KENEDIX
Residential NEXT Investment Corporation

Translation of Japanese Original

July 22, 2020

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 ¥ 8.3 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
42①	Sumitomo Mitsui Banking Corporation	¥1,750	Base rate(Note 3) (JPY TIBOR for 3 month) +0.55000%	July 27, 2020	July 29, 2020	July 31, 2028	Unsecured, unguaranteed・Repayment of principal in full on maturity date
42②	Shinsei Bank, Limited	¥1,750	Base rate(Note 3) (JPY TIBOR for 3 month) +0.50000%				
42③	MUFG Bank, Ltd.	¥1,000	Base rate(Note 3) (JPY TIBOR for 3 month) +0.50000%				
42④	Mizuho Bank, Ltd	¥500	Base rate(Note 3) (JPY TIBOR for 3 month) +0.50000%				
42⑤	Resona Bank, Limited.	¥500	Base rate(Note 3) (JPY TIBOR for 3 month) +0.50000%				
42⑥	Mizuho Trust & Banking Co., Ltd.	¥500	Base rate(Note 3) (JPY TIBOR for 3 month) +0.50000%				
43-A	Sumitomo Mitsui Banking Corporation	¥500	Base rate(Note 3) (JPY TIBOR for 1 month) + 0.30000%		July 31, 2020	July 31, 2021	
43-B	Sumitomo Mitsui Banking Corporation	¥1,000	Base rate(Note 3) (JPY TIBOR for 3 month) + 0.55000%			July 31, 2028	
44	Mizuho Trust & Banking Co., Ltd.	¥800	Base rate(Note 3) (JPY TIBOR for 3 month) +0.50000%	July 30, 2020	August 3, 2020		

（Note 1） For series 42, series 43-B and series 44, the first interest payment is due at the end of October 2020 and on the last day of every three months thereafter with final due on the principal repayment day. For series 43-A, the first interest payment is due at the end of August 2020 and on the last day of every month 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 proceeds of this debt financing are to be used for the repayment of the borrowing series 1-C (¥6.0 billion), series 33-A (¥1.5 billion) with the principal repayment date of July 29,2020 and the funds toward a payment for the acquisition of trust beneficiary interest in real estate (T-91: KDX Residence Nakanobu) stated in the press release "Notice Concerning Acquisition of Properties and Conclusion of Lease Contracts with New Tenants (Total of 5 Residential Properties and 2 Accommodations)" announced on February 10, 2020 and associated costs thereof.

（Note 1）For detail of series 1-C, please refer to the press release "Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements" announced by former Japan Senior Living Investment Corporation on July 29, 2015.

（Note 2）For detail of series 33-A, please refer to the press release "Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements" announced on July 29, 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 42, series 43-B and series 44 with floating interest rate.

(2) Details of the Interest Rate Swap Agreements

		Series 42①	Series 42②	Series 42③	Series 42④	Series 42⑤	Series 42⑥
Counterparty		To be determined(Note)					
Notional Amount		¥ 1,750 million	¥ 1,750 million	¥ 1,000 million	¥ 500 million	¥ 500 million	¥ 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		July 29, 2020					
Termination Date		July 31, 2028					
Payment Date		The first payment is due at the end of October 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 July 27, 2020 and will be announced after decision is made.

		Series 43-B
Counterparty		To be determined(Note)
Notional Amount		¥ 1,000 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		July 31, 2020
Termination Date		July 31, 2028
Payment Date		The first payment is due at the end of October 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 July 29, 2020 and will be announced after decision is made.

		Series 44
Counterparty		To be determined(Note)
Notional Amount		¥800 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 3, 2020
Termination Date		July 31, 2028
Payment Date		The first payment is due at the end of October 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 July 30, 2020 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of August 3, 2020)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings(Note 1)	3,800	2,800	-1,000
Current portion of long-term borrowings(Note 2)	10,850	10,850	—
Long-term borrowings(Note 3)	113,400	115,200	+1,800
Total borrowings	128,050	128,850	+800
Investment corporation bonds	7,000	7,000	—
Total interest-bearing liabilities	135,050	135,850	+800

(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/

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