

December 3, 2020

To all concerned parties:

Investment Corporation

**Japan Retail Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 8953)

Representative:

Shuichi Namba, Executive Director

URL: <https://www.jrf-reit.com/english/>

Investment Corporation

**MCUBS MidCity Investment Corporation**

(Tokyo Stock Exchange Company Code: 3227)

Representative:

Katsuhiko Tsuchiya, Executive Director

URL: <https://www.midcity-reit.com/english/>

Asset Management Company

**Mitsubishi Corp.-UBS Realty Inc.**

Representative:

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## Notice Concerning Organizational Changes of Asset Manager and Investment Policy of Japan Retail Fund Investment Corporation after the Merger

Mitsubishi Corp.-UBS Realty Inc. (the "Asset Manager"), the asset management company of Japan Retail Fund Investment Corporation (the "JRF") and MCUBS MidCity Investment Corporation ("MMI"), announces that it has decided at the board of directors' meeting held on December 2, 2020 to implement the following organizational changes (the "Organizational Change") in connection with the merger between JRF and MMI (the "Merger") and to resolve the investment policy of JRF after the Merger (its trade name will be changed to Japan Metropolitan Funds Investment Corporation; "JMF"), and has decided the rules on preferential consideration right regarding investment information in the Asset Manager after the Merger.

### 1. Changes in Organizational Structure

#### (1) Content of the Organizational Change

As described in the "Notice Concerning Execution of the Merger Agreement by and between Japan Retail Fund Investment Corporation and MCUBS MidCity Investment Corporation" released on August 28, 2020, JRF and MMI will undertake the Merger, with March 1, 2021 as the effective date.

As the Asset Manager will be entrusted with asset management on behalf of only JRF and Industrial & Infrastructure Fund Investment Corporation (the "IIF") as a result of the Merger, the Asset Manager has decided to integrate the Retail Division, the asset management division of JRF, with the Office Division, the asset management division of MMI, and to change its name to Metropolitan Business Division on the condition that the Merger takes effect.

At the same time, with the aim of further strengthening the function of ESG, the Asset Manager has also decided to establish ESG Promotion Office as an organization of the Asset Manager that directly reports to the management on March 1, 2021.

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.

Please refer to the "Explanatory Materials" in the Attachment for the organizational structure and management system of the Asset Manager after the Organizational Change.

- (2) Expected Date of the Change  
March 1, 2021

## 2. Investment Policy of JMF

### (1) Content of the Change

JRF had principally invested in retail facilities under JRF's basic policy. As JMF will principally invest in retail facilities, office buildings, residences, hotels and mixed-used properties for these purposes as a result of the Merger, the Asset Manager has decided to amend the Asset Management Plan stipulating the investment policy of JMF as of March 1, 2021 on the condition that the Merger takes effect.

Please refer to "Explanatory Materials" in the Attachment for the investment policy of JMF after the Merger.

- (2) Expected Date of the Change  
March 1, 2021

## 3. Rules on Preferential Consideration Right regarding Investment Information in the Asset Manager after the Merger

### (1) Content of the Change

Asset Manager has established a Deal Review Meeting and the rules on Preferential Consideration Rights that verifies the handling of investment information with the aim of preventing conflicts of interest between JRF, MMI and IIF (collectively referred to as "Investment Corporations") and ensuring Asset Manager's fiduciary duties to Investment Corporations.

In light of the integration of the Retail Division and the Office Division as a result of the Organizational Change and the change in the principal investment targets of JRF as a result of the Merger, the Asset Manager has decided to amend its internal rules, including Deal Review Meeting Rules stipulating the rules on Preferential Consideration Rights pertaining to investment information, on the condition that the Merger takes effect.

Please refer to "Explanatory Materials" in the Attachment for details of the rules on Preferential Consideration Rights pertaining to investment information of the Asset Manager after the Merger.

- (2) Expected Date of Change  
March 1, 2021

## 4. Registration of Change

Regarding the above-mentioned organizational change, the Asset Manager will follow procedures including notifications required under the Financial Instruments and Exchange Act, the Building Lot and Buildings Transaction Business Act, and other applicable laws and regulations.

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#### 5. Impact on Revenue Forecast

There will not be any impact on JRF's revenue forecast for the 38th fiscal period (38th fiscal period: September 1, 2020 – February 28, 2021) and MMI's revenue forecast for the 29th fiscal period (July 1, 2020 – February 28, 2021), and JRF's revenue forecast for the 39th fiscal period (39th fiscal period: March 1, 2021 – August 31, 2021), the first fiscal period after the Merger, and the forecasts will not be revised.

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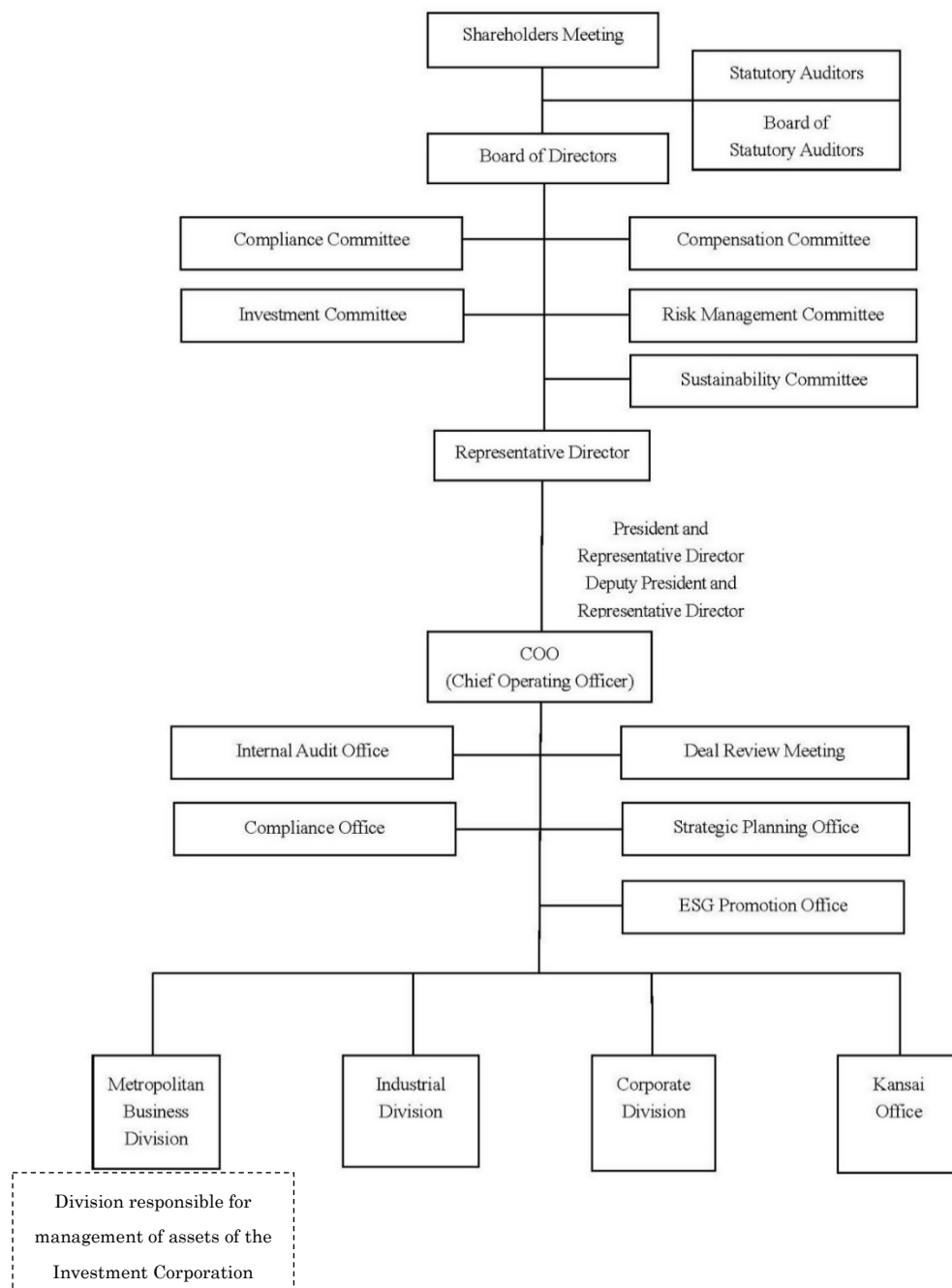
(Attachment) Explanatory Materials

(Note) In this attachment, “the Investment Corporation” means JMF.

1. Organizational Change

(1) Organizational Chart of the Asset Manager after the Organizational Change

The organizational chart of the Asset Manager after the Organizational Change is as follows:



(Note 1) COO (Chief Operating Officer) is concurrently serving as director in charge of compliance.

(Note 2) After the Organizational Change, Keita Araki, Head of Retail Division, will serve as Head of Metropolitan Business Division and will continue to be an important employee.

## (2) Division of duties within the Asset Manager after the Organizational Change

The division of duties among the Metropolitan Business Division, the Corporate Division, the Strategic Planning Office, the ESG Promotion Office, the Compliance Office, Internal Audit Office and Kansai Office of the Asset Manager is as follows.

Organization	Outline of business
Metropolitan Business Division	
Business Relating to Real Estate Investment and Management	<ul style="list-style-type: none"> <li>i. Matters relating to development of acquisition plan and strategies</li> <li>ii. Matters relating to the establishment and management of acquisition criteria</li> <li>iii. Matters relating to the appraisal and selection of investment targets</li> <li>iv. Matters relating to determination of terms and conditions of contracts concerning actual acquisition of assets of investment targets</li> <li>v. Matters relating to determination of disposition of assets under management</li> <li>vi. Matters relating to planning and budgeting for assets under management</li> <li>vii. Matters relating to property management, repair, and maintenance (including re-construction and reforming as a part of asset management) for assets under management</li> <li>viii. Matters relating to tenants, terms and conditions of lease contracts of assets under management</li> <li>ix. Matters relating to selection of property managers for assets under management</li> <li>x. Matters relating to the risk management related to the above</li> <li>xi. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>xii. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xiii. Other matters related to the above</li> </ul>
Business Relating to Administration of the Investment Corporation	<ul style="list-style-type: none"> <li>i. Matters relating to budgets, profit forecasts, monitoring performance and variance analysis of the Investment Corporation</li> <li>ii. Matters relating to formulation of financial strategies, administration and raising of funds for the Investment Corporation</li> <li>iii. Matters relating to maintenance and strengthening of relations with unitholders of the Investment Corporation</li> <li>iv. Matters relating to responses to inquiries from investors including securities analysts</li> <li>v. Business support relating to presentation of business results at analyst meetings and individual IR meetings</li> </ul>

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|  | <ul style="list-style-type: none"> <li>vi. Matters relating to filing and press releases of the Investment Corporation required under the disclosure rules of the TSE and the U.S. Securities and Exchange Commission, etc.</li> <li>vii. Matters relating to preparation and filing of required documents to the Japan Securities Depository Center, Inc.</li> <li>viii. Preparation and submission of the securities registration statements/prospectus and the documents concerning new issuances of the units of the Investment Corporation</li> <li>ix. Matters relating to preparation and administration of important documents of the Investment Corporation (including the general operations outsourcing service contract, the asset administration service contract, the investment units administration outsourcing contract, the asset management contract, the articles of incorporation of the Investment Corporation, plans for asset management, etc.)</li> <li>x. Liaison with the general administrator regarding organizational management of the Investment Corporation</li> <li>xi. Liaison with the Investment Corporation's external service providers including trust banks (excluding Item x.)above)</li> <li>xii. Matters relating to public announcement of the Investment Corporation</li> <li>xiii. Matters relating to document disclosure for unitholders</li> <li>xiv. Matters relating to portfolio management for the Investment Corporation</li> <li>xv. Matters relating to engineering of the assets to be acquired and the assets under management</li> <li>xvi. Matters relating to analysis of data regarding the real estate market, industry and economic and financial affairs</li> <li>xvii. Matters relating to the Investment Corporation's websites and disclosure of information</li> <li>xviii. Matters relating to the risk management related to the above</li> <li>xix. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>xx. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xxi. Other matters related to the above</li> </ul> |
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Metropolitan Business Division		
Business Relating to Investment	i.	Matters relating to analysis, investigation and support of development of acquisition plan and strategies
	ii.	Matters relating to analysis, investigation and support of the establishment and management of acquisition criteria
	iii.	Matters relating to the searching of investment targets
	iv.	Matters relating to the management and allocation of information concerning assets of investment targets
	v.	Matters relating to analysis, investigation and support of appraisal and selection of assets of investment targets
	vi.	Matters relating to actual acquisition of assets of investment targets, including negotiation, deal structuring, and documentation
	vii.	Matters relating to external negotiations at the time of disposition of assets under management
	viii.	Matters relating to the development and maintenance of information on real estate market and transaction activities (including confidential information)
	ix.	Matters relating to the risk management related to the above
	x.	Matters relating to government agencies with jurisdiction over the industry on matters related to the above
	xi.	Preparation and maintenance of internal rules and regulations related to the above
	xii.	Other matters related to the above

Organization	Outline of business
<b>Corporate Division</b>	
Business Relating to Operations Planning & Accounting	<ul style="list-style-type: none"> <li>i. Matters relating to accounting, financial statement preparation and taxation of the Asset Manager and the Investment Corporations</li> <li>ii. Matters relating to budget of the Asset Manager</li> <li>iii. Accounting of budgets, profit forecasts, monitoring performance and variance analysis of the Investment Corporations</li> <li>iv. Administration of real estate investment and management, and asset management of Investment Corporations</li> <li>v. Liaison relating to accounting audits of the Asset Manager and the Investment Corporations</li> <li>vi. Matters relating to establishment and maintenance of accounting rules and accounting procedures</li> <li>vii. Matters relating to direction of payment of the Investment Corporations</li> <li>viii. Matters relating to preparation and submission of required periodical disclosure documents, including asset management reports and annual securities reports of the Investment Corporations</li> <li>ix. Liaison with Japan Investment Trust Association(“JITA”) (monthly financial reports)</li> <li>x. Matters relating to disclosure of information to other relevant government agencies or organizations</li> <li>xi. Matters relating to the risk management related to the above</li> <li>xii. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>xiii. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xiv. Other matters related to the above</li> </ul>
Business Relating to Finance	<ul style="list-style-type: none"> <li>i. Support in establishment of financial policy of the Investment Corporations</li> <li>ii. Planning and proposals concerning the method of financing for the Investment Corporations</li> <li>iii. Liaison with financial trading institutions for Investment Corporations</li> <li>iv. Presentation of business results to credit rating agencies</li> <li>v. Matters relating to the risk management related to the above</li> <li>vi. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>vii. Preparation and maintenance of internal rules and regulations related to the above</li> <li>viii. Other matters related to above</li> </ul>



Organization	Outline of business
<b>Corporate Division</b>	
Business Relating to Corporate Services and Information Technology	<ul style="list-style-type: none"> <li>i. Matters relating to internal crisis management and BCP</li> <li>ii. Matters relating to public announcement of the Asset Manager</li> <li>iii. Matters relating to internal general affairs and miscellaneous clerical operations</li> <li>iv. Matters relating to administration, development management and information security administration of the information system (including the system relating to property management)</li> <li>v. Matters relating to office equipment/tangible properties and management and lease of real properties</li> <li>vi. Matters relating to document retention policy and filing management</li> <li>vii. Matters relating to the general administration under the real estate brokerage business</li> <li>viii. Matters relating to the commercial registration</li> <li>ix. Matters relating to administration of internal rules</li> <li>x. Matters relating to administration of official seals</li> <li>xi. Matters relating to the basic policy of internal control</li> <li>xii. Matters relating to the risk management related to the above</li> <li>xiii. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>xiv. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xv. Other matters related to the above</li> </ul>
Business Relating to Human Resources	<ul style="list-style-type: none"> <li>i. Formulation of personnel strategy (personnel system, personnel management services and human resources development)</li> <li>ii. Matters relating to personnel and human resources management</li> <li>iii. Matters relating to hiring, education and staff training</li> <li>iv. Matters relating to promotion, evaluation and compensation</li> <li>v. Matters relating to staff welfare and social insurance</li> <li>vi. Matters relating to the Compensation Committee</li> <li>vii. Matters relating to disciplinary action</li> <li>viii. Matters relating to the risk management related to the above</li> <li>ix. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>x. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xi. Other matters related to the above</li> </ul>

Organization	Outline of business	
Corporate Division		
Business Relating to Architectural and Construction Management	i.	Matters relating to centralization of gathering necessary information including revisions to construction-related laws and regulations and information sharing
	ii.	Matters relating to support for engineering of assets of investment targets and assets under management
	iii.	Matters relating to support for large-scale renewal, development and value adding regarding assets of investment targets and assets under management
	iv.	Matters relating to the risk management related to the above
	v.	Matters relating to government agencies with jurisdiction over the industry on matters related to the above
	vi.	Preparation and maintenance of internal rules and regulations related to the above
	vii.	Other matters related to the above
Business Relating to Risk Management	i.	Matters relating to the Risk Management Committee and the risk management of the Asset Manager
	ii.	Matters relating to the Investment Committee
	iii.	Matters relating to management of business partners
	iv.	Matters relating to the verification of the appropriateness of evaluations and analyses of assets of investment targets
	v.	Matters relating to the support concerning the Deal Review Meeting
	vi.	Matters relating to the risk management related to the above
	vii.	Matters relating to government agencies with jurisdiction over the industry on matters related to the above
	viii.	Preparation and maintenance of internal rules and regulations related to the above
	ix.	Other matters related to the above

Strategic Planning Office		
Business Relating to Strategic Planning	<ul style="list-style-type: none"> <li>i. Matters relating to strategic/long-term goals and formulation, implementation, monitoring, and reporting of the strategic plans</li> <li>ii. Matters relating to overall resource allocation and organization</li> <li>iii. Matters relating to formulation of budgetary policies of the Asset Manager</li> <li>iv. Matters relating to strategic analysis and support on major institutional issues</li> <li>v. Matters relating to the Asset Manager's presence in the real estate industry and liaison with government, business, and industry leaders</li> <li>vi. Matters relating to identification of emerging issues in domestic and global arenas that have potential impact on the Asset Manager and strategic recommendation to deal with such issues</li> <li>vii. Matters relating to new business/product development and implementation management</li> <li>viii. Matters relating to provision of management information</li> <li>ix. Matters relating to stocks, shareholders, and the General Meeting of Shareholders</li> <li>x. Matters relating to approval authority</li> <li>xi. Matters relating to the Board of Directors</li> <li>xii. Matters relating to secretarial services</li> <li>xiii. Supporting business concerning real estate investment management of the Investment Corporations</li> <li>xiv. Liaison with industrial/lobby groups including the Association for Real Estate Securitization (ARES) and JITA except for the liaison with the audit division and for various notifications, etc. and monthly financial reports of JITA</li> <li>xv. Public relations liaison for interviews by newspapers and magazines, applications for events, etc.</li> <li>xvi. Matters relating to the Asset Manager's websites and disclosure of information</li> <li>xvii. Matters relating to risk management related to the above</li> <li>xviii. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>xix. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xx. Other matters related to the above</li> </ul>	
ESG Promotion Office		
Business Relating to ESG Promotion	<ul style="list-style-type: none"> <li>i. Matters relating to the Asset Manager's and the Investment Corporations' sustainability policies, strategies and systems</li> <li>ii. Matters relating to the Asset Manager's and Investment Corporations' sustainability objectives</li> <li>iii. Matters relating to joining and endorsement for environment-related organizations by the Asset Manager and Investment Corporations</li> <li>iv. Matters relating to the Asset Manager's annual reports on sustainability (ESG Report) and disclosures relating to sustainability</li> <li>v. Matters relating to implementation of sustainability activities of the Asset Manager and Investment Corporations</li> <li>vi. Matters relating to the Investment Corporations' environmental certification status, and compiling and analyzing results of external evaluations conducted for the Investment Corporations</li> </ul>	



Japan Retail Fund  
Investment Corporation

MCUBS MidCity  
Investment Corporation

		<ul style="list-style-type: none"> <li>vii. Matters relating to risk management related to the above</li> <li>viii. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>ix. Preparation and maintenance of internal rules and regulations related to the above</li> <li>x. Other matters related to the above</li> </ul>
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Organization	Outline of business
Compliance Office	<ul style="list-style-type: none"> <li>i. Matters relating to comprehensive oversight over adherence to legal and other rules including the Asset Manager's internal rules, preparation of reports for such compliance, and monitoring of new legislation and changes</li> <li>ii. Matters relating to accumulation of information regarding constitution of and amendment to legal and other rules and their familiarization to officers and employees</li> <li>iii. Matters relating to administration of insider trading</li> <li>iv. Matters relating to administration of personal information</li> <li>v. Document review of material agreements</li> <li>vi. Document review set forth in the Regulation Concerning Promotion and Document Review</li> <li>vii. Matters relating to review and proposals relating to implementation status of the Asset Manager ethics and code of conducts for employees</li> <li>viii. Matters relating to compliance education for officers and employees</li> <li>ix. Matters relating to Compliance Rules</li> <li>x. Matters relating to Compliance Committee</li> <li>xi. Matters relating to preparation and implementation of compliance program</li> <li>xii. Matters relating to dealing with antisocial forces (including supervising of measures for eliminating relationships with antisocial forces and establishment of a centralized management system for preventing damages caused by antisocial forces)</li> <li>xiii. Matters relating to handling of complaints and disputes</li> <li>xiv. Response to and action on employee's inquiries and whistleblowing</li> <li>xv. Investigate, confirm and apply necessary actions in the event of a breach of compliance requirements</li> <li>xvi. Review and proposal of systems of internal rules the Asset Manager</li> <li>xvii. Liaison with FSA, MLIT, and the audit division and for various notifications, etc. of JITA</li> <li>xviii. Matters relating to Deal Review Meeting</li> <li>xix. Matters relating to risk management related to the above</li> <li>xx. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>xxi. Preparation and maintenance of internal rules and regulations related to the above</li> <li>xxii. Other matters related to the above</li> </ul>

Internal Audit Office	<ul style="list-style-type: none"> <li>i. Matters relating to internal audit over the organizational and operational control of various divisions, departments, offices and committees, the accounting operations, and ensure the compliance of rules and regulations</li> <li>ii. Matters relating to internal audit policy, planning, and audit reports</li> <li>iii. Matters relating to specified matters under audit</li> <li>iv. Matters relating to internal control under the Financial Instruments and Exchange Law (J-SOX) (including report to major shareholders)</li> <li>v. Liaison with an audit by major shareholders</li> <li>vi. Response to and action on employee's inquiries and whistleblowing</li> <li>vii. Matters relating to internal control development</li> <li>viii. Matters relating to risk management related to the above</li> <li>ix. Matters relating to government agencies with jurisdiction over the industry on matters related to the above</li> <li>x. Matters relating to internal rules and regulations related to the above</li> <li>xi. Other matters related to the above</li> </ul>
Kansai Office	<ul style="list-style-type: none"> <li>i. Matters relating to the establishment and expansion of cooperative structure with business partners and service providers of the Asset Manager, the Investment Corporations or gathering information from such business partners and service providers in kansai region</li> <li>ii. Matters relating to sharing information obtained from business partners and service providers of the Asset Manager and the Investment Corporations with each head of office and division in kansai region</li> <li>iii. Matters relating to the compliance check and guidance of office staff regarding compliance to be conducted under the guidance of Compliance Office in kansai region</li> <li>iv. Matters relating to the labor management of office staff to be conducted under the guidance of Corporate Division in kansai region</li> <li>v. Act as liaison with industrial associations, etc. under the guidance of Strategic Planning Office in kansai region</li> <li>vi. Support administrative work of office staff to be conducted under the guidance of Corporate Division in kansai region</li> <li>vii. Act as a primary contact for handling complaints and make relevant reports to the head office under the guidance of Compliance Office in kansai region</li> <li>viii. Matters relating to the general affairs and administrative work at the office</li> <li>ix. Matters relating to the risk management at the office</li> <li>x. Other matters related to the above</li> </ul>

## 2. Investment Policy of JMF

JMF will invest in retail facilities, office buildings, residences, hotels and mixed-use properties for these purposes ("Core Assets"). As a result, "Part 1, Fund Information, Item 1. Status of Fund, 2 Investment Policy, (1) Investment Policy, b. Investment Attitude" set out in JRF's Securities Report filed on November 25, 2020 will be changed as follows on the condition that the Merger takes effect (changes are underlined).

### b. Investment Attitude

The Investment Corporation makes investments in accordance with the following policy (Article 14 of the Articles of Incorporation)

- (a) JMF shall principally invest in Core Assets, either directly or through Specified Assets principally backed by Core Assets. Especially, JMF shall focus on investment in Core Assets located in urban areas, while Core Assets located in the suburbs shall also be its investment targets.
- (b) In order to reduce the effect of risks such as regional economic risk and earthquakes risk which increases by converging to a specific region in locations of Core Assets in which JMF is to own directly or through Specified Assets, JMF shall regularly review the relevant information and disperse locations of Core Assets on the basis of their geographic position.
- (c) As a general rule, JMF shall lease its Core Assets and other real estate, either directly or through Specified Assets, by entering into a lease contract pursuant to the basic policy set forth in a. above. Further, in relation to such lease, JMF shall endeavor to secure stable profits by carefully examining the financial position, operating results and industry potential of the lessee. In addition, JMF may also lend other managed assets.

(omitted)

- (f) JMF shall, when it acquires properties other than Core Assets which it deems to be appropriate, also strive to ensure stable profits with respect to those properties.

(omitted)

Based on the above investment attitude of the Investment Corporation, the Asset Manager will select appropriate properties from a wide range of Core Assets and manage them in order to stabilize the cash flow in accordance with (i) through (vii) below. In actual management, the following management may become impossible due to unexpected reasons such as rapid changes in economic conditions, real estate markets and fund trends.

#### (i) Investment target

The principal investment target of JMF is Core Assets or Specified Assets principally backed by Core Assets. Especially, JMF shall focus on investment in Core Assets located in urban areas, while Core Assets located in the suburbs shall also be its investment targets.

## (ii) Portfolio management policies

In accordance with the basic investment policy of IMF, IMF will make carefully selected investments in Core Assets, etc. so that stable earnings can be ensured on a medium to long-term basis, with the steady growth of assets under management. Upon making such investments, IMF will seek to reduce disaster risks caused by earthquakes etc. and vacancy risks caused by tenants moving out through diversified investments in terms of usage, region and lessees' attribute and establish optimum portfolios which can be expected to provide stable cash flows on a medium-to-long term.

IMF will make efforts to ascertain changes in the macroeconomic conditions, social trends, real estate market and effect on usage of properties caused by changes such as in industrial trends and lifestyle, and establish optimum portfolios corresponding to such environmental changes in accordance with the basic policies.

## a. Usages of Principal Investment Target Real Estates

IMF will principally invest in Core Assets, etc. located in urban areas. Economic conditions, real estate market trends and effect on usage of properties caused by changes such as in industrial trends and lifestyle at that particular time shall be considered upon deciding which Investment Target Asset to acquire. As a general rule, IMF will not make new investments in real estates, etc. that are mainly used as industrial real estates (provided that rebuilding or converting properties already held by IMF shall be excluded), since Industrial & Infrastructure Fund Investment Corporation principally invests in industrial real estates (which consist of real estate and real estate related assets used as warehouses and distribution facilities, factories, research and development facilities, transportation and communication-related facilities, energy-related facilities and other such infrastructure facilities and related assets). While IMF's principal investment targets are as follows, IMF aims to build up well-balanced portfolios in the medium- to long-term, without relying excessively on specific investment targets. The ratio of each investment property's price shall be 20% or less of the portfolio's total amount of assets.

## &lt;Principal Investment Targets&gt;

Retail Facilities	<u>Facing high street</u>	<u>Retail properties on main streets of Main Commercial Areas</u>
	<u>Urban retail properties</u>	<u>Retail properties located in urban areas which may be either converted into mixed-use properties or used for other purposes</u>
	<u>Residential station</u>	<u>Retail properties (mainly supermarkets) located around stations in highly populated areas</u>
Office Buildings	<u>Urban offices</u>	<u>Office buildings located in Central Business Districts</u>
	<u>Commuter-town offices</u>	<u>Office buildings located on the outskirts of Central Business Districts</u>
Residences	<u>Rental houses in urban areas</u>	<u>Rental houses located around stations in highly populated areas</u>
Hotels	<u>Hotels located in urban areas</u>	<u>Hotels located in urban areas which, as a general rule, have fixed rent and may be used for other purposes</u>
Mixed-use Properties	<u>Mixed-use Properties located in urban areas</u>	<u>Properties located in urban areas which are used for multiple purposes among retail facilities, office buildings, residences and hotels, etc.</u>



“Main Commercial Areas” are basically representative commercial districts in Japan where facilities (mainly retail facilities) are concentrated.

“Central Business Districts” are basically areas in the center of cities where companies’ offices and office buildings are concentrated.

(omitted)

### 3. Rules on Preferential Consideration Rights pertaining to Investment Information of the Asset Manager after the Merger

The rules on Preferential Consideration Rights pertaining to investment information of the Asset Manager after the Merger are as follows:

#### i. Preferential Consideration Right for a Commercial Facility (Note 1), Office Building (Note 2), Residential Facility (Note 3) or Hotel (Note 4)

For any Commercial Facility, Office Building, Residential Facility or Hotel (limited to Single Facilities (Note 5); hereinafter the same in this Paragraph (i)), the Metropolitan Business Division shall obtain the First Preferential Consideration Right (here and hereafter in this item 3. , meaning the Preferential Consideration Right that ranks first).

(Note 1) Here and hereafter in this item 3. , “Commercial Facility” means a Single Facility where a building constituting real estate only consists of a store or other use as a facility for commercial purposes (“Commercial Facility Use”) or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for Commercial Facility Use.

(Note 2) Here and hereafter in this item 3. , “Office Building” means a Single Facility where a building constituting real estate only consists of office use or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for office use.

(Note 3) Here and hereafter in this item 3. , “Residential Facility” means a Single Facility where a building constituting real estate only consists of residential use or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for residential use.

(Note 4) Here and hereafter in this item 3. , “Hotel” means a Single Facility where a building constituting real estate only consists of use as hotel or Japanese-style inn (*ryokan*) (“Hotel Use”) or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for Hotel Use.

(Note 5) Here and hereafter in this item 3. , “Single Facility” means a Single Property (here and hereafter in this item 3. , meaning real estate which is deemed to constitute single real estate, upon comprehensive consideration of the structure, usage, function and other circumstances of the real estate) which is real estate consisting of a single use or any asset backed thereby. Here and hereafter in this item 3. , “Complex Facility” means a Single Property which is real estate consisting of multiple uses or any asset backed thereby.

#### ii. Preferential Consideration Right for Industrial Real Estate

For any Logistic Facility (Note 1), Factory and Research and Development Facility (Note 2) or Infrastructure Facility (Note 3) (here and hereafter in this item 3. , collectively, “Industrial Real Estate”) (limited to Single Facilities; hereinafter the same in this Paragraph ii.), the Industrial Division shall obtain the First Preferential Consideration Right.

(Note 1) Here and hereafter in this item 3. , “Logistic Facility” means a Single Facility where a building constituting real estate only consists of use as facilities for inter-company logistics operations and sales logistics operations comprising functions of transportation and delivery, storage, stockpile, loading and unloading, packing, sorting, distribution processing and provision of information (“Logistics Facility

Use”) or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for Logistics Facility Use.

(Note 2) Here and hereafter in this item 3. , “Factory and Research and Development Facility” means a Single Facility where a building constituting real estate only consists of use as facilities for research and development, procurement and stockpile of raw materials, storage, production and generation, assembly and processing and recycling, etc. (“Factory and Research and Development Facility Use”) or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for Factory and Research and Development Facility Use.

(Note 3) Here and hereafter in this item 3. , “Infrastructure Facility” means a Single Facility where a building constituting real estate only consists of use as a facility developed as a base for industrial activities such as traffic, communication, energy, water supply and public facilities (“Infrastructure Facility Use”) or a Complex Facility where the maximum portion of the floor area of a building constituting real estate is used for Infrastructure Facility Use.

### iii. Preferential Consideration Right for a Single Facility Used for Other Purposes

For any Single Facility that neither falls under i. nor ii. above, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion which of the Metropolitan Business Division and the Industrial Division shall be given the First Preferential Consideration Right and which of them shall be given the Second Preferential Consideration Right (here and hereafter in this item 3. , meaning the Preferential Consideration Right that ranks second and is subordinated to the First Preferential Consideration Right.). In such case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.

### iv. Preferential Consideration Right for Real Estate Sale Information on a Complex Facility

(i)(a) For any Commercial Facility, Office Building, Residential Facility or Hotel which is a Complex Facility, the Metropolitan Business Division shall obtain the First Preferential Consideration Right.

(b) Notwithstanding the provision of (a) above, if any part of such Commercial Facility, Office Building, Residential Facility or Hotel which is a Complex Facility includes a portion used for Logistic Facility Use, Factory and Research and Development Facility Use or Infrastructure Facility Use (“Industrial Real Estate Use”) and if it is deemed that the Preferential Consideration Right may not be given appropriately when we judge such Complex Facility as a Commercial Facility, Office Building, Residential Facility or Hotel based solely on floor area, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion which of the Metropolitan Business Division and the Industrial Division shall be given the First Preferential Consideration Right and which of them shall be given the Second Preferential Consideration Right. In such case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.

(ii)(a) For any Industrial Real Estate which is a Complex Facility, the Industrial Division shall obtain the First Preferential Consideration Right.

(b) Notwithstanding the provision of (a) above, if any part of such Industrial Real Estate which is

a Complex Facility includes a portion used for Commercial Facility Use, office use, residential use or Hotel Use and if it is deemed that the Preferential Consideration Right may not be given appropriately when we judge such Complex Facility as an Industrial Real Estate based solely on floor area, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion which of the Metropolitan Business Division and the Industrial Division shall be given the First Preferential Consideration Right and which of them shall be given the Second Preferential Consideration Right. In such case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.

- (iii)(a) If a Complex Facility that neither falls under ( i) nor ( ii) includes either a portion used for Commercial Facility Use, office use, residential use or Hotel Use, or, a portion used for Industrial Real Estate Use, the First Preferential Consideration Right of such Complex Facility shall be given to the Metropolitan Business Division in cases where a portion used for Commercial Facility Use, office use, residential use or Hotel Use is included and to the Industrial Division in cases where a portion used for Industrial Real Estate Use is included, respectively.
- (b) If a Complex Facility that neither falls under ( i) nor ( ii) includes both a portion used for Commercial Facility Use, office use, residential use or Hotel Use and a portion used for Industrial Real Estate Use, the First Preferential Consideration Right shall be granted based on the floor area each use accounts for. In cases where the aggregate total floor area used for Commercial Facility Use, office use, residential use and Hotel Use is larger than that used for Industrial Real Estate Use, the First Preferential Consideration Right shall be given to the Metropolitan Business Division. In cases where the aggregate total floor area used for Industrial Real Estate Use is larger than that used for Commercial Facility Use, office use, residential use and Hotel Use, the First Preferential Consideration Right shall be given to the Industrial Division. In these cases, the Second Preferential Consideration Right shall be given to the Industrial Division when the Metropolitan Business Division receives the First Preferential Consideration Right and to the Metropolitan Business Division when the Industrial Division receives the First Preferential Consideration Right. Provided, however, that if it is deemed that the Preferential Consideration Right may not be given appropriately when deciding on the basis of the floor area each use accounts for, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion which of the Metropolitan Business Division and the Industrial Division shall be given the First Preferential Consideration Right and which of them shall be given the Second Preferential Consideration Right. In the above case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.
- (iv) If no portion of a Complex Facility is used for Commercial Facility Use, office use, residential use or Hotel Use or Industrial Real Estate Use, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion which of the Metropolitan Business Division and the Industrial Division shall be given the First Preferential Consideration Right and which of them

shall be given the Second Preferential Consideration Right. In such case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.

- (v) The Investment Corporation Division that receives the Preferential Consideration Right may give the Joint Preferential Consideration Right (here and hereafter in this item 3. , meaning the Preferential Consideration Rights that rank pari passu only for the purpose of joint investment by an investment corporation for which the Investment Corporation Division having the Preferential Consideration Right oversees the asset management business and an investment corporation for which the other Investment Corporation Division oversees the asset management business.) to the other Investment Corporation Division that would be given the successive Preferential Consideration Right.

v. Preferential Consideration Right for Real Estate Sale Information on Multiple Properties (Note)

- (i) In considering Real Estate Sale Information on Multiple Properties, if it is possible to consider for each of the individual properties, the Preferential Consideration Right shall be given for each property in accordance with the provisions of i. to iv. above.
- (ii)(a) If it is impossible to consider for each of the individual properties (including en bloc sale in bulk sale) and if the Multiple Properties include any Commercial Facility, Office Building, Residential Facility, Hotel or Industrial Real Estate, the First Preferential Consideration Right shall in principle be given in accordance with the provisions of a. to c. below.
  - a. If any or all of the Multiple Properties include any Commercial Facility, Office Building, Residential Facility or Hotel, the Metropolitan Business Division shall obtain the First Preferential Consideration Right.
  - b. If any or all of the Multiple Properties include any Industrial Real Estate, the Industrial Division shall obtain the First Preferential Consideration Right.
  - c. If any or all of the Multiple Properties include both a Commercial Facility, Office Building, Residential Facility or Hotel and an Industrial Real Estate, the First Preferential Consideration Right shall be granted based on the floor area each purpose of use accounts for. In cases where the aggregate total floor area used for Commercial Facility Use, office use, residential use and Hotel Use is larger than that used for Industrial Real Estate Use, the First Preferential Consideration Right shall be given to the Metropolitan Business Division. In cases where the aggregate total floor area used for Industrial Real Estate Use is larger than that used for Commercial Facility Use, office use, residential use and Hotel Use, the Industrial Division shall obtain the First Preferential Consideration Right.
- (b) The Second Preferential Consideration Right shall be given to the Industrial Division when the Metropolitan Business Division receives the First Preferential Consideration Right under (a) c. above and to the Metropolitan Business Division when the Industrial Division receives the First Preferential Consideration Right under (a) c. above.
- (c) Notwithstanding the provisions of (a) and (b) above, if it is deemed that the Preferential Consideration Right may not be given appropriately when considering on the basis of the floor area used, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion the Preferential Consideration Right Holders and the ranking among them. In such case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.

- (d) If it is impossible to consider for each of the individual properties (including en bloc sale in bulk sale) and if the Multiple Properties do not include any Commercial Facility, Office Building, Residential Facility, Hotel or Industrial Real Estate, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion which of the Metropolitan Business Division and the Industrial Division shall be given the First Preferential Consideration Right and which of them shall be given the Second Preferential Consideration Right. In such case, the head of Compliance Office must invite a third party who is an expert and does not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.
- (e) The Investment Corporation Division that was given the Preferential Consideration Right may give the Joint Preferential Consideration Right to the other Investment Corporation Division that would be given the successive Preferential Consideration Right.

(Note) Here and hereafter in this item 3. , “Multiple Properties” means an assembly of Single Properties including an assembly of Single Facilities, an assembly of Complex Facilities and an assembly of Single Facilities and Complex Facilities.

vi. Preferential Consideration Right for Underlying Land (here and hereafter, meaning land for which land leasehold interests are established)

- (i) For any Underlying Land, the Preferential Consideration Right shall be given in accordance with the provisions of i. to iv. above on the basis of the use of any facility that is built on the Underlying Land and uses the land leasehold interests for the Underlying Land.
- (ii) If there is more than one facility that is built on the Underlying Land and uses the land leasehold interests for the Underlying Land, the Preferential Consideration Right shall be given by means equivalent to v above.

vii. Preferential Consideration Right for Land for Development (here and hereafter in this item 3. , meaning land for which land leasehold interests are not established.)

- (i) For any Land for Development, the Investment Corporation Division that obtained the Real Estate Sale Information first (if the first party that obtained the Real Estate Sale Information is not an Investment Corporation Division, the Investment Corporation Division designated by the head of Compliance Office) regarding the Land for Development shall develop a plan of any facility that is considered to be the most appropriate for the Land for Development (“Development Plan”) and the Preferential Consideration Right shall be given in accordance with the provisions of i. to iv. above on the basis of the use of the facility that is planned to be constructed on the Land for Development under the Development Plan (“Planned Facility”).
- (i) If there is more than one Planned Facility planned for the Land for Development, the Preferential Consideration Right shall be given by means equivalent to v. above.
- (iii) Notwithstanding the provisions of (i) and (ii) above, if it cannot be considered to be objectively clear that the Development Plan developed in (i) above is suitable for the Land for Development in the context of the landform, plot, soil and geological features, etc. of the Land for Development, the land use status and economic conditions of the periphery of the Land for Development and other circumstances related to the Land for Development, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director to determine through discussion the Development Plan. In such case, the head of Compliance Office must invite a third party who is an expert and does



not have any special interests in such determination to join the meeting as an observer and hear his/her opinion.

viii. Preferential Consideration Rights related to when a Candidate Acquirer is Designated

Notwithstanding the provisions of i. to vii. above, the Preferential Consideration Right of a Real Estate Sale Information that meets any of the following conditions shall be given to the Investment Corporation Division related to the designated candidate acquirer. The Second Preferential Consideration Right shall be given to the Industrial Division when the Metropolitan Business Division receives the First Preferential Consideration Right and to the Metropolitan Business Division when the Industrial Division receives the First Preferential Consideration Right:

- (i) The seller of the property (including, if the seller is a fund, the investors and related parties thereof) or the intermediary company (including the securities company or bank that made referral to such seller) designates any candidate acquirer of the property;
- (ii) The property is warehoused pursuant to a memorandum, etc. and any candidate acquirer of the property is designated; or
- (iii) The contractual preferential negotiation right or future opportunity to consider acquisition is attached to the property and any candidate acquirer of the property is designated.

ix. Steps of Determination of Preferential Consideration Right Holders

- (i) The head of Compliance Office shall examine the elements related to the information and determine Preferential Consideration Right Holders of individual properties.
- (ii) Upon determination of a Preferential Consideration Right Holder, the head of Compliance Office shall promptly report the information, the Preferential Consideration Right Holder for the information and other relevant matters to the Deal Review Meeting.
- (iii) Any member of the Deal Review Meeting may make an objection if the member deems that the determination of the head of Compliance Office does not conform to the Deal Review Meeting Rules and other internal rules. If such objection is made, the head of Compliance Office shall separately hold a meeting that is composed of the members of the Deal Review Meeting plus the President and Representative Director and the Deputy President and Representative Director. In such case, a third party who is an expert and does not have any special interests in such determination must be invited to join the meeting as an observer and hear his/her opinion and the head of Compliance Office (including any person who represents the head of Compliance Office by proxy) shall have neither voting right nor veto on any matter being deliberated at the meeting..
- (iv) If the modification of the determination of the head of Compliance Office is approved as a result of the examination by the meeting of (iii) above, the head of Compliance Office shall redetermine the Preferential Consideration Right Holder in accordance thereto.

x. Summary of Preferential Consideration Right

- (i) The period of preferential consideration of Real Estate Sale Information under a Preferential Consideration Right shall in principle be ten business days from the date the Preferential Consideration Right was given; provided, however, that the head of Compliance Office may extend or shorten such period in determining the Preferential Consideration Right Holder if considered to be appropriate in the context of the nature of Real Estate Sale Information.
- (ii) After the Preferential Consideration Right Holder is determined, the head of Metropolitan Business Division or the head of Industrial Division who oversees the Investment Corporation Division which became the Preferential Consideration Right Holder shall express in a Deal

Review Meeting the intention as to whether or not to continue the consideration of acquisition by the end of the period of preferential consideration.

- (iii) In expressing the intention as to whether or not to continue the consideration of acquisition, the head of Metropolitan Business Division or the head of Industrial Division who oversees the Investment Corporation Division which became the Preferential Consideration Right Holder must clarify the reasonable grounds therefor.
- (iv) If the intention to continue the consideration of acquisition is expressed by the head of Metropolitan Business Division or the head of Industrial Division who oversees the Investment Corporation Division or reported by the administrative office in a Deal Review Meeting, the period of preferential consideration shall in principle be extended automatically to the end of the consideration of acquisition; provided, however, that, if it is considered that there are no reasonable grounds as a result of the examination in a Deal Review Meeting, the period of preferential consideration shall not be extended.
- (v) If the intention not to continue the consideration of acquisition is expressed or no intention is expressed in a Deal Review Meeting by the end of the period of preferential consideration, the Preferential Consideration Right of the Preferential Consideration Right Holder shall expire, and the Preferential Consideration Right for the Real Estate Sale Information shall be transferred to the successive Preferential Consideration Right Holder. In such case, the period of preferential consideration of Real Estate Sale Information under the successive Preferential Consideration Right shall be as provided in (i) above.
- (vi) Even if the head of Metropolitan Business Division or the head of Industrial Division who oversees the Investment Corporation Division which became the Preferential Consideration Right Holder has once expressed in a Deal Review Meeting the intention to continue the consideration of acquisition in relation to the Real Estate Sale Information, if the Investment Corporation Division determines not to continue the consideration of acquisition in relation to the Real Estate Sale Information thereafter, the head of Metropolitan Business Division or the head of Industrial Division must promptly express to the Deal Review Meeting the intention not to continue the consideration of acquisition in light of the fact that there is the successive Preferential Consideration Right Holder.