

Implementation Status (2025)

Policies on Customer-Oriented Business Conduct

1 Formulation and Announcement of Policies regarding Customer-Oriented Business Conduct

To provide better quality products and services for our customers, TSCM announces the implementation status of the Policy on our website, etc., and periodically reviews the Policy.

The Policy and its implementation status are published on our website.

<https://www.touchstone-cm.com/en/fiduciary-duty/>

2 Pursuit of Customer's Best Interest

TSCM recognizes that incorporating the factors of Environmental, Social, Governance (collectively "ESG") and Safety into its investment decision-making and investment processes as much as possible will contribute to improving shareholder value over the medium to long term, and has established the Policy for Sustainable and Responsible Investment and Asset Management.

The relevant information, etc. on ESG/Sustainability is published on our website.

<https://www.touchstone-cm.com/en/esg-sustainability/>

● Advanced expertise

After understanding and considering the customer's knowledge, experience, financial situation, investment policy, acquisition purpose, etc., TSCM provides the information and service details necessary for investment decisions in an easy-to-understand and timely manner, and acts in the interests of our customers.

<Number of qualification holders>

| (as of the end of the fiscal year) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------|------|------|------|------|
| Japanese brokerage license | 8 | 7 | 9 | 7 | 7 |
| ARES Certified Master | 5 | 4 | 6 | 5 | 6 |
| Real Estate Consulting Master | 1 | 1 | 1 | 0 | 0 |
| Certified Building Administrator | 0 | 0 | 0 | 0 | 0 |
| Real Estate Appraiser / Assistant Certified Real Estate Appraiser | 2 | 2 | 3 | 1 | 1 |
| (Number of officers and employees excluding non-executive officers) | (16) | (15) | (19) | (15) | (13) |

※ Includes those that passed the exams

3 Appropriate Management of Conflicts of Interest

TSCM has established a Compliance Risk Management Committee to review transactions with possible conflicts of interest and matters related to compliance.

| (year) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------|------|------|------|------|
| Number of Compliance Risk Management Committee meetings held | 4 | 7 | 10 | 10 | 6 |
| (Of which, meetings on interested parties transactions) | (0) | (0) | (0) | (0) | (1) |

4 Clarification of Various Fees and Commissions

- (1) Fees for investment advisory services or discretionary investment management services related to continuous asset management are as follows.

However, each fee will be determined individually after consultation with the customer for each contract, taking into consideration the details of each entrusted service.

- ① Acquisition Fee
Up to 1.5% of Acquisition Price
- ② Asset management Fee
Up to 1.0% of Acquisition Price annually, prorated according to each asset management period
- ③ Disposition Fee
Up to 1.5% of Disposition Price
- ④ Success Fee
Up to 50.0% of excess earnings if the return exceeds target

- (2) Fees for non-continuous investment advisory services will be determined individually after consultation with the customer for each contract, taking into consideration the details of each entrusted service.

5 Providing Important Information in an easy-to-understand manner

According to the customer's request, TSCM reports financial results and budgets for each accounting period and regularly reports on the status of assets under management and tenant trends.

6 Providing Suitable Service to Customers

TSCM strives to accurately and timely understand customer needs, etc. in accordance with environmental changes in asset management, and provides necessary and appropriate information to each customer.

Frequency of communication with investors (average of all investors/annual total)

| (year) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------------|-------|------|-------|------|-------|
| Face to Face Meetings | 0.38 | 3.25 | 3.00 | 1.88 | 3.67 |
| Conference Calls, Web Meeting | 10.38 | 9.00 | 14.88 | 9.25 | 12.67 |
| Briefing of Asset Management Reports | 5.50 | 5.25 | 5.88 | 7.25 | 9.33 |

7 Framework for Adequate Motivation of Directors and Employees

TSCM regularly conducts compliance training for directors and employees in order to improve their compliance awareness. Furthermore, in order to maintain and improve expertise and cultivate professional ethics, TSCM encourages them to acquire various qualifications that contribute to the operation and management of real estate-related funds (such as Real Estate Brokerage license), and to participate in external training and seminars sponsored by the affiliated organizations to which we belong.

Implementation status of internal compliance trainings

| (year) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------|------|------|------|------|
| Number of compliance training sessions held ※ Including new employee training | 7 | 6 | 10 | 6 | 7 |
| (of which, training on professional ethics or customer-oriented business conduct) | (1) | (1) | (0) | (0) | (1) |

Policies on Product Governance (Supplementary Policies)

(Supplementary Policy 1) Fundamental Principles

To ensure that we provide products and services that align with our customers' best interests, we have established the Supplementary Policies and published them on our website.

Furthermore, to promote understanding of the details, principles, and philosophy behind the Policy, including the Supplementary Policies, we conducted an internal training session on April 25, 2025.

(Supplementary Policy 2) Product Governance Framework

In providing products and services to our customers, we have established the following major regulations and manuals concerning our organizational structure and operational processes:

- ◇ Organization, Operation Allocation, and Authority Regulation
- ◇ Investment Committee Regulation
- ◇ Compliance Regulation and Compliance Manual
- ◇ Real Estate Investment Management Regulation
- ◇ Business Operations Manual
- ◇ Acquisition, Periodic Management, and Disposition Manuals

We have established an Investment Committee that deliberates on matters related to the acquisition and disposition of managed assets, investments, and loans, as well as the formulation of annual budget plans for each fund. In 2025, this committee was held a total of 8(11 in 2024) times.

For the number of meetings of the Compliance and Risk Management Committee, please refer to the data provided in “3. Appropriate Management of Conflicts of Interest” in the “Policies on Customer-Oriented Business Conduct” section of this document.

In 2025, audits conducted by internal audits, implemented during the acceptance of asset management operations and the acquisition and disposition of managed assets, were conducted a total of 3(8 in 2024) times.

(Supplementary Policy 3) Product Design and Structuring

We consistently provide our customers with comprehensive services, spanning from the product design and structuring of funds to solicitation and sales, as well as the management of funds, the acquisition and disposition of managed assets post-structuring.

Regarding solicitation and sales to our customers and the management of assets, we do not outsource (including re-outsourcing) to external third parties. Instead, we ensure necessary and sufficient information sharing within our company and collaborate closely to advance each operational process in product design and structuring.

(Supplementary Policy 4) Product Evaluation and Improvement

For each fund product under management, we formulate an annual budget plan, which is deliberated and resolved by the Investment Committee. Upon obtaining consent from stakeholders in the

investment scheme, including lenders and trust administrators, we execute our asset management operations.

Furthermore, we, in our quarterly regular risk monitoring meetings, as the Compliance and Risk Management Committee, review the discrepancies between the annual budget plan and actual figures, deliberate on the analysis of the causes and corresponding countermeasures, and share the information.

Moreover, regarding deficiencies and improvement proposals identified in internal audits, we conduct follow-up audits as necessary to confirm the implementation status of corrective actions.

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| (Supplementary Policy 5) Clear Information Disclosure |
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To provide products and services that align with our customers' best interests, we have established the Supplementary Policies and published them on our website (Supplementary Policy 1).

Furthermore, we maintain close communication with our customers, providing necessary and appropriate information through suitable means, such as in-person meetings or written documents, regarding the investment strategy, business plan, and Operational Management Report of each individual fund product.

For the "Frequency of communication with investors," please refer to the data provided in "6. Providing Suitable Service to Customers" in the "Policies on Customer-Oriented Business Conduct" section of this document.

End