

August 29, 2018

To All Concerned Parties

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

Asset Management Company:
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Notice Concerning Debt Financing Interest Rate Determination and Execution of Interest Rate Swap Agreements

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) announced today details regarding the interest rate and applicable period for the following debt financing stated in the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on August 28, 2018. In addition, the Investment Corporation announced the execution of interest rate swap agreements. Details are as follows.

1. Borrowing Interest Rate

Series	Lender	Amount (million)	Interest Rate	Drawdown Date	Principal repayment Date
29-B	Development Bank of Japan Inc	¥1,600	0.49750%(Note 1) (Fixed rate)	August 31, 2018	August 31, 2022
29-E-1	Development Bank of Japan Inc	¥1,400	0.88364%(Note 2) (Fixed rate)		February 28, 2027
29-E-2	MUFG Bank, Ltd.	¥800	0.82500%(Note 2) (Fixed rate)		

(Note1) The interest rate applicable period is from August 31, 2018 to August 31, 2022.

(Note2) The interest rate applicable period is from August 31, 2018 to February 28, 2027.

(Note3) 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 28, 2018.

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 29-A-1, -2, Series 29-C-1, -2, -3 and Series 29-D-1, -2, -3, -4, -5 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 28, 2018.

(2) Details of the Interest Rate Swap Agreements

		Series 29-A-1	Series 29-A-2
Counterparty		Sumitomo Mitsui Trust Bank, Limited	
Notional Amount		¥1,000 million	¥400 million
Interest Rate	Fixed interest Rate for payment	0.15925%	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)	
Commencement Date		August 31, 2018	

Termination Date	August 31, 2022
Payment Date	The interest payment is due at the end of September 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 29-A-1, -2 are essentially fixed at 0.50925%

		Series 29-C-1	Series 29-C-2	Series 29-C-3
Counterparty		Sumitomo Mitsui Trust Bank, Limited		
Notional Amount		¥1,200 million	¥1,000 million	¥800 million
Interest Rate	Fixed interest Rate for payment	0.19175%		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)		
Commencement Date		August 31, 2018		
Termination Date		August 31, 2023		
Payment Date		The interest payment is due at the end of September 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 29-C-1, -2, -3 are essentially fixed at 0.59175%

		Series 29-D-1	Series 29-D-2	Series 29-D-3	Series 29-D-4	Series 29-D-5
Counterparty		Sumitomo Mitsui Trust Bank, Limited				
Notional Amount		¥1,050 million	¥500 million	¥500 million	¥500 million	¥250 million
Interest Rate	Fixed interest Rate for payment	0.33900%				
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)				
Commencement Date		August 31, 2018				
Termination Date		February 28, 2027				
Payment Date		The interest payment is due at the end of September 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 29-D-1, -2, -3, -4, -5 are essentially fixed at 0.91400%

3. Forecasts

Regarding "Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending July 31, 2018, Revisions to Operating Forecasts and Cash Distribution Forecasts for the Fiscal Period Ending January 31, 2019 and Operating Forecasts and Cash Distribution Forecasts for the Fiscal Period Ending July 31, 2019" announced on July 14, 2018, which is substantially equal to the assumption such as the borrowing interest rate decided today. Therefore, There is no change to the forecasts of Revisions to Operating Forecasts and Cash Distribution Forecasts of the Investment Corporation.

4. 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/>

[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.