

Policies for Customer-Oriented Business Conduct

The Kenedix Group is guided by a mission statement and a corporate mission). These guidelines are consistent with the fundamental concept behind the Principles for Customer-Oriented Business Conduct announced on March 30, 2017 by the Financial Services Agency. As a member of the Kenedix Group, we support all of these principles based on the missions, and we have established our own Policies for Customer-Oriented Business Conduct.

I. The Kenedix Group Missions

(1) Mission Statement

Kenedix is dedicated to realizing the full potential of real estate

Looking beyond short-term profits alone, the Kenedix Group has a resolute commitment to asset management that “realizes the full potential of real estate.” This is accomplished by carefully assessing real estate locations and property characteristics, and then using the best possible combination of asset management strategies, timing, and financing schemes to meet the needs of investors.

The mission statement “Kenedix is dedicated to realizing the full potential of real estate” clearly expresses our determination to continue creating value from real estate. By pursuing this mission, we intend to remain at the forefront of the real estate fund market.

(2) Corporate Mission

-Business Objective “For What?”

We contribute to society by making the best use of investment capital and creating value from real estate.

-Business Field “For Whom?”

We offer the best investment opportunities to our clients by committing to multiple roles globally as a real estate asset manager.

-Business Principle "How?"

We confront new business challenges through our management speed and flexibility, while emphasizing stability and fairness.

II. Policies for Customer-Oriented Business Conduct

(1) Pursuit of the customers' best interest

Based on our strong dedication to asset management that "realizes the full potential of real estate," we act sincerely and fairly, adhering to high standards of business ethics and a consistent commitment to providing high-grade investment opportunities to client investors. Through these actions, we aim to foster a corporate culture defined by transparency, expertise, innovation, and flexibility and creativity.

(2) Appropriate management of conflicts of interest

Based on a dedication to sound and fair business practices, we accurately identify transactions between client investors and our related parties, and always do our utmost to conduct appropriate management in accordance with our Related-party Transaction Rules so as not to harm the interests of client investors. The objective is to ensure that business activities are done properly and transactions are performed fairly.

(3) Provision of important information, including fees and other expenses, in an easy-to-understand manner

Based on a dedication to providing information with a high degree of transparency, we are careful to provide important information about investment products and services, including associated fees and other expenses to be borne by client investors, in an easy-to-understand manner.

(4) Provision of services that match customers' needs

We are dedicated to providing investment products and services that match the goals, requirements, financial position, experience, knowledge, and other characteristics of each client investor.

(5) Framework for adequately motivating employees

We aim to increase clients' interest and our corporate value by constantly providing outstanding services to client investors. One step in increasing the motivation of our employees to achieve the aim is to include not only performance but also compliance perspectives in the standard performance parameters used for their evaluations. Furthermore, we work to disseminate the Kenedix Group missions to our employees at the Kenedix Group through our daily operations, training programs, and other activities.

Status of Efforts toward Policies for Customer-Oriented Business Conduct
(FY2019)

The status of efforts made in FY2019 toward the Policies for Customer-Oriented Business Conduct, which were established in December 2018, is as provided below.

(1) Pursuit of the customers' best interest

We believe that efforts to maintain and enhance professional expertise and high standards of business ethics of executives and employees are important to provide high-grade investment opportunities to client investors. Based on this, we have facilitated initiatives and such like, including promoting the acquisition of various professional qualifications (see below for the status of holding of qualifications by executives and employees), implementing periodic internal training (including compliance and business training; see below for the implementation status), and requiring executives and employees to attend external training according to their position.

Status of holding of professional qualifications

(As of December 1, 2019. Total number of executives and employees: 42 (excl. part-time executives))

| Name of qualification | Number of holders | Percentage |
|--|-------------------|------------|
| Association for Real Estate Securitization (ARES) Certified Master | 14 persons | 33% |
| Real Estate Transaction Agent | 29 persons | 69% |
| Certified Building Administrator | 8 persons | 19% |
| Real Estate Consulting Master | 6 persons | 14% |
| First Class Architect | 2 persons | 5% |
| Certificate-holder Member of the Securities Analysts Association of Japan | 1 person | 2% |
| Lawyer | 1 person | 2% |
| Judicial scrivener | 1 person | 2% |
| Certified public accountant | 2 persons | 5% |
| Tax accountant | 2 persons | 5% |
| Chief of Money Lending Operations | 2 persons | 5% |

Implementation status of internal training

FY2019: 5 times

(2) Appropriate management of conflicts of interest

We strive to appropriately identify transactions between client investors and our related parties. And when transactions are conducted with our related parties, we take action in accordance with our Related-party Transaction Rules, including deliberations at the Compliance Committee, which consists of external experts, and disclosure to client investors.

(3) Provision of important information, including fees and other expenses, in an easy-to-understand manner

Based on a dedication to providing information with a high degree of transparency, we strive to appropriately state fees and other expenses that are agreed upon through dialogue with client investors in agreements. In addition, we report the investment status of funds at a frequency and

with a content in accordance with agreements and strive to accurately grasp the impact of natural disasters, social issues, and other events on investment properties and are striving to make timely reports on the status of actions being taken and other information.

(4) Provision of services that match customers' needs

We are dedicated to providing investment products and services that match each client investor. We do this by appropriately understanding their goals, requirements, financial position, experience, knowledge, and other characteristics through our activities or via securities firms and other companies that engage in sales, and by holding dialogue.

(5) Framework for adequately motivating employees

As stated in (1) above, we are aware of the importance of making efforts to maintain and enhance high standards of business ethics of executives and employees in order to increase clients' interest and our corporate value by constantly providing outstanding services to client investors. Based on this understanding, we are dedicated to increasing the motivation of our employees in an appropriate manner by holding periodic internal training and including not only performance but also compliance perspectives in the standard performance parameters.

Kenedix Investment Partners, Inc.