

Translation of Japanese Original

April 20, 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 Partial Early Repayment of Borrowings

Kenedix Retail REIT Corporation (“KRR”) announced its decision to undertake partial early repayment of short-term borrowing (the “Prepayment”) as follows.

1. Details of the Prepayment

(1) Short-term borrowing (Series 17-A)

| | |
|---------------------------------------|-------------------------------------|
| ① Lender: | Sumitomo Mitsui Banking Corporation |
| ② Amount outstanding: | 3,400 million yen |
| ③ Repayment amount: | 2,000 million yen |
| ④ Amount outstanding after repayment: | 1,400 million yen |
| ⑤ Interest rate: | JBA JPY 1-month TIBOR + 0.40000% |
| ⑥ Borrowing date: | October 3, 2017 |
| ⑦ Maturity date: | September 30, 2018 |
| ⑧ Collateral: | Unsecured, unguaranteed |

(2) Date of the Prepayment: April 27, 2018

2. Funds for the Prepayment

The Prepayment will be made using the proceeds from the issuance of investment corporation bonds described in KRR’s press release “Notice Concerning Issuance of Investment Corporation Bonds” dated today, and cash on hand.

3. Status of the interest-bearing debt after the issuance of investment corporation bonds and the Prepayment

In addition to the investment corporation bonds and the Prepayment, KRR undertook borrowings of JPY 1,200 million on April 19, 2018, and plans to undertake borrowings of JPY 5,570 million on April 23, 2018, JPY 3,000 million on April 27, 2018 and 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 borrowings on April 19, 2018 and April 23, 2018, please refer to KRR’s press release “Notice Concerning Debt Financing (Series 22/Series 23) and Execution of Interest Rate Swaps” dated April 17, 2018. For details of the anticipated borrowings on April 27, 2018, please refer to KRR’s press release “Notice Concerning Debt Financing (Series 21) and Execution of Interest Rate Swaps” dated on April 6, 2018. 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” dated March 30, 2018 and

“(Correction) Notice Concerning Debt Financing (Series 20) and Execution of Interest Rate Swaps” dated April 2, 2018.

(as of April 27, 2018)

(millions of yen)

| | Before the Prepayment (Note 3) | After the Prepayment | Difference |
|--------------------------------------|-----------------------------------|----------------------|------------|
| Short-term borrowings (Note 1) | 6,150.0 | 4,150.0 | -2,000.0 |
| Long-term borrowings (Note 2) | 90,950.0 | 90,950.0 | - |
| Total borrowings | 97,100.0 | 95,100.0 | -2,000.0 |
| Corporate bonds | 5,000.0 | 7,000.0 | +2,000.0 |
| Total borrowings and corporate bonds | 102,100.0 | 102,100.0 | - |
| Other interest-bearing debt (Note 4) | 2,033.9 | 2,033.9 | - |
| Total interest-bearing debt | 104,133.9 | 104,133.9 | - |

(as of May 31, 2018)

| | Before the borrowings (Series 20) | After the borrowings (Series 20) | Difference |
|--------------------------------------|--------------------------------------|-------------------------------------|------------|
| Short-term borrowings (Note 1) | 4,150.0 | 4,150.0 | - |
| Long-term borrowings (Note 2) | 90,950.0 | 94,950.0 | +4,000.0 |
| Total borrowings | 95,100.0 | 99,100.0 | +4,000.0 |
| Corporate bonds | 7,000.0 | 7,000.0 | - |
| Total borrowings and corporate bonds | 102,100.0 | 106,100.0 | +4,000.0 |
| Other interest-bearing debt (Note 5) | 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. KRR is scheduled to undertake debt financing (Series 21) on the same date as the Prepayment. “Before the Prepayment” refers to the amount of debt after the Series 21. For details of the Series 21, please refer to “Notice Concerning Debt Financing (Series 21) and Execution of Interest Rate Swaps” dated April 6, 2018.
4. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of April 27, 2018.
5. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of May 31, 2018.

4. 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 20, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.