

Translation of Japanese Original

January 12, 2021

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.  
Representative: Masahiko Tajima, President & CEO  
Contact: Koichiro Nobata, Head of Planning Division,  
Retail REIT Department  
TEL: +81-3-5157-6013

Announcement Concerning Changes in Parent Companies (Specified Related Corporation)  
of the Asset Management Company

Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”) to which Kenedix Retail REIT Corporation (“the Investment Corporation”) entrusts the management of assets, hereby announces the following changes (“the Changes”) in the parent companies (specific related corporations), effective January 15, 2021.

1. Background of the Changes

- (1) As announced in the “Announcement of Receipt of Opinion in Support of the Tender Offer for the Shares of Asset Management Company’s Parent Company (Specified Related Corporation)” released on November 20, 2020, SMFL MIRAI Partners Company, Limited, a wholly-owned subsidiary of Sumitomo Mitsui Financing and Leasing Company, Limited, is expected to acquire 62.35% of shares outstanding in Kenedix, Inc. (“KDX”), 100% owner of the Asset Management Company, through a tender offer (“the Tender Offer”) conducted on November 24, 2020 via its wholly-owned subsidiary SMFL MIRAI Partners Investment 2 Co., Ltd. (“the Tender Offeror”) to be settled on January 15, 2021, for the purpose of taking KDX private.

- (2) Settlement of the Tender Offer is planned for January 15, 2021, at which time, the Tender Offeror will hold 62.35% of shares outstanding in KDX and the Tender Offeror, SMFL MIRAI Partners Company, Limited and Sumitomo Mitsui Financing and Leasing Company, Limited will become the parent company (specified related corporation) of the Asset Management Company.

(Note) The Tender Offeror plans to make a demand that KDX convenes an extraordinary meeting of shareholders (“the Extraordinary Meeting of Shareholders”) with agenda items including a consolidation (“the Consolidation”) of common shares in KDX (“KDX Shares”) based on Article 180 of the Companies Act as well as an amendment to the Articles of Incorporation abolishing the stipulation on trading unit of shares contingent on the realization of the Consolidation, and will vote in favor of these agenda items at the Extraordinary Meeting of Shareholders. As of the publication of this announcement, the consolidation ratio for KDX Shares has yet to be decided, but a ratio is scheduled to be set to ensure that the holdings of all KDX shareholders who did not tender their shares will be reduced to less than one share, so that all KDX shares (excluding treasury shares) are held by only the Tender Offeror and ARA REAL ESTATE INVESTORS XVIII PTE. LTD.

2. Scheduled Date of the Changes

- (1) Date of change in the parent company (specified related corporation)

January 15, 2021

- (2) Date of notification to the Prime Minister

January 15, 2021

3. Overview of the Company to Become the Parent Company (Specified Related Corporation)

Name	SMFL MIRAI Partners Investment 2 Co., Ltd.		
Location	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo		
Representative	Hiroyasu Komiya, Representative Director		
Business description	Acquisition and holding of shares in Kenedix, Inc.		
Paid-in capital	500,000 yen (As of January 12, 2021)		
Establishment	July 30, 2020		
Net Assets	Not applicable (Note)		
Total Assets	Not applicable (Note)		
Major shareholder and shareholding ratio (As of January 12, 2021)	SMFL MIRAI Partners Company, Limited		100.0%
Relationship between the Investment Corporation/Asset Management Company and the parent company (specified related corporation)			
	Capital relationship	There is no capital relationship to note between the parent company (specified related corporation) and the Investment Corporation/Asset Management Company as of today. However, it will be the Asset Management Company's parent company indirectly holding 62.35% of the Asset Management Company's outstanding shares after the Changes.	
	Personnel relationship	There is no personnel relationship to note between the parent company (specified related corporation) and the Investment Corporation/Asset Management Company as of today.	
	Business relationship	There is no business relationship to note between the parent company (specified related corporation) and the Investment Corporation/Asset Management Company as of today.	
	Related parties	The parent company (specified related corporation) does not fall under the category of related parties of the Investment Corporation as of today.	

(Note) We have received an explanation from SMFL MIRAI Partners Investment 2 Co., Ltd. that it is not possible to disclose the figures because the business year has not ended since its establishment.

Name	SMFL MIRAI Partners Company, Limited		
Location	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo		
Representative	Tatsurou Terada, President		
Business description	1. Real estate business 2. Environmental and energy business 3. Other 4. Services relating to above-mentioned businesses		
Paid-in capital	200 million yen (as of January 12, 2021)		
Establishment	October 1, 2018		
Net assets	9,854 million yen (as of March 31, 2020)		
Total assets	884,021 million yen (as of March 31, 2020)		
Major shareholder and shareholding ratio (As of January 12, 2021)	Sumitomo Mitsui Finance and Leasing Company, Limited		100.0%
Relationship between the Investment Corporation/Asset Management Company and the parent company (specified related corporation)			
	Capital relationship	There is no capital relationship to note between the parent company (specified related corporation) and the Investment Corporation/Asset Management Company as of today. However, it will be the Asset Management Company’s parent company indirectly holding 62.35% of the Asset Management Company’s outstanding shares after the Changes.	
	Personnel relationship	One of the officers and employees of the Asset Management Company is seconded from the parent company (specified related corporation) as of today.	

	Business relationship	The parent company (specified related corporation), as an Alliance Company for the Investment Corporation, provides services and property information preferentially to the Investment Corporation in accordance with an alliance agreement as of today.
	Related parties	The parent company (specified related corporation) does not fall under the category of related parties of the Investment Corporation as of today.

Name	Sumitomo Mitsui Finance and Leasing Company, Limited	
Location	3-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	
Representative	Makoto Horie, Chairman of the Board Masaki Tachibana, President	
Business description	1. Leasing and installment sales of a variety of equipment and machinery 2. Loans and factoring 3. Other 4. Services relating to above-mentioned businesses	
Paid-in capital	15,000 million yen (as of January 12, 2021)	
Establishment	February 1963	
Net assets	735,542 million yen (as of March 31, 2020)	
Total assets	6,378,701 million yen (as of March 31, 2020)	
Major shareholder and shareholding ratio (As of January 12, 2021)	Sumitomo Mitsui Financial Group, Inc.	50.0%
	Sumitomo Corporation	50.0%
Relationship between the Investment Corporation/Asset Management Company and the parent company (specified related corporation)		
	Capital relationship	There is no capital relationship to note between the parent company (specified related corporation) and the Investment Corporation/Asset Management Company as of today. However, it will be the Asset Management Company's parent company indirectly holding 62.35% of the Asset Management Company's outstanding shares after the Changes.
	Personnel relationship	One of the officers and employees of the Asset Management Company is seconded from SMFL MIRAI Partners Company, Limited, which is a wholly owned subsidiary of the parent company (specified related corporation) as of today.
	Business relationship	The parent company (specified related corporation), as an Alliance Company for the Investment Corporation, provides services and finance functions to the bridge fund, etc. for the Investment Corporation in accordance with an alliance agreement as of today.
	Related parties	The parent company (specified related corporation) does not fall under the category of related parties of the Investment Corporation as of today.

4. Number of the Asset Management Company's Shares (Number of Voting Rights) Held by the Parent Company (Specified Related Corporation) and Percentage of Total Number of Voting Rights of All Stockholders

(1) SMFL MIRAI Partners Investment 2 Co., Ltd.

	Attributes	Number of voting rights			Ranking
		Directly held portion	Indirectly held portion	Total	
Before the Changes	Not applicable	0 (0.00%)	1 (0.00%)	1 (0.00%)	Not applicable
After the Changes	Parent company (specified related corporation)	0 (0.00%)	1,375,267 (62.35%)	1,375,267 (62.35%)	Not applicable

(2) SMFL MIRAI Partners Company, Limited

	Attributes	Number of voting rights			Ranking
		Directly held portion	Indirectly held portion	Total	
Before the Changes	Not applicable	0 (0.00%)	1 (0.00%)	1 (0.00%)	Not applicable
After the Changes	Parent company (specified related corporation)	0 (0.00%)	1,375,267 (62.35%)	1,375,267 (62.35%)	Not applicable

(3) Sumitomo Mitsui Financing and Leasing Company, Limited

	Attributes	Number of voting rights			Ranking
		Directly held portion	Indirectly held portion	Total	
Before the Changes	Not applicable	0 (0.00%)	1 (0.00%)	1 (0.00%)	Not applicable
After the Changes	Parent company (specified related corporation)	0 (0.00%)	1,375,267 (62.35%)	1,375,267 (62.35%)	Not applicable

5. Future Outlook

(1) Change in asset management agreement of the Investment Corporation

There is no change as of today.

(2) Change in structure of the Asset Management Company

There is no change as of today.

(3) Change in decision-making structure for investment management

There is no change as of today.

(4) Change in rules on compliance and interested parties, etc.

There is no change as of today.

(5) Change in investment policies

There is no change as of today.

(6) Change in agreements with sponsors, etc.

There is no change as of today.

(7) Expectations of continuance of listing of the Investment Corporation

Listing will be continued.

(8) Future policies, etc.

There is no change to present policies.

Furthermore, necessary filings and other arrangements will be made regarding the Changes pursuant to the provisions of the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Act and other relevant laws and regulations.

KRR website address: <https://www.krr-reit.com/en/>

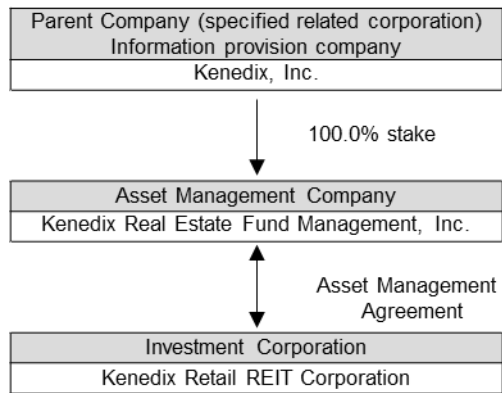
*This notice is the English translation of the Japanese announcement on January 12, 2021. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*

**Attached materials**

Reference material: Relationship Diagram Before and After the Changes

Reference material: Relationship Diagram Before and After the Changes

(Before the Changes)



(After the Changes)

