Translation of Japanese Original

KENEDIX
Retail REIT Corporation

March 27, 2019

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 26) and Interest Rate Swap Transaction

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 5,650 million yen) and enter into an interest rate swap transaction as follows. KRR also executed an interest swap agreement for the interest rate swap transaction. The Borrowing Series 26-B-1 from Sumitomo Mitsui Banking Corporation is based on SMBC Environmental Considerations Lending Program which takes into consideration corporate environmental initiatives. The Borrowing Series 26-B-2 is from MUFG Bank, Ltd., where proceeds from the green bond issued on October 9, 2108 by Mitsubishi UFJ Financial Group, Inc. is appropriated.

1. Purpose of debt financing

The proceeds of this debt financing are to be used for the repayment of the Borrowing Series 3-A (amount of JPY 2,200 million) and Series 4-B (amount of JPY 3,450 million) with the repayment date of March 29, 2019. For details of the Series 3-A, please refer to "Notice Concerning the Borrowings (Series 3), Execution of Interest Rate Swap and Early Repayment" dated September 25, 2015 and "Notice Concerning Debt Financing (Determination of Interest Rate) and Execution of Interest Rate Swap Agreements" dated September 28, 2015. For details of the Series 4-B, please refer to "Notice Concerning the Borrowings (Series 4) and Execution of Interest Rate Swap" dated September 25, 2015 and "Notice Concerning Debt Financing (Determination of Interest Rate) and Execution of Interest Rate Swap Agreements" dated September 30, 2015.

2. Details of debt financing

Series	Lender	Amount (millions of yen)	Interest rate (Note 1)	Contract date	Drawdown date	Principal repayment date (Note 1)	Collateral / Repayment method
26-A-1	Sumitomo Mitsui Trust Bank, Ltd.	700	Base rate (JBA JPY 1-month TIBOR) + 0.60000% (Note 2) (Note 3)	March 27, 2019	March 29, 2019	March 31, 2026	Unsecured, unguaranteed Repayment of principal in full on maturity date
26-A-2	Resona Bank, Ltd.	500	Base rate (JBA JPY 1-month TIBOR) + 0.55000% (Note 2) (Note 3)				
26-A-3	Aozora Bank, Ltd.	500	Base rate (JBA JPY 1-month				

			TIBOR) + 0.60000% (Note 2) (Note 3)				
26-A-4	Mizuho Bank, Ltd.	400	Base rate (JBA JPY 1-month TIBOR) + 0.60000% (Note 2) (Note 3)				
26-A-5	Musashino Bank, Ltd.	400	Base rate (JBA JPY 1-month TIBOR) + 0.55000% (Note 2) (Note 3)				
26-B-1	Sumitomo Mitsui Banking Corporation	1,850	Base rate (JBA JPY 1-month TIBOR) + 0.70000% (Note 2) (Note 3)			March 31, 2028	
26-B-2	MUFG Bank, Ltd.	1,300	Base rate (JBA JPY 1-month TIBOR) + 0.65000% (Note 2) (Note 3)				

(Notes)
1. 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.
2. The first interest payment will be made at the end of April 2019 and on the last day of every month thereafter, with the last interest payment on the principal repayment day.
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 26-A and 26-B as hedges against possible increases in the 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		26-A
Counterparty		Nomura Securities Co., Ltd.
Notional amount (millions of yen)		2,500
Interest rates	Fixed interest rate for payment	0.12600%
	Floating interest rate for receipt (Note 1)	Base rate (JBA JPY 1-month TIBOR)
Commencement date		March 29, 2019
Termination date		March 31, 2026
Payment date		The first payment will be made at the end of April 2019, 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)
By entering into the interest rate swap agreement, the interest rate for Series 26-A-1, 3, and 4 is essentially fixed at 0.72600% and the interest rate for Series 26-A-2 and 5 is essentially fixed at 0.67600%.

Series		26-B
Counterparty		Nomura Securities Co., Ltd.
Notional amount (millions of yen)		3,150
Interest rates	Fixed interest rate for payment	0.21000%
	Floating interest rate for receipt (Note 1)	Base rate (JBA JPY 1-month TIBOR)
Commencement date		March 29, 2019
Termination date		March 31, 2028
Payment date		The first payment will be made at the end of April 2019, 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)

By entering into the interest rate swap agreement, the interest rate for Series 26-B-1 is essentially fixed at 0.91000% and the interest rate for Series 26-B-2 is essentially fixed at 0.86000%.

4. Status of borrowings and investment corporation bonds after the borrowings (as of March 29, 2019)

(millions of yen)

	Before the borrowings	After the borrowings	Difference
Short-term borrowings (Note 1)	3,450.0	3,450.0	–
Long-term borrowings (Note 2)	95,650.0	95,650.0	–
Total borrowings	99,100.0	99,100.0	–
Investment corporation bonds	7,000.0	7,000.0	–
Total borrowings and investment corporation bonds	106,100.0	106,100.0	–

(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.

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 27, 2018.

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

This notice is the English translation of the Japanese announcement on March 27, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.