

December 23, 2019

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.
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Notice Concerning Conclusion of Seismic Isolation Oil Dampers Replacement Agreement
with KYB Corporation and Kayaba System Machinery Co., Ltd.

Kenedix Residential Investment Corporation (the “Investment Corporation”) and Kenedix Real Estate Fund Management, Inc., the Asset Management Company of the Investment Corporation decided to enter into Seismic Isolation Oil Dampers Replacement Agreement with KYB Corporation (“KYB”) and Kayaba System Machinery Co., Ltd. (“KSM”) today in connection with the fact that seismic isolation oil dampers (the “Seismic Isolation Oil Dampers”) manufactured by KYB and KSM with same product certification number(s) as products 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, “Notice Concerning Seismic Isolation/Mitigation Oil Dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd. (Follow-up)” on January 9, 2019 and “Notice Concerning Seismic Isolation/Mitigation Oil Dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd. (Follow-up)” on April 3, 2019. Details are as follows.

1. Background

The Investment Corporation received notification by KYB and KSM that the Seismic Isolation Oil Dampers installed in the Property fall into the products for which it is unknown whether the falsification of the inspection record was made. The Investment Corporation and the Asset Management Company have negotiated with KYB and KSM regarding the measures for immediately conforming with the performance assessment standards certified by the Minister of Land, Infrastructure, Transportation and Tourism.

As a result, an agreement was reached concerning replacement of the Seismic Isolation Oil Dampers to new ones complying with the performance assessment standards certified by the Minister of Land, Infrastructure, Transportation and Tourism, and the concerned parties have decided to conclude an agreement on replacement of the Seismic Isolation Oil Dampers (the “Agreement”).

(1) Summary of the Agreement

①	Party to the execution	The Investment Corporation, the Asset Management Company and a trust bank who is the trustee of the building (collectively the “Investment Corporation and Others”) and KYB, KSM, the Construction Company of the property (the “Construction Company”)
②	Contents of the replacement work	Work related to the replacement of the Seismic Isolation Oil Dampers

③	Conductor of the replacement work	KSM should have the Construction Company carry out the work.
④	Person who bears the cost replacement work	KSM should bear the cost and KYB shares liability with KSM.
⑤	Contract date	January 10, 2020

2. Impact of the replacement work etc.,

Considering that the Property is a residential property currently in operation and that there are many residents, KSM have agreed in the Agreement to hold necessary discussions with the Investment Corporation and Others and the Construction Company in advance and carry out the replacement work in such a way as to minimize the impact on daily life of residents.

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

[Provisional Translation Only]

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