KENEDIX
Retail REIT Corporation

Translation of Japanese Original

January 26, 2017

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.
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Notice Concerning Debt Financing (Series 9) and Execution of Interest Rate Swap

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 4,000 million yen) and the execution of interest rate swap transactions as follows.

1. Details of debt financing

Series	Lender	Amount (million yen)	Interest rate (Note 1) (Note 2)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
9-A	The Gunma Bank, Ltd.	500	0.55% (Fixed rate)	January 26, 2017	January 31, 2017	September 30, 2021	Unsecured, unguaranteed Repayment of principal in full on maturity date
9-B-1	Development Bank of Japan Inc.	2,000	To be determined (Note 3) (Fixed rate)			January 31, 2027	
9-B-2	Mizuho Trust & Banking Co., Ltd.	1,000	To be determined (Note 3) (Fixed rate)				
9-B-3	Resona Bank, Ltd.	500	Base rate (Note 4) (JBA JPY 1-month TIBOR) +0.70%				

Notes:

1. For series 9-A, 9-B-2, 9-B-3, the first interest payment will be made at the end of February 2017, and on the last day of every month thereafter, with the last interest payment on the principal repayment day. For series 9-B-1, the first interest payment will be made at the end of February 2017, and on the last day of every three months thereafter, with the last interest payment on the principal repayment day.
2. 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.
3. Any undecided matters shall be determined on January 27, 2017 and will be announced after the decision is made.
4. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www.jbatibor.or.jp/english/).

2. Purpose of debt financing

KRR has decided to execute debt financing agreements to raise funds for the acquisition of a property (acquisition price of 4,111 million yen) and certain related costs pertaining to the acquisition. Please refer to the press release "Notice Concerning Acquisition of Property (Seiyu Rakuichi Moriya (Land))" released today for the details of the property.

3. Interest Rate Swap transaction

(1) Purpose

KRR has decided to execute interest rate swap transactions as hedges against possible increases in future interest rates for the above-mentioned borrowing (Series 9-B-3).

(2) Details of expected interest rate swap transactions

		Series 9-B-3
Counterparty		To be determined (Note)
Notional amount		500 million yen
Interest rates	Fixed interest rate for payment	To be determined (Note)
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR)
Commencement date		January 31, 2017
Termination date		January 31, 2027
Payment date		The first payment will be made at the end of February 2017, and on the last day of every month thereafter, with the last payment on the termination date. (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 January 27, 2017 and there will be an announcement after determination.

4. Status of borrowings and corporate bonds after the borrowings (as of January 31, 2017)

(millions of yen)

	Before the borrowings	After the borrowings	Difference
Short-term borrowings (Note 1)	11,470.0	11,470.0	-
Long-term borrowings (Note 2)	57,230.0	61,230.0	+4,000.0
Total borrowings	68,700.0	72,700.0	+4,000.0
Corporate bonds	2,000.0	2,000.0	-
Total borrowings and corporate bonds	70,700.0	74,700.0	+4,000.0
Other interest-bearing debt (Note 3)	2,578.2	2,578.2	-
Total interest-bearing debt	73,278.2	77,278.2	+4,000.0

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. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of January 31, 2017.

5. Other matters

Risks pertaining to the prepayment of the borrowed funds remain unchanged from those listed in the securities report of KRR submitted on December 26, 2016.

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

This notice is the English translation of the Japanese announcement on January 26, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.