

November 15, 2016

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, CEO and President  
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## **Notice Concerning Change of Credit Rating**

Kenedix Residential Investment Corporation (the “Investment Corporation”) announced today that it received an announcement from Japan Credit Rating Agency, Ltd. (“JCR”) that the credit rating of the Investment Corporation was changed as follows.

### **Details of the Credit Rating Change**

Credit rating agency	Credit rating subject	Rating (Outlook)	
JCR	Long-term issue rating	<u>Before the change</u> A (Positive)	→ <u>After the change</u> A+ (Stable)
	Ratings of bonds	<u>Before the change</u> A	→ <u>After the change</u> A+

The Investment Corporation continues to conduct management operations of its property portfolio from a medium- to long-term perspective, with the aim of securing steady growth and stable profits, and with due consideration to maintaining a balance between financial strategy and the flexibility and mobility of its capital procurement.

For details of the definition of the above rating, please refer to the press release issued by JCR.

(Reference)

• Japan Credit Rating Agency, Ltd. Web site URL: <http://www.jcr.co.jp/en/>

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

\* 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.**