

Distribution Policies

We shall make cash distributions to unitholders or eligible registered pledgees listed or registered on the unitholders list at the end of each fiscal period, based on the following policies.

Distributable Amount

Income available for distribution by us (the "distributable amount") equals the amount calculated by deducting the sum of unitholders' capital, etc. from the net assets on the balance sheets.

Determining Amount of Distribution

We determine the amount of distribution, which must exceed 90% of our distributable income (or, if the calculation method of the amount is changed through legal revisions, the changed amount) as stipulated in Article 67:15 of the Special Taxation Measures Law (Law No. 26 of 1957, including all subsequent amendments). However, the actual amount of distribution may not exceed the distributable amount, as defined above. In addition, we can reserve, retain or otherwise treat funds for long-term repair reserves, payment reserves, distribution reserves and similar reserves and allowances that are recognized to be necessary for maintenance of or increasing the value of assets.

Retained Earnings

Retained earnings not distributed from the distributable amount will be managed based on our asset management targets and policy.

Distribution of Cash Exceeding Earnings

In cases when we make an appropriate decision based on the trend of the economic environment, the real estate market, the leasing market or other conditions, or when the Investment Corporation decides that it is appropriate to do so in order to reduce its tax burdens, we may distribute cash exceeding earnings for the relevant period, as the sum of the distribution amount set above and the amount decided by us with the amount set forth in laws and regulations (including rules by The Investment Trusts Association, Japan) as the upper limit.

Method of Distribution

Distributions are paid in cash based on the number of investment units held to unitholders who are listed on the final unitholders' list at the end of each fiscal period, or to eligible registered pledgees, within three months, in principle, from the end of each fiscal period.

Extinctive Prescription

We will be released from its payment obligation of distributions after a lapse of three years from the date of starting payment. No interest is payable in respect to unpaid distributions in arrears.