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To All Concerned Parties

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Kenedix Residential Next Investment Corporation
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**Notice Concerning Seismic Isolation/Mitigation Oil Dampers manufactured
by KYB Corporation and Kayaba System Machinery Co., Ltd. (Follow-up)**

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announces that, regarding the fact that the seismic isolation oil dampers manufactured by KYB Corporation (“KYB”) and Kayaba System Machinery Co., Ltd. (“KSM”) with product certification number(s) for which the performance inspection record data was considered to be falsified are used in one property (the “Property”) among properties the Investment Corporation currently owns, announced in the press release “Notice Concerning Seismic Isolation/Mitigation Oil Dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd.” on October 25, 2018 and “Notice Concerning Seismic Isolation/Mitigation Oil Dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd. (Follow-up)” on January 9, 2019, the Investment Corporation has received a new report from KYB today. Details are as follows.

KYB verified safety of the Property in accord with the notice of “Concerning the method for performing immediate safety verification in the inspection of buildings which use seismic and vibration insulation oil dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd.,” announced by the Ministry of Land, Infrastructure, Transport and Tourism (“MLIT”). The third-party organization examined carefully the verification results and confirmed validity of the verification. The third-party organization also confirmed that seismic motion in extremely rare earthquakes would not cause the Property to collapse or crash, and delivered to KYB a written assessment report stating the aforementioned.

Although the seismic isolation oil dampers installed in the Property fall into the products for which it is unknown whether falsification was made, KYB has also reported to the Investment Corporation that it will promptly replace seismic oil dampers whose conformity is unknown.

The Investment Corporation will make an announcement if it finds any new fact that would have a major impact on the Investment Corporation’s operating results.

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

[Provisional Translation Only]

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