

Translation of Japanese Original

September 27, 2021

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.

Representative: Masahiko Tajima, President and CEO

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Notice Concerning Debt Financing (Series 43) 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 the execution of interest rate swap transactions as follows.

1. Series 43

(1) Purpose of debt financing

The proceeds of this debt financing are to be used for the acquisition of a property described in the press release “Notice Concerning Acquisition and Leasing of Property)” dated September 22, 2021 (total anticipated acquisition price of 6,000 million yen) (hereinafter referred to as “Property to be Acquired”) and certain related costs pertaining to the acquisition. In addition, KRR intends to diversify its lenders through Series 43-A-2, Series 43-B-1, Series 43-B-2 and Series 43-B-3, each of which are respectively KRR’s first borrowings from The Nishi-Nippon City Bank, Ltd., Shinsei Bank, Ltd., The Yamaguchi Bank, Ltd. and The Higo Bank, Ltd. For details of the Property to be Acquired, please refer to the press release “Notice Concerning Acquisition and Leasing of Property (Kitera Town Fukuoka Nagahama)” dated September 22, 2021.

(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
43-A-1	The Bank of Fukuoka, Ltd.	500	Base rate (JBA JPY 3-month TIBOR) +0.30000% (Note 2) (Note 3)	September 29, 2021	October 1, 2021	March 31, 2026	Unsecured, unguaranteed  Repayment of principal in full on maturity date
43-A-2	The Nishi-Nippon City Bank, Ltd.	500					

Series	Lender	Amount (millions of yen)	Interest rate (Note 1)	Contract date	Drawdown date	Principal repayment date (Note 1)	Collateral / Repayment method
43-B-1	Shinsei Bank, Ltd.	800	Base rate (JBA JPY 3-month TIBOR) +0.47500% (Note 2) (Note 3)	September 29, 2021	October 1, 2021	September 30, 2029	Unsecured, unguaranteed  Repayment of principal in full on maturity date
43-B-2	The Yamaguchi Bank, Ltd.	700					
43-B-3	The Higo Bank, Ltd.	500					

(Notes)

- 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.
- The first interest payment will be made at the end of December 2021 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.
- 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 43 as hedges against possible increases in future interest rates.

### (2) Details of expected interest rate swap transactions

Series		43-A-1	43-A-2
Counterparty		To be determined (Note)	
Notional amount (millions of yen)		500	500
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 1, 2021	
Termination date		March 31, 2026	
Payment date		The first payment will be made at the end of December 2021, 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		43-B-1	43-B-2	43-B-3
Counterparty		To be determined (Note)		
Notional amount (millions of yen)		800	700	500
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 1, 2021		

Termination date	September 30, 2029
Payment date	The first payment will be made at the end of December 2021, 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.

3. Status of borrowings and investment corporation bonds after the debt financing (as of October 1, 2021)

(millions of yen)

	Before the debt financing	After the debt financing	Difference
Short-term borrowings (Note 1)	-	-	-
Long-term borrowings (Note 2)	112,300.0	115,300.0	+ 3,000.0
Total borrowings	112,300.0	115,300.0	+ 3,000.0
Investment corporation bonds	8,000.0	8,000.0	-
Total borrowings and investment corporation bonds	120,300.0	123,300.0	+ 3,000.0

(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.

4. Other matters

For risks pertaining to the debt financing, please refer to the securities report of KRR submitted on June 24, 2021.

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

*This notice is the English translation of the Japanese announcement on September 27, 2021. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*