

September 27, 2018

To All Concerned Parties

REIT Issuer:
Kenedix Residential Next Investment Corporation
Representative: Keisuke Sato, Executive Director
(Securities Code: 3278)

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Representative: Masahiko Tajima, President & CEO
Contact: Shin Yamamoto, Head of Planning
Division, Residential REIT Department
TEL: +81-3-5157-6011

Notice of transfer of asset management business concerning the private placement fund entrusted to the
Asset Management Company as well as entity conversion of the Asset Management Company

Kenedix Real Estate Fund Management, Inc. (hereinafter referred to as the “Asset Management Company”), which is entrusted with asset management by Kenedix Residential Next Investment Corporation (hereinafter referred to as the “Investment Corporation”), would like to inform you of its decision to transfer the asset management business concerning the private placement fund entrusted to the Asset Management Company (hereinafter referred to as “PPF Asset Management Business”) and to carry out an entity conversion of the Asset Management Company (hereinafter referred to as “Entity Conversion”) as follows.

1. Transfer of PPF Asset Management Business

(1) Transfer of PPF Asset Management Business and the purpose thereof

The Asset Management Company has decided to transfer its PPF Asset Management Business (hereinafter referred to as the “Transfer”) in order to specialize in and focus on asset management business of investment corporations. This will allow the Asset Management Company to further strength its expertise in the asset management business of investment corporations.

Accordingly, the PPF Asset Management Business will be transferred to and succeeded by Kenedix Investment Partners, Inc. (hereinafter referred to as “KIP”), established by Kenedix, Inc., the parent company of the Asset Management Company.

KIP was established as a company specializing in private placement real estate funds. KIP offers a one-stop service to respond to investors’ needs, and is intended to put together the knowhow, expertise, and skills of private placement fund management of the Kenedix Group to meet the investors’ expectations. For the KIP’s corporate outline, please refer to the Exhibit 1.

(2) Scheduled date of transfer

November 1, 2018

* This is a date scheduled as of the date of this notice, and may be changed in accordance with the administrative status pertaining to the Transfer.

2. Entity Conversion

(1) Closing of the Private Fund Department

By the Transfer, the original PPF Asset Management Business entrusted to the Asset Management Company will cease to exist. Therefore, the Asset Management Company has decided to close down its Private Fund Department, which had been supervising the PPF Asset Management Business, upon the Transfer.

(2) Scheduled date of Entity Conversion

November 1, 2018

* This is a date scheduled as of the date of this notice, and may be changed in accordance with the administrative status pertaining to the Transfer.

(3) We will notify you of the changes in the organization and internal rules of the Asset Management Company associated with the Entity Conversion, once such matters have been determined by the Assent Management Company.

Concerning the transfer and entity conversion, we will take necessary procedures such as making notifications, etc. in accordance with the Financial Instruments and Exchange Act, the Real Estate Brokerage Act and other applicable laws, regulations and rules.

* Website URL of the Investment Corporation: <https://www.kdr-reit.com/en/>

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Exhibit 1: KIP's corporate outline (as of September 27, 2018)

Name	Kenedix Investment Partners, Inc.
Address	Hibiya Parkfront, 2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo
Name and title of representative	Naokatsu Uchida, President & CEO
Description of business	<ol style="list-style-type: none"> 1. Investment management business and investment advisory and agency business 2. Real estate brokerage business 3. Real estate fund management business 4. Type II financial instruments business 5. Business relating to management of entities such as special purpose companies, etc. 6. Purchase and sale, lease, intermediation of real estates, etc. and asset-backed securities, etc. mainly investing in real estates, etc. as well as management and appraisal of real estates, etc. 7. Consultancy relating to management and operation of real estates, etc. and other assets 8. Any other businesses incidental or relating to each of the preceding items
Capital	JPY 90 million
Date of establishment	April 27, 2018
Number of outstanding shares	9,000 shares
Accounting period	Period ending in December
Major shareholder and shareholding ratio	Kenedix, Inc. 100%