

This is an English translation of summarized financial results prepared for reference purposes only. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

September 11, 2015

## Financial Report for the Fiscal Period Ended July 31, 2015 (February 1, 2015 — July 31, 2015)

### AEON REIT Investment Corporation

Listing: Tokyo Stock Exchange  
 Securities code: 3292  
 URL: <http://www.aeon-jreit.co.jp/en/>  
 Representative: Kenji Kawahara, Executive Director

Asset management company: AEON Reit Management Co., Ltd.  
 Representative: Kenji Kawahara, Representative Director and President  
 Contact: Keiji Tsukahara, Director, General Manager of the Finance and Planning Department  
 Phone: +81-3-5283-6360

Scheduled date to file securities report: October 28, 2015  
 Scheduled date to commence distribution payments: October 13, 2015

Preparation of supplementary material on financial report: Yes  
 Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

### 1. Summary of financial results for the fiscal period ended July 31, 2015 (February 1, 2015 — July 31, 2015)

#### (1) Operating results

(Percentages show changes from the previous period)

Fiscal period ended	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2015	9,164	23.5	3,505	24.7	2,978	26.6	2,969	26.4
January 31, 2015	7,422	0.0	2,810	0.2	2,353	0.6	2,349	0.5

Fiscal period ended	Net income per unit	Return on equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenue
	Yen	%	%	%
July 31, 2015	2,746	2.7	1.6	32.5
January 31, 2015	2,473	2.4	1.4	31.7

## (2) Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
July 31, 2015	2,724	2,969	0	0	100.0	2.6
January 31, 2015	2,473	2,349	0	0	100.0	2.4

(Note) Due to the issuance of new investment units, the payout ratio for the fiscal period ended July 31, 2015 was calculated using the following formula:

$$\text{Payout ratio} = \text{Total distributions (excluding distributions in excess of earnings)} / \text{Net income} \times 100$$

## (3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2015	203,795	119,417	58.6	109,536
January 31, 2015	169,746	98,701	58.1	103,896

(Reference) Equity

As of July 31, 2015: ¥119,417 million  
As of January 31, 2015: ¥98,701 million

## (4) Cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2015	4,497	(36,172)	30,089	11,464
January 31, 2015	4,577	(483)	(2,332)	13,049

## 2. Forecasts of performance for the fiscal periods ending January 31, 2016 (August 1, 2015 — January 31, 2016) and July 31, 2016 (February 1, 2016 – July 31, 2016)

(Percentages show changes from the previous period)

Fiscal period ending	Operating revenue		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
January 31, 2016	9,387	2.4	3,512	0.2	2,965	(0.4)	2,957	(0.4)	2,710	—
July 31, 2016	9,403	0.2	3,315	(5.6)	2,771	(6.6)	2,763	(6.6)	2,530	—

(Reference) Forecasted net income per unit (Forecasted net income / Forecasted total number of investment units issued)

For the fiscal period ending January 31, 2016: ¥2,713  
For the fiscal period ending July 31, 2016: ¥2,535

\* **Other**

**(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement**

- |   |      |
|---|------|
| a. Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| b. Changes in accounting policies due to reasons other than a. above:                             | None |
| c. Changes in accounting estimates:   | None |
| d. Retrospective restatement:   | None |

**(2) Total number of investment units issued**

- |   |                 |
|---|-----------------|
| a. Total number of investment units issued at end of period (including treasury investment units) |                 |
| As of July 31, 2015   | 1,090,200 units |
| As of January 31, 2015  | 950,000 units   |
| b. Number of treasury investment units at end of period   |                 |
| As of July 31, 2015   | 0 units         |
| As of January 31, 2015  | 0 units         |

(Note) Please refer to “Per Unit Information” on page 30 for the number of investment units used as the basis for calculating net income per unit.

\* **Status of audit procedures**

As of the time of disclosure of this financial report, audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are incomplete.

\* **Remarks on appropriate use of forecasts of performance and other special notes**

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to the Investment Corporation and on certain assumptions the Investment Corporation deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. Furthermore, these forecasts are not intended to guarantee the distribution amount. Please refer to “Assumptions for Forecasts of Performance for the Fiscal Periods Ending January 31, 2016 (August 1, 2015 – January 31, 2016) and July 31, 2016 (February 1, 2016 – July 31, 2016)” on pages 8 and 9 for information on assumptions for the forecasts of operating results.

## 1. The Investment Corporation and Related Corporations

As there have been no significant changes from “Management structure of the Investment Corporation” in the latest Securities Report (submitted on April 27, 2015; prepared in Japanese only), the disclosure is omitted.

## 2. Investment Policies and Status of Asset Management

### (1) Investment Policies

As there have been no significant changes from policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the latest Securities Report (submitted on April 27, 2015; prepared in Japanese only), the disclosure is omitted.

### (2) Status of Asset Management

#### i) Summary of results for the current fiscal period

##### (A) Transition of the Investment Corporation

The Investment Corporation intends to invest primarily in retail and related properties that form the backbone of communities and their retail business infrastructure, and we aim to ensure stable income in the medium to long term and achieve steady portfolio growth by investing in retail and related properties.

The Investment Corporation was established on November 30, 2012, with AEON Reit Management Co., Ltd. (hereinafter referred to as the “Asset Manager”) as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended). The Investment Corporation was listed on the Real Estate Investment Trust Securities Market (J-REIT market) of the Tokyo Stock Exchange (securities code: 3292) on November 22, 2013. During the fiscal period ended July 31, 2015, which marked the second year since the Investment Corporation was listed on the Tokyo Stock Exchange, new investment units (140,200 units) were issued in February 2015, and with the funds procured through this issuance of new investment units as well as the funds procured from ¥12,400 million of new borrowings, the Investment Corporation acquired six properties (total acquisition price of ¥35,270 million). In addition, in April 2015, the Investment Corporation carried out an additional acquisition of land for AEON MALL Mitouchihara (¥105 million).

As a result, the real estate held by the Investment Corporation as of July 31, 2015, numbered 23 properties in Japan and overseas, with a total acquisition price of ¥194,363 million.

##### (B) Investment environment and performance

###### (a) Investment environment

In the Japanese economy, there were signs of an upturn in capital investment and personal consumption owing to factors such as expansion in “Quantitative and Qualitative Monetary Easing” by the Bank of Japan at the end of October 2014, as well as the decision by the administration of Prime Minister Shinzo Abe to postpone a planned further consumption tax hike. The Japanese economy followed a moderate trend of recovery, supported by a number of developments, including a broad increase in wages based on heightened expectations for corporate earnings growth, an increase in inbound consumption in conjunction with the rise in the number of foreigners visiting Japan due to the weakness of the yen, as well as the firm economic recovery in the U.S. In April 2015, the Nikkei Stock Average reached the ¥20,000 mark for the first time in approximately 15 years.

In addition, the J-REIT market benefited from continued strong appetite for property acquisitions on the back of a favorable fund procurement environment. As of July 31, 2015, there were four new listings in 2015 bringing the number of listed REITs to 53, with an aggregate market value above ¥10 trillion.

###### (b) Performance

Operating under these circumstances, on February 18, 2015, the Investment Corporation acquired

five properties (AEON MALL Sapporo-Hiraoka, AEON MALL Kushiro-Showa, AEON MALL Rifu, AEON MALL Yamagata-Minami, and AEON MALL Yokkaichi-Kita) using proceeds from the issuance of new investment units in February 2015, new borrowings, and other funds. Also, on February 27, 2015, the Investment Corporation acquired AEON MALL KYOTO, thereby expanding the portfolio size, bolstering earning capacity, and widening areas where we hold properties to 17 prefectures in Japan.

Regarding the current properties held, in addition to carrying out work that is required to be done periodically, such as store air conditioning renewal work and external wall painting work, the Investment Corporation carried out capital expenditures to improve store functionality, such as repair work to invigorate stores. In these ways, the Investment Corporation has worked to maintain and enhance portfolio value.

(C) Financing

The Investment Corporation's borrowing balance as of July 31, 2015 was ¥75,400 million and loan-to-value, or LTV (which is defined as the ratio of (i) the aggregate amount of our interest-bearing debt plus the tenant leasehold and security deposits, and the tenant leasehold and security deposits in trust to (ii) total assets that the Investment Corporation holds) came to 41.0%.

The ratio of long-term interest-bearing debt as of July 31, 2015 (which we define as the ratio of (i) long-term interest-bearing debt, including current portion of long-term loans payable, to (ii) total interest-bearing debts) is 97.3%. The fixed interest rate (which we define as the ratio of (i) interest-bearing debts with payment of fixed interests, including interest-bearing debts fixed by an interest swap, to (ii) total interest-bearing debts) is 84.5%. The Investment Corporation maintains a sound and conservative financial structure in light of these ratios as well as the above-mentioned LTV ratio.

The credit rating the Investment Corporation has obtained as of July 31, 2015 is as follows:

<Credit rating>

Rating agency	Target	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA-	Stable

(D) Overview of financial results and distributions

As a result of the above-mentioned operations, operating revenue came to ¥9,164 million, operating income came to ¥3,505 million, ordinary income came to ¥2,978 million, and net income came to ¥2,969 million, for the fiscal period under review.

It was decided that approximately all unappropriated retained earnings would be distributed, except a fraction of less than ¥1 of distributions per investment unit, with the aim that the maximum amount of profit distributions would be included in tax deductible expenses based on application of special provisions for taxation (Article 67-15 of the Act on Special Measures Concerning Taxation). Consequently, distributions per investment unit came to ¥2,724.

The Investment Corporation will not pay the portion of the cash amount that exceeds the profits defined in Article 35, paragraph 2 of the Articles of Incorporation of the Investment Corporation.

ii) Outlook for the next fiscal period

(A) Outlook for overall performance

In our outlook for the Japanese economy, we expect the economy to continue on a modest recovery track, supported by a number of factors, including the economic recovery in the U.S. and other countries, an increase in exports along with the continuation of trend for the weakening of the yen, the recovery in corporate earnings, an increase in capital investment, improvements in both employment and wages, as well as the increase in real income caused by the decline in crude oil prices. We believe that growth will continue to exceed the potential growth rate (lower 0% range or middle part of 0% range).

Meanwhile, we believe that consumer prices will not hit the Bank of Japan's target for price stability

of 2% for fiscal 2015, due to the drop in the expected rate of inflation resulting from lower crude oil prices, and we expect inflation to remain near 0% excluding the direct impact of the consumption tax rate hike. We are looking for consumer prices to rise overall over the medium to long term, in conjunction with the waning of the impact of the decline in crude oil prices.

In the environment surrounding retail properties, according to the “Consumer Confidence Survey” for July 2015 announced by the Cabinet Office of Japan, although the “Consumer Confidence Index” for July 2015 was down compared to the same month of the previous year, it improved for the five consecutive months from February 2015, demonstrating a trend of recovery in consumer confidence. Personal consumption can be expected to pick up and a recovery is anticipated due to the continued predictions for an increase in real wages going forward as well as expectations that consumer prices will remain stable in the near term. Also, at urban retail properties, inbound demand continues to grow along with the increase in the number of people visiting Japan from overseas due to the weak yen, and this is expected to spread to regional economies going forward.

In economies outside Japan, the economies of developed countries are expected to head gradually towards recovery, propelled by the ongoing firm economic recovery in the U.S., while in Europe the sovereign debt problem in Greece has settled down for the time being and economies have bottomed out in Germany and other countries. With respect to developing countries, there is a growing sense of uncertainty, as low crude oil prices have had an impact on the economies of resource-rich countries such as Russia and Malaysia, while countries such as China and Brazil have also shown signs of economic slowdowns, and the global economy overall may show weaker growth.

On the other hand, there are risk factors for the future such as prolonged stock market turmoil stemming from concerns about a slowdown of China’s economy, a rekindling of Greece’s sovereign debt problem, a slowdown in the economic recovery in the U.S., and the impact of a U.S. interest rate hike on developing countries. The Investment Corporation will take careful note of these risks.

## (B) Future investment policy

### (a) Basic policy

The Investment Corporation aims to secure stable profits as well as to maintain and raise asset values in the medium to long term. It will work to sustain and improve rent income, conduct adequate management and repair and maintenance measures, and optimize and streamline management costs.

### (b) Investment policy and growth strategy

The Aeon Group has the ability to collectively develop and operate large-scale and other types of retail properties. Under the Investment Corporation’s growth strategy, we aim to grow our portfolio in the medium to long term by fully utilizing Aeon Group’s collective strengths.

Through acquiring from the Aeon Group retail and other types of properties developed by the Aeon Group based on sponsor support agreements or pipeline support agreements, the Investment Corporation aims to expand asset size, improve stability of investments, and improve fund procurement capabilities. Furthermore, by improving fund procurement capabilities, we aim to acquire further properties, thereby expanding our portfolio size. From the standpoint of the Aeon Group, by selling retail and other types of properties to the Investment Corporation, it becomes possible for the Aeon Group to use the acquired funds to execute growth investment (such as for development of new stores). Executing such growth investment contributes to increasing the revenue of the Aeon Group and boosting its corporate value, which in turn further supports the growth of the Investment Corporation. We are building a mutually beneficial relationship with the Aeon Group that creates a virtuous cycle for both entities, as discussed above, and thus aim to maximize unitholder value.

### (c) Financial strategy

The Investment Corporation will maintain a strong financial structure and aim to keep a conservative debt ratio. In investing, we have set an upper limit for the LTV at 60% and intend to maintain an LTV ratio of about 50%. To reduce risks of refinancing and fluctuations in interest rates, the Investment Corporation will consider extending the terms of its loans and fixing interest rates as a part of its efforts to ensure appropriate operation.

**iii) Significant events after balance sheet date**

Not applicable.

**Assumptions for Forecasts of Performance for the Fiscal Periods Ending  
January 31, 2016 (August 1, 2015 – January 31, 2016) and  
July 31, 2016 (February 1, 2016 – July 31, 2016)**

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> <li>● Fiscal period ending January 31, 2016 (184 days from August 1, 2015 to January 31, 2016, the 6th fiscal period)</li> <li>● Fiscal period ending July 31, 2016 (182 days from February 1, 2016 to July 31, 2016, the 7th fiscal period)</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>● We have assumed that there will be no changes in the composition of our portfolio (acquisition of new properties or sale of the current properties) associated with the 23 properties that we hold as of the date of this financial report until the end of the 7th fiscal period, July 31, 2016.</li> <li>● The actual figures may fluctuate due to acquisition of new properties, disposal of properties held or other reasons.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>● We have calculated leasing business revenue from the assets currently held taking into account the relevant lease agreements effective as of the date of this financial report.</li> <li>● We have assumed no delinquencies or non-payment of rents by tenants.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>● Operating expenses mainly comprise expenses related to rent business. Our assumptions for those expenses, excluding depreciation expenses, are calculated based on historical experience, making certain adjustments as appropriate so as to reflect changeable factors in expenses.</li> <li>● Generally, fixed asset tax, city planning tax, and depreciable asset tax related to the acquired properties during the year to which the accounting period belongs are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. Such settlement money equivalent is included in the acquisition costs and therefore not recognized during the accounting period. For fixed asset tax, city planning tax and depreciable asset tax on the currently held properties, we have assumed expenses of ¥876 million for the 6th fiscal period and ¥1,140 million for the 7th fiscal period. Accordingly, with respect to the acquired properties during the 5th fiscal period, we have assumed that fixed asset tax, city planning tax and depreciable asset tax for fiscal 2016 will be expensed from the 7th fiscal period.</li> <li>● We have assumed the repair and maintenance expenses for buildings required in each fiscal period based on the medium- to long-term repair and maintenance plan formulated by the Asset Manager. However, actual repair and maintenance expenses in each period may differ substantially from our forecasts, as (i) we acknowledge that we may incur expenses for urgent repairs to properties due to damage to buildings caused by a number of factors that are difficult to foresee, (ii) generally, there is a substantial difference in expenses incurred from one fiscal period to another, and (iii) expenses are not incurred based on a regular schedule.</li> <li>● We have assumed that we will incur depreciation expenses, including some related expenses, of ¥2,681 million for the 6th fiscal period and ¥2,713 million for the 7th fiscal period. These figures are calculated using the straight-line method.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>● We have assumed interest expenses and other borrowing-related expenses of ¥501 million for the 6th fiscal period and ¥498 million for the 7th fiscal period.</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>● As of July 31, 2016, we have borrowings totaling ¥75,400 million.</li> <li>● We anticipate our LTV ratio will be approximately 41% as of the end of the 6th fiscal period, January 31, 2016, and approximately 41% as of the end of the 7th fiscal period, July 31, 2016.</li> <li>● To calculate our LTV, we use the following formula: LTV = Total interest-bearing debt plus tenant leasehold and security deposits (including tenant leasehold and security deposits in trust) / Total assets × 100</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>● Distributions per unit for the 6th and 7th fiscal periods are calculated based on the assumption that the forecasted total number of investment units issued as of the respective period-end will be 1,090,200 units.</li> </ul>



Item	Assumptions
Distributions per unit	<ul style="list-style-type: none"> <li>● We have calculated distributions per unit (excluding distributions in excess of earnings) based on the cash distribution policy prescribed in our Articles of Incorporation.</li> <li>● Fluctuations in rent revenue due to changes in our portfolio and other factors, unforeseeable repair and maintenance incurred and other various factors may lead to changes in the amount of distributions per unit.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>● We currently have no plans to pay cash distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>
Others	<ul style="list-style-type: none"> <li>● Our forecasts assume no revisions that impact on the above projections will be made to laws and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others.</li> <li>● Our forecasts assume no unforeseeable significant changes will occur in general economic trends or conditions in the real estate market.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	9,663,330	6,795,562
Cash and deposits in trust	3,386,152	4,668,783
Prepaid expenses	317,875	318,094
Deferred tax assets	26	-
Income taxes receivable	139	493
Consumption taxes receivable	-	1,270,899
Other	989	381
Total current assets	13,368,514	13,054,213
Non-current assets		
Property and equipment		
Land	-	107,708
Buildings in trust	90,883,140	110,462,096
Accumulated depreciation	(5,378,755)	(7,952,544)
Buildings in trust, net	85,504,384	102,509,551
Structures in trust	769,522	801,705
Accumulated depreciation	(209,294)	(295,461)
Structures in trust, net	560,228	506,244
Land in trust	51,269,929	63,430,093
Total property and equipment	137,334,542	166,553,598
Intangible assets		
Leasehold rights in trust	18,045,526	23,137,757
Total intangible assets	18,045,526	23,137,757
Investments and other assets		
Long-term prepaid expenses	864,674	903,427
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	874,674	913,427
Total non-current assets	156,254,743	190,604,782
Deferred assets		
Investment unit issuance expenses	123,517	136,231
Total deferred assets	123,517	136,231
Total assets	169,746,775	203,795,228

(Unit: Thousands of yen)

	Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	264,248	644,234
Short-term loans payable	–	2,000,000
Accounts payable - other	134,039	187,737
Accrued expenses	19,589	21,472
Income taxes payable	682	605
Accrued consumption taxes	205,608	–
Other	9,899	11,925
Total current liabilities	634,066	2,865,975
Non-current liabilities		
Long-term loans payable	63,000,000	73,400,000
Tenant leasehold and security deposits	–	2,628
Tenant leasehold and security deposits in trust	7,411,389	8,109,511
Total non-current liabilities	70,411,389	81,512,139
Total liabilities	71,045,456	84,378,114
Net assets		
Unitholders' equity		
Unitholders' capital	96,351,350	116,447,057
Surplus		
Unappropriated retained earnings	2,349,969	2,970,056
Total surplus	2,349,969	2,970,056
Total unitholders' equity	98,701,319	119,417,113
Total net assets	*1 98,701,319	*1 119,417,113
Total liabilities and net assets	169,746,775	203,795,228

(2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2014 to January 31, 2015)		Current fiscal period (From February 1, 2015 to July 31, 2015)	
<b>Operating revenue</b>				
Rent revenue - real estate	*1	7,422,632	*1	9,163,638
Gain on sales of real estate properties		–	*2	611
Total operating revenue		7,422,632		9,164,250
<b>Operating expenses</b>				
Expenses related to rent business	*1	4,165,832	*1	5,168,792
Asset management fee		330,683		360,189
Asset custody fee		6,841		10,370
Administrative service fees		28,572		34,440
Directors' compensations		3,600		3,600
Taxes and dues		98		1,398
Other operating expenses		76,894		80,198
Total operating expenses		4,612,522		5,658,990
Operating income		2,810,110		3,505,259
<b>Non-operating income</b>				
Interest income		2,917		2,842
Compensation income		–		1,852
Other		–		62
Total non-operating income		2,917		4,758
<b>Non-operating expenses</b>				
Interest expenses		301,487		345,084
Amortization of investment unit issuance expenses		35,290		44,891
Borrowing related expenses		122,957		139,218
Other		182		2,595
Total non-operating expenses		459,917		531,789
Ordinary income		2,353,109		2,978,228
Income before income taxes		2,353,109		2,978,228
Income taxes - current		3,375		8,765
Income taxes - deferred		(17)		26
Total income taxes		3,357		8,791
Net income		2,349,751		2,969,437
Retained earnings brought forward		217		619
Unappropriated retained earnings		2,349,969		2,970,056

### (3) Statements of Unitholders' Equity

Previous fiscal period (From August 1, 2014 to January 31, 2015)

(Unit: Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at beginning of current period	96,351,350	2,338,167	2,338,167	98,689,517	98,689,517
Changes of items during period					
Dividends of surplus		(2,337,950)	(2,337,950)	(2,337,950)	(2,337,950)
Net income		2,349,751	2,349,751	2,349,751	2,349,751
Total changes of items during period	–	11,801	11,801	11,801	11,801
Balance at end of current period	*1 96,351,350	2,349,969	2,349,969	98,701,319	98,701,319

Current fiscal period (From February 1, 2015 to July 31, 2015)

(Unit: Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at beginning of current period	96,351,350	2,349,969	2,349,969	98,701,319	98,701,319
Changes of items during period					
Issuance of new investment units	20,095,707			20,095,707	20,095,707
Dividends of surplus		(2,349,350)	(2,349,350)	(2,349,350)	(2,349,350)
Net income		2,969,437	2,969,437	2,969,437	2,969,437
Total changes of items during period	20,095,707	620,087	620,087	20,715,794	20,715,794
Balance at end of current period	*1 116,447,057	2,970,056	2,970,056	119,417,113	119,417,113

**(4) Statements of Cash Distributions**

(Unit: Yen)

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
I Unappropriated retained earnings	2,349,969,299	2,970,056,366
II Distributions	2,349,350,000	2,969,704,800
[Distributions per investment unit]	[2,473]	[2,724]
III Earnings carried forward	619,299	351,566
Calculation method for distributions	Pursuant to the policy for cash distribution set forth in Article 35, paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount within profits, and also the amount of earnings in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the Investment Corporation will pay distributions of profits at the total amount of ¥2,349,350,000, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 950,000, which is the total number of investment units issued; provided, however, that the Investment Corporation will not pay the portion of the amount that exceeds the profits defined in Article 35, paragraph 2 of the Articles of Incorporation of the Investment Corporation.	Pursuant to the policy for cash distribution set forth in Article 35, paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount within profits, and also the amount of earnings in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the Investment Corporation will pay distributions of profits at the total amount of ¥2,969,704,800, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 1,090,200, which is the total number of investment units issued; provided, however, that the Investment Corporation will not pay the portion of the amount that exceeds the profits defined in Article 35, paragraph 2 of the Articles of Incorporation of the Investment Corporation.

(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes	2,353,109	2,978,228
Depreciation	2,245,716	2,659,956
Amortization of investment unit issuance expenses	35,290	44,891
Interest income	(2,917)	(2,842)
Interest expenses	301,487	345,084
Increase in consumption taxes refund receivable	–	(1,270,899)
Decrease in accrued consumption taxes	(242,988)	(205,608)
Increase in prepaid expenses	(31,011)	(218)
Increase in operating accounts payable	100,723	278,835
(Decrease) increase in accounts payable - other	(3,389)	53,698
Decrease (increase) in long-term prepaid expenses	121,456	(38,752)
Decrease in property and equipment held in trust due to sale	–	3,237
Other, net	(1,064)	2,169
Subtotal	4,876,414	4,847,779
Interest income received	2,994	2,461
Interest expenses paid	(298,294)	(343,201)
Income taxes paid	(3,550)	(9,195)
Net cash provided by operating activities	4,577,563	4,497,843
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	–	(107,708)
Purchase of property and equipment in trust	(483,999)	(31,673,390)
Purchase of intangible assets in trust	–	(5,092,230)
Proceeds from tenant leasehold and security deposits	–	2,628
Proceeds from tenant leasehold and security deposits in trust	–	698,122
Net cash used in investing activities	(483,999)	(36,172,578)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	–	2,000,000
Proceeds from long-term loans payable	–	10,400,000
Proceeds from issuance of investment units	–	20,038,101
Dividends paid	(2,332,545)	(2,348,572)
Net cash (used in) provided by financing activities	(2,332,545)	30,089,528
Effect of exchange rate change on cash and cash equivalents	(203)	69
Net increase (decrease) in cash and cash equivalents	1,760,815	(1,585,137)
Cash and cash equivalents at beginning of period	11,288,667	13,049,482
Cash and cash equivalents at end of period	*1 13,049,482	*1 11,464,345





7. Other significant information for preparation of financial statements	<p>(1) Accounting policy for beneficiary rights of real estate, etc. in trust</p> <p>With regard to beneficiary rights of real estate, etc. in trust, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheets and statements of income.</p> <p>Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheets:</p> <ul style="list-style-type: none"> <li>i) Cash and deposits in trust</li> <li>ii) Buildings in trust, structures in trust and land in trust</li> <li>iii) Leasehold rights in trust</li> <li>iv) Tenant leasehold and security deposits in trust</li> </ul> <p>(2) Accounting policy for consumption taxes</p> <p>National and local consumption taxes are accounted for by the tax-exclusion method.</p>
--	--

**(8) Notes to Financial Statements**

**Notes to Balance Sheets**

- \*1. Minimum net assets as provided in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: Thousands of yen)

Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
50,000	50,000

## Notes to Statements of Income

### \*1. Breakdown of income (loss) from real estate leasing business

	(Unit: Thousands of yen)	
	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
A. Real estate leasing business revenue		
Rent revenue—real estate		
Rent	7,419,887	9,162,254
Other rent revenue—real estate	2,744	1,383
Total real estate leasing business revenue	7,422,632	9,163,638
B. Real estate leasing business expenses		
Expenses related to rent business		
Expenses for management and operation	18,339	25,679
Repairs and maintenance expenses	182,903	346,012
Insurance expenses	41,120	48,892
Trust fees	9,733	12,402
Land rent paid	764,357	1,196,635
Taxes and dues	901,764	876,620
Depreciation	2,245,716	2,659,956
Other expenses related to rent business	1,896	2,591
Total real estate leasing business expenses	4,165,832	5,168,792
C. Income (loss) from real estate leasing business (A – B)	3,256,800	3,994,846

### \*2. Breakdown of gain on sales of real estate properties

	(Unit: Thousands of yen)	
	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
(Portion of land of AEON MALL Nogata)		
Proceeds from sales of real estate properties	–	3,867
Cost of sales of real estate properties	–	3,237
Other expenses related to sales	–	19
Gain on sales of real estate properties	–	611

## Notes to Statements of Unitholders' Equity

- \*1. Total number of authorized investment units and total number of investment units issued

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued	950,000 units	1,090,200 units

## Notes to Statements of Cash Flows

- \*1. Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheets

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
Cash and deposits	9,663,330	6,795,562
Cash and deposits in trust	3,386,152	4,668,783
Cash and cash equivalents	13,049,482	11,464,345

## Lease Transactions

Operating lease transactions (Lessor)

Future lease payments

(Unit: Thousands of yen)

	Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
Due within 1 year	14,841,764	18,775,224
Due after 1 year	90,727,383	106,071,819
Total	105,569,147	124,847,044

## Financial Instruments

### 1. Matters regarding financial instruments

#### (1) Policy for financial instruments

The Investment Corporation seeks as its basic policy to execute a stable, flexible and efficient financial strategy, and procures funds by borrowing, issuing investment corporation bonds (including short-term investment corporation bonds; same shall apply hereafter), or issuing investment units for purposes including portfolio growth through property acquisitions.

Derivative transactions are carried out only to hedge the risk of fluctuations in interest rates associated with borrowings, exchange rate fluctuation risks associated with operating receivables or obligations in foreign currency, and other risks.

#### (2) Content and risks of financial instruments and risk management system therefor

Borrowings are received mainly for the purpose of acquiring real estate and beneficiary rights of real estate in trust.

Tenant leasehold and security deposits in trust are deposits provided by tenants under lease agreements.

Floating-rate loans payable are exposed to the risk of fluctuations in interest rates. However, by appropriately managing debt ratio, etc., it is possible to limit the impact of market interest rate rises on

the operations of the Investment Corporation. Furthermore, these risks are managed through derivative transactions (interest rate swaps) as hedging instruments in certain floating-rate loans payable in order to fix interest rate payments and hedge the risk of fluctuations in interest rates. The hedge effectiveness of the interest rate swaps is assessed, by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items and based on the respective amount of changes; provided, however, that the assessment of hedge effectiveness is omitted for those interest rate swaps that satisfy the requirements for special treatment.

Derivative transactions are conducted and managed in accordance with the internal regulations that specify the basic policy of risk management.

Borrowings and tenant leasehold and security deposits in trust are exposed to liquidity risks. However, the Investment Corporation manages these risks through preparing a monthly funding plan, maintaining liquidity on hand, and other means by the Asset Manager.

Operating receivables in foreign currency associated with the acquisition of overseas properties are exposed to the risk of fluctuations in exchange rates. However, since the percentage of these receivables to total assets is low, they are handled under a system in which the Asset Manager monitors the risk and examines the necessity of hedging it with the use of derivative transactions such as forward foreign exchange contract transactions.

(3) Supplementary remarks on fair value, etc., of financial instruments

The fair value of financial instruments is based on market prices or reasonably calculated value if there is no market price available. As certain assumptions are used in calculating these values, if different assumptions, etc., are used, these values could vary.

## 2. Matters regarding fair value, etc., of financial instruments

Balance sheet carrying amounts, fair values, and the difference between the two values are as shown below. Financial instruments whose fair value is considered to be extremely difficult to determine are not included in the table below <sup>(Note 2)</sup>.

Previous fiscal period (as of January 31, 2015)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	9,663,330	9,663,330	–
(2) Cash and deposits in trust	3,386,152	3,386,152	–
Total assets	13,049,482	13,049,482	–
(4) Long-term loans payable	63,000,000	64,016,719	1,016,719
Total liabilities	63,000,000	64,016,719	1,016,719
(5) Derivative transactions	–	–	–

Current fiscal period (as of July 31, 2015)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	6,795,562	6,795,562	–
(2) Cash and deposits in trust	4,668,783	4,668,783	–
Total assets	11,464,345	11,464,345	–
(3) Short-term loans payable	2,000,000	2,000,000	–
(4) Long-term loans payable	73,400,000	74,595,531	1,195,531
Total liabilities	75,400,000	76,595,531	1,195,531
(5) Derivative transactions	–	–	–

### (Note 1) Measurement of fair values of financial instruments

#### (1) Cash and deposits, (2) Cash and deposits in trust, (3) Short-term loans payable

The book value is used as the fair value of these items, given that the fair value is almost equivalent to the amount of the book value, as it is settled in a short time.

#### (4) Long-term loans payable

Because the interest rates of long-term loans payable carrying floating interest rates are to be revised periodically and thus their fair value is almost the same as the book value, the book value is used as the fair value of these liabilities. The fair value of long-term loans payable carrying fixed interest rates is calculated by discounting the total of principal and interest at the rate assumed when a new, similar loan corresponding to the remaining period is made. The fair values for interest rate swaps, to which special treatment is applied, are included in the fair value of long-term loans payable, a hedged item.

#### (5) Derivative transactions

Please refer to “Derivative Transactions” described later.

(Note 2) Balance sheet carrying amount of financial instruments whose fair value is considered to be extremely difficult to determine

(Unit: Thousands of yen)

	Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
Tenant leasehold and security deposits	-	2,628
Tenant leasehold and security deposits in trust	7,411,389	8,109,511
Total	7,411,389	8,112,139

Tenant leasehold and security deposits in trust, which are deposited by lessees of rental properties, are not subject to fair value disclosure because there are no market prices for them and it is not possible to reasonably estimate future cash flow, and therefore it is considered to be extremely difficult to determine their fair values.

(Note 3) Redemption schedule for monetary claims after balance sheet date

Previous fiscal period (as of January 31, 2015)

(Unit: Thousands of yen)

	Due within 1 year
Cash and deposits	9,663,330
Cash and deposits in trust	3,386,152
Total	13,049,482

Current fiscal period (as of July 31, 2015)

(Unit: Thousands of yen)

	Due within 1 year
Cash and deposits	6,795,562
Cash and deposits in trust	4,668,783
Total	11,464,345

(Note 4) Expected amount of repayments of loans payable after balance sheet date

Previous fiscal period (as of January 31, 2015)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Long-term loans payable	-	9,000,000	-	27,000,000	-	27,000,000
Total	-	9,000,000	-	27,000,000	-	27,000,000

Current fiscal period (as of July 31, 2015)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Short-term loans payable	2,000,000	-	-	-	-	-
Long-term loans payable	-	9,000,000	700,000	27,000,000	1,200,000	35,500,000
Total	2,000,000	9,000,000	700,000	27,000,000	1,200,000	35,500,000

## Securities

Previous fiscal period (as of January 31, 2015)

Not applicable.

Current fiscal period (as of July 31, 2015)

Not applicable.

## Derivative Transactions

1. Derivative transactions not applying hedge accounting

Previous fiscal period (as of January 31, 2015)

Not applicable.

Current fiscal period (as of July 31, 2015)

Not applicable.

2. Derivative transactions applying hedge accounting

The following table shows the contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

Previous fiscal period (as of January 31, 2015)

(Unit: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment for interest rate swap	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	54,000,000	54,000,000	(Note)	–

(Note) Fair value of interest rate swap with the special treatment is included in fair value of “(4) Long-term loans payable” in “Financial Instruments, 2. Matters regarding fair value, etc., of financial instruments” described above, as it is processed as a single unit with the hedged long-term loans payable.

Current fiscal period (as of July 31, 2015)

(Unit: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment for interest rate swap	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	63,700,000	63,700,000	(Note)	–

(Note) Fair value of interest rate swap with the special treatment is included in fair value of “(4) Long-term loans payable” in “Financial Instruments, 2. Matters regarding fair value, etc., of financial instruments” described above, as it is processed as a single unit with the hedged long-term loans payable.

## Retirement Benefits

Previous fiscal period (as of January 31, 2015)

Not applicable.

Current fiscal period (as of July 31, 2015)

Not applicable.

## Tax Effect Accounting

### 1. Significant components of deferred tax assets and liabilities

	(Unit: Thousands of yen)	
	Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
Deferred tax assets		
Accrued business office taxes, currently not deductible	26	-
Total deferred tax assets	26	-
Net deferred tax assets	26	-

### 2. Reconciliation of significant difference between the normal effective statutory tax rate and the actual effective tax rate after application of tax effect accounting

	(Unit: %)	
	Previous fiscal period (As of January 31, 2015)	Current fiscal period (As of July 31, 2015)
Normal effective statutory tax rate	34.16	34.15
(Adjustments)		
Distributions paid included in deductibles	(34.11)	(34.05)
Other	0.09	0.19
Effective tax rate after application of tax effect accounting	0.14	0.30

### 3. Revision to amounts of deferred tax assets and deferred tax liabilities due to the change in the rate of income taxes

The Act for Partial Revision of the Income Tax Act, etc. (Act No. 9 of 2015) was promulgated on March 31, 2015. With this revision, the corporate tax rate will be lowered from the fiscal period beginning on or after April 1, 2015. In conjunction with this, for temporary differences expected to be reversed in the fiscal period beginning on August 1, 2015, the normal effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from the previous rate of 34.15% to 32.31%.

There is no impact of this change.



### **Share of Profit or Loss of Entities Accounted for Using Equity Method**

Previous fiscal period (as of January 31, 2015)

Not applicable.

Current fiscal period (as of July 31, 2015)

Not applicable.

### **Related Party Transactions**

1. Parent company and major corporate unitholders

Previous fiscal period (from August 1, 2014 to January 31, 2015)

Not applicable.

Current fiscal period (from February 1, 2015 to July 31, 2015)

Not applicable.

2. Associates, etc.

Previous fiscal period (from August 1, 2014 to January 31, 2015)

Not applicable.

Current fiscal period (from February 1, 2015 to July 31, 2015)

Not applicable.

3. Sister companies, etc.

Previous fiscal period (from August 1, 2014 to January 31, 2015)

Attribute	Name	Location	Capital stock or investment in capital (Millions of yen)	Business or occupation	Ratio of voting rights owning (owned) (%)	Relation to the related party		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking directorate, etc.	Business relationship				
Subsidiary of other affiliate	AEON Reit Management Co., Ltd.	Chiyoda City, Tokyo	350	Investment management business	–	Interlocking directorate: 1	Asset Manager	Payment of asset management fee	330,683	Accounts payable—other	107,389
Subsidiary of other affiliate	AEON Retail Co., Ltd.	Chiba City, Chiba Pref.	48,970	Retail business	–	–	Lessee and recipient of land rent payment	Leasing business revenue	3,538,328	Tenant leasehold and security deposits in trust	3,552,595
								Land rent paid, etc.	430,196	–	–
Subsidiary of other affiliate	AEON Mall Co., Ltd.	Chiba City, Chiba Pref.	42,207	Real estate business	–	–	Lessee and recipient of land rent payment	Leasing business revenue	3,858,083	Tenant leasehold and security deposits in trust	3,858,794
								Land rent paid, etc.	334,161	–	–
Subsidiary of other affiliate	AEON Bank, Ltd.	Koto City, Tokyo	51,250	Banking business	–	–	Lender	Interest expenses	6,103	Accrued expenses	381
								Borrowing of long-term loans	–	Long-term loans payable	2,000,000
Subsidiary of other affiliate	AEON CO. (M) BHD.	Kuala Lumpur, Malaysia	702 million RM	Retail business	–	–	Lessee	Leasing business revenue (Note 3)	23,475	–	–

(Note 1) Of the above amounts, the amount of transaction does not include consumption taxes.

(Note 2) Transaction terms are determined through price negotiations based on current market prices.

(Note 3) *Amount of transaction* is converted to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

Current fiscal period (from February 1, 2015 to July 31, 2015)

Attribute	Name	Location	Capital stock or investment in capital (Millions of yen)	Business or occupation	Ratio of voting rights owning (owned) (%)	Relation to the related party		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking directorate, etc.	Business relationship				
Subsidiary of other affiliate	AEON Reit Management Co., Ltd.	Chiyoda City, Tokyo	350	Investment management business	–	Interlocking directorate: 1	Asset Manager	Payment of asset management fee (Note 3)	483,409	Accounts payable—other	143,548
Subsidiary of other affiliate	AEON Retail Co., Ltd.	Chiba City, Chiba Pref.	48,970	Retail business	–	–	Lessee and recipient of land rent payment	Leasing business revenue	4,082,794	Tenant leasehold and security deposits in trust	3,552,595
								Land rent paid, etc.	724,554	–	–
Subsidiary of other affiliate	AEON Mall Co., Ltd.	Chiba City, Chiba Pref.	42,210	Real estate business	–	–	Acquisition of beneficiary rights of real estate in trust, and lessee and recipient of land rent payment	Acquisition of beneficiary rights of real estate in trust	21,470,000	–	–
								Leasing business revenue	4,448,055	Tenant leasehold and security deposits	2,628
								Land rent paid, etc.	334,161	–	–
										Tenant leasehold and security deposits in trust	4,556,916
Subsidiary of other affiliate	AEON Hokkaido Corporation	Sapporo City, Hokkaido	6,100	Retail business	–	–	Lessee and recipient of land rent payment	Leasing business revenue	608,119	–	–
								Land rent paid, etc.	137,896	–	–
Subsidiary of other affiliate	AEON Bank, Ltd.	Koto City, Tokyo	51,250	Banking business	–	–	Lender	Interest expenses	6,428	Accrued expenses	395
								Payment of borrowing-related fees	1,395	–	–
								Borrowing of long-term loans	300,000	Long-term loans payable	2,300,000
Subsidiary of other affiliate	AEON CO. (M) BHD.	Kuala Lumpur, Malaysia	702 million RM	Retail business	–	–	Lessee	Leasing business revenue (Note 4)	23,286	–	–

(Note 1) Of the above amounts, the amount of transaction does not include consumption taxes.

(Note 2) Transaction terms are determined through price negotiations based on current market prices.

(Note 3) The asset management fee includes ¥123,200 thousand in management fees related to property acquisitions, included in the book values of the individual real properties, etc., and ¥19 thousand in disposition fees deducted from gain on sales of real estate properties.

(Note 4) *Amount of transaction* is converted to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

#### 4. Officers and principal individual unitholders

Previous fiscal period (from August 1, 2014 to January 31, 2015)

Attribute	Name	Location	Capital stock or investment in capital (Millions of yen)	Business or occupation	Ratio of voting rights owning (owned) (%)	Relation to the related party		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Inter-locking directorate, etc.	Business relationship				
Officer	Kenji Kawahara	-	-	Executive Director of the Investment Corporation and Representative Director and President of AEON Reit Management Co., Ltd.	(owned) Direct 0.0%		Executive Director of the Investment Corporation and Representative Director and President of AEON Reit Management Co., Ltd.	Payment of asset management fee to the Asset Manager	330,683	Accounts payable—other	107,389

(Note 1) Of the above amounts, the amount of transaction does not include consumption taxes.

(Note 2) Transaction terms and policy for determining transaction terms, etc.

1. Transaction terms are determined taking into consideration current market prices.
2. The asset management fee represents transactions performed by Kenji Kawahara in the role of representative of a third party (AEON Reit Management Co., Ltd.). The amount of the asset management fee is in accordance with the terms set forth in the Articles of Incorporation of the Investment Corporation.

Current fiscal period (from February 1, 2015 to July 31, 2015)

Attribute	Name	Location	Capital stock or investment in capital (Millions of yen)	Business or occupation	Ratio of voting rights owning (owned) (%)	Relation to the related party		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Inter-locking directorate, etc.	Business relationship				
Officer	Kenji Kawahara	-	-	Executive Director of the Investment Corporation and Representative Director and President of AEON Reit Management Co., Ltd.	(owned) Direct 0.0%		Executive Director of the Investment Corporation and Representative Director and President of AEON Reit Management Co., Ltd.	Payment of asset management fee to the Asset Manager	483,409	Accounts payable—other	143,548

(Note 1) Of the above amounts, the amount of transaction does not include consumption taxes.

(Note 2) Transaction terms and policy for determining transaction terms, etc.

1. Transaction terms are determined taking into consideration current market prices.
2. The asset management fee represents transactions performed by Kenji Kawahara in the role of representative of a third party (AEON Reit Management Co., Ltd.). The amount of the asset management fee is in accordance with the terms set forth in the Articles of Incorporation of the Investment Corporation.
3. The asset management fee includes ¥123,200 thousand in management fees related to property acquisitions, included in the book values of the individual real properties, etc., and ¥19 thousand in disposition fees deducted from gain on sales of real estate properties.

#### Asset Retirement Obligations

Previous fiscal period (as of January 31, 2015)

Not applicable.

Current fiscal period (as of July 31, 2015)

Not applicable.

## Investment and Rental Properties

The Investment Corporation holds retail properties. The balance sheet carrying amounts, changes during the fiscal period, and fair values of these rental properties are as follows. The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income.”

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
Balance sheet carrying amount		
Balance at beginning of period	157,183,225	155,380,069
Changes during period	(1,803,155)	34,311,286
Balance at end of period	155,380,069	189,691,355
Fair value at end of period	169,171,400	206,311,800

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) In changes during the previous fiscal period, the increase is mainly due to capital expenditures such as external wall painting of the current properties (¥429,890 thousand) and an increase in land from the final order for the actual allocation (¥12,670 thousand), while the decrease is principally attributable to depreciation (¥2,245,716 thousand). The main reasons for the increase during the current fiscal period include the acquisition of six properties (AEON MALL KYOTO, AEON MALL Sapporo-Hiraoka, AEON MALL Kushiro-Showa, AEON MALL Rifu, AEON MALL Yamagata-Minami, and AEON MALL Yokkaichi-Kita) (¥35,906,307 thousand), an increase in land from the final order for the actual allocation (¥161,873 thousand), an increase due to the acquisition of land (¥107,708 thousand), as well as capital expenditures such as repair work to invigorate stores of current properties (¥798,591 thousand). The main reasons for the decrease during the current fiscal period are depreciation (¥2,659,956 thousand) and the sale of land (¥3,237 thousand).

(Note 3) The fair value at end of period is the appraisal value or survey price provided by an independent real estate appraiser.

## Segment Information, etc.

### 1. Segment information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the real estate leasing business.

### 2. Related information

Previous fiscal period (from August 1, 2014 to January 31, 2015)

#### (1) Information about products and services

Disclosure is omitted as operating revenue from external customers of products and services within a single segment exceeds 90% of operating revenue on the statement of income.

#### (2) Information about geographical area

##### i) Operating revenue

Disclosure is omitted since operating revenue from external customers in Japan exceeds 90% of operating revenue on the statement of income.

##### ii) Property and equipment

Disclosure is omitted since the amount of property and equipment located in Japan exceeds 90% of property and equipment on the balance sheet.

#### (3) Information about major customers

(Unit: Thousands of yen)

Name	Operating revenue	Related segment
AEON Retail Co., Ltd.	3,538,328	Real estate leasing business
AEON Mall Co., Ltd.	3,858,083	Real estate leasing business
AEON CO. (M) BHD.	23,475	Real estate leasing business

Current fiscal period (from February 1, 2015 to July 31, 2015)

(1) Information about products and services

Disclosure is omitted as operating revenue from external customers of products and services within a single segment exceeds 90% of operating revenue on the statement of income.

(2) Information about geographical area

i) Operating revenue

Disclosure is omitted since operating revenue from external customers in Japan exceeds 90% of operating revenue on the statement of income.

ii) Property and equipment

Disclosure is omitted since the amount of property and equipment located in Japan exceeds 90% of property and equipment on the balance sheet.

(3) Information about major customers

(Unit: Thousands of yen)

Name	Operating revenue	Related segment
AEON Retail Co., Ltd.	4,082,794	Real estate leasing business
AEON Mall Co., Ltd.	4,448,055	Real estate leasing business
AEON Hokkaido Corporation	608,119	Real estate leasing business
AEON CO. (M) BHD.	23,286	Real estate leasing business

**Per Unit Information**

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
Net assets per unit	¥103,896	¥109,536
Net income per unit	¥2,473	¥2,746

(Note 1) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period. Fully diluted net income per investment unit is not presented, as there is no potential investment unit.

(Note 2) The basis for calculating net income per unit is as follows:

	Previous fiscal period (From August 1, 2014 to January 31, 2015)	Current fiscal period (From February 1, 2015 to July 31, 2015)
Net income (Thousands of yen)	2,349,751	2,969,437
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	2,349,751	2,969,437
Average number of investment units for the period (Units)	950,000	1,081,176

**Significant Subsequent Events**

Not applicable.

## (9) Changes in Total Number of Investment Units Issued

Changes in the total number of investment units issued and the total unitholders' capital of the Investment Corporation since its incorporation until July 31, 2015 are as follows:

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Thousands of yen)		Remarks
		Change	Balance	Change	Balance	
November 30, 2012	Incorporation through private placement	5,000	5,000	500,000	500,000	(Note 1)
November 21, 2013	Capital increase through public offering	900,000	905,000	91,287,000	91,787,000	(Note 2)
December 17, 2013	Capital increase through third-party allotment	45,000	950,000	4,564,350	96,351,350	(Note 3)
February 12, 2015	Capital increase through public offering	133,190	1,083,190	19,090,921	115,442,271	(Note 4)
February 25, 2015	Capital increase through third-party allotment	7,010	1,090,200	1,004,785	116,447,057	(Note 5)

(Note 1) At the incorporation of the Investment Corporation, investment units were issued with an issue price per unit of ¥100,000.

(Note 2) New investment units were issued through public offering with an issue price per unit of ¥105,000 (issue value: ¥101,430), for the purpose of procuring funds to acquire new properties.

(Note 3) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥101,430.

(Note 4) New investment units were issued through public offering with an issue price per unit of ¥148,200 (issue value: ¥143,336), for the purpose of procuring funds to acquire new properties.

(Note 5) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥143,336.

## 4. Changes in Officers

### (1) Changes in Officers of the Investment Corporation

There have been no changes in officers of the Investment Corporation described in "Officers" in the latest Securities Report (submitted on April 27, 2015; prepared in Japanese only).

### (2) Changes in Officers of Asset Manager

Effective May 28, 2015, Tetsuya Arisaka assumed office as Director, Kazushi Kozakura retired from office as Director, while Nobuaki Seki retired from office as Director (part-time).

For details, please refer to the news release "Notice Concerning Change of Directors and Key Employees of Asset Manager" issued on May 13, 2015, and the news release "Notice Concerning Decline by a Nominated Director" issued on May 25, 2015.

## 5. Reference Information

### (1) Status of Investment

#### Composition of assets

Type of assets	Property type	Region (Note 1)	Previous fiscal period (As of January 31, 2015)					Current fiscal period (As of July 31, 2015)				
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%)	Holding assets denominated in foreign currency (Millions of yen)			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%)	Holding assets denominated in foreign currency (Millions of yen)		
					Unrealized gain (loss) on valuation of foreign currency (Millions of yen) (Note 3)	Percentage to total assets (%)				Unrealized gain (loss) on valuation of foreign currency (Millions of yen) (Note 4)	Percentage to total assets (%)	
Beneficiary rights of real estate in trust	Retail properties	Hokkaido and Tohoku	11,732	6.9	–	–	–	23,330	11.4	–	–	–
		Kanto (Note 5)	60,200	35.5	–	–	–	60,125	29.5	–	–	–
		Tokai, Hokuriku and Chubu	17,473	10.3	–	–	–	19,503	9.6	–	–	–
		Kinki	7,034	4.1	–	–	–	28,489	14.0	–	–	–
		Chugoku and Shikoku	33,513	19.7	–	–	–	33,144	16.3	–	–	–
		Kyushu and Okinawa	24,720	14.6	–	–	–	24,401	12.0	–	–	–
		Malaysia	705	0.4	705	(5)	0.4	697	0.3	697	(6)	0.3
Total			155,380	91.5	705	(5)	0.4	189,691	93.1	697	(6)	0.3
Deposits and other assets			14,366	8.5	17	0	0.0	14,103	6.9	14	0	0.0
Total assets			169,746	100.0	722	(5)	0.4	203,795	100.0	711	(6)	0.3

	Previous fiscal period (As of January 31, 2015)		Current fiscal period (As of July 31, 2015)	
	Amount (Millions of yen)	Percentage to total assets (%)	Amount (Millions of yen)	Percentage to total assets (%)
Total liabilities	71,045	41.9	84,378	41.4
Total net assets	98,701	58.1	119,417	58.6

(Note 1) Details of the constituents of *Region* categories are shown below.

Hokkaido and Tohoku:	Hokkaido, Aomori, Akita, Iwate, Yamagata, Miyagi, and Fukushima prefectures
Kanto:	Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, and Gunma prefectures
Tokai, Hokuriku and Chubu:	Aichi, Shizuoka, Mie, Niigata, Toyama, Ishikawa, Fukui, Nagano, Yamanashi, and Gifu prefectures
Kinki:	Osaka, Kyoto, Nara, Shiga, Wakayama, and Hyogo prefectures
Chugoku and Shikoku:	Tottori, Okayama, Shimane, Hiroshima, Yamaguchi, Kagawa, Tokushima, Ehime, and Kochi prefectures
Kyushu and Okinawa:	Fukuoka, Kumamoto, Saga, Nagasaki, Oita, Miyazaki, Kagoshima, and Okinawa prefectures
Malaysia:	The whole land of Malaysia is presented as one category.

(Note 2) *Total amount held* represents the balance sheet carrying amount (for real estate and beneficiary rights of real estate in trust, book value less depreciation expenses) as of the end of the fiscal period.

(Note 3) *Unrealized gain (loss) on valuation of foreign currency* represents the amount found by subtracting the book value at the end of the period that is evaluated and converted to Japanese yen based on the exchange rate at the time of the acquisition from the book value at the end of the period which has been converted to Japanese yen based on the exchange rate as of the end of the fiscal period (January 31, 2015); however, it was converted to Japanese yen based on the exchange rate as of the business day immediately preceding the end of the fiscal period (January 30, 2015; 1 RM = ¥32.57; rounded down to the nearest 100th) because January 31, 2015, was not a business day.

(Note 4) *Unrealized gain (loss) on valuation of foreign currency* represents the amount found by subtracting the book value at the end of the period that is evaluated and converted to Japanese yen based on the exchange rate at the time of the acquisition from the book value at the end of the period which has been converted to Japanese yen based on the exchange rate as of the end of the fiscal period (July 31, 2015; 1RM = ¥32.49; rounded down to the nearest 100th).

(Note 5) “AEON MALL Mitouchihara,” located in “Kanto,” includes, in addition to the beneficiary rights of real estate in trust portion, a real estate portion (adjacent land portion that was additionally acquired on April 28, 2015; as of July 31, 2015, the balance sheet carrying amount is ¥107 million).



## (2) Investment Assets

### i) Major investment securities

Not applicable.

### ii) Investment properties

A summary of the properties held by the Investment Corporation is provided for the convenience of readers in “iii) Other main investment assets” below.

### iii) Other main investment assets

#### (A) Summary of real estate and beneficiary rights of real estate in trust

The summary of real estate, etc., held by the Investment Corporation as of July 31, 2015 (the end of the 5th fiscal period) is shown below.

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	Book value at end of period (Millions of yen)	Assessed value at end of period (Millions of yen) (Note 2)	Investment percentage (%) (Note 3)	Seller
SRSC-1	AEON LakeTown mori (Note 4)	21,190	20,628	23,000	10.9	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze (Note 4)	6,730	6,754	7,660	3.5	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	5,340	5,121	5,590	2.7	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	6,680	6,459	7,020	3.4	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara (Note 5)	16,565	15,935	17,412	8.5	AEON Mall Co., Ltd. Mito City, Ibaraki Pref.
RSC-4	AEON MALL Ota	6,860	6,610	7,820	3.5	Century Tokyo Leasing Corporation
RSC-5	AEON Sagamihara Shopping Center	10,220	10,195	10,500	5.3	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	4,950	4,603	5,160	2.5	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	9,660	9,419	10,100	5.0	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	3,290	3,245	3,620	1.7	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	7,230	6,930	7,610	3.7	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	7,780	7,481	8,320	4.0	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	17,890	17,372	18,700	9.2	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	8,740	8,290	9,190	4.5	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata	11,250	10,794	12,700	5.8	Century Tokyo Leasing Corporation AEON Mall Co., Ltd.
RSC-14	AEON MALL Kumamoto	14,060	13,606	14,800	7.2	AEON Mall Co., Ltd.
RSC-15	AEON MALL KYOTO	21,470	21,559	21,800	11.0	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	5,900	5,959	6,230	3.0	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	1,780	1,827	1,900	0.9	Forester Special Purpose Company
RSC-18	AEON MALL Rifu	2,560	2,582	2,720	1.3	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata- Minami	1,350	1,380	1,440	0.7	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	2,210	2,235	2,370	1.1	Forester Special Purpose Company
M-1	AEON Taman Universiti Shopping Centre (Note 6)	658 [20 million RM]	697 [21 million RM]	649 [20 million RM]	0.3	AEON CO. (M) BHD.
	Total	194,363	189,691	206,311	100.0	

(Note 1) *Acquisition price* represents the amount (the sale and purchase price, etc., shown on the sale and purchase agreement, etc.) excluding expenses incurred on the acquisition of each property (commission, taxes and dues, etc.).

(Note 2) *Assessed value at end of period* represents the appraisal value shown on the appraisal report of property as of the valuation date of July 31, 2015, or survey price shown on a survey report of property. For the summary of appraisal, please refer to “Summary of real estate appraisal” described below.

(Note 3) *Investment percentage* is calculated by dividing the acquisition price of each property by the total of the acquisition price, and is rounded to the nearest tenth.

(Note 4) The Investment Corporation holds 40% of each beneficiary right of real estate in trust of “AEON LakeTown mori” and “AEON LakeTown kaze” as a quasi-co-ownership interest (*jun kyōyū-mochibun*). *Assessed value at end of period* describes the amount representing the Investment Corporation’s pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the beneficiary rights of real estate in trust (40% for each property).

(Note 5) This property includes, in addition to the beneficiary rights of real estate in trust portion, a real estate portion (adjacent land portion that was additionally acquired on April 28, 2015; the acquisition price is ¥105 million, the book value at the end of the period is ¥107 million, and the assessed value at the end of the period is ¥112 million).

(Note 6) *Acquisition price* represents the total yen amount of the considerations actually paid by the Investment Corporation to AEON CO. (M) BHD. over several times, and is the amount (the sale and purchase price, etc., shown on the sale and purchase agreement, etc.) excluding expenses incurred on the acquisition of the property (commission, taxes and dues, etc.). The weighted average exchange rate calculated from the exchange rates applied at each payment was ¥32.92 to 1 RM, rounded down to the nearest 100th.

*Book value at end of period* represents the amount obtained by subtracting the accumulated depreciation amount at the end of the fiscal period from the sum of the amount presented in the *Acquisition price* and expenses incurred on the acquisition of the property (related expenses). For related expenses paid in Japanese yen, the paid amount has been added to the *Acquisition price*, while for related expenses paid in RM, the amount obtained after converting it to Japanese yen using the exchange rate at the time of the transaction (the average spot exchange rate of the month preceding the month in which the transaction was carried out) has been added to the *Acquisition price*.

The Investment Corporation holds the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust of the beneficiary rights of real estate in trust of AEON Taman Universiti Shopping Centre (rights to the trust for part of AEON Taman Universiti Shopping Centre located in Johor, Malaysia; the same shall apply hereinafter). *Assessed value at end of period* describes the amount for the appraisal value shown on the appraisal report of property as of the valuation date of July 31, 2015, or survey price shown on a survey report of property, equivalent to the Investment Corporation's pro-rata portion of the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust of the beneficiary rights of real estate in trust. The amount of *Assessed value at end of period* is converted to Japanese yen based on the exchange rate as of the end of the fiscal period (July 31, 2015; 1 RM = ¥32.49; rounded down to the nearest 100th).

(B) Overview of lease

The overview of lease (annual contracted rent, leasehold/security deposits, total leasable area, total leased area, and occupancy rate) of real estate, etc., held by the Investment Corporation as of the end of the current fiscal period (July 31, 2015) is shown below.

Type	Property number	Property name	Location	Date of construction	Annual contracted rent (Millions of yen)	Leasehold/security deposits (Millions of yen)	Total leasable area (m <sup>2</sup> ) (Note 1)	Total leased area (m <sup>2</sup> )	Occupancy rate (%)
Retail properties	SRSC-1	AEON LakeTown mori (Note 2)	Koshigaya City, Saitama Pref.	September 9, 2008	685	685	160,387.00	160,387.00	100.0
	SRSC-2	AEON LakeTown kaze (Note 2)	Koshigaya City, Saitama Pref.	September 9, 2008	335	330	127,183.81	127,183.81	100.0
	RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	July 23, 2003	337	338	98,968.59	98,968.59	100.0
	RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	March 2, 2007	351	354	60,682.20	60,682.20	100.0
	RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki Pref.	November 8, 2005	726 (Note 3)	726 (Note 3)	159,997.49	159,997.49	100.0
	RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	November 17, 2003	476	476	93,165.27	93,165.27	100.0
	RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	August 9, 1993	420	420	75,056.62	75,056.62	100.0
	RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	March 29, 2007	327	330	64,246.26	64,246.26	100.0
	RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	November 12, 1996	444	446	125,236.10	125,236.10	100.0
	RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	August 6, 2001	213	214	44,193.80	44,193.80	100.0
	RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	October 3, 2008	326	328	48,229.25	48,229.25	100.0
	RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	March 8, 1999	426	426	102,045.24	102,045.24	100.0
	RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama Pref.	September 15, 1999	739	741	157,274.78	157,274.78	100.0
	RSC-12	AEON MALL Ayagawa	Ayauta County, Kagawa Pref.	July 18, 2008	457	460	113,149.07	113,149.07	100.0
	RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	April 4, 2005	548	545	151,969.51	151,969.51	100.0
	RSC-14	AEON MALL Kumamoto	Kamimashiki County, Kumamoto Pref.	September 16, 2005	585	584	101,132.38	101,132.38	100.0
	RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	January 7, 2010	589	698	136,468.45	136,468.45	100.0
	RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	November 10, 2000	402	-	78,360.81	78,360.81	100.0
	RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	September 13, 2000	205	-	51,763.05	51,763.05	100.0
	RSC-18	AEON MALL Rifu	Miyagi County, Miyagi Pref.	April 18, 2000	187	-	66,385.29	66,385.29	100.0
	RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata Pref.	November 17, 2000	145	-	53,487.94	53,487.94	100.0
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie Pref.	January 23, 2001	204	-	41,417.23	41,417.23	100.0	
M-1	AEON Taman Universiti Shopping Centre (Note 4)	Johor, Malaysia	May 30, 2002	23 [704 thousand RM]	-	22,870.45	22,870.45	100.0	
Total					9,163	8,112	2,133,670.59	2,133,670.59	100.0

(Note 1) Total leasable area represents gross leasable space based on the lease agreement or floor plan for buildings in each acquired property.

(Note 2) The Investment Corporation holds 40% of each beneficiary right of real estate in trust of "AEON LakeTown mori" and "AEON LakeTown kaze" as a quasi-co-ownership interest (*jun kyōyū-mochibun*). Annual contracted rent and Leasehold/security deposits represent the amounts equivalent to the Investment Corporation's pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the beneficiary rights of real estate in trust (40% for each property).

(Note 3) Annual contracted rent and Leasehold/security deposits of "AEON MALL Mitouchihara" include an amount based on the lease agreement for land of AEON MALL Mitouchihara that was additionally acquired on April 28, 2015.

(Note 4) Date of construction represents the date noted in the Technical Due Diligence Review (including the Supplementary Letter, "Technical Due Diligence Review") prepared by Knight Frank Malaysia Sdn. Bhd. (the Malaysia office of Knight Frank LLP.) and Knight Frank Estate Management Pte. Ltd. (collectively, "Knight Frank Malaysia") as the date of obtaining the Certificate of Fitness for Occupation Approval for main buildings.

The Investment Corporation holds the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust of the beneficiary rights of real estate in trust of AEON Taman Universiti Shopping Centre. Annual contracted rent describes the figure equivalent to the Investment Corporation's pro-rata portion of the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust of the beneficiary rights of real estate in trust. Annual

*contracted rent* represents the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

*Total leasable area* and *Total leased area* represent the gross floor area as indicated in the Technical Due Diligence Review prepared by Knight Frank Malaysia.

(C) Summary of real estate appraisal

The summary of real estate appraisal (appraisal value; return price based on direct capitalization method and direct capitalization rate; return price based on DCF method, discount rate and terminal capitalization rate; and NOI) for the properties held as of July 31, 2015 (the end of the 5th fiscal period) is shown below.

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Return price					NOI (Millions of yen) (Note 2)
				Price based on direct capitalization method (Millions of yen)	Capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
SRSC-1	AEON LakeTown mori (Note 3)	The Tanizawa Sōgō Appraisal Co., Ltd.	23,000	23,300	5.0	22,800	5.0 5.1 (Note 4)	5.2	1,179
SRSC-2	AEON LakeTown kaze (Note 3)	The Tanizawa Sōgō Appraisal Co., Ltd.	7,660	7,870	5.4	7,570	5.3 5.4 (Note 5)	5.7	438
RSC-1	AEON MALL Morioka	Japan Real Estate Institute	5,590	5,620	6.9	5,560	6.5	7.1	450
RSC-2	AEON MALL Ishinomaki	Japan Real Estate Institute	7,020	7,110	6.3	6,920	6.0	6.6	478
RSC-3	AEON MALL Mitouchihara (Beneficiary rights of real estate in trust) (Note 6)	Japan Real Estate Institute	17,300	17,400	6.3	17,100	5.9	6.5	1,117
	AEON MALL Mitouchihara (Land) (Note 6)	Japan Real Estate Institute	112	–	–	112	5.2	–	–
RSC-4	AEON MALL Ota	Japan Real Estate Institute	7,820	7,860	6.6	7,770	6.1	6.8	573
RSC-5	AEON Sagamihara Shopping Center	Japan Real Estate Institute	10,500	10,600	5.4	10,400	5.1	5.6	644
RSC-6	AEON MALL Ogaki	Japan Real Estate Institute	5,160	5,190	6.9	5,120	6.4	7.2	379
RSC-7	AEON MALL Suzuka	Japan Real Estate Institute	10,100	10,200	6.3	9,980	5.9	6.7	726
RSC-8	AEON MALL Meiwa	The Tanizawa Sōgō Appraisal Co., Ltd.	3,620	3,720	6.7	3,580	6.6 6.7 (Note 7)	7.0	283
RSC-9	AEON MALL Kasai-Hojo	Japan Real Estate Institute	7,610	7,640	6.9	7,570	6.6	7.1	536
RSC-10	AEON MALL Hiezu	Japan Real Estate Institute	8,320	8,380	6.9	8,260	6.5	7.2	601
RSC-11	AEON MALL Kurashiki	Japan Real Estate Institute	18,700	18,800	6.2	18,600	5.9	6.4	1,233
RSC-12	AEON MALL Ayagawa	Japan Real Estate Institute	9,190	9,270	6.5	9,100	6.1	6.8	617
RSC-13	AEON MALL Nogata	Japan Real Estate Institute	12,700	12,800	6.5	12,500	6.2	6.8	861
RSC-14	AEON MALL Kumamoto	Japan Real Estate Institute	14,800	14,900	6.2	14,600	5.9	6.5	950
RSC-15	AEON MALL KYOTO	Japan Real Estate Institute	21,800	22,000	5.0	21,500	4.7	5.2	1,096
RSC-16	AEON MALL Sapporo-Hiraoka	The Tanizawa Sōgō Appraisal Co., Ltd.	6,230	6,430	6.3	6,150	6.3 6.4 (Note 8)	6.6	437
RSC-17	AEON MALL Kushiro-Showa	The Tanizawa Sōgō Appraisal Co., Ltd.	1,900	1,980	6.9	1,860	6.9 7.0 (Note 9)	7.2	173
RSC-18	AEON MALL Rifu	The Tanizawa Sōgō Appraisal Co., Ltd.	2,720	2,810	6.5	2,680	6.5 6.6 (Note 10)	6.8	220
RSC-19	AEON MALL Yamagata-Minami	The Tanizawa Sōgō Appraisal Co., Ltd.	1,440	1,500	6.7	1,420	6.7 6.8 (Note 11)	7.0	129
RSC-20	AEON MALL Yokkaichi-Kita	The Tanizawa Sōgō Appraisal Co., Ltd.	2,370	2,470	6.4	2,330	6.4 6.5 (Note 12)	6.7	198
M-1	AEON Taman Universiti Shopping Centre (Note 13)	Japan Real Estate Institute	649 [20 million RM]	–	–	649 [20 million RM]	6.5 6.0 (Note 14)	7.0	43 [1 million RM]
Total			206,311	–	–	204,131	–	–	–

- (Note 1) *Appraisal value* represents the appraisal value as of the valuation date of July 31, 2015.
- (Note 2) *NOI* (Net Operating Income) is defined as operating revenue less operating expenses contained in the relevant appraisal report, which is before depreciation. This is different from NCF (Net Cash Flow) calculated by subtracting the gain on investment of leasehold deposit, etc., and capital expenditures from NOI. NOI shown above is assumed with the direct capitalization method. Amounts of NOI are rounded down to the nearest million yen.
- (Note 3) For AEON LakeTown mori and AEON LakeTown kaze, their appraisal values, price based on direct capitalization method, price based on DCF method, and NOI describe the Investment Corporation's pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the beneficiary rights of real estate in trust (40% for each property).
- (Note 4) Discount rates for AEON LakeTown mori are 5.0% during the initial eight years and 5.1% from the ninth year.
- (Note 5) Discount rates for AEON LakeTown kaze are 5.3% during the initial eight years and 5.4% from the ninth year.
- (Note 6) For AEON MALL Mitouchihara, there exist both a portion of beneficiary rights of real estate in trust and a real estate portion, and as we have obtained separate appraisal report for each, these have been entered separately.
- (Note 7) Discount rates for AEON MALL Meiwa are 6.6% during the initial three years and 6.7% from the fourth year.
- (Note 8) Discount rates for AEON MALL Sapporo-Hiraoka are 6.3% during the initial seven years and 6.4% from the eighth year.
- (Note 9) Discount rates for AEON MALL Kushiro-Showa are 6.9% during the initial four years and 7.0% from the fifth year.
- (Note 10) Discount rates for AEON MALL Rifu are 6.5% during the initial seven years and 6.6% from the eighth year.
- (Note 11) Discount rates for AEON MALL Yamagata-Minami are 6.7% during the initial five years and 6.8% from the sixth year.
- (Note 12) Discount rates for AEON MALL Yokkaichi-Kita are 6.4% during the initial four years and 6.5% from the fifth year.
- (Note 13) Pursuant to the local appraisal methodology, we entrusted the evaluation of the appraisal value of the property to Japan Real Estate Institute. *Appraisal value* represents the amount equivalent to the Investment Corporation's pro-rata portion of the rights (18.18%) similar to the co-ownership right (*kyōyū-mochibun*) of the trust property pertaining to the trust of the beneficiary rights of real estate in trust, and is based on the appraisal value as indicated on the appraisal report as of the valuation date of July 31, 2015. The prices and NOI in *Return price* show the amount representing the rights (18.18%) similar to the co-ownership right (*kyōyū-mochibun*) of the trust property pertaining to the trust of the beneficiary rights of real estate in trust, and is based on prices, etc., calculated by the standard income approach applied in Malaysia to real estate for investment (the investment method). In addition, the amounts are converted to Japanese yen based on the exchange rate as of the end of the fiscal period (July 31, 2015; 1 RM = ¥32.49; rounded down to the nearest 100th).
- (Note 14) Discount rates for AEON Taman Universiti Shopping Centre are 6.5% during the contract period and 6.0% after the contract period.

(D) Capital expenditures for properties held

a. Schedule of capital expenditures

The following table shows major estimated capital expenditure for renovation work, etc. (those exceeding ¥10 million per work) that the Investment Corporation plans to conduct for properties held as of July 31, 2015.

The estimated construction cost below includes the portion expensed for accounting purposes.

Property name (Location)	Purpose	Scheduled period	Estimated cost of construction works (Millions of yen)		
			Total amount	Payment for the period	Total amount already paid
AEON MALL Sapporo-Hiraoka (Sapporo City, Hokkaido)	Storage battery replacement work	From October 2015 to November 2015	24	–	–
	Emergency broadcast amplifier renewal work	From April 2016 to May 2016	15	–	–
AEON MALL Kushiro-Showa (Kushiro City, Hokkaido)	Automatic fire alarm renewal work	From June 2016 to July 2016	12	–	–
AEON MALL Morioka (Morioka City, Iwate Pref.)	Work to invigorate stores	From July 2015 to April 2016	997	–	–
	Air conditioning renewal work	From March 2016 to April 2016	29	–	–
AEON MALL Mitouchihara (Mito City, Ibaraki Pref.)	External wall painting work	From November 2015 to April 2016	300	–	–
AEON MALL Ota (Ota City, Gunma Pref.)	External wall painting work	From December 2015 to May 2016	250	–	–
AEON Sagamihara Shopping Center (Sagamihara City, Kanagawa Pref.)	Automatic fire alarm renewal work	From September 2015 to October 2015	19	–	–
	Air conditioning renewal work	From May 2016 to June 2016	46	–	–
AEON Mall Ogaki (Ogaki City, Gifu Pref.)	Ramp steel painting work	From April 2016 to May 2016	21	–	–
AEON MALL Suzuka (Suzuka City, Mie Pref.)	External wall painting work (first stage)	From October 2015 to December 2015	99	–	–
	External wall painting work (second stage)	From February 2016 to April 2016	100	–	–
AEON MALL Meiwa (Taki County, Mie Pref.)	Air conditioning renewal work	From February 2016 to April 2016	10	–	–
AEON MALL KYOTO (Kyoto City, Kyoto Pref.)	Lighting renewal work	From April 2016 to May 2016	15	–	–
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Air conditioning renewal work	From October 2015 to December 2015	59	–	–
	External wall painting work	From February 2016 to April 2016	25	–	–
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Ramp steel painting work	From December 2015 to January 2016	47	–	–
	External wall painting work	From February 2016 to June 2016	153	–	–
AEON MALL Kumamoto (Kamimashiki County, Kumamoto Pref.)	Work to convert lighting to LEDs	From August 2015 to September 2015	11	–	–

b. Capital expenditures during the period

For properties held by the Investment Corporation as of July 31, 2015, the major construction works that fall into capital expenditure (those exceeding ¥10 million per work) conducted by the Investment Corporation during the current fiscal period are shown in the table below. The capital expenditure for the current fiscal period amounted to ¥798 million, and repair and maintenance expenses that were accounted for as expense came to ¥346 million. On aggregate, construction work of ¥1,144 million was carried out during the fiscal period.

Property name (Location)	Purpose	Period	Cost of construction works (Millions of yen)
AEON MALL Sapporo-Hiraoka (Sapporo City, Hokkaido)	Composite receiver renewal	From July 2015 to July 2015	27
AEON MALL Morioka (Morioka City, Iwate Pref.)	Air conditioning renewal work	From March 2015 to April 2015	25
AEON MALL Ota (Ota City, Gunma Pref.)	Air conditioning renewal work	From February 2015 to March 2015	25
	Air conditioning renewal work	From March 2015 to April 2015	23
AEON LakeTown kaze (Koshigaya City, Saitama Pref.) (Note)	Repair work to invigorate stores	From February 2015 to April 2015	312
AEON Sagamihara Shopping Center (Sagamihara City, Kanagawa Pref.)	Air conditioning renewal work	From April 2015 to June 2015	44
AEON MALL Suzuka (Suzuka City, Mie Pref.)	Special high-voltage power receiving and transforming system work	From May 2015 to May 2015	17
AEON MALL Meiwa (Taki County, Mie Pref.)	Wind-proofing screen installation	From July 2015 to July 2015	10
AEON MALL Hiezu (Saihaku County, Tottori Pref.)	Repair work to invigorate stores	From February 2015 to April 2015	134
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Air conditioning renewal work	From March 2015 to April 2015	17
AEON MALL Ayagawa (Ayauta County, Kagawa Pref.)	External wall painting work (second stage)	From March 2015 to April 2015	45
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Ramp steel painting work	From July 2015 to July 2015	43
AEON MALL Kumamoto (Kamimashiki County, Kumamoto Pref.)	Air conditioning renewal work	From April 2015 to April 2015	11

(Note) The Investment Corporation holds 40% of beneficiary rights of real estate in trust of “AEON LakeTown kaze” as a quasi-co-ownership interest (*jun kyōyū-mochibun*). *Cost of construction works* describes the amount representing the Investment Corporation’s pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the beneficiary rights of real estate in trust (40%).



(E) Statements of income of individual properties

5th fiscal period (from February 1, 2015 to July 31, 2015)

(Unit: Thousands of yen)

Property number	SRSC-1	SRSC-2	RSC-1	RSC-2	RSC-3	RSC-4
Property name	AEON LakeTown mori	AEON LakeTown kaze	AEON MALL Morioka	AEON MALL Ishinomaki	AEON MALL Mitouchihara (Note 2)	AEON MALL Ota
Number of operating days	181	181	181	181	181	181
(A) Real estate leasing business revenue	685,678	335,503	337,832	351,992	726,204	476,385
Rent revenue—real estate	685,678	335,503	337,832	351,992	726,204	476,385
(B) Real estate leasing business expenses	95,893	118,319	114,950	120,629	175,502	190,703
Expenses for management and operation (Note 1)	1,826	1,426	1,820	1,790	1,400	1,400
Taxes and dues	83,467	35,514	43,848	46,565	77,346	39,779
Insurance expenses	2,403	1,785	2,316	1,400	3,740	2,012
Repairs and maintenance expenses	8,017	2,469	17,161	15,576	16,935	14,871
Land rent paid	16	77,034	49,748	54,704	75,090	132,591
Other expenses related to rent business	161	89	55	594	988	48
(C) NOI (A – B)	589,785	217,184	222,881	231,362	550,702	285,681
(D) Depreciation	224,730	100,442	96,613	82,925	241,653	113,018
(E) Income from leasing business (C – D)	365,055	116,742	126,268	148,436	309,049	172,662
(F) Capital expenditures	1,139	309,808	26,031	1,010	1,199	50,219
(G) NCF (C – F)	588,645	(92,624)	196,850	230,352	549,502	235,461

(Note 1) *Expenses for management and operation* include trust fees.

(Note 2) For this property, there exist both a portion of beneficiary rights of real estate in trust and a real estate portion. The real estate portion is the land of AEON MALL Mitouchihara (Mito City, Ibaraki Prefecture) that was additionally acquired on April 28, 2015. The number of operating days are 95 days, real estate leasing business revenue is ¥1,357 thousand and no real estate leasing business expenses were incurred.

(Note 3) *Real estate leasing business revenue* and *Real estate leasing business expenses* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-5	RSC-6	RSC-7	RSC-8	RSC-9	RSC-10
Property name	AEON Sagamihara Shopping Center	AEON MALL Ogaki	AEON MALL Suzuka	AEON MALL Meiwa	AEON MALL Kasai-Hojo	AEON MALL Hiezu
Number of operating days	181	181	181	181	181	181
(A) Real estate leasing business revenue	420,571	327,851	444,579	213,718	326,673	426,092
Rent revenue—real estate	420,571	327,851	444,579	213,718	326,673	426,092
(B) Real estate leasing business expenses	92,123	148,819	102,434	78,488	63,021	136,554
Expenses for management and operation (Note 1)	1,400	1,760	1,850	1,850	1,850	1,850
Taxes and dues	76,152	34,118	55,655	23,017	41,915	43,455
Insurance expenses	3,246	1,446	2,886	863	1,019	2,311
Repairs and maintenance expenses	11,289	17,282	42,018	15,046	8,357	16,775
Land rent paid	–	94,212	–	37,567	9,677	72,092
Other expenses related to rent business	34	–	23	142	201	68
(C) NOI (A – B)	328,447	179,032	342,144	135,229	263,652	289,538
(D) Depreciation	79,278	118,415	100,982	36,675	103,893	145,860
(E) Income from leasing business (C – D)	249,168	60,617	241,161	98,554	159,759	143,678
(F) Capital expenditures	52,604	–	17,667	32,645	–	133,585
(G) NCF (C – F)	275,842	179,032	324,477	102,584	263,652	155,953

(Note 1) *Expenses for management and operation* include trust fees.

(Note 2) For this property, there exist both a portion of beneficiary rights of real estate in trust and a real estate portion. The real estate portion is the land of AEON MALL Mitouchihara (Mito City, Ibaraki Prefecture) that was additionally acquired on April 28, 2015. The number of operating days are 95 days, real estate leasing business revenue is ¥1,357 thousand and no real estate leasing business expenses were incurred.

(Note 3) *Real estate leasing business revenue* and *Real estate leasing business expenses* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-11	RSC-12	RSC-13	RSC-14	RSC-15	RSC-16
Property name	AEON MALL Kurashiki	AEON MALL Ayagawa	AEON MALL Nogata	AEON MALL Kumamoto	AEON MALL KYOTO	AEON MALL Sapporo-Hiraoka
Number of operating days	181	181	181	181	155	164
(A) Real estate leasing business revenue	739,720	457,859	548,841	585,535	589,282	402,451
Rent revenue—real estate	739,720	457,859	548,841	585,535	589,282	402,451
(B) Real estate leasing business expenses	150,349	150,759	137,978	116,963	14,300	167,811
Expenses for management and operation (Note 1)	1,850	1,850	1,850	1,850	1,319	1,949
Taxes and dues	97,871	54,100	60,294	62,605	—	—
Insurance expenses	3,939	2,394	4,414	2,960	3,120	1,834
Repairs and maintenance expenses	46,588	7,453	28,017	16,202	9,853	16,019
Land rent paid	—	84,915	43,384	33,345	—	148,008
Other expenses related to rent business	99	46	16	—	7	—
(C) NOI (A – B)	589,371	307,099	410,863	468,572	574,981	234,640
(D) Depreciation	241,168	183,820	200,564	183,729	182,927	92,645
(E) Income from leasing business (C – D)	348,202	123,279	210,298	284,843	392,054	141,994
(F) Capital expenditures	19,259	48,915	54,052	14,117	—	33,490
(G) NCF (C – F)	570,112	258,183	356,810	454,455	574,981	201,150

(Note 1) *Expenses for management and operation* include trust fees.

(Note 2) For this property, there exist both a portion of beneficiary rights of real estate in trust and a real estate portion. The real estate portion is the land of AEON MALL Mitouchihara (Mito City, Ibaraki Prefecture) that was additionally acquired on April 28, 2015. The number of operating days are 95 days, real estate leasing business revenue is ¥1,357 thousand and no real estate leasing business expenses were incurred.

(Note 3) *Real estate leasing business revenue* and *Real estate leasing business expenses* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-17	RSC-18	RSC-19	RSC-20	M-1	—
Property name	AEON MALL Kushiro-Showa	AEON MALL Rifu	AEON MALL Yamagata-Minami	AEON MALL Yokkaichi-Kita	AEON Taman Universiti Shopping Centre (Note 3)	Total
Number of operating days	164	164	164	164	181	—
(A) Real estate leasing business revenue	205,667	187,306	145,879	204,724	23,286	9,163,638
Rent revenue—real estate	205,667	187,306	145,879	204,724	23,286	9,163,638
(B) Real estate leasing business expenses	98,504	65,684	80,165	87,404	1,474	2,508,835
Expenses for management and operation (Note 1)	1,949	1,574	1,627	1,574	464	38,082
Taxes and dues	—	—	—	—	911	876,620
Insurance expenses	1,181	1,439	1,180	895	97	48,892
Repairs and maintenance expenses	9,628	3,698	19,627	3,120	—	346,012
Land rent paid	85,745	58,957	57,728	81,814	—	1,196,635
Other expenses related to rent business	—	14	—	—	0	2,591
(C) NOI (A – B)	107,162	121,622	65,714	117,319	21,812	6,654,803
(D) Depreciation	26,567	39,428	23,447	32,782	8,386	2,659,956
(E) Income from leasing business (C – D)	80,594	82,194	42,267	84,537	13,425	3,994,846
(F) Capital expenditures	—	—	2,442	401	—	798,591
(G) NCF (C – F)	107,162	121,622	63,271	116,917	21,812	5,856,211

(Note 1) *Expenses for management and operation* include trust fees.

(Note 2) For this property, there exist both a portion of beneficiary rights of real estate in trust and a real estate portion. The real estate portion is the land of AEON MALL Mitouchihara (Mito City, Ibaraki Prefecture) that was additionally acquired on April 28, 2015. The number of operating days are 95 days, real estate leasing business revenue is ¥1,357 thousand and no real estate leasing business expenses were incurred.

(Note 3) *Real estate leasing business revenue* and *Real estate leasing business expenses* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).