

Translation of Japanese Original

January 26, 2024

To All Concerned Parties

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(Securities Code: 8972)

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Notice Concerning Debt Financing (Series 0007 and 0008), Prepayment of Borrowings and Execution of Interest Rate Swap Agreements

KDX Realty Investment Corporation (“KDXR”) announced today its decision to undertake debt financing (for a total of 29,450 million yen) (the “Borrowings”), prepayment of borrowings (for a total of 3,600 million yen) and the execution of interest rate swap agreements. Furthermore, the Borrowings are to be partially procured as green loans. The details are provided as follows.

1. Details of Borrowings

Series	Lender	Amount (Millions of Yen)	Interest Rate (Note 1)	Contract Date	Drawdown Date	Principal Repayment Date (Note 1)	Collateral / Repayment Method
0007-A1 (Note 3)	MUFG Bank, Ltd.	1,200	To be determined (Note 2) (Fixed rate)	January 29, 2024	January 31, 2024	October 31, 2027	Unsecured, unguaranteed / Repayment of principal in full on maturity date
0007-A2		900					
0007-B (Note 3)	Sumitomo Mitsui Banking Corporation	750	Base rate (Note 4) (JPY TIBOR for 3-month) +0.21243%			October 31, 2028	
0007-C1 (Note 3)		1,000	Base rate (Note 4) (JPY TIBOR for 3-month) +0.22500%			January 31, 2029	
0007-C2		600					
0007-C3	500						
0007-D	Mizuho Bank, Ltd.	1,000	Base rate (Note 4) (JPY TIBOR for 3-month) +0.23719%			April 30, 2029	
0007-E1 (Note 3)	Sumitomo Mitsui Banking Corporation	1,000	To be determined (Note 2) (Fixed rate)			January 31, 2031	
0007-E2		500					
0008-A	Mizuho Bank, Ltd.	5,000	Base rate (Note 4) (JPY TIBOR for 1-month) +0.12500%			January 30, 2024	

Series	Lender	Amount (Millions of Yen)	Interest Rate (Note 1)	Contract Date	Drawdown Date	Principal Repayment Date (Note 1)	Collateral / Repayment Method
0008-B1	Sumitomo Mitsui Banking Corporation	4,000	Base rate (Note 4) (JPY TIBOR for 3-month) +0.18689%	January 30, 2024	February 1, 2024	April 30, 2028	Unsecured, unguaranteed / Repayment of principal in full on maturity date
0008-B2	Sumitomo Mitsui Trust Bank, Limited	2,000					
0008-C	MUFG Bank, Ltd.	5,000	To be determined (Note 2) (Fixed rate)			October 31, 2029	
0008-D1	Mizuho Bank, Ltd.	5,000					
0008-D2	Sumitomo Mitsui Banking Corporation	1,000					

Note 1: The first interest payment is at the end of April 2024, and on the last day of every three months thereafter, with the last interest payment on the principal repayment date for Series 0007-A, 0007-B, 0007-C, 0007-D, 0007-E, 0008-B, 0008-C and 0008-D. For Series 0008-A, the first interest payment is at the end of February 2024, and on the last day of every month thereafter, with the last interest payment on the principal repayment date. The interest payment and the principal repayment will be made on the following business day in case such date falls on a non-business day and the preceding business day in case such date falls in the next calendar month.

Note 2: The undecided matters will be announced upon determination.

Note 3: The borrowing is to be procured as a green loan. The green loan is to be applied to the repayment of borrowings for the acquisition of the property with a certain level of environmental evaluation and certification in accordance with the Green Finance Framework ("the Framework") established by KDXR. The Framework has received a "Green1(F)" rating in the "JCR Green Finance Framework Evaluation" from Japan Credit Rating Agency, Ltd. ("JCR") on August 10, 2022. For details concerning KDXR's initiatives of green finance, please refer to the website.

https://www.kdx-reit.com/eng/sustainability/green_finance.html.

Note 4: The Japanese Yen TIBOR of the JBATA is available on the JBATA website (<https://www.jbatibor.or.jp/english/rate/>).

2. Purpose of Borrowings

The proceeds of Series 0007 will be applied to the repayment of Series 13-B (Note), Series 51 (Note), Series 68-B (Note) and Series 181-B (Note) on January 31, 2024, and the prepayment of the portion of Series 0001-A (Note), Series 0002-A (Note), Series 0003 (Note) and Series 0004 (Note) on April 30, 2024.

Moreover, the proceeds of Series 0008 will be applied to the portion of acquisition of Okinawa Prince Hotel Ocean View Ginowan (anticipated acquisition price: 22,000 million yen) announced in the press release "Notice Concerning Acquisition of Property (Okinawa Prince Hotel Ocean View Ginowan)" dated January 15, 2024.

Details of the Prepayment

Series	Lender	Amount (Millions of Yen)	Repayment Amount (Millions of Yen)	Amount after Prepayment (Millions of Yen)	Drawdown Date	Principal Repayment Date	Prepayment Date	Collateral
0001-A	Sumitomo Mitsui Banking Corporation	2,500	1,000	1,500	November 1, 2023	April 30, 2024	January 31, 2024	Unsecured, unguaranteed
0002-A		600	600	-				
0003-A		1,000	1,000	-				
0004		1,000	1,000	-				

Note: For details regarding each borrowing, please refer to the following press releases.

KDXR		
Series 181-B	:	“Notice Concerning Debt Financing (Series 181) and Execution of Interest Rate Swap Agreements” dated January 27, 2021
Series 0004	:	“Notice Concerning Debt Financing (Series 0004)” dated October 27, 2023
Former Kenedix Residential Next Investment Corporation		
Series 13-B	:	“Notice Concerning Debt Financing and the Execution of Interest-Rate Swap Agreements” dated February 3, 2015
Series 68-B	:	“Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreement” dated July 26, 2022
Series 0001-A and Series 0003-A	:	“Notice Concerning Debt Financing (Series 0001 and 0003), Prepayment of Borrowings and Cancellation of Interest Rate Swap Agreements” dated October 27, 2023
Former Kenedix Retail REIT Corporation		
Series 51	:	“Notice Concerning Debt Financing (Series 51)” dated January 26, 2023
Series 0002-A	:	“Notice Concerning Debt Financing, Prepayment of Borrowings and Cancellation of Interest Rate Swap Agreements” dated October 26, 2023

3. Interest Rate Swap Agreements

(1) Reason for Executing Interest Rate Swap Agreements

To hedge possible increases in future interest rate for Series 0007-B, 0007-C, 0007-D and 0008-B with floating interest rate.

(2) Details of Interest Rate Swap Agreement

Series		0007-B	0007-C1	0007-C2	0007-C3	0007-D
Counterparty		To be determined				
Notional Amount		750 million yen	1,000 million yen	600 million yen	500 million yen	1,000 million yen
Interest Rate	Fixed Interest Rate for Payment	To be determined				
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 3-month)				
Commencement Date		January 31, 2024				
Termination Date		October 31, 2028	January 31, 2029			April 30, 2029
Payment Date ^(Note)		The interest payment is due at the end of April 2024, and on the last day of every three months thereafter with termination date.				

Series		0008-B1	0008-B2
Counterparty		To be determined	
Notional Amount		4,000 million yen	2,000 million yen
Interest Rate	Fixed Interest Rate for Payment	To be determined	
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 3-month)	
Commencement Date		February 1, 2024	
Termination Date		April 30, 2028	
Payment Date ^(Note)		The interest payment is due at the end of April 2024, and on the last day of every three months thereafter with termination date.	

Note: The date will be made on the following business day in case such date falls on a non-business day and the preceding business day in case such date falls in the next calendar month.

4. Status of Interest-bearing Debt after the Borrowings and the Prepayment (as of February 1, 2024)

(Millions of Yen)

Category	Balance before the Borrowings and the Prepayment	Balance after the Borrowings and the Prepayment	Difference
Short-Term Borrowings ^(Note 1)	10,850	11,500	+650
Long-Term Borrowings ^(Note 2)	475,520	496,870	+21,350
Total Borrowings	486,370	508,370	+22,000
Investment Corporation Bonds	29,700	29,700	-
Total Borrowings and Investment Corporation Bonds	516,070	538,070	+22,000

Note 1: 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 2: 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 Matters

Risks pertaining to the Borrowings and the repayment remain unchanged from the description of “Investment Risks” described in the Securities Report submitted on July 28, 2023.

KDXR’s website address: <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.