

Investment Restrictions

Mitsui Fudosan Retail Fund Investment Corporation

1. Investment Restrictions Based on the Articles of Incorporation

Restrictions on investment based on the Articles of Incorporation Mitsui Fudosan Retail Fund Investment Corporation (“MRF”) are as follows.

(1) Restrictions on marketable securities and monetary claims

Investments in marketable securities and monetary claims (as listed under “Investment Targets 1. Types of Assets That Fall under Investment Targets (3)”) shall be conducted with emphasis on security and liquidity and shall not be conducted solely for the purpose of actively acquiring gains (Articles of Incorporation, Article 31-1).

(2) Restrictions on derivative transactions

Investment in rights pertaining to derivative transactions (as listed under “Investment Targets 1. Types of Assets That Fall under Investment Targets (3) i.”) shall be undertaken only to hedge foreign exchange risks, price fluctuation risks, interest rate fluctuation risks and other risks arising from MRF’s assets under management and liabilities (Articles of Incorporation, Article 31-2).

(3) Restrictions on loans and issuance of investment corporation bonds

a. Purpose of borrowings

MRF may procure loans and issue investment corporation bonds with the aim of ensuring stable earnings and achieving the steady growth of assets under management.

Moreover, it shall only procure loans from qualified institutional investors (Articles of Incorporation, Article 35-1).

b. Use of borrowings

Cash procured from loans and investment corporation bonds may be used for the acquisition of assets, repairs, payment of distributions, MRF’s operational funds, debt repayment (including refunds of leasehold and security deposits as well as the repayment of loans and investment corporation bonds), and similar purposes. Funds procured by issuing short-term investment corporation bonds may be used only for purposes permitted by law (Articles of Incorporation, Article 35-2).

c. Pledging of collateral

In the event of procuring loans pursuant to a., above, MRF may pledge assets under management as collateral (Articles of Incorporation, Article 35-3).

d. Maximum amount of borrowings

The maximum amount of loans and issuance of investment corporation bonds shall be ¥1 trillion each and their total shall not exceed ¥1 trillion (Articles of Incorporation, Article 35-4).

2. Other Investment Restrictions

(1) Acceptance of marketable securities and margin trading

MRF does not accept marketable securities or engage in margin trading.

(2) Concentrated investment

There are no restrictions related to concentrated investment. MRF's policy regarding investment diversification by means of real estate location is described under "MRF's Investment Policy 2. Investment Stance (2) Geographic diversity."

(3) Restrictions on acquisition of the investment corporation's investment units and receipt thereof as subject of pledge

An investment corporation may not acquire or receive as the subject of a pledge its own investment units. However, this does not apply if it acquires the investment units in one of the following cases (as defined in Investment Trust Act, Article 80-1). Note that the Investment Corporation has provided in its Articles of Incorporation the provisions described in a., below (Articles of Incorporation, Article 8-2).

- a. An investment corporation established for the purpose of investing its assets mainly in specified assets has provided in its articles of incorporation that it may acquire its own investment units for compensation based on an agreement with its investors.
- b. An investment corporation succeeds to the investment units of another investment corporation disappearing as a result of a merger.
- c. An investment corporation purchases its own investment units pursuant to the provisions of the Investment Trust Act.
- d. Other cases pursuant to the provisions of the Ordinance for Enforcement of the Investment Trust Act.

Cases pursuant to the Ordinance for Enforcement of the Investment Trust Act are the following (Ordinance for Enforcement of the Investment Trust Law, Article 129).

- i. An investment corporation acquires its own investment units without consideration.
- ii. An investment corporation receives the delivery of its own investment units as a result of the distribution of dividends of surplus, distribution of residual assets, or merger of another corporation, etc., involving its shares held by the investment corporation (including equity and equivalents thereto).
- iii. It is necessary and indispensable for an investment corporation to acquire its own investment

units to achieve a purpose by exercising its rights.

(4) Restrictions on overseas real estate

In accordance with its management guidelines, the Asset Management Company tasked with managing assets owned by the Investment Corporation adopts, as of the date of this document, a policy of refraining from investment in real estate or real estate equivalents (excluding real estate) located outside Japan, securities backed by real estate located outside Japan and assets denominated in foreign currencies.