KENEDIX
Retail REIT Corporation

Translation of Japanese Original

December 5, 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
Contact: Koichiro Nobata, Head of Planning Division, Retail REIT Department
TEL: +81-3-5157-6013

Notice Concerning the New Lease with a Major Delivery Firm at Kurume-Nishi Shopping Center

Kenedix Retail REIT Corporation ("KRR") announced today that it has entered into a lease agreement ("the Agreement") with a major delivery firm for use as a space for loading/unloading of parcels between vehicles in Kurumenishi Shopping Center, which KRR owns. Although the impact of the Agreement on financial results is minimal, KRR is disclosing the Agreement as an example of KRR's new initiative to integrate the functions of retail and logistics facilities.

1. About this Agreement

(1) Outline and effect of this agreement

Property name	Kurume-Nishi Shopping Center
New lessee	Undisclosed (a major delivery firm)
Leased area (Land)	About 120m^2
Annual rent	Undisclosed
Contract period	Undisclosed
Usage	Use as a space for loading/unloading of parcels between vehicles
Expected effect	・Improvement of asset value by utilizing unused space on site ・Presentation of initiatives to integrate the functions of retail and logistics facilities

(2) Background

Since listing, KRR has built a stable portfolio by focused investment in shopping centers for daily needs. In addition, against the backdrop of advances in IT, e-commerce is penetrating and the functions of retail and logistics facilities are becoming similar from the perspective of providing products to consumers. In response, KRR expanded its investment target to include logistics facilities in June 2018, to adapt to changing environment with e-commerce penetration. It has acquired five logistics facilities for a total of 10.5 billion yen as of today.

KRR believes that the integration of the functions of retail and logistics facilities will continue to advance in the future, as seen in the cases where goods ordered via the Internet are received at retail facilities or delivered from retail facilities amid changes in the retail environment accompanying the progress of e-commerce. The Agreement was concluded as KRR sought the integration of the functions of retail and

logistics facilities. KRR has been actively enhancing profitability and asset value by expanding rentable floor space through building expansions, utilizing the unutilized floor space in some of its properties. Under the Agreement, KRR believes that effectively utilizing vacant space on the premises of a shopping center for daily needs as a place for loading/unloading of parcels will be an example of new initiatives to enhance asset value at retail facilities.

(3) Expected schedule

December 5, 2019	Conclusion of the Agreement
December 21, 2019	Start of the lease

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 September 30, 2019" dated November 15, 2019 as the impact on the fiscal periods ending March 31, 2020 and September 30, 2020 is minimal.

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

This notice is the English translation of the Japanese announcement on December 5, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.