

September 24, 2020

To All Concerned Parties

REIT Issuer:

Kenedix Retail REIT Corporation

 Representative: Moyuru Watanabe, Executive Director
 (Securities Code: 3453)

Asset Manager:

Kenedix Real Estate Fund Management, Inc.

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Notice Concerning Debt Financing (Series 34) and Interest Rate Swap Transaction

Kenedix Retail REIT Corporation (“KRR”) announced today its decision to undertake debt financing (for a total of 700 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 28-A-1 (amount of JPY 700 million) with the repayment date of September 30, 2020. Through this debt financing, long-term and fixed interest debt ratio will be increased. For details of the Series 28-A-1, please refer to “Notice Concerning Debt Financing (Series 28), Execution of Interest Rate Swaps and Early Repayment” dated September 26, 2019.

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
34	Sumitomo Mitsui Banking Corporation	700	Base rate (JBA JPY 3-month TIBOR) + 0.65000% (Note 2) (Note 3)	September 28, 2020	September 30, 2020	September 30, 2028	Unsecured, unguaranteed Repayment of principal in full on maturity date

(Notes)

- 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.
- The first interest payment will be made at the end of December 2020 and on the last day of every three months thereafter, with the last interest payment on the principal repayment day.
- The JBA JPY TIBOR is available on the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/>).

3. Interest rate swap transaction

(1) Purpose

KRR has decided to enter into an interest rate swap transaction for the Series 34 as hedge against possible increases in future interest rates.

(2) Details of expected interest rate swap transaction

Series		34
Counterparty		To be determined (Note)
Notional amount (millions of yen)		700
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		September 30, 2020
Termination date		September 30, 2028
Payment date		The first payment will be made at the end of December 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) Any undecided matters shall be determined on September 28, 2020 and will be announced after decision is made.

4. Status of borrowings and investment corporation bonds after the borrowings (as of September 30, 2020)

(millions of yen)

	Before the borrowings	After the borrowings	Difference
Short-term borrowings (Note 1)	3,450.0	2,750.0	-700
Long-term borrowings (Note 2)	101,350.0	102,050.0	+700
Total borrowings	104,800.0	104,800.0	-
Investment corporation bonds	8,000.0	8,000.0	-
Total borrowings and investment corporation bonds	112,800.0	112,800.0	-

(Notes)

- 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.
- 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 debt financing remain unchanged from those listed in the securities report of KRR submitted on June 29, 2020.

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

This notice is the English translation of the Japanese announcement on September 24, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.