Translation of Japanese Original

KENEDIX
Retail REIT Corporation

May 13, 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
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Notice Concerning Determination of the Number of New Investment Units to be Issued through Third-Party Allotment

Kenedix Retail REIT Corporation ("KRR") announced today that KRR received a notice from the allottee that it will subscribe to all of the investment units to be issued through third-party allotment concerning the new investment unit issuance, which was resolved, together with the issuance of new investment units through public offering and secondary offering of investment units (secondary offering through over-allotment), at the Board of Directors Meetings held on March 31, 2016 and on April 13, 2016, as follows.

(1) Number of new investment units to be issued through third-party allotment: 3,200 units
(Number of units originally scheduled to be issued: 3,200 units)

(2) Total amount to be paid (issue amount) of such units: 792,844,800 yen
(247,764 yen per unit)

(3) Subscription period (subscription date): Tuesday, May 17, 2016

(4) Payment date: Wednesday, May 18, 2016

(5) Allottee: SMBC Nikko Securities Inc.

Disclaimer: This press release is not an offer to sell or a solicitation of any offer to buy the securities of KRR in the United States or elsewhere. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from KRR and that will contain detailed information about KRR and its management, as well as KRR's financial statements. However, KRR will not undertake a public offering and sale of investment units in the United States, and the investment units have not been and will not be registered under the Securities Act.

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1. The third-party allotment above was resolved together with the issuance of new investment units through public offering and secondary offering of investment units (secondary offering through over-allotment), at the Board of Directors Meetings held on March 31, 2016 and on April 13, 2016. For further details of the issuance of new investment units through third-party allotment, please refer to the press release "Notice Concerning Issuance of New Investment Units and Secondary Offering" dated March 31, 2016 and "Notice Concerning Pricing for Issuance of New Investment Units and Secondary Offering" dated April 13, 2016.

2. Change in the number of investment units issued and outstanding after third-party allotment

Current total number of investment units issued and outstanding	419,250 units
Increase in investment units through third-party allotment	3,200 units
Total number of investment units issued and outstanding	422,450 units

3. Use of proceeds procured through third-party allotment

   The proceeds from this third-party allotment (792,844,800 yen) will be used in the partial repayment of short-term borrowings; the remainder, if any, will be retained as cash on hand to fund part of the acquisition of specified assets or repayment of borrowings in the future.

   Note: The proceeds will be deposited to a bank until used.

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

This notice is the English translation of the Japanese announcement on May 13, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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