

Translation of Japanese Original

May 19, 2016

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  
 Contact: Koichiro Nobata, General Manager of  
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Notice Concerning Early Repayment of Borrowings

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

1. Details of early repayment

(1) Short-term borrowing (Series 6-F)

①	Lender:	Sumitomo Mitsui Banking Corporation
②	Amount outstanding:	800 million yen
③	Repayment amount:	800 million yen
④	Amount outstanding after repayment:	-
⑤	Interest rate:	JBA 1-month JPY TIBOR + 0.45000%
⑥	Borrowing date:	April 21, 2016
⑦	Maturity date:	April 21, 2017
⑧	Collateral:	Unsecured, unguaranteed

(2) Date of prepayment: May 31, 2016

2. Funds for repayment

The repayment will be made using net proceeds from the issuance of new investment units through third-party allotment, with a payment date of May 18, 2016, and cash on hand.

3. Status of borrowings and corporate bonds after the prepayment of borrowings (as of May 31, 2016)

(millions of yen)

	Before the prepayment	After the prepayment	Difference
Short-term borrowings (Note 1)	12,870.0	12,070.0	-800.0
Long-term borrowings (Note 2)	57,230.0	57,230.0	-
Total borrowings	70,100.0	69,300.0	-800.0
Corporate bonds	-	-	-
Total borrowings and corporate bonds	70,100.0	69,300.0	-800.0
Other interest-bearing debt (Note 3)	2,868.5	2,868.5	-
Total interest-bearing debt	72,968.5	72,168.5	-800.0

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. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of May 31, 2016.

4. Future outlook

There are no changes to the forecasts of financial results of KRR published in the “Financial Report for the Fiscal Period Ended March 31, 2016” dated May 19, 2016 since the prepayment had been factored in the forecast.

5. Other matters

Risks pertaining to the prepayment of the borrowed funds remain unchanged from those listed in “Chapter 2 Reference – Part 2 Supplementary Information 2. Investment Risks” of the securities registration statement submitted on March 31, 2016.

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

*This notice is the English translation of the Japanese announcement on May 19, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*