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To All Concerned Parties

REIT Issuer:
Kenedix Residential Next Investment Corporation
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(Securities Code Number: 3278)

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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, the Investment Corporation has received a new notification from KYB and KSM today. Details are as follows.

As described 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, the Investment Corporation received a report from KYB and KSM that seismic isolation oil dampers installed in the Property meet the performance evaluation standards of MLIT, but a part of them fail to meet the performance standard based on the contract with the customers. However, as a result of the additional investigation by KYB and KSM in response to the suspicion of committing nonconforming acts other than the correction of coefficient (adjustment of origin point), as announced in the press release “About nonconforming acts in the inspection process, etc. for seismic isolation/mitigation oil dampers for buildings manufactured by us and our subsidiary (Additional matter)” on November 15, 2018 and in the press release “About nonconforming acts in the inspection process for seismic isolation/mitigation oil dampers for buildings manufactured by us and our subsidiary (Additional matter)” on December 19, 2018 by KYB, the Investment Corporation has received today a new notification by KYB and KSM that all 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 nonconforming products that fail to meet the performance standards of MLIT and products for which it is unknown whether falsification was made.

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