

Kenzo Capital Corporation and Genkai Capital Management Co., Ltd. agree on joint venture to provide counsel to European Investors in the Japanese Real Estate Market

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Kenzo Capital Corporation and Genkai Capital Management Co., Ltd. announced that they would work jointly with European investors on a separate account basis. Kenzo will advise clients on their core real estate investments, including structuring and debt finances, deal execution and provide ongoing performance reporting. Genkai will provide an investment pipeline, negotiate sales terms, and perform ongoing asset management. Based on the implementation of this business model, both parties plan to further develop their relationship by bringing investors from Europe and Japan together under a Kenzo/Genkai core real estate fund umbrella.

Kenzo Capital Corporation has been built up over the past 12 months to specifically advise and manage European long-term oriented core real estate investments. The core team consists of professionals with long-term experience and successful track records in developing, maintaining and growing business for International investors in Japan by working with overseas decision making investment committees. Dr. Leonard Meyer zu Brickwedde, President and CEO of Kenzo, plans to build a bridge between local business needs and practices and overseas investors' expectations on communication, transparency and reporting in order to increase the share of long-term core investment in Japanese real estate. Dr. Meyer zu Brickwedde has been working in Japan since 1993, holding various management positions within HypoVereinsbank Group. In 2004 he established Hypo Real Estate in Japan which by 2008 he had positioned as one of the leading real estate lending organizations in Japan.

Genkai Capital Management has been managing two property funds with assets of over US\$600million sponsored by Japanese Institutional Investors. During 2006 and 2007, when ample liquidity of real estate in the Tokyo market resulted in extreme competition, Genkai focused its investment activities on projects in regional cities such as Fukuoka. Since early 2008, Mr. Masatoshi Matsuo, President and CEO of the company, has been refocusing on Tokyo to take advantage of the market situation and acquire core properties for long-term investors. Before establishing Genkai Capital Management, Mr. Matsuo headed Fukuoka Realty Co. as President and CEO, which under his leadership led Fukuoka REIT to become the first listed regional J-REIT.

Masatoshi Matsuo, President and CEO of Genkai Capital Management, commented, “This will be a once in a 10 year opportunity for long-term investments in major markets like New York, London, Los Angeles and Tokyo. Genkai Capital Management would like to become a professional real estate fund manager, not only for Japanese institutional investors but also for international institutional investors. The Tokyo market is such a stable property market that it is not easy to secure office or residential properties with institutional quality. The timing is good because the Japanese capital market is very busy de-leveraging large-scale property loans from a couple of years ago. Since the window of opportunity may not be open that long, we have decided to work with Kenzo Capital to quickly bring in professional long-term investors. This may become a good wake up call to Japanese institutional investors to go back to basic investments in Tokyo.”

Dr. Leonard Meyer zu Brickwedde, President and CEO of Kenzo Capital Corporation, added, “ Since the beginning of an institutional real estate market it has been dominated by opportunistic investment. After the period of 2000 to 2004, during which investors took advantage of illiquidity, the market grew and will continue to grow with a need to be balanced with more long-term core investors. Besides domestic long-term investors there are many long-term core investors in Europe whose business strategy and philosophy match opportunities in the Japanese real estate market. I have established Kenzo to specifically focus on these European investors to support their investment activities and thereby provide the balance that the Japanese market needs in order to further grow in a healthy balanced manner. Kenzo provides a domestic business platform catering to the needs of European real estate players. The joint venture with Genkai will bolster this platform adding long-term domestic market and asset management experience to a team well versed in cross border business communication with a successful track record in a variety of investment advisory core tasks. Our major mid-term goal is to bring our European clients under one roof with highly respected Japanese investors that Genkai is advising.”

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