KENEDIX
Residential NEXT Investment Corporation

Translation of Japanese Original

January 29, 2020

To All Concerned Parties

REIT Issuer:
Kenedix Residential Next Investment Corporation
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(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 ¥3.5 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
37-A	Sumitomo Mitsui Banking Corporation	¥800	Base rate(Note 3) (JPY TIBOR for 1 month) +0.350 %	January 29, 2020	January 31, 2020	January 31, 2021	Unsecured, unguaranteed・Repayment of principal in full on maturity date
37-B①	MUFG Bank, Ltd.	¥900	Base rate(Note 3) (JPY TIBOR for 1 month) +0.375%			July 31, 2021	
37-B②	Mizuho Bank, Ltd	¥500	Base rate(Note 3) (JPY TIBOR for 1 month) +0.375%				
37-C①	Shinsei Bank, Limited.	¥500	Base rate(Note 3) (JPY TIBOR for 3 months) +0.275%			July 31, 2023	
37-C②	Mizuho Trust & Banking Co., Ltd.	¥300	Base rate(Note 3) (JPY TIBOR for 3 months) +0.275%				
37-C③	Sumitomo Mitsui Trust Bank, Limited.	¥300	Base rate(Note 3) (JPY TIBOR for 3 months) +0.275%				
37-C④	The Bank of Fukuoka, Ltd.	¥200	Base rate(Note 3) (JPY TIBOR for 3 months) +0.275%				

(Note 1) The first interest payment for Series 37-A and 37-B①② are due at the end of February 2020 and on the last day of every one month thereafter with the principal repayment day. The first interest payment for Series 37-C①②③④ are due at the end of April 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 proceeds of this debt financing will be used to repay a partial (¥ 3.5 billion) of the series 28-A (¥ 3.7 billion) due on January 31, 2020. (Note) The remaining amount of Series 28-A (¥ 0.2 billion) will be repaid with cash on hand on the principal repayment date.

(Note) For details of Series 28-A, please refer to the press release "Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements" announced on July 25, 2018 and "Notice Concerning the Partial Prepayment of Debt Financing" announced on December 23, 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 37-C①②③④with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 37-C①	Series 37-C②	Series 37-C③	Series 37-C④
Counterparty		Nomura Securities Co.,Ltd.			
Notional Amount		¥ 500 million	¥ 300 million	¥ 300 million	¥ 200 million
Interest Rate	Fixed interest Rate for payment	0.05400%			
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)			
Commencement Date		January 31, 2020			
Termination Date		July 31, 2023			
Payment Date		The first payment is due at the end of April 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) By entering into the interest swap agreements, the interest rate for Series 37-C①②③④ are essentially fixed at 0.32900%.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of January 31, 2020)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings(Note 1)	2,500	3,300	+800
Current portion of long-term borrowings(Note 2)	12,800	10,100	-2,700
Long-term borrowings(Note 3)	105,550	107,250	+1,700
Total borrowings	120,850	120,650	-200
Investment corporation bonds	7,000	7,000	—
Total interest-bearing liabilities	127,850	127,650	-200

(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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