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March 13, 2015

## Financial Report for the Fiscal Period Ended January 31, 2015 (August 1, 2014 – January 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  
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Scheduled date to file securities report: April 27, 2015  
 Scheduled date to commence distribution payments: April 15, 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 January 31, 2015 (August 1, 2014 – January 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	%
January 31, 2015	7,422	0.0	2,810	0.2	2,353	0.6	2,349	0.5
July 31, 2014	7,420	167.5	2,805	133.4	2,338	207.2	2,337	207.6

Fiscal period ended	Net income per unit	Return on equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenue
	Yen	%	%	%
January 31, 2015	2,473	2.4	1.4	31.7
July 31, 2014	2,460	2.4	1.4	31.5

#### (2) Distributions

Fiscal period ended	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
	Yen	Millions of yen	Yen	Millions of yen	%	%
January 31, 2015	2,473	2,349	0	0	100.0	2.4
July 31, 2014	2,461	2,337	0	0	100.0	2.4

**(3) Financial position**

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2015	169,746	98,701	58.1	103,896
July 31, 2014	169,913	98,689	58.1	103,883

(Reference) Equity

As of January 31, 2015: ¥98,701 million

As of July 31, 2014: ¥98,689 million

**(4) Cash flows**

	Net cash provided by operating activities	Net cash used in investing activities	Net cash 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
January 31, 2015	4,577	(483)	(2,332)	13,049
July 31, 2014	9,812	(856)	(4,647)	11,288

**2. Forecasts of performance for the fiscal periods ending July 31, 2015 (February 1, 2015 – July 31, 2015) and January 31, 2016 (August 1, 2015 – January 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
July 31, 2015	9,165	23.5	3,445	22.6	2,918	24.0	2,907	23.8	2,665	–
January 31, 2016	9,416	2.7	3,467	0.6	2,917	(0.0)	2,909	0.1	2,665	–

(Reference) Forecasted net income per unit (Forecasted net income / Forecasted number of investment units at end of period)

For the fiscal period ending July 31, 2015: ¥2,667

For the fiscal period ending January 31, 2016: ¥2,668

**\* 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) Number of investment units issued**

- a. Number of investment units issued at end of period (including treasury investment units)
  - As of January 31, 2015 950,000 units
  - As of July 31, 2014 950,000 units
- b. Number of treasury investment units at end of period
  - As of January 31, 2015 0 units
  - As of July 31, 2014 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 July 31, 2015 (February 1, 2015 – July 31, 2015) and January 31, 2016 (August 1, 2015 – January 31, 2016)” on pages 9 and 10 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 October 30, 2014; 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 October 30, 2014; 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 subsequently issued new investment units (900,000 units) through public offering with the payment due date of November 21, 2013, which were listed on the Real Estate Investment Trust Securities Market (J-REIT market) of the Tokyo Stock Exchange (Securities code: 3292) on November 22, 2013. In addition, new investment units (45,000 units) were issued through third-party allotment on December 17, 2013. As a result, the number of total investment units issued as of January 31, 2015, came to 950,000 units.

The real estate held by the Investment Corporation as of January 31, 2015, numbered 17 properties in Japan and overseas, with a total acquisition price of ¥158,988 million.

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

###### (a) Investment environment

In the Japanese economy, the impact from a consumption tax hike implemented in April 2014 was more prolonged than expected, causing weakness in personal consumption, capital investment and others. Nevertheless, owing to factors such as expansion in “Quantitative and Qualitative Monetary Easing” by the Bank of Japan at the end of October 2014 and the decision by the administration of Prime Minister Shinzo Abe to postpone a planned further consumption tax hike, the yen depreciated steeply and the stock market was strong. Particularly from the latter half of the year, there were signs of recoveries in capital investment and personal consumption, resulting in heightened expectations for growth in corporate earnings. The Japanese economy was also bolstered by other factors such as a firm economic upturn in the U.S. and followed a trend of moderate recovery. In addition, the J-REIT market benefited from strong appetite for property acquisitions on the back of a favorable fund procurement environment, with aggregate market value in the market as a whole hitting a record high.

###### (b) Performance

Operating under these circumstances, AEON Taman Universiti Shopping Centre in Johor, Malaysia, which the Investment Corporation acquired for 20 million RM (¥658 million) <sup>(Note)</sup> on June 25, 2014, becoming the first J-REIT to invest in overseas properties, was operated as a leasing business throughout the period by AEON CO. (M) BHD.

Regarding properties in Japan, 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 and work to convert store lighting to LEDs. In these ways, the Investment Corporation has worked to maintain and enhance portfolio value.

(Note) RM refers to the Malaysian Ringgit and the acquisition price in Japanese yen is the total yen amount of the considerations actually paid by the Investment Corporation to AEON CO. (M) BHD. over several times (excluding transaction fees and other various costs, rounded down to the nearest unit).

(C) Financing

The Investment Corporation's borrowing balance as of January 31, 2015 was ¥63,000 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 in trust to (ii) total assets that the Investment Corporation holds) came to 41.5%.

The ratio of long-term interest-bearing debt as of January 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 100.0%. 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 85.7%. The Investment Corporation maintains a sound and conservative financial structure in light of this ratio as well as the above-mentioned LTV ratio.

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

<Credit rating>

Rating agency	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	AA-	Stable

(D) Overview of financial results and distributions

As a result of the above-mentioned operations, operating revenue came to ¥7,422 million, operating income came to ¥2,810 million, ordinary income came to ¥2,353 million, and net income came to ¥2,349 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 ¥2,473.

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 forecast that the impact of the consumption tax hike will ease, and that corporate earnings will be firm reflecting beneficial effects including recovery in the U.S. economy, increased exports resulting from yen depreciation and lower prices of resources such as crude oil. We also forecast that capital investment will increase going forward. In the area of household finances, further improvements in the employment and income environments reflecting pay rises primarily at large companies, labor shortages and others, and a fall in the rate of inflation on the back of lower resource prices, are expected to lead to an improvement in real incomes, and individual consumption is expected to continue to recover moderately as a result.

In the environment surrounding retail properties, according to the "Consumer Confidence Survey" for January 2015 announced by the Cabinet Office of Japan, although the "Consumer Confidence Index" for January 2015 was down compared to the same month of the previous year, it improved for the second consecutive month after bottoming out in November 2014, demonstrating a trend of recovery in consumer confidence. In the "Family Income and Expenditure Survey" for February 2015 announced by the Statistics Bureau, Ministry of Internal Affairs and Communications of Japan, consumption expenditures for the period from April to June 2014 slumped by 5.7% (excluding the

impact of price fluctuations), and declined by 5.3% in the period from July to September 2014, reflecting the pullback in demand following the rush ahead of the consumption tax hike. In the period from October to December 2014, however, consumption expenditures declined by 3.2% suggesting that they have bottomed out.

In economies outside Japan, the economies of developed countries are expected to head gradually towards recovery, propelled by firm economic recovery in the U.S. and supported by other factors such as lower crude oil prices and expansion in the European Central Bank's asset purchase program. With respect to developing countries, lower crude oil prices had an impact on the economies of resource-rich countries such as Russia and Malaysia, while countries such as China and Brazil also showed signs of economic slowdowns. On the other hand, firm economic growth is expected for some countries such as India, which is set to benefit from lower crude oil prices. Despite these individual differences in strength of growth, there is a growing sense of uncertainty, and the global economy overall may show weaker growth.

On the other hand, there are risk factors for the future such as sovereign debt problems in Greece, an increase in geopolitical risks from growing tensions in Ukraine, a slowdown in economic recovery in the U.S., the impact on developing countries from interest rate hikes, and a prolonged slump in individual consumption in Japan. 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 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**

**(A) Issuance of new investment units**

The Investment Corporation passed resolutions for the issuances of new investment units as described below at meetings of the board of directors held on January 22, 2015 and February 4, 2015. The issuance of new investment units through public offering and the issuance of new investment units through third-party allotment were completely paid in by February 12, 2015 and February 25, 2015, respectively.

(a) Issuance of new investment units through public offering (“Primary Offering”)

Number of new investment units issued	133,190 units
Issue price	¥148,200 per unit
Total issue price	¥19,738,758,000
Issue value	¥143,336 per unit
Total issue value	¥19,090,921,840
Payment date	February 12, 2015
Initial date of reckoning distributions	February 1, 2015

(b) Issuance of new investment units through third-party allotment

Number of new investment units issued	7,010 units
Issue value	¥143,336 per unit
Total issue value	¥1,004,785,360
Payment date	February 25, 2015
Initial date of reckoning distributions	February 1, 2015
Allottee	Mizuho Securities Co., Ltd.

(B) Purpose of use of the funds

The funds procured through the aforementioned public offering and third-party allotment shall be allocated for part of the funds to acquire beneficiary rights of real estate in trust stated in “(C) Properties acquisition” below.

(C) Properties acquisition

The Investment Corporation acquired beneficiary rights of real estate in trust for the following six properties (total acquisition price of ¥35,270 million).

Property name	Location	Acquisition price (Millions of yen)	Acquisition date	Seller
AEON MALL KYOTO	Kyoto City, Kyoto Pref.	21,470	February 27, 2015	AEON Mall Co., Ltd.
AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	5,900	February 18, 2015	Forester Special Purpose Company
AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	1,780	February 18, 2015	Forester Special Purpose Company
AEON MALL Rifu	Miyagi County, Miyagi Pref.	2,560	February 18, 2015	Forester Special Purpose Company
AEON MALL Yamagata-Minami	Yamagata City, Yamagata Pref.	1,350	February 18, 2015	Forester Special Purpose Company
AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie Pref.	2,210	February 18, 2015	Forester Special Purpose Company
Total	-	35,270	-	-

(Note) Acquisition price represents the amount (the sale and purchase price of each beneficiary right in trust, shown on the sale and purchase agreement of each acquired property) excluding expenses incurred on the acquisition, including national and local consumption taxes, transaction fees and other various costs.

(D) Debt financing

The Investment Corporation executed the following debt financing to be allocated for part of the acquisition funds and the related costs of AEON MALL KYOTO stated in “(C) Properties acquisition” above.

Term	Financial institutions (lenders)	Borrowing amount (Billions of yen)	Interest rate	Borrowing date	Maturity	Repayment method	Security and guarantee
Short-term	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation	2.0	Base rate (JBA 3 months yen TIBOR) plus 0.25%		October 20, 2015		
Long-term	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Hiroshima Bank, Ltd.	0.7	Base rate (JBA 3 months yen TIBOR) plus 0.25%		October 20, 2017		
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited AEON Bank, Ltd. The Hyakugo Bank, Ltd. The 77 Bank, Ltd.	1.2	Base rate (JBA 3 months yen TIBOR) plus 0.40% (Note 1)		October 21, 2019		
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Norinchukin Bank Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited Development Bank of Japan Inc.	4.0	Base rate (JBA 3 months yen TIBOR) plus 0.55% (Note 2)	February 27, 2015	October 20, 2021	Bullet repayment	Unsecured and unguaranteed
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Mie Bank, Ltd.	4.5	Base rate (JBA 3 months yen TIBOR) plus 0.85% (Note 3)		October 21, 2024		

(Note 1) The interest rate is effectively fixed at 0.61910% with the conclusion of the interest rate swap agreement dated February 25, 2015.

(Note 2) The interest rate is effectively fixed at 0.88915% with the conclusion of the interest rate swap agreement dated February 25, 2015.

(Note 3) The interest rate is effectively fixed at 1.40390% with the conclusion of the interest rate swap agreement dated February 25, 2015.



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

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> <li>● Fiscal period ending July 31, 2015 (181 days from February 1, 2015 to July 31, 2015, the 5th fiscal period)</li> <li>● Fiscal period ending January 31, 2016 (184 days from August 1, 2015 to January 31, 2016, the 6th 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 6th fiscal period, January 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, and expenses related to the acquired properties during the current period are calculated based on information provided by the previous holder, making certain adjustments as appropriate so as to reflect changeable factors in expenses.</li> <li>● Generally, fixed asset tax and city planning tax related to the acquired properties during the current period are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. Therefore, such settlement money equivalent is included in the acquisition costs and not recognized in profit or loss. We have assumed that ¥461 million of fixed asset tax, city planning tax and depreciable asset tax would be included in the acquisition costs for the acquired properties during the current period. In addition, for fixed asset tax, city planning tax and depreciable asset tax on the currently held properties, we have assumed expenses of ¥902 million for the 5th fiscal period and ¥902 million for the 6th fiscal period. Accordingly, with respect to the acquired properties during the current 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 ¥2,687 million for the 5th fiscal period and ¥2,709 million for the 6th 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 ¥478 million for the 5th fiscal period and ¥501 million for the 6th fiscal period.</li> <li>● We have assumed expenses of ¥82 million in association with the issuance of new investment units and secondary offering of investment units, the resolution for which was adopted at the meeting of our board of directors held on January 22, 2015. We have assumed these expenses to be depreciated over a period of three years using the straight-line method.</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>● As of February 28, 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 5th fiscal period, July 31, 2015, and approximately 41% as of the end of the 6th fiscal period, January 31, 2016.</li> <li>● To calculate our LTV, we use the following formula: LTV = Total interest-bearing debt plus tenant leasehold and guarantee deposits (including tenant leasehold and guarantee deposits in trust) / Total assets × 100</li> </ul>

Item	Assumptions
Investment units	<ul style="list-style-type: none"> <li>● We have assumed 1,090,200 investment units. This is the sum of the 950,000 investment units issued and outstanding as of January 31, 2015, and the total of 140,200 units issued in conjunction with the issuance of new investment units through a public offering (133,190 units) and the issuance of new investment units via third-party allotment in connection with the secondary offering of units through an over-allotment (7,010 units), as resolved at meetings of the board of directors held on January 22, 2015, and February 4, 2015. We have assumed there will be no change in the number of investment units outstanding resulting from the issuance of additional investment units, etc., until the end of the 6th fiscal period, January 31, 2016.</li> <li>● Distributions per unit for the 5th and 6th fiscal periods are calculated based on the assumption that the number of units issued and outstanding as of each end of the periods will total 1,090,200 units.</li> </ul>
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 July 31, 2014)	Current fiscal period (As of January 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	7,730,592	9,663,330
Cash and deposits in trust	3,558,075	3,386,152
Prepaid expenses	286,863	317,875
Deferred tax assets	8	26
Income taxes receivable	—	139
Other	202	989
<b>Total current assets</b>	<b>11,575,742</b>	<b>13,368,514</b>
Non-current assets		
Property and equipment		
Buildings in trust	90,471,656	90,883,140
Accumulated depreciation	(3,217,380)	(5,378,755)
Buildings in trust, net	87,254,275	85,504,384
Structures in trust	751,115	769,522
Accumulated depreciation	(124,952)	(209,294)
Structures in trust, net	626,163	560,228
Land in trust	51,257,258	51,269,929
<b>Total property and equipment</b>	<b>139,137,698</b>	<b>137,334,542</b>
Intangible assets		
Leasehold rights in trust	18,045,526	18,045,526
<b>Total intangible assets</b>	<b>18,045,526</b>	<b>18,045,526</b>
Investments and other assets		
Long-term prepaid expenses	986,131	864,674
Lease and guarantee deposits	10,000	10,000
<b>Total investments and other assets</b>	<b>996,131</b>	<b>874,674</b>
<b>Total non-current assets</b>	<b>158,179,356</b>	<b>156,254,743</b>
Deferred assets		
Investment unit issuance expenses	158,807	123,517
<b>Total deferred assets</b>	<b>158,807</b>	<b>123,517</b>
<b>Total assets</b>	<b>169,913,906</b>	<b>169,746,775</b>

(Unit: Thousands of yen)

	Previous fiscal period (As of July 31, 2014)	Current fiscal period (As of January 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	204,962	264,248
Accounts payable - other	137,428	134,039
Accrued expenses	16,396	19,589
Income taxes payable	717	682
Accrued consumption taxes	448,597	205,608
Other	4,897	9,899
<b>Total current liabilities</b>	<b>812,999</b>	<b>634,066</b>
Non-current liabilities		
Long-term loans payable	63,000,000	63,000,000
Tenant leasehold and security deposits in trust	7,411,389	7,411,389
<b>Total non-current liabilities</b>	<b>70,411,389</b>	<b>70,411,389</b>
<b>Total liabilities</b>	<b>71,224,388</b>	<b>71,045,456</b>
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	96,351,350	96,351,350
Surplus		
Unappropriated retained earnings	2,338,167	2,349,969
<b>Total surplus</b>	<b>2,338,167</b>	<b>2,349,969</b>
<b>Total unitholders' equity</b>	<b>98,689,517</b>	<b>98,701,319</b>
<b>Total net assets</b>	<b>*1 98,689,517</b>	<b>*1 98,701,319</b>
<b>Total liabilities and net assets</b>	<b>169,913,906</b>	<b>169,746,775</b>

(2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From February 1, 2014 to July 31, 2014)		Current fiscal period (From August 1, 2014 to January 31, 2015)	
Operating revenue				
Rent revenue - real estate	*1	7,420,670	*1	7,422,632
Total operating revenue		7,420,670		7,422,632
Operating expenses				
Expenses related to rent business	*1	4,163,244	*1	4,165,832
Asset management fee		328,357		330,683
Asset custody fee		6,904		6,841
Administrative service fees		36,501		28,572
Directors' compensations		3,600		3,600
Taxes and dues		167		98
Other operating expenses		76,751		76,894
Total operating expenses		4,615,527		4,612,522
Operating income		2,805,142		2,810,110
Non-operating income				
Interest income		451		2,917
Other		934		-
Total non-operating income		1,386		2,917
Non-operating expenses				
Interest expenses		301,108		301,487
Amortization of investment unit issuance expenses		35,290		35,290
Borrowing related expenses		131,582		122,957
Other		0		182
Total non-operating expenses		467,983		459,917
Ordinary income		2,338,546		2,353,109
Income before income taxes		2,338,546		2,353,109
Income taxes - current		786		3,375
Income taxes - deferred		27		(17)
Total income taxes		814		3,357
Net income		2,337,731		2,349,751
Retained earnings brought forward		435		217
Unappropriated retained earnings		2,338,167		2,349,969

**(3) Statements of Unitholders' Equity**

Previous fiscal period (From February 1, 2014 to July 31, 2014)

(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	652,135	652,135	97,003,485	97,003,485
Changes of items during period					
Dividends of surplus		(651,700)	(651,700)	(651,700)	(651,700)
Net income		2,337,731	2,337,731	2,337,731	2,337,731
Total changes of items during period	–	1,686,031	1,686,031	1,686,031	1,686,031
Balance at end of current period	*1 96,351,350	2,338,167	2,338,167	98,689,517	98,689,517

Current 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

#### (4) Statements of Cash Distributions

(Unit: Yen)

	Previous fiscal period (From February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
I Unappropriated retained earnings	2,338,167,369	2,349,969,299
II Distributions	2,337,950,000	2,349,350,000
[Distributions per investment unit]	[2,461]	[2,473]
III Earnings carried forward	217,369	619,299
Calculation method for distributions	<p>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 ¥2,337,950,000, 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 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.</p>	<p>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 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.</p>

(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes	2,338,546	2,353,109
Depreciation	2,230,820	2,245,716
Amortization of investment unit issuance expenses	35,290	35,290
Interest income	(451)	(2,917)
Interest expenses	301,108	301,487
Decrease in consumption taxes refund receivable	4,490,071	–
Increase (decrease) in accrued consumption taxes	448,597	(242,988)
Decrease (increase) in prepaid expenses	50,925	(31,011)
Increase in operating accounts payable	100,831	100,723
Increase (decrease) in accounts payable - other	13,106	(3,389)
Decrease in long-term prepaid expenses	121,457	121,456
Other, net	(11,341)	(1,064)
Subtotal	10,118,961	4,876,414
Interest income received	374	2,994
Interest expenses paid	(305,039)	(298,294)
Income taxes paid	(1,413)	(3,550)
Net cash provided by operating activities	9,812,884	4,577,563
<b>Cash flows from investing activities</b>		
Purchase of property and equipment in trust	(856,713)	(483,999)
Net cash used in investing activities	(856,713)	(483,999)
<b>Cash flows from financing activities</b>		
Decrease in short-term loans payable	(4,000,000)	–
Dividends paid	(647,412)	(2,332,545)
Net cash used in financing activities	(4,647,412)	(2,332,545)
Effect of exchange rate change on cash and cash equivalents	10	(203)
Net increase in cash and cash equivalents	4,308,767	1,760,815
Cash and cash equivalents at beginning of period	6,979,899	11,288,667
Cash and cash equivalents at end of period	*1 11,288,667	*1 13,049,482





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>
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**(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 July 31, 2014)	Current fiscal period (As of January 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 February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
A. Real estate leasing business revenue		
Rent revenue—real estate		
Rent	7,416,911	7,419,887
Other rent revenue—real estate	3,759	2,744
Total real estate leasing business revenue	7,420,670	7,422,632
B. Real estate leasing business expenses		
Expenses related to rent business		
Expenses for management and operation	18,222	18,339
Repairs and maintenance expenses	196,140	182,903
Insurance expenses	40,646	41,120
Trust fees	9,561	9,733
Land rent paid	764,421	764,357
Taxes and dues	901,648	901,764
Depreciation	2,230,820	2,245,716
Other expenses related to rent business	1,783	1,896
Total real estate leasing business expenses	4,163,244	4,165,832
C. Income (loss) from real estate leasing business (A – B)	3,257,425	3,256,800

## Notes to Statements of Unitholders' Equity

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

	Previous fiscal period (From February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 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	950,000 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 February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
Cash and deposits	7,730,592	9,663,330
Cash and deposits in trust	3,558,075	3,386,152
Cash and cash equivalents	11,288,667	13,049,482

## Lease Transactions

Operating lease transactions (Lessor)

Future lease payments

(Unit: Thousands of yen)

	Previous fiscal period (As of July 31, 2014)	Current fiscal period (As of January 31, 2015)
Due within 1 year	14,836,217	14,841,764
Due after 1 year	98,111,950	90,727,383
Total	112,948,168	105,569,147

## 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 July 31, 2014)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	7,730,592	7,730,592	–
(2) Cash and deposits in trust	3,558,075	3,558,075	–
Total assets	11,288,667	11,288,667	–
(3) Long-term loans payable	63,000,000	63,739,280	739,280
Total liabilities	63,000,000	63,739,280	739,280
(4) Derivative transactions	–	–	–

Current 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	–
(3) Long-term loans payable	63,000,000	64,016,719	1,016,719
Total liabilities	63,000,000	64,016,719	1,016,719
(4) Derivative transactions	–	–	–

(Note 1) Measurement of fair values of financial instruments

(1) Cash and deposits, (2) Cash and deposits in trust

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

(3) 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.

(4) 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)

Category	Previous fiscal period (As of July 31, 2014)	Current fiscal period (As of January 31, 2015)
Tenant leasehold and security deposits in trust	7,411,389	7,411,389

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 July 31, 2014)

(Unit: Thousands of yen)

	Due within 1 year
Cash and deposits	7,730,592
Cash and deposits in trust	3,558,075
Total	11,288,667

Current 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

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

Previous fiscal period (as of July 31, 2014)

(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 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

## Securities

Previous fiscal period (as of July 31, 2014)

Not applicable.

Current fiscal period (as of January 31, 2015)

Not applicable.

## Derivative Transactions

1. Derivative transactions not applying hedge accounting

Previous fiscal period (as of July 31, 2014)

Not applicable.

Current fiscal period (as of January 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 July 31, 2014)

(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 “(3) 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 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 “(3) 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 July 31, 2014)

Not applicable.

Current fiscal period (as of January 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 July 31, 2014)	Current fiscal period (As of January 31, 2015)
Deferred tax assets		
Accrued business office taxes, currently not deductible	8	26
Total deferred tax assets	8	26
Net deferred tax assets	8	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 July 31, 2014)	Current fiscal period (As of January 31, 2015)
Normal effective statutory tax rate	36.59	34.16
(Adjustments)		
Distributions paid included in deductibles	(36.58)	(34.11)
Other	0.02	0.09
Effective tax rate after application of tax effect accounting	0.03	0.14

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

The Local Corporation Tax Act (Act No. 11 of 2014) and the Act for Partial Revision of the Local Tax Act (Act No. 4 of 2014) were promulgated on March 31, 2014, and the local corporation tax has been established and the tax rates for corporate inhabitant tax, corporation business tax and special local corporation tax were revised from the fiscal period beginning on or after October 1, 2014. In conjunction with this, for temporary differences expected to be reversed in the fiscal period beginning on February 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 34.16% to 34.15%.

The impact of this change is immaterial.



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

Previous fiscal period (as of July 31, 2014)

Not applicable.

Current fiscal period (as of January 31, 2015)

Not applicable.

**Related Party Transactions**

1. Parent company and major corporate unitholders

Previous fiscal period (from February 1, 2014 to July 31, 2014)

Not applicable.

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

Not applicable.

2. Associates, etc.

Previous fiscal period (from February 1, 2014 to July 31, 2014)

Not applicable.

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

Not applicable.

3. Sister companies, etc.

Previous fiscal period (from February 1, 2014 to July 31, 2014)

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	330,003	Accounts payable–other	106,424
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	3,550,207	Tenant leasehold and security deposits in trust	3,552,595
								Land rent paid, etc.	430,236	–	–
Subsidiary of other affiliate	AEON Mall Co., Ltd.	Chiba City, Chiba Pref.	42,204	Real estate business	–	–	Lessee and recipient of land rent payment	Leasing business revenue	3,862,383	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	6,106	Accrued expenses	334
								Borrowing of long-term loans	–	Long-term loans payable	2,000,000
Subsidiary of other affiliate	AEON CO. (M) BHD.	Johor, Malaysia	702 million RM	Retail business	–	–	Acquisition of beneficiary rights of real estate in trust, and lessee	Acquisition of beneficiary rights of real estate in trust (Note 4)	658,493	–	–
								Leasing business revenue (Note 5)	4,320	–	–

(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 management fees of ¥1,646 thousand related to property acquisitions, included in the book values of the individual real properties, etc.

(Note 4) *Amount of transaction* 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.

(Note 5) *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 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.	417,358	–	–
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.	Johor, 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).

#### 4. Officers and principal individual unitholders

Previous fiscal period (from February 1, 2014 to July 31, 2014)

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.	-	Executive Director of the Investment Corporation and Representative Director and President of AEON Reit Management Co., Ltd.		Asset management fee to the Asset Manager	330,003	Accounts payable—other	106,424

(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.

- Transaction terms are determined taking into consideration current market prices.
- 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.
- The asset management fee includes management fees of ¥1,646 thousand related to property acquisitions, included in the book values of the individual real properties, etc.

Current 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.	-	Executive Director of the Investment Corporation and Representative Director and President of AEON Reit Management Co., Ltd.		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.

- Transaction terms are determined taking into consideration current market prices.
- 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.

#### Asset Retirement Obligations

Previous fiscal period (as of July 31, 2014)

Not applicable.

Current fiscal period (as of January 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 February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
Balance sheet carrying amount		
Balance at beginning of period	158,407,624	157,183,225
Changes during period	(1,224,399)	(1,803,155)
Balance at end of period	157,183,225	155,380,069
Fair value at end of period	167,835,400	169,171,400

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

(Note 2) In the increase in the previous fiscal period, the increase is mainly due to the acquisition (¥716,572 thousand) of one property (AEON Taman Universiti Shopping Centre) and capital expenditure during the previous fiscal period (¥289,848 thousand), while in the decrease in the previous fiscal period, the decline is principally attributable to depreciation (¥2,230,820 thousand). In changes during the current 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).

(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 February 1, 2014 to July 31, 2014)

#### (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.	3,550,207	Real estate leasing business
AEON Mall Co., Ltd.	3,862,383	Real estate leasing business
AEON CO. (M) BHD.	4,320	Real estate leasing business

Current 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

**Per Unit Information**

	Previous fiscal period (From February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
Net assets per unit	¥103,883	¥103,896
Net income per unit	¥2,460	¥2,473

(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 February 1, 2014 to July 31, 2014)	Current fiscal period (From August 1, 2014 to January 31, 2015)
Net income (Thousands of yen)	2,337,731	2,349,751
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	2,337,731	2,349,751
Average number of investment units for the period (Units)	950,000	950,000

**Significant Subsequent Events**

1. Issuance of new investment units

The Investment Corporation passed resolutions for the issuances of new investment units as described below at meetings of the board of directors held on January 22, 2015 and February 4, 2015. The issuance of new investment units through public offering and the issuance of new investment units through third-party allotment were completely paid in by February 12, 2015 and February 25, 2015, respectively. As a result, total unitholders' capital is ¥116,447,057,200 and the number of investment units issued is 1,090,200 units.

(1) Issuance of new investment units through public offering (“Primary Offering”)

Number of new investment units issued	133,190 units
Issue price	¥148,200 per unit
Total issue price	¥19,738,758,000
Issue value	¥143,336 per unit
Total issue value	¥19,090,921,840
Payment date	February 12, 2015
Initial date of reckoning distributions	February 1, 2015

(2) Issuance of new investment units through third-party allotment

Number of new investment units issued	7,010 units
Issue value	¥143,336 per unit
Total issue value	¥1,004,785,360
Payment date	February 25, 2015
Initial date of reckoning distributions	February 1, 2015
Allottee	Mizuho Securities Co., Ltd.

(3) Purpose of use of the funds

The funds procured through the aforementioned public offering and third-party allotment shall be allocated for part of the funds to acquire beneficiary rights of real estate in trust stated in “2. Properties acquisition” below.

2. Properties acquisition

The Investment Corporation acquired beneficiary rights of real estate in trust for the following six properties (total acquisition price of ¥35,270 million).

Property name	Location	Acquisition price (Millions of yen)	Acquisition date	Seller
AEON MALL KYOTO	Kyoto City, Kyoto Pref.	21,470	February 27, 2015	AEON Mall Co., Ltd.
AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	5,900	February 18, 2015	Forester Special Purpose Company
AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	1,780	February 18, 2015	Forester Special Purpose Company
AEON MALL Rifu	Miyagi County, Miyagi Pref.	2,560	February 18, 2015	Forester Special Purpose Company
AEON MALL Yamagata-Minami	Yamagata City, Yamagata Pref.	1,350	February 18, 2015	Forester Special Purpose Company
AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie Pref.	2,210	February 18, 2015	Forester Special Purpose Company
Total	-	35,270	-	-

(Note) Acquisition price represents the amount (the sale and purchase price of each beneficiary right in trust, shown on the sale and purchase agreement of each acquired property) excluding expenses incurred on the acquisition, including national and local consumption taxes, transaction fees and other various costs.

### 3. Debt financing

The Investment Corporation executed the following debt financing to be allocated for part of the acquisition funds and the related costs of AEON MALL KYOTO stated in “2. Properties Acquisition” above.

Term	Financial institutions (lenders)	Borrowing amount (Billions of yen)	Interest rate	Borrowing date	Maturity	Repayment method	Security and guarantee
Short-term	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation	2.0	Base rate (JBA 3 months yen TIBOR) plus 0.25%		October 20, 2015		
Long-term	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Hiroshima Bank, Ltd.	0.7	Base rate (JBA 3 months yen TIBOR) plus 0.25%	February 27, 2015	October 20, 2017	Bullet repayment	Unsecured and unguaranteed
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited AEON Bank, Ltd. The Hyakugo Bank, Ltd. The 77 Bank, Ltd.	1.2	Base rate (JBA 3 months yen TIBOR) plus 0.40% (Note 1)		October 21, 2019		
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Norinchukin Bank Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited Development Bank of Japan Inc.	4.0	Base rate (JBA 3 months yen TIBOR) plus 0.55% (Note 2)		October 20, 2021		
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Mie Bank, Ltd.	4.5	Base rate (JBA 3 months yen TIBOR) plus 0.85% (Note 3)		October 21, 2024		

(Note 1) The interest rate is effectively fixed at 0.61910% with the conclusion of the interest rate swap agreement dated February 25, 2015.

(Note 2) The interest rate is effectively fixed at 0.88915% with the conclusion of the interest rate swap agreement dated February 25, 2015.

(Note 3) The interest rate is effectively fixed at 1.40390% with the conclusion of the interest rate swap agreement dated February 25, 2015.



**(9) Changes in Number of Investment Units Issued**

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

Date	Event	Total number of investment units issued and outstanding (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)

(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).

(Note 3) New investment units were issued through third-party allotment with an issue price per unit of ¥105,000 (issue value: ¥101,430).

**4. Changes in Officers**

There have been no changes in officers of the Investment Corporation described in "Officers" in the latest Securities Report (submitted on October 30, 2014; prepared in Japanese only).

## 5. Reference Information

### (1) Status of Investment

#### Composition of assets

Type of assets	Property type	Region (Note 1)	Previous fiscal period (As of July 31, 2014)					Current fiscal period (As of January 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	11,888	7.0	—	—	—	11,732	6.9	—	—	—
		Kanto	60,836	35.8	—	—	—	60,200	35.5	—	—	—
		Tokai, Hokuriku and Chubu	17,710	10.4	—	—	—	17,473	10.3	—	—	—
		Kinki	7,136	4.2	—	—	—	7,034	4.1	—	—	—
		Chugoku and Shikoku	33,869	19.9	—	—	—	33,513	19.7	—	—	—
		Kyushu and Okinawa	25,028	14.7	—	—	—	24,720	14.6	—	—	—
		Malaysia	713	0.4	713	(11)	0.4	705	0.4	705	(5)	0.4
Total			157,183	92.5	713	(11)	0.4	155,380	91.5	705	(5)	0.4
Deposits and other assets			12,730	7.5	0	0	0.0	14,366	8.5	17	0	0.0
Total assets			169,913	100.0	713	(11)	0.4	169,746	100.0	722	(5)	0.4

	Previous fiscal period (As of July 31, 2014)		Current fiscal period (As of January 31, 2015)	
	Amount (Millions of yen)	Percentage to total assets (%)	Amount (Millions of yen)	Percentage to total assets (%)
Total liabilities	71,224	41.9	71,045	41.9
Total net assets	98,689	58.1	98,701	58.1

(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 (July 31, 2014; 1RM = ¥32.37; rounded down to the nearest 100th).

(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 (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; 1RM = ¥32.57; rounded down to the nearest 100th) because January 31, 2015, was not a business day.

### (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 January 31, 2015 (the end of the 4th 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	20,710	23,000	13.3	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze (Note 4)	6,730	6,527	7,290	4.2	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	5,340	5,191	5,590	3.4	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	6,680	6,540	7,020	4.2	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara	16,460	16,066	17,300	10.4	AEON Mall Co., Ltd.
RSC-4	AEON MALL Ota	6,860	6,673	7,820	4.3	Century Tokyo Leasing Corporation
RSC-5	AEON Sagamihara Shopping Center	10,220	10,222	10,300	6.4	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	4,950	4,721	5,210	3.1	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	9,660	9,502	10,100	6.1	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	3,290	3,249	3,610	2.1	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	7,230	7,034	7,610	4.5	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	7,780	7,493	8,180	4.9	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	17,890	17,594	18,700	11.3	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	8,740	8,425	9,190	5.5	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata	11,250	10,944	12,800	7.1	Century Tokyo Leasing Corporation AEON Mall Co., Ltd.
RSC-14	AEON MALL Kumamoto	14,060	13,776	14,800	8.8	AEON Mall Co., Ltd.
M-1	AEON Taman Universiti Shopping Centre (Note 5)	658 [20 million RM]	705 [21 million RM]	651 [20 million RM]	0.4	AEON CO. (M) BHD.
	Total	158,988	155,380	169,171	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 January 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) *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 each 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 as of the valuation date of January 31, 2015, or survey price 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 (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.

(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 (January 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	330	330	127,183.81	127,183.81	100.0
	RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	July 23, 2003	338	338	98,968.59	98,968.59	100.0
	RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	March 2, 2007	352	354	60,682.20	60,682.20	100.0
	RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki Pref.	November 8, 2005	725	724	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	328	330	64,246.26	64,246.26	100.0
	RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	November 12, 1996	445	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	424	426	102,045.24	102,045.24	100.0
	RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama Pref.	September 15, 1999	741	741	157,274.78	157,274.78	100.0
	RSC-12	AEON MALL Ayagawa	Ayauta County, Kagawa Pref.	July 18, 2008	458	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	584	584	101,132.38	101,132.38	100.0	
M-1	AEON Taman Universiti Shopping Centre (Note 3)	Johor, Malaysia	May 30, 2002	23 [704 thousand RM]	–	22,870.45	22,870.45	100.0	
Total					7,422	7,411	1,705,787.82	1,705,787.82	100.0

(Note 1) *Total leasable area* represents gross leasable space based on the lease agreement or floor plan for 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) *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 January 31, 2015 (the end of the 4th 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.	7,290	7,480	5.4	7,210	5.3 5.4 (Note 5)	5.7	417
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	Japan Real Estate Institute	17,300	17,400	6.3	17,100	5.9	6.5	1,117
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	10,300	10,400	5.5	10,200	5.2	5.7	644
RSC-6	AEON MALL Ogaki	Japan Real Estate Institute	5,210	5,260	6.8	5,160	6.4	7.1	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.	3,610	3,700	6.7	3,570	6.6 6.7 (Note 6)	7.0	282
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	8,180	8,230	6.9	8,120	6.5	7.2	591
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	12,800	12,900	6.4	12,700	6.1	6.7	857
RSC-14	AEON MALL Kumamoto	Japan Real Estate Institute	14,800	14,900	6.2	14,600	5.9	6.5	950
M-1	AEON Taman Universiti Shopping Centre (Note 7)	Japan Real Estate Institute	651 [20 million RM]	–	–	651 [20 million RM]	6.5 6.0 (Note 8)	7.0	43 [1 million RM]
Total			169,171	–	–	167,611	–	–	11,083

(Note 1) *Appraisal value* represents the appraisal value as of the valuation date of January 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 nine years and 5.1% from the tenth year.

(Note 5) Discount rates for AEON LakeTown kaze are 5.3% during the initial nine years and 5.4% from the tenth year.

(Note 6) Discount rates for AEON MALL Meiwa are 6.6% during the initial three years and 6.7% from the fourth year.

(Note 7) 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 January 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 (January 31, 2015); however, they were 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 8) 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 January 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 Morioka (Morioka City, Iwate Pref.)	Air conditioning renewal work	From April 2015 to May 2015	26	-	-
AEON MALL Ota (Ota City, Gunma Pref.)	Air conditioning renewal work	From March 2015 to April 2015	25	-	-
	Air conditioning renewal work	From April 2015 to May 2015	25	-	-
AEON Sagami-hara Shopping Center (Sagami-hara City, Kanagawa Pref.)	Air conditioning renewal work	From June 2015 to July 2015	10	-	-
	Air conditioning renewal work	From June 2015 to July 2015	45	-	-
AEON MALL Suzuka (Suzuka City, Mie Pref.)	Special high-voltage power receiving and transforming system work	From April 2015 to May 2015	18	-	-
AEON MALL Meiwa (Taki County, Mie Pref.)	Air conditioning renewal work	From March 2015 to April 2015	10	-	-
	Roof-top air exhauster renewal work	From May 2015 to June 2015	15	-	-
	Central monitoring panel renewal work	From June 2015 to July 2015	10	-	-
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Ramp steel painting work	From February 2015 to March 2015	16	-	-
	Air conditioning renewal work	From March 2015 to April 2015	19	-	-
	Air conditioning renewal work	From May 2015 to June 2015	10	-	-
AEON MALL Hiezu (Saihaku County, Tottori Pref.)	Repair work to invigorate stores	From February 2015 to May 2015	135	-	-
AEON MALL Ayagawa (Ayauta County, Kagawa Pref.)	External wall painting work	From April 2015 to June 2015	45	-	-
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Ramp steel painting work	From June 2015 to July 2015	43	-	-
AEON MALL Kumamoto (Kamimashiki County, Kumamoto Pref.)	Air conditioning renewal work	From April 2015 to May 2015	12	-	-
AEON LakeTown kaze (Koshigaya City, Saitama Pref.) (Note)	Repair work to invigorate stores	From February 2015 to May 2015	282	-	-

(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*). Total amount 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%).

b. Capital expenditures during the period

For properties held by the Investment Corporation as of January 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 ¥429 million, and repair and maintenance expenses that were accounted for as expense came to ¥182 million. On aggregate, construction work of ¥612 million was carried out during the fiscal period.

Property name (Location)	Purpose	Period	Cost of construction works (Millions of yen)
AEON MALL Morioka (Morioka City, Iwate Pref.)	Ramp steel painting work	From August 2014 to September 2014	16
AEON Sagamihara Shopping Center (Sagamihara City, Kanagawa Pref.)	Repair work to invigorate stores	From August 2014 to November 2014	66
	Fire alarm renewal work	From September 2014 to November 2014	17
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Air conditioning renewal work	From August 2014 to September 2014	17
	Air conditioning renewal work	From October 2014 to December 2014	122
AEON MALL Ayagawa (Ayauta County, Kagawa Pref.)	External wall painting work	From September 2014 to October 2014	48
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Ramp steel painting work	From November 2014 to January 2015	20
AEON MALL Kumamoto (Kamimashiki County, Kumamoto Pref.)	Work to convert lighting to LEDs	From October 2014 to December 2014	41

(E) Statements of income of individual properties

4th fiscal period (from August 1, 2014 to January 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	AEON MALL Ota
Number of operating days	184	184	184	184	184	184
(A) Operating revenue	685,028	330,027	338,029	352,027	725,159	476,593
Rent revenue—real estate	685,028	330,027	338,029	352,027	725,159	476,593
(B) Operating expenses	92,408	117,653	104,274	116,450	169,593	182,489
Expenses for management and operation (Note 1)	1,826	1,426	1,820	1,790	1,400	1,400
Taxes and dues	85,244	37,025	45,031	46,776	79,209	40,942
Insurance expenses	2,444	1,816	2,439	1,504	4,026	2,105
Repairs and maintenance expenses	2,302	7	5,214	11,082	9,844	5,400
Land rent paid	—	77,026	49,748	54,704	75,090	132,591
Other expenses related to rent business	590	351	21	593	22	49
(C) NOI (A – B)	592,619	212,373	233,754	235,577	555,565	294,104
(D) Depreciation	224,717	96,432	95,980	82,908	241,628	111,659
(E) Income from leasing business (C – D)	367,902	115,941	137,773	152,669	313,936	182,444
(F) Capital expenditures	—	—	23,211	—	14,490	9,603
(G) NCF (C – F)	592,619	212,373	210,542	235,577	541,074	284,500

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

(Note 2) *Operating revenue* and *Operating 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	184	184	184	184	184	184
(A) Operating revenue	420,460	328,488	445,018	213,903	326,827	424,034
Rent revenue—real estate	420,460	328,488	445,018	213,903	326,827	424,034
(B) Operating expenses	112,251	142,477	76,818	71,227	66,567	131,687
Expenses for management and operation (Note 1)	1,400	1,760	1,850	1,850	1,850	1,850
Taxes and dues	77,318	35,337	57,587	24,142	42,834	45,046
Insurance expenses	3,046	1,551	3,034	896	1,100	2,451
Repairs and maintenance expenses	30,451	9,616	14,323	6,745	11,077	10,247
Land rent paid	—	94,212	—	37,567	9,677	72,092
Other expenses related to rent business	35	—	22	25	28	—
(C) NOI (A – B)	308,208	186,011	368,200	142,676	260,259	292,346
(D) Depreciation	77,798	118,369	100,603	36,324	103,887	143,546
(E) Income from leasing business (C – D)	230,410	67,641	267,597	106,351	156,372	148,800
(F) Capital expenditures	91,877	2,649	6,876	9,123	1,995	4,950
(G) NCF (C – F)	216,331	183,361	361,324	133,552	258,264	287,396

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

(Note 2) *Operating revenue* and *Operating 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	M-1	–
Property name	AEON MALL Kurashiki	AEON MALL Ayagawa	AEON MALL Nogata	AEON MALL Kumamoto	AEON Taman Universiti Shopping Centre (Note 2)	Total
Number of operating days	184	184	184	184	184	–
(A) Operating revenue	741,383	458,842	548,586	584,745	23,475	7,422,632
Rent revenue—real estate	741,383	458,842	548,586	584,745	23,475	7,422,632
(B) Operating expenses	148,913	151,963	124,581	109,935	820	1,920,115
Expenses for management and operation (Note 1)	1,850	1,850	1,850	1,850	450	28,072
Taxes and dues	101,908	55,504	62,686	65,014	157	901,764
Insurance expenses	4,137	2,528	4,615	3,209	211	41,120
Repairs and maintenance expenses	40,934	7,109	12,030	6,516	–	182,903
Land rent paid	–	84,915	43,384	33,345	–	764,357
Other expenses related to rent business	83	55	15	–	0	1,896
(C) NOI (A – B)	592,470	306,878	424,004	474,810	22,654	5,502,517
(D) Depreciation	238,110	182,877	200,143	182,342	8,386	2,245,716
(E) Income from leasing business (C – D)	354,360	124,001	223,861	292,467	14,268	3,256,800
(F) Capital expenditures	140,710	62,346	21,629	53,097	–	442,561
(G) NCF (C – F)	451,760	244,532	402,375	421,712	22,654	5,059,955

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

(Note 2) *Operating revenue* and *Operating 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).