Executive Officer of UBS Brinson (presently, UBS Global Asset Management (Japan) Ltd.) Director of UBS Asset Management (presently, UBS Global Asset Management (Japan) Ltd.) Managing Director of the Company Executive Vice President of the Company Chairman of European Business Council in Japan Executive Senior Vice President of UBS Global Asset Management (Japan) Ltd. Part-time Director of Mitsubishi Corp. – UBS Realty Inc. Vice Chairman of Japan Securities Investment Advisers Association Executive Senior Vice President of Mitsubishi Corp. – UBS Realty Inc. (present post)	(Interlocking of post/assignment) Not applicable.  (Temporary transfer) UBS Global Asset Management (Japan) Ltd.
Director (part-time)	Yasuyuki Sakata	April 1978 November 1983	Joined Mitsubishi Corporation (Energy Business Department) Administration Department, Osaka Branch of the Company	(Interlocking of post/assignment) As described in the column on the

		<p>May 1985 October 1986 December 1989 May 1991 February 1994 February 1998 January 1999 April 2002</p> <p>October 2004 March 2007 April 2007</p> <p>May 2007 October 2007 April 2008</p> <p>June 2008 August 2008 January 2009 October 2009</p>	<p>Accounting Department, Osaka Branch of the Company International Finance Department of the Company Temporarily transferred to Mitsubishi Acceptance Corporation (Irvine) Temporarily transferred to Mitsubishi Motors Credit of America, Inc. (Irvine) Mitsubishi International Corporation (New York) Finance Department of Mitsubishi Corporation Financial Planning Department of the Company Unit Manager, Financial Planning Department, Finance Business Group of the Company</p> <p>Part-time Director of Mitsubishi Corp. – UBS Realty Inc. (present post) Part-time Director of Mitsubishi Auto Leasing Holdings Corporation (present post) Division COO, Industrial &amp; Logistics Development Business Group (concurrent), Unit Manager, Real Estate &amp; Business Finance Unit of Mitsubishi Corporation Part-time Director of Skyport Service Corporation (present post) Part-time Director of Mitsubishi Auto Leasing Co., Ltd. (present post) Executive Officer, Division COO of Industrial &amp; Logistics Development Business Group (concurrent), Unit Manager, Real Estate &amp; Finance Unit of Mitsubishi Corporation Part-time Director, AGP Corporation (present post) Part-time Director of MC Aviation Partners Inc. (present post) Executive Officer &amp; Division COO, Industrial &amp; Logistics Development Business Group of Mitsubishi Corporation (present post) Part-time Director of Mitsubishi Corporation Capital Ltd. (present post)</p>	<p>left.</p> <p>(Temporary transfer) Not applicable.</p>
Director (part-time)	Yuichi Hiromoto	<p>April 1980 December 1987 June 1990 June 1992</p> <p>December 1994 June 1998</p> <p>January 1999.</p> <p>December 2000 September 2001 October 2009</p>	<p>Joined Mitsubishi Corporation Capital Market Department of the Company (capital market-related operations) Received MBA at the Wharton School of the University of Pennsylvania (U.S.) Capital Market Dept. of Mitsubishi Corporation (domestic corporate bond issuance operations) Temporarily transferred to Mitsubishi Corporation Finance plc Finance Dept. of Mitsubishi Corporation (securitization of real estate, real estate investment business) Financial Planning Dept. of the Company (securitization of real estate, real estate investment) President and CEO of Mitsubishi Corp. – UBS Realty Inc. (present post) Director of the Investment Corporation Deputy Division COO, Asset Finance &amp; Business Development Division Industrial Finance, Logistics &amp; Development Group of Mitsubishi Corporation (present post) Part-time Director of Mitsubishi Corp. – UBS Realty Inc. (present post) Part-time Director of Mitsubishi Corporation Capital Ltd. (present post)</p>	<p>(Interlocking of post/assignment) As described in the column on the left.</p> <p>(Temporary transfer) Not applicable.</p>
Director (part-time)	Hitoshi Ishikawa	<p>April 1984 June 1992 April 1996 June 1998 August 2003 April 2005 April 2007</p>	<p>Joined Mitsubishi Corporation (Machinery Administration Department) Treasury Dept. Financial Dept. Mitsubishi Corporation Finance PLC Financial Services Div., Capital Markets Unit New Business Initiative Group CEO office Planning and Administration, Industrial Finance, Logistics &amp; Development Group</p>	<p>(Interlocking of post/assignment) As described in the column on the left.</p> <p>(Temporary transfer) Not applicable.</p>

		<p>November 2007 December 2007 May 2008 June 2008 October 2008 November 2008 January 2009 February 2009 April 2009 June 2009 June 2009</p>	<p>CEO office, Management Planning • Regional Strategy General Manager of Planning and Administration, Industrial Finance, Logistics &amp; Development Group, Asset Finance &amp; Business Div., Financial Services Unit Part-time Director of Mitsubishi Corporation Capital Ltd. Part-time Director of Diamond Financial Solutions Ltd. (present post) Part-time Director of Diamond Alternative Investment Ltd. (present post) Part-time Director of New Century Insurance Co., Ltd. (present post) Part-time Director of MC Financial Services Ltd. (present post) Part-time Director of Healthcare Management Partners, Inc. (present post) Part-time Director of Pentelia Diamond Capital Management Ltd. (present post) Non-Executive Director of Eolia Diamond Ltd. (present post) General Manager of Planning and Administration, Industrial Finance, Logistics &amp; Development Group Financial Services Unit &amp; Real Estate &amp; Project Finance Unit Part-time Director of Diamond Realty Management Inc. (present post) Part-time Director of MC GIP Holdings, Inc. (present post) Part-time Director of Mitsubishi Corporation LT, Inc. (present post) Part-time Director of Mitsubishi Corp. - UBS Realty Inc. (present post) General Manager of Planning and Administration, Industrial Finance, Real Estate &amp; Project Finance Unit (present post)</p>	
Director (part-time)	James W. O'Keefe	<p>June 1972 July 1987 February 1993 December 1996 December 1999 April 2004 January 2007 April 2008</p>	<p>Joined Morgan Stanley Securities Managing Director, Real Estate Investment Banking Department of Kidder Peabody &amp; Co. President &amp; CEO, Etna Realty Investors President &amp; CEO of Allegis Realty Investors (predecessor of UBS Realty Investors) Global Head, Real Estate Division of UBS Global Asset Management, Chairman of UBS Realty Investors LLC Part-time Director of Mitsubishi Corp. – UBS Realty Inc. (present post) Senior Advisor &amp; Managing Director, Global Real Estate Division of UBS Global Asset Management Senior Advisor of UBS Global Asset Management (present post)</p>	<p>(Interlocking of post/assignment) As described in the column on the left.  (Temporary transfer) Not applicable.</p>
Director (part-time)	Paul W. Marcuse	<p>1980 1982 April 1992 April 1997 August 1998 March 2000 January 2007 April 2007 March 2008</p>	<p>Joined First Dalls limited (London) Executive Director, Investment Banking &amp; Real Estate Division of Goldman Sachs International Limited (London) Managing Director, Private Equity Division of BZW Limited (London) Managing Director, Investment Banking Department, Group Head, European Property Hotel Group of UBS Limited (London) Rodamco Group Finance Director, Rodamco United Kingdom BV, Managing Director, Rodamco Venture Capital Managers Limited AXA Investment Managers, Chief Executive of AXA Real Estate Investment Managers, Member of Management Execution Committee of AXA Investment Managers Head of Global Real Estate Division, UBS Global Asset Management, Member of Management Execution Committee (present post) Part-time Director, Mitsubishi Corp. – UBS Realty Inc. (present post) Member of Management Committee of UBS Group (present post)</p>	<p>(Interlocking of post/assignment) As described in the column on the left.  (Temporary transfer) Not applicable.</p>

Director (part-time)	Susumu Okamura	<p>April 1985 April 1991 April 1995 April 1998 April 2000 April 2004 April 2005 November 2005 June 2006 February 2008 November 2008 June 2009 August 2009</p>	<p>Joined The Dai-ichi Mutual Life Insurance Company Domestic and International Credit Center Dai-ichi Life International (USA) Inc. Corporate Finance Department The Dai-ichi Mutual Life Insurance Company Human Resources Management Department The Dai-ichi Mutual Life Insurance Company Manager of Security Investment Department Forex Investment Team President &amp; CEO of Kogin Dai-ichi Life Asset Management Inc. (present name: DIAM USA) The Dai-ichi Mutual Life Insurance Company Deputy General Manager of Corporate Planning Department Kogin Dai-ichi Life Asset Management Inc. (present name: DIAM Asset Management) Leader of Management Planning Group Joined UBS Global Asset Management (Japan) Ltd. Head of Product Development &amp; Management Board of Director of UBS Global Asset Management (Japan) Ltd. UBS Global Asset Management (Japan) Ltd. Head of Institutional Marketing &amp; Products Representative Director &amp; President of UBS Global Asset Management (Japan) Ltd. Part-time Director of Mitsubishi Corp. - UBS Realty Inc. (present post) President &amp; Head of Management Department of UBS Global Asset Management (Japan) Ltd. (present post)</p>	<p>(Interlocking of post/assignment) As described in the column on the left.  (Temporary transfer) Not applicable.</p>
Auditor	Takashi Imai	<p>March 1973 October 1980 April 1981 November 1988 June 1990 May 2002 October 2003 June 2004</p>	<p>Joined Audit Department of Deloitte Huskins &amp; Sells Tokyo Office Honolulu Office of the Company Manager of Audit Department of the Company Partner of Mita Kaikei (Deloitte Huskins &amp; Sells Tokyo Office was reorganized to audit firm) Partner of Toshiaki Katsushima Tax Office (Mita Kaikei merged with Tomatsu Aoki Kansa Hojin to form Tohmatsu Audit Company, and Toshiaki Katsushima Tax Office was a spin-off of tax department of Tohmatsu Audit Company) Joined Tohmatsu Tax Corporation (Toshiaki Katsushima Tax Office was reorganized to Tohmatsu Tax Corporation) Joined Takashi Imai CPA &amp; Tax Office (present post) Standing Auditor of Mitsubishi Corp. – UBS Realty Inc. (present post)</p>	<p>(Interlocking of post/assignment) As described in the column on the left.  (Temporary transfer) Not applicable.</p>
Auditor (part-time)	Takuma Oyama	<p>April 1988 January 1994 May 1996 June 1997 December 2002 April 2009 May 2009 June 2009</p>	<p>Joined Mitsubishi Corporation Investment Administration Div. Mitsubishi Corporation General Accounting Div. of Chemical Group Mitsubishi Corporation Investment Administration and Credit Division Temporarily transferred to Mitsubishi International Corporation (NY) Mitsubishi Corporation Treasurer Office Mitsubishi Corporation Planning Administration, Industrial Finance, Logistics &amp; Development Group Controller Office (present post) Part-time Auditor of Diamond Realty Management Inc. (present post) Part-time Auditor of Mitsubishi Corp.- UBS Realty Inc.</p>	<p>(Interlocking of post assignment) As described in the column on the left.  (Temporary transfer) Not applicable.</p>
Auditor (part-time)	Mitsuaki Kuze	<p>April 1973 April 1976</p>	<p>Joined Long-term Credit Bank of Japan Transferred to the Ministry of Finance (Government Debt Division, Financial Bureau)</p>	<p>(Interlocking of post/assignment) As described in the column on the left.</p>

	April 1978	International Finance Department of Long-term Credit Bank of Japan	(Temporary transfer) Not applicable.
	March 1981	Temporarily transferred to LTCB International (London)	
	October 1985	Securities Planning Department, Planning Division of Long-term Credit Bank of Japan	
	April 1992	Temporarily transferred to Greenwich Capital Market (U.S.) as Executive Vice President of the Company	
	June 1994	Joint General Manager, Long-term Credit Bank of Japan America (New York)	
	June 1997	Temporarily transferred to LTCB Investment Advisory Co., General Manager, Pension Investment Department I	
	April 1998	Executive Officer, LTCB UBS Brinson Investment Advisory (changed trade name to UBS Brinson Investment Advisory in October 1998)	
	April 1999	Director (in charge of account management) of the Company	
	December 1999	Executive Director of UBS (Trust & Banking) Limited	
	March 2000	Director (in charge of compliance and risk management), General Manager of Legal Management Office of the Bank	
	August 2002	Standing Auditor of the Bank	
	March 2004	Standing Auditor of UBS Global Asset Management Inc. (present post)	
	April 2004	Part-time Auditor of Mitsubishi Corp. – UBS Realty Inc. (present post)	

**[2] Employees of the Asset Management Company**

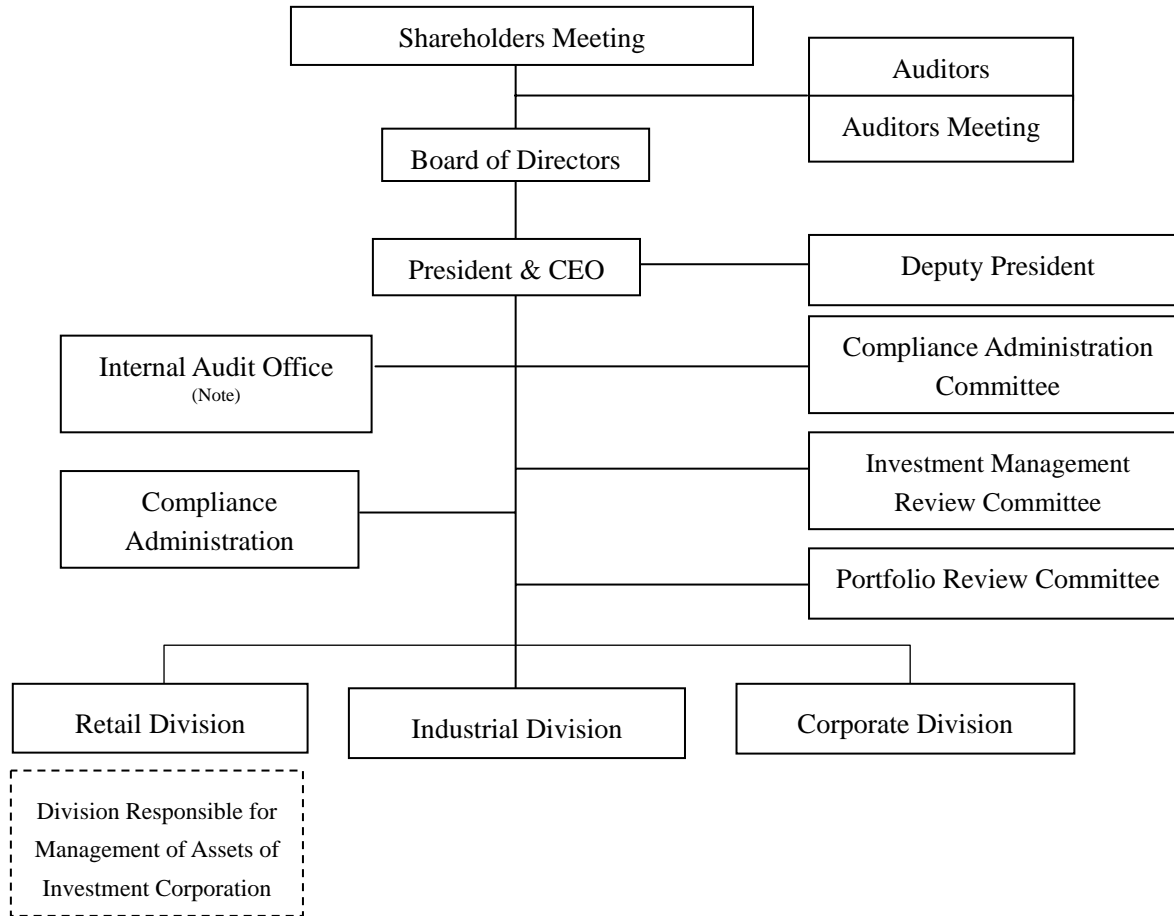
As of November 30, 2009

Number of employees and the status of acceptance of secondment	Interlocking of assignment
The Asset Management Company has 89 employees, of which 13 are seconded employees (9 employees from Mitsubishi Corporation and 4 employees from UBS Global Asset Management Inc.)	—

**[3] Management Structure of Asset Management Company**

The Asset Management Company has a fiduciary responsibility for exercising a duty of care and a duty of loyalty to the investment corporation. Under the management organization shown below, the Asset Management Company operates while paying particularly careful attention to avoid conflicts of interest.

Management Organization Chart



Note: The President concurrently serves as the head of the Internal Audit Office.

## Segregation of Duties

Organization	Summary of Business Operations
<b>Retail Division</b>	
Real Estate Investment and Management Business	<ul style="list-style-type: none"> <li>i. Developing investment strategies</li> <li>ii. Developing and administering investment standards</li> <li>iii. Excavating, evaluating and selecting investment assets</li> <li>iv. Executing negotiations and arrangements, and preparing documentation regarding acquisition of investment assets (including structuring)</li> <li>v. Disposing of investment assets</li> <li>vi. Preparing and retaining information on real estate trading market and sales information (including confidential information)</li> <li>vii. Developing management and administration plans for management assets</li> <li>viii. Administering portfolios of management assets</li> <li>ix. Conducting property management, maintenance, and repair of management assets (including reconstruction and major repair work performed as part of management)</li> <li>x. Handling lessee and lease contract terms of management assets</li> <li>xi. Selecting a property management (hereinafter as “PM”) company for management assets</li> <li>xii. Conducting risk management for each of the above items</li> <li>xiii. Handling the competent government agency for each of the above items</li> <li>xiv. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>xv. Handling other matters related to each of the above items</li> </ul>
Investment Corporation Management Business Operations	<ul style="list-style-type: none"> <li>i. Handling budgets, earnings projections and variation analyses of the Investment Corporation</li> <li>ii. Developing financial strategies and funds management and procurement for the Investment Corporation</li> <li>iii. Handling the property management trust of management assets (including instructions)</li> <li>iv. Handling payment instructions for the Investment Corporation</li> <li>v. Preparing and administering key documents for the Investment Corporation (including general operations outsourcing service agreement, asset administration service agreement, investment account administration outsourcing service agreement, asset management agreement, investment corporation rules, and asset management plan)</li> <li>vi. Handling the competent government agency for each of the above items</li> <li>vii. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>viii. Handling other matters related to each of the above items</li> </ul>
<b>Corporate Division</b>	
Human Resources and General Administration Business	<ul style="list-style-type: none"> <li>i. Handling stocks, shareholders and general meetings of shareholders</li> <li>ii. Handling the Board of Directors</li> <li>iii. Organizing and conducting overall adjustments for other major issues</li> <li>iv. Conducting internal administration, general affairs and secretarial operations</li> </ul>

	<ul style="list-style-type: none"> <li>v. Administering, developing and maintaining, and conducting information security management of information systems (including systems related to real estate management)</li> <li>vi. The Asset Management Review Committee and the Portfolio Review Committee</li> <li>vii. Handling administration and leasing of furniture, premises and equipment under the jurisdiction</li> <li>viii. Planning, administrating and filing documents</li> <li>ix. Handling licenses and registrations under the Building Lots and Buildings Transaction Business Act and the Financial Instruments and Exchange Law</li> <li>x. Acting as a contact window for the institutional management operations brokerage company of the investment corporation</li> <li>xi. Making public announcements</li> <li>xii. Operating and managing personnel and labor issues</li> <li>xiii. Conducting employment, education and training activities</li> <li>xiv. Handling welfare benefits and social insurance</li> <li>xv. Handling legal registry, registration and notification for each of the above items</li> <li>xvi. Handling the competent government agency for each of the above items</li> <li>xvii. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>xviii. Handling other matters related to each of the above items</li> </ul>
Corporate Planning, Research and Information Development Business	<ul style="list-style-type: none"> <li>i. Making strategic, long-term objectives and conducting overall resource allocation</li> <li>ii. Developing budget policies</li> <li>iii. Developing, executing, surveying and reporting strategic plans</li> <li>iv. Analyzing and supporting key issues related to the overall Asset Management Company</li> <li>v. Analyzing various pieces of data and providing management information related to investment assets and management assets of the investment corporation</li> <li>vi. Conducting real estate market research, industrial research and research on economic and financial conditions</li> <li>vii. Excavating and conducting information management on real estate investment information</li> <li>viii. Supporting operations concerning real estate investment of the investment corporation</li> <li>ix. Ensuring a presence in the real estate industry and collaborating with the government-managed asset industry</li> <li>x. Confirming domestic and foreign issues having dormant impacts and formulating response strategies</li> <li>xi. Developing and implementing management of new businesses and product lineups</li> <li>xii. Acting as a contact window for organizations in the industry, e.g. The Association for Real Estate Securitization and The Investment Trusts Association, Japan</li> <li>xiii. Handling the competent government agency for each of the above items</li> <li>xiv. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>xv. Handling other matters related to each of the above items</li> </ul>
IR Business	<ul style="list-style-type: none"> <li>i. Handling public relations and information disclosure, e.g. website</li> <li>ii. Preparing, arranging and submitting asset management reports and securities reports of the investment</li> </ul>

	<p>corporation</p> <ul style="list-style-type: none"> <li>iii. Handling reports and press releases of the investment corporation stipulated under the disclosure rules of the Tokyo Stock Exchange and the U.S. Securities and Exchange Commission</li> <li>iv. Preparing, arranging and submitting securities notifications and prospectuses associated with the issuance of a new investment account of the investment corporation</li> <li>v. Disclosing information related to government agencies and organizations</li> <li>vi. Maintaining and reinforcing relationships with investment unit holders of the investment corporation</li> <li>vii. Responding to inquiries from investors of the investment corporation including analysts</li> <li>viii. Giving operational support concerning financial reporting conducted at financial presentations of the investment corporation and individual IR meetings</li> <li>ix. Supporting road shows and disclosure associated with the issuance of new investment accounts of the investment corporation</li> <li>x. Supporting presentations to internal salespersons of investment securities sales companies, and presentation sessions to individual investors</li> <li>xi. Explaining business results to rating agencies</li> <li>xii. Distributing documents to investment unit holders of the investment corporation</li> <li>xiii. Handling the competent government agencies for each of the above items</li> <li>xiv. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>xv. Handling other matters related to each of the above items</li> </ul>
Financial and Accounting Business	<ul style="list-style-type: none"> <li>i. Handling budgets, earnings projections and variation analyses of the Asset Management Company</li> <li>ii. Handling accounting, financial settlement and taxation of the Asset Management Company</li> <li>iii. Developing and administering accounting rules and procedures</li> <li>iv. Acting as a contact window for external operations outsourcing service companies such as trust banks and accounting firms</li> <li>v. Acting as a contact window for external accounting auditors</li> <li>vi. Handling accounting, financial settlement and taxation of the investment corporation</li> <li>vii. Supporting the development of financial strategies of the investment corporation</li> <li>viii. Planning and recommending funds procurement methods of the investment corporation</li> <li>ix. Acting as a contact window for correspondent financial institutions of the investment corporation</li> <li>x. Preparing and submitting the required documents to Japan Securities Depository Center, Inc. (hereinafter, "JASDEC")</li> <li>xi. Handling the competent government agency for each of the above items</li> <li>xii. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>xiii. Handling other matters related to each of the above items</li> </ul>
Internal Audit Office	<ul style="list-style-type: none"> <li>i. Executing audits on the organizational management of each division, department and committee and the status of business execution, accounting processing and compliance with laws and regulations</li> <li>ii. Developing policies and audit plans of internal audits and reporting audit results</li> <li>iii. Conducting audits on particularly defined items</li> </ul>

	<ul style="list-style-type: none"> <li>iv. Handling the competent government agency for each of the above items</li> <li>v. Preparing and maintaining rules and regulations concerning each of the above items</li> <li>vi. Handling other matters related to each of the above items</li> </ul>
Compliance Administration	<ul style="list-style-type: none"> <li>i. Validating and recommending issues regarding the status of compliance with laws and regulations and internal rules and inspecting the status of related amendments and enforcement of new rules</li> <li>ii. Accumulating information on enactment and amendment of laws and regulations and giving notifications to officers and employees</li> <li>iii. Checking documents of important contracts</li> <li>iv. Checking documents as provided for in regulations concerning public relations and checking other documents</li> <li>v. Conducting internal control (which includes reporting to major shareholders)</li> <li>vi. Acting as a contact window for operational audits by major shareholders</li> <li>vii. Validating and recommending issues regarding the status of compliance with corporate ethics and codes of contact for employees</li> <li>viii. Conducting compliance education for managers and employees</li> <li>ix. Preparing the compliance handbook</li> <li>x. Handling the Compliance Administration Committee</li> <li>xi. Developing and executing compliance programs</li> <li>xii. Conducting risk management (excluding matters concerning real estate investment risk)</li> <li>xiii. Handling complaints and disputes</li> <li>xiv. Responding to inquiries and accusations from employees and other parties</li> <li>xv. Confirming and researching the details of any case of compliance violation and giving guidance on how to respond thereto</li> <li>xvi. Validating and recommending issues regarding the structure of internal rules</li> <li>xvii. Acting as a contact window for the Financial Services Agency</li> <li>xviii. Handling the competent government agency for each of the above items</li> <li>xix. Preparing and maintaining rules and regulations related to each of the above items</li> <li>xx. Handling other matters related to each of the above items</li> </ul>

**(3) Policies on transactions involving conflicts of interest, etc.**

**[1] Policy for dealing with transactions involving conflicts of interest and management system**

**(i) Policy for dealing with transactions involving conflicts of interest**

The Asset Management Company shall comply with laws and regulations including the Financial Instruments and Exchange Act and the Act on Investment Trust and Investment Corporations concerning transactions that involve conflicts of interest between the Investment

Corporation and the Asset Management Company, as well as interested parties, etc. (which refer to interested parties, etc. stipulated in the Act on Investment Trust and Investment Corporation (hereinafter referred to as “the Investment Trust Act”)) and other persons concerned of the Asset Management Company, and established the following self-imposed rules in accordance with the internal regulations.

a. Regulations on transactions by interested parties

The Asset Management Company has formulated the following regulations on transactions by interested parties.

i. Purpose

The purpose of the Regulation is to stipulate procedures that must be complied with and other particulars concerning transactions in which interest of interested parties of the Asset Management Company as defined in ii. below and that of the said Investment Corporation when the Asset Management Company executes investment management operations of commissioned investment corporations including the Investment Corporation and manages the said transactions appropriately, so as to adequately ensure the fulfillment of due care of a prudent manager and duty of loyalty which the Asset Management Company shall assume with regards to the said Investment Corporation.

ii. Scope of interested parties

In the Regulation, “interested parties” shall refer to those who are applicable to any of the following:

- Those stipulated in Paragraph 1, Article 126 of the Enforcement Regulations of the Investment Trust Act and Article 247 of the Enforcement Regulations of the Investment Trust Act, who are commissioned in Paragraph 2, Article 203 of the Investment Trust Act.
- Shareholders and officers thereof of the Asset Management Company, officers of the Asset Management Company or companies where important employees of the Asset Management Company are temporarily transferred.
- Subsidiaries and affiliates of the companies which are applicable to the preceding clause (which are respectively referred to as subsidiaries and affiliates defined in Paragraph 3 and Paragraph 5 of the Article 8 of the Regulation for Terminology, Forms and Preparation of Financial Statements.)
- Special-purpose companies, such as those entities which correspond to any of the preceding three clauses, take the majority stake in and may exert a material impact on the Asset Management Company (including specified-purpose companies, limited liability companies and publicly-traded companies), associations and other funds.

iii. Compliance with laws and regulations

The Asset Management Company shall comply with the Investment Trust Act and other relevant laws and regulations in carrying out transactions with interested parties.

iv. Approval by special majority voting at the Board of Directors’ meeting

When conducting transactions listed in the following with interested parties, the Asset Management Company shall be required by the Regulations of the Board of Directors’ meeting to obtain the approval of at least six of the eight directors at the Board of Directors’ meeting, in addition to confirmation by the Compliance Administration, deliberations by each committee, approval by the President and authorization by the Head of the Division which originated the proposal (note, however, that directors who have special interest are not

allowed to participate in the voting) to ensure sufficient verifications are conducted.

- (1) Acquisition of assets
- (2) Transfer of assets
- (3) Leasing of real estate properties, etc.
- (4) Consignment of intermediate service for sale and leasing of real estate properties, etc.
- (5) Consignment of real estate property management service
- (6) Financing and accompanying derivative transactions
- (7) Order placement of engineering works
- (8) Consignment of business

v. Acquisition of assets

- With respect to the acquisition value when acquiring real estate properties from the interested parties, the real estate appraisal value determined after appraisal by a real estate appraiser who is not applicable to an interested party shall be set as the index of ceiling in principle. When acquiring assets at prices that exceed the said appraisal value, the Asset Management Company shall explain the reason that justifies the acquisition at a price higher than the said appraisal value in the Investment Management Review Committee and the Board of Directors' meeting, where the Head of the Division which originated the proposal discusses the relevant case, and the Investment Management Review Committee and the Board of Directors' meeting shall deliberate and review the case on the basis of that explanation. Note, however, that the term "acquisition value" used herein is the value of the real estate properties themselves and does not include the acquisition cost, cost required for setting up a trust, or pro rata payment of fixed assets tax, etc. which are not included in the target of appraisal value.
- If the interested parties should bear expenses as a result of setting up a special purpose company, etc. temporarily on the precondition of transferring it to the Investment Corporation, for instance, the Asset Management Company shall be allowed to acquire the asset with the said expenses included in the appraisal value.
- When acquiring other specified assets from the interested parties, acquisition values are market values for those assets for which market values are available, and acquisition values of other assets shall be pursuant to the above.

vi. Transfer of assets

- With respect to the transfer price when transferring real estate properties to the interested parties, the real estate appraisal value determined after appraisal by a real estate appraiser who is not applicable to the interested party shall be set as the index of floor price in principle. When transferring assets at prices below the said appraisal value, the Asset Management Company shall explain the reason that justifies the transfer at a price lower than the said appraisal value in the Investment Management Review Committee and the Board of Directors' meeting, where the Head of the Division which originated the proposal discusses the relevant case, and the Investment Management Review Committee and the Board of Directors' meeting shall deliberate and review the case on the basis of the explanation. Note, however, that the term "acquisition value" used herein is the value of the real estate properties themselves and

does not include the cost of asset sale and pro rata payment of fixed assets tax, etc. which are not included in the target of appraisal value.

- When transferring other specified assets to the interested party, transfer prices are market values for those assets for which market values are available, and transfer prices of other assets shall be pursuant to the above.
- vii. Leasing of real estate properties
- When signing a leasing contract or renewing a leasing contract with the interested parties on real estate properties which are managed by the Investment Corporation, leasing terms and conditions should be appropriate ones. When signing a contract in which rent income on individual specified assets from the said interested parties exceeds 30% of the total income of the said specified assets (if the latest account settlement value or actual result is not available, estimate values will be used), rent should be determined after conducting a survey on market prices and market rates of assets of neighboring areas, and by referring to written opinions, etc. of a third party who does not correspond to an interested party.
- viii. Consignment of intermediate service for sale and leasing of real estate properties, etc.
- When consigning intermediate service for sale of real estate properties to the interested parties, consignment fees and sale price shall be limited to within the range of compensation stipulated in the Building Lots and Buildings Transaction Business Act and the market rate, and shall be determined in consideration of the level of sales price and the degree of difficulty of intermediate service, and by referring to other case examples and written opinions, etc. of a third party who does not correspond to an interested party.
  - When consigning intermediate service for leasing of real estate properties to the interested party, consignment fees and rent shall be limited to within the range of compensation stipulated in the Building Lots and Buildings Transaction Business Act and the market rate, and shall be determined in consideration of the level of rent and the degree of difficulty of intermediate service, and by referring to other case examples and written opinions, etc. of a third party who does not correspond to an interested party.
- ix. Consignment of real estate property management service
- When consigning real estate property management service and renewing the contract thereof to the interested parties, the Asset Management Company shall investigate the track record and creditworthiness of the company, etc., obtain in principle estimations from two or more third party service providers who do not correspond to interested parties, or take possession of written opinions, etc. of a third party who is not applicable to an interested party for comparison and review, as well as considering the details of the rendered service and the total amount of work, to determine the terms and conditions of consignment of real estate property management service to the relevant company or renewal of contract thereof.
  - When the interested parties have already been providing real estate property management services for the property which the Asset Management Company is planning to acquire, real estate property management services shall be allowed to be consigned to the said interested parties after the acquisition. However, consignment fees shall be determined pursuant to the foregoing.
- x. Financing and accompanying derivative transactions
- When taking out a loan and conducting derivatives trading associated with it or when the Asset Management Company should

consign business concerning underwriting of investment account or corporate bonds (including short-term corporate bonds) issued by the investment corporation which has consigned the said Asset Management Company to perform asset management operations and other business concerning offering, etc. of corporate bonds, the Asset Management Company, in principle, shall obtain estimations or proposal letters from two or more third party financial institutions that do not correspond to interested parties, compare the terms and conditions of those loans, such as period of loan and interest rate or consignment conditions, and the details of the proposal with comparable market levels to confirm that they are appropriate, or obtain written opinions on the said facts from third party experts who do not correspond to interested parties before making a decision.

xi. Order placement of engineering works

- When placing orders for engineering works, etc. to the interested party, the Asset Management Company shall investigate the track record and the trustworthiness of the company, obtain, in principle, estimations from two or more third party service providers that do not correspond to interested parties, or take possession of written opinions, etc. of a third party which is not applicable to an interested party for comparison and review, as well as considering the details of the rendered service and the total amount of work, to make a decision on the consignment to the said interested parties or renewal of the contract and the terms and conditions thereof.

xii. Consignment of business

- In addition to the cases set forth above in clauses from v. to xii., when consigning business to the interested parties, the Asset Management Company shall investigate the track record and the trustworthiness of the company, obtain, in principle, estimations from two or more third party service providers that do not correspond to interested parties, or take possession of written opinions, etc. of a third party that is not applicable to an interested party for comparison and review, as well as considering of the details of the rendered service and the total amount of work, to make a decision on the consignment to the said interested parties or renewal of the contract and the terms and conditions thereof.

xii. Alternative method, etc.

When consigning businesses which are set forth above in clauses from v. to xii., and if it is difficult to obtain estimations from a third party or written opinions, etc. of a third party as stipulated in each clause, the Asset Management Company shall make a decision on consignment to the interested parties or renewal of contract or terms and conditions thereof, based on the rate schedule determined preliminarily in the Board of Directors meeting separately, or provide an explanation of the reasonable reason for consigning the said business to the interested parties on the said terms and conditions to the committee and the Board of Directors' meeting, which deliberate consignment of the said business, and obtain approval of the said committee and the Board of Directors' meeting.

b. Checklist for preventing conflicts of interest between investment corporations

In addition to the above-mentioned regulations on transactions with interested parties, the Asset Management Company shall establish a system for preventing transactions which would harm the interest of other investment corporations for the sake of interest of a certain investment corporation by preparing checklists for each case of sale of assets, management of assets and financing to prevent any conflict of

interest between investment corporations which have consigned asset management operations to the company and using these checklists at the time of decision-making.

c. Reporting to the Investment Corporation concerning transactions that may involve conflicts of interest

In addition to the documents which are issued based on the provisions in Paragraph 1 and 2, Article 203 of the Investment Trust Act, if transactions that may involve conflicts of interest are conducted, the Asset Management Company shall issue documents based on Paragraph 1 of the said law as “reference information concerning Paragraph 2, Article 203 of the Investment Trust Act, concurrently with reporting the case to the Investment Corporation by issuing the said documents.

In addition to the above-mentioned cases, the Asset Management Company has established departments which are charged with asset management for each investment corporation independently in managing investment of more than one investment corporation so as not to harm the interest of each investment corporation. For details of the asset management system of the Investment Corporation, please refer to (ii) Overview of Committee and (iii) Decision-making body as described below.

(ii) Overview of the Committees

The Asset Management Company has three committees: the Investment Management Review Committee, the Portfolio Review Committee and the Compliance Administration Committee (each committee acting as advisory board to facilitate decision-making, not a decision-maker) in place. However, it does not have them set up by Fund. Therefore the respective committees discuss not only matters relating to the Investment Corporation but also those relating to IIF. However, in order to ensure the independence of decision-making, participation from respective committees are restricted as below: each individual of the Investment Management Review Committee who belongs to the Industrial or Retail Division is allowed to participate as a requestor in the discussions on the agenda only relating to an investment corporation for which (s)he engages in its investment and management and cannot join in the review, etc. of the agenda relating to other investment corporations for which the division that (s)he belongs to is not responsible for their investment and management. With regard to the Portfolio Review Committee, those who belong to the Industrial or Retail Division are, in principle, allowed to participate as requestors in the discussions of the agenda only relating to a respective investment corporation for which they engage in its investment and management and not allowed to join in the review, etc. of the agenda relating to other investment corporations for which the division that they belong to is not responsible for their investment and management. However, the President can designate the Head of the Corporate Division as a requestor, or the Heads of the Retail and Industrial Divisions as co-requestors, depending on need, and in such cases the President can decide whether those who belong to Retail or Industrial Division should be allowed to participate in the discussions, etc. of relevant agenda. For the Compliance Administration Committee, when they are supposed to review, plan for, confirm or assess compliance issues and risk management relating to individual investment corporation, the President can determine whether those who belong to the Retail or Industrial Division should be allowed to participate in the discussions, etc. of relevant agenda where their division is not involved in the investment and management of a relevant investment corporation.

An overview of respective Committees relating to the Investment Corporation is as follows:

a. Investment Management Review Committee

The Investment Management Review Committee convenes at the request of the Head of Retail Division to discuss transactions regarding acquisition or disposal of specific assets as well as their management and administration.

Committee members	The President serves as the General Manager of the Committee, with the Vice President, the Head of the Corporate Division and the Head of Compliance Administration as permanent committee members. The President can nominate a non-permanent committee member as needed. Further, the Head of Compliance Administration can have a compliance senior manager as his/her delegate, as well as nominating him/her as a non-permanent committee member. In addition, the President can invite internal and external experts or professionals as observers, as needed. The Full-time Auditor can also attend a Committee meeting to express his/her opinion. Those who belong to Retail Division participate as requestors.
Items for discussion	<ul style="list-style-type: none"> <li>i. Those relating to the acquisition and disposal of specific assets <ul style="list-style-type: none"> <li>• Assessment of the profitability associated with the acquisition and disposal of specific assets</li> <li>• Assessment in accordance with the Investment Guidelines</li> <li>• Assessment in accordance with the due diligence procedure</li> <li>• Confirmation of no conflicts of interests</li> <li>• Examination of the values, etc. of specific assets</li> <li>• Risks associated with the acquisition and disposal of specific assets</li> <li>• Impacts on the entire portfolio of the Investment Corporation that the acquisition and disposal of specific assets may give</li> </ul> </li> <li>ii. Those relating to the management and administration of specific assets <ul style="list-style-type: none"> <li>• Selection of a PM company in respect of a specific individual asset</li> <li>• Risks associated with the management and administration of specific assets</li> <li>• The acquisition of an asset that is not only adjacent or closely related to specific assets already owned as part of investment activities for such individual assets owned, but also can lead to an increase in the value of such individual assets already owned, or the disposal of some of specific assets already owned (in the case of the assets to be acquired or disposed being valued at 50 million yen or more).</li> <li>• Large-scale renovation or capital expenditure which is worth more than 5% of the appraisal value at the end of the immediately preceding period and 500 million yen in total value in respect of an individual specific asset.</li> <li>• A change to the terms and conditions of a contract with a lessee who accounts for 30% or more in terms of gross revenue with regard to an individual specific asset (based on the information from the results during the latest accounting period or the forecast, if the past record is not available) (except when a change is being made to other conditions than economic terms and the President judges it is not material).</li> <li>• Other items that the President or the Head of each Division considers material with regard to the management and administration of specific assets</li> </ul> </li> </ul>
Discussion	A requestor prepares the proposed agenda and related materials to submit to the Committee, the General Manager of

method, etc.	which will summarize its review outcomes and forge a convergence of opinion as the Committee.
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b. Portfolio Review Committee

The Portfolio Review Committee convenes at the request of the Head of Retail Division to discuss matters relating to the Investment Policy and Standards, Management and Administration Policy and Standards, budget and financing from specific and practical standpoints regularly and reviews, confirms and assesses the overall risks for the portfolio as a whole.

Committee members	Same as for the Investment Management Review Committee as described in the above a.
Items for discussion	<ul style="list-style-type: none"> <li>i. Investment Policy, Management and Administration Policy, and budget <ul style="list-style-type: none"> <li>• Matters relating to the Investment Policy and Investment Standards</li> <li>• Matters relating to the Management and Administrative Policy and the standards in terms of management and administration</li> <li>• Matters relating to the budget of an investment corporation</li> </ul> </li> <li>ii. Financing <ul style="list-style-type: none"> <li>• Execution of a long-term borrowing by the Investment Corporation (excluding the determination of individual interest rates on floating rate loans.)</li> <li>• Accelerated repayment under a long-term borrowing by the Investment Corporation</li> <li>• Establishment of a short-term credit facility for the Investment Corporation (excluding the execution of an individual short-term loan under a credit facility.)</li> <li>• Proposals relating to the issuance of a bond by the Investment corporation and its early redemption</li> <li>• Proposal relating to capital increase by the Investment Corporation</li> <li>• Execution of a derivative transaction associated with a financing by the Investment Corporation</li> <li>• Other items that are considered to give material impacts to the financial situation of the Investment Corporation and are being approved by the President</li> </ul> </li> </ul>
Discussion method, etc.	Same as for the Investment Management Review Committee as described in the above a.

c. Compliance Administration Committee

The Compliance Administration Committee convenes to discuss the measures to prevent and deal with compliance issues and risk management (excluding the matters relating to risks associated with real estate investment) for the Asset Management Company, the Investment Corporation for which the Asset Management Company is entrusted to manage, and IIF regularly from a concrete and practical perspective, and reviews, plans, confirms and assesses matters from the standpoint of overall business management. In case of any serious compliance issues occurred (misconduct, complaints, etc.), the Committee may act as the Compliance Headquarters.

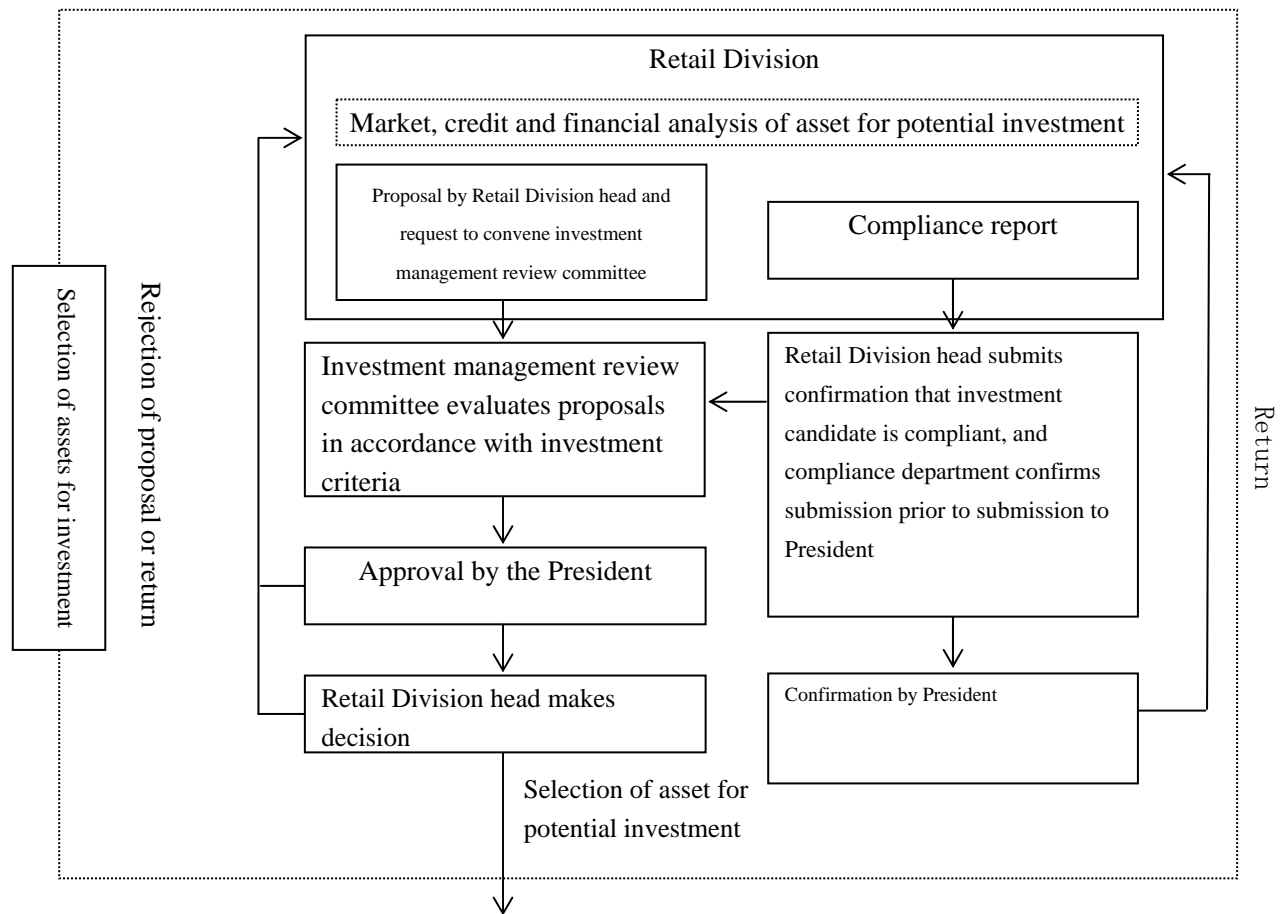
Committee members	<p>The President serves as the General Manager of the Committee, with the Vice President, the Heads of respective Divisions and the Head of Compliance Administration as permanent committee members. The President can nominate a non-permanent committee member as needed. Further, the Head of Compliance Administration can send a compliance senior manager as his/her delegate to the committee meetings, as well as nominating him/her as a non-permanent committee member.</p> <p>In addition, the President can invite internal and external experts and professionals as observers, as needed. The Full-time Auditor can also attend a Committee meeting to express his/her opinion. The General Manager of Internal Audit Office can attend a meeting as required in his/her capacity of being the General Manager of Internal Audit Office.</p> <p>When the compliance issues relating to the Investment Corporation as well as risk management are reviewed, planned for, confirmed and assessed, the President can determine if those who belong to Industrial Division can participate in the discussions of respective proposals, etc. or not.</p>
Items for discussion	<ul style="list-style-type: none"> <li>• Review, confirmation and assessment of compliance measures</li> <li>• Understanding and assessment of compliance system/framework</li> <li>• Review, confirmation and assessment of the details of a compliance program and its improvement measures</li> <li>• Review, confirmation and assessment of the measures to prevent and respond to compliance related issues and incidents</li> <li>• Discussion of the matters requiring coordination with Internal Audit Office</li> <li>• Timely understanding and review of various issues relating to operational and system risks associated with the company's business operation, and provision of necessary measures to address those issues as well as a control policy</li> <li>• Review and assessment of the measures to ensure thorough and complete understanding of the Risk Management Policy and measures internally</li> <li>• Assessment, review and reexamination of the control and reporting manual, important self-checking methods in addition to the operational and organizational structure, etc., as appropriate, to respond to any changes in the strategic goals and allowable risks</li> <li>• Assessment, review and reexamination of the rules, etc.</li> </ul>
Discussion	The Committee is a body to review and discuss the matters relating to compliance risk and risk management and a

method, etc.	forum to ensure thorough and complete understanding of the rules to be adhered to. An aggregated opinion of the Committee will be valued in the process of decision-making in respect of compliance and risk management.
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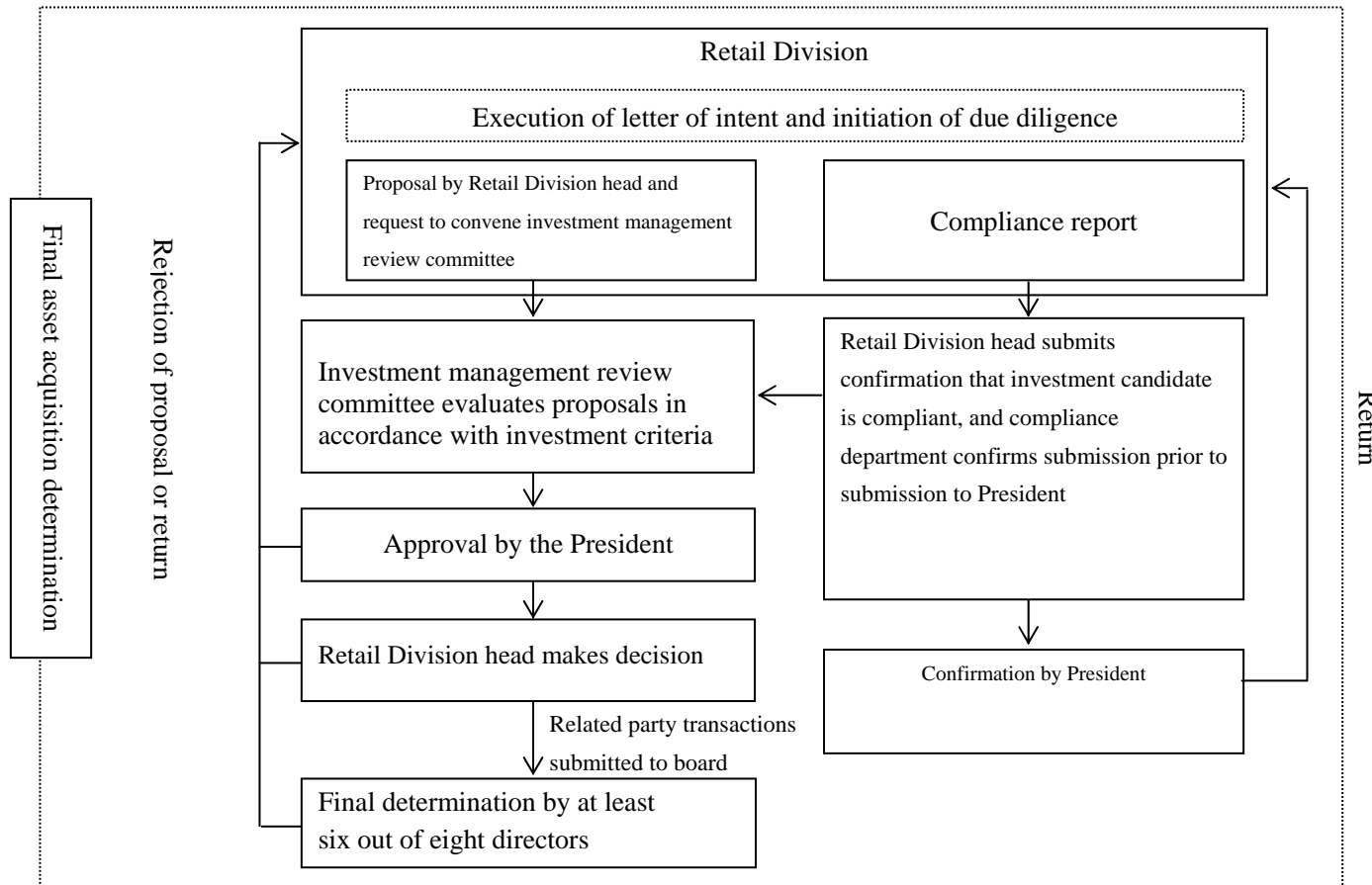


- i. With regard to the matters relating to the investment policy and standards, management and administration policy and standards as well as budget and financing for the Investment Corporation, the Head of Retail Division will raise a request to the Portfolio Review Committee. The requestor will ask the Secretariat for the Portfolio Review Committee to be convened and prepare the agenda and related materials.
- ii. The Head of Retail Division will, ahead of a meeting by the Portfolio Review Committee, explain to the Compliance Administration that a proposed transaction is in compliance with the laws and regulations and then submit a confirmation on compliance with the laws and regulations. The Compliance Administration will confirm the details of the confirmation to submit its opinion to the President and the Portfolio Review Committee.
- iii. The secretariat that has received a request to hold a meeting by the Committee will send a notice to get the members called in for the meeting. However, the President can turn down a request to get the Committee convened.
- iv. The Portfolio Review Committee will review, confirm and assess the overall risks for the entire portfolio with regard to a proposed transaction. The Head of Retail Division will respect an opinion of the Committee to make a final decision for the transaction subject to an approval by President.
- v. The Head of Retail Division shall, in principle, submit a proposed transaction to the Board of Directors to get it approved with agreement from six or more out of the eight directors at a meeting of the Board of Directors.

b. Matters relating to acquisition or disposal of the assets



(Continued on the following page)



In making a final decision to select and acquire an asset for investment, the Head of Retail Division will make such a decision after the discussions by the Investment Management Review Committee at each stage to ensure independent decision-making. In principle, the below steps will be followed to make a decision:

- i. Retail Division will conduct market and credit reviews as well as examining the balance of revenues and expenses with regard to an asset being considered for investment, and the Head of Retail Division will then make a proposal to the Investment Management

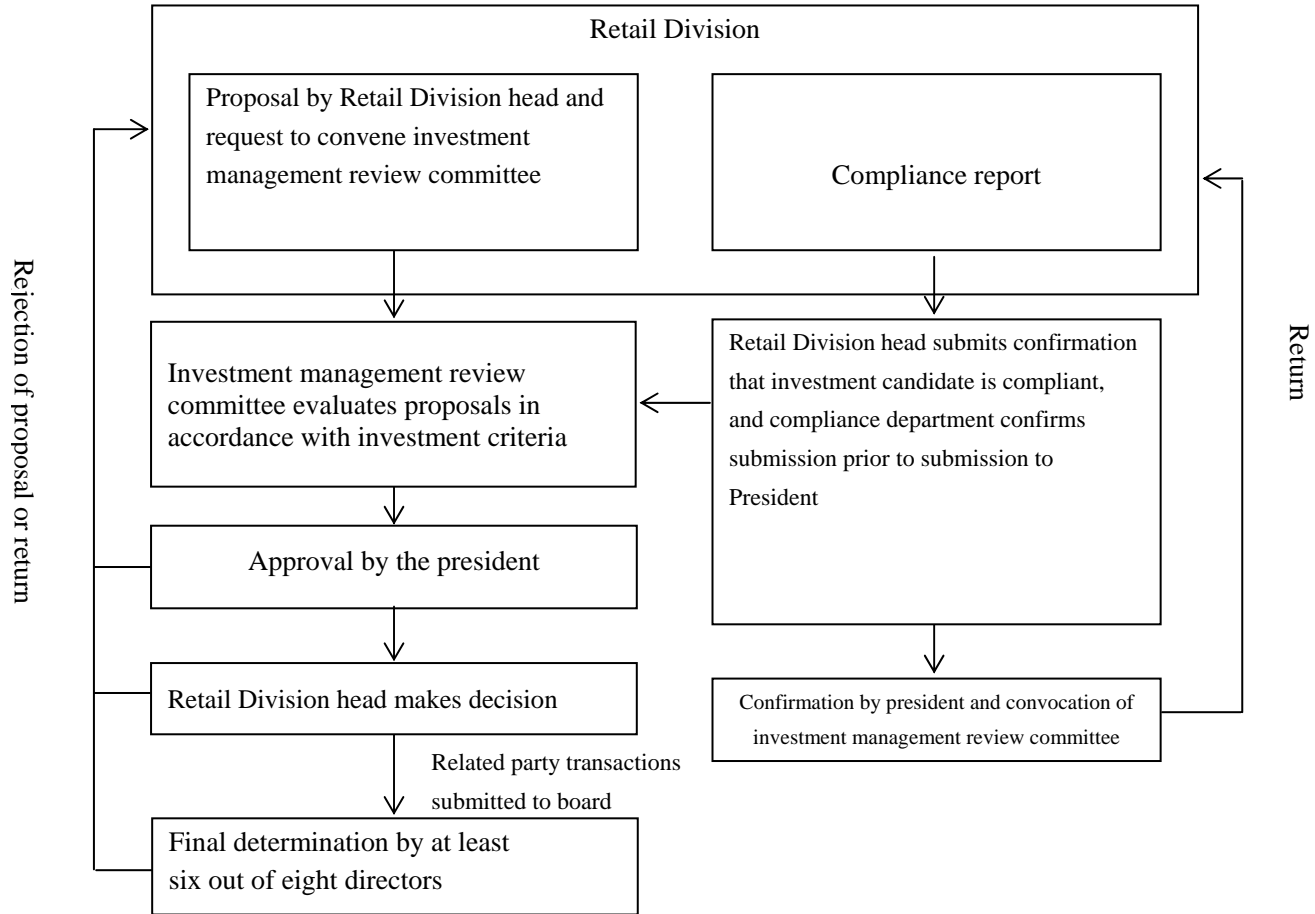
- Review Committee. The requestor will ask the secretariat to call for a meeting by the Investment Management Review Committee and prepare the agenda and related materials.
- ii. The Head of Retail Division will, ahead of a meeting by the Investment Management Review Committee, explain to the Compliance Administration that a proposed transaction is in compliance with the laws and regulations and then submit a confirmation on compliance with the laws and regulations. The Compliance Administration will confirm the details of the confirmation to submit its opinion to the President and the Investment Management Review Committee.
  - iii. The secretariat that has received a request to hold a meeting by the Committee will send a notice to get the members called in for the meeting. However, the President can turn down a request to get the Committee convened.
  - iv. The Investment Management Review Committee will discuss on an asset being considered for investment in accordance with the Investment Policy and its standards. The Head of Retail Division will respect an opinion of the Committee to make a final decision for the transaction subject to an approval by the President and select an asset to be invested in.
  - v. The Head of Retail Division will enter into a basic agreement relating to the assets to be considered for investment as needed, commence in-depth due diligence, and make a proposal based on the due diligence result. The requestor will ask the secretariat to call for a meeting by the Investment Management Review Committee and prepare the agenda and related materials.
  - vi. The Head of Retail Division will, ahead of a meeting by the Investment Management Review Committee, explain to the Compliance Administration that a proposed transaction is in compliance with the laws and regulations and then submit a confirmation on compliance with the laws and regulations. The Compliance Administration will confirm the details of the confirmation to submit its opinion to the President and the Investment Management Review Committee.
  - vii. The secretariat that has received a request to hold a meeting by the Committee will send a notice to get the members called in for the meeting. However, the President can turn down a request to get the Committee convened.
  - viii. The Investment Management Review Committee will discuss on an asset being considered for investment in accordance with the Investment Policy and its standards. The Head of Retail Division will respect an opinion of the Committee to make a final decision subject to an approval by President and to select an asset to be invested in. (However, in case that it falls under the below ix., an approval by the Board of Directors will be required as follows.)
  - ix. Agreement by six or more of the eight directors of the Board of Directors will be required for any transaction with the shareholders and/or those related to the Asset Management Company, as well as other matters which may involve perceived potential conflicts of interest between its shareholders and/or subsidiaries and affiliates and the Investment Corporation.

In addition to the above, the Asset Management Company provides internal rules (self-imposed rules) to be adhered to when acquiring an asset for investment from such interested parties. Please refer to “2. Management structure and system of the Investment Corporation and the Asset Management Company, (3) Policies on transactions involving conflicts of interest, etc., [1] Policy for dealing with transactions involving conflicts of interest and management system” in the above.

Disposal of an asset is supposed to go through the same procedure as in the acquisition of an asset as described in the above.

The Asset Management Company may have an entity to which its parent company, Mitsubishi Corporation, or others make TK equity investment and whose sole purpose is to own assets for investment acquire those assets tentatively, when it is likely to take time to obtain funding required to acquire them. Upon acquiring those assets from such an entity, however, the Asset Management Company will follow the same steps by making decisions on investment at its own discretion in accordance with its investment decision-making process. As per the above investment decision-making process, such decision-making will require agreement by six or more out of the eight directors at a meeting of the Board of Directors of the Asset Management Company, as a matter that involves perceived potential conflicts of interests between its shareholders and those related to it and the Investment Corporation.

c. Matter relating to the management and administration of assets



In making a decision on certain important matters relating to the management and administration of an asset owned by the Investment Corporation, the Head of Retail Division is expected to make a final decision after the discussion by the Investment Management Review Committee in order to ensure independent decision-making. In principle, the decision-making process will flow as below:

- i. In terms of a proposal related to the management and administration of an asset by the Investment Corporation (the management and maintenance of the asset, including reconstruction and large-scale renovation done as part of investment, changes to the terms of contracts with important lessees, and others), the Head of Retail Division will submit a request to the Investment Management Review Committee. The requestor will ask the secretariat to convene the Investment Management Review Committee and prepare the agenda and related materials.
  - ii. The Head of Retail Division will, ahead of a meeting by the Investment Management Review Committee, explain to the Compliance Administration that a proposed transaction is in compliance with the laws and regulations and then submit a confirmation on compliance with the laws and regulations. The Compliance Administration will confirm the details of the confirmation to submit its opinion to the President and the Investment Management Review Committee.
  - iii. The secretariat that has received a request to hold a meeting by the Committee will send a notice to get the members called in for the meeting. However, the President can turn down a request to get the Committee convened.
  - iv. The Investment Management Review Committee will discuss about the proposal in accordance with the Investment Policy and its standards. The Head of Retail Division will respect an opinion of the Committee to make a final decision about the proposal and sign off, subject to an approval by the President. (However, in case that it falls under the below v., an approval by the Board of Directors will be required as follows.)
  - v. Agreement from six or more of the eight directors at a meeting of the Board of Directors will be required for a transaction with the shareholders and/or those related to the Asset Management Company, as well as other matters which may involve perceived potential conflicts of interest between its shareholders and/or related parties and the Investment Corporation.
- d. Material transactions, etc. with the shareholders and/or their related parties
- The Asset Management Company requires a resolution of approval that entails agreement by six or more out of eight directors at a meeting of the Board of Directors for a transaction with the shareholders and/or those related to the Asset Management Company, as well as other matters which may involve perceived potential conflicts of interest between its shareholders and/or related parties and the Investment corporation to seek enhancement to its governance.

With regard to the acquisition and disposal of an asset, the Real Estate Investment Department of Retail Division will receive an assessment by a third party institution, by obtaining an appraisal letter and through other methods, to have the Investment Management Review Committee confirm there are no conflicts of interests. Further, in relation to the administration and management of an asset, the Real Estate Investment Department of Retail Division will obtain an estimate and/or hold bidding to have the Investment Management Review Committee confirm there are no conflicts of interests. The details of the procedure are provided in the above Rules around Dealing with Related Parties for the Asset Management Company. In addition, the Compliance Administration Committee convenes regularly to establish a system and contribute to its enhancement.

Moreover, the Asset Management Company coordinates with its full-time Auditor and seeks to enhance its risk monitoring system through a comprehensive internal control mechanism, such as by having the Compliance Administration check the status of compliance with the laws and regulations and confirm consistency with the internal rules, and checking whether there are actions that may involve potential conflicts of interests with interested parties.

[2] Reason for adopting the investment structure

The Asset Management Company is entrusted to manage the assets of IIF, in addition to the Investment Corporation. The Asset Management Company has introduced a system of two Divisions, one being Retail Division that engages in the investment and management in relation to the Investment Corporation and the other being Industrial Division that engages in the same for the IIF, so that there will be no potential conflicts of interests occurring internally when making investments for respective assets for each investment corporation. On top of this, a strict compliance system is put in place to ensure that the independence of decision-making is maintained for each of the investment corporations and the confidentiality of information.

Meanwhile, the know-how that can be shared at an asset management company is shared at its middle/back office function of the Corporate Division, which facilitates building an accurate and consistent operational system that can also respond quickly to changes as an asset management company.

[3] Role that the Board of Directors plays with respect to a transaction with potential conflicts of interests

In the case of a transaction that falls under any of the below with an interested party, agreement by six or more of the eight directors at a meeting of the Board of Directors (any directors who have special interests shall not be allowed to vote) will be required based on the rules for the Board of Directors meetings, in addition to the confirmation by the Compliance Administration, discussion by respective Committees, an approval by the President and sign-off by the Head of a proposing Division, to achieve more thorough examination.

- a. Acquisition of an asset
- b. Transfer of an asset
- c. Leasing of properties, etc.
- d. Consignment of the business of intermediating trading and leasing of properties, etc.
- e. Consignment of the business of property management
- f. Financing and associated derivative transactions
- g. Ordering of engineering work
- h. Business consignment

The Asset Management Company coordinates with its Compliance Administration and full-time Auditor to enhance its checking system, as shown in the above [1]. A brief summary of the Chief Compliance Officer, who serves as the Head of the Compliance Administration, and the full-time

Auditor is as follows:

As of November 30, 2009

Title	Name	Career summary	Current posts/assignments and seconded staff
Chief Compliance Officer	Kenji Iizumi	January 2006 The Bank of Tokyo-Mitsubishi UFJ, Internal Audit Senior manager January 2008 Mitsubishi Corp.-UBS Realty Inc. Head of Compliance Office (The Head of current Compliance Administration)	There are no relevant items
Full-time auditor	Takashi Imai	Please refer to the above “2. (2)-[1]. Officers of the Asset Management Company.”	Same as the column on the left

### **3. Transactions with those who are related to sponsors and other parties**

#### **(1) Transactions with interested parties and others**

##### **(i) Outline of specified assets transactions**

Breakdown for transactions with interested parties		
Mitsubishi Corporation	¥6,430,000 thousand (70%)	-
Total	¥6,430,000 thousand (70%)	-

Note 1 The acquisition cost indicates contracted amount of property in purchase agreement.

Note 2 Percentages in parentheses indicate ratio of each amount to the total amount of acquisition cost or disposal amount.

##### **(ii) Amounts of fees paid and other expenses**

Payee	Transaction details	Payment amount (in thousands of yen)	Ratio to respective total transaction amount
Mitsubishi Corporation	Fees on acquisition or disposal service	15,850	8.6
Mitsubishi UFJ Lease & Finance Company Limited	Expenses for building management consignment	4,163	0.5
Japan Facility Solutions Inc.	Utilities expense	14,883	2.1
Mitsubishi Shoji & Sun Co., Ltd.	Other leasing business expenses	456	0.1
Mitsubishi Corporation		223	0.1
Kentucky Fried Chicken Japan Ltd.		24	0.0
Mitsubishi UFJ Lease & Finance Company Limited		1	0.0
Mitsubishi Corporation	Other operating expenses	283	0.2

(Note 3) The ¥15,850 thousand of fees on acquisition service paid to Mitsubishi Corporation is capitalized as a cost of the property.

#### **(2) Acquisition of properties, etc.**

For the six months ended August 31, 2009 (March 1, 2009 – August 31, 2009)

(i) Company name (ii) Relationship with interested parties (iii) Reason for acquisition

Acquisition

Property name (Location)	Investment Corporation	Previous owner	Ex-ex owner	Ex-ex-ex owner
G-Bldg. Minami Aoyama 01 (Minato-ku, Tokyo)	(iii) JRF decided to acquire this property in accordance with the basic policy for asset management specified in its bylaws, JRF is seeking to increase its Tokyo properties and urban facilities, and this property was accordingly viewed as a suitable investment target. Appraisal value surveyed by Tanizawa Sogo Appraisal Co., Ltd. was 6,430 million yen.	(i) Mitsubishi Corporation (ii) Parent company of asset manager (iii) Development (Period for ownership: One year and two months)	—	—
	6,430 million yen.	—	—	—
	March 2009	—	—	—

#### 4. Others

##### (1) Policy to select appraisal companies and their overview

Given that an appraisal value of a property is the most important measure in the acquisition and management of assets, a resolution by a meeting of the Board of Directors is required to determine which company is used to obtain a property appraisal value. We value the independence and credibility and the following five large companies which are not considered as special interested parties are currently selected through the resolution by the meeting of Board of Directors. Further, with regard to which particular company is used, we choose from those five companies by taking into account various aspects including the characteristics of a property, the relationship with a seller.

- (1) Japan Real Estate Institute (please refer to the table below)
- (2) CB Richard Ellis (please refer to the table below)
- (3) Daiwa Real Estate Appraisal Co., Ltd. (please refer to the table below)
- (4) Tanizawa Sogo Appraisal Co., Ltd. (please refer to the table below)
- (5) Chuo Real Estate Appraisal Co., Ltd. (3-5-14 Nihombashi, Chuo-ku, Tokyo; 30 real estate appraisers)

As of August 31, 2009

Property name (Note 2)	Overview of appraisal companies			
	Name	Address	Number of real estate appraisers (Note 1)	Reason for selection
[A] No. 1 to 27 (27 properties)	Japan Real Estate Institute	1-3-2 Toranomon, Minato-ku, Tokyo	261	As described in the above
[B] No. 27 to 39 (12 properties)	CB Richard Ellis	2-2-12 Hamamatsucho, Minato-ku, Tokyo	18	Ditto
[C] No. 40 to 42 (3 properties)	Daiwa Real Estate Appraisal Co., Ltd.	3-6-4 Tanimachi, Chuo-ku, Osaka City, Osaka	77	Ditto
[D] No. 43 to 50 (8 properties)	Tanizawa Sogo Appraisal Co., Ltd.	2-2-7 Nakanoshima, Kita-ku, Osaka City, Osaka	59	Ditto

(Note 1) The above "number of real estate appraisers" are based on the data shown on the websites of the respective companies, etc.

(Note 2) [A] 1. Sendai Nakayama Shopping Center 2. ESPA Kawasaki 3. Hakata Riverain  
4. Ito-Yokado Narumi 5. Nara Family 6. Abiko Shopping Plaza  
7. Ito-Yokado Yabashira 8. Ito-Yokado Kamifukuoka-Higashi 9. 8953 Daikanyama Building

10. 8953 Harajuku FACE Building 11. AEONMALL Higashiura 12. AEON Sapporo Naebo SC  
 13. Esquisse Omotesando Annex 14. Ito-Yokado Tsunashima 15. Itabashi SATY  
 16. 8953 Kita Aoyama Building 17. AEONMALL Yamato 18. Seiyu Hibarigaoka  
 19. Tobata SATY 20. 8953 Jiyugaoka Building 21. Cheers Ginza 22. Kyoto Family 23. Loc City Ogaki  
 24. AEONMALL Tsurumi Leafa 25. Oyama Yuen Harvest Walk 26. Ario Otori 27. G DINING SAPPORO  
 [B] 28. Bic Camera Tachikawa 29. JUSCO City Takatsuki 30. JUSCO City Yagoto  
 31. JUSCO Naha 32. JUSCO City Nishi Otsu 33. Omiya SATY 34. Kawaramachi OPA  
 35. Ito-Yokado Yotsukaido 36. AEON Yachiyo Midorigaoka SC 37. GYRE  
 38. 8953 Saitama Urawa Building 39. AEON Sapporo Hassamu SC  
 [C] 40. Higashi Totsuka Aurora City 41. AEON Ueda SC 42. AEONMALL Itami Terrace  
 [D] 43. 8953 Minami Aoyama Building 44. Ito-Yokado Nishikicho 45. 8953 Jingumae 6 Building  
 46. G-Bldg. Jingumae01 47. G-Bldg. Jingumae02 48. G-Bldg. Minami Aoyama01  
 49. 8953 Osaka Shinsaibashi Building 50. AEON Kashiihama SC

## (2) Policy to select a company to prepare an engineering report and the overview

In principle, an engineering report will be updated periodically after property acquisition.

We basically select a company to provide the engineering report based on the following criteria and make the selection after receiving cost estimates from among the targeted companies which meet our selection criteria.

[Selection criteria]

- No financial problems in the results of credit research
- Reliable in capability of information management in trust property
- BELCA member or Inspection agency designated by the Ministry of land
- No problems with actual performance in past years for our company
- Capable of implementing our research items

Engineering & Risk Services Corporation will be used with regard to newly acquired properties in order to determine PML efficiently.

[Targeted agencies]

Engineering & Risk Services Corporation, Embedded Resource Integration, Inc., Takenaka Corporation, TAISEI CORPORATION, SHIMIZU CORPORATION, Tokyo Bldg-Tech Center Co., Ltd., Nikken Sekkei Ltd, Kume Sekkei, PROPERTY RISK SOLUTION Corporation, CITY

EVOLUTION CO., LTD., Index Consulting, Inc.,

Agencies which Head of Retail Division admits appropriately will be listed as needed.

Summary of engineering reports we got in this period is described below.

Property name	Summary of engineering report creation agencies			
	Agent	Address	Business content	Reason for Selection
8953 Harajuku FACE Building 8953 Daikanyama Building Ito-Yokado Nishikicho	SHIMIZU CORPORATION	2-3, Shibaura 1-chome, Minato-ku, Tokyo 105-8007 03-5441-1111	Building, civil engineering, and construction (general contractor)	As described in the above
G-Bldg. Minami Aoyama01 (New acquisition)	Engineering & Risk Services Corporation	11-15, Akasaka 3-chome, Minatoku, Tokyo 107-0052 03-3568-8151	Due diligence /real-estate evaluation, Environmental site assessment, Disaster risk assessment	Ditto
8953 Osaka Shinsaibashi Building AEON Sapporo Naebo SC	Takenaka Corporation	1-13, Honcho 4-chome, Chuo-ku, Osaka-shi, Osaka 541-0053 06-6252-1201	Building, civil engineering, construction, designing, and management etc.	Ditto
Sendai Nakayama Shopping Center Ito-Yokado Kamifukuoka-Higashi	PROPERTY RISK SOLUTION Corporation	5-24, Sanbancho, Chiyoda-ku, Tokyo 102-0075 03-3239-5919	Building Assessment, Environmental Site Assessment, and Environmental Consulting	Ditto
Ito-Yokado Yabashira	Index Consulting, Inc.	17-22, Akasaka 2-chome, Minato-ku, Tokyo 107-0052 03-6234-1491	Construction project management, Real estate solutions, and business support reengineering	Ditto

**(3) Other transactions that may have potential perceived conflicts of interests**

There are no relevant items.

**(4) Details of IR activities**

[1] Basic policy with respect to IR activities

With a view to maintaining transparency and providing accurate information to the investors timely, we intend to keen efforts to expand the investor base by focusing on IR activities and promoting proactive disclosure of information.

[2] IR activities

The schedule for IR activities for the Investment Corporation is as follows:

- Months of accounting period end: February and August
- Announcement of business results (*Summary of Financial Results*): April and October
- Asset management report to be sent: May and November

Time schedule with regard to the announcement of business results (*Summary of Financial Results*)

Month of accounting period end	End of month	Accounts to be closed for the period
Next month	1 <sup>st</sup> week	Reconcile the details of cash movements; start obtaining the general ledger statements; start obtaining unpaid invoices
	2 <sup>nd</sup> week	Start sending the general ledgers for individual properties to the general administrative agent (trust bank)
	3 <sup>rd</sup> /4 <sup>th</sup> weeks	Start preparing draft financial reports, etc.
Month following the next	1 <sup>st</sup> week	Complete final financial reports Complete an empirical audit process by an accounting auditor (auditing firm)
	2 <sup>nd</sup> week	Submit an audit report for the financial reports
	Within 45 days from the accounting period end	Approval of the financial reports (by the board of officers by the Investment Corporation) Announcement of business results (registration of <i>Summary of Financial Results</i> with TDnet)

For institutional investors, we hold meetings, through individual visits and conferences, and set up opportunities to see properties on site. For individual investors, we promote proactive disclosure of information by making *Summary of Financial Results*, asset management reports, financial statements and others available through our website, so as to expand the investor base.

**(5) Establishment of a system to eliminate antisocial forces**

The Asset Management Company has the “Code of Ethics” and “Compliance Manual” in place as the guidelines as to the behavior of all the officers and staff. The Manual states that it is “indispensable to deal with antisocial forces in accordance with the laws and regulations, not bowing to them, in order to maintain public trust and secure the appropriateness and soundness of the operation as a financial instrument dealer” and provides an approach to establish a system to cut off any relations with antisocial forces, so as to get all the officers and staff thoroughly familiar with it.

In addition, to preempt violence from antisocial forces, clarify how we will respond as an organization and ensure that we will never have any relations or dealings with antisocial forces and use them, we also provide the “Basic Rules around How to Deal with Antisocial Forces” which stipulates that we will take a resolute attitude as an organization to antisocial forces, including coordinating with external specialized institutions, as our basic principle. Each division of the Asset Management Company is expected to confirm in advance that counterparts to transactions, etc. are not considered as antisocial forces, to report any questionable acts or behaviors when they are expected directly or indirectly to the Head of the Compliance Administration and the President, and review social risks thoroughly to make a decision of whether the transaction can go ahead or not, in accordance with the Basic Rules as per their respective operations manuals for the Divisions that are provided separately.