KENEDIX
Retail REIT Corporation

Translation of Japanese Original

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To All Concerned Parties

REIT Issuer:
Kenedix Retail REIT Corporation
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(Securities Code: 3453)

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Notice Concerning Renewal Projects at Blumer Maitamon and Blumer HAT Kobe

Kenedix Retail REIT Corporation ("KRR") announced today that it decided to conduct renewal projects ("the projects") at Bulmer Maitamon and Bulmer HAT Kobe.

1. Renewal project at Bulmer Maitamon

(1) Overview of the project

Amount to be expensed	JPY 49 million

Project	**Aim**
Replacing floor materials	・Improve NOI by reduction in building maintenance cost due to replacing floor materials to those wax-free ・Improve shopping environment by harmonizing floor color with lighting and changing appearance in the mall pathway

(2) Background

Blumer Maitamon is a Neighborhood Shopping Center ("NSC") in Kobe. It has been fairly competitive for about 9 years since it opened in July 2006. In addition, the population in the area surrounding Blumer Maitamon has been stable due to new housing developments and increase in the number of household with children, which caused a planned opening of a new elementary school. KRR decided to conduct the renewal project aiming to maintain its competitiveness.

(3) Schedule

Construction is expected to start in early February 2016 and to be completed in mid-April 2016.

2. Renewal project at Bulmer HAT Kobe

(1) Overview of the project

Amount to be expensed	JPY 129 million

Project	**Aim**
Installation of LED lighting	・Improve NOI by reduction in utility costs ・Reduce environmental burden by energy conservation
Replacing floor materials	・Improve shopping environment by harmonizing floor color with lighting and changing appearance in the mall pathway
Renewing signboards and floor maps	・Increase attractiveness and improve access to each shops in the mall
Renovation of restrooms	・Maintain comfortability in the shopping mall

(2) Background

Blumer HAT Kobe was opened in October 2005 as a core retail property in the redevelopment area of "HAT Kobe Area", which is a symbol town of reconstruction after the Kobe earthquake. The property is an NSC, featuring approximately 40 tenants, including supermarkets (grocery), clothing stores, a cinema complex, and restaurants. KRR decided to conduct the renewal project aiming to increase its competitiveness of this 10-year-old property.

(3) Schedule

Construction is expected to start in late January 2016 and to be completed in early April 2016.

3. Outlook for Asset Management

There are no changes to the forecasts of financial results of KRR published in the "Financial Report for the Fiscal Period Ended September 30, 2015" dated November 12, 2015 since the impact of the projects had been factored in the forecast.

Reference

Conceptual drawings of Blumer HAT Kobe after the project

Drawing of common area (after the project)(Note)



Photograph of common area（before the project）



Drawing of entrance (after the project)(Note)



Photograph of entrance（before the project）



(Note) The actual renewal may differ from the conceptual drawings.

Please refer to KRR's website: http://www.krr-reit.com/en/

This notice is the English translation of the Japanese announcement on December 24, 2015. However, no assurance or warranties are given for the completeness or accuracy of this English translation.