Translation of Japanese Original

KENEDIX
Retail REIT Corporation

February 6, 2020

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 32) and Execution of Interest Rate Swap

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 7,000 million yen) and execute interest rate swap transaction as follows. KRR also executed interest swap agreements for the borrowings.

1. Purpose of debt financing

The proceeds of this debt financing are to be used for the repayment of the Borrowing Series 1-C (amount of JPY 7,000 million) with the repayment date of February 10, 2020. For details of the Series 1-C, please refer to "Notice Concerning the Borrowings and Execution of Interest Rate Swap" dated February 10, 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
32-A-1	Sumitomo Mitsui Banking Corporation	2,400	Base rate (JBA JPY 1-month TIBOR) + 0.40000% (Note 2) (Note 3)	February 6, 2020	February 10, 2020	February 28, 2021	Unsecured, unguaranteed Repayment of principal in full on maturity date
32-A-2	MUFG Bank, Ltd.	1,600					
32-A-3	Sumitomo Mitsui Trust Bank, Ltd.	550					
32-A-4	Resona Bank, Ltd.	500					
32-A-5	Aozora Bank, Ltd.	500					
32-A-6	Mizuho Bank, Ltd.	350					
32-A-7	Mizuho Trust & Banking Co., Ltd.	300					
32-B	The Gunma Bank, Ltd.	400	Base rate (JBA JPY 3-month TIBOR) + 0.45000% (Note 3) (Note 4)			January 31, 2025	
32-C	The Musashino Bank, Ltd.	400	0.47750% (Fixed rate)				

(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 February 2020 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/).
4. The first interest payment will be made at the end of April 2020 and on the last day of every three months thereafter, with the last interest payment on the principal repayment day.

3. Interest rate swap transaction

(1) Purpose

KRR has decided to execute an interest rate swap transaction for the Series 32-B as hedge against possible increases in future interest rates. KRR also executed interest swap agreements regarding the Series 32-B today.

(2) Details of expected interest rate swap transaction

Series		32-B
Counterparty		Nomura Securities Co., Ltd.
Notional amount (millions of yen)		400
Interest rates	Fixed interest rate for payment	0.04800%
	Floating interest rate for receipt	Base rate (JBA JPY 3-month TIBOR)
Commencement date		February 10, 2020
Termination date		January 31, 2025
Payment date		The first payment will be made at the end of April 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) By entering into the interest rate swap agreement, the interest rate for Series 32-B is essentially fixed at 0.49800%.

4. Status of borrowings and investment corporation bonds after the borrowings (as of February 10, 2020)

(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)	100,450.0	100,450.0	–
Total borrowings	103,900.0	103,900.0	–
Investment corporation bonds	7,000.0	7,000.0	–
Total borrowings and investment corporation bonds	110,900.0	110,900.0	–

(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 26, 2019.

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

This notice is the English translation of the Japanese announcement on February 6, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.