

August 10, 2017

Kenedix, Inc.

Nomura Research Institute, Ltd.

## **Kenedix and Nomura Research Institute Agree to Cooperate in the Field of Real Estate Technology**

-Bit Realty established to conduct a crowdfunding business for real estate investments-

Kenedix, Inc. (Headquarters: Chuo-ku, Tokyo; CEO & President: Taisuke Miyajima) and Nomura Research Institute, Ltd. (Headquarters: Chiyoda-ku, Tokyo; President & CEO: Shingo Konomoto; “NRI”) have reached an agreement on August 10, 2017 concerning the basic terms for collaboration involving a crowdfunding business for real estate investments.

The real estate investment crowdfunding business will be operated by Bit Realty, Inc., a company established by Kenedix on June 26, 2017. The total equity investment in this company is to be 495 million yen with Kenedix holding 80.1% and NRI holding 19.9%.

Bit Realty will use the internet to provide many types of investment opportunities to a broad spectrum of investors. Normally, individuals can make real estate investments only by using J-REITs, condominium investments and a few other methods. Bit Realty will offer a scheme that allows individuals to use the internet to make small investments in real estate financing products. People who make these investments will receive cash flows from rental income and others.

For this crowdfunding business, Kenedix will support the development of the real estate investment products, provide investment properties for increasing the transaction volumes, and perform asset management operations for these properties. NRI will provide the IT services required by this business.

Kenedix and NRI plan to position this scheme as the standard for real estate crowdfunding by adding the participation of real estate asset management firms, real estate developers and other companies. Furthermore, the long-term plan for Bit Realty includes the addition of new services involving the real estate technology business. For example, Kenedix and NRI are considering the creation of a robot investment advisory service that utilizes artificial intelligence, big data analysis, blockchain technology and other technologies.

### 1. Reasons for establishing Bit Realty

Financial technology, which combines finance and IT, has become a well-established field and now real estate technology, which combines real estate and IT, is emerging worldwide as a new business field. Interest in real estate crowdfunding is growing in the real estate investment market as a method to create a new source of funds for real estate investments.

Establishing Bit Realty provides a platform for using a team of specialists for the creation of a scheme to provide a variety of investors with the real estate investment opportunities that were previously restricted to institutions. One more goal is building a framework to match investors who want to support the revitalization of urban areas and regional communities with opportunities to invest in these types of projects. Performing this function is expected to facilitate the more effective use of the financial assets of individuals and invigorate Japan’s real estate market.

## 2. Company summaries

Name	Kenedix, Inc.
Address	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Representative	Taisuke Miyajima, CEO & President
Business	Asset management, property management, leasing operations, real estate investment businesses
Established	April 17, 1995
Capital	Approx. 40.2 billion yen

Name	Nomura Research Institute, Ltd.
Address	Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku, Tokyo
Representative	Shingo Konomoto, President & CEO, Member of the Board
Business	Consulting services, system development and application sales, system management and operation services, and product sales
Established	April 1, 1965
Capital	18.6 billion yen

Name	Bit Realty, Inc.
Address	2-11-10 Shimbashi, Minato-ku, Tokyo
Representative	Takahiro Uchida, CEO & President
Business	Crowdfunding platform for investments in real estate and infrastructure
Established	June 26, 2017
Capital	495 million yen (note)
Investment ratio	Kenedix, Inc. 80.1%, Nomura Research Institute, Ltd. 19.9% (note)

(Note) Figures for capital and investment ratio are after a third-party allotment.

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