

September 17, 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.
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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 ¥ 840 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 |
|--------|--|---------------------|---|-----------------------|-----------------------|---|---|
| 46 | Sumitomo Mitsui Banking Corporation | ¥ 840 | Base rate ^(Note 3) (JPY TIBOR for 3 month) + 0.550% | September 18, 2020 | September 24, 2020 | September 30, 2028 | Unsecured, unguaranteed • Repayment of principal in full on maturity date |

(Note 1) The interest payment is due at the end of December 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 borrowing above mentioned shall be used to apply the funds toward a payment for the acquisition of trust beneficiary interest in real estate (T-92: KDX Residence Ichikawa) stated in the press release “Notice Concerning Acquisition of Properties (KDX Residence Ichikawa)” announced on August 25, 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 46 with floating interest rate.

(2) Details of the Interest Rate Swap Agreement

| | | |
|-------------------|------------------------------------|--|
| | | Series 46 |
| Counterparty | | To be determined ^(Note) |
| Notional Amount | | ¥ 840million |
| 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 | | September 24, 2020 |
| Termination Date | | September 30, 2028 |
| Payment Date | | The interest payment is due at the end of December 2020, 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 September 18, 2020 and will be announced after decision is made.

4. Status of the Interest-bearing Liabilities after the Borrowings (as of September 24, 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) | 16,500 | 16,500 | — |
| | Long-term borrowings ^(Note 3) | 109,550 | 110,390 | +840 |
| | Total borrowings | 128,850 | 129,690 | +840 |
| | Investment corporation bonds | 7,000 | 7,000 | — |
| | Total interest-bearing liabilities | 135,850 | 136,690 | +840 |

(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]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.