Translation of Japanese Original

KENEDIX
Retail REIT Corporation

February 8, 2018

To All Concerned Parties

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

Asset Manager:
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Notice Concerning Debt Financing (Series 19) and Execution of Interest Rate Swaps

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 5,850 million yen) and the execution of interest rate swap transactions as follows. KRR also executed interest swap agreements for the borrowings.

1. Series 19

(1) Purpose of debt financing

The proceeds of this debt financing are to be used towards the repayment of the Borrowing Series 1-B (amount of JPY 3,850 million) and Series 10 (amount of JPY 2,000 million) with the repayment date of February 13, 2018. For details of the Series 1-B and the Series 10, please refer to "Notice Concerning the Borrowings and Execution of Interest Rate Swap" dated February 10, 2015 and "Notice Concerning Debt Financing (Series 10)" dated February 8, 2017.

(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
19-A	Sumitomo Mitsui Banking Corporation	2,750	Base rate (Note 3) (JBA JPY 1-month TIBOR) +0.40000%	February 8, 2018	February 13, 2018	February 13, 2019	Unsecured, unguaranteed Repayment of principal in full on maturity date
19-B-1	Mizuho Trust & Banking Co., Ltd.	350	Base rate (Note 3) (JBA JPY 1-month TIBOR) +0.42500%			August 31, 2019	
19-B-2	Aozora Bank, Ltd.	250					
19-B-3	Resona Bank, Ltd.	250					
19-B-4	Sumitomo Mitsui Trust Bank, Ltd.	200					
19-C-1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,250	Base rate (Note 3) (JBA JPY 1-month TIBOR) +0.47500%			August 31, 2022	
19-C-2	Mizuho Bank, Ltd.	800					

(Notes)

1. The first interest payment will be made at the end of February 2018 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/).

2. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions for the Series 19-C-1 and 19-C-2 as hedges against possible increases in future interest rates. KRR also executed interest swap agreements regarding the interest rate swap transactions today.

(2) Details of expected interest rate swap transactions

Series		19-C-1
Counterparty		Sumitomo Mitsui Trust Bank, Ltd.
Notional amount (millions of yen)		1,250
Interest rates	Fixed interest rate for payment	0.12800%
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR)
Commencement date		February 13, 2018
Termination date		August 31, 2022
Payment date		The first payment will be made at the end of February 2018, 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)

(Note) By entering into the interest rate swap agreement, the interest rate for Series 19-C-1 is essentially fixed at 0.60300%.

Series		19-C-2
Counterparty		Sumitomo Mitsui Trust Bank, Ltd.
Notional amount (millions of yen)		800
Interest rates	Fixed interest rate for payment	0.12800%
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR)
Commencement date		February 13, 2018
Termination date		August 31, 2022
Payment date		The first payment will be made at the end of February 2018, 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) By entering into the interest rate swap agreement, the interest rate for Series 19-C-2 is essentially fixed at 0.60300%.

3. Status of borrowings and investment corporation bonds after the borrowings (as of February 13, 2018)

(millions of yen)

	Before the borrowings (Note 4)	After the borrowings	Difference
Short-term borrowings (Note 1)	12,170.0	12,920.0	+750.0
Long-term borrowings (Note 2)	81,930.0	81,180.0	-750.0
Total borrowings	94,100.0	94,100.0	–
Investment corporation bonds	5,000.0	5,000.0	–
Total borrowings and investment corporation bonds	99,100.0	99,100.0	–
Other interest-bearing debt (Note 3)	2,142.8	2,142.8	–
Total interest-bearing debt	101,242.8	101,242.8	–

(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.
4. KRR is scheduled to undertake debt financing (Series 18) on the same date as the Series 19. "Before the borrowings" refer to the amount of debt financing after the Series 18. For details of the Series 18, please refer to "Notice Concerning Debt Financing (Series 18)" dated January 31, 2018 and "(Correction) Notice Concerning Debt Financing (Series 18)" dated today.

4. 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 25, 2017.

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

This notice is the English translation of the Japanese announcement on February 8, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.