

September 25, 2018

To All Concerned Parties

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

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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 (total of ¥ 3 billion) 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	Drawdown Date	Principal repayment Date (Note 2)	Collateral • Repayment Method		
30-A	Nippon Life Insurance Company	¥700	0.920% (Fixed rate)	September 25, 2018	September 28, 2018	September 30, 2026	Unsecured, unguaranteed • Repayment of principal in full on maturity date		
30-B-1	Shinsei Bank, Limited	¥1,000	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 1 month) +0.600%			September 25, 2018		September 28, 2018	September 30, 2028
30-B-2	Sumitomo Mitsui Trust Bank, Limited.	¥800							
30-B-3	Mizuho Trust & Banking Co., Ltd.	¥500							

(Note1) The first interest payment is due at the end of October 2018 and on the last day of every month thereafter, with the principal repayment day.

(Note2) 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.

(Note3) The Japanese Yen TIBOR of the JBATA is available on the JBATA website (<http://www.jbatibor.or.jp/english/>).

### 2. Reason for Debt Financing

The borrowing above mentioned shall be used to apply the funds toward a payment for the acquisition of trust beneficiary interest in real estate (H-21, Tanoshii ie Ota tamagawa) stated in the press release “Notice Concerning Acquisition of Properties (Residential Property and Healthcare Property)” announced today 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 30-B-1, -2, -3 with floating interest rate.

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

		Series30-B-1	Series 30-B-2	Series 30-B-3
Counterparty		To be determined <sup>(Note)</sup>		
Notional Amount		¥1,000 million	¥800 million	¥500 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 1 month)		
Commencement Date		September 28, 2018		
Termination Date		September 30, 2028		
Payment Date		The interest payment is due at the end of October 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) Any undecided matters shall be determined on September 26, 2018 and will be announced after decision is made.

## 4. Status of the Interest-bearing Liabilities after the Borrowings (as of September 28, 2018)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings <sup>(Note 1)</sup>	2,630	2,630	—
Current portion of long-term borrowings <sup>(Note 2)</sup>	2,500	2,500	—
Long-term borrowings <sup>(Note 3)</sup>	110,700	113,700	+3,000
Total borrowings	115,830	118,830	+3,000
Investment corporation bonds	3,000	3,000	—
Total interest-bearing liabilities	118,830	121,830	+3,000

(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.

## 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 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.**