

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 Investment Unit Split

Kenedix Residential Investment Corporation (“KDR”) hereby announces that it resolved, at the Board of Directors’ meeting held on this day, to split its investment units as follows (“Investment Unit Split”).

1. Purpose of the Investment Unit Split

As announced in the “Notice of Conclusion of Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation” released today by KDR and Japan Senior Living Investment Corporation (“JSL”), KDR and JSL have agreed to implement 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 (“Merger Agreement”) the same day.

The Merger will be carried out through an absorption-type merger having KDR as the surviving corporation, and the merger ratio, before considering the Investment Unit Split, would be KDR 1: JSL 0.5. However, with this merger ratio, 0.5 units of KDR would be allotted to every unit of JSL, which would mean that a number of JSL investment unitholders would receive less than one KDR unit. For this reason, in order to enable JSL unitholders to continue holding KDR units even after the Merger, for the purpose of issuing 1 KDR unit or more to all JSL unitholders, it was decided that the KDR investment units will be split 2-for-1. With the Investment Unit Split, JSL unitholders will receive 1 unit of KDR following the Investment Unit Split for every JSL investment unit they own.

2. Details of the Investment Unit Split

(1) Method of the Investment Unit Split

KDR investment units owned by the KDR unitholders set forth or recorded in the final unitholder roster on February 28, 2018 (the day before the effective date of the Merger) will be split 2-for-1. The Investment Unit Split shall come into effect on March 1, 2018 (the effective date of the Merger), provided that all conditions precedent for the Merger set forth in the Merger Agreement shall be satisfied.

(2) Investment unit numbers to increase after the Investment Unit Split

(1) Outstanding KDR units prior to the Investment Unit Split	:	349,089 units	
(2) Investment unit increase through the Investment Unit Split	:	349,089 units	
(3) Outstanding KDR units following the Investment Unit Split	:	698,178 units	
(4) Total outstanding KDR units following the Merger	:	782,928 units	(Note 1)
(5) Authorized issuable investment units following the Investment Unit Split and the Merger	:	10,000,000 units	(Note 2)

(Note 1) The number under the assumption that, in connection with the Merger, 1 KDR units following the Investment Unit Split would be allocated to every JSL unit with respect to all the 84,750 outstanding JSL units as of November 10, 2017.

(Note 2) KDR's authorized issuable investment units constitute 5,000,000 units at present, but with the Merger, the Articles of Incorporation of KDR are expected to be partially revised, with the authorized issuable investment units to be changed as of the effective date of the Merger. For details, see "Notice of Conclusion of Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation."

3. Timeline of the Investment Unit Split

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| (1) Announcement of the reference date | February 9, 2018 (scheduled) |
| (2) Reference date | February 28, 2018 (scheduled) |
| (3) Effective date | March 1, 2018 (scheduled) |

4. Outlook going forward

For the projected distributions per unit for the fiscal period ending in January 31, 2018 (from August 1, 2017 to January 31, 2018), please see "Notice Concerning Revisions of Earnings Forecasts for the Fiscal Period Ending January 31, 2018" released on today.

* This announcement is 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

*Websites:

Kenedix Residential Investment Corporation	http://www.kdr-reit.com/
Japan Senior Living Investment Corporation	http://www.jsl-reit.com/

[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.

To unitholders in the United States:

This exchange offer or business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

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