

To All Concerned Parties

REIT Issuer:

Kenedix Residential Next Investment Corporation
 Representative: Keisuke Sato, Executive Director
 (Securities Code: 3278)

Asset Management Company:

Kenedix Real Estate Fund Management, Inc.
 Representative: Masahiko Tajima, President & CEO
 Contact: Shin Yamamoto, Head of Planning
 Division, Residential REIT Department
 TEL: +81-3-5157-6011

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 ¥ 1,500 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
49-A	Mizuho Bank, Ltd	¥ 500	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.375%	October 29, 2020	November 2, 2020	April 30, 2025	Unsecured, unguaranteed
49-B	Mizuho Trust & Banking Co., Ltd.	¥ 1,000	Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.450%			October 31, 2027	Repayment of principal in full on maturity date

(Note 1) The interest payment is due at the end of January 2021 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/>).

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-95: KDX Residence Shonandai) stated in the press release “Notice Concerning Acquisition of Properties (1 Residential Property and Additional Acquisition of 2 Existing Properties)” announced on October 27, 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 49-A, 49-B with floating interest rate.

(2) Details of the Interest Rate Swap Agreement

		Series 49-A	Series 49-B
Counterparty		To be determined ^(Note)	
Notional Amount		¥ 500million	¥ 1,000million
Interest Rate	Fixed interest Rate for payment	To be determined ^(Note)	To be determined ^(Note)
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)	
Commencement Date		November 2, 2020	
Termination Date		April 30, 2025	October 31, 2027
Payment Date		The interest payment is due at the end of January 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 October 23, 2020 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of November 2, 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)	16,200	16,500	—
Long-term borrowings ^(Note 3)	115,420	116,920	+1,500
Total borrowings	134,420	135,920	+1,500
Investment corporation bonds	7,000	7,000	—
Total interest-bearing liabilities	141,420	142,920	+1,500

(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.