

December 13, 2019

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
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Notice Concerning the Organizational Change of the Asset Management Company

Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), which is entrusted with asset management by Kenedix Residential Next Investment Corporation (the “Investment Corporation” or “KDR”), would like to inform you of its decision at its Board of Directors meeting on the date of this press release to carry out an organizational change of the Asset Management Company as follows.

1. Details of the Organizational Change

The Asset Management Company will newly create the Corporate Department for the purpose of administering the businesses of the Asset Management Company, the Investment Corporation, Kenedix Office Investment Corporation (“KDO”), Kenedix Private Investment Corporation (“KPI”) and Kenedix Retail REIT Corporation (“KRR”). The Corporate Department will be comprised of two existing departments, the Business Administration Department and the Finance & Accounting Department as well as two newly created divisions, the Engineering Division and IT Planning Division (the “Organizational Change”).

There will be no change in the system concerning asset management such as acquisition, management and disposal of assets of the Investment Corporation, and in the compliance and internal audit system.

2. Reasons for the Organizational Change

The Asset Management Company is entrusted with asset management by four investment corporations, the Investment Corporation, KDO, KPI and KRR. The Residential REIT Department, Office REIT Department, Private REIT Department and Retail REIT Department (collectively, the “Frontline Departments”) supervise the businesses relating to the asset management of each investment corporation respectively.

Currently, the businesses of the Frontline Departments are supported by the Business Administration Department and the Finance & Accounting Department respectively. In order to make such business support more efficient, we have decided to newly establish the Corporate Department, which will supervise the Business Administration Division and the Finance & Accounting Division.

In addition to the Business Administration Division and the Finance & Accounting Division, two new divisions will also be created within the Corporate Department in order to provide support for the cross-departmental businesses that occur across the Frontline Departments: the Engineering Division, which will conduct business relating to advising and supporting the planning of construction projects and the conduct of

construction work, etc., and the IT Planning Division, which will conduct business relating to the development and conduct of system strategy and planning.

The Corporate Department will conduct overall management of the business operations of the Asset Management Company as an asset management company, and appropriate collection and sharing of management information and tasks.

We aim to enhance our business management system further by this Organizational Change.

3. Organizational Chart of the Asset Management Company after the Organizational Change
Please refer to Reference Material (1).
4. Separation of Duties for the Asset Management Company after the Organizational Change
Please refer to Reference Material (2).
5. Effective Date of the Organizational Change
January 6, 2020

Concerning the Organizational Change, we will take the 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.

<Attached materials>

- Reference Material (1) “Organizational Chart of the Asset Management Company after the Organizational Change”
- Reference Material (2) “Separation of Duties for the Asset Management Company after the Organizational Change”

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

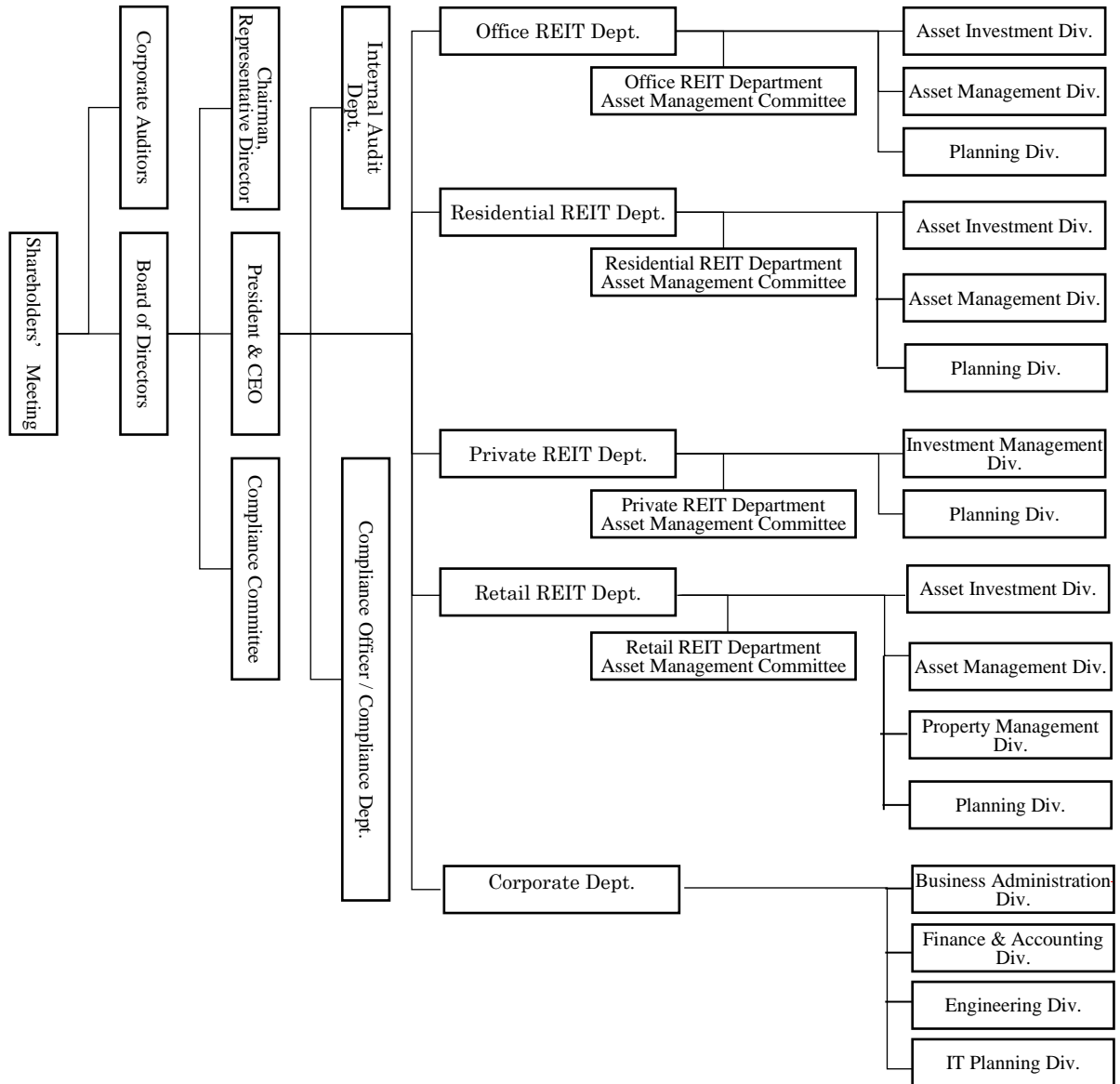
[Provisional Translation Only]

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.

Reference Material (1)

Organizational Chart of the Asset Management Company after the Organizational Change



Reference Material (2)

Separation of Duties for the Asset Management Company after the Organizational Change
(The underlined parts are changes)

(Before)

Function name	Duties
<u>Finance & Accounting Department</u>	<p><u>Business related to Office REIT Department, Residential REIT Department, Private REIT Department and Retail REIT Department</u></p> <ul style="list-style-type: none"> • Items related to indirect financing such as borrowing from financial institutions with regard to financing of KDO, KDR, KPI and KRR • Items related to accounting and account settlement of KDO, KDR, KPI and KRR • Items related to preparation of Securities Reports of KDO, KDR and KRR • Items related to Financial Reports of KDO, KDR and KRR • Provision of support for each Planning Division of Office REIT Department, Residential REIT Department, Private REIT Department and Retail REIT Department regarding Semi-annual Reports of KDO, KDR, KPI and KRR • Items related to budget planning of KDO, KDR, KPI and KRR • Items related to individual management of financial risk of KDO, KDR, KPI and KRR • Items related to negotiations, etc. concerning jurisdiction business of KDO, KDR, KPI and KRR with regulatory authorities • Other items incidental to or related to the above items
<u>Business Administration Department</u>	<ul style="list-style-type: none"> • Items related to administration of general unitholders' meetings and board of directors' meetings of KDO, KDR, KPI and KRR • Items related to administration of shareholders' meetings, board of directors' meetings and meetings of various committees of the Asset Management Company • Items related to general affairs, accounting and human resources • Items related to individual management of <u>system risk</u>, administrative risk and business continuity risk • Items related to negotiations, etc. concerning jurisdiction business with regulatory authorities (related to the Asset Management Company) • Other items incidental to or related to the above items

(After)

Function name	Duties
<p><u>Corporate Department</u></p>	<p><u>Overall Management Business relating to the Asset Management Company and KDO, KDR, KPI and KRR (overall management of the business operations of the Asset Management Company as an asset management company of KDO, KDR, KPI and KRR, as well as appropriate collection and sharing of management information and tasks, and business support for Office REIT Department, Residential REIT Department, Private REIT Department and Retail REIT Department)</u></p> <p>a. <u>Business Administration Division</u></p> <ul style="list-style-type: none"> • <u>Items related to development of business plans and budget planning of the Asset Management Company</u> • Items related to administration of general unitholders’ meetings and board of directors’ meetings of KDO, KDR, KPI and KRR • Items related to administration of shareholders’ meetings, board of directors’ meetings and meetings of various committees of the Asset Management Company • Items related to general affairs, accounting and human resources • Items related to individual management of administrative risk and business continuity risk • Items related to negotiations, etc. concerning jurisdiction business with regulatory authorities (related to the Asset Management Company) • Other items incidental to or related to the above items <p>b. <u>Finance & Accounting Division</u></p> <ul style="list-style-type: none"> • Items related to indirect financing such as borrowing from financial institutions with regard to financing of KDO, KDR, KPI and KRR • Items related to accounting and account settlement of KDO, KDR, KPI and KRR • Items related to preparation of Securities Reports of KDO, KDR and KRR • Items related to <u>preparation of Financial Reports of KDO, KDR and KRR</u> • Provision of support for each Planning Division of Office REIT Department, Residential REIT Department, Private REIT Department and Retail REIT Department regarding Semi-annual Reports of KDO, KDR, KPI and KRR • Items related to budget planning of KDO, KDR, KPI and KRR • Items related to individual management of financial risk of KDO, KDR, KPI and KRR • Items related to negotiations, etc. concerning jurisdiction business of KDO, KDR, KPI and KRR with regulatory authorities • Other items incidental to or related to the above items <p>c. <u>Engineering Division</u></p> <ul style="list-style-type: none"> • <u>Provision of support for construction planning related to the real estate, etc. owned by KDO, KDR, KPI and KRR</u> • <u>Provision of support for execution of construction work related to the real estate, etc. owned by KDO, KDR, KPI and KRR</u> • <u>Provision of support for items related to individual management of real estate management risks (construction work) of KDO, KDR, KPI and KRR</u> • Other items incidental to or related to the above items <p>d. <u>IT Planning Division</u></p> <ul style="list-style-type: none"> • <u>Items related to development of system strategy and planning relating to the management and operation of KDO, KDR, KPI, KRR and the Asset Management Company</u> • <u>Items related to the introduction, management and abolishment of the systems relating to the management and operation of KDO, KDR, KPI, KRR and the Asset Management Company</u> • <u>Items related to individual management of system risk</u> • Other items incidental to or related to the above items