KENEDIX
Retail REIT Corporation

Translation of Japanese Original

March 27, 2019

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: Masahiko Tajima, President & CEO
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Kenedix Retail REIT Awarded the Highest Rank of "S" in "MUFG ESG Rating Certificate for J-REIT supported by JCR"

Kenedix Retail REIT Corporation ("KRR") announced that KRR and Kenedix Real Estate Fund Management, Inc. ("the Asset Manager"), the asset manager for KRR were collectively awarded the highest rank of "S" in "MUFG ESG Rating Certificate for J-REIT supported by JCR ("the Rating")" by Mitsubishi UFJ Research and Consulting Co., Ltd. ("MURC"), as follows.

1. Overview of the Rating

MURC promotes strategic efforts on ESG (Environment, Society, Governance) to improve corporate value in response to the growing demand from external stakeholders regarding active disclosure of ESG related information. Under the support of JCR, one of Japan's leading rating companies and expert in credit risk analysis, the certificate was developed and is dedicated to J-REIT that evaluates efforts on ESG.
By earning the Rating, KRR will be able to undertake the "ESG Loan for J-REIT" from MUFG Bank, Ltd.

For detailed information on the Rating, please visit the MURC website:
http://www.murc.jp/sp/1810/j-reit/index.html (Japanese only)

2. The Rating awarded

KRR and the Asset Manager have been awarded a "S" grade for a broad range of ESG initiatives.
In particular, the following factors contributed to the favorable grade in the evaluation: 1) establishing sustainability policies and sustainability committee, 2) promoting sustainability initiatives with tenants and local communities, and 3) ensuring transparency and promoting compliance.

3. Future measures

KRR will continue to advance environmental and social consideration measures, including enlivening of local community through retail property management.

For KRR's environmental policies and specific efforts, please refer to the following.
KRR's initiatives for sustainability: https://www.krr-reit.com/en/feature/csr.html

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

This notice is the English translation of the Japanese announcement on March 27, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.