KENEDIX
Residential NEXT Investment Corporation

Translation of Japanese Original

August 30, 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.
Representative: Masahiko Tajima, President & CEO
Contact: Shin Yamamoto, Head of Planning Division, Residential REIT Department
TEL: +81-3-5157-6011

Notice of Signing on to the Principles for Financial Action for the 21st Century by the Asset Management Company

Kenedix Residential Next Investment Corporation ("the Investment Corporation") has announced that Kenedix Real Estate Fund Management, Inc., the asset management company for the Investment Corporation ("the Asset Management Company") and Kenedix, Inc., the parent company of the Asset Management Company, became a signatory to the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century ("the PFA21")).

1. Signing on to the PFA21

The PFA21 has been established by drafting committee with participation of various financial institutions in October 2011 as the action guidelines of financial institutions who seek to fulfill their responsibilities and roles required for the formation of a sustainable society. Signing financial institutions will implement initiatives based on the seven principles below as much as possible based on their own businesses. It has been positioned as a starting point to collaborate without being restricted by business categories, scale or region.

PFA21 Principles for Financial Action for the 21st Century

<The Principles>

1. We will recognize our roles and responsibilities, taking into account the precautionary approach, and promote those actions that contribute towards shaping a sustainable society.
2. We will contribute to the formation of a sustainable global society through the development and provision of financial products and services leading to the development and increased competitiveness of "industries contributing to a sustainable society" as represented by the environmental technologies and services sector.
3. From the perspective of regional development and improvement in sustainability performance, we assist the environmental programmes of small and medium enterprises. We will also back activities that will raise environmental awareness amongst citizens and support disaster readiness and community activities.
4. In the formation of a sustainable society we will recognize the importance of cooperation with diverse stakeholders and will not only participate in its activities but will endeavor to take a proactive role.

5. We will not be limited to complying with environmental laws and regulations but will take active steps to reduce our own environmental footprint through resource and energy savings as well as encouraging our suppliers to do likewise.
6. We will recognize activities that will further profile sustainability as a business issue and will endeavor to disclose information on our activities.
7. In order to implement the above actions we will aim to raise the awareness of environmental and societal issues of our own officers and employees, and support them to take an active role through their normal duties.

2. Initiatives for Sustainability by the Asset Management Company

The Asset Management Company has positioned initiatives for sustainability as an important business management issue. To build a stronger management base for achieving both sustained growth and social responsibility by promoting initiatives for sustainability as one in the Kenedix Group, the Asset Management Company has signed on to the PFA21. The Asset Management Company is ambitious to become a real estate asset management company that commits to responsible investment management through the practice of the PFA21.

For details on initiatives for sustainability by the Investment Corporation and the Asset Management Company, please refer to the following web sites.

Initiatives for sustainability by the Investment Corporation: https://www.kdr-reit.com/en/feature/sustainability.html
Initiatives for sustainability by the Asset Management Company: https://kenedix-fm.com/en/sustainability.html

* 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.