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
Contact: Koichiro Nobata, General Manager of Planning Department, Retail REIT Division
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Notice Concerning Issuance of Investment Corporation Bonds

Kenedix Retail REIT Corporation ("KRR") today announced the decision to issue investment corporation bonds through public offering based on the comprehensive resolution adopted at the board of directors' meeting held on September 29, 2016. The details are provided as follows.

1. Outline of the Investment Corporation Bonds

(1)	Name of investment corporation bonds	Kenedix Retail REIT Corporation 1st Series Unsecured Investment Corporation Bonds (Ranking *pari passu* among the specified investment corporation bonds) (The aforementioned investment corporation bonds shall hereafter be referred to as the "1st Series Bonds.") Kenedix Retail REIT Corporation 2nd Series Unsecured Investment Corporation Bonds (Ranking *pari passu* among the specified investment corporation bonds) (The aforementioned investment corporation bonds shall hereafter be referred to as the "2nd Series Bonds.") Hereafter, the 1st Series Bonds and the 2nd Series Bonds will collectively be referred to as the "Investment Corporation Bonds." There will be no particular mention as to which bond, if the item is common to both the 1st Series Bonds and the 2nd Series Bonds.
(2)	Total amount of the bonds	Total amount: 2.0 billion yen Breakdown: 1st Series Bonds: 1.0 billion yen 2nd Series Bonds: 1.0 billion yen
(3)	Form of bonds certificate	The Bonds Transfer Act is applicable to the Investment Corporation Bonds, thus investment corporation bond certificates will not be issued.
(4)	Issue price	100 per yen value of 100 yen for each bond
(5)	Redemption price	100 per yen value of 100 yen for each bond
(6)	Interest rate	1st Series Bonds: 0.200% per annum 2nd Series Bonds: 0.600% per annum
(7)	Denomination of each bond	0.1 billion yen
(8)	Offering method	Public offering
(9)	Offering period	October 21, 2016
(10)	Payment date	October 31, 2016
(11)	Collateral / Guarantee	No collateral or guarantee is applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.
(12)	Redemption method and maturity	1st Series Bonds: Friday, October 29, 2021 2nd Series Bonds: Friday, October 30, 2026 The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case of service regulations and

	other rules that the statutory or depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on the bank holiday, the payment will be brought forward to the previous bank business day.
(13) Interest payment dates	The end of April and October, every year and the maturity date
(14) Ratings	A (Japan Credit Rating Agency, Ltd.)
(15) Financial covenants	Negative pledge clause is applicable to the Investment Corporation Bonds.
(16) Depository	Japan Securities Depository Center, Inc.
(17) Fiscal agent, issuing agent and paying agent	Sumitomo Mitsui Trust Bank, Limited.
(18) Underwriting securities companies	SMBC Nikko Securities Inc. Nomura Securities Co., Ltd. Daiwa Securities Co. Ltd.

2. Reason for Bonds Issuance

KRR intends to diverse its debt maturities, increase average remaining period to maturity and diverse financing methods through KRR's first issuance of investment corporation bonds.

3. Total Amount to be Raised, Use of Funds and Schedule of Disbursement

(1) Total amount to be procured (approximate net balance)

1,980 million yen

(2) Specific use of funds and schedule of disbursement

1,380 million yen is planned to be used for the anticipated acquisition of K's Denki Shin-Moriyama (Land) on November 1, 2016 and certain related costs pertaining to the acquisition, and 600 million yen is planned to be used for partial prepayment of borrowings with drawdown date of October 3, 2016. Please refer to KRR's press release "Notice Concerning Acquisition of Property (K's Denki Shin-Moriyama (Land))" announced on October 17, 2016 and "Notice Concerning Acquisition Funds of Property (K's Denki Shin-Moriyama (Land))" announced on October 21, 2016 for the acquisition of property and "Notice Concerning Partial Early Repayment of Borrowings" announced on October 21, 2016 for partial prepayment of borrowings.

4. Status of the Interest-bearing Debt after the Issuance of the Investment Corporation Bonds and the Partial Prepayment of Borrowing Announced Today (as of October 31, 2016)

(millions of yen)

	Before the issuance and the prepayment	After the issuance and 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.

5. Other matters

Risks pertaining to the issuance and redemption, etc. of the Investment Corporation Bonds remain unchanged from those listed in the securities report of KRR submitted on June 29, 2016.

【Reference】

KRR submitted shelf registration supplements to the Director of Kanto Local Finance Bureau concerning the Investment Corporation Bonds today.

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.