Translation of Japanese Original

KENEDIX
Retail REIT Corporation

April 17, 2018

To All Concerned Parties

REIT Issuer:
Kenedix Retail REIT Corporation
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(Securities Code: 3453)

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Notice Concerning Debt Financing (Series 22/Series 23) and Execution of Interest Rate Swaps

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 6,770 million yen) and the execution of interest rate swap transactions as follows. KRR also executed interest swap agreements for a part of the borrowings.

1. Series 22

(1) Purpose of debt financing

The proceeds of this debt financing are to be used towards the repayment of the Borrowing Series 11-1 (amount of JPY 900 million) and Series 11-2 (amount of JPY 300 million) with the repayment date of April 19, 2018. For details of the Series 11-1 and the Series 11-2, please refer to "Notice Concerning Debt Financing (Series 11/Series 12/Series 13/Series14) and Execution of Interest Rate Swap" dated April 14, 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
22-A	Mizuho Bank, Ltd.	300	Base rate (Note 3) (JBA JPY 1-month TIBOR) + 0.42500%	April 17, 2018	April 19, 2018	August 31, 2019	Unsecured, unguaranteed Repayment of principal in full on maturity date
22-B	Sumitomo Mitsui Banking Corporation	900	Base rate (Note 3) (JBA JPY 1-month TIBOR) + 0.70000%			April 30, 2027	

(Notes)
1. The first interest payment will be made at the end of April 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. Series 23

(1) Purpose of debt financing

The proceeds of this debt financing are to be used towards the repayment of the Borrowing Series 12-1 (amount of JPY 2,600 million), 12-2 (amount of JPY 1,070 million), 12-3 (amount of JPY 640 million), 12-4 (amount of JPY 400 million), 12-5 (amount of JPY 360 million), 12-6 (amount of JPY 300 million) and 12-7 (amount of JPY 200 million) with the repayment date of April 21, 2018. For details of the Series 12-1, 12-2, 12-3, 12-4, 12-5, 12-6 and 12-7, please refer to "Notice Concerning Debt Financing (Series 11/Series 12/Series 13/Series14) and Execution of Interest Rate Swap" dated April 14, 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
23-A-1	MUFG Bank, Ltd.	1,270	Base rate (Note 3) (JBA JPY 1-month TIBOR) + 0.42500%	April 17, 2018	April 23, 2018	August 31, 2019	Unsecured, unguaranteed Repayment of principal in full on maturity date
23-A-2	Aozora Bank, Ltd.	640					
23-A-3	Resona Bank, Ltd.	400					
23-A-4	Mizuho Bank, Ltd.	360					
23-A-5	Mizuho Trust & Banking Co., Ltd.	300					
23-B	Sumitomo Mitsui Banking Corporation	2,600	Base rate (Note 3) (JBA JPY 1-month TIBOR) + 0.70000%			April 30, 2027	

(Notes)

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

3. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions for the Series 22-B and 23-B as hedges against possible increases in future interest rates. KRR also executed interest swap agreements regarding the Series 22-B interest rate swap transactions today.

(2) Details of expected interest rate swap transactions

Series		22-B
Counterparty		Nomura Securities Co., Ltd.
Notional amount (millions of yen)		900
Interest rates	Fixed interest rate for payment	0.98750%
	Floating interest rate for receipt (Note 1)	Base rate (JBA JPY 1-month TIBOR) + 0.70000%
Commencement date		April 19, 2018
Termination date		April 30, 2027
Payment date		The first payment will be made at the end of April 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)

(Notes)

1. The floating interest rate for receipt will be 0% if it is below 0%.
2. By entering into the interest rate swap agreement, the interest rate for Series 22-B is essentially fixed at 0.98750%.

Series		23-B
Counterparty		To be determined (Note 2)
Notional amount (millions of yen)		2,600
Interest rates	Fixed interest rate for payment	To be determined (Note 2)
	Floating interest rate for receipt (Note 1)	Base rate (JBA JPY 1-month TIBOR) + 0.70000%
Commencement date		April 23, 2018
Termination date		April 30, 2027
Payment date		The first payment will be made at the end of April 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)

(Notes)
1. The floating interest rate for receipt will be 0% if it is below 0%.
2. Any undecided matters will be announced after the decision is made.

4. Status of borrowings and investment corporation bonds after the borrowings

In addition to Series 22 and Series 23, KRR plans to undertake other series of borrowings of JPY 3,000 million on April 27, 2018 and JPY 4,000 million on May 31, 2018. The expected status of borrowings as of April 23, 2018 and May 31, 2018 is shown in the tables below.

For details of the anticipated borrowings on April 27, 2018, please refer to KRR's press release "Notice Concerning Debt Financing (Series 21) and Execution of Interest Rate Swaps" dated April 6, 2018. For details of the anticipated borrowings on May 31, 2018, please refer to KRR's press releases "Notice Concerning Debt Financing (Series 20) and Execution of Interest Rate Swaps" dated March 30, 2018 and "(Correction) Notice Concerning Debt Financing (Series 20) and Execution of Interest Rate Swaps" dated April 2, 2018.

(as of April 23, 2018) (millions of yen)

	Before the borrowings (Series 22/23)	After the borrowings (Series 22/23)	Difference
Short-term borrowings (Note 1)	12,920.0	6,150.0	-6,770.0
Long-term borrowings (Note 2)	81,180.0	87,950.0	+6,770.0
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)	2,070.2	2,070.2	–
Total interest-bearing debt	101,170.2	101,170.2	–

(as of May 31, 2018)

	Before the borrowings (Series 20/21)	After the borrowings (Series 20/21)	Difference
Short-term borrowings (Note 1)	6,150.0	6,150.0	–
Long-term borrowings (Note 2)	87,950.0	94,950.0	+7,000.0
Total borrowings	94,100.0	101,100.0	+7,000.0
Investment corporation bonds	5,000.0	5,000.0	–
Total borrowings and investment corporation bonds	99,100.0	106,100.0	+7,000.0
Other interest-bearing debt (Note 4)	1,997.6	1,997.6	–
Total interest-bearing debt	101,097.6	108,097.6	+7,000.0

(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 April 23, 2018.
4. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of May 31, 2018.

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.

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

This notice is the English translation of the Japanese announcement on April 17, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.