KENEDIX
Residential NEXT Investment Corporation

Translation of Japanese Original

November 26, 2019

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 Agreements

Kenedix Residential Next Investment Corporation (the "Investment Corporation") announced today the decision regarding debt financing (total of ¥1.5 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	Drawdown Date	Principal repayment Date (Note 2)	Collateral・Repayment Method
36	MUFG Bank, Ltd.	¥1,500	Base rate(Note 3) (JPY TIBOR for 3 months) +0.500%	November 26, 2019	November 29, 2019	November 30, 2023	Unsecured, unguaranteed・Repayment of principal in full on maturity date

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

2. Reason for Debt Financing

The proceed of this debt financing is to be used for the repayment of the borrowing Series 11-B (amount of ¥1.5 billion) with repayment date of November 29, 2019 (Note).

(Note) Regarding the detail of Series11-B, please refer to the press release "Notice Concerning Debt Financing" announced on September 30, 2019.

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 36 with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 36
Counterparty		To be determined (Note)
Notional Amount		¥1,500 million
Interest Rate	Fixed interest Rate for payment	To be determined (Note)
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 months)
Commencement Date		November 29, 2019
Termination Date		November 30, 2026
Payment Date		The interest payment is due at the end of February 2019, 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 previous business day will be applied.)

(Note) Any undecided matters shall be determined on November 27, 2019 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of November 29, 2019)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings(Note 1)	2,500	2,500	—
Current portion of long-term borrowings(Note 2)	14,300	12,800	-1,500
Long-term borrowings(Note 3)	106,050	107,550	+1,500
Total borrowings	122,850	122,850	—
Investment corporation bonds	5,000	5,000	—
Total interest-bearing liabilities	127,850	127,850	—

(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 October 29, 2019.

* 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.