

Translation of Japanese Original

December 7, 2022

To All Concerned Parties

REIT Issuer:
Kenedix Residential Next Investment Corporation
Representative: Tetsu Kawashima, Executive Director
(Securities Code Number: 3278)

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Notice Concerning Debt Financing (Series 73)

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) announced today its decision to undertake debt financing (for a total of 1,300 million yen) (the “Borrowing”). The details are provided as follows. In addition, the Borrowing is to be procured as social loan (“Social Loan”) in accordance with the Social Finance Framework defined by the Investment Corporation.

1. Details of Debt Financing

Series	Lender	Amount (millions of yen)	Interest Rate (Note 1)	Contract Date (scheduled)	Drawdown Date (scheduled)	Principal Repayment Date (Note 1)	Collateral / Repayment Method
73	The Norinchukin Bank	1,300	To be determined (Fixed rate) (Note 2)	December 9, 2022	December 13, 2022	November 30, 2026	Unsecured, unguaranteed / Repayment of principal in full on maturity date

(Note 1) The first interest payment is at the end of February 2023, and on the last day of every three months thereafter, with the last interest payment on the principal repayment date. The interest payment and the principal repayment will be made on the following business day in case such date falls on a non-business day and the preceding business day in case such date falls in the next calendar month.

(Note 2) The undecided matters shall be determined on December 9, 2022 and will be announced upon decision is made.

2. Purpose of Debt Financing

The proceeds of the Borrowing will be applied to the portion of the acquisition of trust beneficiary interest in real estate related to healthcare facilities described in “Notice Concerning Acquisition of Properties (Total of 2 Residential Properties and 5 Healthcare Facilities) and Sale of Property (KDX Residence Higashi-sakura II) announced on November 28, 2022.

3. Outline of the Social Finance Framework and Social Loan

(1) Reason for Introducing Social Loan

The basic philosophy of the Investment Corporation is to obtain stable return and pursue sustainable growth through investments in various assets, what we call “spaces where people live and stay.” The Investment Corporation connecting the capital market and the healthcare industry aims to maximize unitholder value by investing in healthcare-related facilities considered to be social infrastructures, one of the main investment targets as well as by bringing operational stability.

The Investment Corporation decided to procure funds through Social Loan in accordance with its social finance

framework. The objective is to contribute to the development of the domestic social financial market by further enhancing initiatives for sustainability through this funding and collaboration with financial institutions who are proactively engaging into ESG investment and financing.

The Investment Corporation received “Social 1(F),” the highest rating in “JCR Social Finance Framework Assessment,” from Japan Credit Rating Agency, Ltd. (JCR) with regard to the eligibility of social finance framework^(Note) (hereafter be referred to as the “Framework”) in November, 2019.

(Note) For details, please refer to the press release “Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Social Bond” announced on November 26, 2019.

(2) Amount of Funds to be Raised, Use of Proceeds and Scheduled Disbursement

- (i) Amount of funds to be raised 1,300 million yen
- (ii) Specific use of funds and scheduled disbursement

The funds procured through Social Loan is scheduled to be used for the acquisition of an asset eligible for social finance^(Note) on December 13, 2022.

(Note) Assets eligible for social finance refer to assets fulfilling the following eligibility criteria.

Senior living facilities	<ul style="list-style-type: none"> • Private senior homes • Serviced senior housing • Apartments for the elderly • Group homes for elderly with cognitive impairment • Small multi-function facilities • Daycare facilities, etc.
Medical facilities	<ul style="list-style-type: none"> • Hospitals • Clinics • Medical malls • Nursing and health facilities, etc.

4. Status of the Interest-bearing Debt after the Borrowing (as of December 13, 2022)

(Unit: Millions of yen)

Classification	Balance Before the Borrowing	Balance After the Borrowing	Difference
Short-term borrowings ^(Note 1)	8,250	8,250	—
Current portion of long-term borrowings ^(Note 2)	16,500	16,500	—
Long-term borrowings ^(Note 3)	129,170	130,470	+1,300
Total borrowings	153,920	155,220	+1,300
Investment corporation bonds	7,700	7,700	—
Total interest-bearing Debt	161,620	162,920	+1,300

(Note 1) Short-term borrowings refer to debt financing with a period of less than or equal to one year from the borrowing date to the maturity date. However, in the case where the maturity date has been moved to a different business day because the maturity date of one year from the borrowing date is not a business day, and as a result the borrowing period surpasses one year, the borrowings are included in short-term borrowings.

(Note 2) Current portion of long-term borrowings refer to long-term borrowings with a period of within one year.

(Note 3) Long-term borrowings refer to debt financing with a period of more than one year from the borrowing date to the maturity date.

5. Other Matters

Risks pertaining to the Borrowing and repayment remain unchanged from the description of “Investment Risks” described in the Securities Report submitted on October 25, 2022 and the Securities Registration Statement submitted on November 28, 2022.

* 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.