

Translation of Japanese Original

April 6, 2018

To All Concerned Parties

**REIT Issuer:**

Kenedix Retail REIT Corporation  
 Representative: Akihiro Asano, Executive Director  
 (Securities Code: 3453)

**Asset Manager:**

Kenedix Real Estate Fund Management, Inc.  
 Representative: Masahiko Tajima, President & CEO  
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Notice Concerning Debt Financing (Series 21) and Execution of Interest Rate Swaps

Kenedix Retail REIT Corporation (“KRR”) announced today its decision to undertake debt financing (for a total of 3,000 million yen) and execute interest rate swap transactions as follows.

1. Details of debt financing

Series	Lender	Amount (million yen)	Interest rate (Note 1) (Note 2)	Contract date	Drawdown date	Principal repayment date (Note 2)	Collateral / Repayment method
21-A	Sumitomo Mitsui Banking Corporation	2,000	Base rate (Note 3) (JBA JPY 1-month TIBOR) + 0.65000%	April 6, 2018	April 27, 2018	April 30, 2026	Unsecured, unguaranteed
21-B	Mizuho Bank, Ltd.	1,000	Base rate (Note 3) (JBA JPY 1-month TIBOR) + 0.75000%			April 30, 2028	Repayment of principal in full on maturity date

Notes:

1. The first interest payment will be made at the end of May 2018, and on the last day of every month thereafter, with the last interest payment on the principal repayment day.
2. The interest payment will be 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.
3. The JBA JPY TIBOR is available on the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/>).

2. Purpose of debt financing

KRR has decided to execute a debt financing agreement to raise funds for the acquisition of a property (acquisition price of 3,400 million yen) and certain related costs pertaining to the acquisition. Please refer to the press release “Notice Concerning Acquisition of Property (Konami Sports Club Shibuya)” released today for the details of the property.

3. Interest rate swap transactions

(1) Purpose

KRR has decided to execute interest rate swap transactions for the Series 21-A and 21-B as hedges against possible increases in future interest rates.

(2) Details of expected interest rate swap transactions

Series		21-A
Counterparty		To be determined (Note)
Notional amount (millions of yen)		2,000
Interest rates	Fixed interest rate for payment	To be determined (Note)
	Floating interest rate for receipt	To be determined (Note)
Commencement date		To be determined (Note)
Termination date		April 30, 2026

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

Series		21-B
Counterparty		To be determined (Note)
Notional amount (millions of yen)		1,000
Interest rates	Fixed interest rate for payment	To be determined (Note)
	Floating interest rate for receipt	To be determined (Note)
Commencement date		To be determined (Note)
Termination date		April 30, 2028

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

4. Status of borrowings and corporate bonds after the borrowings

In addition to Series 21, KRR plans to undertake another series of borrowings of JPY 4,000 million on May 31, 2018. The expected status of borrowings as of April 27, 2018 and May 31, 2018 is shown in the tables below.

For details of the anticipated borrowings on May 31, 2018, please refer to KRR's press releases "Notice Concerning Debt Financing (Series 20) and Execution of Interest Rate Swaps" announced on March 30, 2018 and "(Correction) Notice Concerning Debt Financing (Series 20) and Execution of Interest Rate Swaps" announced on April 2, 2018.

(as of April 27, 2018)

(millions of yen)

	Before the borrowings (Series 21)	After the borrowings (Series 21)	Difference
Short-term borrowings (Note 1)	12,920.0	12,920.0	-
Long-term borrowings (Note 2)	81,180.0	84,180.0	+3,000.0
Total borrowings	94,100.0	97,100.0	+3,000.0
Corporate bonds	5,000.0	5,000.0	-
Total borrowings and corporate bonds	99,100.0	102,100.0	+3,000.0
Other interest-bearing debt (Note 3)	2,033.9	2,033.9	-
Total interest-bearing debt	101,133.9	104,133.9	+3,000.0

(as of May 31, 2018)

	Before the borrowings (Series 20)	After the borrowings (Series 20)	Difference
Short-term borrowings (Note 1)	12,920.0	12,920.0	-
Long-term borrowings (Note 2)	84,180.0	88,180.0	+4,000.0
Total borrowings	97,100.0	101,100.0	+4,000.0
Corporate bonds	5,000.0	5,000.0	-
Total borrowings and corporate bonds	102,100.0	106,100.0	+4,000.0
Other interest-bearing debt (Note 4)	1,997.6	1,997.6	-
Total interest-bearing debt	104,097.6	108,097.6	+4,000.0

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.
  3. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of April 27, 2018.
  4. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of May 31, 2018.
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 25, 2017.

KRR's website address: <http://www.krr-reit.com/en/>

*This notice is the English translation of the Japanese announcement on April 6, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*