

Investment Targets

a. Asset types of investment targets

- (i) Specified assets to be as primary type of investment (Article 12 of the Articles of Incorporation)
 - (a) The Investment Corporation shall invest principally in the specified assets described below in accordance with “Article 11 of the Articles of Incorporation (Basic Policy of Asset Management)”.
 - 1) Real estate, real estate lease rights, and surface rights
 - 2) Trust beneficiary rights in trust of money (limited to the case where the purpose is to manage the trust assets principally as an investment in real estate, surface rights or real estate lease rights), real estate, surface rights or real estate lease rights (including the case where beneficiary certificates are issued)
 - 3) Equity interests in an agreement where one party makes a financial contribution to another party to manage assets described in 1), 2) or 4) in this paragraph, and the other party manages that contribution principally as an investment in those assets and distributes profits from managing the assets (hereinafter the “Equity Interests in Silent Partnership on Real Estate”).
 - 4) Trust beneficiary rights in monetary trusts, the purpose of which is to manage the trust assets principally as an investment in Equity Interests in Silent Partnership on Real Estate (including the case where beneficiary certificates are issued)
 - 5) Preferred equity security described in Article 2, Paragraph 9 of the Act on Securitization of Assets (Law No. 105 of 1998, as amended) (hereinafter, the “Asset Securitization Act”) (limited to the case where the purpose of which is to manage principally assets described in previous Items 1) to 3) as investment assets)
 - 6) Beneficiary certificate of a special purpose trust described in Article 2, Paragraph 15 of the Asset Securitization Act (limited to the case where the purpose of which is to manage principally assets described in previous Items 1) to 3) as trust assets)
 - 7) Beneficiary certificates of a fund described in Article 2, Paragraph 7 of the Concerning Investment Trusts and Investment Corporations (hereinafter “the Investment Trusts Act”) . (limited to the case where the purpose of which is to manage principally assets described in previous Items 1) to 3) as trust assets)
 - 8) Investment units described in Article 2, Paragraph 14 of the Investment Trusts Act (limited to cases whose purpose is principally to manage assets described in the preceding Items 1) to 3) as investment assets)
 - 9) Monetary claims
 - 10) Preferred shares issued by a foreign captive reinsurance company
 - 11) Securities set out in Article 3 Item 1 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000; as amended) (hereinafter, “the Investment Trusts Act Cabinet Order”) (those securities, “Securities”)(excluding the assets falling down into the previous items 1) to 10) or Item 14))
 - 12) Renewable energy power generation facilities (which means the renewable energy power generation facilities stipulated in Article 2, Paragraph 3 of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011, as amended)

- 13) Right to operate public facility, etc. (which means the right to operate public facility etc. stipulated in Article 2, Paragraph 7 of the Act on Promotion of Private Finance Initiatives (Act No. 117 of 1999, as amended) (hereinafter, the “Promotion of Private Finance Initiatives Act”)
- 14) Outstanding shares of a corporation stipulated in Article 221-2, Paragraph 1 of the Investment Trusts Act Ordinance (hereinafter, the “Corporation Holding Overseas Real Estate”) (limited to such outstanding shares acquired in excess of the number obtained by multiplying the total number of such outstanding shares (excluding the shares held by such Corporation Holding Overseas Real Estate) by the ratio set out in Article 221 of the Investment Trusts Act Ordinance)
- (b) With respect to Rights to be indicated on Securities as stipulated in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act, when Securities indicating those rights have not been issued, those rights shall be deemed as Securities indicating those rights, and the provisions of this article and the following articles (ii) and (iii) shall apply to those rights.
- (ii) Assets ancillary to primary type of investment (Article 13, Paragraph 1 of the Articles of Incorporation)
- The Investment Corporation may invest in assets described below in order to contribute to the efficient management of surplus funds.
- 1) Deposits
 - 2) Call loans
 - 3) Government bonds
 - 4) Local government bonds
 - 5) Commercial papers
 - 6) Negotiable certificates of deposit
 - 7) Trust beneficiary rights in monetary trusts the purpose of which is to manage as investment in the assets listed in 1) through 6) above items (including the case where beneficiary certificates are issued)
 - 8) Beneficiary certificates for money management funds from the securities investment trusts set out in Article 2, Paragraph 4 of the Investment Trusts Act
 - 9) Beneficiary rights to jointly-managed designated monetary trusts
 - 10) Beneficiary certificates to loan trusts set out in Article 2 of the Loan Trust Law (Law No. 195 of 1952, as amended)
- (iii) Others
- 1) The Investment Corporation may carry out derivative transactions set out in Article 3, Item 2 of the Law Concerning Investment Trusts and Investment Corporations Cabinet Order, including without limitation foreign exchange reservation transactions, currency swap transactions, interest rate futures transactions, interest rate options transactions, interest rate swap transactions or interest rate forward trading (“Derivative Transactions”) for the purposes of hedging the price fluctuation risk, interest rate fluctuation risk, foreign exchange risk and other risk of assets described managed assets. (Article 13, Paragraph 2 of the Articles of Incorporation).
 - 2) The Investment Corporation may make an investment in the following assets which are not the Specified Assets,

in addition to the assets set forth in (i)(a), (ii) and (iii)1) above (Article 13, Paragraph 3 of the Articles of Incorporation).

- (a) Trademark rights, hot springs rights, the status as a fund contributor of a general corporation (including the right to claim the refund of contribution) and other assets incidental to specific real estate which are deemed appropriate to acquire together with such real estate, trademark for the trade name of the Investment Corporation and any others held incidental to organizational operations other than assets held for management by the Investment Corporation, and any others considered necessary for operation of the Investment Corporation
- (b) Equity interests (excluding interests falling down into the Specified Assets) in appointed business operator (provided for in Article 2, Paragraph 5 of the Promotion of Private Finance Initiatives Act) carrying out qualified project (provided for in Article 2, Paragraph 2 of such law)
- (c) Movable (equipment, fixtures and others that are affixed to real estate constructionally or in use, or assets acquired incidental to the acquisition of real estate, real estate lease rights or surface rights, both of which shall be provided for in the Civil Code (Code No. 89 of 1896, as amended)) (“Civil Code”) (excluding movables falling down into the Specified Assets)
- (d) Carbon dioxide equivalent quota provided for in Article 2, Paragraph 6 of the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, as amended) or other quota similar thereto or emission right (including emission right concerning greenhouse gases)
- (e) Rights to carry out the business to conduct the operation, etc. (which means the operation and maintenance and the management and planning related thereto, including provision of services) of a facility and to receive use fees as its own income, which are granted by an owner of such facility (excluding rights falling down into the Specified Assets)

b. Investment criteria

- (a) Regarding the investment criteria, please refer to “Article 14 of the Articles of Incorporation (Investment Policy)”.
- (b) Share of stock, etc. of companies that possess overseas real estate

Not applicable.