

Conflict of Interest Transactions Policy and Operational Framework

a. Interested Party

Following the establishment of the Asset Management Company's "Regulations for the Prevention of Conflicts of Interest" based on the "Inspection Manual for Financial Instruments Business Operators", in addition to the Financial Instruments and Exchange Act ("FIEA") (Act No. 25 of 1948, including amendments thereafter) and "Interested Persons, etc." as defined in the Investment Trust Act, those who hold more than 10/100ths of the voting rights of all unitholders of the Asset Management Company; companies, etc. holding more than 50/100ths of the voting rights of all unitholders, etc.; as well as companies, etc. that provide advice on the asset management and administration, shall be defined as an "interested party" and transactions thereof are regulated as conflict of interest transactions.

b. Interested Party Transaction Restrictions

In regards to the "Regulations for the Prevention of Conflicts of Interest" concerning interested party transactions, should any of the following circumstances need to be satisfied and an interested party transaction is conducted in the satisfaction of the condition, the Asset Management Company shall promptly notify the Investment Corporation to that effect in writing and the interested party transaction shall be disclosed based on our "Information Disclosure Policy".

(1) In acquiring property, the property is acquired at a price equal to or less than the appraisal value of an independent appraiser.

(2) In selling property, the property is sold at a price equal to or greater than the appraisal value of an independent appraiser.

However, if the valuation basis is adequately verified, and there is reasonable cause, a selling price less than the appraisal value may be set.

(3) Transaction conditions (defect warranty liability, brokerage commission, etc.) pertaining to property acquisition and sale are similar to general transactions.

(4) The transaction does not fall under conflicts of interest as stipulated in the "Regulations for the Prevention of Conflicts of Interest".

(5) The transaction is unanimously approved by the Investment Committee.

(6) The transaction is unanimously approved by the Compliance Committee.

(7) The transaction is unanimously approved by the Board of Directors.

In coming to a Board of Directors resolution, prior consent must be obtained from the Board of Directors of the Investment Corporation concerning the following

interested party transactions.

- In the acquisition or sale of real estate, etc., the acquisition price or the sale price is expected to be 10% or more of the book value of the Investment Corporation's fixed assets at the last day of the latest business term.

If multiple transactions are to be conducted with the same interested parties at the same time, the acquisition price or selling price shall be aggregated to determine relevance.

- In the lending or borrowing of real estate, etc., during each specified business period (two consecutive business periods) commencing within 3 years from the start date of the Investment Corporation's business period attendant to the scheduled date of the loan, the increase in operating revenue of the Investment Corporation due to the loan is expected to be 10% or more of the total amount of operating revenue of the Investment Corporation for the most recent two business period.

Provided, (1) expenditures pertaining to the management or acquisition/sale of the investment assets related to the Investment Corporation are less than 5 million yen per processed item, and (2) with regard to expenditures of less than 5 million yen per processed item pertaining to repair, after exclusion from deliberations and resolutions, reports for each accounting period are promptly compiled and reported to the Investment Committee, the Compliance Committee, the Board of Directors and the Board of Directors of the Investment Corporation.

In addition, the Asset Management Company has concluded a cooperative business agreement with HEIWA REAL ESTATE Asset Management, an interested party of the Asset Management Company. Based on the relevant agreement, the Asset Management Company receives information and other services from HEIWA REAL ESTATE pertaining to HEIWA REAL ESTATE owned property and developments, and for brokered property. The Asset Management Company and HEIWA REAL ESTATE recognize that transactions between them are applicable to interested party transactions, and have taken measures to eliminate conflicts of interest by setting conditions including obtaining an appraisal from an independent real estate appraiser is obtained in advance when selling holdings or developments of HEIWA REAL ESTATE to the Investment Corporation, and making sales equal to or under the appraisal value.