

September 5, 2024

To All Concerned Parties

REIT Issuer:  
 KDX Realty Investment Corporation  
 Representative: Hiroaki Momoi, Executive Director  
 (Securities Code: 8972)

Asset Management Company:  
 Kenedix Real Estate Fund Management, Inc.  
 Representative: Akihiro Asano, President & CEO  
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**Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)**

KDX Realty Investment Corporation (“KDXR”) today announced the decision to issue investment corporation bonds (green bonds), based on the comprehensive resolution passed at the Board of Directors’ Meeting held on July 25, 2024. The details are provided as follows.

**1. Outline of Investment Corporation Bonds (Green Bonds)**

- |      |                                      |  |
|------|--------------------------------------|--|
| (1)  | Name of Investment Corporation Bonds | KDX Realty Investment Corporation First Series Unsecured Investment Corporation Bonds (Ranking pari passu among specified investment corporation bonds) (Green Bonds) (“the Investment Corporation Bonds”)   |
| (2)  | Total Issue Amount                   | 3,000 million yen  |
| (3)  | Form of Bond Certificate             | Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares, Bond certificates will not be issued.   |
| (4)  | Issue Price                          | 100 yen per 100 yen of each bond   |
| (5)  | Redemption Price                     | 100 yen per 100 yen of each bond   |
| (6)  | Interest Rate                        | 1.468% per annum   |
| (7)  | Denomination Price                   | 100 million yen  |
| (8)  | Offering Method                      | Public offering  |
| (9)  | Subscription Date                    | Thursday, September 5, 2024  |
| (10) | Payment Date                         | Wednesday, September 11, 2024  |
| (11) | Collateral / Guarantee               | Neither collateral nor guarantee is provided for the applicable, and no asset are specifically secured as collateral for the Investment Corporation Bonds.   |
| (12) | Redemption Method and Date           | Monday, September 11, 2034<br>Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case separately provided by law or specified in operational rules and other rules of book-entry transfer institution.<br>If the redemption date of the Investment Corporation Bonds falls on a bank holiday, the bank payment will be moved to the preceding bank business day. |
| (13) | Interest Payment Date                | The first interest payment date will be March 31, 2025, and thereafter the last day of March and September of each year, and the redemption date will be the interest payment date. (If the interest payment date falls on a bank holiday, the payment will be moved to the preceding bank business day.)  |
| (14) | Credit Rating                        | AA (Japan Credit Rating Agency, Ltd.)  |
| (15) | Financial Covenant                   | Negative pledge is set   |
| (16) | Book-entry Transfer Institution      | Japan Securities Depository Center, Inc.   |

- (17) Fiscal Agent, Issuing Agent and Payment Agent MUFG Bank, Ltd.
- (18) Underwriters SMBC Nikko Securities Inc.  
Nomura Securities Co., Ltd.  
Mizuho Securities Co., Ltd.

## 2. Purpose and Reason for the Issuance

KDXR has positioned sustainability improvement initiatives aimed at realizing a sustainable society as an important business management issue to fulfill its corporate social responsibility, and decided to issue the Investment Corporation Bonds as green bonds from the view that the issuance enables more committed efforts to improve sustainability and further contribution to development of the domestic green bond market by offering opportunities to the universe of investors who take active stance towards ESG investment.

Furthermore, the Investment Corporation Bonds are issued as green bonds based on its “Sustainability Finance Framework” (“the Framework”), which obtained the second-party opinion from Japan Credit Rating Agency, Ltd., a third-party evaluator.

## 3. Amount of Funds to be Raised, Use of Proceeds and Scheduled Disbursement

- (1) Amount of Funds to be Raised (estimated net proceeds)

2,978 million yen

- (2) Specific Use of Proceeds and Scheduled Disbursement

KDXR plans to use the estimated net proceeds of 2,978 million yen for prepayment of a portion of borrowings that was borrowed for the purpose to acquire Okinawa Prince Hotel Ocean View Ginowan, which is an eligible green asset <sup>(Note 1)</sup> (“the Prepayment”) <sup>(Note 2)</sup>. Proceeds will be managed in cash or cash equivalents until it is allocated to the Prepayment.

Note 1: “Eligible green assets” are green buildings set forth in “Green Eligibility Criteria (1)” of Green Eligibility Criteria below, which are defined in the Framework:

### Green Eligibility Criteria (1)

Type	Validity Period	Eligibility Rank
DBJ Green Building Certification <sup>(Note 3)</sup>	Three years from the certification obtained date	3 stars or above
CASBEE for Real Estate <sup>(Note 4)</sup>	Five years from the certification obtained date	B+ rank or higher
BELS Evaluation <sup>(Note 5)</sup> , including non-residence and ZEB Newly acquired on or after April 1, 2024	-	<ul style="list-style-type: none"> <li>• Existing buildings constructed on or after April 1, 2016 4 or more</li> <li>• Existing buildings constructed on or before March 31, 2016 3 or more; however, for logistics facilities, BEI shall be less than 0.75.</li> </ul>
BELS Evaluation, including non-residence and ZEB Already acquired on or before March 31, 2024	-	3 or more; however, for logistics facilities, BEI shall be less than 0.75.
BELS Evaluation, including residence and ZEH Newly acquired on or after April 1, 2024	-	<ul style="list-style-type: none"> <li>• Existing buildings constructed on or after April 1, 2016 3 or more</li> <li>• Existing buildings constructed on or before March 31, 2016 2 or more</li> </ul>
BELS Evaluation, including residence and ZEH Already acquired on or before March 31, 2024	-	3 or more

#### Green Eligibility Criteria (2)

- Renovation work, including facilities, to reduce energy consumption, water consumption and GHG emissions or improve other environmental benefits in real estate managed, which shall be effective to reduce consumption or emissions by 30 percent or more compared to the previous levels.
- Facility refurbishments that improve the evaluation level by one or more in any of the certification specified in the Eligibility Criteria (1)
- Introduction or acquisition of facilities related to renewables

Note 2: Details of the Prepayment is as follows:

Series	Lender	Borrowing Amount (Millions of Yen)	Repayment Amount (Millions of Yen)	Amount after Repayment (Millions of Yen)	Drawdown Date	Principal Repayment Date	Prepayment Date
0008-A	Mizuho Bank, Ltd.	5,000	3,000	2,000	February 1, 2024	January 31, 2025	September 30, 2024

Note 3: “DBJ Green Building Certification” is a certification system that was established in April 2011 as an initiative to support its customers’ environmentally and socially conscious management of their real estate. The program evaluates and certifies real estate with environmental and social considerations, taking into account each property’s environmental features and measures taken for various stakeholders, such as disaster and community-conscious measures.

Note 4: “Certification for CASBEE for Real Estate” is an evaluation system provided by the Institute for Building Environment and Energy Conservation (IBEC), to assess and evaluate the environmental performance of buildings, developed under the auspices of the Ministry of Land, Infrastructure, Transport and Tourism.

Note 5: “BELS Certification” is the third-party certification system to rate houses and buildings in accordance with duty to make effort to label energy saving performance in the Act on Improving Energy Consumption Performance for Architectural Structures. Houses and buildings are evaluated based on the value of BEI (Building Energy Index) derived from the primary energy consumption based on the building energy consumption performance standard set by the government. The same shall apply hereafter.

#### 4. Status of Interest-bearing Debt after the Issuance of the Investment Corporation Bonds and the Prepayment (as of September 30, 2024)

(Millions of yen)

Classification	Balance Before the Issuance of the Investment Corporation Bonds and the Prepayment	Balance After the Issuance of the Investment Corporation Bonds and the Prepayment (Note 1)	Difference
Short-term Borrowings (Note 2)	11,550	8,550	-3,000
Long-term Borrowings (Note 3)	508,450	508,450	-
Total Borrowings	520,000	517,000	-3,000
Investment Corporation Bonds	25,700	28,700	+3,000
Total Borrowings and Investment Corporation Bonds	545,700	545,700	-

Note 1: Figures for “After Issuance of the Investment Corporation Bonds and the Prepayment” are based on the assumption that the issuance of the Investment Corporation Bonds and the Prepayment are implemented and that there are no other new debt financing, repayment of the existing borrowings, and issuance and redemption of investment corporation bonds by September 30, 2024, when the Prepayment is planned to be completed. However, besides the issuance of the Investment Corporation Bonds and the Prepayment, in the event of new borrowings, repayment of existing loans and issuance and redemption of investment corporation bonds, status of borrowings and investment corporation bonds as of September 30, 2024 may differ from the above.

Note 2: Short-term borrowings refer to the amount of borrowings with a period of less than or equal to one year from the borrowing date to the maturity date. However, in case where the maturity date has been moved to a different business day due to the maturity date falls on a non-business day, and as a result the borrowing period surpasses one year, the borrowings are included in short-term borrowings.

Note 3: Long-term borrowings refer to the amount of borrowings with a period of more than one year from the borrowing date to the maturity date.

## 5. Other

Risks pertaining to the the issuance, redemption and others of the Investment Corporation Bonds remain unchanged from the description of “Investment Risks” described in the Securities Report submitted on July 25, 2024.

### 【Reference】

KDXR has submitted a Shelf Registration Supplements with regard to the issuance of the Investment Corporation Bonds to the Director of the Kanto Local Finance Bureau as of today.

KDXR’s website: <https://www.kdx-reit.com/eng/>

### *[Provisional Translation Only]*

*This document is an English translation of the original Japanese document and is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*