

Kenzo Japan Real Estate Fund successfully launched

Tokyo, August 1st, 2017

The Japanese investment adviser and asset manager focusing on German investors, **Kenzo Capital Corporation Inc.**, Tokyo, successfully launched the **Kenzo Japan Residential Fund** on July 28, 2017, with an initial investment in four apartment buildings for approximately EUR 30 million equivalent. Capital commitments by two initial investors over EUR 45 million are the cornerstone: a large Frankfurt investment management and consulting firm and a professional pension fund.

The Kenzo Japan Residential Fund invests in the major metropolitan areas of Japan, mainly in Greater Tokyo and Greater Osaka, as well as in Nagoya and Fukuoka. Modern residential properties of the core risk class are supplemented by objects with an active management approach (Core Plus and Value Add). With this allocation of the fund plans an average annual distribution of 5% and a return on investment (IRR) of 8%, after sale in approximately 7 years. The total equity target volume of the fund is expected to reach around EUR 250 to 300 million, the investment volume is around EUR 480 to 550 million. The fund is denominated in yen, and is directed to institutional investors in Germany, mainly capital collectors such as utilities and insurance companies.

Kenzo Capital Corporation Inc., Tokyo, is closely working with **Haseko Real Estate Investment Management Inc.**, a member of Haseko Corporation, the largest Japanese residential construction company. In Germany, Kenzo is represented through "**Kenzo Japan Real Estate GmbH**" in Munich and was able to attract the leading real estate fund provider specialized in residential real estate, **PATRIZIA Wohninvest Kapitalverwaltungsgesellschaft mbH**, as the administrator of the fund.

"Building upon the know-how and experience of our team, this mandate strengthens PATRIZIA's competitive position in a market that is increasingly attractive to investors due to strong Japanese economic growth and political stability," reports Dr. Sven Olaf Eggers, Managing Director of PATRIZIA WohnInvest Kapitalverwaltungsgesellschaft mbH, Augsburg, "We are planning a further expansion of our fund administration with the experience of this collaboration of specialists, who in part already know each other through Japanese investment business for more than a decade."

In the establishment of the Kenzo brand in the circle of German investors, **Metzler Real Estate GmbH** advises and assists Kenzo with regards to marketing strategy, set-up and management of the fund business. "Metzler's good networking in both the German and Japanese capital and financial markets helps to do this," says Bernd Sommer, Managing Director, Metzler Real Estate GmbH, Frankfurt.

The investment structure - an open special AIF - has been developed by Rödl & Partner from a tax perspective. Clifford Chance has examined investment law compliance and KPMG's tax concept in Japan.

"The Japanese market offers a wide selection of excellent investment opportunities in residential real estate in its metropolises. In the case of core objects, we can, as a matter of experience, rely on stable earnings. Collaboration with Haseko gives us access to good opportunities to develop residential real estate in prime locations through active management back to core real estate. We are delighted to be able to provide such investment opportunities to German institutional investors with the Kenzo Japan Residential Fund," says Dr. Leonard Meyer zu Brickwedde, President & CEO, Kenzo Capital Corporation, Tokyo. Since the end of the 1990's, he has played an important role in the development of the institutional quality of the Japanese real estate market and today states: "The deal pipeline for possible further acquisitions is well filled".

Kenzo Japan Real Estate Fund successfully launched

Tokyo, August 1st, 2017

Kenzo Capital Corporation
Dr. Leonard Meyer zu Brickwedde
President and CEO

Sanno Park Tower 3F
2-11-1 Nagata-cho, Chiyoda-ku
Tokio 100-6162

Tokyo

Office +81 3 62 05 33 84
Mobile +81 90 84 63 26 03

München

Office +49 89 230 35 310
Mobile +49 171 3 23 86 05

E-mail: leonard.meyerzubrickwedde@ken-zo.com