

August 24, 2021

To All Concerned Parties

REIT Issuer:

Kenedix Residential Investment Corporation
 Representative: Shin Yamamoto, Executive Director
 (Securities Code Number: 3278)

Asset Management Company

Kenedix Real Estate Fund Management, Inc.
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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 ¥ 1.7 billion) and execution of interest rate swap agreement. 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
58-A	Aozora Bank, Ltd.	¥500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.47500%	August 27, 2021	August 31, 2021	February 28, 2029	Unsecured, unguaranteed • Repayment of principal in full on maturity date
58-B	MUFG Bank, Ltd.	¥600	To be determined ^(Note 4) (Fixed rate)				
58-C	Sumitomo Mitsui Banking Corporation	¥600	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.52500%			February 28, 2030	

(Note 1) The first interest payment is due at the end of November 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/>).

(Note 4) Any undecided matters shall be determined on August 27, 2021 and will be announced after the decision is made.

2. Reason for Debt Financing

The proceeds of this debt financing are to be used for the repayment of the borrowing series 9^(note) (Total ¥1.7 billion) with the principal repayment date of August 31, 2021.

(Note) For detail of series 9, please refer to the press release “Notice Concerning Debt Financing and the Execution of Interest-Rate Swap Agreements” announced on August 27, 2014.

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 58-A and Series 58-C with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 58-A
Counterparty		To be determined ^(Note)
Notional Amount		¥ 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		August 31, 2021
Termination Date		February 28, 2029
Payment Date		The interest payment is due at the end of November 2021, 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.)

		Series 58-C
Counterparty		To be determined ^(Note)
Notional Amount		¥ 600 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		August 31, 2021
Termination Date		February 28, 2030
Payment Date		The interest payment is due at the end of November 2021, 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) Any undecided matters shall be determined on August 27, 2021 and will be announced after the decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of August 31, 2021)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings ^(Note 1)	0	0	-
Current portion of long-term borrowings ^(Note 2)	22,000	20,300	-1,700
Long-term borrowings ^(Note 3)	118,020	119,720	+1,700
Total borrowings	140,020	140,020	-
Investment corporation bonds	7,700	7,700	-
Total interest-bearing liabilities	147,720	147,720	-

(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.

(Note4) The First Series Unsecured Investment Corporation Bonds (Ranking pari passu among the specified investment corporation bonds) (total issued amount :1.0 billion yen) will be redeemed on August 30, 2021 by using cash on hand.

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, 2021.

* 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.