

February 26, 2019

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

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today the decision regarding debt financing (total of ¥ 1.5billion). 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
31-A	Sumitomo Mitsui Banking Corporation	1,000	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.350%	February 26, 2019	February 28, 2019	February 28, 2020	Unsecured, unguaranteed • Repayment of principal in full on maturity date
31-B	MUFG Bank, Ltd.	500	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.375%			August 31, 2020	

(Note1) The first interest payment is due at the end of March 2019 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 the repayment of Series 24-A (¥1.5 billion) with repayment date of February 28, 2019^(Note).

(Note) Regarding the detail of Series 24-A, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on August 18, 2017

3. Status of the Interest-bearing Liabilities after the Borrowings (as of February 28, 2019)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	2,050	3,050	+1,000
Current portion of long-term borrowings ^(Note 2)	9,700	8,200	-1,500
Long-term borrowings ^(Note 3)	106,500	107,000	+500
Total borrowings	118,250	118,250	—
Investment corporation bonds	5,000	5,000	—
Total interest-bearing liabilities	123,250	123,250	—

(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.

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 February 4, 2019.

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

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.