

Translation of Japanese Original

January 31, 2023

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: Hikaru Teramoto, President & CEO

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Notice Concerning the Completion of Conversion of Kitera Plaza Aobadai

Kenedix Retail REIT Corporation (“KRR”) announced today that it completed the conversion (“the Conversion”) of Kitera Plaza Aobadai (“the Property”), as described in press release “Notice Concerning Acquisition of Properties (Kitera Plaza Aobadai, Tenri Distribution Center)” dated February 24, 2022.

1. Changes in the outline of the Property (changes are underlined)

	As of February 24, 2022	As of the date of the completion of the Conversion
Location	2-2-2, Aobadai, Aoba-ku, Yokohama, Kanagawa	2-2-2, Aobadai, Aoba-ku, Yokohama, Kanagawa
Gross floor area	5,537.46 m ²	<u>5,763.60 m²</u>
Structure/no. of floors	SRC /1 underground and 4-story building with slate roof	SRC /1 underground and <u>3</u> -story building with slate roof
Usage	Gymnasium	<u>Retail store, clinic</u>
Number of tenants ^(Note 2)	2	<u>2</u>
Leased area	1,629.95 m ²	<u>2,167.75 m²</u>
Leasable area	3,037.22 m ²	<u>3,030.58 m²</u>
Occupancy rate	53.7%	<u>71.5%</u>
Costs of the Conversion	880 million yen (excluding tax) (scheduled)	<u>990 million yen</u> (excluding tax) ^(Note 3)
Construction funds	Cash on hand	Cash on hand
Settlement method and date	To be decided	<u>The construction cost will be paid on February 28, 2023</u>
Construction company	Asanuma Corporation (Planned)	Asanuma Corporation
Completion date	Late September 2022 (scheduled)	<u>January 31, 2023</u>
Appraisal NOI yield	4.7% ^(Note 4)	<u>4.6%</u> ^(Note 5)

Note:

1. The figures are based on the executed lease agreement.

2. The number of end tenants is shown.

3. KRR adds the cost of the Conversion to the acquisition price for its administrative purpose as KRR acquired the property in consideration of the Conversion.

4. The figure is calculated by dividing the appraisal NOI of the property as on the appraisal report as of February 1, 2022 by the sum of the acquisition price and the assumed costs of the Conversion as of February 24, 2022. The appraisal NOI is based on the NOI after the completion of the Conversion.
5. The figure is calculated by dividing the appraisal NOI of the property as on the appraisal report as of September 30, 2022 by the sum of the acquisition price and the costs of the Conversion. The appraisal NOI is based on the NOI after the completion of the Conversion.

2. Future outlook

There are no changes to the forecasts of fiscal period ending March 31, 2023 (October 1, 2022 to March 31, 2023) and fiscal period ending September 30, 2023 (April 1, 2023 to September 30, 2023) as the impact of the Conversion on the financial results is minimal.

Attached materials

Reference material: Property photographs of Kitera Plaza Aobadai

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

This notice is the English translation of the Japanese announcement on January 31, 2023. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference material: Property photographs of Kitera Plaza Aobadai

After conversion



Before conversion

