

September 12, 2019

To All Concerned Parties

**REIT Issuer:**

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

**Asset Management Company:**

Kenedix Real Estate Fund Management, Inc.  
 Representative: Masahiko Tajima, President & CEO  
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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 ¥ 1 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
34	Sumitomo Mitsui Banking Corporation	¥1,000	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.500%	September 12, 2019	September 17, 2019	August 31, 2026	Unsecured, unguaranteed · Repayment of principal in full on maturity date

(Note1) The first interest payment is due at the end of November 2019 and on the last day of every three 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 (T-84 KDX Residence Nishi-Funabashi) stated in the press release “Notice Concerning Acquisition of Properties (Total of 3 residential Properties)” 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 34 with floating interest rate.

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

		Series 34
Counterparty		Sumitomo Mitsui Trust Bank, Limited
Notional Amount		¥ 1,000 million
Interest Rate	Fixed interest Rate for payment	0.0716%
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)
Commencement Date		September 17, 2019
Termination Date		August 31, 2026
Payment Date		The interest payment is due at the end of November 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) By entering into the interest swap agreements, the interest rate for Series 34 is essentially fixed at 0.5716%.

## 4. Status of the Interest-bearing Liabilities after the Borrowings (as of September 17, 2019)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings <sup>(Note 1)</sup>	2,500	2,500	—
Current portion of long-term borrowings <sup>(Note 2)</sup>	14,000	14,000	—
Long-term borrowings <sup>(Note 3)</sup>	104,400	105,400	+1,000
Total borrowings	120,900	121,900	—
Investment corporation bonds	5,000	5,000	—
Total interest-bearing liabilities	125,900	126,900	+1,000

(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 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.**