

Translation of Japanese Original

January 27, 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: Ryosuke Homma, CEO and President  
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**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
9-B-1	Development Bank of Japan Inc.	2,000	1.04880% (Fixed rate) (Note 1)	January 31, 2017	January 31, 2027
9-B-2	Mizuho Trust & Banking Co., Ltd.	1,000	1.04880% (Fixed rate) (Note 1)		

Notes:

- The rate is to be applied from January 31, 2017 through January 31, 2027.
- 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 9) and Execution of Interest Rate Swap” announced on January 26, 2017.

2. Details of interest rate swap agreement

		Series 9-B-3
Counterparty		Sumitomo Mitsui Trust Bank, Ltd.
Notional amount		500 million yen
Interest rates	Fixed interest rate for payment	0.30155%
	Floating interest rate for receipt	Base rate (JBA JPY 1-month TIBOR)
Commencement date		January 31, 2017
Termination date		January 31, 2027
Payment date		The first payment will be made at the end of February 2017, and on the last day of every month thereafter, with the last payment on the termination date. (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.)
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Note: By entering into the interest swap agreement, the interest rate for Series 9-B-3 is essentially fixed at 1.00155%.

For further details concerning long-term borrowing (Series 9-B-3) 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 9) and Execution of Interest Rate Swap" announced on January 26, 2017.

3. Future outlook

There are no changes to the forecasts of financial results of KRR published in the "Financial Report for the Fiscal Period Ended September 30, 2016" dated November 16, 2016 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 January 27, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*