

# Policy on Customer-Oriented Business Operations

## Status of efforts in fiscal 2023

June 25, 2024

DREAM reports the status of efforts in fiscal 2023 (April 1, 2023 to March 31, 2024) pertaining to its “Policy on Customer-Oriented Business Operations” (the “Policy”) as follows.

DREAM will continue to strive to conduct business operations in line with the Policy. While constantly striving to conduct business operations by considering the best interests of its customers as a top priority, DREAM has also formulated its long-term vision “DREAM toward 2030” which is based on the concept of sustainability management ahead of the industry, under the recognition that the Earth is its greatest stakeholder. DREAM aims to realize a sustainable society by contributing to the conservation of the global environment and the resolution of social issues through our business activities, while each and every employee is highly conscious.

For the status of efforts on Sustainability Management, please visit the following page.

<https://www.mc-dream.com/english/company/philosophy/>

<https://www.mc-dream.com/english/sustainability/policy/>

### I. Pursuit of best interest of customers

DREAM has set self-development subsidy standards to encourage employees to acquire qualifications related to operations based on the idea that it is necessary for employees to maintain professional ethics and have highly specialized skills to constantly strive to conduct business operations by considering the best interests of its customers as a top priority, and bears such expenses.

The status of acquisition of major professional qualifications as of the end of fiscal 2023 is as follows (including those who successfully passed the exams).

ARES Certified Master	42
Real Estate Notary	62
Real Estate Appraiser	2
First-Class Architect	3
Tax Accountant	1
Chief of Money Lending Operations	11
Securities Analysts	3



Real Estate Consulting Master	8
Certified Building Administrator	7
Certified Rental Property Manager	7

## **II. Appropriate management of conflicts of interest**

As for interested-party transactions which must be discussed at the Compliance & Risk Management Committee (the “Committee”) , outside expert has always received explanation in advance in order for him to conduct deep verification through the Committee, and all interested party transactions have been approved with the consent of outside expert.

In addition, DREAM verifies whether efforts to prevent conflicts of interest are being made appropriately or not in the investigation of the internal control environment by outside expert after sampling interested party transactions.

The status of meetings concerning interested-party transactions held by the Committee in fiscal 2023 is as follows.

Number of meetings held in fiscal 2023:7 (11 transactions)

## **III. Clarification of handling fees**

Handling fees and remuneration which customers pay to DREAM consist mainly of remuneration upon acquisition, remuneration during the period and remuneration upon sale. DREAM has indicated the idea on such remuneration and the level of handling fees in the private placement memorandum, etc. and explained them in advance as well as clarified the track records by indicating them in the business report, etc. and directly explaining them to customers.

## **IV. Easy-to-understand provision of important information**

DREAM provides important information such as the basic scheme, expected return, risks, terms and conditions of transaction of financial products which it provides, etc., and details of conflicts of interest, if any, and management status, etc. through communication with customers using timely and easy-to-understand expressions and charts.

Moreover, DREAM has established exclusive websites for the unitholders of DREAM Private REIT, and DREAM Hospitality REIT, private REITs which entrust management of their assets to DREAM. The unitholders of DREAM Private REIT, and DREAM Hospitality



REIT can check the information on the management status of the REITs in a timely manner by accessing the following websites using a special password.

DREAM Private REIT <https://dream-dpr.com/>

DREAM Hospitality REIT <https://dream-dhr.com/>

## **V. Provision of services appropriate for customers**

The main products which DREAM serves are “real estate closed-end funds,” “private REIT,” “mezzanine debt funds” and “outbound real estate funds.”

“Private REIT” is the investment product provided only to qualified institutional investors, and DREAM aims to maximize investors value by working to secure stable revenue and achieve steady growth of assets under management.

“Real estate closed-end funds,” “mezzanine debt funds” and “outbound real estate funds” are investment products targeting mainly professional investors, and DREAM provides information to enable customers to sufficiently make investment decisions as the characteristics of such products differ at each fund.

DREAM provides services by sharing the characteristics of such products with customers based on the asset status, transaction record, knowledge, purpose and needs of customers.

## **VI. Framework for properly motivating employees, etc.**

As described in I. above, DREAM believes that it is necessary for employees to maintain professional ethics and have highly specialized skills to constantly strive to conduct business operations by considering the best interests of its customers as a top priority and bears such expenses. DREAM conducted in fiscal 2023 e-learning, compliance discussion aiming to foster awareness on compliance, business training upon the amendment of laws related to operations and revision of internal rules, etc., and compliance training, inviting an outside expert as a lecturer.

In addition, the status of acquisition of qualifications by employees is as described in I. above.

Moreover, by setting compliance factor as an evaluation item in personnel evaluations of employees, DREAM ensures that the interests of employees will not be prioritized over the interests of customers.

The status of holding of various trainings in fiscal 2023 is as follows.

Number of trainings held in fiscal 2023: 32

