

Translation of Japanese Original

April 25, 2017

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, CEO and President
Contact: Koichiro Nobata, General Manager of
Planning Department, Retail REIT Division
TEL: +81-3-5623-3868

Notice Concerning Debt Financing (Determination of Interest Rate) and
Execution of Interest Rate Swap Agreement

Kenedix Retail REIT Corporation (“KRR”) announced today the applicable interest rates for long-term borrowings in the following table. KRR also executed an interest rate swap agreement regarding long-term borrowing as follows.

1. Determination of interest rates

Series	Lender	Amount (million yen)	Interest rate	Drawdown date	Principal repayment date
13-B-1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600	0.40000% (Fixed rate) (Note 1)	April 27, 2017	April 27, 2021
13-B-2	Development Bank of Japan Inc.	500	0.55250% (Fixed rate) (Note 1)		
13-B-3	Mizuho Bank, Ltd.	400	0.55250% (Fixed rate) (Note 1)		
13-B-4	Mizuho Trust & Banking Co., Ltd.	200	0.55250% (Fixed rate) (Note 1)		
13-D-1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600	0.69600% (Fixed rate) (Note 2)		October 31, 2024
13-D-2	Mizuho Bank, Ltd.	600	0.81478% (Fixed rate) (Note 2)		
13-D-3	Development Bank of Japan Inc.	500	0.81437% (Fixed rate) (Note 2)		
13-D-4	Mizuho Trust & Banking Co., Ltd.	200	0.81437% (Fixed rate) (Note 2)		

Disclaimer: This press release is not an offer to sell or a solicitation of any offer to buy the securities of KRR in the United States or elsewhere. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from KRR and that will contain detailed information about KRR and its management, as well as KRR’s financial statements. However, KRR will not undertake a public offering and sale of investment units in the United States, and the investment units have not been and will not be registered under the Securities Act.

Notes:

1. The rate is to be applied from April 27, 2017 through April 27, 2021.
2. The rate is to be applied from April 27, 2017 through October 31, 2024.
3. The above-mentioned borrowings are unsecured and unguaranteed.

For details of above-mentioned borrowings, please refer to the KRR's press release "Notice Concerning Debt Financing (Series 11/Series 12/Series 13/Series 14) and Execution of Interest Rate Swap" announced on April 14, 2017.

2. Details of interest rate swap agreement

Series		13-A-1	13-A-2	13-A-3	13-A-4	13-A-5
Counterparty		Daiwa Securities Co. Ltd.				
Notional amount (million yen)		2,600	500	400	300	300
Interest rates	Fixed interest rate for payment	0.03450%				
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR) ^(Note 1)				
Commencement date		April 27, 2017				
Termination date		April 27, 2021				
Payment date		The first payment will be made at the end of May 2017, and on the last day of every month thereafter, with the last payment on the principal repayment day. (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)				

Notes:

1. For the first interest income of Series 13-A-4 and 13-A-5, floating interest rates are calculated using a linear interpolation based on JBA JPY 1-month TIBOR and JBA JPY 2-month TIBOR during the calculation period.
2. By entering into the interest swap agreement, the interest rate for Series 13-A is essentially fixed at 0.48450%.

Series		13-C-1	13-C-2	13-C-3	13-C-4
Counterparty		Daiwa Securities Co. Ltd.			
Notional amount (million yen)		1,500	400	400	300
Interest rates	Fixed interest rate for payment	0.14600%			
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR) ^(Note 1)			
Commencement date		April 27, 2017			
Termination date		October 31, 2024			
Payment date		The first payment will be made at the end of May 2017, and on the last day of every month thereafter, with the last payment on the principal repayment day. (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)			

Notes:

1. For the first interest income of Series 13-C-2 and 13-C-4, floating interest rates are calculated using a linear interpolation based on JBA JPY 1-month TIBOR and JBA JPY 2-month TIBOR during the calculation period.
2. By entering into the interest swap agreement, the interest rate for Series 13-C is essentially fixed at 0.77200%.

Disclaimer: This press release is not an offer to sell or a solicitation of any offer to buy the securities of KRR in the United States or elsewhere. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from KRR and that will contain detailed information about KRR and its management, as well as KRR's financial statements. However, KRR will not undertake a public offering and sale of investment units in the United States, and the investment units have not been and will not be registered under the Securities Act.

For further details concerning long-term borrowings (Series 13-A/Series 13-C) as well as the reasons for our execution of the interest rate swap above, please refer to the KRR's press release "Notice Concerning Debt Financing (Series 11/Series 12/Series 13/Series 14) and Execution of Interest Rate Swap" announced on April 14, 2017.

3. Future outlook

There are no changes to the forecasts of financial results of KRR published in the "Notice Concerning Revisions to Earnings and Distributions Forecasts for the Fiscal Period Ending September 30, 2017, and Earnings and Distributions Forecasts for the Fiscal Period Ending March 31, 2018" dated March 31, 2017 as the impact on the financial results is minimal.

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

This notice is the English translation of the Japanese announcement on April 25, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Disclaimer: This press release is not an offer to sell or a solicitation of any offer to buy the securities of KRR in the United States or elsewhere. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from KRR and that will contain detailed information about KRR and its management, as well as KRR's financial statements. However, KRR will not undertake a public offering and sale of investment units in the United States, and the investment units have not been and will not be registered under the Securities Act.