KENEDIX
Retail REIT Corporation

Translation of Japanese Original

October 21, 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
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Notice Concerning Partial Early Repayment of Borrowing

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

1. Details of early repayment

(1) Short-term borrowing (Series 8)

(i)	Lender:	Sumitomo Mitsui Banking Corporation
(ii)	Amount outstanding:	4,500 million yen
(iii)	Repayment amount:	600 million yen
(iv)	Amount outstanding after repayment:	3,900 million yen
(v)	Interest rate:	JBA 1-month JPY TIBOR + 0.45000%
(vi)	Borrowing date:	October 3, 2016
(vii)	Maturity date:	October 3, 2017
(viii)	Collateral:	Unsecured, unguaranteed

(2) Date of repayment: October 31, 2016

2. Funds for repayment

The repayment will be made using part of the funds raised by the investment corporation bonds, described in KRR's press release "Notice Concerning Issuance of Investment Corporation Bonds" announced on October 21, 2016.

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

(millions of yen)

	Before the prepayment	After the prepayment	Difference
Short-term borrowings (Note 1)	12,070.0	11,470.0	-600.0
Long-term borrowings (Note 2)	57,230.0	57,230.0	-
Total borrowings	69,300.0	68,700.0	-600.0
Corporate bonds	-	2,000.0	+2,000.0
Total borrowings and corporate bonds	69,300.0	70,700.0	+1,400.0
Other interest-bearing debt (Note 3)	2,687.0	2,687.0	-
Total interest-bearing debt	71,987.0	73,387.0	+1,400.0

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 October 31, 2016.

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 June 29, 2016.

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

This notice is the English translation of the Japanese announcement on October 21, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.