KENEDIX
Residential NEXT Investment Corporation

Translation of Japanese Original

September 12, 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
Contact: Shin Yamamoto, Head of Planning Division, Residential REIT Department
TEL: +81-3-5157-6011

Notice Concerning Changes to Articles of Incorporation and Appointment of Directors

Kenedix Residential Next Investment Corporation (the "Investment Corporation"), at its Board of Directors meeting held on this day, deiced to submit proposals as follows concerning partial changes to its Articles of Incorporation and appointment of directors to the Sixth General Unitholders' Meeting of the Investment Corporation to be held on October 30, 2019.

The following matters will be come into effect upon approval by the General unitholders' Meeting. Details of the resolutions are provided below.

1. Partial Changes to Articles of Incorporation

The reasons for the partial changes to the Articles of Incorporation are as follows.

(1) (i) For the purpose of improving the link between the amount of the asset management fee payable to the asset management company and unitholders' returns, (a) lowering the fee rate of Asset Management Fee I which is linked to the total assets of the Investment Corporation from 0.3% to 0.27% and (b) changing the calculation method of Asset Management Fee II which is linked to the distributable amount, from multiplying the distributable amount by 5.0% to multiplying the distributable amount by the earnings per unit before deduction of Asset Management Fee II and then multiplying such amount by 0.00145% as well as (ii) in order to give the asset management company incentive to improve unitholders' returns, newly introducing a concept of performance relative to TSE REIT index as an index to compare with the degree of ups and downs of the price of the investment unit of the Investment Corporation so that if such comparison of the degree of the ups and downs of the investment unit of the Investment Corporation with that of TSE REIT index (including dividends) results in favorable outcome, there will be additional compensation, and newly establishing Asset Management Fee III which will be paid when the performance relative to TSE REIT index is positive. If calculation of the performance relative to TSE REIT index results in negative outcome for a particular business period, such outcome will be carried over only to the following business period.

Adding a provision to make necessary adjustment to the formulae of Asset Management Fee II and III in order to make neutral the effect on Asset Management Fee II and III if the Investment Corporation acquires its own investment units (related to Exhibit of the current Articles of Incorporation).

(2) In order to make the amendments to the Articles of Incorporation set forth above in (1) effective from February 1, 2020 when the 17th business period of the Investment Corporation commences, a provision to such effect will be set forth in the supplementary provisions (related to Chapter 11 and Article 41 of the

proposed amendment).

(3) In addition to the above, expressions, and words and phrases will be modified and revised for integrity with expressions in applicable laws, clarification of the contents of provisions or otherwise.
(Please see the attachment 1 "Changes to Asset Management Fee Structure" for the details of the changes to asset management fee structure set forth (1) above, and the attachment 2 "Convocation Notice for Sixth General Unitholders' Meeting" for details of the amendments to the Articles of Incorporation.)

2. Appointment of Directors
The reasons for the appointment of directors are as follows

(1) Because both Keisuke Sato and Katsue Okuda, the current executive directors, submitted their temporary resignation effective on October 31, 2019 for adjustment of the terms of office, appointment of two new executive directors (candidates: Keisuke Sato and Katsue Okuda) on November 1, 2019 will be requested at the general unitholders' meeting.

(2) In preparation for cases where an executive director position needs to be filled or the number of executive directors falls below the statutory number required, appointment of one alternative executive director (candidate: Shin Yamamoto) will be requested at the general unitholders' meeting.

(3) Because Osamu Chiba, Satoshi Ogawa and Soichiro Iwao, the three supervisory directors, submitted temporary resignations effective on October 31, 2019 for adjustment of the term of office, appointment of three new supervisory directors (candidate: Osamu Chiba, Satoshi Ogawa and Soichiro Iwao) on November 1, 2019 will be requested at the general unitholders' meeting.

(Please see the attached "Convocation Notice for the Sixth General Unitholders' Meeting" for the details of the appointment of directors)

3. Schedule

September 12, 2019	Board of Directors meeting for approval of on agenda to be submitted to the general unitholders' meeting
October 8, 2019	Delivery of the Notice of the general unitholders' meeting (scheduled)
October 30, 2019	The general unitholders' meeting (scheduled)

Attachment 1	Changes to Asset Management Fee Structure
Attachment 2	Convocation Notice for the Sixth General Unitholders' Meeting

*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.

Attachment 1

Changes to Asset Management Fee Structure

To strengthen the link between fees and unitholder returns

- The fee linked to total assets (AM Fee I) was reduced and earnings per unit is now included in determining the fee based on performance (AM Fee II).
- In addition, we established the fee that is linked to the performance of investment unit prices (Management Fee III) to strengthen incentives for improving unitholders' value.

Outline of Revisions to Fee Rates and Newly Established Fees

	- Current -	- After change -
Asset Management Fee I	Total assets at the end of the previous period × 0.3% (annual rate)	Total assets at the end of the previous period × 0.27% (annual rate)
Asset Management Fee II	Distributable amount × 5.0%	Distributable amount × EPU × 0.00145%
Asset Management Fee III	Newly established	Vs. TSE REIT Index Performance × Total Market Capitalization × 0.15%

Reduction in fee rates linked to the total assets

Stronger linkage with earnings per unit

EPU is earnings per unit prior to the deduction of management fee II. The EPU is calculated by dividing the distributable amount calculated for each accounting period by the number of investment units outstanding for the relevant accounting period.

Linked to performance of investment unit prices

Vs. TSE REIT Index Performance = (a)-(b)

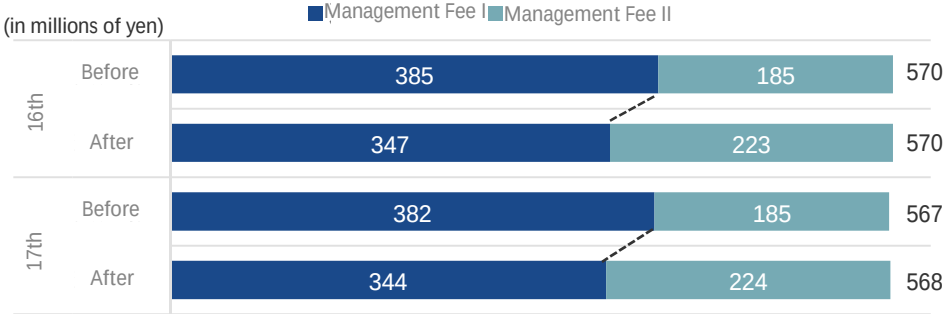
(a) Percentage change of investment unit prices of KDR (incl. dividends) (b) Percentage change of the TSE REIT Index (incl. dividends)
The calculation is based on the last prices of the end of business day of the previous business period and the last business day of the month before previous business period.

In case of underperformance

- Management fee III will not be generated when the investment unit price of KDR underperforms ((a)-(b) =negative)
- Negative performance figures are carried over to the next business period and offset when the following period's performance figures are positive. (Negative figures are carried over until the next business period.)

Estimates Based on New Rates, etc.

Increase in percentages linked to profit-performance to the extent that the total amount of the management fee is not materially affected (Estimated figures are calculated based on the assumptions for the forecasts for the 16th and 17th periods, which may not correspond to the actual amount of fee.)



Calculation of Management Fee III Rate

In light of seasonal fluctuations in the residential market and the cycle of economic activities, the performance evaluation period is substantially one year rather than six months (The figures for the 14th period is estimated numbers calculated based on investment unit prices, etc. at the past., all numbers are not actually applied.)

Business Period for Calculation	14th	X th	X +1 th
Percentage change of investment unit prices of KDR (a)	+10.9%	+9.2%	+10.9%
Percentage change of the TSE REIT Index (b)	+6.9%	+11.1%	+6.9%
Vs. TSE REIT Index Performance (a)-(b)	+4.0%	-1.9%	+4.0%
Rates for calculating fee	4.0%	0%	+2.1%
Business Period for Realizing Fee	15th	X+1 th	X+2 th

Note: The change in AM Fee structure is supposed to take effect by resolution at the unitholders' meeting scheduled on Oct. 30, 2019 and completion of other procedures.
The change is scheduled to be effective from the period ending July 2020 (the 17th Period) or later.

Attachment 2

(Securities Code Number: 3278)
October 8, 2019

To Our Investors

Keisuke Sato
Executive Director
Kenedix Residential Next Investment Corporation
2-1-6, Uchisaiwaicho, Chiyoda-ku, Tokyo

Notice Concerning the Sixth General Meeting of Unitholders

You are cordially invited to attend the Sixth General Meeting of Unitholders of Kenedix Residential Next Investment Corporation ("KDR"). The Meeting will be held as described below. If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the "Reference Material for the General Meeting of Unitholders" mentioned below, vote on the proposals in the enclosed Voting Rights Exercise Form, and return it by no later than Tuesday, October 29, 2019, 5:00 pm.
In addition, KDR established the provision of "deemed approval" in Article 15 of the current Articles of Incorporation pursuant to Article 93.1, of the Investment Trusts and Investment Corporations Law. Accordingly, if you will not attend the Meeting and will not to vote using the Voting Rights Exercise Form, please be aware that you will be deemed as having attended and approved each agenda item.

(Excerpt from KDR's Current Articles of Incorporation)
Article 15 (Deemed Approval)
1. Unitholders who do not attend a general unitholders' meeting and do not exercise voting rights shall be deemed to have voted in favor of the proposals for resolution submitted to the general unitholders' meeting (excluding, in cases where multiple proposals are submitted, any proposals whose purposes conflict with each other).
2. The number of voting rights of unitholders deemed to have voted in favor of the proposals for resolution pursuant to the preceding paragraph will be included in the number of voting rights of unitholders present.

Respectfully yours.

1. Date and Time
Wednesday, October 30, 2019, 10:00 a.m.
(start accepting 9:30 a.m.)

2. Place
1-8-1, Marunouchi, Chiyoda-ku, Tokyo
Marunouchi Trust Tower North 11F, Trust City Conference Marunouchi

3. Agenda of the Meeting
Resolution Agenda**:**
Agenda No. 1: Partial Changes to Articles of Incorporation
Agenda No. 2: Election of Two (2) Executive Directors
Agenda No. 3: Election of One (1) Alternative Executive Director
Agenda No. 4: Election of Three (3) Supervisory Directors

Note:

(Requests)
- For those attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk.
- For those voting by proxy, a unitholder can vote by having another individual unitholder who holds voting rights attend the General Meeting of Unitholders and act as proxy. In that case, please submit a Power of Representation Form and a Voting Rights Exercise Form at the reception desk.
- Upon attendance, please bring this notice for resource-saving.

(Information)
- Method of Revising the Reference Materials of the General Meeting of Unitholders
  When it is necessary to revise agenda items contained in the Reference Materials of the General Meeting of Unitholders, we will post the revisions on KDR's website (https://www.kdr-reit.com/en/).
- After the General Meeting of Unitholders, Kenedix Real Estate Fund Management, Inc., KDR's asset management company, plans to present the Asset Management Status Briefing.
- KDR would appreciate your understanding that no gift will be given to the Unitholders who attend the General Meeting of Unitholders and the Asset Management Status Briefing.

Reference Material for the General Meeting of Unitholders

Proposals and Reference Items

Agenda No. 1: Partial Changes to Articles of Incorporation

1. Reasons for changes

(1) (i) For the purpose of improving the link between the amount of the asset management fee payable to the asset management company and unitholders' returns, (a) lowering the fee rate of Asset Management Fee I which is linked to the total assets of the Investment Corporation from 0.3% to 0.27% and (b) changing the calculation method of Asset Management Fee II which is linked to the distributable amount, from multiplying the distributable amount by 5.0% to multiplying the distributable amount by the earnings per unit before deduction of Asset Management Fee II and then multiplying such amount by 0.00145% as well as (ii) in order to give the asset management company incentive to improve unitholders' returns, newly introducing a concept of performance relative to TSE REIT index as an index to compare with the degree of ups and downs of the price of the investment unit of the Investment Corporation so that if such comparison of the degree of the ups and downs of the investment unit of the Investment Corporation with that of TSE REIT index (including dividends) results in favorable outcome, there will be additional compensation, and newly establishing Asset Management Fee III which will be paid when the performance relative to TSE REIT index is positive. If calculation of the performance relative to TSE REIT index results in negative outcome for a particular business period, such outcome will be carried over only to the following business period.

Adding a provision to make necessary adjustment to the formulae of Asset Management Fee II and III in order to make neutral the effect on Asset Management Fee II and III if the Investment Corporation acquires its own investment units (related to Exhibit of the current Articles of Incorporation).

(2) In order to make the amendments to the Articles of Incorporation set forth above in (1) effective from February 1, 2020 when the 17th business period of the Investment Corporation commences, a provision regarding such effect will be set forth in the supplementary provisions (related to Chapter 11 and Article 41 of the proposed amendment).

(3) In addition to the above, expressions, and words and phrases will be modified and revised for integrity with expressions in applicable laws, clarification of the contents of provisions or otherwise.

2. Proposed Changes to the Articles of Incorporation

Details of the changes are as follows.

(Proposed changes are underlined.)

Current Articles of Incorporation	Proposed Changes
Article 31 (Category, Purpose, and Scope of Specified Assets for Asset Management) 1. - 4. (Details omitted) 5. (1) - (7) (Details omitted)	Article 31 (Category, Purpose, and Scope of Specified Assets for Asset Management) 1. - 4. (No change) 5. (1) - (7) (No change)

Current Articles of Incorporation	Proposed Changes
(8) Beneficial interests of cash trusts with the objective of managing trust assets by investments in assets specified in the preceding (1) through (7);	(8) Beneficial interests of cash trusts with the objective of managing trust assets by investments in assets specified in Item 1 through Item 7;
(New)	Chapter 11 Supplementary Provisions
(New)	Article 41 (Effective Date of the Changes) The changes to the Articles of Incorporation described in Attachment shall be effective as of February 1, 2020. This Chapter shall be deleted after the effectuation of such changes.
Attachment Asset Management Fee to the Asset Management Company	Attachment Asset Management Fee to the Asset Management Company
Fees paid to the Asset Management Company to which the Investment Corporation entrusts the management of the assets it holds (the "Asset Management Company") are comprised of Asset Management Fees I and II, acquisition fees and disposition fees and merger fees, and the amounts, methods of calculation and payment dates respectively are as follows. The Investment Corporation will pay the above fees and the consumption taxes and regional consumption taxes thereon to the Asset Management Company by electronic bank transfer to a bank account which the Asset Management Company designates.	Fees paid to the Asset Management Company to which the Investment Corporation entrusts the management of the assets it holds (the "Asset Management Company") are comprised of Asset Management Fees I, II and III, acquisition fees and disposition fees and merger fees, and the amounts, methods of calculation and payment dates respectively are as follows. The Investment Corporation will pay the above fees and the consumption taxes and regional consumption taxes thereon to the Asset Management Company by electronic bank transfer to a bank account which the Asset Management Company designates.

(1) Asset Management Fee I Asset Management Fee I shall be the amount calculated by multiplying the amount of total assets by an annual rate of 0.3% (in proportion to the actual number of days of the relevant fiscal period based on a 365-day year with amounts rounded down to the nearest one yen). Total assets shall be the amount recorded in the Investment Corporation's balance sheet (limited only to those approved by Paragraph 2, Article 131, of the Investment Trust Act) for the fiscal period of the Investment Corporation immediately preceding the first day of the relevant fiscal period.	(1) Asset Management Fee I Asset Management Fee I shall be the amount calculated by multiplying the amount of total assets by an annual rate of 0.27% (in proportion to the actual number of days of the relevant fiscal period based on a 365-day year with amounts rounded down to the nearest one yen).
The payment date of Asset Management Fee I shall be within the relevant fiscal period. (2) Asset Management Fee II Asset Management Fee II shall be 5.0% of distributable amount calculated for each accounting period (amounts rounded down to the nearest one yen). Distributable amount shall be the amount of pretax net income (excluding gains on negative goodwill) before deducting Asset Management Fee II for the relevant fiscal period calculated in accordance with generally accepted corporate accounting practices, less the amount of the loss brought forward (if any). The payment date of Asset Management Fee II shall be within one month of the approval at the Board of Directors of financial statements and other documents (defined as financial statements, etc. specified in Article 129 of the Investment Trust Act) for the relevant fiscal period. (New)	The payment date of Asset Management Fee I shall be within the relevant fiscal period. (2) Asset Management Fee II Asset Management Fee II shall be the amount calculated by multiplying (i) the distributable amount calculated for each accounting period by (ii) earnings per unit before deducting Asset Management Fee II and (iii) 0.00145% (amounts rounded down to the nearest one yen). The payment date of Asset Management Fee II shall be within one month of the approval at the Board of Directors of financial statements and other documents for the relevant fiscal period. (3) Asset Management Fee III

	Asset Management Fee III shall be the amount (rounded down to the nearest one yen) calculated every fiscal period using the following formula. However, Asset Management Fee III is 0 yen if the performance relative to TSE REIT index is negative. Formula Performance relative to TSE REIT index x Market capitalization of the Investment Corporation's investment units x 0.15% The payment date of the investment unit performance fee shall be within the relevant fiscal period.
(3)Acquisition Fees When the Investment Corporation has acquired specified assets, the acquisition fees shall be the amount calculated by multiplying the acquisition price by 1.0%. The payment date of the acquisition fees shall be within one month of the date when the Investment Corporation acquired the relevant assets (the date when the transfer of rights such as transfer of proprietary ownership goes into effect). (4) Disposition Fees	(4)Acquisition Fees When the Investment Corporation has acquired specified assets, the acquisition fees shall be the amount calculated by multiplying the acquisition price by 1.0%. The payment date of the acquisition fees shall be within one month of the date when the Investment Corporation acquired the relevant assets. (5) Disposition Fees
When the Investment Corporation has disposed specified assets, the disposition fees shall be the amount calculated by multiplying the disposition price (excluding, however, consumption taxes, regional consumption taxes and expenses associated with the disposition) by 0.5%. The payment date of the disposition fees shall be within one month from the date when the Investment Corporation disposed of the relevant assets (the date when the transfer of rights such as transfer of proprietary ownership goes into effect). (5) Merger Fees	When the Investment Corporation has disposed specified assets, the disposition fees shall be the amount calculated by multiplying the disposition price by 0.5%. The payment date of the disposition fees shall be within one month from the date when the Investment Corporation disposed of the relevant assets. (6) Merger Fees

When the Investment Corporation has effectuated a consolidation-type merger or an absorption-type merger (collectively "Merger") with another investment corporation, and the Asset Management Company conducts an examination and appraisal of the other investment corporation's assets and other work relating to the merger, and the merger takes effect, merger fees shall be the amount calculated by multiplying the appraisal value on the effective date of the merger of the real estate-related assets held by the other investment corporation on the effective date of the merger, by a fee rate up to a maximum of 1.0%, as separately agreed upon between the Investment Corporation and the Asset Management Company. The payment date of the merger fees shall be within three months of the effective date of the merger.	When the Investment Corporation has effectuated Merger with another investment corporation, and the Asset Management Company conducts an examination and appraisal of the other investment corporation's assets and other work relating to the merger, and the merger takes effect, merger fees shall be the amount calculated by multiplying the appraisal value on the effective date of the merger of the real estate-related assets held by the other investment corporation on the effective date of the merger, by a fee rate up to a maximum of 1.0%, as separately agreed upon between the Investment Corporation and the Asset Management Company. The payment date of the merger fees shall be within three months of the effective date of the merger.

(New)	(7) Adjustment Provisions a. When the Investment Corporation has repurchased its investment units and holds treasury investment units that are not disposed of or are not retired in the fiscal period, for the calculation of the earnings per unit before deducting Asset Management Fee II, the number of investment units issued as of the end of the relevant fiscal period shall be calculated as the number calculated by subtracting the treasury investment units held by the Investment Corporation. b. When the Investment Corporation's investment units have been split and the number of investment units issued has increased, for the calculation of the earnings per unit before deducting Asset Management Fee II on or after the effective date of such split of investment units, it shall be adjusted by multiplying the split ratio. c. When a rights offering was made and the number of investment units issued has increased, for the calculation of the earnings per unit before deducting Asset Management Fee II on or after the date units are issued due to the rights offering, it shall be adjusted by multiplying the ratio of allotment without contribution.

	d. When the Investment Corporation's investment units have been split and the number of investment units issued has increased, for the calculation of the performance relative to TSE REIT index on or after the effective date of such split of investment units, the last price and distribution per unit of the Investment Corporation's investment units on and after the date of the split is adjusted by multiplying the last price and distribution per unit of the Investment Corporation's investment unit by the split ratio. e. When the rights offering was made and the number of investment units issued has increased, for the calculation of the performance relative to TSE REIT index on or after the date units are issued due to the rights offering, the last price and distribution per unit of the Investment Corporation's investment units on and after the date of the rights offering is adjusted by multiplying the last price and distribution per unit of the Investment Corporation's investment units by the ratio of allotment without contribution.

(New)	(8) Meaning of Terms The terms set forth below in this Attachment shall have the following meanings. a. “Total assets” means total assets stated in the balance sheet (limited to that approved by Paragraph 2, Article 131, of the Investment Trust Act) as of the end of the Investment Corporation’s fiscal period immediately prior to the first day of the fiscal period that is subject to Asset Management Fee I for each fiscal period. b. “Distributable amount” shall be pretax net income(excluding gains on negative goodwill) before deducting Asset Management Fee II(including non-deductible consumption taxes) for the relevant fiscal period calculated in accordance with generally accepted corporate accounting practices in Japan for each of the Investment Corporation’s fiscal periods that is subject to Asset Management Fee II, less the amount of the loss brought forward (if any). c. “Earnings per unit before deducting Asset Management Fee II” means the amount calculated using the following formula for each of the Investment Corporation’s fiscal periods that is subject to Asset Management Fee II.

	Formula Earnings per unit before deducting Asset Management Fee II = A/B A: Distributable amount calculated for each accounting period. B: Number of investment units issued as of the end of the relevant fiscal period d. “Financial statements, etc.” means the financial statements, etc. as provided under Article 129 of the Investment Trust Act. e. “Performance relative to TSE REIT index” means the amount calculated using the following formula for each of the Investment Corporation’s fiscal periods that is subject to the Asset Management Fee III. Provided that any negative performance relative to TSE REIT index for a certain period shall be brought forward to the following fiscal period and if the performance relative to TSE REIT index for the following fiscal period results in positive outcome, the performance relative to TSE REIT index for the following fiscal period shall be calculated by compensating such negative performance by the positive outcome. Negative performance relative to TSE REIT index may be brought forward only one fiscal period.
	Formula Performance relative to TSE REIT index = A - B A: (Last price of the investment units of the Investment Corporation on the last business day of the previous fiscal period – last price of the investment units of the Investment Corporation on the last business day of the fiscal period before the previous fiscal period + distribution per unit of the previous fiscal period) / Last price of the investment units of the Investment Corporation on the last business day of the fiscal period before the previous fiscal period)

	B: (Last price of the TSE REIT Index(including dividends) that is announced by the Tokyo Stock Exchange on the last business day of the previous fiscal period - the last price of TSE REIT Index(including dividends) on the last business day of the fiscal period before the previous fiscal period) / TSE REIT Index(including dividends) on the last business day of the fiscal period before the previous fiscal period However, if it is not possible to obtain a last price for the TSE REIT Index(including dividends) because the Tokyo Stock Exchange does not announce this index or for some other reason, a number calculated by the Investment Corporation based on the calculation method used for the TSE REIT Index(including dividends) that was announced most recently for the relevant fiscal period is used instead for the calculation of the last price of this index.
	f. "Last price of the investment units of the Investment Corporation" means the closing price on a certain date and if there is no closing price, the indicative price (the lowest indicated selling price or highest indicated buying price, or the average of these two prices if both are announced). g. "TSE REIT Index(including dividends)" means TSE REIT Index(including dividends) announced by the Tokyo Stock Exchange. h. "Market capitalization" means the amount calculated using the following formula for each of the Investment Corporation's fiscal periods that is subject to Asset Management Fee III. Formula Last price of the Investment Corporation's investment units on the last business day of the fiscal period before the previous fiscal period x Number of investment units issued as of the last business day of the fiscal period before the previous fiscal period i. "Acquisition price" means the purchase price, service provision amount or some other amount (excluding consumption tax an local consumption tax, and any expense related to acquisition) designated in a purchase and sale contract, service contract, or any contract in which specific assets are acquired (including the acquisition of a building due to a property expansion or reconstruction).

	j. “Date when the Investment Corporation acquired the relevant assets” means the date when the transfer of rights such as transfer of proprietary ownership on specified assets that are subject to acquisition fees goes into effect. k. “Disposition price” means any amount (excluding consumption tax an local consumption tax, and any expense related to acquisition) designated in a purchase and sale contract, or any contract in which specific assets are transferred. l. “Date when the Investment Corporation disposed of the relevant assets” means the date when the transfer of rights such as transfer of proprietary ownership on specified assets that are subject to disposition fees goes into effect. m. “Merger” means either a consolidation-type merger or an absorption-type merger. n. “Split ratio” means, when the Investment Corporation’s investment units have been split and the number of investment units issued has increased, the ratio calculated by dividing the number of investment units issued immediately after the enforcement of such split of investment units by the number of investment units issued immediately prior to the enforcement of such split of investment units.
	o. “Rights offering” means an issuance of new investment units through exercise of new investment unit subscription rights related to allotment without contribution to unitholders. p. “Last price” means the closing price. If there is no closing price, then this means the indicative price (the lowest indicated selling price or highest indicated buying price, or the average of these two prices if both are announced).

	q. “Ratio of allotment without contribution” means the ratio calculated using the following formula when the rights offering has been conducted: Formula Ratio of allotment without contribution = A/B A: The number of investment units calculated by subtracting the number of investment units issued at deemed market price from the number of investment units issued immediately after such rights offering B: The number of investment units issued immediately prior to such rights offering
	r. “Number of investment units issued at deemed market price” means, when the rights offering has been conducted, the number of investment units(rounded down to the nearest one unit) calculated by multiplying the number of increased investment units by the ratio obtained by dividing the paid-in amount per unit at the time of exercise of investment unit subscription rights allocated without contribution through such rights offering by the market price per unit (or the ratio resolved at the Board of Directors). s. the nearest one unit).the market price per unit (or the ratio resolved at thencreased through rights offering when such rights offering was made.

Agenda No. 2: Election of Two (2) Executive Directors

Because both Keisuke Sato and Katsue Okuda, the current executive directors, submitted their temporary resignation effective on October 31, 2019 for adjustment of the terms of office, appointment of two executive directors on November 1, 2019will be requested at the General Unitholders' Meeting.

For the purposes of this Proposal, in accordance with Article 19, Paragraph 2 of the Articles of Incorporation of KDR, the term of office for the executive directors shall be two years beginning from November 1, 2019.

This Proposal has been submitted with the unanimous consent of all supervisory directors of KDR who attended at the Board of Directors meeting held on September 12, 2019(at which two executive director and two supervisory directors were present and one supervisory director was absent).

The candidates for the executive director positions are as follows.

Candid-ate No.	Name (Date of birth)	Career summary (company names reflect company name as of the date indicated)		Number of Investment Corporation investment units held
1	Keisuke Sato (January 6, 1971)	April 1993	Tokyu Land Corporation	0 units
		October 2002	J.P. Morgan Securities Asia Private Limited.	
		May 2006	Capital Advisors Co., Ltd.	
		October 2007	Roundhill Capital Partners K.K.	
		November 2011	Kenedix, Inc.	
		February 2012	General Manager of Financial Planning Division, Kenedix REIT Management, Inc.	
		August 2012	Director / General Manager of Investment Management Division, Kenedix REIT Management, Inc.	
		October 2013	General Manager of Investment Management Department, KRI Fund Division, Kenedix Real Estate Fund Management, Inc.	
		March 2016	General Manager of Planning Department, Residential REIT Division, Kenedix Real Estate Fund Management, Inc.	
		March 2017	Director & COO, Head of Residential REIT Department, Kenedix Real Estate Fund Management, Inc. Executive Director, Kenedix Residential Investment Corporation (current)	
		March 2018	Director & COO, Head of Residential REIT Department, and General Manager of Asset Investment Department, Residential REIT Department, Kenedix Real Estate Fund Management, Inc.	
		April 2019	Director & COO, Head of Residential REIT Department, and General Manager of Healthcare Investment Management Department, Residential REIT Department, Kenedix Real Estate Fund Management, Inc.	
		July 2019	Director & COO, Head of Residential REIT	

Candid-ate No.	Name (Date of birth)	Career summary (company names reflect company name as of the date indicated)		Number of Investment Corporation investment units held
			Department, Kenedix Real Estate Fund Management, Inc. (current)	
2	Katsue Okuda (December 28, 1963)	April 1986	Entered The Mitsubishi Trust and Banking Corporation	0 units
		September 1997	Joined Ogata Appraisal Corporation	
		November 2000	Director of Ogata Appraisal Corporation (current)	
		April 2006	Sat on Tokyo District Court's civil conciliation committee (current)	
		August 2006	Expert committee member in appraisal department of Land Policy Subcommittee of National Land Council (current)	
		October 2007	Member of Tokyo Land Use Examination Committee	
		April 2009	Lecturer in Meiji University's Graduate School of Global Business (current)	
		September 2011	Organization for Promoting Urban Development's Mezzanine Support Business Examination Committee member (current)	
		November 2012	Outside member of AEON REIT Management Co., Ltd.'s Investment Committee (current)	
		June 2013	Managing director of Japan Association of Real Estate Appraisers	
		May 2015	Executive director of Japan Senior Living Investment Corporation	
		December 2015	Expert committee member in planning of Land Policy Subcommittee of National Land Council (current)	
		November 2017	Representative director of Kudan Ogata Holdings Corporation (current)	
		November 2017	Director of Kudan Urban Appraisal Co., Ltd.	
		March 2018	Executive Director, Kenedix Residential Next Investment Corporation (current)	
		June 2018	Outside corporate auditor of CERESPO CO., LTD. (current)	
		July 2018	Representative director of Kudan Urban Appraisal Co., Ltd. (current)	

・Candidate for executive director Keisuke Sato is Director & COO, Head of Residential REIT Department of Kenedix Real Estate Fund Management, Inc., with which KDR has executed an asset management agreement.
・Other than the abovementioned relationship, Keisuke Sato has no special interests in KDR.
・Candidate for executive director Okuda Katsue has no special interests in KDR.
・Both candidates are currently engaged in carrying out the general operations of KDR in their role as executive

directors of KDR.

Agenda No. 3: Election of One (1) Alternative Executive Director

In preparation for cases where an executive director position needs to be filled or the number of executive directors falls below the statutory number required, appointment of one alternative executive director will be requested at the General Unitholders' Meeting.

For the purposes of this Proposal, the effective term of the resolution concerning the appointment of one alternative executive director, subject to the approval of Proposal No. 2 and in accordance with the main text of Article 19, Paragraph 3 of the Articles of Incorporation of KDR, shall be from November 1, 2019, on which the executive directors will be appointed pursuant to Proposal No. 2, until October 31, 2021 on which the term of office of the executive directors will expire.

The above appointment may be nullified by a resolution of the Board of Directors, but only before the candidate assumes the role of executive director.

This Proposal was submitted with the unanimous consent of all supervisory directors of KDR who attended at the Board of Directors meeting held on September 12, 2019(at which two executive director and two supervisory directors were present and one supervisory director was absent).

The candidate for alternative executive director is as follows.

Name (Date of birth)	Career summary (company names reflect company name as of the date indicated)		Number of Investment Corporation investment units held
Shin Yamamoto (April 10, 1975)	April 2002	Urban Development Corporation	0 units
	April 2005	Pacific Management Corporation	
	January 2008	Transferred to Business and Asset Solution Corporation	
	March 2009	Manager, Fund Operation Division, Pacific Investment Corporation	
	January 2011	Senior Manager, Investment Planning Division, Cushman & Wakefield Asset Management K. K.	
	January 2015	Manager, Planning Department, Private REIT Division, Kenedix Real Estate Fund Management, Inc.	
	March 2017	Head of Planning Division, Residential REIT Department, Kenedix Real Estate Fund Management, Inc. (current)	

・The above-named candidate for alternative executive director is the Head of Planning Division, Residential REIT Department of the Kenedix Real Estate Fund Management, Inc., with which KDR has executed an asset management agreement.

・Other than the abovementioned relationship, the above-named candidate for alternative executive director has no special interests in KDR.

Agenda No. 4: Election of Three (3) Supervisory Directors

Because Osamu Chiba, Satoshi Ogawa, and Soichiro Iwao, the three supervisory directors, submitted temporary resignations effective on October 31, 2019 for adjustment of the terms of office, appointment of three supervisory directors (candidates: Osamu Chiba, Satoshi Ogawa and Soichiro Iwao) on November 1, 2019, will be requested at the General Unitholders' Meeting.

For the purposes of this Proposal, in accordance with the provisions of Article 19, Paragraph 2 of the Articles of Incorporation of KDR, the term of office for the supervisory directors shall be two years beginning from November 1, 2019.

The candidates for the supervisory director positions are as follows.

Candidate No.	Name (Date of birth)	Career summary (company names reflect company name as of the date indicated)		Number of Investment Corporation investment units held
1	Osamu Chiba (October 24, 1963)	April 1987	Mitsubishi Corporation	0 units
		April 2003	Legal Training and Research Institute of Japan of Supreme Court of Japan	
		October 2004	Admitted to the Japanese Bar (Daini Tokyo Bar Association), Akebono Law Office (current)	
		October 2006	Guest Professor, Toin University of Yokohama Law School	
		April 2010	Associate Professor, Toin University of Yokohama Law School (current)	
		November 2011	Supervisory Director of Kenedix Residential Investment Corporation (current)	
		June 2016	Outside Corporate Auditors, Maruzen Foods Corporation (current)	
		June 2017	Outside Director, Imagica Robot Holdings Inc. (current)	

2	Satoshi Ogawa (October 24, 1965)	October 1989 March 1993 January 1998 April 1998 November 2011 October 2014 December 2015 June 2017 September 2018	Chuo Shinko Audit Corporation Became a Japanese certified public accountant Established the Ogawa Certified Public Accountant Office (current) Became a Japanese certified tax accountant Supervisory Director of Kenedix Residential Investment Corporation (current) Representative, G.K. Mercury Consulting (current) Corporate Auditor, Ooedo-Onsen Monogatari Co., Ltd. (current) Corporate Auditor, Ooedo-Onsen Monogatari Group Co., Ltd. Corporate Auditor, Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd. (current)	0 units

3	Soichiro Iwao (October 18, 1947)	June 1973 April 1977 February 1981 April 1981 April 1985 July 1992 July 2002 August 2003 January 2006 January 2006 April 2012 May 2015 April 2016 April 2016 March 2018 June 2018	Registered in a medical register Keio University assistant (Department of Preventative Medicine and Public Health, School of Medicine) Keio University lecturer (Department of Preventative Medicine and Public Health, School of Medicine) University of Occupational and Environmental Health assistant professor (Department of Public Health, School of Medicine) Head Science & Technology Coordinator in the Ministry of Health, Labour and Welfare's Minister's Secretariat's General Coordination Division's Life Sciences Bureau Head of Medical Technology Development in the Ministry of Health, Labour and Welfare's Pharmaceuticals Department Head of the Ministry of the Environment's Natural Environment Department Head of Ministry of Health, Labour and Welfare's Medical Policy Department Head of WHO's Center for Health Development Resident professor in Keio University's School of Medicine Director at Hungarian Medical Universities (current) Supervisory director of Japan Senior Living Investment Corporation Vice President of Medical Corporate Body Ken-iku kai (current) Director of Chigasaki Central Clinic (current) Supervisory Director of Kenedix Residential Next Investment Corporation (current) Director of National Federation of Industrial Health Organization (current)	0 units

・The three above-named candidates for supervisory director have no special interests in KDR.

・The three above-named candidates for supervisory director currently supervise the general executive functions of the executive directors of KDR in their roles as supervisory directors of KDR.

Reference Matter

Regarding agendas to be submitted to the General Meeting of Unitholders, rules and regulations identified in "Deemed Approval," which are stipulated under Article 93, paragraph 1 of the Investment Trusts Law and Article 15 of the current Articles of Incorporation, shall not be applied to any of the agendas concerned if there are agendas that are, in intent, conflicting with each other. KDR believes that Agendas 1 through 4 do not present any conflict in intent.

End