KENEDIX
Retail REIT Corporation

Translation of Japanese Original

July 27, 2017

To All Concerned Parties

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Notice Concerning Renewal Project at MONA Shin-Urayasu

Kenedix Retail REIT Corporation ("KRR") announced today that it decided to conduct further renewal ("the Project") at Mona Shin-Urayasu that involves replacements of tenants, in addition to the renewal project at the property noticed in the press release dated February 23, 2017, which is nearly completed.

1. The Project at MONA Shin-Urayasu

(1) Overview of the Project

Estimated cost	JPY 274 million (planned)

Renovations	Aim
Floor layout	・Increase attractiveness through change of floor layout in relation to tenant replacements and relocations
Shopping environment	・Strengthen image of the property through improvement of the shopping environment by changing the designs of floors, walls and roofs, installing LED lightings and automatic doors of the common space ・Improve access to each shop in the shopping center through renewal of signboards and floor maps

(2) Background

MONA Shin-Urayasu is an urban station-front shopping center in Urayasu, Chiba, opened in November 1990. It has approximately 70 tenants, ranging from supermarket (grocery), clothing stores, commercial goods stores, restaurants to service businesses. It is directly accessible by a pedestrian walkway from Shin-Urayasu Station (about 20 minutes to Tokyo Station on JR Keiyo Line and next to Maihama Station where Tokyo Disney Resort is located) and also highly accessible by car. There are many condominiums and single-family residences in the surrounding neighbothood, and the property has played an important role in the local community together with other retail facilities and public facilities nearby. Additionally, it has met the needs of office workers and hotel guests of nearby facilities.

However, as 26 years have passed since the opening of the facility, KRR conducted a renewal project around entrances involving a replacement of the supermarket (grocery), aiming to maintain its

competitiveness and value of the property, as noticed in the press release dated February 23, 2017. As the fixed-term lease agreements with 39.6% tenants of the property based on leasable area (which is 0.5% of the total leasable area of KRR's portfolio) are expiring in March 2018, KRR will be conducting further replacements and relocations of tenants as well as improvement of the shopping environment, with targeted renewal opening in October 2018. The Project will, as a result, differentiate the property from competing retail properties and is expected to establish a long-term stable profit base through improved NOI and enhanced property competitiveness.

(3) Expected schedule

April 2018	Start of the renovations
September 2018	Completion of the renovations
October 2018	Renewal opening

2. 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 as the impact on the fiscal periods ending September 30, 2017 and March 31, 2018 is minimal.

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

This notice is the English translation of the Japanese announcement on July 27, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference
Conceptual drawings of MONA Shin-Urayasu after the Project

■ **More friendliness and attractiveness**

MONA Shin-Urayasu has attracted local residents as the place of purchasing activities for 26 years. In this Project, KRR will differentiate the property from competing retail properties by attracting competitive tenants. KRR also expects improved access to each shop in the shopping center, making it more attractive for customers through the Project.

Drawing of indoor at the second floor (after the Project) (Note)



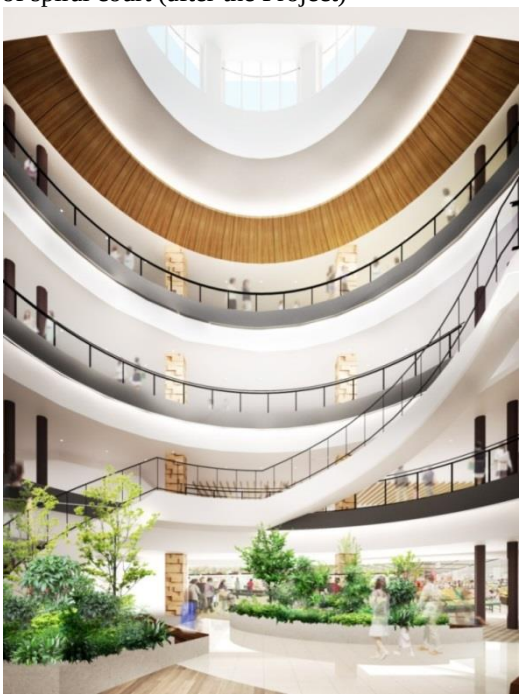
Current indoor at the second floor (before the Project)



■ **More convenience and relaxation**

MONA Shin-Urayasu has played an important role in enlivening local community for 26 years in front of JR Shin-Urayasu Station. In this Project, KRR will improve the shopping environment by changing the designs of floors, walls and roofs, installing LED lightings and automatic doors of the common space and renewing signboards and floor maps in the entire facility. KRR aims to make the property more comfortable for local residents with improvement of public spaces through the Project.

Drawing of spiral court (after the Project) (Note)



Current spiral court (before the Project)



(Note) Conceptual drawings may differ from the actual interior upon completion.