

May 29, 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 and Execution of Interest Rate Swap Agreements

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today the decision regarding debt financing (total of ¥ 2.9 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
32-A	Mizuho Trust & Banking Co., Ltd.	¥ 400	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.325%	May 29, 2019	June 3, 2019	November 30, 2024	Unsecured, unguaranteed • Repayment of principal in full on maturity date
32-B	Mizuho Bank, Ltd.	¥ 2,000	To be determined ^(Note4) (Fixed rate)			May 31, 2025	
32-C	Shinsei Bank, Limited	¥ 500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.425%			November 30, 2025	

(Note 1) For 32-A and C, the first interest payment is due at the end of August 2019 and on the last day of every three month thereafter with the principal repayment day. For 32-B, the first interest payment is due at the end of June 2019 and on the last day of every month thereafter with the principal repayment day.

(Note 2) 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.

(Note 3) The Japanese Yen TIBOR of the JBATA is available on the JBATA website (<http://www.jbatibor.or.jp/english/>).

(Note 4) Any undecided matters shall be determined on May 30, 2019 and will be announced after decision is made.

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-23:Serabi Ebisu, H-24:Arute Ishiyagawa) stated in the press release “Notice Concerning Acquisition of Properties (Total of 3 Healthcare Properties)” announced February 4, 2019 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 32-A and Series 32-C with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 32-A	Series 32-C
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 400 million	¥ 500 million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)	
Commencement Date		June 3, 2019	
Termination Date		November 30, 2024	November 30, 2025
Payment Date		The interest payment is due at the end of August 2019, and on the last day of every three 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 May 30, 2019 and will be announced after decision is made.

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

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	3,050	3,050	—
Current portion of long-term borrowings ^(Note 2)	8,200	8,200	—
Long-term borrowings ^(Note 3)	107,000	109,900	+2,900
Total borrowings	118,250	121,150	+2,900
Investment corporation bonds	5,000	5,000	—
Total interest-bearing liabilities	123,250	126,150	+2,900

(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 report (*Yuka shoken hokokusyo*) submitted on April 25, 2019.

* 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.