

June 15, 2017

To All Concerned Parties

REIT Issuer:
Kenedix Residential 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 Execution of an Alliance Agreement with Jukyo Holdings Co., Ltd

Kenedix Residential Investment Corporation (the “Investment Corporation”) announced today that the Investment Corporation and Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), the asset management company for the Investment Corporation, have decided to enter into an alliance agreement (the “Agreement”) with Jukyo Holdings Co., Ltd (the “Partner.” collectively with Jukyo Co., Ltd and Jukyo Kensetsu Co., Ltd which are its subsidiaries, the “Partner Group”).

1. Reason for the Execution of the Agreement

The Partner Group is developing comprehensive real estate and construction business as a living environment creation company and has abundant track record of rental housing supply such as rental apartments targeted by the Investment Corporation in the metropolitan area. By concluding the Agreement, the Investment Corporation can receive sales information of properties including the properties already owned or to be developed by the Partner Group and priority term of consideration for 30 days. Therefore, the Investment Corporation believes that concluding the Agreement will contribute to the acquisition of external growth opportunities and further improvement of unitholders’ value.

2. Details of the Agreement

(1) The details of support from the partner

- Provide sales information of rental apartments developed by the Partner Group
- Provide sales information of rental apartments already owned by the Partner Group
- Provide information of properties to be developed or owned by the Partner Group

(2) Contract period

The contract period of the agreement is from the contract date to the end of August, 2018. However, if no intention to refuse of renewal has been made from one of the contract parties to the others no later than three months prior to the expiration date, the agreement shall be effective for one year from the day following the expiration date.

(3) Details of the Partner

The Partner has group structure covering sales, planning, design, construction and after-sales service. Concerning the rental housing, the Partner has abundant track record such as about 20 development projects per year and about 20 building construction per year.

Company name	Jukyo Holdings Co., Ltd
Location	1-1-4, Kotesashi-cho, Tokorozawa-shi, Saitama
Title and name of representative	Representative director, Hisato Yasunaga
Description of business	Holding company of Jukyo group (Jukyo Co., Ltd., Jukyo Construction Co., Ltd., etc.)
Capital	¥100 million
Date of	October 1, 2004

incorporation	
Net assets	Not disclosed according to the Partner's intention
Total assets	Not disclosed according to the Partner's intention
Major shareholder and ratio	Not disclosed according to the Partner's intention
Relationship with the Investment Corporation or the Asset Management Company	
Capital relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company and the Partner. Furthermore, there is no special capital relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the Partner.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the Partner. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the Partner.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the Partner. Furthermore, there is no special business relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the Partner.
Applicability of related party relationship	The Partner is not a related party, etc. as defined under the Act on Investment Trusts and Investment Corporations ("the Investment Trust Act") and not a related party as defined in "the Related-party Transaction Rules of Residential REIT Department" of the Asset Management Company.

3. Future Outlook

The impact of the Agreement on the forecast is none. Therefore, the forecast of financial results for the period ending July 2017 (February 1, 2017 to July 31, 2017) remains unchanged.

* 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.