

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 Agreement

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today the decision regarding debt financing (total of ¥ 4,730 million) and execution of interest rate swap agreement. The 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
47-A①	Sumitomo Mitsui Banking Corporation	¥ 900	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.550%	September 28, 2020	September 30, 2020	September 30, 2028	Unsecured, unguaranteed • Repayment of principal in full on maturity date
47-A②	Mizuho Bank, Ltd	¥ 800	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.550%				
47-A③	Mizuho Bank, Ltd	¥ 1,330	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.550%				
47-A④	Resona Bank, Limited.	¥ 500	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.450%				
47-A⑤	Mizuho Trust & Banking Co., Ltd.	¥ 400	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.500%				
47-B	MUFG Bank, Ltd.	¥ 800	0.550% ^(Note 4) (Fixed rate)				

(Note 1) The interest payment is due at the end of December 2020 and on the last day of every three months 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) The interest rate applicable period is from September 30, 2020 to September 30, 2028.

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-93: KDX Residence Hatchobori, T-94: KDX Residence Nakaitabashi) stated in the press release “Notice Concerning Acquisition of Properties (2 Residential Properties)” announced on September 28, 2020 and associated costs thereof.

3. Interest Rate Swap Agreement

(1) Reason for Executing the Interest Rate Swap Agreement

For a hedge against possible increases in future interest rate for series 47-A①②③④⑤ with floating interest rate.

(2) Details of the Interest Rate Swap Agreement

		Series 47-A①	Series 47-A②	Series 47-A③	Series 47-A④	Series 47-A⑤
Counterparty		Nomura Securities Co.,Ltd.				
Notional Amount		¥ 900million	¥ 800million	¥ 1,330million	¥ 500million	¥ 400million
Interest Rate	Fixed interest Rate for payment	0.1080%				
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)				
Commencement Date		September 30, 2020				
Termination Date		September 30, 2028				
Payment Date		The interest payment is due at the end of December 2020, and on the last day of every three months 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 47-A①②③ are essentially fixed at 0.6580%, Series 47-A④ is essentially fixed at 0.5580%, and Series 47-A⑤ is essentially fixed at 0.6080%.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of September 30, 2020)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	2,800	2,800	—
Current portion of long-term borrowings ^(Note 2)	16,500	16,500	—
Long-term borrowings ^(Note 3)	110,390	115,120	+4,730
Total borrowings	129,690	134,420	+4,730
Investment corporation bonds	7,000	7,000	—
Total interest-bearing liabilities	136,690	141,420	+4,730

(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 28, 2020.

* 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.