

## Translation of Japanese Original

August 29, 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 Concerning Debt Financing Interest Rate Determination and Execution of Interest Rate Swap Agreements

Kenedix Residential Investment Corporation (“the Investment Corporation”) announced today details regarding the interest rate and applicable period for debt financing outlined in the following table. In addition, the Investment Corporation announced the term of interest rate swap agreements. Details are as follows.

#### 1. Borrowing Interest Rate

Series	Lender	Amount (million)	Interest Rate	Drawdown Date	Principal repayment Date
25-D	Mizuho Trust & Banking Co., Ltd.	¥500	0.66130% <sup>(Note 1)</sup> (Fixed rate)	August 31, 2017	August 31, 2024

(Note1) The interest rate applicable period is from August 31, 2017 to August 31, 2024.

(Note2) The abovementioned debt financing is unsecured and unguaranteed.

For further details concerning the abovementioned debt financing, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on August 18, 2017.

#### 2. Interest Rate Swap Agreements

##### (1) Reason for Executing the Interest Rate Swap Agreements

For a hedge against possible increases in future interest rate for Series 25-A-1, -2, Series 25-B-1, -2, -3, Series 25-C, Series 25-E and Series 25-F-1, -2 with floating interest rate. For further details concerning the abovementioned debt financing, please refer to the press release “Notice Concerning Debt Financing and the Execution of Interest Rate Swap Agreements” announced on August 18, 2017.

##### (2) Details of the Interest Rate Swap Agreements

(Note1)		Series 25-A-1	Series 25-A-2
Counterparty		Nomura Securities Co., Ltd.	
Notional Amount		¥1,500 million	¥1,500 million
Interest Rate	Fixed interest Rate for payment	0.07600%	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)	
Commencement Date		August 31, 2017	
Termination Date		February 28, 2023	
Payment Date		The interest payment is due at the end of September 2017, and on the last day of every month thereafter, with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then previous business day will be applied.)	
		Series 25-B-1	Series 25-B-2
Counterparty		Sumitomo Mitsui Trust Bank, Limited.	

Notional Amount		¥1,500 million	¥1,000 million	¥1,000 million
Interest Rate	Fixed interest Rate for payment	0.10650%		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)		
Commencement Date		August 31, 2017		
Termination Date		February 29, 2024		
Payment Date		The interest payment is due at the end of September 2017, and on the last day of every month thereafter, with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then previous business day will be applied.)		

		Series 25-C		
Counterparty		Sumitomo Mitsui Trust Bank, Limited.		
Notional Amount		¥500 million		
Interest Rate	Fixed interest Rate for payment	0.12400%		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)		
Commencement Date		August 31, 2017		
Termination Date		August 31, 2024		
Payment Date		The interest payment is due at the end of September 2017, and on the last day of every month thereafter, with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then previous business day will be applied.)		

		Series 25-E		
Counterparty		Sumitomo Mitsui Trust Bank, Limited.		
Notional Amount		¥1,500 million		
Interest Rate	Fixed interest Rate for payment	0.14020%		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)		
Commencement Date		August 31, 2017		
Termination Date		February 28, 2025		
Payment Date		The interest payment is due at the end of September 2017, and on the last day of every month thereafter, with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then previous business day will be applied.)		

		Series 25-F-1	Series 25-F-2
Counterparty		Sumitomo Mitsui Trust Bank, Limited.	
Notional Amount		¥1,000 million	¥1,000 million
Interest Rate	Fixed interest Rate for payment	0.17380%	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)	
Commencement Date		August 31, 2017	
Termination Date		February 28, 2026	
Payment Date		The interest payment is due at the end of September 2017, and on the last day of every month thereafter, with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then previous business day will be applied.)	

(Note2) By entering into the interest swap agreements, the interest rate for Series 25-A-1, -2, Series 25-B-1, -2, -3, Series 25-C, Series 25-E and Series 25-F-1, -2 are essentially fixed at 0.50100%, 0.58150%, 0.62400%, 0.66520% and 0.74880%, respectively.

### 3. Others

In relation to the risks associated with the borrowings, there have been no significant changes to the "Investment Risks" stated in the securities report (*Yuka shoken hokokusyo*) submitted on April 27, 2017.

\* 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.*