

November 1, 2018

To All Concerned Parties

REIT Issuer:  
Kenedix Residential Next Investment Corporation  
Representative: Keisuke Sato, Executive Director  
(Securities Code Number: 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 Partial Change in Memorandum with Kenedix, Inc. Concerning  
Provision of Real Estate Information

Kenedix Residential NEXT Investment Corporation (“the Investment Corporation”) has signed a memorandum of understanding to partially change the memorandum of understanding concerning the provision of real estate information and other items, executed on October 1, 2013 among the Investment Corporation, Kenedix Real Estate Fund Management, Inc., a company to which the asset management is entrusted (“ the Asset Management Company”), and Kenedix, Inc. (“KDX”) (as may be amended, hereinafter the “Support-Line Memorandum of Understanding”) in order to add Kenedix Investment Partners, Inc. (“KIP”) to the party of the Support-Line Memorandum of Understanding (hereinafter the “Change”). The details are as follows.

Particulars

1. Reason of the Change

As notified in “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” dated September 27, 2018, the Asset Management Company transferred the asset management business concerning the private placement entrusted to the Asset Management Company to KIP on November 1, 2018. Furthermore, KIP also succeeded to KDX’s private placement fund business on November 1, 2018 as a result of a corporate split.

As a result of these transfer and succession (“the Transfer, etc.”), the real estate private placement fund business of the Kenedix Group previously managed by the Asset Management Company and KDX will be concentrated in KIP; accordingly, the information and services obtained from the real estate private placement fund business is also provided by KIP.

Consequently, in order to receive the same sponsor support as the current one after the implementation of the Transfer, etc. from the Kenedix Group, the Investment Corporation has agreed on (i) addition of KIP to party of the Support-Line Memorandum of Understanding and (ii) provision by KIP of part of the sponsor support previously provided by KDX, and has partially changed the Support-Line Memorandum of Understanding.

2. Content of the Changed Support-Line Memorandum of Understanding

(1) Addition of Party

KIP was added to the party of the Support-Line Memorandum of Understanding.

(2) Change in Content of Support

The content of the changed support agreement is as follows (the changes are indicated with underlines). However, the objective of the Change is provision by KIP of part of the sponsor support previously provided by the Kenedix, Inc.; therefore, there is no substantial change in the scope of the sponsor support.

Content of Support	<p>a. Support from KDX concerning the supply of real estate, etc.</p> <p>i. Provision of information received by KDX about the sale of real estate, etc.</p> <p>When KDX obtains on its own information about the sale of real estate, etc. that is owned or managed by an entity other than an entity in the Support-Line Memorandum of Understanding (hereinafter “information about the sale of real estate, etc.”,) and when KDX reaches the reasonable decision that the real estate, etc. complies with the investment standards of the Investment Corporation, the information about the sale of real estate, etc. will be provided to the Asset Management Company no later than this information is provided to entities other than the Asset Management Company <u>(including but not limited to KIP. Hereinafter the same.)</u>. However, this requirement does not apply in cases where the provision of information to the Asset Management Company is prohibited by a contract or agreement signed by KDX or by laws and regulations, etc.</p> <p>ii. Sales of real estate, etc. owned by KDX</p> <p>For the consideration of sales of real estate, etc. (except real estate, etc. owned based on a warehousing request from the Investment Corporation as prescribed in “c. Warehousing by KDX” below) that is owned or to be acquired by KDX, a company wholly owned by KDX, a fund in which KDX is the sole investor (including but not limited to silent partnerships) or a fund in which a company wholly owned by KDX is the sole investor (including but not limited to silent partnerships), and when KDX reaches the reasonable decision that the real estate, etc. complies with the investment standards of the Investment Corporation, the information about the sale of real estate, etc. will be provided to the Asset Management Company no later than this information is provided to entities other than the Asset Management Company. However, this requirement does not apply in cases where the sale to the Investment Corporation is prohibited by a contract or agreement signed by KDX or by laws and regulations, etc.</p> <p>iii. Sales of real estate, etc. from <u>KIP</u> private funds</p> <p>When <u>KIP</u> sells real estate, etc. owned by a real estate investment fund for which <u>KIP</u> performs asset management services (except warehousing funds as defined in “b. Sales of real estate, etc. by warehousing funds” below), and when <u>KIP</u> reaches the reasonable decision that the real estate, etc. complies with the investment standards of the Investment Corporation, this information about the sale of real estate, etc. will be provided to the Asset Management Company no later than the information is provided to entities other than the Asset Management Company. However, this requirement does not apply in cases where the provision of information to KFM is prohibited by a contract or agreement signed by <u>KIP or such real estate investment fund</u> or by laws and regulations, etc.</p> <p>b. Sales of real estate, etc. by warehousing funds</p> <p>For real estate, etc. that is owned or managed by <u>KDX, KIP or another third party</u>, the Asset Management Company can ask <u>KIP</u> to establish a real estate fund for the purpose of securing an opportunity for the Investment Corporation to acquire this property in the future. If <u>KIP</u> receives this request from the Asset Management Company, it must sincerely consider taking the requested action.</p> <p>If <u>KIP</u> accepts the request from the Asset Management Company, it will establish a real estate fund for which <u>KIP</u> performs asset management services (hereinafter “warehousing fund”) and this warehousing fund will acquire the real estate, etc. associated with the request.</p> <p>If <u>KDX</u> sells the real estate, etc. held by the warehousing fund (hereinafter “warehousing fund real estate”), the following sales procedures will be followed.</p> <p>i. <u>KIP</u> will first give the Asset Management Company the opportunity to request that the</p>
--------------------	--

	<p>warehousing fund real estate be sold to the Investment Corporation.</p> <p>ii. After giving the Asset Management Company the opportunity described in item i. above, <u>KIP</u> will hold sincere discussion with the Asset Management Company concerning the terms for selling the warehousing fund real estate.</p> <p>iii. If the discussions in item ii. do not lead to an agreement for the sale of the warehousing fund real estate or if there are any designated events (hereinafter “third-party sales events”), <u>KIP</u> can offer the warehousing fund real estate to a third party notifying the Asset Management Company of the intent to sell this real estate to a buyer other than the Asset Management Company.</p> <p>Details concerning the sales procedures and the third-party sales events will be prescribed for each of the established warehousing fund and separately agreed upon between each party involved in the Support-Line Memorandum of Understanding and the warehousing fund.</p> <p>c. Warehousing by KDX</p> <p>For real estate, etc. owned or managed by <u>KDX, KIP or another third party</u>, the Asset Management Company can ask KDX to acquire and temporarily hold this real estate, etc. for the purpose of securing an opportunity for the Investment Corporation to acquire this real estate, etc. in the future. If KDX receives this request from the Asset Management Company, it must sincerely consider taking the requested action.</p> <p>If KDX accepts the request from the Asset Management Company, KDX or a company wholly owned by KDX will acquire the real estate, etc. associated with the request.</p> <p>If KDX acquires the real estate, etc. in accordance with the request from the Asset Management Company, it may not offer to sell or otherwise dispose of this real estate, etc. to an entity other than the Asset Management Company for one year after the acquisition date. Furthermore, if the Asset Management Company asks during this one-year period for the sale of the real estate, etc. to the Investment Corporation, KDX must perform this sale.</p> <p>d. Securing of acquisition opportunity through execution of a sales contract by KDX</p> <p>For real estate, etc. owned or managed by <u>KDX, KIP or another third party</u>, the Asset Management Company can ask KDX to execute a sales contract concerning this real estate, etc. for the purpose of securing an opportunity for the Investment Corporation to acquire this real estate, etc. in the future. If KDX receives this request from the Asset Management Company, it must sincerely consider taking the requested action.</p> <p>If KDX accepts the request from the Asset Management Company, KDX or a company wholly owned by KDX shall, through discussion with the Asset Management Company, execute a sales contract which enables a change of the buyer of such real estate, etc. to the Investment Corporation in the future with a person who owns or manages the real estate, etc. concerning such request. Upon a request from the Asset Management Company, KDX or a company wholly owned by KDX shall provide the Investment Corporation with the acquisition opportunity of the real estate, etc. by changing the buyer of such real estate, etc. to the Investment Corporation.</p> <p>If KDX or a company wholly owned by KDX executes a sales contract pursuant to such request from the Asset Management Company, KDX shall not procure such real estate, etc. or shall not make a company wholly owned by KDX to acquire such real estate, etc. without the approval of the Asset Management Company until the execution date determined in such sales contract through prior discussion with the Asset Management Company.</p> <p>e. Other matters</p> <p>If damage or deterioration of properties in the real estate, etc. which the Investment Corporation owns or considers acquiring is expected to reduce the income in the short term or medium and long term and redevelopment is expected to secure stable profitability in the medium and long term, when the Asset Management Company asks KDX for support for such redevelopment or when a support is asked for new development of asset investable to the Investment Corporation, KDX shall or shall make a company in which KDX invests to discuss with the Asset Management Company for provision of the support for such redevelopment or new development to cooperate on it to the extent and on conditions reasonably practicable.</p>
Term	The Memorandum associated with the Change is valid for one year <u>after the memorandum of understanding is signed.</u>
Fees	<u>If the Investment Corporation is provided information about the sale of real estate, etc. and asks KDX, through separate discussion and agreement, to act an intermediary under Building Lots and Buildings Transaction Business Act or Financial Instruments and Exchange Act to acquire real estate, etc. and the Investment Corporation acquired such real estate, etc., the Investment</u>

	<p><u>Corporation will pay the intermediary fee in an amount separately agreed pursuant to applicable laws and regulations (including ordinances and circulars), ordinary commercial practice and content of the provided service.</u></p> <p><u>Furthermore, upon separately discussed and agreed with KDX and KIP the Investment Corporation will pay them, in addition to the intermediary fee described above, fees in an amount separately agreed pursuant to applicable laws and regulations (including ordinances and circulars), ordinary commercial practice and content of the provided service for services provided to the Investment Corporation by KDX and KIP pursuant to the Support-Line Memorandum of Understanding (including but not limited to provision of advice on establishment of scheme, investigation service of the real estate, etc., preparation of documents necessary for the transaction, search of cases not included in the intermediary service above and supporting services to close the transaction).</u></p>
--	---

The necessary procedures with regard to this matter such as submission of notification will be performed in accordance with Financial Instruments and Exchange Act, Building Lots and Buildings Transaction Business Act and other applicable laws and regulations.

\* 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.*