KENEDIX
Retail REIT Corporation

Translation of Japanese Original

May 18, 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: Masahiko Tajima, CEO and President
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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 13-E)

①	Lender:	Sumitomo Mitsui Banking Corporation
②	Amount outstanding:	1,000 million yen
③	Repayment amount:	1,000 million yen
④	Amount outstanding after repayment:	-
⑤	Interest rate:	JBA JPY 1-month TIBOR + 0.40000%
⑥	Borrowing date:	April 27, 2017
⑦	Maturity date:	April 27, 2018
⑧	Collateral:	Unsecured, unguaranteed

(2) Date of prepayment: May 31, 2017

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 17, 2017, and cash on hand.

3. Status of borrowings and corporate bonds after the prepayment of borrowings (as of May 31, 2017)

(millions of yen)

	Before the prepayment	After the prepayment	Difference
Short-term borrowings (Note 1)	13,670.0	12,670.0	-1,000.0
Long-term borrowings (Note 2)	74,730.0	74,730.0	-
Total borrowings	88,400.0	87,400.0	-1,000.0
Corporate bonds	2,000.0	2,000.0	-
Total borrowings and corporate bonds	90,400.0	89,400.0	-1,000.0
Other interest-bearing debt (Note 3)	2,433.0	2,433.0	-
Total interest-bearing debt	92,833.0	91,833.0	-1,000.0

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. Other interest-bearing debt refers to the amount of interest-bearing tenant security deposits as of May 31, 2017.

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, 2017" dated May 18, 2017 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, 2017.

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

This notice is the English translation of the Japanese announcement on May 18, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.