Translation of Japanese Original

KENEDIX
Retail REIT Corporation

April 14, 2017

To All Concerned Parties

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Kenedix Retail REIT Corporation
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(Securities Code: 3453)

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Notice Concerning Debt Financing (Series 11/Series 12/Series 13/Series14) and Execution of Interest Rate Swap

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 21,270 million yen, consisting of 15,700 million yen for the acquisitions of properties and 5,570 million yen for refinancing) and the execution of interest rate swap transactions as follows.

1. Series 11/Series 13/Series 14

(1) Purpose of debt financing

KRR has decided to execute a debt financing agreement to raise funds for the acquisitions of 8 properties (total anticipated acquisition price of 32,664 million yen) and certain related costs pertaining to the acquisitions. Please refer to the press release "Notice Concerning Acquisition and Leasing of Assets (8 Properties)" released on March 31, 2017 for the details of the anticipated acquisitions.

(2) Details of debt financing

<Series 11>

Series	Lender	Amount (millions of yen)	Interest rate (Note 1) (Note 2)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
11-1	Sumitomo Mitsui Banking Corporation	900	Base rate (Note 3) (JBA JPY 1-month TIBOR) +0.40000%	April 14, 2017	April 19, 2017	April 19, 2018	Unsecured, unguaranteed
11-2	Mizuho Bank, Ltd.	300					Repayment of principal in full on maturity date

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<Series 13>

Series	Lender	Amount (millions of yen)	Interest rate (Note 1) (Note 2)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
13-A-1	Sumitomo Mitsui Banking Corporation	2,600	Base rate (Note 3) (Note 4) (JBA JPY 1-month TIBOR) ＋0.45000%	April 14, 2017	April 27, 2017	April 27, 2021	Unsecured, unguaranteed Repayment of principal in full on maturity date
13-A-2	Aozora Bank, Ltd.	500					
13-A-3	Mitsubishi UFJ Trust and Banking Corporation	400					
13-A-4	Sumitomo Mitsui Trust Bank, Ltd.	300					
13-A-5	Resona Bank, Ltd.	300					
13-B-1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600	To be determined (Note 5) (Fixed rate)	April 14, 2017	April 27, 2017	April 27, 2021	Unsecured, unguaranteed Repayment of principal in full on maturity date
13-B-2	Development Bank of Japan Inc.	500					
13-B-3	Mizuho Bank, Ltd.	400					
13-B-4	Mizuho Trust & Banking Co., Ltd.	200					
13-C-1	Sumitomo Mitsui Banking Corporation	1,500	Base rate (Note 3) (Note 4) (JBA JPY 1-month TIBOR) ＋0.62600%	April 14, 2017	April 27, 2017	October 31, 2024	Unsecured, unguaranteed Repayment of principal in full on maturity date
13-C-2	Sumitomo Mitsui Trust Bank, Ltd.	400					
13-C-3	Aozora Bank, Ltd.	400					
13-C-4	Resona Bank, Ltd.	300					
13-D-1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600	To be determined (Note 5) (Fixed rate)	April 14, 2017	April 27, 2017	October 31, 2024	Unsecured, unguaranteed Repayment of principal in full on maturity date
13-D-2	Mizuho Bank, Ltd.	600					
13-D-3	Development Bank of Japan, Inc.	500					
13-D-4	Mizuho Trust & Banking Co., Ltd.	200					
13-E	Sumitomo Mitsui Banking Corporation	1,000	Base rate (Note 3) (JBA JPY 1-month TIBOR) ＋0.40000%	April 14, 2017	April 27, 2017	April 27, 2018	Unsecured, unguaranteed Repayment of principal in full on maturity date

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<Series 14>

Series	Lender	Amount (millions of yen)	Interest rate (Note 1)(Note 2)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
14-A	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500	To be determined (Note 5) (Fixed rate)	April 14, 2017	May 18, 2017	October 31, 2026	Unsecured, unguaranteed Repayment of principal in full on maturity date
14-B-1	Sumitomo Mitsui Banking Corporation	500	Base rate (Note 3) (JBA JPY 1-month TIBOR) ＋0.75000%	April 14, 2017	May 18, 2017	May 18, 2027	Unsecured, unguaranteed Repayment of principal in full on maturity date
14-B-2	Sumitomo Mitsui Trust Bank, Ltd.	500					
14-B-3	Resona Bank, Ltd.	400					
14-C-1	Development Bank of Japan, Inc.	500	To be determined (Note 5) (Fixed rate)	April 14, 2017	May 18, 2017	May 18, 2027	Unsecured, unguaranteed Repayment of principal in full on maturity date
14-C-2	Mizuho Bank, Ltd.	500					
14-C-3	Mizuho Trust & Banking Co., Ltd.	300					

(Notes)

1. For Series 11, the first interest payment will be made at the end of April 2017 and on the last day of every month thereafter, with the last interest payment on the principal repayment day. For Series 13-A, 13-B-1, 13-B-3~4, 13-C, 13-D-1~2, 13-D-4, 13-E, 14-A, 14-B and 14-C-2~3, the first interest payment will be made at the end of May 2017 and on the last day of every month thereafter, with the last interest payment on the principal repayment day. For Series 13-B-2, 13-D-3 and 14-C-1, the first interest payment will be made at the end of May 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 made on 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. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www. jbatibor.or.jp/english/).
4. For the first interest payment of Series 13-A-4, 13-A-5, 13-C-2 and 13-C-4, interest rates are calculated using a linear interpolation based on JBA JPY 1-month TIBOR and JBA JPY 2-month TIBOR during the calculation period.
5. Any undecided matters shall be determined on April 25, 2017 for Series 13 and on May 16, 2017 for Series 14 and will be announced after the decision is made.

2. Series 12

(1) Purpose of debt financing

The proceeds of this debt financing are expected to be used towards the repayment of the Borrowing Series 6-A-1 (JPY 4,140 million), 6-A-2 (JPY 360 million) and 7-A (JPY 1,070 million) with a repayment date of April 21, 2017. For details of Borrowing Series 6-A-1, 6-A-2 and 7-A, please refer to KRR's press release "Notice Concerning the Borrowings (Series 6/Series 7) and Execution of Interest Rate Swap" dated April 18, 2016.

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(2) Details of debt financing

Series	Lender	Amount (millions of yen)	Interest rate (Note 1)(Note 2)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
12-1	Sumitomo Mitsui Banking Corporation	2,600	Base rate (Note 3) (JBA JPY 1-month TIBOR) ＋0.40000%	April 14, 2017	April 21, 2017	April 21, 2018	Unsecured, unguaranteed Repayment of principal in full on maturity date
12-2	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,070					
12-3	Aozora Bank, Ltd.	640					
12-4	Resona Bank, Ltd.	400					
12-5	Mizuho Bank, Ltd.	360					
12-6	Mizuho Trust & Banking Co., Ltd.	300					
12-7	Mitsubishi UFJ Trust and Banking Corporation	200					

(Notes)
1. The first interest payment will be made at the end of April, 2017 and on the last day of every month thereafter, with the last interest payment on the principal repayment day.
2. The interest payment will be made on 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. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www. jbatibor.or.jp/english/).

3. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions as hedges against possible increases in future interest rates for the above-mentioned borrowings (Series 13-A/Series 13-C/Series 14-B).

(2) Details of expected interest rate swap transactions

Series		13-A-1	13-A-2	13-A-3	13-A-4	13-A-5
Counterparty		To be determined (Note 1)				
Notional amount (millions of yen)		2,600	500	400	300	300
Interest rates	Fixed interest rate for payment	To be determined (Note 1)				
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR) (Note 2)				
Commencement date		April 27, 2017				
Termination date		April 27, 2021				
Payment date		The first payment will be made at the end of May 2017, and on the last day of every month thereafter, with the last payment on the principal repayment day. (The interest payment will be made on 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)				

(Notes)
1 Any undecided matters shall be determined on April 25, 2017 and will be announced after the decision is made.
2 For the first interest income of Series 13-A-4 and 13-A-5, floating interest rates are calculated using a linear interpolation based on JBA JPY 1-month TIBOR and JBA JPY 2-month TIBOR during the calculation period.

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Series		13-C-1	13-C-2	13-C-3	13-C-4
Counterparty		To be determined (Note 1)			
Notional amount (millions of yen)		1,500	400	400	300
Interest rates	Fixed interest rate for payment	To be determined (Note 1)			
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR) (Note 2)			
Commencement date		April 27, 2017			
Termination date		October 31, 2024			
Payment date		The first payment will be made at the end of May 2017, and on the last day of every month thereafter, with the last payment on the principal repayment day. (The interest payment will be made on the following business day incase 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)			

(Notes)
1 Any undecided matters shall be determined on April 25, 2017 and will be announced after the decision is made.
2 For the first interest income of Series 13-C-2 and 13-C-4, floating interest rates are calculated using a linear interpolation based on JBA JPY 1-month TIBOR and JBA JPY 2-month TIBOR during the calculation period.

Series		14-B-1	14-B-2	14-B-3
Counterparty		To be determined (Note)		
Notional amount (millions of yen)		500	500	400
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		May 18, 2017		
Termination date		May 18, 2027		
Payment date		The first payment will be made at the end of May 2017, and on the last day of every month thereafter, with the last payment on the principal repayment day. (The interest payment will be made on the following business day incase 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 undecided matters shall be determined on May 16, 2017 and will be announced after the decision is made.

4. Status of borrowings and investment corporation bonds after the borrowings (as of May 18, 2017)

(millions of yen)

	Before the borrowings	After the borrowings	Difference
Short-term borrowings (Note 1)	11,470.0	13,670.0	+2,200.0
Long-term borrowings (Note 2)	61,230.0	74,730.0	+13,500.0
Total borrowings	72,700.0	88,400.0	+15,700.0
Investment corporation bonds	2,000.0	2,000.0	–
Total borrowings and investment corporation bonds	74,700.0	90,400.0	+15,700.0
Other interest-bearing debt (Note 3)	2,469.3	2,469.3	–
Total interest-bearing debt	77,169.3	92,869.3	+15,700.0

(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 May 18, 2017.

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5. Other matters
   For risks pertaining to the debt financing, please refer to "Chapter 2 Reference – Part 2 Supplementary Information 2. Investment Risks" of the securities registration statement submitted on March 31, 2017.

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

This notice is the English translation of the Japanese announcement on April 14, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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