Translation of Japanese Original

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:
Kenedix Real Estate Fund Management, Inc.
Representative: Masahiko Tajima, President & CEO
Contact: Shin Yamamoto, Head of Planning Division, Residential REIT Department
TEL: +81-3-5623-8682

REIT Issuer:
Japan Senior Living Investment Corporation
Representative: Katsue Okuda, Executive Director
(Securities Code Number: 3460)
Asset Management Company:
Japan Senior Living Partners, Inc.
Representative: Takashi Fujimura, CEO & President
Contact: Isaharu Kikushima, General Manager of Planning and Administration Department
TEL: +81-3-6206-6460

Notice of Conclusion of Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation

We hereby announce that Kenedix Residential Investment Corporation ("KDR") and Japan Senior Living Investment Corporation ("JSL," collectively with KDR, the "Two Investment Corporations") respectively have determined at each of the Board of Directors' meetings held on this day, to execute an absorption-type merger (the "Merger") effective March 1, 2018, whereby KDR will be the surviving corporation and JSL the dissolving corporation, and that we have entered into an absorption-type merger agreement (the "Merger Agreement") dated today.

1. Purpose of the Merger

The Japanese economy is continuing its gradual recovery with improvement seen in employment, income and other areas, and it is expected that this trend will continue. Nevertheless, many factors, including the future course of the Bank of Japan's policy of quantitative and qualitative monetary easing, accompanied by negative interest rates and questions about the momentum of the recovery in the economy and prices, concerns about the future policies and courses of action by the new administration in Washington, geopolitical risks, uncertainties about U.S. interest rate hikes and other global economic factors, as well as volatility in the financial markets, create an environment where caution is required. In this present environment, against the backdrop of the availability of financing as a result of monetary easing, we continue to see active investment activity in the real estate markets on the part of both Japanese and overseas investors. With respect to the J-REIT market, although J-REIT companies are showing strong performance, due to the impact of external influences such as the outflow of cash from monthly distribution-type investment funds, the Tokyo Stock Exchange REIT Index has been weak. In these circumstances, competition for the acquisition of properties has intensified due to the changes in supply and demand conditions in the real estate dealings market, and to choose effective countermeasures for further growth has been becoming necessary to ensure competitiveness and differentiation of a REIT.

In April 2012, KDR was listed as an investment corporation on the real estate investment trust market of the Tokyo Stock Exchange' ("TSE") with the objective of "realizing stable rental revenues and steady growth in asset size" by investing in mainly real estate-related assets consisting primarily of rental housing and other residential properties. Since its listing, KDR has outsourced asset management to Kenedix Real Estate Fund Management, Inc. (KFM), a company formed with Kenedix, Inc. ("Kenedix") personnel, which adheres to Kenedix's core philosophy of providing, as an independent real estate management company, management services from the perspective of real estate investors, and has conducted its investments and operations on the basis of the three fundamental strategies of “consistent external growth by making good use of judgment”, “efficient profit management”, and the “challenge of new initiatives”.

Recently, taking into account the increasing social need for facilities providing short-term accommodations for the growing number of foreign visitors to Japan, in March 2017, KDR partially revised its Articles of Incorporation so as to make possible investment in accommodations (hotels, etc.) as a secondary investment target, in addition to its primary investment target of rental housing, in order to seize new opportunities for growth. At the current time, KDR manages a portfolio comprised primarily of a total of 115 properties (total acquisition price of 164,169 million yen) and has a total number of investment units outstanding of 349,089.

JSL was listed on the real estate investment trust market of the Tokyo Stock Exchange in July 2015 as an investment corporation investing in fee-based homes for the elderly, serviced housing for the elderly and other senior living facilities, as well as investing in hospitals, clinics, medical malls, intermediate nursing homes and other medical facilities. JSL’s investment philosophy is that of contributing to society as a bridge between the capital markets and the healthcare industry, supporting healthcare industry growth in various ways, and seeking to maximize the satisfaction of the users, operators and unitholders who are all JSL stakeholders. With sponsors Kenedix, Shinsei Bank, Limited, HASEKO Corporation, Mitsubishi UFJ Trust and Banking Corporation, LIXIL Group Corporation and SOMPO Holdings, Inc. having proven track records in providing every type of service, from investments and financing to operations, to healthcare facilities and in particular to senior living facilities, JSL has striven to maximize unitholder value through the creation of a portfolio centered on healthcare facilities, essential elements in the social infrastructure, and stable operation. JSL currently manages a portfolio consisting primarily of 14 properties having a total acquisition price of 27,965 million yen and has issued a total of 84,750 investment units.

The Two Investment Corporations have each implemented policies aimed at ensuring stable revenue streams and a scaling up of their asset portfolios over the medium- to long-term by taking advantage of their respective strengths. Whereas KDR has built a stable portfolio focused on rental housing exceeding 160 billion yen in terms of total acquisition price and has achieved a steady increase of cash distributions, it nevertheless believes that an unavoidable slowdown in external growth resulting from changes in supply and demand conditions in the rental housing investment marketplace such as decreasing opportunities for acquisition of prime properties caused by intensified competition in the long-standing low interest rate environment is the issue presently confronting investment corporations. For its part, JSL has continued to enhance its specialist expertise and track record of performance in the growth market represented by healthcare assets, but nevertheless believes that “the stagnation in its investment unit price owing to the modest small total asset size and the loss of external growth opportunities stemming therefrom as well as a low level of recognition among investors due to investment in healthcare assets still being at the early stages” are the challenges it currently faces as an investment corporation. In this environment, KDR has acquired properties through the creation of specially structured bridge funds and has taken initiatives aimed at securing external growth opportunities by expanding its investment domain to include the accommodations sector (hotels, etc.), and JSL, for its part, while conducting steady property management to achieve continuous stable cash distributions, has also undertaken proactive IR initiatives aimed at the expansion of the healthcare assets investment market. Nevertheless, due to the impact of external influences such as timing of the listing, it was not enough to recover the price of investment unit; we acknowledged the urgent need to implement drastic solutions and explored such measures to gain good standing in the market and to increase the price of our investment unit. While the Two Investment Corporations have continued to follow through with their respective individual initiatives, they have also come to the realization that, based on an awareness of the close affinity between their respective portfolios of investment assets in that both can be characterized as “spaces where people live and stay,” by combining their respective strengths and specialties through a merger and confronting as one the respective challenges they face, the Two Investment Corporations would be better positioned to ensure further growth and maximize value for their unitholders, and accordingly, discussion between the Two Investment Corporations has commenced and have reviewed over an extended period the potential merits of a merger.

Through the Merger, it is envisioned that KDR will benefit from (1) an increase in total asset size and an increase in market capitalization, (2) greater stability resulting from asset type diversification as well as an acceleration of external growth resulting from a greater range of investment targets, (3) improved flexibility in financial strategy due to a lower LTV and (4) an assumption of a healthcare assets management platform, while on the other hand, JSL will benefit from (1) an increase in total asset size which will improve liquidity in capital market and risk diversification enhancing income stability, (2) an increase in asset acquisition opportunities through secured financing capacity, (3) the constructive succession of its investment philosophy and knowhow of a healthcare-focused REIT and (4) further enhancement of healthcare asset management capabilities by joining the "experience and knowhow" of KFM with the "specialist expertise" of Japan Senior Living Partners, Inc. ("JSLP," collectively with KFM the "Two Asset Management Companies"). On the basis of the above, the Two Investment Corporations reached the conclusion that the Merger was the best strategy for achieving steady growth of assets under management, medium- and long-term stability of rental income and maximization of unitholder value and, accordingly, today concluded the Merger Agreement.

The Two Investment Corporations believe that, as a result of the Merger, they will achieve the benefits of (i) an increase in liquidity resulting from greater asset scale and market capitalization that will enable them to capture more growth opportunities, (ii) greater earnings stability stemming from asset type diversification and enhanced ability to pursue external growth and (iii) improvement in asset management efficiency together with enhanced financial health, and further believe that the potential to reap these benefits constitutes the major significance of the Merger.

The asset size of KDR following the Merger (the total calculated on the basis of total acquisition prices of KDR's assets as of November 10, 2017, plus the price at which KDR is expected to succeed to JSL's assets) is projected to reach approximately 193.1 billion yen, which represents a major step forward toward the growth milestone of 200 billion yen. Following the Merger, KDR will evolve into a new investment corporation pursuing stable revenue and sustained growth through wide-ranging investment spanning the "spaces where people live and stay," extending from residential facilities to healthcare, and accommodation facilities aiming to maximize more than ever before the potential of Kenedix's knowhow in real estate investment management and continuing its "flexible" and "dynamic" real estate investment management.

2. Overview of the Merger

(1) Schedule for the Merger

KDR

Board of Directors' meeting to approve the Merger Agreement Date of conclusion of the Merger Agreement	November 10, 2017
Date of announcing the record date for General Unitholders' Meeting	November 14, 2017 (scheduled)
Record date for General Unitholders' Meeting	November 30, 2017 (scheduled)
Date of General Unitholders' Meeting	January 25, 2018 (scheduled)
Record date for splitting the investment units	February 28, 2018 (scheduled)
Effective date for splitting the investment units Effective date of the Merger	March 1, 2018 (scheduled)
Registration date of the Merger	Early March 2018 (scheduled)

Note 1: Pursuant to Paragraph 2 of Article 149-7 of the Act Concerning Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent amendments thereto, hereinafter referred to as the "Investment Trust Act"), KDR plans to implement the Merger without obtaining the approval of the general unitholders' meeting in accordance with the provisions of Paragraph 1 of the abovementioned article.

Note 2: With February 28, 2018 as the record date for splitting the investment units and March 1, 2018 as the effective date for splitting the investment units, KDR plans to split one investment unit into two investment units (hereinafter referred to as the "Investment Unit Split"). See (3) Note 2 below for further detail.

JSL

Board of Directors' meeting to approve the Merger Agreement Date of conclusion of the Merger Agreement	November 10, 2017
Date of announcing the record date of General Unitholders' Meeting	November 14, 2017 (scheduled)
Record date for General Unitholders' Meeting	November 30, 2017 (scheduled)
Date of General Unitholders' Meeting	January 25, 2018 (scheduled)
Date of delisting	February 26, 2018 (scheduled)
Effective date of the Merger	March 1, 2018 (scheduled)
Registration date of the Merger	Early March 2018 (scheduled)

(2) Form of the Merger

KDR will be the surviving corporation under an absorption-type merger and JSL will be dissolved in the Merger.

(3) Allocation of Units Under the Merger

<table>
<tr><th></th><th>KDR
(Surviving corporation in the absorption-type merger)</th><th>JSL
(Dissolving corporation in the absorption-type merger)</th></tr>
<tr><td rowspan="2">Allocation of units under the Merge</td><td rowspan="2">1</td><td>1</td></tr>
<tr><td>(Reference: prior to taking into consideration the Investment Unit Split
0.5</td></tr>
</table>

Note 1: The number of new KDR investment units to be issued as a result of the Merger (the number of investment units after the Investment Unit Split): 84,750 common investment units

Note 2: With February 28, 2018 as the record date for splitting the investment units and March 1, 2018 as the Effective date for splitting the investment units, KDR plans to split one investment unit into two investment units; the allocation ratio shown above and the number of new investment units KDR will allocate and deliver are subject to the Investment Unit Split taking effect. The merger ratio prior to taking into consideration the Investment Unit Split is 0.5 JSL investment units to 1 KDR investment unit; however, if based on the ratio of 0.5 KDR investment units being allocated for each JSL investment unit, this would result in many JSL unitholders being allocated a fraction of less than one KDR investment unit. Accordingly, in order to make it possible for JSL unitholders to continue holding KDR investment units following the Merger, with the aim of ensuring that at least one KDR investment unit will be allocated to every JSL unitholder, in advance of the effective date of the Merger, the Investment Unit Split will be executed in the ratio of one KDR investment unit into two KDR investment units and one post-Investment Unit Split KDR investment units will be allocated and delivered for each JSL investment unit. For further details concerning the Investment Unit Split, please refer to the "Notice Concerning Investment Unit Split" released today by KDR.

Note 3: Apart from the abovementioned investment units, KDR intends to pay JSL unitholders (the unitholders stated or recorded in the final unitholders register on the day prior to the effective date of the Merger (excluding the JSL unitholders who demanded the purchase of their investment units pursuant to the provisions of Article 149-3 of the Investment Trust Act, hereinafter referred to as the "Unitholders Subject to Allocation")), in lieu of the cash distributions pertaining to JSL's fiscal period from September 1, 2017 to February 28, 2018, a merger grant corresponding to the cash distributions based on JSL's distributable income for that same period (an amount (dropping any fractions of a yen) which is the quotient resulting from dividing the amount of JSL's distributable income on the date prior to the effective date of the Merger by the number of issued JSL investment units on that date, reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation). Details will be notified as soon as they are finalized.

(4) Changes to the Articles of Incorporation of the Surviving Corporation

As result of the Merger, KDR, while continuing to principally invest in residential facilities, will transform into a diversified REIT investing also in healthcare facilities (including hospitals and other medical facilities) and accommodation facilities; accordingly, KDR plans to submit a resolution at the Fifth General Unitholders' Meeting scheduled to take place on January 25, 2018, subject to the completion of the Merger, to change its corporate name to "Kenedix Residential Next Investment Corporation", and in addition to revise its Articles of Incorporation to the effect of making partial changes to its investment policy and investment targets ("Changes to the Articles of Incorporation "). Please refer to Attachment 1 for further detail on the Changes to the Articles of Incorporation.

KDR will file a notification pursuant to Article 191 of the Investment Trust Act promptly upon the Changes to the Articles of Incorporation going into effect.

(5) Conditions to the Merger

The Merger will take effect subject to all of the following conditions precedent being satisfied as of the date prior to the effective date of the Merger: (1) that the approvals by the general unitholders' meetings of the Two Investment Corporations, the procedures in accordance with other relevant laws and regulations, and the receipt of approvals and authorizations considered necessary for the implementation of the matters planned in regard to or related to the Merger have been completed, and the persons approved at a General Unitholders' Meeting of KDR to be selected as directors of KDR, subject to the Merger taking effect, have not stepped down as a directors of JSL, and no event has occurred to prevent those persons from becoming directors of KDR on the effective date of the Merger, (2) that there are no breaches of agreements, violations of financial covenants or overdue payments of monetary liabilities (including taxes and public charges) by either of the Two Investment Corporations (excluding, however, any minor items), (3) that there has been no occurrence of an event of acceleration, suspension of payment or inability to pay debts by either of the Two Investment Corporations, (4) that consents have been received in advance from all financial institutions lending to either KDR or JSL covering the basic terms and conditions of loans following the implementation and effectiveness of the Merger, and those consents have not been rescinded, (5) that in regard to the Merger, the Two Investment Corporations have respectively confirmed to a reasonable extent that neither is required, under the Securities Act of the United States, to file a registration statement on Form F-4, (6) that no petition for commencement of bankruptcy proceedings, commencement of civil rehabilitation proceedings or commencement of other similar legal insolvency proceedings has been filed against either KDR or JSL, (7) that no revocation of registrations, suspension of all or part of operations or other administrative disposition which could cause serious impediment to or have a serious adverse impact on the Merger has been taken by a supervisory government agency against either of the Two Investment Corporations or either of the Two Asset Management Companies and (8) that each of the written agreements concerning the assumption, etc. by KDR and KFM of the positions of JSL and JSLP under the sponsor support agreements concluded by the Two Investment Corporations and the Two Asset Management Companies with each of Shinsei Bank, Limited, HASEKO Corporation, LIXIL Group Corporation and Mitsubishi UFJ Trust and Banking Corporation (individually or collectively, the "Healthcare Facilities Support Company(ies)) are lawful and valid, and none of those agreements has been cancelled or terminated for reasons other than cancellation. (Refer to 5. (6) below for more detail.)

If on the date prior to the effective date of the Merger all or part of any of the above conditions is not satisfied or if it has become clear by the date prior to the effective date of the Merger that any of the above conditions will not be satisfied, KDR or JSL may cancel the Merger Agreement by giving notice in writing to the other party prior to the effective date; provided, however, that this does not apply in the event a condition precedent cannot be satisfied due to a cause attributable to itself or its asset management company.

3. Basis for Calculation of the Allocation of Investment Units under the Merger

(1) Basis for Calculation

KDR has appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities") and JSL has appointed Nomura Securities Co., Ltd. ("Nomura Securities"), respectively, as their financial advisors for the Merger, and in order to ensure the fairness of the calculation of the merger ratio for the Merger, they have requested that their respective financial advisor conduct financial analyses of the merger ratio for the Merger.

The summary of the analyses respectively conducted by SMBC Nikko Securities and Nomura Securities reflects figures prior to taking into consideration the Investment Unit Split, by KDR, of one investment unit into two investment units as mentioned above in "2. Overview of the Merger (3) Allocation of Units Under the Merger".

SMBC Nikko Securities, in order to analyze the investment units of the Two Investment Corporations from multiple perspectives, conducted analyses of the investment units of the Two Investment Corporations by adopting the investment unit price analysis for the purpose of reflecting the securities market prices into the financial analysis, as investment units of the Two Investment Corporations are listed on the TSE; the dividend discount model ("DDM") for the purpose of reflecting theoretical dividends which unitholders of the Two Investment Corporations would receive in the future; and the adjusted net asset value approach for the purpose of reflecting unrealized gains and losses of real estate held by the Two Investment Corporations into the financial analysis. A summary of the SMBC Nikko Securities' analyses is shown below.

Method of Analysis	Range of Merger Ratios
Market investment unit price analysis	0.48 – 0.49
DDM	0.37 – 0.55
Adjusted net asset value approach	0.61

Taking into account recent market conditions for the investment units of the Two Investment Corporations, for their market investment unit prices, SMBC Nikko Securities used the average closing investment unit prices for the one-month and three-month periods preceding the base date, which was set as November 9, 2017.

The analysis of the merger ratio by SMBC Nikko Securities is also based on certain other assumptions apart from what is indicated above. For further details on the additional explanation regarding assumptions and disclaimers, refer to Note 1 at the end of this press release.

The distribution plans from the Two Investment Corporations used by SMBC Nikko Securities as the basis for the DDM did not include any fiscal periods in which significant changes in distributions were projected.

Because the investment units of the Two Investment Corporations are listed on the Tokyo Stock Exchange, and there is a market price for the units, Nomura Securities used market investment unit price analysis; because there are multiple companies comparable to the Two Investment Corporations and an analogical estimate based on a comparable investment corporations is possible, it also adopted a comparable investment corporation analysis; in order to reflect the state of future business operations in the analyses, it used discounted cash flow analysis ("DCF Analysis"), and in order to also reflect in its estimations the amount of the impact on net assets of fair value and realizable value, it also used the adjusted net asset value approach. A summary of Nomura Securities' analyses is shown below. The range of values of merger ratios shown indicates the range of estimates for JSL when the value for one KDR investment unit is assumed to be 1.

Method of Analysis	Range of Merger Ratios
Average market investment unit price analysis	0.48 – 0.50
Comparable investment corporation analysis	0.39 – 0.64
DCF analysis	0.47 – 0.53
Adjusted net asset value approach	0.67

In its average market investment unit price analysis, Nomura Securities used the simple arithmetic average of the closing prices on the analysis base date, which was established as November 9, 2017, for the five-working day period preceding the analysis base date, the one-month period preceding the analysis base date, the three-month period preceding the analysis base date and the six-month period preceding the analysis base date For further details on the additional explanation regarding assumptions and disclaimers in regard to Nomura Securities' analysis, refer to Note 2 at the end of this press release.

In the future profit plans of the Two Investment Corporations which formed the bases for Nomura Securities' DCF analysis, there were no fiscal periods in which a considerable increase or decrease in profits was projected.

(2) Background to the Calculations

As a result of discussions and negotiations between the Two Investment Corporations over an extended period, taking comprehensively into consideration such factors as the financial performance and condition of the assets and liabilities of each, their future business prospects, the merits of the Merger and the results of the analyses performed by their respective financial advisors, etc., a conclusion was reached that the above merger ratios is appropriate.

(3) Relationships with the Financial Advisors

Neither SMBC Nikko Securities nor Nomura Securities qualifies as a related party of the Two Investment Corporations, as defined in Article 67, Paragraph 4 of the Ordinance on Accounting at

Investment Corporations (Cabinet Office Ordinance No. 47 of 2006, including subsequent amendments thereto) and do not have any material interests in the Merger that must be disclosed.

(4) Prospects and Reasons for Delisting

The Merger is planned to be executed in the form of an absorption-type merger whereby KDR will be the surviving corporation and JSL will be dissolved in accordance with Article 143(iv) of the Investment Trust Act. The investment units issued by JSL are expected to be delisted on February 26, 2018, three business days prior to the effective date of the Merger, in accordance with the delisting criteria stipulated by the Tokyo Stock Exchange. As compensation for the Merger, each of JSL's unitholders will be allocated new KDR investment units in accordance with the number of JSL investment units they held, thus becoming KDR unitholders, and because the KDR investment units are listed on the Tokyo Stock exchange, they will continue to have the opportunity to trade their investment units on the Tokyo Stock Exchange.

(5) Measures to Ensure Fairness

i. The propriety of the Merger and measures to ensure fairness in the process of consideration of the merger ratio

In the course of their consideration of the Merger, the Two Investment Corporations reported on a timely basis the status of the considerations to the Board of Directors of each of the investment corporations, with each board being composed of the respective investment corporation's executive director and its two supervisory directors, whose independence from the asset management companies is ensured in terms of the Investment Trust Act, and all material matters of their consideration were deliberated on and approved by their respective Board of Directors.

In addition, as their respective legal advisors in the Merger, KDR appointed Anderson Mori & Tomotsune, and JSL appointed Mori Hamada & Matsumoto, and they each received advice concerning the methodology and process relating to the procedures and decision-making process for the Merger.

ii. Measures to ensure fairness in the calculation of the merger ratio

As discussed in (1) through (3) above, KDR, in order to ensure the fairness of the Merger, selected SMBC Nikko Securities as an independent financial advisor for the benefit of its unitholders and received a report on the results of the analyses and obtained a written merger ratio calculation report providing an analysis of the merger ratio from a financial perspective.

On the basis of the foregoing, KDR's Board of Directors concluded that sufficient steps had been taken to ensure the fairness of the Merger.

JSL, for its part, in order to ensure the fairness of the Merger, obtained from Nomura Securities, as an independent financial advisor for the benefit of its unitholders, a written merger ratio report providing analyses based on certain assumptions of the merger ratio from a financial perspective.

On the basis of the foregoing, JSL's Board of Directors concluded that sufficient steps had been taken to ensure the fairness of the Merger.

The Two Investment Corporations have not, however, obtained written opinions (so-called "fairness opinions") from their respective financial advisors to the effect that the merger ratio is reasonable from a financial perspective for their respective unit holders.

4. Outline of the Parties to the Merger

		Surviving Corporation in the Merger	Dissolving Corporation in the Merger
(1)	Name	Kenedix Residential Investment Corporation	Japan Senior Living Investment Corporation
(2)	Address of headquarters	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo	2-2-9 Shimbashi, Minato-ku, Tokyo
(3)	Executive director	Keisuke Sato	Katsue Okuda
(4)	Total capital	80,132 million yen	15,531 million yen
(5)	Date of incorporation	November 15, 2011	May 12, 2015
(6)	Total number of investment units issued (Note)	349,089	84,750

		Surviving Corporation in the Merger		Dissolving Corporation in the Merger	
(7)	Fiscal period	End of January and July		End of February and August	
(8)	Main assets under management	Real estate and real estate trust beneficiary interests		Real estate and real estate trust beneficiary interests	
(9)	Number of properties (Note)	Rental housing 109 Rental housing with facilities operators 3 Other 1		Fee-based homes for the elderly 13 Serviced housing for the elderly 1	
(10)	Carrying value at the end of the fiscal period(Note)	Rental housing 151,453 mil. Yen Rental housing with facility operators 2,910 mil. yen Other 1,798 mil. yen		Fee-based homes for the elderly 27,350 mil. yen Serviced housing for the elderly 1,414 mil. yen	
(11)	Main banks	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.		Shinsei Bank, Limited Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
(12)	Major unitholders and ratio of investment units held (Note)	Japan Trustee Services Bank, Ltd. (trust account)	31.99%	THE BANK OF NEW YORK MELLON SA/NV 10	6.96%
		The Master Trust Bank of Japan, Ltd. (trust account)	8.37%	Trust & Custody Services Bank, Ltd. (securities investment trust account)	6.81%
		NOMURA BANK (LUXEMBOURG) S.A.	7.88%	Japan Trustee Services Bank, Ltd. (trust account)	6.58%
		Trust & Custody Services Bank, Ltd. (securities investment trust account)	7.74%	The Master Trust Bank of Japan, Ltd. (trust account)	4.58%
		The Nomura Trust and Banking Co., Ltd.	3.99%	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/ JASDEC /HENDERSON HHF SICAV	3.52%

(13) Operating results for the last three fiscal periods						
(Unit: millions of yen unless otherwise noted; values less than one unit are dropped)						
Fiscal period	Kenedix Residential Investment Corporation			Japan Senior Living Investment Corporation		
	July 2016	January 2017	July 2017	August 2016	February 2017	August 2017
Operating revenues	5,333	5,468	5,574	980	988	989
Operating income	2,723	2,838	2,833	375	374	374
Ordinary income	2,193	2,311	2,316	303	303	307
Net income	2,192	2,310	2,315	302	301	306
Net income per unit (yen)	6,279	6,617	6,632	3,572	3,560	3,620
Distributions per unit (yen))	6,360	6,533	6,633	3,573	3,561	3,620
Net assets per unit (yen)	235,943	236,478	236,498	186,838	186,826	186,885
Net assets	82,365	82,552	82,559	15,834	15,833	15,838
Total assets	159,948	167,276	167,316	35,398	35,491	35,333

(14) Asset management company	Kenedix Real Estate Fund Management, Inc.	Japan Senior Living Partners, Inc.
(15) Address of asset management company	2-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo	2-2-9 Shimbashi, Minato-ku, Tokyo
(16) Name and title of representative of asset management company	Masahiko Tajima, President & CEO	Takashi Fujimura, CEO & President

(17) Relationships between the parties	
Capital relationship	There are no capital relationships between the parties to the Merger and between the Two Asset Management Companies and among their related persons and related companies that need to be noted.
Personnel relationship	One supervisory director of KFM also serves as a supervisory director of JSL. There are no other personnel relationships between the parties to the Merger and between the Two Asset Management Companies and among their related persons and their related companies that need to be noted.
Business relationship	There are no business relationships between the parties to the Merger and between the Two Asset Management Companies and among their related persons and their related companies that need to be noted.
Status as a related party	The parties to the Merger do not fall under related parties. The Two Asset Management Companies are both subsidiaries of Kenedix and by reason of having the same parent company, fall under related parties.

Note: The figures shown for KDR are as of July 31, 2017 and those for JSL as of August 31, 2017. The "ratio of investment units held" is shown to the second decimal place.

5. Post-Merger Status

(1) The Surviving Corporation

	Surviving Corporation in the Merger
(1) Name	Kenedix Residential Next Investment Corporation (scheduled) (Note 1) (Currently: Kenedix Residential Investment Corporation)
(2) Address of headquarters	2-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo (scheduled) (Note 2) (Currently: 6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
(3) Executive director	Keisuke Sato Katsue Okuda (scheduled) (Note 3)
(4) Total capital	Currently undetermined; to be notified as soon as determined.
(5) Fiscal period	End of January and July

(6)	Net assets	Undetermined (At present not finalized)
(7)	Total assets	Undetermined (At present not finalized)
(8)	Asset management company	Kenedix Real Estate Fund Management, Inc.
(9)	Address of asset management company	2-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo
(10)	Name and title of representative of asset management company	Masahiko Tajima, President & CEO

Note 1: Subject to the Merger taking effect, KDR plans to change its name and the investment targets and policies, and plans to make proposals regarding such amendments to the Articles of Incorporation at the Fifth General Unitholders' Meeting to be convened on January 25, 2018. Please refer to the Attachment 1for the details of the amendments to the Articles of Incorporation.

Note 2: KDR plans to submit a resolution at its Fifth General Unitholders' Meeting, which is scheduled to take place on January 25, 2018, to change the location of its headquarters.

Note 3: Subject to the Merger taking effect, on the date of the effective date of the Merger, KDR plans to appoint Ms. Katsue Okuda as an executive director and Mr. Soichiro Iwao as a new supervisory director and plans to submit a resolution for their appointment at its Fifth General Unitholders' Meeting, which is scheduled to take place on January 25, 2018.

(2) Major Unitholders and Ratio of Investment Units Held Before and After the Merger

Before the Merger			
KDR (Note 1)		JSL (Note 2)	
Japan Trustee Services Bank, Ltd. (trust account)	31.99%	THE BANK OF NEW YORK MELLON SA/NV 10	6.96%
The Master Trust Bank of Japan, Ltd. (trust account)	8.37%	Trust & Custody Services Bank, Ltd. (securities investment trust account)	6.81%
NOMURA BANK (LUXEMBOURG) S.A.	7.88%	Japan Trustee Services Bank, Ltd. (trust account)	6.58%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	7.74%	The Master Trust Bank of Japan, Ltd. (trust account)	4.58%
The Nomura Trust and Banking Co., Ltd. (investment trust account)	3.99%	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC /HENDERSON HHF SICAV	3.52%
Mizuho Trust & Banking Co., Ltd.	2.34%	The Nomura Trust and Banking Co., Ltd. (investment account)	2.99%
Kenedix, Inc.	2.09%	The Master Trust Bank of Japan, Ltd. (trust account)	2.30%
Mitsubishi UFJ Trust and Banking Corporation	1.68%	Japan Trustee Services Bank, Ltd. (trust account 9)	1.65%
STATE STREET BANK AND TRUST COMPANY 505012	1.59%	STATE STREET BANK AND TRUST COMPANY 505001	1.60%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	1.44%	STATE STREET BANK AND TRUST COMPANY 505224	1.51%

Post-Merger (simple total after taking into account the merger ratio) (Note 2)	
Japan Trustee Services Bank, Ltd. (trust account)	29.24%
The Master Trust Bank of Japan, Ltd. (trust account)	7.96%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	7.64%
NOMURA BANK (LUXEMBOURG) S.A.	7.12%
The Nomura Trust and Banking Co., Ltd. (investment trust account)	3.88%
Kenedix, Inc.	2.11%
Mizuho Trust & Banking Co., Ltd.	2.09%
Mitsubishi UFJ Trust and Banking Corporation	1.50%
STATE STREET BANK AND TRUST COMPANY 505012	1.41%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	1.28%

Note 1: Figures shown are based respectively on KDR's unitholders register as of July 31, 2017 and JSL's unitholders register as of August 31, 2017. Accordingly, the figures may not reflect the actual holdings of the unitholders. The ratios of investment units held are shown to the second decimal place.

Note 2: The post-merger major unitholders and ratios of investment units held are calculated based on the investment units assuming it will be allotted in accordance with "2. Overview of the Merger; (3) Allocation of Units Under the Merger" above on the premise of the major unitholders' unitholding ratios before the Merger above. The ratios of investment units held are shown to the second decimal place.

(3) Management System for Healthcare Facilities

KFM plans to newly establish in its Residential REIT Department, which oversees its operations relating to the management of KDR's assets, a Healthcare Investment Management Division (tentative name) as a specialized unit dedicated to investment and asset management for healthcare facilities, and by taking on staff from JSLP's Investment Management Department, also plans to acquire their specialist expertise and experience. Details regarding the Healthcare Investment Management Division (tentative name) will be communicated when finalized.

(4) Changes to Asset Management Agreements

After the Merger, KDR intends to continue outsourcing functions relating to the management of assets to KFM, to which it currently outsources asset management. JSL plans to cancel its asset management agreement with JSLP, subject to the Merger taking effect upon obtaining approval at its General Unitholders' Meeting. In addition, in conjunction with the Merger, KDR expects to revise the asset management agreement it is currently entered into with KFM; relevant details will be communicated when finalized.

(5) Changes to Investment Guidelines

KFM plans to revise its investment policy with respect to its guidelines pertaining to the management of KDR's assets. Please refer to Attachment 2 for information on the nature of the currently planned changes to investment policy. The specific changes to the investment guidelines will be communicated when finalized.

(6) Changes to Agreements with Sponsors, etc.

The Two Investment Corporations and the Two Asset Management Companies concluded agreements dated today regarding the assumption of position (the "Assumption of Position Agreements") with each of the Healthcare Facilities Support Companies. Under the Assumption of Position Agreements, the positions of JSL and JSLP under the sponsor support agreements concluded by JSL and JSLP with each of the Healthcare Support Companies will be respectively assumed, subject to the Merger taking effect, by KDR and KFM on the effective date of the Merger. (In addition, certain changes to the nature of the support from the Healthcare Facilities Support Companies are also intended.)

KDR and KFM also executed an amended memorandum of understanding for partial changes dated today, subject to the Merger taking effect, to the Memorandum Concerning the Provision of Real Estate Information (sponsor support agreement) previously concluded with Kenedix to take effect on the effective date of the Merger. In conjunction therewith, JSL and JSLP executed a cancellation agreement dated today, subject to the Merger taking effect, for cancellation of the sponsor support agreement previously concluded with Kenedix, to take effect on the effective date of the Merger.

6. Outline of Accounting Treatment

The purchase method will be used in the accounting treatment of the Merger, with KDR as the acquiring corporation and JSL as the acquired corporation, applying the Accounting Standards for Business Combinations (ASBJ Statement No. 21, revision dated November 18, 2014). Negative goodwill is expected to arise as a result of the Merger, but as of this time the amount is uncertain. The amount will be announced upon calculation.

7. Future Outlook

Please refer to the "Notice Concerning Revisions of Earnings Forecast for the Fiscal Period Ending January 31, 2018", released today by KDR, regarding the impact of the conclusion of the Merger Agreement on its business results for the fiscal period ending January 31, 2018 (from August 1, 2017 to January 31, 2018). In regard to the forecast of operating results following the Merger, please refer to "Notice Concerning Earnings Forecasts for the Fiscal Period Ending July 31, 2018 and the Fiscal Period Ending January 31, 2019 After the Merger Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation", released today.

Note 1: SMBC Nikko Securities did not independently assess or evaluate the assets and liabilities of the Two Investment Corporations nor make a detailed examination of the assets and liabilities in coordination with a certified public accountant or other professional. Neither did SMBC Nikko Securities obtain an independent evaluation, etc. of the assets or liabilities of the Two Investment Corporations from a third party. In conducting its analysis of the merger ratio, SMBC Nikko Securities used the financial information of the Two Investment Corporations and other investment corporations to which it could refer, market data, analysts' reports and other publicly disclosed information and financial, economic and market indicators. SMBC Nikko Securities conducted its analysis on the premise that there was no undisclosed information that could have a material impact on its analysis of the merger ratio. Furthermore, in the preparing its analysis of the merger ratio, SMBC Nikko Securities assumed that all of the information and materials it relied on were accurate and complete and that the future business plans and financial forecasts of the Two Investment Corporations, included among the information and materials, were reasonably prepared on the basis of the best forecasts and judgment of the Two Investment Corporations possible at the time they were made; SMBC Nikko Securities did not independently check or verify the accuracy, reasonableness or feasibility, etc. of the information and materials.

Note 2: In analyzing the merger ratio, Nomura Securities in general used information received from the Two Investment Corporations and publicly disclosed information, etc. and, on the premise that those materials and information were all accurate and complete, did not independently verify their accuracy or completeness. Nomura Securities also did not independently estimate, appraise or assess the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Two Investment Corporations nor did it request that any third party do so. In addition, Nomura Securities assumed that the financial forecasts (including profit plans and other information) provided by the Two Investment Corporations were reasonably prepared by their respective managements on the basis of the best estimates and judgments that could be made at the time.

Disclaimer Regarding Forward-Looking Statements

This press release includes forecasts, targets, plans, strategies and other forward-looking statements regarding the Two Investment Companies. These forward-looking statements are based on the current assumptions and beliefs of the Two Investment Corporations based on the information currently available to them, but in light of possible changes due to uncertainties in those assumptions and beliefs and future changes in business operations and internal and external conditions, actual future performance or events regarding KDR or JSL may be significantly different. These forward-looking statements are indicated by such phrases as "believe," "expect," "estimate," "plan," "aim," "should be," "intend," "forecast" "future" and other similar expressions, or are particularly seen in the form of explanations concerning "strategy," "targets," "plans," "intentions" and the like. Due to many factors, it is possible that actual future results may differ significantly from the "forward-looking statements" contained in this press release. Such factors include, but are not limited to (i) the Two Investment Corporations being unable to reach agreement about all or a portion of the terms and conditions of the Merger, (ii) approvals of general unitholders' meetings required for the Merger not being obtainable, (iii) regulatory or other conditions considered requisite for completion of the Merger not being fulfilled, (iv) the effect of changes in in the legal system or to accounting standards or other changes in the business environment relating to the parties to the Merger, (v) issues in terms of the implementation of business strategies, (vi) the effect of monetary instability or other changes in general economic or industry conditions and (vii) other risks in regard to the completion of the merger.

* The original Japanese version of this material is released today to the Kabuto Club (the press club of the Tokyo Stock Exchange) and the Ministry of Land, Infrastructure and Tourism Press Club and the Ministry of Land, Infrastructure and Tourism Press Club for Publications in the Construction Industry

* Website URLs of the Two Investment Corporations

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.

Attachment 1 (Proposed Changes to the Articles of Incorporation)

Proposed Changes to the Articles of Incorporation

(Proposed changes are underlined.)

Current Articles of Incorporation	Proposed Changes
Article 1 (Corporate Name) The Investment Corporation will be called Kenedix Residential Investment Corporation, expressed in English as Kenedix Residential Investment Corporation.	Article 1 (Corporate Name) The Investment Corporation will be called Kenedix Residential <u>Next</u> Investment Corporation, expressed in English as Kenedix Residential <u>Next</u> Investment Corporation.
Article 3 (Location of Head Office) The Investment Corporation will have its head office in <u>Chuo-ku</u>, Tokyo.	Article 3 (Location of Head Office) The Investment Corporation will have its head office in <u>Chiyoda-ku</u>, Tokyo.
Article 5 (Total Number of Authorized Investment Units) 1. The total number of investment units which the Investment Corporation is authorized to issue will be <u>five million (5,000,000)</u> units. 2. – 3. (Text omitted)	Article 5 (Total Number of Authorized Investment Units) 1. The total number of investment units which the Investment Corporation is authorized to issue will be <u>ten million (10,000,000)</u> units. 2. – 3. (Unchanged)
Article 28 (Standards of Compensation for Financial Auditor) The compensation of the financial auditor for each fiscal period audited will be a maximum of <u>12 million (12,000,000)</u> yen, and the amount as determined by the Board of Directors for a particular fiscal period will be paid <u>within one month from</u> receipt of all audit reports required under the Investment Trust Act and other laws and regulations.	Article 28 (Standards of Compensation for Financial Auditor) The compensation of the financial auditor for each fiscal period audited will be a maximum of <u>15 million (15,000,000)</u> yen, and the amount as determined by the Board of Directors for a particular fiscal period will be paid <u>by the last day of the month following the month of the receipt</u> of all audit reports required under the Investment Trust Act and other laws and regulations.
Article 30 (Investment Posture)	Article 30 (Investment Posture)

Current Articles of Incorporation	Proposed Changes
1. The real estate-related assets (as defined in Article 31, paragraph 4, and the same applying hereinafter) in which the Investment Corporation will primarily invest will be real estate constituting the underlying substance of real estate-related assets or real estate-related assets where the main use of the underlying real estate is as a residential facility; provided, however, that the Investment Corporation may also invest in real estate constituting the underlying substance of a real estate-related asset or in real estate-related assets where the main use of the underlying real estate is as an accommodation facility (hotels, etc.).	1. The real estate-related assets (as defined in Article 31, paragraph 4, and the same applying hereinafter) in which the Investment Corporation will primarily invest will be the real estate constituting the underlying substance of a real estate-related asset or real estate-related assets where the main use of the underlying real estate is as (i) residential facilities, (ii) healthcare facilities (including hospitals and other medical facilities) or (iii) accommodation facilities.
2. The Investment Corporation's primary target investment area will be the Tokyo economic region (meaning the principal cities of the Tokyo Metropolitan Area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture) and regional economic regions (meaning cities designated by cabinet order and other regional core cities) and it will invest primarily in real estate constituting the underlying substance of a real estate-related asset or in real estate-related assets where the underlying real estate is located in the target investment areas.	2. The Investment Corporation's primary target investment area will be the Tokyo economic region (meaning the principal cities of the Tokyo Metropolitan Area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture) and regional economic regions (meaning cities designated by cabinet order and other regional cities) and it will invest primarily in real estate constituting the underlying substance of a real estate-related asset or in real estate-related assets where the underlying real estate is located in the target investment areas.
3.– 4. (Text omitted)	3. – 4. (Unchanged)
Article 38 (Policy Regarding Cash Distributions) (1) Distribution Policy The Investment Corporation will in principle make distributions on the basis of the following policy. (i) The amount of profits in the total amount of monies distributed will be the amount of profits (meaning the amount of net assets less the total amount of investment, investment surplus and valuation and translation adjustments, etc. as shown on the balance sheet) calculated in accordance with the Investment Trust Act and generally accepted accounting practices. (ii) (Text omitted) (2) – (5) (Text omitted)	Article 38 (Policy Regarding Cash Distributions) (1) Distribution Policy The Investment Corporation will in principle make distributions on the basis of the following policy. (i) The amount of profits (meaning profits as defined in Article 136, paragraph 1 of the Investment Trust Act) in the total amount of monies distributed will be the amount calculated in accordance with generally accepted accounting standards and other corporate accounting practices. (ii) (Text omitted) (2) – (5) (Text omitted)
(New) (New)	Chapter 11 Supplementary Provisions Article 41 (Effective Date of the Changes)

Current Articles of Incorporation	Proposed Changes
	The changes to Article 1, Article 5, Paragraph 1 and Article 30, Paragraphs 1 and 2 of the Articles of Incorporation will take effect, subject to the absorption-type merger (the “Merger”) pursuant to the merger agreement concluded November 10, 2017, between the Investment Corporation and Japan Senior Living Investment Corporation, whereby the Investment Corporation will be the surviving corporation and Japan Senior Living Investment Corporation will be the dissolving corporation, taking effect, on the effective date of the Merger. Following the changes to the Articles of Incorporation pursuant to this article taking effect, the provisions of this chapter will be deleted.
Attachment Asset Management Compensation to the Asset Management Company Compensation paid to the Asset Management Company (the “Asset Management Company”) to which the Investment Corporation entrusts the management of the assets it holds will be comprised of Management Compensation I and II, acquisition compensation and transfer compensation and the amounts, methods of calculation and payment due dates respectively will be as follows. The Investment Corporation will pay the above compensation and the consumption tax and regional consumption taxes thereon to the Asset Management Company by electronic bank transfer to a bank account which the Asset Management Company designates.	Attachment Asset Management Compensation to the Asset Management Company Compensation paid to the Asset Management Company (the “Asset Management Company”) to which the Investment Corporation entrusts the management of the assets it holds will be comprised of Management Compensation I and II, acquisition compensation, transfer compensation and merger compensation and the amounts, methods of calculation and payment due dates respectively will be as follows. The Investment Corporation will pay the above compensation and the consumption tax 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) – (4) (Text omitted) (New)	(1) – (4) (Text omitted) (5) Merger Compensation If the Investment Corporation effectuates a consolidation-type merger or an absorption-type merger (either referred to as merger) with another investment corporation, and the Asset Management Company conducts an examination and appraisal of the assets, etc. held by the other investment corporation and other work relating to the merger and the merger takes effect, an amount equal to the appraisal amount 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, multiplied by a fee rate up to a maximum of 1.0%, as separately agreed upon between the Investment Corporation and the Asset Management Company, will be paid to the Asset Management Company as merger compensation. The payment due date for the merger compensation will be within three months from the effective date of the merger.

Outline of Changes to Investment Policy and Target Investments

As a result of the Merger, KDR will be in a position to take advantage of the characteristics of varied asset types — residential facilities, health care facilities and accommodation facilities — “spaces where people live and stay” to secure stable rental revenue and steady asset growth. To facilitate its conversion to a diversified REIT aiming to maximize unitholders’ profits, KDR is planning partial changes to its investment policy and target investments. A summary of the specific changes to investment policy and target investments is given below.

Post-Merger Portfolio Structuring Policy

1. Property Type

KDR will invest primarily in residential, healthcare and accommodation facilities as its target investments. In making investments, KDR will stringently select real estate etc. where stable demand from tenants and users and long-term stable revenue flows can be projected on the basis of an individual analysis of the attributes of a particular property, as well as regional analysis taking into account location, etc.

・Target Portfolio Breakdown by Property Type (based on acquisition price)

Usage				Target Portfolio Breakdown
Classification	Residential Facilities	Rental Housing	Rental Housing	60% or more
		Rental Housing with Facility Operators	Serviced apartments, company rental housing, student dormitories and apartments, short-term apartments, etc.	
	Healthcare Facilities	Senior Living Facilities	Fee-based homes for the elderly, serviced housing for the elderly, apartments for the elderly, group homes for elderly with cognitive impairment, small multi-function facilities, daycare facilities, etc.	20% or less
		Medical Facilities	Hospitals, clinics, medical malls, intermediate nursing homes, etc.	
	Accommodation		Hotels, etc.	20% or less
	Other		Land with leasehold interest on which buildings stipulated above are located (limited proprietary right of land), etc.	10% or less

The Investment Corporation excludes office buildings, commercial facilities, logistics and warehouse facilities, amusement centers and golf courses from its target investments. However, there may be occasions when investment in such properties is made for secondary usage in conjunction with an investment in a residential, healthcare or accommodation facility. Investment targets which would fall under a sex-related amusement special business facility prescribed in Article 2, Paragraph 5 of the Act on Control and Improvement of Amusement Business, etc. (Act. No. 122 of 1948, including subsequent amendments thereto) are excluded as target investments.

2. Geographical Area

KDR carries out diversified investment in real estate located in the Tokyo Metropolitan Area (the principal cities in Tokyo, Kanagawa, Saitama and Chiba Prefectures), an area with the largest economic and population concentration in Japan. KDR also diversifies its investments by investing in real estate in other regional areas (cities designated by cabinet order and other regional cities) with the objective of mitigating the risk of concentrating investments in a single region subject to changes in regional economies and real estate market, earthquakes, typhoons and other natural disasters, population dynamics and other factors. However, KDR may invest in areas other than the above if the characteristics of particular real estate suggest that stable demand from tenants and users can be projected.

・Targeted Portfolio Breakdown by Region (based on acquisition price)

Region		Targeted Portfolio Breakdown
Classification	Tokyo Metropolitan Area	50% or more
	Other Regional Areas	50% or less

3. Investment Size

KDR carries out investments in real estate according to standards for investment size as shown in the table below, which take into account the following factors.

a. Liquidity in the real estate market
b. Securing diversified property size
c. Securing diversified tenants or users
d. Economics of the investment from the perspective of operation and management of the property

・Standards for Minimum Investment Size and Maximum Investment Size

Classification		Acquisition Price
Minimum Investment Size	Residential facilities	300 million yen or more per investment property
	Healthcare facilities	300 million yen or more per investment property
	Accommodation (Hotel, etc.)	500 million yen or more per investment property
	Other	100 million yen or more per investment property
Maximum Investment Size	The ratio of acquisition price for such real estate will be no more than 20% of the total acquisition price of the entire portfolio after such real estate is acquired.	

However, real estate may be acquired in the cases set forth below, even if the real estate targeted for investment does not meet the minimum investment size standard.

a. In the case of a bulk acquisition of real estate, when the bulk includes real estate with acquisition prices that fall below the minimum investment size standard
b. In the case where, as a result of the negotiation of acquisition terms for real estate that meets the investment standard, the property’s acquisition price falls below the minimum investment size standard, but has an appraisal value that exceeds the minimum investment size standard
c. In the case where the acquisition price falls below the minimum investment size standard, but the facility has an important relationship to adjacent investment properties which do meet the investment size standards

Note: The above “Post-Merger Portfolio Structuring Policy” is an outline of the changes to the portfolio structuring policy and target investments planned in conjunction with the Merger. The changes represent current thinking, but may be revised in the future without notice.