KENEDIX
Retail REIT Corporation

Translation of Japanese Original

January 20, 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.
Representative: Masahiko Tajima, President & CEO
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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Kenedix Retail REIT Corporation ("KRR") today announced the decision to issue investment corporation bonds (green bonds) through public offering based on the comprehensive resolution passed at the board of directors' meeting held on September 22, 2021. The details are provided as follows.

1. Outline of the Investment Corporation Bonds

(1)	Name of investment corporation bonds	Kenedix Retail REIT Corporation 7th Series Unsecured Investment Corporation Bonds (Ranking *pari passu* among the specified investment corporation bonds) (Green Bonds) ("Investment Corporation Bonds")
(2)	Total issue amount	2,000 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 value of 100 yen for each bond
(5)	Redemption price	100 yen per value of 100 yen for each bond
(6)	Interest rate	0.460% per annum
(7)	Denomination price	100 million yen
(8)	Offering method	Public offering
(9)	Subscription date	Thursday, January 20, 2022
(10)	Payment date	Friday, January 28, 2022
(11)	Collateral / Guarantee	Neither collateral nor guarantee is provided for the applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.
(12)	Redemption method and date	Wednesday, January 28, 2032 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 regulations and other rules of book-entry transfer institution. If the redemption date of the Investment Corporation Bonds falls on a bank holiday, the payment will be moved to the preceding bank business day.
(13)	Interest payment date	January 28 and July 28, every year and the redemption date (If the interest payment date falls on a bank holiday, the payment will be moved to the preceding bank business day.)
(14)	Credit ratings	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. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for the issuance

KRR 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 based on its green finance framework ("the Framework") (Note 1) 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. SMBC Nikko Securities Inc. was appointed as a green bond structuring agent (Note 2) for formulation of the Framework. This is KRR's initial issuance of green bonds.

(Note 1) For details of KRR's green finance framework, please refer to "Notice Concerning Submission of Amended Shelf Registration Statement for Issuance of Green Bonds" dated December 23, 2021.

(Note 2) "Green bond structuring agent" is one who supports the issuance of green bonds in formulation of the Framework and advises on acquiring second-party opinions.

3. Amount of funds to be raised, use of proceeds and scheduled disbursement

(1) Amount of funds to be raised (estimated net proceeds)

1,983 million yen

(2) Specific use of proceeds and scheduled disbursement

KRR plans to use the estimated net proceeds of 1,983 million yen for repayment of borrowings on January 31, 2022 that were borrowed for the purpose to acquire the eligible green assets (Note 1) (including the borrowings for refinancing of such borrowings) ("the Repayment") (Note 2).

(Note 1) "Eligible green assets" refer to green buildings set forth in "Eligibility Criteria 1" of Eligibility Criteria below, which are defined in the Framework:

・Eligibility Criteria 1

New or existing investments in or spending for green buildings that have acquired or are expected to acquire, one of the following green building certifications:

(i) Three stars or more of DBJ Green Building Certification (Note 3)

(ii) B+ or higher rank of Certification for CASBEE for Real Estate (Note 4)

(iii) 3 stars or more of BELS Certification (Note 5)

・Eligibility Criteria 2

Spending for construction and facilities repair work of owned properties for the purpose of at least 10% reduction in energy consumption, water consumption or other consumption contributing to environmental improvement.

(Note 2) The borrowing to be repaid is as follows:

Series	Lender	Amount (millions of yen)	Principal repayment date
35	Sumitomo Mitsui Banking Corporation	2,750	January 31, 2022

The remaining outstanding amount of the above borrowing, JPY 750 million, is assumed to be refinanced.

(Note 3) "DBJ Green Building Certification" is a five-star scale evaluation system launched by Development Bank of Japan Inc. ("DBJ"), giving certifications to properties with proper care to environment and society (Green Building), based on the comprehensive scoring model developed by DBJ.

(Note 4) "Certification for CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate" is an evaluation system (from Rank C to Rank S) for rating the overall environmental performance of buildings on energy-conservation, resource-saving, recyclability and other aspects for reducing environmental burdens, as well as landscape preservation.

(Note 5) "BELS (Building-Housing Energy-efficiency Labeling System) Certification" is a public certification system, the evaluation standards of which are provided by Ministry of Land, Infrastructure, Transport and Tourism, for rating energy-conservation performance of buildings on a five-point scale basis (the number of stars, 1-5) based on the primary energy consumption of architectural structures.

4. Investors who declared intention to invest in the Investment Corporation Bonds

As of today, 7 investors have expressed their intention of investment in the Investment Corporation Bonds, of

which investors who have agreed to disclose their name are listed (companies are listed in Japanese syllabary order).

- Osaka Shoko Shinkin Bank
- The Kita Osaka Shinkin Bank
- THE KOSAN SHINKIN BANK
- SHIZUOKA YAIZU SHINKIN BANK
- Daitokyo Shinkumi Credit Cooperative
- Tokushima Shinkin Bank
- Hyogo Shinkin Bank

5. Status of the interest-bearing debt after the issuance of the Investment Corporation Bonds and the Repayment (as of January 31, 2022)

(Millions of yen)

	Balance before the issuance and the Repayment	Balance after the issuance and the Repayment	Difference
Short-term borrowings (Note 1)	-	-	-
Long-term borrowings (Note 2) (Note 3)	116,300	114,300	-2,000
Total borrowings	116,300	114,300	-2,000
Corporate bonds	7,000	9,000	+2,000
Total borrowings and investment corporation bonds	123,300	123,300	-

(Note 1) Short-term borrowings refer to debt financing with a period of less than or equal to one year from the borrowing date to the maturity date. However, in the case where the maturity date has been moved to a different business day because the maturity date of one year from the borrowing date is not a business day, and as a result the borrowing period surpasses one year, the borrowings are included in short-term borrowings.

(Note 2) Long-term borrowings refer to debt financing with a period of more than one year from the borrowing date to the maturity date.

(Note 3) Long-term borrowings after the repayment include the remaining outstanding amount of Series 35, JPY 750 million, which is assumed to be refinanced on January 31, 2022.

6. Other matters

Risks pertaining to the issuance and redemption of the Investment Corporation Bonds remain unchanged from the description of "Investment Risks" described in the Securities Report submitted on December 23, 2021.

Reference:

KRR submitted shelf registration supplements to the Director of Kanto Local Finance Bureau concerning the Investment Corporation Bonds today.

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

This notice is the English translation of the Japanese announcement on January 20, 2022. However, no assurance or warranties are given for the completeness or accuracy of this English translation.