

## 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 【Principle 2】

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 【Principle 3】

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.

< Specific explanation > - For customers of private funds -

When a customer intends to conduct a related-party transaction, such as the acquisition or sale of assets under management, with our related parties, etc. based on our investment decision or investment advice, each Fund Management Department examines the content of the transaction and the Compliance Officer further reviews it. The Compliance Officer examines the applicability of the related-party transaction and the appropriateness of the actions, etc. taken by each Fund Management Department, and if the Compliance Officer determines that such actions are insufficient, the Compliance Officer requests each Fund Management Department to take necessary actions. The Compliance Committee deliberates on the related-party transactions. 【Principle 3 (Note)】

(3) Provision of important information, including fees and other expenses, in an easy-to-understand manner 【Principle 4, Principle 5】

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.

< Specific explanation > - For customers of private funds -

- ① The private funds that we are involved in establishing basically target client investors who fall under the category of Professional Investors (including customers who are to be treated as Professional Investors in accordance with Article 34-3, Paragraph 4 of the Financial Instruments and Exchange Act), and we explain to that effect in advance and provide information to sales companies to that effect. When a customer who does not fall under the category of Professional Investors wishes to invest, we strive to provide investment products and services after thoroughly consulting with the sales company and provide sufficient information to the customer. 【Principle 5 (Note 1)】
- ② We strive to prepare and provide materials that are easy to understand with respect to important information concerning investment products and services (i.e., assumed returns, risk of loss, etc., reason for selection, transaction terms, commission, outlines of related-party transactions, etc.) according to the experience, financial knowledge of each client investor and the importance of information, and to prepare and provide materials that meet client investors' requests. 【Principle 5 (Note 1) (Note 3) (Note 5)】
- ③ We basically do not expect to sell multiple investment products (or services) as a package to client investors, except in cases where the seller requests the bulk purchase of multiple properties (including trust beneficiary rights) (however, we provide a series of asset management operations to the extent necessary for the establishment of private real estate funds and real estate management.). When packaging is required, we strive to explain the reason and content to client investors in an easy-to-understand manner. 【Principle 5 (Note 2)】
- ④ The assets that we handle are mainly real estate or assets backed by real estate, and we basically do not expect to offer investment products using complex structures. However, since real estate is highly individualized and not necessarily easily comparable to other real estate investment projects, and risks and returns are not the same, we are dedicated to providing easy-to-understand information according to the degree of complexity of each investment project. 【Principle 5 (Note 4)】

(4) Provision of services that match customers' needs 【Principle 6】

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.

< Specific explanation > - For customers of private funds -

- ① With respect to private funds that we are involved in establishing, we strive to understand the client investors' needs such as investment goals, periods, and target returns, through dialogue with them, etc., and to propose investment products or services that match such needs. In addition, not only at the time of sales of investment products and services, but also during the subsequent investment period, we strive to communicate with client investors in a timely manner and reflect any changes in their needs in fund management to the greatest extent possible. 【Principle 6 (Note 1)】
- ② The real estate or assets backed by real estate that we mainly handle are highly individualistic and not necessarily easy to compare. However, we strive to propose better investment products or services, sufficiently considering the results of investment products or services provided in the past. 【Principle 6 (Note 1)】
- ③ We basically do not expect to sell multiple investment products (or services) as a package, except in cases where the seller requests the bulk purchase of multiple properties (including trust beneficiary rights) (however, we provide a series of asset management operations to the extent necessary for the establishment of private real estate funds and real estate management.). When packaging is required, we strive to give consideration to whether the entire package is appropriate for the client. 【Principle 6 (Note 2)】
- ④ The private funds that we are involved in establishing basically target client investors who fall under the category of Professional Investors (including customers who are to be treated as Professional Investors in accordance with Article 34-3, Paragraph 4 of the Financial Instruments and Exchange Act), and we explain to sales companies to that effect in advance. Due to the nature of private funds that are not expected to be sold to an unspecified number of customers, we do not plan to disclose the above customer attributes. 【Principle 6 (Note 3)】

- ⑤ The assets that we handle are mainly real estate or assets backed by real estate, and we basically do not expect to offer investment products using complex structures. However, since real estate is highly individualized and risks and returns are not the same, we are dedicated to providing easy-to-understand information according to the degree of complexity of each investment project, and providing investment products or services that match the client investors' goals and requirements as much as possible. We basically target client investors who fall under the category of Professional Investors, and do not expect to sell or recommend products to any customer groups with attributes that make them vulnerable to financial transaction damage. 【Principle 6 (Note 4)】
  
- ⑥ We strive to prepare and provide materials that are easy to understand with respect to the information necessary for understanding the investment products and services that we intend to provide according to the experience and knowledge of client investors, and to prepare and provide materials in response to meet client investors' requests. We also encourage and strive to further develop the professional knowledge of our employees regarding investment products and services through internal and external training programs. 【Principle 6 (Note 5)】

(5) Framework for adequately motivating employees 【Principle 7】

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.

\* The principles and (Notes) in 【】 above indicate the correspondence with the "Principles for Customer-Oriented Business Conduct" and its notes published by the Financial Services Agency.