

April 27, 2015

To All Concerned Parties

REIT Issuer:
Kenedix Residential Investment Corporation
Representative: Akira Tanaka, Executive Director
(Securities Code Number: 3278)

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Representative: Ryosuke Homma, President and
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Notice Concerning the Execution of Interest-Rate Swap Agreements

Kenedix Residential Investment Corporation (the “Investment Corporation”) announced today the details regarding the Interest-Rate Swap Agreements for the Long-term Loan (Series 14-A, Series 14-B, Series 14-C and Series 14-D). The details are as follows.

1. Interest-Rate Swap Agreements

(1) Reason for Interest-Rate Swap Agreements

The Investment Corporation has decided to execute interest-rate swap agreements for Long-term Loan (Series 14-A, Series 14-B, Series 14-C and Series 14-D) after considering the hedging effect and the costs for the purpose of reducing the risk of interest payment increase caused by future increase of interest rates.

Regarding the detail of Series 14, please refer to the press release “Notice Concerning Debt Financing and the Execution of Interest-Rate Swap Agreements” announced on April 23, 2015.

(2) Details of Interest-Rate Swap Agreements

1) Interest-Rate Swap Agreement (Series 14-A)

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|-----------------------|--|
| 1) Counterparty | Nomura Securities Co., Ltd. |
| 2) Notional Principal | ¥ 2,000,000,000 |
| 3) Interest Rate | Paying fixed interest rate: 0.32470% Receiving floating interest rate: JBA 1-month Japanese Yen TIBOR (Note) |
| 4) Commencement Date | April 30, 2015 |
| 5) Termination Date | April 30, 2022 |
| 6) Payment Date | First interest payment at the end of May 2015 and at the end of every month (last interest payment on termination date, thereafter), and the last interest payment on the end of April 2022. |

(Note) By entering into the interest-rate swap agreement, the interest rate for Series 14-A is essentially fixed at 0.87470%.

2) Interest-Rate Swap Agreement (Series 14-B)

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|-----------------------|--|
| 1) Counterparty | Nomura Securities Co., Ltd. |
| 2) Notional Principal | ¥ 1,500,000,000 |
| 3) Interest Rate | Paying fixed interest rate: 0.38710% Receiving floating interest rate: JBA 1-month Japanese Yen TIBOR (Note) |
| 4) Commencement Date | April 30, 2015 |
| 5) Termination Date | April 30, 2023 |
| 6) Payment Date | First interest payment at the end of May 2015 and at the end of every month (last interest payment on termination date, thereafter), and the last interest payment on the end of April 2023. |

(Note) By entering into the interest-rate swap agreement, the interest rate for Series 14-B is essentially fixed at 0.98710%.

3) Interest-Rate Swap Agreement (Series 14-C)

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|-----------------------|--|
| 1) Counterparty | Nomura Securities Co., Ltd. |
| 2) Notional Principal | ¥ 2,000,000,000 |
| 3) Interest Rate | Paying fixed interest rate: 0.44970% Receiving floating interest rate: JBA 1-month Japanese Yen TIBOR (Note) |
| 4) Commencement Date | April 30, 2015 |
| 5) Termination Date | April 30, 2024 |
| 6) Payment Date | First interest payment at the end of May 2015 and at the end of every month (last interest payment on termination date, thereafter), and the last interest payment on the end of April 2024. |

(Note) By entering into the interest-rate swap agreement, the interest rate for Series 14-C is essentially fixed at 1.09970%.

4) Interest-Rate Swap Agreement (Series 14-D)

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|-----------------------|--|
| 1) Counterparty | Nomura Securities Co., Ltd. |
| 2) Notional Principal | ¥ 1,000,000,000 |
| 3) Interest Rate | Paying fixed interest rate: 0.51540% Receiving floating interest rate: JBA 1-month Japanese Yen TIBOR (Note) |
| 4) Commencement Date | April 30, 2015 |
| 5) Termination Date | April 30, 2025 |
| 6) Payment Date | First interest payment at the end of May 2015 and at the end of every month (last interest payment on termination date, thereafter), and the last interest payment on the end of April 2025. |

(Note) By entering into the interest-rate swap agreement, the interest rate for Series 14-D is essentially fixed at 1.26540%.

2. Future Outlook

The impact on the management situation of the Investment Corporation for the fiscal period ending July 2015 (February 1, 2015 through July 31, 2015) is expected to be insignificant and no change has been made to the performance forecast for the fiscal period.

* Website URL of the Investment Corporation: <http://www.kdr-reit.com/english/>

[Provisional Translation Only]

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