

November 10, 2017

To All Concerned Parties

REIT Issuer:

Kenedix Residential Investment Corporation
 Representative: Keisuke Sato, Executive Director
 (Securities Code Number: 3278)

Asset Management Company:

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Notice Concerning Revisions of Earnings Forecasts for the Fiscal Period Ending January 31, 2018

Kenedix Residential Investment Corporation (“KDR”) hereby announces that it has made the determination to revise as set forth below its earnings forecasts for the fiscal period ending January 31, 2018 (the 12th Fiscal Period: from August 1, 2017 to January 31, 2018), which were previously released on September 13, 2017.

1. Revisions to earnings forecasts for the fiscal period ending January 31, 2018 (the 12th Fiscal Period)

	Operating revenue	Operating income	Recurring income	Net income	Net income per unit	Distributions per unit (excluding excess of earnings)	Distributions in excess of earnings per unit
Previous forecast (A)	(million yen) 5,623	(million yen) 2,911	(million yen) 2,374	(million yen) 2,373	(yen) 6,800	(yen) 6,800	(yen) —
Revised forecast (B)	5,623	2,840	2,304	2,303	6,598	6,800	—
Change in amount (B)-(A)	0	(70)	(70)	(70)	(202)	0	—
Percentage change	0%	(2.4)%	(3.0)%	(3.0)%	(3.0)%	0%	—

(Reference) The fiscal period ending January 31, 2018: Forecasted outstanding investment units at fiscal period-end: 349,089

(Note 1) The revised distributions per unit are on the assumption that, in addition to net income, a portion of retained earnings (equivalent to merger-related expenses, etc.: 70 million yen) will be reversed for distributions.

(Note 2) The foregoing forecasts are based on the current state of asset management, and the actual distributions per unit are subject to change. The forecasts do not guarantee the amount of distributions per unit.

(Note 3) If a certain degree of discrepancy from the foregoing forecasts is anticipated, the forecasts may be revised again.

(Note 4) Amounts are rounded down to the nearest whole yen. Percentage changes are rounded off to the first decimal place.

2. Reasons for the revisions

As set forth in the “Notice of Conclusion of a Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation” released this day by KDR and Japan Senior Living Investment Corporation (“JSL”), KDR and JSL, at their respective Board of Directors meetings held on this day, each approved the implementation of an absorption-type merger (“Merger”) on March 1, 2018, having KDR as the surviving corporation and JSL as the dissolving corporation, and executed a merger agreement this day.

In conjunction with the foregoing, KDR expects to record merger-related expenses of 69 million yen, and accordingly has revised its earnings forecasts for the fiscal period ending January 31, 2018 (the 12th Fiscal Period: from August 1, 2017 to January 31, 2018). It is assumed that the reversal of retained earnings

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of 70 millions for the purpose of avoiding the impact that the merger-related expenses will have on distributions per unit will be applied to net income of 2,303 million yen, and a total of 2,373 million yen will be distributed. No update shall be made with regard to the other preconditions described in “Financial Results for the Fiscal Period Ended July 31, 2017 (REIT)”.

- * This announcement is being distributed to the Kabuto Club; the Ministry of Land, Infrastructure, Transport and Tourism Press Club; and the Ministry of Land, Infrastructure, Transport and Tourism Construction Specialty Publication Press Club
- * Website of Kenedix Residential Investment Corporation: <http://www.kdr-reit.com/>

[Provisional Translation Only]

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