

**Translation of Japanese Original**

December 23, 2019

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.  
Representative: Masahiko Tajima, President & CEO  
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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 (Series28-A))
- i. Lender: Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation
  - ii. Borrowing Balance: 5,700 million yen
  - iii. Prepayment Amount: 2,000 million yen
  - iv. Balance after the Prepayment: 3,700 million yen
  - v. Interest Rate: Base rate (JPY TIBOR for 1 month) TIBOR+0.37500%
  - vi. Drawdown Date: August 2, 2018
  - vii. Principal repayment Date: January 31, 2020
  - viii. Collateral: Unsecured, unguaranteed

The debt financing subject to prepayment are the borrowings of Series 28-A described in the press release "Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements" announced on July 25, 2018, which were procured to be used as part of the funds for the acquisition of real estate trust beneficiary interests (9 properties) related to " Notice Concerning Acquisition of Properties and Conclusion of Lease Contracts with New Tenants (4 Residential Properties and 5 Healthcare Properties)" and related expenses announced on July 13, 2018.

- (2) Planned Date for Prepayment  
December 30, 2019

**2. Fund for Prepayment**

The prepayment will be funded from full amount of funds procured by the issuance of the Investment Corporation Bonds, which is described in the press release "Notice Concerning the Issuance of the Investment Corporation Bonds (Social Bond)" announced on December 11, 2019.

**3. Status of the Interest-bearing Liabilities after Prepayment (as of December 30, 2019)**

(Unit: millions of yen)

	Classification	Balance Before the Prepayment	Balance After the Prepayment	Difference
	Short-term Loans <sup>(Note 1)</sup>	2,500	2,500	—
	Long-term Loans due within one year	14,800	12,800	-2,000

(Note 2)			
Long-term Loans <sup>(Note 3)</sup>	105,550	105,550	—
Total Loans	122,850	120,850	-2,000
Investment Corporation Bonds	7,000	7,000	—
Total Interest-bearing Liabilities	129,850	127,850	-2,000

(Note 1) 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.

(Note 2) The “Long-term Loans due within one year” shall mean the long term loans maturing within one year.

(Note 3) 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 29, 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.***