Translation of Japanese Original

KENEDIX
Retail REIT Corporation

April 18, 2016

To All Concerned Parties

REIT Issuer:
Kenedix Retail REIT Corporation
Representative: Akihiro Asano, Executive Director
(Securities Code: 3453)

Asset Manager :
Kenedix Real Estate Fund Management, Inc.
Representative: Ryosuke Homma, CEO and President
Contact: Koichiro Nobata, General Manager of Planning Department, Retail REIT Division
TEL: +81-3-5623-3868

Notice Concerning the Borrowings (Series 6/Series 7) and Execution of Interest Rate Swap

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 12,600 million yen) and the execution of interest rate swap transactions as follows.

1. Purpose of debt financing

KRR has decided to execute a debt financing agreement to raise funds for the acquisition of 7 properties (total anticipated acquisition price of 27,127 million yen) and certain related costs pertaining to the acquisitions. Please refer to the press release "Notice Concerning Acquisition and Leasing of Assets (7 properties)" released on March 31, 2016 for the details of the properties.

2. Details of debt financing (Series 6) (Anticipated borrowing date: April 21, 2016)

Short-term borrowing (Series 6-A-1)

(1)	Lender:	Sumitomo Mitsui Banking Corporation
(2)	Amount:	4,140 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.4500% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	April 21, 2017 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 6-A-2)

(1)	Lender:	Mizuho Bank, Ltd.
(2)	Amount:	360 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.4500% (Variable rate) (Note 1)

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(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	April 21, 2017 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Long-term borrowing (Series 6-B-1)

(1)	Lender:	Mizuho Bank, Ltd.
(2)	Amount:	710 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.4220% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	September 30, 2019 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Long-term borrowing (Series 6-B-2)

(1)	Lender:	Sumitomo Mitsui Trust Bank, Ltd.
(2)	Amount:	620 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.4220% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	September 30, 2019 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Long-term borrowing (Series 6-C)

(1)	Lender:	Sumitomo Mitsui Trust Bank, Ltd.
(2)	Amount:	450 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.6730% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	September 30, 2024 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

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Long-term borrowing (Series 6-D)

(1)	Lender:	Development Bank of Japan Inc.
(2)	Amount:	890 million yen
(3)	Interest rate:	Fixed interest rate (to be determined) (Note 3)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	September 30, 2024 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	The first payment at the end of May 2016 and on the last day of every 3 months thereafter until the end of August 2024, with the last interest payment at the maturity date. (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Long-term borrowing (Series 6-E)

(1)	Lender:	Sumitomo Mitsui Banking Corporation
(2)	Amount:	2,670 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.7500% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	April 21, 2026 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 6-F)

(1)	Lender:	Sumitomo Mitsui Banking Corporation
(2)	Amount:	800 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.4500% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 21, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	April 21, 2017 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Notes:

1. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www.jbatibor.or.jp/). The rate for the first interest payment is expected to be decided on April 19, 2016.
2. It will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.
3. Any undetermined matters will be determined on April 19, 2016 and there will be an announcement after determination.

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3. Details of debt financing (Series 7) (Anticipated borrowing date: April 22, 2016)

Short-term borrowing (Series 7-A)

(1)	Lender:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(2)	Amount:	1,070 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.4500% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 22, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	April 21, 2017 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Long-term borrowing (Series 7-B)

(1)	Lender:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(2)	Amount:	890 million yen
(3)	Interest rate:	JBA 1-month JPY TIBOR + 0.7270% (Variable rate) (Note 1)
(4)	Anticipated borrowing date:	April 22, 2016
(5)	Financing method:	KRR executed an individual debt financing agreement with the aforementioned lender on April 18, 2016
(6)	Maturity date:	October 31, 2025 (Note 2)
(7)	Repayment method:	Repayment of principal in full on maturity date
(8)	Interest payment date:	On the last day of every month after the borrowing date and maturity date (Note 2)
(9)	Collateral:	Unsecured, unguaranteed

Notes:

1. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www.jbatibor.or.jp/). The rate for the first interest payment is expected to be decided on April 20, 2016.
2. It will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.

4. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions as a hedge against possible increases in future interest rates for the above-mentioned borrowings (Series 6-B-1, 6-B-2, 6-C, 6-E and 7-B).

(2) Details of expected interest rate swap transactions

Interest rate swap transaction (Series 6-B-1)

Counterparty:	To be determined (Note)
Notional amount:	710 million yen
Interest rates:	Fixed interest rate for payment: To be determined (Note) Floating interest rate for receipt: base rate (JBA 1-month JPY TIBOR)
Commencement date:	April 21, 2016
Termination date:	September 30, 2019
Payment date:	The first payment will be made at the end of April 2016, and on the

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last day of every month thereafter, with the last interest payment on September 30, 2019 (The interest payment will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.)

Interest rate swap transaction (Series 6-B-2)

Counterparty:	To be determined (Note)
Notional amount:	620 million yen
Interest rates:	Fixed interest rate for payment: To be determined (Note) Floating interest rate for receipt: base rate (JBA 1-month JPY TIBOR)
Commencement date:	April 21, 2016
Termination date:	September 30, 2019
Payment date:	The first payment will be made at the end of April 2016, and on the last day of every month thereafter, with the last interest payment on September 30, 2019 (The interest payment will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.)

Interest rate swap transaction (Series 6-C)

Counterparty:	To be determined (Note)
Notional amount:	450 million yen
Interest rates:	Fixed interest rate for payment: To be determined (Note) Floating interest rate for receipt: base rate (JBA 1-month JPY TIBOR)
Commencement date:	April 21, 2016
Termination date:	September 30, 2024
Payment date:	The first payment will be made at the end of April 2016, and on the last day of every month thereafter, with the last interest payment on September 30, 2024 (The interest payment will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.)

Interest rate swap transaction (Series 6-E)

Counterparty:	To be determined (Note)
Notional amount:	2,670 million yen
Interest rates:	Fixed interest rate for payment: To be determined (Note) Floating interest rate for receipt: base rate (JBA 1-month JPY TIBOR)
Commencement date:	April 21, 2016
Termination date:	April 21, 2026
Payment date:	The first payment will be made at the end of April 2016, and on the last day of every month thereafter, with the last interest payment on April 21, 2026 (The interest payment will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.)

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Interest rate swap transaction (Series 7-B)

Counterparty:	To be determined (Note)
Notional amount:	890 million yen
Interest rates:	Fixed interest rate for payment: To be determined (Note) Floating interest rate for receipt: base rate (JBA 1-month JPY TIBOR)
Commencement date:	April 22, 2016
Termination date:	October 31, 2025
Payment date:	The first payment will be made at the end of April 2016, and on the last day of every month thereafter, with the last interest payment on October 31, 2025 (The interest payment will be the following business day in case such date falls on a day that is not a business day and the preceding business day in case such date falls in the next calendar month.)

Note: Any undetermined matter will be determined on April 19, 2016 for Series 6-B-1, 6-B-2, 6-C and 6-E and on April 20, 2016 for Series 7-B and there will be an announcement after determination.

5. Status of borrowings and corporate bonds after the borrowings (Series 6/Series 7)

(As of April 22, 2016) (millions of yen)

	Before the Borrowings (Series 6/Series 7)	After the Borrowings (Series 6/Series 7)	Difference
Short-term borrowings (Note 1)	6,500.0	12,870.0	+6,370.0
Long-term borrowings (Note 2)	51,000.0	57,230.0	+6,230.0
Total borrowings	57,500.0	70,100.0	+12,600.0
Corporate bonds	-	-	-
Total borrowings and corporate bonds	57,500.0	70,100.0	+12,600.0
Other interest-bearing debt (Note 3)	2,941.0	2,941.0	-
Total interest-bearing debt	60,441.0	73,041.0	+12,600.0

Notes:

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.
2. 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.
3. The amount of interest-bearing tenant leasehold and security deposit is indicated.

6. Other matters

Risks pertaining to the debt financing remain unchanged from those listed in "Chapter 2 Reference – Part 2 Supplementary Information 2. Investment Risks" of the securities registration statement submitted on March 31, 2016.

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Note: KRR's website address: http://www.krr-reit.com/en/

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