KENEDIX
Retail REIT Corporation

Translation of Japanese Original

August 10, 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 the Execution of an Alliance Agreement with Itochu Corporation

Kenedix Retail REIT Corporation ("KRR") announced today that KRR and Kenedix Real Estate Fund Management, Inc. ("the Asset Manager"), the asset manager for KRR, have decided to enter into an alliance agreement with Itochu Corporation ("Itochu").

1. Reason for execution of the agreement

KRR and the Asset Manager have variety of support from the Sponsor, Kenedix, Inc., as well as Alliance Companies, namely Sumitomo Mitsui Finance and Leasing Co., Ltd., Nippon Commercial Development Co., Ltd. and P&D Consulting Co., Ltd. for KRR's external and internal growth. KRR believes that the additional alliance agreement with Itochu will benefit KRR by utilizing Itochu and its affiliates' variety of knowhow and resources, leading to enhancement of KRR's unitholder value.

2. Details of the agreement

(1) The details of support from Itochu

- *Preferential Access to Potential Acquisition Opportunities.* KRR and the Asset Manager will receive preferential access to potential acquisition opportunities from the retail property development fund, which will be jointly created by Itochu and Kenedix, Inc., when the fund tries to dispose a property that meets KRR's investment criteria. (Kenedix, Inc., the asset manager of the retail property development fund, agrees to provide preferential access to potential acquisition opportunities regarding the fund, to KRR and the Asset Manager.)

- *Providing Information of Potential Acquisition Opportunities.* Itochu will provide information of potential acquisition opportunities, if possible, to KRR and the Asset Manager, when Itochu or its affiliate tries to dispose a property that meets KRR's investment criteria.

- *Providing Property Management Services*. Itochu will provide property management services for KRR's properties, if possible, when asked from the Asset Manager.

- *Providing Leasing Services*. Itochu will provide leasing services for KRR's properties, if possible, when asked from the Asset Manager.

(2) Contract period

The contract period of the alliance agreement is from August 10, 2016 to March 31, 2018. When agreed to continue by one month before the end of the contract, the contract period may be extended. The contract may be terminated before the end of the contract period by giving a six month prior notice.

(3) Details of the Alliance Company

Name	Itochu Corporation	
Address	3-1-3 Umeda, Kita-ku, Osaka, Osaka	
Name and title of representative	Masahiro Okafuji, President & Chief Executive Officer	
Description of main business	Domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas	
Capital	253,448 million yen	
Incorporation	December 1, 1949	
Consolidated net assets (as of March 31, 2016)	2,452,055 million yen	
Consolidated total assets (as of March 31, 2016)	8,036,395 million yen	
Major shareholders and shareholding ratios (as of March 31, 2016)	Japan Trustee Services Bank, Ltd. (trust account) The Master Trust Bank of Japan, Ltd. (trust account) CP WORLDWIDE INVESTMENT COMPANY LIMITED Mizuho Bank, Ltd. Nippon Life Insurance Company Mitsui Sumitomo Insurance Company, Limited Sompo Japan Nipponkoa Insurance Inc. Barclays Securities Japan Limited Asahi Mutual Life Insurance Company Japan Trustee Services Bank, Ltd. (trust account9)	5.38% 4.56% 3.82% 2.36% 2.05% 1.83% 1.58% 1.50% 1.41% 1.35%
Relationship with KRR/the Asset Manager		
	Capital relationship	No special capital relationship.
	Personnel relationship	The Asset Manager has an assigned employee from Itochu as of today.
	Business relationship	No special business relationship.
	Related party transactions	Itochu is not deemed a related party under either the Investment Trust Law or the Retail REIT Division's Internal Regulations on Related Party Transactions of the Asset Manager.

3. Future outlook

The impact of the agreement on the forecasts is minimal, and there are no changes to the forecasts of financial results of KRR published in the "Financial Report for the Fiscal Period Ended March 31, 2016 (REIT) (October 1, 2015 to March 31, 2016)" dated May 19, 2016.

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

This notice is the English translation of the Japanese announcement on August 10, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.