KENEDIX
Retail REIT Corporation

Translation of Japanese Original

September 26, 2019

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 28), Execution of Interest Rate Swaps and Early Repayment

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 2,690 million yen) and the execution of interest rate swap transactions, as well as its decision to undertake early repayment of short-term borrowings as follows. KRR also executed interest swap agreements for the borrowings.

1. Series 28

(1) Purpose of debt financing

The proceeds of this debt financing are to be used for the repayment of the Borrowing Series 6-B (amount of JPY 1,330 million) and Series 24-A (amount of JPY 700 million) with the repayment date of September 30, 2019 as well as early repayment of the Series 27-A-2 (amount of JPY 660 million) on September 30, 2019. For details of the Series 6-B, please refer to "Notice Concerning the Borrowings (Series 6/Series 7) and Execution of Interest Rate Swap". For details of the Series 24-A, please refer to "Notice Concerning Debt Financing (Series 24) and Interest Rate Swap Transaction". For details of the Series 27-A-2, please refer to "3. Early repayment of borrowing" below.

(2) Details of debt financing

Series	Lender	Amount (millions of yen)	Interest rate (Note 1)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
28-A-1	Sumitomo Mitsui Banking Corporation	700	Base rate (JBA JPY 1-month TIBOR) +0.40000% (Note 2) (Note 4)	September 26, 2019	September 30, 2019	September 30, 2020	Unsecured, unguaranteed
28-A-2	Sumitomo Mitsui Trust Bank, Ltd.	620					
28-B	Mizuho Bank, Ltd.	1,370	Base rate (JBA JPY 3-month TIBOR) +0.62500% (Note 3) (Note 4)			March 31, 2028	Repayment of principal in full on maturity date

(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 October 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 December 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/).

2. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions for the Series 28-B as hedges against possible increases in future interest rates. KRR also executed interest swap agreements regarding the Series 28-B today.

(2) Details of expected interest rate swap transactions

Series		28-B
Counterparty		Sumitomo Mitsui Trust Bank, Ltd.
Notional amount (millions of yen)		1,370
Interest rates	Fixed interest rate for payment	0.09300%
	Floating interest rate for receipt	Base rate (JBA JPY 3-month TIBOR)
Commencement date		September 30, 2019
Termination date		March 31, 2028
Payment date		The first payment will be made at the end of December 2019, and on the last day of every three months 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 28-B is essentially fixed at 0.71800%.

3. Early repayment of borrowing

(1) Details of early repayment (Long-term borrowing: Series 27-A-2)

① Lender: Mizuho Bank, Ltd.
② Amount outstanding: 660 million yen
③ Repayment amount: 660 million yen
④ Amount outstanding after repayment: -
⑤ Interest rate: JBA JPY 1-month TIBOR + 0.40000%
⑥ Borrowing date: August 30, 2019
⑦ Maturity date: August 31, 2020
⑧ Collateral: Unsecured, unguaranteed

(2) Date of prepayment: September 30, 2019

(3) Funds for repayment

The repayment will be made using all of debt financing as stated in “1. Series 28”.

4. Status of borrowings and investment corporation bonds after the borrowings (as of September 30, 2019)

(millions of yen)

	Before the borrowings	After the borrowings	Difference
Short-term borrowings (Note 1)	3,450.0	4,070.0	+620.0
Long-term borrowings (Note 2)	95,650.0	95,030.0	-620.0
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 September 26, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.