

February 27, 2018

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.
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Notice of Conclusion of Back-up Operation Arrangements

Kenedix Residential Investment Corporation (the trade name of which will change to “Kenedix Residential Next Investment Corporation” on March 1, 2018 and is hereby called “KDR”) announced today that the Residential REIT Department Asset Management Committee of Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”) held today has decided to conclude Back-up Operation Arrangements (“the Arrangements”) with part of the operators and its parent company (“the Operators, etc.”) of healthcare facilities KDR will acquire because of the merger with Japan Senior Living Investment Corporation released by “Notice of Conclusion of Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation” on November 10, 2017 (“the Merger”). Conclusion of the Arrangements is subject to the Merger taking effect on March 1, 2018.

1. Overview of Conclusion

In healthcare facilities KDR will acquire because of the Merger, it is possible for situations that operators become unable to operate stably and have a negative influence on earnings or value of the facilities to occur by many reasons. In the Arrangements, the Operators, etc. asked must consider these requests in order to protect the rights of the residents and maintain living environment and service in the healthcare facilities when KDR ask them it concludes the Arrangements with to request the succession of the operation in the healthcare facilities instead of the existing operators in case lease agreements are terminated or predicted to be terminated with them.

KDR will consider to conclude the Arrangements with the Operators, etc. of the healthcare facilities it will acquire in the future.

KDR expects that conclusion of the Arrangements makes it guaranteed to keep stable lives of the residents by the system that enables other operators to succeed the operation in case business conditions of the individual operator become worse.

2. Planned Date of Conclusion

March 1, 2018

3. Outlook

There will be no effect on earnings of the Investment Corporation.

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

[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.