November 10, 2017

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Representative: Taisuke Miyajima, CEO & President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only.
All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Kenedix Residential and Japan Senior Living Sign Merger Agreement

Kenedix Residential Investment Corporation ("KDR") and Japan Senior Living Investment Corporation ("JSL") signed a merger agreement today. KDR will absorb JSL and JSL will be dissolved following the merger. The merger is scheduled to take place on March 1, 2018.

1. Overview of the merger

KDR is an investment corporation that invests primarily in rental housing and other residential real estate. KDR's investment units were listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange in April 2012. In recent years, KDR has expanded its activities beyond rental housing and other residential properties by revising its Articles of Incorporation to include hotels and other accommodations. The aim is to take advantage of more opportunities for growth.

JSL is an investment corporation that invests primarily in senior living facilities, mainly private nursing homes and serviced senior housing, and medical facilities. JSL's investment units were listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange in July 2015. By assembling a portfolio of healthcare facilities that serve as an important social infrastructure, JSL has focused on earning steady returns for the purpose of maximizing value for its unitholders.

The holdings of KDR and JSL are similar because both involve properties where people live and stay. Consequently, this merger will result in a broad range of investments that include residential and healthcare facilities, and accommodations. Combining these two corporations is expected to create a new and stronger REIT capable of using diverse investments to earn stable income and aim for continued growth. KDR and JSL plan to use this new framework to continue to grow and maximize value for holders of investment units.

Following this merger, Kenedix, Inc. will continue to utilize its real estate investment management knowledge to the greatest extent possible in order provide extensive support as the sponsor, including the provision of properties.

More information about this merger is contained in the KDR and JSL press releases dated November 10, 2017 titled "Notice of Conclusion of Merger Agreement Between Kenedix Residential Investment Corporation and Japan Senior Living Investment Corporation."

2. Outlook

There is no change in the 2017 consolidated forecast announced on February 13, 2017. An announcement will be made promptly if a forecast revision is needed due to changes in the operating environment, real estate market or results of operations.

Cautionary Statement Concerning Forward-Looking Information
This press release contains forward-looking statements that may include "intends," "will" and other similar words and phrases, statements regarding the intent, belief, strategy, plans or current expectations of Kenedix. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. Kenedix has no obligation to update forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.