

Translation of Japanese Original

November 16, 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 the Partial Prepayment of Debt Financing

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) announced today the decision regarding the partial prepayment of debt financing (“the Prepayment”). The details are provided as follows.

1. Overview of Prepayment

(1) Details of the planned Prepayment (Short-term Loans (Series27-1))

① Lender	Sumitomo Mitsui Banking Corporation
② Borrowing Balance	1,830 million yen
③ Prepayment Amount	580 million yen
④ Balance after the Prepayment	1,250 million yen
⑤ Interest Rate	Base rate (JPY TIBOR for 1 month) TIBOR+0.35000%
⑥ Drawdown Date	July 31, 2018
⑦ Principal repayment Date	July 31, 2019
⑧ Collateral	Unsecured, unguaranteed

(2) Planned Date for Prepayment
November 30, 2018

2. Fund for Prepayment

The prepayment will be funded from part of the funds procured by the issuance of the Investment Corporation Bonds, which is described in the press release “Notice Concerning the Issuance of Investment Corporation Bonds” announced on Today.

3. Status of the Interest-bearing Liabilities after Prepayment and Issuance of the Investment Corporation Bonds (as of November 30, 2018)

(Unit: millions of yen)

Classification	Balance Before the Issuance of the Investment Corporation Bonds and the Prepayment	Balance After the Issuance of the Investment Corporation Bonds and the Prepayment	Difference
Short-term Loans ^(Note 1)	2,630	2,050	-580
Long-term Loans due within one year ^(Note 2)	4,000	4,000	—
Long-term Loans ^(Note 3)	112,200	112,200	—
Total Loans	118,830	118,250	-580
Investment Corporation Bonds	3,000	5,000	+2,000
Total Interest-bearing Liabilities	121,830	123,250	+1,420

- (Note1) The “Short-term Loans” shall mean the loan with repayment date occurring no later than one year. However, if the first anniversary of the date of loan falls under a non-business day, the repayment date shall be the next business day and such loan of which term exceeds one year, shall be categorized as short-term loan.
- (Note2) The “Long-term Loans due within one year” shall mean the long term loans maturing within one year.
- (Note3) The “Long-term Loans” shall mean the loan with repayment date occurring later than one year.

4. Others

In relation to the risks associated with the Prepayment, there have been no significant changes to "the Investment Risks" stated in the securities report (*Yuka shoken hokokusyo*) submitted on October 30, 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.