

July 31, 2018

To All Concerned Parties

REIT Issuer:
 Kenedix Residential Next Investment Corporation
 Representative: Keisuke Sato, Executive Director
 (Securities Code: 3278)

Asset Management Company:
 Kenedix Real Estate Fund Management, Inc.
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Notice Concerning the Execution of Interest-Rate Swap Agreements

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

1. 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 28-B 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 July 25, 2018.

(2) Details of the Interest Rate Swap Agreements

		Series 28-B
Counterparty		Sumitomo Mitsui Trust Bank, Limited
Notional Amount		¥ 7,000 million
Interest Rate	Fixed interest Rate for payment	0.2740%
	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 the previous business day will be applied.)

(Note) By entering into the interest swap agreements, the interest rate for Series 28-B is essentially fixed at 0.7990%

2. Others

In relation to the risks associated with the borrowings, there have been no significant changes to the "Investment Risks" stated in the securities registration statement (*Yuka shoken todokedesyo*) submitted on July 13, 2018.

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

Disclaimer : This document is a press release to make a public announcement of Execution of Interest Rate Swap Agreements, and has not been prepared for the purpose of solicitation for investment . The Investment Corporation cautions investors to ensure that they refer to the prospectus for notification of the issuance of new investment units and secondary offering of investment unites as well as amendments thereto prepared by the Investment Corporation (if any) before undertaking investments and investments be made at their own judgement and responsibility.

[Provisional Translation Only]

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