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Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, President & CEO
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only.
All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Establishment of Policies for Customer-Oriented Business Conduct

The Kenedix Group is guided by a mission statement, corporate mission (corporate philosophy) and long-term vision, which are collectively called the Kenedix Group Mission. All of these guidelines are consistent with the fundamental concept behind the Principles for Customer-Oriented Business Conduct that were announced on March 30, 2017 by Japan's Financial Services Agency. We support all of these principles and have established our own Policies for Customer-Oriented Business Conduct.

I. The Kenedix Group Mission

(1) Mission statement

"Kenedix is dedicated to realizing the full potential of real estate"

Looking beyond simply short-term profits, 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 (corporate philosophy)

- 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.

(3) Long-term vision

Kenedix Vision 2025: Delivering Growth via the Kenedix Model
AUM ¥4 trillion, Kenedix Group market cap ¥2 trillion, ROE 15%

The Kenedix Model

1) Asset Management Business

   Kenedix constantly provides client investors with high-grade investment opportunities and does not own real estate itself.

2) Real Estate Related Business

   Kenedix manages and operates real estate with the goal of increasing the value of funds managed by Kenedix Group companies.

3) Real Estate Investment Business

   Kenedix co-invests with client investors in funds managed by Kenedix Group companies.

We have clearly defined the Kenedix Model – namely, "Kenedix does not own real estate directly. Properties are held by funds that are established and managed by the Kenedix Group."

Our core strengths are the independence to work with diverse business partners, flexibility and creativity in our management decisions, innovation in our business schemes, a commitment to taking on the challenge of creating real estate value by acquiring even more advanced specialized expertise, and a high degree of transparency in our dissemination of information. These are the driving forces behind the Kenedix Model.

Rather than using a business model based on obtaining leasing revenue earned on real estate holdings and increases in real estate prices, the Kenedix Group aims to increase assets under management (AUM) as the earnings base by providing better investment opportunities and robust asset management capabilities. By focusing on these guidelines and strengths, the Kenedix Group is determined to accomplish the goals of the long-term vision.

II. Policies for Customer-Oriented Business Conduct

(1) A commitment to the best interests of customers

Based on our strong dedication to asset management that "realizes the full potential of real estate," we will take actions sincerely and fairly, with adherence to the highest standards of business ethics and a consistent commitment to provision of excellent investment opportunities to client investors. Through these actions, we will aim at fostering a corporate culture defined by transparency, expertise, innovation and flexibility and creativity.

(2) Proper oversight of conflicts of interest

Based on a dedication to sound and fair business practices, we will accurately identify transactions between client investors and our related parties and 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 clear information about fees and other important subjects

Based on a dedication to dissemination of information with a high degree of transparency, we will exercise care to supply important information about investment products and services, including the associated fees and other expenses, in a manner that is easy to understand for client investors.

(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) Measures for the motivation of employees regarding compliance and the Kenedix Group Mission

Our goal is to achieve the growth of our customers' earnings and our corporate value through the constant provision of outstanding services to client investors. One step to increase the motivation of our employees for this goal is the inclusion of compliance in the usual performance parameters used for their evaluations. Furthermore, daily operations, training programs and other activities give everyone at the Kenedix Group a thorough understanding of the Kenedix Group Mission.

Cautionary Statement Concerning Forward-Looking Information
This press release contains forward-looking statements that may include "intends," "will" and other similar words and phrases, statements regarding the intent, belief, strategy, plans or current expectations of Kenedix. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. Kenedix has no obligation to update forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.