

To All Concerned Parties

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 Representative: Keisuke Sato, Executive Director
 (Securities Code: 3278)

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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 ¥4.1 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 (Scheduled)	Drawdown Date	Principal repayment Date (Note 2)	Collateral • Repayment Method
51-A	Sumitomo Mitsui Banking Corporation	¥800	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.35000%	January 27, 2021	January 29, 2021	January 31, 2022	Unsecured, unguaranteed • Repayment of principal in full on maturity date
51-B	MUFG Bank, Ltd.	¥1,000	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.50000%			January 31, 2028	
52①	Mizuho Bank, Ltd	¥1,200	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.35000%			January 31, 2025	
52②	Mizuho Trust & Banking Co., Ltd.	¥1,100	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.30000%				

(Note 1) For series 51-A, the first interest payment is due at the end of February 2021 and on the last day of every month thereafter with final due on the principal repayment day. For series 51-B and series 52①②, the first interest payment is due at the end of April 2021 and on the last day of every three months thereafter with final due on 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/>).

2. Reason for Debt Financing

The proceeds of this debt financing are to be used for the repayment of the borrowing series 37-A (¥0.8 billion) and series 4-A (¥1.0 billion) with the principal repayment date of January 29, 2021 and the funds toward a payment for the acquisition of trust beneficiary interest in real estate (T-96: KDX Residence Ikebukuro West) stated in the press release “Notice Concerning Acquisition of Property (KDX Residence Ikebukuro West) and Sale of Property (KDX Residence Sendagaya)” announced on January 26, 2021 and associated costs thereof.

(Note 1) For detail of series 37-A, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on January 29, 2020.

(Note 2) For detail of series 4-A, please refer to the press release “Notice Concerning Debt Financing, Prepayment of Debt Financing and the Execution of an Interest-Rate Swap Agreements” announced on January 29, 2014.

3. Interest Rate Swap Agreements

(1) Reason for Executing the Interest Rate Swap Agreements

For a hedge the risk of increasing interest rates in future for series 51-B and 52①② with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 51-B
Counterparty		To be determined ^(Note)
Notional Amount		¥ 1,000 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		January 29, 2021
Termination Date		January 31, 2028
Payment Date		The first payment is due at the end of April 2021, and on the last day of every three months thereafter, with the last payment on the principal repayment day. (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 January 27, 2021 and will be announced after decision is made.

		Series 52①	Series 52②
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 1,200 million	¥ 1,100 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		January 29, 2021	
Termination Date		January 31, 2025	
Payment Date		The first payment is due at the end of April 2021, and on the last day of every three months thereafter, with the last payment on the principal repayment day. (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 January 27, 2021 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of January 29, 2021)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	2,800	2,000	-800
Current portion of long-term borrowings ^(Note 2)	14,200	13,200	-1,000
Long-term borrowings ^(Note 3)	118,920	123,020	+4,100
Total borrowings	135,920	138,220	+2,300
Investment corporation bonds	7,000	7,000	—
Total interest-bearing liabilities	142,920	145,220	+2,300

(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 October 29, 2020.

* 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.