KENEDIX
Retail REIT Corporation

Translation of Japanese Original

August 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 27) and Interest Rate Swap Transaction

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 4,320 million yen) and enter into an interest rate swap transaction as follows.

1. Purpose of debt financing

   The proceeds of this debt financing are to be used for the repayment of the Borrowing Series 19-B (amount of JPY 1,050 million), Series 22-A (amount of JPY 300 million) and Series 23-A (amount of JPY 2,970 million) with the repayment date of August 30, 2019. For details of the Series 19-B, please refer to "Notice Concerning Debt Financing (Series 19) and Execution of Interest Rate Swaps" dated February 8, 2018. For details of the Series2-A and Series 23-A, please refer to "Notice Concerning Debt Financing (Series 22/Series 23) and Execution of Interest Rate Swaps" dated April 17, 2018 and "Notice Concerning the Execution of Interest Rate Swap Agreement" dated April 19, 2018.

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
27-A-1	MUFG Bank, Ltd.	1,270	Base rate (JBA JPY 1-month TIBOR) + 0.40000% (Note 2) (Note 4)	August 28, 2019	August 30, 2019	August 31, 2020	Unsecured, unguaranteed Repayment of principal in full on maturity date
27-A-2	Mizuho Bank, Ltd.	660	Base rate (JBA JPY 1-month TIBOR) + 0.4000% (Note 2) (Note 4)				
27-A-3	Mizuho Trust & Banking Co., Ltd.	650	Base rate (JBA JPY 1-month TIBOR) + 0.40000% (Note 2) (Note 4)				
27-A-4	Sumitomo Mitsui Trust Bank, Ltd.	200	Base rate (JBA JPY 1-month TIBOR) + 0.40000% (Note 2) (Note 4)				

27-B	Resona Bank, Ltd.	650	Base rate (JBA JPY 3-month TIBOR) + 0.50000% (Note 3) (Note 4)			August 31, 2024	
27-C	Aozora Bank, Ltd.	890	Base rate (JBA JPY 3-month TIBOR) + 0.60000% (Note 3) (Note 4)			August 31, 2026	

(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 Septembr 2019 and on the last day of every month thereafter, with the last interest payment on the principal repayment day.
3. The first interest payment will be made at the end of November 2019 and on the last day of every three months thereafter, with the last interest payment on the principal repayment day.
4. 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 27-B and 27-C as hedges against possible increases in the future interest rates.

(2) Details of expected interest rate swap transactions

Series		27-B	27-C
Counterparty		To be determined (Note)	
Notional amount (millions of yen)		650	890
Interest rates	Fixed interest rate for payment	To be determined (Note)	
	Floating interest rate for receipt	Base rate (JBA JPY 3-month TIBOR)	
Commencement date		August 30, 2019	
Termination date		August 31, 2024	August 31, 2026

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

4. Status of borrowings and investment corporation bonds after the borrowings (as of August 30, 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 June 27, 2019.

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

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