

July 25, 2018

To All Concerned Parties

REIT Issuer:

Kenedix Residential Next 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 Concerning Debt Financing and Execution of Interest Rate Swap Agreements

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) announced today the decision regarding debt financing and execution of interest rate swap agreements. Details are as follows.

1. Details of Debt Financing

Series	Lender	Amount (million)	Interest Rate (Note 1) (Note 2)	Contract Date	Debt Financing Method	Drawdown Date	Principal repayment Date (Note 2)	Collateral · Repayment Method	
26-A-1	Sumitomo Mitsui Banking Corporation	500	Base rate (Note 3) (JPY TIBOR for 1 month) +0.300%	July 25, 2018	Borrowing based on the individual loan agreement to be concluded with the lenders shown to the left	July 30, 2018	July 31, 2019	Unsecured, unguaranteed · Repayment of principal in full on maturity date	
26-A-2	Shinsei Bank, Limited	500							
26-B-1	Sumitomo Mitsui Banking Corporation	1,000							
26-B-2	Shinsei Bank, Limited	1,000	Base rate (Note 3) (JPY TIBOR for 1 month) +0.300%			July 30, 2018	July 31, 2021		
26-B-3	MUFG Bank, Ltd	500							
26-B-4	Mizuho Bank, Ltd	500							
26-C	Nippon Life Insurance Company	500	0.900% (Fixed rate)			July 31, 2018	July 31, 2019		January 30, 2027
27-1	Sumitomo Mitsui Banking Corporation	1,830	Base rate (Note 3) (JPY TIBOR for 1 month) +0.350%						
27-2	Mizuho Bank, Ltd	800							

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28-A	Loan syndicate with Sumitomo Mitsui Banking Corporation as Arranger ^(Note 4)	5,700	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.375%	July 31, 2018	August 2, 2018	January 31, 2020
28-B	Loan syndicate with Sumitomo Mitsui Banking Corporation as Arranger ^(Note 5)	7,000	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.525%			February 2, 2026

(Note 1) The first interest payment is due at the end of August 2018 and on the last day of every month thereafter, with 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) The loan syndicate comprises Sumitomo Mitsui Banking Corporation, Ltd., MUFG Bank, Ltd., Mizuho Bank, Ltd, Shinsei Bank, Limited, Resona Bank, Limited., Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Aozora Bank, Ltd., The Bank of Fukuoka, Ltd.

(Note 5) The loan syndicate comprises Sumitomo Mitsui Banking Corporation, Ltd., MUFG Bank, Ltd., Mizuho Bank, Ltd, Development Bank of Japan Inc, Nippon Life Insurance Company, Resona Bank, Limited., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Aozora Bank, Ltd., The Bank of Fukuoka, Ltd.

2. Reason for Debt Financing, Amount, Use and Scheduled Payment Date of Fund to be Raised

(1) Series 26

By the absorption-type merger of Japan Senior Living Investment Corporation (“JSL”) which took effect on March 1, 2018, whereby the Investment Corporation is the surviving corporation and JSL the dissolving corporation, among the borrowings that the Investment Corporation has succeeded from JSL, the borrowing shall be used to apply the funds toward the repayment of Series 1-B (¥ 3.5 billion) and Series 3-1,-2 (total ¥1.0 billion) with repayment date of July 30, 2018^(Note).

(Note) Regarding the detail of Series 1-B and Series 3-1,-2 please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on July 29, 2015 and “Notice Concerning Debt Financing (Series 3)” announced on July 26, 2017 by JSL.

(i) Total Amount of Fund to be Raised

¥ 4,500,000,000

(ii) Specific Purpose of Use of Fund

As described above

(iii) Scheduled Payment Date

July 30, 2018

(2) Series 27

The borrowing above mentioned shall be used to apply the funds toward the repayment of Series 22-1 and 22-2 (total ¥1.63 billion) and Series 23 (¥1.0 billion) with repayment date of July 31, 2018^(Note).

(Note) Regarding the detail of Series 22-1,-2 and Series 23, please refer to the press release “Notice Concerning Debt Financing” announced on July 18, 2017 and “Notice Concerning Debt Financing” announced on July 25, 2017

(i) Total Amount of Fund to be Raised

¥ 2,630,000,000

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(ii) Specific Purpose of Use of Fund

As described above

(iii) Scheduled Payment Date

July 31, 2018

(3) Series 28

Series 28 shall be used to apply the funds towards a payment for the acquisition of trust beneficiary interest in real estate (9 property) stated in the press release “Notice Concerning Acquisition of Properties and Conclusion of Lease Contracts with New Tenants (4 Residential Properties and 5 Healthcare Properties)” announced on July 13, 2018 and associated costs thereof^(Note).

(Note) Regarding the detail, please refer to the press release “Notice Concerning Acquisition of Properties and Conclusion of Lease Contracts with New Tenants (4 Residential Properties and 5 Healthcare Properties)” announced on July 13, 2018.

(i) Total Amount of Fund to be Raised

¥ 12,700,000,000

(ii) Specific Purpose of Use of Fund

As described above

(iii) Scheduled Payment Date

August 2, 2018

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 26-B-1, -2, -3,-4 and Series 28-B with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 26-B-1	Series 26-B-2	Series 26-B-3	Series 26-B-4
Counterparty		To be determined ^(Note)			
Notional Amount		¥ 1,000 million	¥ 1,000 million	¥ 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 1 month)			
Commencement Date		July 30, 2018			
Termination Date		July 31, 2021			
Payment Date		The interest payment is due at the end of August 2018, 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.)			

(Note) Any undecided matters shall be determined on July 26, 2018 and will be announced after decision is made.

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		Series 28-B
Counterparty		To be determined ^(Note)
Notional Amount		¥ 7,000 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)
Commencement Date		August 2, 2018
Termination Date		February 2, 2026
Payment Date		The interest payment is due at the end of August 2018, 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.)

(Note) Any undecided matters shall be determined on July 31, 2018 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of August 2, 2018)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	3,630	2,630	-1,000
Current portion of long-term borrowings ^(Note 2)	16,000	13,500	-2,500
Long-term borrowings ^(Note 3)	83,500	99,700	+16,200
Total borrowings	103,130	115,830	+12,700
Investment corporation bonds	3,000	3,000	—
Total interest-bearing liabilities	106,130	118,830	+12,700

(Note 1) 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.

(Note 2) The “Current portion of long-term borrowings” shall mean the long term borrowings due within one year.

(Note 3) The “Long-term borrowings” shall mean the borrowings with a period of more than one year from the borrowing date to the repayment date.

5. 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 todokedesyo*) submitted on July 13, 2018.

6. Forecasts

The impact on the period ending July 2018 (February 1, 2018 to July 31, 2018), the period ending January 2019 (August 1, 2018 to January 31, 2019) and the period ending July 2019 (February 1, 2019 to July 31, 2019) are minimal. Therefore, the forecasts of financial results for the period remain unchanged.

* 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.

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