

December 7, 2021

To All Concerned Parties

REIT Issuer:

Kenedix Residential Investment Corporation
 Representative: Tetsu Kawashima, Executive Director
 (Securities Code Number: 3278)

Asset Management Company

Kenedix Real Estate Fund Management, Inc.
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Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreement

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today the decision regarding debt financing (total of ¥ 7 billion), execution of interest rate swap agreement, and also informs you of borrowing Series 60-D in “1. Details of Debt Financing” below as Social Loan in accordance with the Social Finance Framework defined by the Investment Corporation. Details are as follows.

1. Details of Debt Financing

Series	Lender	Amount (million)	Interest Rate (Note 1) (Note 2)	Contract Date (Scheduled)	Drawdown Date	Principal repayment Date (Note 2)	Collateral • Repayment Method
60-A	Sumitomo Mitsui Banking Corporation	¥500	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.30000%	December 8, 2021	December 10, 2021	April 30, 2022	Unsecured, unguaranteed • Repayment of principal in full on maturity date
60-B	The Bank of Fukuoka, Ltd.	¥800	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.15000%			November 30, 2023	
60-C①	The Hyakugo Bank, Ltd.	¥500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.22500%			November 30, 2025	
60-C②	THE HACHIJUNI BANK, LTD.	¥500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.22500%				
60-C③	The Shizuoka Bank, Ltd.	¥200	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.22500%				
60-D	Aozora Bank, Ltd	¥1,000	To be determined ^(Note 4) (Fixed rate)			May 31, 2029	
60-E①	THE NISHI-NIPPON CITY BANK, LTD.	¥500	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.42500%			November 30, 2029	
60-E②	The Yamanashi Chuo Bank, Ltd.	¥500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.42500%				
60-F①	The Yamaguchi Bank, Ltd.	¥1,000	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.47500%				

60-F②	The Bank of Yokohama, Ltd.	¥700	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.47500%			
60-G①	Kansai Mirai Bank, Limited	¥500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.52500%		November 30, 2031	
60-G②	The Bank of Kyoto, Ltd.	¥300	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.52500%			

(Note 1) For series 60-A, the first interest payment is due at the end of December 2021 and on the last day of every one month thereafter with final due on the principal repayment day. For the other series, the first interest payment is due at the end of February 2022 and on the last day of every three months thereafter with final due on the principal repayment day.

(Note 2) If the interest payment date or the principal repayment date is a non-business day, the date shall be the next business day and if such next business day falls under the next month, the date shall be the preceding business day.

(Note 3) The Japanese Yen TIBOR of the JBATA is available on the JBATA website (<http://www.jbatibor.or.jp/english/>).

(Note 4) Any undecided matters shall be determined on December 8, 2021 and will be announced after the decision is made.

2. Reason for Debt Financing

(1) Series 60-A, B, C, E, F and G

The proceeds of this debt financing are to be used for the funds toward a payment for the acquisition of trust beneficiary interests in real estate (T-102: KDX Residence Yokohama Momijizaka, H-27: Grapes Kawasaki Shimmachi and H-28: Grapes Fujimino) stated in the press release “Notice Concerning Acquisition of Properties (Total of 2 Residential Facilities and 2 Healthcare Facilities) and Sale of Property (KDX Residence Tobu Nerima)” announced on November 26, 2021 and associated costs thereof.

(2) Series 60-D

The proceeds of this debt financing are to be used for the funds toward a payment for the acquisition of trust beneficiary interests in real estate (H-27: Grapes Kawasaki Shimmachi and H-28: Grapes Fujimino) stated in the press release “Notice Concerning Acquisition of Properties (Total of 2 Residential Facilities and 2 Healthcare Facilities) and Sale of Property (KDX Residence Tobu Nerima)” announced on November 26, 2021 and associated costs thereof.

3. 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 60-B, Series 60-C, Series 60-E, Series 60-F and Series 60-G with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 60-B
Counterparty		To be determined ^(Note)
Notional Amount		¥ 800 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)
Commencement Date		December 10, 2021
Termination Date		November 30, 2023
Payment Date		The interest payment is due at the end of February 2022, and on the last day of every three months 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 the previous business day will be applied.)

		Series 60-C①	Series 60-C②	Series 60-C③
Counterparty		To be determined ^(Note)		
Notional Amount		¥ 500 million	¥ 500 million	¥ 200 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)		
Commencement Date		December 10, 2021		
Termination Date		November 30, 2025		
Payment Date		The interest payment is due at the end of February 2022, and on the last day of every three months 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 the previous business day will be applied.)		

		Series 60-E①	Series 60-E②
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 500 million	¥ 500 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)	
Commencement Date		December 10, 2021	
Termination Date		November 30, 2029	
Payment Date		The interest payment is due at the end of February 2022, and on the last day of every three months 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 the previous business day will be applied.)	

		Series 60-F①	Series 60-F②
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 1,000 million	¥ 700 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)	
Commencement Date		December 10, 2021	
Termination Date		November 30, 2030	
Payment Date		The interest payment is due at the end of February 2022, and on the last day of every three months 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 the previous business day will be applied.)	

		Series 60-G①	Series 60-G②
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 500 million	¥ 300 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)	
Commencement Date		December 10, 2021	
Termination Date		November 30, 2031	
Payment Date		The interest payment is due at the end of February 2022, and on the last day of every three months 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 the previous business day will be applied.)	

(Note) Any undecided matters shall be determined on December 8, 2021 and will be announced after the decision is made.

4. Outline of the Social Finance Framework and Social Loan

(1) Reason for Introducing Social Loan

The Investment Corporation aims to maximize unitholder value by investing healthcare-related facilities, which will become a social infrastructure, as one of its main investment targets as a bridge connecting the capital market and the healthcare industry as well as by conducting stable management under the basic philosophy of obtaining

stable revenue and pursuing sustainable growth through a wide range of investments in “spaces where people live and stay.”

The Investment Corporation decided to procure funds through Social Loan in accordance with the social finance framework defined by the Investment Corporation, with an aim to contribute to the development of the domestic social financial market by further enhancing initiatives for sustainability through the efforts made this time and collaboration with financial institutions who are proactively conducting ESG investment and financing.

The Investment Corporation received “Social 1(F),” the highest rating in “JCR Social Finance Framework Assessment,” from Japan Credit Rating Agency, Ltd. (JCR) with regard to the eligibility of social finance framework ^(Note) (hereafter be referred to as the “Framework”) in November, 2019.

(Note) Regarding the detail, please refer to the press release “Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Social Bond” announced on November 26, 2019.

(2) Total Amount to be Procured, Use of Funds and Scheduled Outlay Period

(i) Total amount to be procured

¥ 1,000 million

(ii) Specific use of funds and scheduled outlay period

The funds procured through Social Loan is scheduled to be used for the appropriation to the acquisition of an asset eligible for social finance ^(Note) on December 10, 2021.

(Note) Assets eligible for social finance refer to assets fulfilling the following eligibility criteria.

Senior living facilities	<ul style="list-style-type: none"> • Private senior homes • Serviced senior housing • Apartments for the elderly • Group homes for elderly with cognitive impairment • Small multi-function facilities • Daycare facilities, etc.
Medical facilities	<ul style="list-style-type: none"> • Hospitals • Clinics • Medical malls • Nursing and health facilities, etc.

5. Status of the Interest-bearing Liabilities after the Borrowings (as of December 10, 2021)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	0	500	+500
Current portion of long-term borrowings ^(Note 2)	21,250	21,250	-
Long-term borrowings ^(Note 3)	119,870	126,370	+6,500
Total borrowings	141,120	148,120	+7,000
Investment corporation bonds	7,700	7,700	-
Total interest-bearing liabilities	148,820	155,820	+7,000

(Note1) The “Short-term borrowings” shall mean the borrowings with a period of less than or equal to one year from the borrowing date to the repayment date. However, if the first anniversary of the date of borrowings fall under a non-business day, the repayment date shall be the next business day and even if, as a result, the borrowing period exceeds one year, the borrowings shall be categorized as short-term borrowings.

(Note2) The “Current portion of long-term borrowings” shall mean the long term borrowings due within one year.

(Note3) The “Long-term borrowings” shall mean the borrowings with a period of more than one year from the borrowing date to the repayment date.

6. 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 October 26, 2021.

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

[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.