KENEDIX
Retail REIT Corporation

Translation of Japanese Original

October 6, 2022

To All Concerned Parties

REIT Issuer:
Kenedix Retail REIT Corporation
Representative: Moyuru Watanabe, Executive Director
(Securities Code: 3453)

Asset Manager:
Kenedix Real Estate Fund Management, Inc.
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Notice Concerning Issuance of New Investment Units

Kenedix Retail REIT Corporation ("KRR") announced today that a resolution was passed at the Board of Directors Meeting held on October 6, 2022, concerning the issuance of new investment units as follows.

Issuance of new investment units through public offerings (primary offering)

(1) Number of investment units to be offered
20,000 units

(2) Issue price (offer price)
To be determined
The issue price (offer price) shall be determined at a Board of Directors Meeting to be held on a date between Thursday, October 13, 2022 and Tuesday, October 18, 2022 (the "Issue Price Determination Date"), taking into consideration the status of demand and other factors, using a tentative price obtained by multiplying the closing price of KRR's investment units for ordinary trading at the Tokyo Stock Exchange, Inc. ("TSE") on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the immediately preceding date) by a number from 0.90 to 1.00 (any fraction of one yen shall be rounded down to the nearest yen).

(3) Amount to be paid (issue amount)
To be determined
The amount to be paid (issue amount) shall be determined at a Board of Directors Meeting to be held on the Issue Price Determination Date. The amount to be paid (issue amount) refers to the amount KRR shall receive from the underwriters (as defined in (5) below) as payment proceeds per investment unit.

(4) Total amount to be paid (total issue amount)
To be determined

(5) Offering method
Investment units shall be offered through the primary offering, in which all investment units subject to the primary offering shall be purchased and underwritten by an underwriting syndicate (the "underwriters"). The target investors of the primary offering are the Target Institutional Investors (as defined in "Reference: 1. Target investors of the primary offering" below). Note that some of the investment units to be offered above are being sold to overseas investors in overseas markets mainly consisting of Europe and Asia (excluding, however, the United States and Canada).

(6) Details of underwriting agreement
The underwriters shall pay to KRR the total amount to be paid (total issue amount) for the primary offering

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on the payment date stated below under (10), and the difference between the total amount to be paid (total issue amount) and the total amount of issue price (total offer price) shall be retained by the underwriters. KRR shall not pay an underwriting fee to the underwriters.

(7) Subscription unit
One or more units as a single unit

(8) Subscription period
The business day following the Issue Price Determination Date

(9) Payment period for deposit in securities
From the following business day of the Issue Price Determination Date to the 2nd business day following the Issue Price Determination Date

(10) Payment date
The 4th business day following the Issue Price Determination Date, between Wednesday, October 19, 2022 and Monday, October 24, 2022

(11) Delivery date
The business day following the payment date stated above under (10)

(12) The issue price (offer price), the amount to be paid (issue amount), and other matters necessary for the issuance of new investment units through the primary offering will be determined at a future Board of Directors Meeting.

(13) Each provision above is subject to the effectiveness of the Securities Registration Statement in accordance with the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (hereafter referred to as the "FIEA").

Reference:

1. Target investors of the primary offering

The primary offering shall be made only to (i) the following domestic qualified institutional investors (which shall mean the Qualified Institutional Investors as stipulated in Article 2, Paragraph 3, Item 1 of the FIEA); banks, persons engaged in investment management business stipulated in Article 28, Paragraph 4 of the FIEA, insurance companies, Pension Fund Association, shinkin banks, federation of shinkin banks, The Shinkumi Federation Bank, The Norinchukin Bank, federations of agricultural cooperatives or federations of mutual aid fishermen's cooperatives as stipulated in Article 10, Paragraph 1, Item 9 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993, as amended), labor banks, The Rokinren Banks and The Shoko Chukin Bank, Ltd. and (ii) credit cooperatives, as well as (iii) overseas institutional investors (collectively the "Target Institutional Investors"), to achieve more appropriate price formation for the investment units. KRR believes that increasing the allocated share of domestic and overseas institutional investors, who are considered to have certain degrees of impact on the pricing of investment unit, will contribute to the formation of more appropriate investment unit price, which in turn will lead to the further improvement of unitholder value for all unitholders, not limited to the institutional investors targeted by the primary offering. KRR has therefore decided to target the Target Institutional Investors for the primary offering.

2. Change in the number of investment units issued and outstanding as a result of the issuance of new investment units

Total number of investment units issued and outstanding at present:	582,177 units
Increase in the number of investment units due to the issuance of new investment units through the primary offering:	20,000 units
Total number of investment units issued and outstanding after the issuance of new investment units through the primary offering:	602,177 units

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3. Objective and rationale for the issuance

KRR plans to acquire new specified assets (as defined under Article 2.1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended); the same shall apply hereafter) to ensure stable returns of portfolio through expanding assets under management and further diversifying its portfolio. KRR has decided to fundraise through the issuance of new investment units after considering fundraising methods for acquiring the new specified assets with taking into account market trends, financial soundness, liquidity of investment units and impact on the level of distribution per unit.

4. Electronic delivery of prospectuses

The underwriters will provide all of the prospectuses for the primary offering by means of electronic delivery, rather than delivery of printed documents (Note).

Note: KRR refers to the provision of the information stated in prospectuses by electromagnetic means as electronic delivery of prospectuses. The person providing the prospectus is deemed to have delivered the prospectus, if such person provides the recipient of such information stated in the prospectus by electromagnetic means after obtaining consent from the recipient (Article 27-30-9, Paragraph 1 of the FIEA; Article 32-2, Paragraph 1 of the Cabinet Office Order on Disclosure of Information on Regulated Securities (Ministry of Finance Order No. 22 of 1993, as amended) (the "Cabinet Office Order")). Accordingly, if such consent cannot be obtained or is withdrawn (Article 32-2, Paragraph 7 of the Cabinet Office Order), prospectuses cannot be delivered electronically, but the underwriters and other dealers will sell investment units in the primary offering only to those investors who have given and have not withdrawn such consent.

5. Amount, use and schedule of expenditure of proceeds

(1) Amount of proceeds (estimated net proceeds)

5,048,000,000 yen

Note: This is the anticipated amount calculated based on the closing price of KRR's investment units for ordinary trading at TSE on Thursday, September 29, 2022.

(2) Use and schedule of expenditure of proceeds

The proceeds from the primary offering will be used to partially fund of iias Kasugai, which is one of the anticipated acquisitions of specified properties (the "properties to be acquired").

For details of the properties to be acquired, please refer to the press release "Notice Concerning Acquisition of Properties and Contract of New Leases (iias Kasugai and Coop Sapporo Shunko)" dated today.

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

6. Designation of party to receive allocation

Not applicable.

7. Restriction for sale, follow-on offerings and others (lock-up)

(1) In connection with the primary offerings, Kenedix, Inc., which is an existing unitholder of KRR, has agreed with the joint lead managers that without prior written consent from the joint lead managers, no sale of the investment units (except in certain cases) shall be conducted during the period beginning on the Issue Price Determination Date and ending on the date 180 days after the delivery date of the units.

The joint lead managers have the right to waive all or part of aforementioned restrictions, or shorten the lock-up period at their discretion.

(2) In connection with the primary offerings, KRR has agreed with the joint lead managers that without prior written consent from the joint lead managers, no issuance of the investment units (except for new investment units issued through the primary offering and splits of investment units) shall be conducted during the period beginning on the Issue Price Determination Date and ending on the date 90 days after the delivery date of the units.

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The joint lead managers have the right to waive all or part of aforementioned restrictions, or shorten the lock-up period at their discretion.

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

This notice is the English translation of the Japanese announcement on October 6, 2022. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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