KENEDIX
Retail REIT Corporation

Translation of Japanese Original

March 30, 2018

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 20) and Execution of Interest Rate Swaps

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 4,000 million yen) and execute 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
20-A	The Bank of Fukuoka, Ltd.	1,000	Base rate (Note 3) (JBA JPY 1-month TIBOR) ＋0.65000%	March 30, 2018	May 31, 2018	May 31, 2026	Unsecured, unguaranteed Repayment of principal in full on maturity date
20-B-1	Sumitomo Mitsui Banking Corporation	1,500	Base rate (Note 3) (JBA JPY 1-month TIBOR) ＋0.70000%			May 31, 2027	
20-B-2	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500	To be determined (Fixed rate) (Note 4)				
20-B-3	Mizuho Bank, Ltd.	500					
20-B-4	Mitsubishi UFJ Trust and Banking Corporation	500	Base rate (Note 3) (JBA JPY 1-month TIBOR) ＋0.70000%				

Notes:

1. The first interest payment will be made at the end of June 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 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. Undecided matter shall be determined on May 29, 2018 and will be announced after the decision is made.

2. Purpose of debt financing

KRR has decided to execute a debt financing agreement to raise funds for the acquisition of a property (acquisition price of 4,210 million yen) and certain related costs pertaining to the acquisition. In addition, KRR intends to diverse its lenders through its first borrowing from The Bank of Fukuoka, Ltd. Please refer to the press release "Notice Concerning Acquisition of Property (Costco Wholesale Sapporo Warehouse)" released today for the details of the property.

3. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions for the Series 20-A, 20-B-1, 20-B-3 and 20-B-4 as hedges against possible increases in future interest rates.

(2) Details of expected interest rate swap transactions

Series		20-A
Counterparty		To be determined (Note)
Notional amount (millions of yen)		1,000
Interest rates	Fixed interest rate for payment	To be determined (Note)
	Floating interest rate for receipt	To be determined (Note)
Commencement date		To be determined (Note)
Termination date		May 31, 2026

(Note) Any undecided matters will be announced after the decision is made.

Series		20-B-1	20-B-3	20-B-4
Counterparty		To be determined (Note)		
Notional amount (millions of yen)		1,500	500	500
Interest rates	Fixed interest rate for payment	To be determined (Note)		
	Floating interest rate for receipt	To be determined (Note)		
Commencement date		To be determined (Note)		
Termination date		May 31, 2027		

(Note) Any undecided matters will be announced after the decision is made.

4. Status of borrowings and corporate bonds after the borrowings (as of May 31, 2018)

(millions of yen)

	Before the borrowings	After the borrowings	Difference
Short-term borrowings (Note 1)	12,920.0	12,920.0	-
Long-term borrowings (Note 2)	81,180.0	85,180.0	+4,000.0
Total borrowings	94,100.0	98,100.0	+4,000.0
Corporate bonds	5,000.0	5,000.0	-
Total borrowings and corporate bonds	99,100.0	103,100.0	+4,000.0
Other interest-bearing debt (Note 3)	1,997.6	1,997.6	-
Total interest-bearing debt	101,097.6	105,097.6.	+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.

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 25, 2017.

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

This notice is the English translation of the Japanese announcement on March 30, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.