KENEDIX
Retail REIT Corporation

Translation of Japanese Original

February 8, 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 Planning Department, Retail REIT Division
TEL: +81-3-5623-3868

Notice Concerning the Borrowings (Series 5)

Kenedix Retail REIT Corporation ("KRR") announced today its decision to undertake debt financing (for a total of 2,000 million yen).

1. Purpose of debt financing

The proceeds of this debt financing are expected to be used towards the repayment of the Borrowing Series 1-A (JPY 2,000 million in total) with the repayment date of February 10, 2016. For details of Borrowing Series 1-A, please refer to KRR's press release "Notice Concerning the Borrowings and Execution of Interest Rate Swap" dated February 10, 2015.

2. Details of debt financing

Short-term borrowing (Series 5-1)

(i)	Lender:	Sumitomo Mitsui Banking Corporation
(ii)	Amount:	450 million yen
(iii)	Interest rate:	JBA 1-month JPY TIBOR(Note 1)+0.4500%
(iv)	Anticipated borrowing date:	October 2, 2016
(v)	Financing method:	KRR executes individual debt financing agreements with the aforementioned lender on February 8, 2016.
(vi)	Maturity date:	October 2, 2017(Note 2)
(vii)	Repayment method:	Repayment of principal in full on maturity date
(viii)	Interest payment date:	On the last day of every month after the borrowing date(Note 2)
(ix)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 5-2)

(i)	Lender:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(ii)	Amount:	450 million yen
(iii)	Interest rate:	JBA 1-month JPY TIBOR(Note 1)+0.4500%
(iv)	Anticipated borrowing date:	October 2, 2016
(v)	Financing method:	KRR executes individual debt financing agreements with the aforementioned lender on February 8, 2016.
(vi)	Maturity date:	October 2, 2017(Note 2)
(vii)	Repayment method:	Repayment of principal in full on maturity date
(viii)	Interest payment date:	On the last day of every month after the borrowing date(Note 2)
(ix)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 5-3)

(i)	Lender:	Mizuho Bank, Ltd.
(ii)	Amount:	400 million yen
(iii)	Interest rate:	JBA 1-month JPY TIBOR(Note 1)+0.4500%
(iv)	Anticipated borrowing date:	October 2, 2016
(v)	Financing method:	KRR executes individual debt financing agreements with the aforementioned lender on February 8, 2016.
(vi)	Maturity date:	October 2, 2017(Note 2)
(vii)	Repayment method:	Repayment of principal in full on maturity date
(viii)	Interest payment date:	On the last day of every month after the borrowing date(Note 2)
(ix)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 5-4)

(i)	Lender:	Resona Bank, Ltd.
(ii)	Amount:	250 million yen
(iii)	Interest rate:	JBA 1-month JPY TIBOR(Note 1)+0.4500%
(iv)	Anticipated borrowing date:	October 2, 2016
(v)	Financing method:	KRR executes individual debt financing agreements with the aforementioned lender on February 8, 2016.
(vi)	Maturity date:	October 2, 2017(Note 2)
(vii)	Repayment method:	Repayment of principal in full on maturity date
(viii)	Interest payment date:	On the last day of every month after the borrowing date(Note 2)
(ix)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 5-5)

(i)	Lender:	Aozora Bank, Ltd.
(ii)	Amount:	250 million yen
(iii)	Interest rate:	JBA 1-month JPY TIBOR(Note 1)+0.4500%
(iv)	Anticipated borrowing date:	October 2, 2016
(v)	Financing method:	KRR executes individual debt financing agreements with the aforementioned lender on February 8, 2016.
(vi)	Maturity date:	October 2, 2017(Note 2)
(vii)	Repayment method:	Repayment of principal in full on maturity date
(viii)	Interest payment date:	On the last day of every month after the borrowing date(Note 2)
(ix)	Collateral:	Unsecured, unguaranteed

Short-term borrowing (Series 5-6)

(i)	Lender:	Sumitomo Mitsui Trust Bank, Ltd.
(ii)	Amount:	200 million yen
(iii)	Interest rate:	JBA 1-month JPY TIBOR(Note 1)+0.4500%
(iv)	Anticipated borrowing date:	October 2, 2016
(v)	Financing method:	KRR executes individual debt financing agreements with the aforementioned lender on February 8, 2016.
(vi)	Maturity date:	October 2, 2017(Note 2)
(vii)	Repayment method:	Repayment of principal in full on maturity date
(viii)	Interest payment date:	On the last day of every month after the borrowing date(Note 2)
(ix)	Collateral:	Unsecured, unguaranteed

Notes:

1. The JBA JPY TIBOR is available on the JBA TIBOR Administration website: (http://www.jbatibor.or.jp/). The rate for the first interest payment is expected to be decided on February 8, 2016.
2. It 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.

3. Status of borrowings and corporate bonds after the prepayment of borrowings (as of February 10, 2016)

(millions of yen)

	Before the prepayment	After the prepayment	Difference
Short-term borrowings (Note 1)	6,500.0	6,500.0	-
Long-term borrowings (Note 2)	51,000.0	51,000.0	-
Total borrowings	57,500.0	57,500.0	-
Corporate bonds	-	-	-
Total borrowings and corporate bonds	57,500.0	57,500.0	0.0
Other interest-bearing debt (Note 3)	3,013.6	3,013.6	-
Total interest-bearing debt	60,513.6	60,513.6	0.0

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.

5. 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 24, 2015.

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

This notice is the English translation of the Japanese announcement on February 8, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.