KENEDIX
Retail REIT Corporation

Translation of Japanese Original

October 21, 2019

To All Concerned Parties

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(Securities Code: 3453)

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Notice Concerning Debt Financing (Series 29 / Series 30), 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 7,540 million yen, consisting of 4,800 million yen for the acquisition of properties and 2,740 million yen for refinancing) and the execution of interest rate swap transactions, as well as its decision to undertake early repayment of borrowings as follows.

1. Series 29

(1) Purpose of debt financing

The proceeds of this debt financing are to be used for the early repayment of the Series 27-A-1 (amount of JPY 1,270 million), Series 27-A-3 (amount of JPY 650 million), Series 27-A-4 (amount of JPY 200 million) and Series 28-A-2 (amount of JPY 620 million) on October 31, 2019. For details of the Series 27-A-1, 3, 4 and Series 28-A-2, please refer to "4. Early repayment of borrowings" below.

(2) Details of debt financing

Series	Lender	Amount (millions of yen)	Interest rate	Contract date	Drawdown date	Principal repayment date (Note 1)	Collateral / Repayment method
29-A	Sumitomo Mitsui Trust Bank, Ltd.	820	Base rate (JBA JPY 3-month TIBOR) +0.50000% (Note 2) (Note 3)	October 21, 2019	October 31, 2019	October 31, 2024	Unsecured, unguaranteed Repayment of principal in full on maturity date
29-B	MUFG Bank, Ltd.	1,270	Base rate (JBA JPY 3-month TIBOR) +0.61250% (Note 2) (Note 3)			January 31, 2028	
29-C	Mizuho Trust & Banking Co., Ltd.	650	To be determined (Fixed rate) (Note 4)			April 30, 2028	

(Notes)

Disclaimer: This press release is intended to disclose to the public KRR's debt financing, execution of interest rate swaps and early repayment, and is not an offer to sell or a solicitation of any offer to buy the securities of KRR in the United States or elsewhere. Please undertake any investment upon your own investigation and responsibility.
This press release does not constitute an offer of securities in the United States of America. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

1. The interest payment and the principal repayment 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 January 2020 and the rest of the interest payments will be made on the last day of every three months thereafter, with the last interest payment on the principal repayment date.
3. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www. jbatibor.or.jp/english/).
4. The undecided matter will be announced after the decision is made.

2. Series 30

(1) Purpose of debt financing

The proceeds of this debt financing are to be used for the acquisition of 5 properties described in the press release "Notice Concerning Acquisition and Leasing of Assets (5 Properties)" dated October 8, 2019 (total anticipated acquisition price of 15,489 million yen) (hereinafter referred to as "Properties to be Acquired") and certain related costs pertaining to the acquisitions. For details of the Properties to be Acquired, please refer to the press release "Notice Concerning Acquisition and Leasing of Assets (5 Properties)" dated October 8, 2019.

(2) Details of debt financing

<table>
<tr><th>Series</th><th>Lender</th><th>Amount (millions of yen)</th><th>Interest rate</th><th>Contract date</th><th>Drawdown date</th><th>Principal repayment date (Note 1)</th><th>Collateral / Repayment method</th></tr>
<tr><td>30-A-1</td><td>MUFG Bank, Ltd.</td><td>1,500</td><td>To be determined (Fixed rate) (Note 2)</td><td rowspan="6">October 21, 2019</td><td rowspan="6">November 1, 2019</td><td rowspan="5">October 31, 2026</td><td rowspan="6">Unsecured, unguaranteed

Repayment of principal in full on maturity date</td></tr>
<tr><td>30-A-2</td><td>Sumitomo Mitsui Banking Corporation</td><td>1,000</td><td rowspan="2">Base rate (JBA JPY 3-month TIBOR) ＋0.55000% (Note 3) (Note 4)</td></tr>
<tr><td>30-A-3</td><td>Mizuho Bank, Ltd.</td><td>1,000</td></tr>
<tr><td>30-A-4</td><td>Mizuho Trust & Banking Co., Ltd.</td><td>500</td><td>To be determined (Fixed rate) (Note 2)</td></tr>
<tr><td>30-A-5</td><td>Resona Bank, Ltd.</td><td>300</td><td>Base rate (JBA JPY 3-month TIBOR) ＋0.55000% (Note 3) (Note 4)</td></tr>
<tr><td>30-B</td><td>Development Bank of Japan Inc.</td><td>500</td><td>To be determined (Fixed rate) (Note 2)</td><td>October 31, 2029</td></tr>
</table>

(Notes)

1. The interest payment and the principal repayment 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 undecided matter will be announced after the decision is made.
3. The first interest payment will be made at the end of January 2020 and the rest of the interest payments will be made on the last day of every three months thereafter, with the last interest payment on the principal repayment date.
4. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (http://www. jbatibor.or.jp/english/).

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3. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions for the Series 29-A, Series 29-B, Series 30-A-2, Series 30-A-3 and Series 30-A-5 as hedges against possible increases in future interest rates.

(2) Details of expected interest rate swap transactions

Series		29-A
Counterparty		To be determined (Note)
Notional amount (millions of yen)		820
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		October 31, 2019
Termination date		October 31, 2024
Payment date		The first payment will be made at the end of January 2020, and the rest of the payments will be made on the last day of every three months thereafter, with the last payment on the principal repayment date. (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) The undecided matter will be announced after the decision is made.

Series		29-B
Counterparty		To be determined (Note)
Notional amount (millions of yen)		1,270
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		October 31, 2019
Termination date		January 31, 2028
Payment date		The first payment will be made at the end of January 2020, and the rest of the payments will be made on the last day of every three months thereafter, with the last payment on the principal repayment date. (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) The undecided matter will be announced after the decision is made.

Series		30-A-2	30-A-3	30-A-5
Counterparty		To be determined (Note)		
Notional amount (millions of yen)		1,000	1,000	300
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		November 1, 2019		
Termination date		October 31, 2026		
Payment date		The first payment will be made at the end of January 2020, and the rest of the payments will be made on the last day of every three months thereafter, with the last payment on the principal repayment date. (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)		

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(Note) The undecided matter will be announced after the decision is made.

4. Early repayment of borrowings

(1) Details of early repayment

Series	Lender	Amount (millions of yen)	Interest rate	Drawdown date	Principal repayment date	Collateral / Repayment method
27-A-1	MUFG Bank, Ltd.	1,270	Base rate (JBA JPY 1-month TIBOR) +0.40000%	August 30, 2019	August 31, 2020	Unsecured, unguaranteed Repayment of principal in full on maturity date
27-A-3	Mizuho Trust & Banking Co., Ltd.	650				
27-A-4	Sumitomo Mitsui Trust Bank, Ltd.	200				
28-A-2	Sumitomo Mitsui Trust Bank, Ltd.	620		September 30, 2019	September 30, 2020	

(2) Date of early repayment: October 31, 2019

(3) Funds for repayment

The repayment will be made using the full amount of the debt financing as stated in "1. Series 29".

5. Status of borrowings and investment corporation bonds after the debt financing and the early repayment (as of November 1, 2019)

(millions of yen)

	Before the debt financing	After the debt financing	Difference
Short-term borrowings (Note 1)	4,070.0	3,450.0	-620.0
Long-term borrowings (Note 2)	95,030.0	100,450.0	+5,420.0
Total borrowings	99,100.0	103,900.0	+4,800.0
Investment corporation bonds	7,000.0	7,000.0	–
Total borrowings and investment corporation bonds	106,100.0	110,900.0	+4,800.0

(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.

6. Other matters

For risks pertaining to the debt financing, please refer to "Chapter 2 Reference – Part 2 Supplementary Information 2. Investment Risks" of the securities registration statement submitted on October 8, 2019

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

This notice is the English translation of the Japanese announcement on October 21, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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