

December 22, 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 of Conclusion of Memorandum of Understanding Concerning Revise on the Asset Management Agreements

As Changes to the asset management agreement concluded with Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”), the asset management company for Kenedix Residential Investment Corporation, dated November 18, 2011 (including revisions thereafter, hereafter, “the Asset Management Agreements”) noticed in “Notice of Conclusion of Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation (“JSL”)” in November 10, 2017, KDR, at its Board of Directors meeting held on this day, decided to conclude the memorandum of understanding concerning revise on the Asset Management Agreements (“the MOU”) subject to the approval of the changes to the Articles of Incorporation at the Fifth KDR General Unitholders’ Meeting scheduled on January 25, 2018. Details are as follows.

1. Overview of the Revise

The Asset Management Agreements are to be changed due to the partial changes to the Articles of Incorporation. Overview of the revise is as follows.

(Note) Please refer to the “Notice Concerning Changes to Articles of Incorporation and Appointment of Directors” dated December 1, 2017 for details.

- (1) Regarding the clause of “the targets and policies in portfolio managements” set forth in the Asset Management Agreements, the principal use of properties in which KDR primarily invest will be changed to include, in addition to residential facilities, healthcare facilities (including hospitals and other medical facilities) and accommodation and the definition of a regional economic region, which is one of the primary investment areas of KDR, will be amended.
- (2) Regarding the clause of “the management fees to asset management company” set forth in the Asset Management Agreements, new provisions relating to merger fees will be added.
- (3) Revisions based on (1) are effective from the date of the absorption-type merger (the “Merger”) pursuant to the merger agreement concluded on November 10, 2017, between KDR and JSL, whereby KDR will be the surviving corporation and JSL will be the dissolving corporation, taking effect.

2. Planned Date of Conclusion of the MOU

January 25, 2018

3. Outlook

No impact is expected from the revise on the Asset Management Agreements.

4. Other

In compliance with applicable laws, ordinances and regulations, the required filing and other procedures will be performed in relation to this matter after the revise.

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

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.