

August 22, 2023

To All Concerned Parties

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

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Notice Concerning Debt Financing (Series 84) and the Execution of Interest Rate Swap Agreement

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today its decision to undertake debt financing (for a total of 5,950 million yen) (the “Borrowings”) and the execution of interest rate swap agreement. Furthermore, the Borrowings is to be partially procured as a social loan in accordance with the Social Finance Framework defined by the Investment Corporation. The details are provided as follows.

1. Details of Borrowings

Series	Lender	Amount (Millions of yen)	Interest Rate (Note 1)	Contract Date (Scheduled)	Drawdown Date (Scheduled)	Principal Repayment Date (Note 1)	Collateral / Repayment Method
84-A (Note 2)	Sumitomo Mitsui Banking Corporation	1,000	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.25000%	August 29, 2023	August 31, 2023	August 31, 2024	Unsecured, unguaranteed / Repayment of principal in full on maturity date
84-B	Sumitomo Mitsui Trust Bank, Limited	700	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.17500%			February 28, 2026	
84-C ①	Sumitomo Mitsui Banking Corporation	1,200	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.25000%			August 31, 2026	
84-C ②	Aozora Bank, Ltd.	500	Base rate ^(Note 3) (JPY TIBOR for 1 month) +0.20000%				
84-D ①	MUFG Bank, Ltd.	900	To be determined ^(Note 4) (Fixed rate)			August 31, 2028	
84-D ②	Aozora Bank, Ltd.	650					
84-E (Note 2)	Sumitomo Mitsui Banking Corporation	1,000	Base rate ^(Note 3) (JPY TIBOR for 3 month) +0.45000%			August 31, 2030	

(Note 1) The first interest payment is at the end of September 2023, and on the last day of every month thereafter, with the last interest payment on the principal repayment date for Series 84-A, 84-B, 84-C① and 84-C②. For Series 84-D①, 84-D② and 84-E, the first interest payment is at the end of November 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 borrowing is to be procured as social loan in accordance with the Social Finance Framework defined by the Investment Corporation. For details concerning “Social Finance Framework” and “Eligibility Criteria”, please refer to the press release “Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Social Bond” dated November 26, 2019.

(Note 3) The Japanese Yen TIBOR of the JBATA is available on the JBATA website (<http://www.jbatibor.or.jp/english/>).

(Note 4) The undecided matters shall be determined on August 29, 2023, and will be announced upon when the decision is made.

2. Purpose of the Borrowings

The proceeds of Series 84 will be applied to the repayment of the existing borrowings Series 15-D^(Note 1), Series 29-C^①^(Note 2), Series 29-C^②^(Note 2), Series 29-C^③^(Note 2), Series 70^(Note 3) and Series 71^(Note 4).

(Note 1) For detail of Series 15-D, please refer to the press release “Notice Concerning Debt Financing and the Execution of Interest-Rate Swap Agreements” dated August 25, 2015.

(Note 2) For detail of Series 29-C^①, 29-C^② and 29-C^③, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” dated August 28, 2018.

(Note 3) For detail of Series 70, please refer to the press release “Notice Concerning Debt Financing” dated September 13, 2022.

(Note 4) For detail of Series 71, please refer to the press release “Notice Concerning Debt Financing” dated September 22, 2022.

3. Interest Rate Swap Agreement

(1) Reason for Executing Interest Rate Swap Agreement

To hedge against possible increases in future interest rate for Series 84-E with floating interest rate.

(2) Details of Interest Rate Swap Agreement

		Series 84-E
Counterparty		To be determined ^(Note)
Notional Amount		¥ 1,000 million in total
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 31, 2023
Termination Date		August 31, 2030
Payment Date		The interest payment is due at the end of November 2023, 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) The undecided matters shall be determined on August 29, 2023, and will be announced upon when the decision is made.

4. Status of the Interest-bearing Debt after the Borrowings (as of August 31, 2023)

(Millions of yen)

Category		Balance before the Borrowings	Balance after the Borrowings	Difference
	Short-term borrowings ^(Note 1)	2,000	1,000	-1,000
	Current portion of long-term borrowings ^(Note 2)	23,850	19,900	-3,950
	Long-term borrowings ^(Note 3)	132,370	137,320	+4,950
	Total borrowings	158,220	158,220	-
	Investment corporation bonds	7,700	7,700	-
Total borrowings and investment corporation bonds		165,920	165,920	-

(Note 1) Short-term borrowings refer to the amount of 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 the amount of long-term borrowings with a period of within one year.

(Note 3) Long-term borrowings refer to the amount of 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 Borrowings and repayment remain unchanged from the description of “Investment Risks” described in the Securities Report submitted on April 25, 2023.

* Website URL of the Investment Corporation: <https://www.kdr-reit.com/en/>

[Provisional Translation Only]

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