

To All Concerned Parties

REIT Issuer:
Kenedix Residential Next Investment Corporation
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 ¥ 0.8 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
45①	MUFG Bank, Ltd.	500	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.500%	August 27, 2020	August 31, 2020	August 31, 2028	Unsecured, unguaranteed • Repayment of principal in full on maturity date
45②	Aozora Bank, Ltd.	300	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.550%				

(Note 1) The first interest payment is due at the end of November 2020 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 proceed of this debt financing is to be used for the repayment of the borrowing series 15-A (¥ 0.3 billion) and Series 31-B (¥ 0.5 billion) with repayment date of August 31, 2020.

(Note) Regarding the detail of series 15-A, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on August 25, 2015 and the detail of series 31-B, please refer to the press release “Notice Concerning Debt Financing” announced on February 26, 2019.

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 45①② with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 45①	Series 45②
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 500 million	¥ 300 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, 2020	
Termination Date		August 31, 2028	
Payment Date		The first payment is due at the end of November 2020, 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 August 27, 2020 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of August 31, 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)	17,300	16,500	-800
Long-term borrowings ^(Note 3)	108,750	109,550	+800
Total borrowings	128,850	128,850	—
Investment corporation bonds	7,000	7,000	—
Total interest-bearing liabilities	135,850	135,850	—

(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.