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September 14, 2022

Financial Report for the Fiscal Period Ended July 31, 2022 (February 1, 2022 – July 31, 2022)

AEON REIT Investment Corporation

Listing: Tokyo Stock Exchange
 Securities code: 3292
 URL: <https://www.aeon-jreit.co.jp/en/index.html>
 Representative: Nobuaki Seki, Executive Director

Asset management company: AEON Reit Management Co., Ltd.
 Representative: Nobuaki Seki, Representative Director and President
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Scheduled date to file securities report: October 26, 2022
 Scheduled date to commence distribution payments: October 20, 2022

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

(Amounts rounded down to the nearest million yen)

1. Summary of financial results for the fiscal period ended July 31, 2022 (February 1, 2022 – July 31, 2022)

(1) Operating results (Percentages show changes from the previous period)

Fiscal period ended	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2022	20,121	1.0	7,561	(1.7)	6,694	(1.1)	6,889	3.4
January 31, 2022	19,928	12.6	7,691	14.0	6,767	13.0	6,660	13.5

Fiscal period ended	Net income per unit	Return on equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenue
	Yen	%	%	%
July 31, 2022	3,370	2.9	1.5	33.3
January 31, 2022	3,283	3.0	1.7	34.0

(2) Distributions

Fiscal period ended	Distribution per unit (excluding distributions in excess of retained earnings)	Total cash distributions (excluding distributions in excess of retained earnings)	Distribution in excess of retained earnings per unit	Total cash distributions in excess of retained earnings	Payout ratio	Cash distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
July 31, 2022	3,274	6,693	0	0	97.2	2.8
January 31, 2022	3,315	6,777	0	0	101.8	2.9

(Note 1) Distribution per unit for the fiscal period ended July 31, 2022, is calculated by dividing the amount, which is obtained by deducting the amount of provision of distribution reserve of ¥195 million from unappropriated retained earnings of ¥6,889 million, by the total number of investment units issued and outstanding.

(Note 2) Distribution per unit for the fiscal period ended January 31, 2022, is calculated by dividing the amount, which is obtained by adding the amount of reversal of distribution reserve of ¥116 million from unappropriated retained earnings of ¥6,660 million, by the total number of investment units issued and outstanding.

(Note 3) Payout ratio is calculated by using the following formula:

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

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2022	434,634	236,607	54.4	115,730
January 31, 2022	432,702	236,495	54.7	115,675

(Reference) Equity As of July 31, 2022: ¥236,607 million As of January 31, 2022: ¥236,495 million

(4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2022	15,593	(1,996)	(6,775)	30,301
January 31, 2022	9,698	(51,047)	38,162	23,481

2. Forecasts of performance for the fiscal periods ending January 31, 2023 (August 1, 2022 – January 31, 2023) and July 31, 2023 (February 1, 2023 – July 31, 2023)

(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 retained earnings)	Distributions in excess of retained earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
January 31, 2023	19,961	(0.8)	7,579	0.2	6,621	(1.1)	6,620	(3.9)	3,270	0
July 31, 2023	19,976	0.1	7,579	(0.0)	6,627	0.1	6,627	0.1	3,270	0

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

For the fiscal period ending January 31, 2023: ¥3,238

For the fiscal period ending July 31, 2023: ¥3,241

(Note) Distribution per unit for the fiscal periods ending January 2023 and July 2023 is calculated on the assumption that part of the provision of distribution reserve (¥67 million and ¥67 million, respectively) will be reversed and distributed.

*Other

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

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

(2) Total number of investment units issued and outstanding

- Total number of investment units issued and outstanding at end of period (including treasury investment units)
 - As of July 31, 2022 2,044,467 units
 - As of January 31, 2022 2,044,467 units
- Number of treasury investment units at end of period
 - As of July 31, 2022 0 units
 - As of January 31, 2022 0 units

(Note) Please refer to “Per Unit Information” on page 31 for the number of investment units used as the basis for calculating net income per unit.

* Status of audit procedures

This financial report is not subject to audit procedures by public accountants or audit corporations.

* Special notes

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to AEON REIT and on certain assumptions AEON REIT 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 shall not be construed as a guarantee of the distribution amount. Please refer to “Assumptions for Forecasts of Performance for the Fiscal Periods Ending January 2023 (August 1, 2022 – January 31, 2023) and July 2023 (February 1, 2023 – July 31, 2023)” on pages 7 and 8 for information on assumptions for the forecasts of operating results.

1. Status of Asset Management

(1) Status of Asset Management

i) Summary of results for the current fiscal period

(A) Overview of AEON REIT

AEON REIT Investment Corporation (hereinafter, “AEON REIT”) invests primarily in retail and related properties which, as an integral part of the communities in which they are located, form the backbone of communities and their retail business infrastructure. Through said investment, we aim to ensure stable earnings over the medium to long term and achieve steady portfolio growth.

AEON REIT was established on November 30, 2012, in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trusts Act”), with AEON Reit Management Co., Ltd. (hereinafter, the “Asset Manager”) serving as the organizer. AEON REIT was listed on the Real Estate Investment Trust Securities Market (J-REIT market) of the Tokyo Stock Exchange (securities code: 3292) on November 22, 2013.

The real estate held by AEON REIT as of July 31, 2022, totaled 47 properties in Japan and overseas, including AEON MALL SEREMBAN 2 it owns through an overseas real estate holding corporation established in Malaysia (hereinafter, the “Overseas SPC”), with a total acquisition price of ¥447,023 million. Total leasable area is 4,056,102.68 m² and the occupancy rate of the entire portfolio is 100.0% as of the same date.

(B) Operating environment and performance

(a) Operating environment

In the fiscal period under review, the Japanese economy saw the real GDP growth rate (first preliminary estimates) for April through June 2022 rise by 0.5% quarter on quarter, marking the third consecutive quarter with a positive growth, under the continued impact of the novel coronavirus infection (COVID-19). This was because domestic consumption recovered mainly around restaurants/eateries and accommodation and other face-to-face services in accordance with an increase in people’s mobility as the government’s focused anti-infection measures were lifted in light of the spread of COVID-19 calming, among other reasons. In Malaysia, the real GDP for the second quarter of 2022 rose 8.9% year on year, as expanded domestic demand and strong exports had bolstered the Malaysian economy since April when the country re-opened its borders.

In the real estate investment market, investors in Japan and abroad remained highly willing to acquire properties, partly due to the Bank of Japan maintaining its monetary easing policy and the yen becoming increasingly weaker. Although the market is felt overheated differently by asset type and by area due to the impact of COVID-19, it should become ever more important going forward to discern the profitability of individual properties and timeliness of transactions in consideration of interest trends, etc.

In the J-REIT market, the tone was sometimes weak after entering 2022, given a continued sense of uncertainty due to such factors as interest rate hikes and geopolitical risks including the Ukraine situation. At the end of the 19th fiscal period, however, the Tokyo Stock Exchange (TSE) REIT Index rose to 2,021.99 points based on closing price.

(b) Performance

Under such circumstances, AEON REIT and the Asset Manager resolved on July 29, 2022 to conclude a Pipeline Support Agreement and a Logistics Facilities Management Agreement with AEON Food Supply Co., Ltd., in order to further strengthen the foundation for future external growth.

In terms of internal growth, AEON REIT re-installed flooring at AEON MALL Kahoku for a better property impression and enhanced operational efficiency, while conducting renovation of parking lots at AEON MALL Yamatokoriyama, thereby achieving upward revision of rents there. As such, AEON REIT is promoting investments aimed at reinforcing competitiveness as well as maintaining and enhancing the functions of its properties.

(C) Financing

In the fiscal period under review, AEON REIT conducted debt financing of ¥2,600 million, ¥8,600 million, ¥5,100 million and ¥3,000 million (¥19,300 million in total) to fund the refinance of borrowings of ¥19,300 million maturing on August 22, 2022. Of the debt financing, the loans of ¥5,100 million is for repayment of borrowings that had been used to acquire an eligible sustainability asset based on the sustainability finance framework prepared by AEON REIT, and were procured in the form of sustainability loans and sustainability derivatives.

As of July 31, 2022, AEON REIT had a balance of interest-bearing debt totaling ¥179,100 million, with the LTV ratio (the ratio of the balance of interest-bearing debt plus tenant leasehold and security deposits and tenant leasehold and security deposits in trust to total assets held by AEON REIT) standing at 44.5%.

The ratio of long-term interest-bearing debt (the ratio of long-term interest-bearing debt (including the current portion of long-term loans payable) to total interest-bearing debt) was 100.0% as of July 31, 2022. The ratio of fixed-rate debt (the ratio of interest-bearing debt with fixed interest payment (including interest-bearing debt with interest fixed through swaps) to total interest-bearing debt) was 100.0% as of the same date. Together with the abovementioned LTV, these figures indicate that AEON REIT has maintained a sound and conservative financial structure. AEON REIT works to diversify the repayment dates and extend maturities of interest-bearing debt with an aim to further reinforce its financial base.

Furthermore, in the fiscal period under review, the outlook of the credit rating granted to AEON REIT was changed from stable to positive.

As of July 31, 2022, AEON REIT had the following credit rating.

<Credit rating>

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

(D) Initiatives on sustainability

AEON REIT is making endeavors for Environment, Social, and Governance (ESG) awareness. It works to reduce environmental burden and coordinate and cooperate with its stakeholders in pursuit of realizing a sustainable society as its corporate social responsibility. In December 2021, AEON Reit Management Co., Ltd. that conducts asset management for AEON REIT identified its materiality (important agendas) and expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with an aim to clarify its policy and structure for addressing climate-related issues and promote enhanced disclosure of what it is doing in the endeavor. In the 19th fiscal period, AEON REIT issued “Sustainability Report 2022 Vol. 0” that summarizes its initiatives on ESG, the first such report for it.

A variety of initiatives have been recognized by external institutions, as exemplified by AEON MALL Yamatokoriyama re-obtaining rank S, the highest rank, in the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) for building certification in March 2022. In March and July 2022, AEON REIT re-obtained DBJ Green Building Certification for six properties in total. As of the end of the 19th fiscal period (July 31, 2022), AEON REIT has obtained the DBJ Green Building Certification for 28 properties, BELS certification for 1 property, and CASBEE Certification for Buildings for 4 properties.

Other than the above, the Asset Manager was certified by the CERTIFIED 2022 Health & Productivity Management Outstanding Organizations Recognition Program (for SMEs) in March 2022, marking the third consecutive year with the certification. Both AEON REIT and the Asset Manager will continue to take initiatives on ESG issues in a proactive manner.

(E) Results and cash distribution

As a result of the above operations, AEON REIT posted operating revenue of ¥20,121 million, operating income of ¥7,561 million, ordinary income of ¥6,694 million, and net income of ¥6,889 million for the 19th fiscal period ended July 31, 2022. Note that AEON REIT recorded ¥590 million in total, which was spent on work related to damage caused by an earthquake that occurred on March 16, 2022, with the epicenter off the coast of Fukushima Prefecture, as extraordinary losses, while recording ¥786 million in total in insurance income for the damages caused by the said earthquake and the earthquake that occurred on October 7, 2021, with the epicenter in the northwestern part of Chiba Prefecture, as extraordinary income.

As for cash distribution for the 19th fiscal period, distribution per unit came to ¥3,274 as a result of deducting ¥195 million in provision of distribution reserve (the amount obtained by deducting the extraordinary losses comprising loss on disaster from the extraordinary income comprising insurance income for disasters) from ¥6,889 million in unappropriated retained earnings.

Furthermore, AEON REIT shall distribute cash in excess of earnings for each fiscal period as a rule pursuant to the policy for cash distribution in excess of earnings as stipulated in Article 35-2 of its Articles of Incorporation. For the 19th fiscal period, however, with ¥233 million in distribution reserve it has provided for securing stable distributions, AEON REIT will not distribute cash in excess of earnings in accordance with Article 136 in the Act on Investment Trusts and Investment Corporations.

ii) Outlook for the next fiscal period

(A) Outlook for overall performance

Looking ahead, the Japanese and Malaysian economies are expected to head for a gradual recovery while measures against COVID-19 are securely taken, though close attention must continuously be paid to the impact of an increase in the number of infected people. In addition, as AEON REIT considers, the economic conditions will remain unstable going forward, given such factors as soaring natural resource and energy prices and stagnation of supply chains due to the prolonging Ukraine situation and holdback of economic activities in China, as well as concerns about interest hikes through monetary tightening and rising prices under the weaker Japanese yen causing a downward swing of the economy.

Under such circumstances, AEO REIT will endeavor to secure stable rental income on a continuous basis by taking advantage of lease agreements with fixed rents that it employs based on master lease agreements with the AEON Group companies, in which entire individual buildings are leased to them as lessees (master lessees).

On top of this, AEON REIT believes that it is even more necessary to effectively utilize cash on hand in response to changes in the external environment by taking advantage of the capacity to generate cash flows, one of its characteristics, on top of seeking to secure stable earnings over the medium to long term and maintain and enhance its asset value by continuously utilizing the comprehensive strengths of the AEON Group to acquire and manage community infrastructure assets that continue to be supported by local communities.

(B) Future investment policy

(a) Basic policy

AEON REIT aims to secure stable income as well as maintain and enhance asset value over the medium to long term by endeavoring to sustain and improve rent revenue, conduct adequate management and repairs and maintenance measures, and optimize and streamline management costs.

(b) Investment policy and growth strategy

The AEON Group has the comprehensive strength to consistently develop and operate large-scale retail properties and other retail properties of various types. In implementing its growth strategy, AEON REIT seeks for growth of its portfolio over the medium to long term by fully utilizing the comprehensive strengths of the AEON Group.

AEON REIT believes that it can expand its portfolio size, improve the stability of investments, and enhance its financing capabilities by acquiring retail and related properties developed by the AEON Group from the Group, based on the Sponsor Support Agreements, Pipeline Support Agreements and Memorandum of Understanding on Investments in Properties in Malaysia.

Moreover, by improving financing capabilities, it works to acquire more properties, thereby expanding its portfolio size. From the viewpoint of the AEON Group, selling its retail and related properties to AEON REIT allows the Group to use the obtained funds to execute investments for growth (such as development of new stores). Executing such investment for growth should contribute to increased revenue and higher corporate value of the AEON Group, which in turn supports further growth of AEON REIT. By building a mutually beneficial relationship with the AEON Group that creates a virtuous cycle for both entities, as discussed above, AEON REIT aims to maximize unitholder value.

(c) Financial strategy

AEON REIT will maintain a strong financial base while working to control the debt ratio in a conservative manner. In conducting financial operations, it has set the upper limit of its LTV ratio at 60% and works to keep the ratio at around 50% as a rule. To mitigate refinance risk and interest rate fluctuation risk, AEON REIT will consider extending loan maturities and fixing interest rates in an effort to ensure appropriate operations.

iii) Significant events after balance sheet date

Not applicable.

**Assumptions for Forecasts of Performance for the Fiscal Periods Ending
January 2023 (August 1, 2022 – January 31, 2023) and July 2023 (February 1, 2023 – July 31, 2023)**

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> ● Fiscal period ending January 31, 2023 (184 days from August 1, 2022, to January 31, 2023, the 20th fiscal period) ● Fiscal period ending July 31, 2023 (181 days from February 1, 2023, to July 31, 2023, the 21st fiscal period)
Portfolio	<ul style="list-style-type: none"> ● The number of investment assets is assumed to be 47 (including AEON MALL SEREMBAN 2 that AEON REIT owns through the Overseas SPC) AEON REIT owns as of September 14, 2022 (hereinafter, the “assets currently held”). ● For the forecasts of performance, it is assumed that, through the end of the 21st fiscal period ending July 2023, there will be no change (acquisition of new properties or sale of the assets currently held, etc.) in the number of investment assets. ● The actual figure may vary due to acquisition of new properties or disposal of owned properties, etc. not assumed above.
Operating revenue	<ul style="list-style-type: none"> ● Rent revenue – real estate from the assets currently held has been calculated by taking into account such factors as the relevant lease agreements effective as of September 14, 2022, and market trends. Dividends from the Overseas SPC have been calculated based on the assumption that dividends will be received during the fiscal periods ending January 31, 2023 (20th fiscal period), and ending July 31, 2023 (21st fiscal period), respectively. Furthermore, the exchange rate of Malaysia is assumed to be Malaysian Ringgit 1 = JPY 28.00. It is assumed that there is no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> ● Operating expenses mainly comprise expenses related to rent business. Those expenses, excluding depreciation expenses, are calculated on the basis of historical data and by reflecting variable factors of expenses for the assets currently held. ● Generally, fixed asset taxes, city planning taxes and depreciable asset taxes for the acquired properties are prorated based on the period of ownership with the previous owners and settled. The amount equivalent to such settlement is included in the acquisition costs and therefore not recognized as expenses for the fiscal period in which the acquisition takes place. As for fixed asset taxes, city planning taxes and depreciable asset taxes for the assets currently held, AEON REIT assumes to record ¥2,259 million for the 20th fiscal period and ¥2,259 million for the 21st fiscal period as expenses. ● For repairs and maintenance expenses for buildings, amounts assumed to be required in each fiscal period is recorded as expenses, based on the medium- to long-term repair and maintenance plan formulated by the asset management company (AEON Reit Management Co., Ltd.). However, actual repairs and maintenance expenses in each fiscal period may differ substantially from the forecasts, as (i) there is no denying the possibility of repairs and maintenance expenses being incurred urgently due to damages to buildings caused by unforeseeable factors, (ii) generally, incurred expenses differ substantially from one fiscal period to another, and (iii) expenses are not incurred on a regular basis, among other reasons. ● Depreciation of property and equipment is computed by the straight-line method, including related expenses, and is assumed to be ¥5,179 million for the 20th fiscal period and ¥5,189 million for the 21st fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> ● Interest expenses and other borrowing-related expenses are assumed to be ¥947 million for the 20th fiscal period and ¥942 million for the 21st fiscal period.
Borrowings	<ul style="list-style-type: none"> ● As of September 14, 2022, AEON REIT has interest-bearing debt totaling ¥179,100 million. ● It is assumed that AEON REIT will refinance ¥20,800 million in borrowings that will mature in the 20th fiscal period (repayment date: October 20, 2022) for the same amount. ● LTV ratio is anticipated to be approximately 45% as of the end of the 20th fiscal period (January 31, 2023) and approximately 45% as of the end of the 21st fiscal period (July 31, 2023). ● LTV is calculated by using the following formula: LTV = Total interest-bearing debt plus tenant leasehold and security deposits (including tenant leasehold and security deposits in trust) / Total assets × 100

Item	Assumptions
Investment units	<ul style="list-style-type: none"> ● Distribution per unit for the 20th and 21st fiscal periods is calculated based on the assumption that the total number of investment units issued and outstanding will be 2,044,467 units as of September 14, 2022. Furthermore, it is assumed that there will be no issuance of new investment units through the end of the 21st fiscal period, without any change in the number of investment units.
Distribution per unit	<ul style="list-style-type: none"> ● Distribution per unit (excluding distribution in excess of retained earnings) has been calculated based on the cash distribution policy prescribed in the Articles of Incorporation of AEON REIT. ● Fluctuations in rent revenue due to changes in the portfolio and tenants, unforeseeable repairs and maintenance incurred and other various factors may lead to changes in the amount of distribution per unit. ● Furthermore, with regard to amortization of fixed-term leasehold rights and asset retirement obligations upon their recording (hereinafter, “amortization of leasehold rights, etc.”), the impact of the amortization of leasehold rights, etc. has become larger due to the acquisition of AEON MALL Shinkomatsu. Accordingly, AEON REIT started recording amortization of leasehold rights, etc. from the 18th fiscal period ended January 2022. These expenses, for which reversal of distribution reserve is assumed, are calculated on the assumption of reversing ¥67 million for the 20th fiscal period and ¥67 million for the 21st fiscal period.
Distribution in excess of retained earnings per unit	<ul style="list-style-type: none"> ● It is assumed that there will be no payment of cash distribution in excess of retained earnings (distribution in excess of retained earnings per unit).
Others	<ul style="list-style-type: none"> ● It is assumed that no revisions that may impact the abovementioned 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. ● It is assumed that no unforeseeable significant changes will occur in general economic trends or conditions in the real estate market, etc. ● It is assumed that the negative impact from the spread of COVID-19 will not become even more serious, among other developments.

2. Financial Statements

(1) Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal period (As of January 31, 2022)	Current fiscal period (As of July 31, 2022)
Assets		
Current assets		
Cash and deposits	13,989,226	21,399,253
Cash and deposits in trust	9,492,028	8,902,646
Prepaid expenses	654,433	448,556
Income taxes receivable	18	18
Consumption taxes receivable	2,071,557	–
Other	38,207	643,021
Total current assets	26,245,471	31,393,497
Non-current assets		
Property and equipment		
Land	108,463	108,463
Buildings in trust	243,817,662	245,606,857
Accumulated depreciation	(60,054,773)	(65,090,817)
Buildings in trust, net	183,762,888	180,516,040
Structures in trust	1,975,194	2,060,197
Accumulated depreciation	(1,169,581)	(1,249,422)
Structures in trust, net	805,612	810,774
Tools, furniture and fixtures in trust	28,611	29,469
Accumulated depreciation	(12,959)	(15,541)
Tools, furniture and fixtures in trust, net	15,652	13,927
Land in trust	141,086,856	141,086,856
Total property and equipment	325,779,474	322,536,062
Intangible assets		
Leasehold interests in trust	73,612,539	73,551,636
Total intangible assets	73,612,539	73,551,636
Investments and other assets		
Shares of subsidiaries and associates	6,078,453	6,078,453
Long-term prepaid expenses	626,900	750,849
Lease and guarantee deposits	10,460	10,460
Total investments and other assets	6,715,815	6,839,763
Total non-current assets	406,107,828	402,927,462
Deferred assets		
Investment unit issuance expenses	55,228	39,344
Investment corporation bond issuance costs	294,148	274,686
Total deferred assets	349,377	314,031
Total assets	432,702,678	434,634,991

(Unit: Thousands of yen)

	Previous fiscal period (As of January 31, 2022)	Current fiscal period (As of July 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	1,417,271	1,866,229
Current portion of long-term loans payable	40,100,000	20,800,000
Accounts payable - other	473,294	472,598
Accrued expenses	104,429	106,100
Income taxes payable	605	605
Accrued consumption taxes	–	1,473,079
Provision for loss on disaster	49,456	37,084
Other	284,998	192,321
Total current liabilities	42,430,055	24,948,018
Non-current liabilities		
Investment corporation bond	51,000,000	51,000,000
Long-term loans payable	88,000,000	107,300,000
Tenant leasehold and security deposits	2,628	2,628
Tenant leasehold and security deposits in trust	14,320,296	14,320,296
Asset retirement obligations	454,327	456,149
Total non-current liabilities	153,777,252	173,079,074
Total liabilities	196,207,307	198,027,092
Net assets		
Unitholders' equity		
Unitholders' capital	233,010,081	233,010,081
Deduction from unitholders' capital		
Other deduction from unitholders' capital	(3,525,697)	(3,525,697)
Total deduction from unitholders' capital	(3,525,697)	(3,525,697)
Unitholders' capital, net	229,484,384	229,484,384
Surplus		
Voluntary reserve		
Distribution reserve	350,316	233,577
Total voluntary reserve	350,316	233,577
Unappropriated retained earnings (undisposed loss)	6,660,669	6,889,936
Total surplus	7,010,985	7,123,514
Total unitholders' equity	236,495,370	236,607,898
Total net assets	*1 236,495,370	*1 236,607,898
Total liabilities and net assets	432,702,678	434,634,991

(2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Operating revenue		
Rent revenue - real estate	*1 19,789,824	*1 19,966,322
Dividends received	*2 139,076	*2 155,137
Total operating revenue	19,928,901	20,121,459
Operating expenses		
Expenses related to rent business	*1 11,163,686	*1 11,421,596
Asset management fee	860,291	922,851
Asset custody fee	22,152	22,378
Administrative service fees	65,335	63,247
Directors' compensation	4,500	5,400
Taxes and dues	7,118	7,429
Other operating expenses	114,164	116,701
Total operating expenses	12,237,248	12,559,605
Operating income	7,691,652	7,561,854
Non-operating income		
Interest income	121	122
Refund of unpaid distributions	973	1,062
Interest on tax refund	–	3,342
Foreign exchange gains	484	844
Total non-operating income	1,579	5,372
Non-operating expenses		
Interest expenses	447,298	468,449
Interest expenses on investment corporation bonds	217,522	215,139
Amortization of investment unit issuance expenses	15,883	15,883
Investment unit issuance expenses	2,942	–
Amortization of investment corporation bond issuance costs	19,461	19,461
Borrowing related expenses	136,085	153,362
Other	86,108	–
Total non-operating expenses	925,302	872,297
Ordinary income	6,767,929	6,694,928
Extraordinary income		
Insurance income	–	*3 786,528
Total extraordinary income	–	786,528
Extraordinary losses		
Loss on disaster	*4 57,198	*4 565,672
Provision for loss on disaster	*4 49,456	*4 25,243
Total extraordinary losses	106,654	590,915
Income (loss) before income taxes	6,661,274	6,890,541
Income taxes - current	605	605
Total income taxes	605	605
Net income (loss)	6,660,669	6,889,936
Retained earnings brought forward	–	–
Unappropriated retained earnings (undisposed loss)	6,660,669	6,889,936

(3) Statements of Unitholders' Equity

Previous fiscal period (From August 1, 2021, to January 31, 2022)

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Surplus	
		Other deduction from unitholders' capital	Total deduction from unitholders' capital		Voluntary reserve	
					Distribution reserve	Total voluntary reserve
Balance at beginning of current period	208,093,893	(3,525,697)	(3,525,697)	204,568,196	474,397	474,397
Changes of items during period						
Issuance of new investment units	24,916,188			24,916,188		
Reversal of distribution reserve					(124,080)	(124,080)
Dividends of surplus						
Net income						
Total changes of items during period	24,916,188	—	—	24,916,188	(124,080)	(124,080)
Balance at end of current period	*1 233,010,081	(3,525,697)	(3,525,697)	229,484,384	350,316	350,316

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	5,870,533	6,344,930	210,913,126	210,913,126
Changes of items during period				
Issuance of new investment units			24,916,188	24,916,188
Reversal of distribution reserve	124,080			
Dividends of surplus	(5,994,614)	(5,994,614)	(5,994,614)	(5,994,614)
Net income	6,660,669	6,660,669	6,660,669	6,660,669
Total changes of items during period	790,136	666,055	25,582,243	25,582,243
Balance at end of current period	6,660,669	7,010,985	236,495,370	236,495,370

Current fiscal period (From February 1, 2022, to July 31, 2022)

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Surplus	
		Other deduction from unitholders' capital	Total deduction from unitholders' capital		Voluntary reserve	
					Distribution reserve	Total voluntary reserve
Balance at beginning of current period	233,010,081	(3,525,697)	(3,525,697)	229,484,384	350,316	350,316
Changes of items during period						
Reversal of distribution reserve					(116,738)	(116,738)
Dividends of surplus						
Net income						
Total changes of items during period	—	—	—	—	(116,738)	(116,738)
Balance at end of current period	*1 233,010,081	(3,525,697)	(3,525,697)	229,484,384	233,577	233,577

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	6,660,669	7,010,985	236,495,370	236,495,370
Changes of items during period				
Reversal of distribution reserve	116,738			
Dividends of surplus	(6,777,408)	(6,777,408)	(6,777,408)	(6,777,408)
Net income	6,889,936	6,889,936	6,889,936	6,889,936
Total changes of items during period	229,266	112,528	112,528	112,528
Balance at end of current period	6,889,936	7,123,514	236,607,898	236,607,898

(4) Statements of Cash Distributions

(Unit: Yen)

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
I Unappropriated retained earnings (undisposed loss)	6,660,669,847	6,889,936,573
II Reversal of voluntary reserve		
Reversal of distribution reserve	116,738,258	-
III Total cash distributions	6,777,408,105	6,693,584,958
[Distribution per unit]	[3,315]	[3,274]
IV Voluntary reserve		
Provision of distribution reserve	-	195,612,648
V Retained earnings brought forward	-	738,967
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 AEON REIT, 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, AEON REIT will pay distributions of profits at the total amount of ¥6,777,408,105, which is obtained by combining ¥6,660,669,847 in unappropriated retained earnings and ¥116,738,258 reversed from provision of distribution reserve (the amount obtained by deducting ¥76,025,206, which is an increase in net income through asset management, from ¥192,763,464 arrived at by adding the effect of adoption of the Accounting Standard for Asset Retirement Obligations as non-operating expenses to extraordinary losses comprising loss on disaster and provision for loss on disaster), and which is the amount that does not exceed this combined amount and is the greatest value among integral multiples of 2,044,467, which is the total number of investment units issued and outstanding. Furthermore, AEON REIT shall distribute cash in excess of earnings for each fiscal period as a rule pursuant to the policy for cash distribution in excess of earnings as stipulated in Article 35-2 of its Articles of Incorporation. For the 18th fiscal period, however, with ¥350,316,058 in distribution reserve it has provided for securing stable distributions, AEON REIT will not distribute cash in excess of earnings in accordance with Article 136 in the Act on Investment Trusts and Investment Corporations.</p>	<p>Pursuant to the policy for cash distribution set forth in Article 35, paragraph 1 of the Articles of Incorporation of AEON REIT, 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, AEON REIT will pay distributions of profits at the total amount of ¥6,693,584,958, which is obtained by deducting ¥195,612,648 in provision of distribution reserve (the amount obtained by deducting the extraordinary losses comprising loss on disaster from the extraordinary income comprising insurance income for disasters) from ¥6,889,936,573 in unappropriated retained earnings and which is the amount that does not exceed this calculated amount and is the greatest value among integral multiples of 2,044,467, which is the total number of investment units issued and outstanding. Furthermore, AEON REIT shall distribute cash in excess of earnings for each fiscal period as a rule pursuant to the policy for cash distribution in excess of earnings as stipulated in Article 35-2 of its Articles of Incorporation. For the 19th fiscal period, however, with ¥233,577,800 in distribution reserve it has provided for securing stable distributions, AEON REIT will not distribute cash in excess of earnings in accordance with Article 136 in the Act on Investment Trusts and Investment Corporations.</p>

(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Cash flows from operating activities		
Income before income taxes	6,661,274	6,890,541
Depreciation	5,213,564	5,181,192
Amortization of investment corporation bond issuance costs	19,461	19,461
Amortization of investment unit issuance expenses	15,883	15,883
Interest income	(121)	(122)
Interest expenses	664,820	683,589
Insurance income	–	(786,528)
Loss on disaster	57,198	565,672
Increase (decrease) in provision for loss on disaster	45,130	(12,372)
(Increase) decrease in consumption taxes receivable	(2,071,557)	2,071,557
(Decrease) increase in accrued consumption taxes	(652,815)	1,473,079
(Increase) decrease in prepaid expenses	(272,660)	205,876
Increase in operating accounts payable	810,235	16,475
Increase (decrease) in accounts payable - other	78,939	(696)
(Increase) in long-term prepaid expenses	(110,762)	(123,948)
Other, net	81,338	(64,986)
Subtotal	10,539,929	16,134,675
Interest income received	121	122
Interest expenses paid	(660,754)	(681,917)
Proceeds from insurance income	–	152,623
Payments for loss on disaster	(180,082)	(11,296)
Income taxes paid	(604)	(605)
Net cash provided by operating activities	9,698,609	15,593,602
Cash flows from investing activities		
Purchase of property and equipment in trust	(32,675,047)	(1,996,949)
Purchase of intangible assets in trust	(19,200,868)	–
Proceeds from tenant leasehold and security deposits in trust	828,225	–
Net cash used in investing activities	(51,047,690)	(1,996,949)
Cash flows from financing activities		
Proceeds from short-term loans payable	23,800,000	–
Repayments of short-term loans payable	(23,800,000)	–
Proceeds from long-term loans payable	38,400,000	19,300,000
Repayments of long-term loans payable	(19,100,000)	(19,300,000)
Proceeds from issuance of investment units	24,858,748	–
Dividends paid	(5,996,712)	(6,775,121)
Net cash provided by (used in) financing activities	38,162,035	(6,775,121)
Effect of exchange rate change on cash and cash equivalents	(495)	(886)
Net increase (decrease) increase in cash and cash equivalents	(3,187,541)	6,820,645
Cash and cash equivalents at beginning of period	26,668,796	23,481,254
Cash and cash equivalents at end of period	*1 23,481,254	*1 30,301,900

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Significant Accounting Policies

1. Valuation standard and method for securities	Securities Shares of subsidiaries and associates Shares issued by an overseas real estate holding corporation, as set forth in Article 221-2-1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations, are stated utilizing the moving-average cost method.
2. Method of depreciation of non-current assets	(1) Property and equipment Depreciation of property and equipment is computed by the straight-line method over the following useful lives: Buildings in trust 3 to 51 years Structures in trust 3 to 35 years Tools, furniture and fixtures in trust 5 to 6 years (2) Intangible assets Intangible assets are amortized by the straight-line method. The useful lives of intangible assets are as follows: Leasehold interests in trust 38 to 46 years (3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.
3. Accounting method for deferred assets	(1) Investment unit issuance expenses Investment unit issuance expenses are capitalized and amortized by the straight-line method over three years. (2) Investment corporation bond issuance costs Investment corporation bond issuance costs are capitalized and amortized by the straight-line method over the respective terms of the investment corporation bonds.
4. Standards for recognition of allowances	Provision for loss on disaster Of the expenses for restoration work for the properties damaged by an earthquake with the epicenter in the northwestern part of Chiba Prefecture, the amount reasonably estimated as of the end of the fiscal period ended January 31, 2022, was recorded as allowance for loss on disaster. Of the expenses for restoration work for the properties damaged by earthquakes with the epicenter in the northwestern part of Chiba Prefecture and off the coast of Fukushima Prefecture, the amount reasonably estimated as of the end of the fiscal period ended July 31, 2022, was recorded as allowance for loss on disaster.
5. Conversion of assets and liabilities in foreign currency into Japanese yen	Receivables and payables denominated in foreign currencies are translated into yen at the exchange rate in effect at the balance sheet date, and differences arising from the translation are included in the statements of income.

<p>6. Recognition of revenue and expenses</p>	<p>(1) Standards for revenue recognition</p> <p>The details of main performance obligations concerning revenue generated from contracts between AEON REIT and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.</p> <p>Utilities income</p> <p>AEON REIT recognizes utilities income in accordance with the supply of water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it. Of the utilities income, in the case that AEON REIT deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for water, etc. supplied by the said other parties is recognized as revenue.</p> <p>(2) Property-related taxes</p> <p>For fixed asset tax, city planning tax, depreciable asset tax, etc., for real properties held, the amount of tax levied corresponding to the accounting period is recorded as expenses related to rent business.</p> <p>The amount equivalent to property-related taxes to be paid by AEON REIT in the first year for acquisition of real properties or trust beneficiary rights in real estate is not recorded as expenses but included in the acquisition costs for the related properties.</p> <p>In the current fiscal period, there was no amount equivalent to property-related taxes included in the acquisition costs for the related real properties, and in the previous fiscal period, the amount equivalent to property-related taxes included in the acquisition costs for the related real properties was ¥198,278 thousand.</p>
<p>7. Method of hedge accounting</p>	<p>(1) Method of hedge accounting</p> <p>Special treatment is applied for interest rate swaps.</p> <p>(2) Hedging instruments and hedged items</p> <p>Hedging instruments: Interest rate swap transactions</p> <p>Hedged items: Interest on borrowings</p> <p>(3) Hedging policy</p> <p>AEON REIT conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of AEON REIT pursuant to the regulations that stipulate the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness</p> <p>The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.</p>
<p>8. Scope of cash and cash equivalents in the statement of cash flows</p>	<p>Cash and cash equivalents in the statement of cash flows consist of cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.</p>

9. Other significant matters that serve as the basis for preparation of financial statements	<p>(1) Accounting policy for trust beneficiary rights in real estate, etc.</p> <p>With regard to trust beneficiary rights in real estate, etc., 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"> i) Cash and deposits in trust ii) Buildings in trust, structures in trust, tools, furniture and fixtures in trust and land in trust iii) Leasehold interests in trust iv) Tenant leasehold and security deposits in trust <p>(2) Accounting policy for non-deductible consumption taxes</p> <p>National and local consumption taxes are accounted for by the tax-exclusion method.</p>
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(8) Notes on Significant Accounting Estimates

Previous fiscal period (From August 1, 2021, to January 31, 2022)

Impairment Losses of Non-Current Assets

1. Balance of subject assets

	(Unit: Thousands of yen)
Impairment losses	Not applicable
Property and equipment	325,779,474
Intangible assets	73,612,539

2. Information on the nature of significant accounting estimates for identified items

In accordance with Accounting Standard for Impairment of Fixed Assets, AEON REIT has adopted the accounting treatment to reduce the book value of non-current assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to decline in profitability.

In adopting the accounting treatment, each property owned by AEON REIT is regarded as a single asset group, and AEON REIT determines whether it is required to recognize impairment losses when indications of impairment for the group are deemed to exist due to continued operating losses, significant declines in the market prices, and significant deterioration of business environment, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount that is based on real estate appraisal value, etc. prepared by third-parties, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, such items as rent, vacancy period, occupancy rate, expenses related to rent business, property ownership period, capital expenditures and discount rate for estimating the recoverable amount are determined by comprehensively considering the market trends and transaction cases of similar properties, etc. in reference to information from outside experts, including figures set forth in real estate appraisal.

The performance and the market price of each property may be affected by the trends in the real estate rental market and real estate transaction market. Accordingly, any change in the assumptions used for the estimates may affect AEON REIT's assets and profit and loss in the following fiscal period.

Current fiscal period (From February 1, 2022, to July 31, 2022)

Impairment Losses of Non-Current Assets

1. Balance of subject assets

	(Unit: Thousands of yen)
Impairment losses	Not applicable
Property and equipment	322,536,062
Intangible assets	73,551,636

2. Information on the nature of significant accounting estimates for identified items

In accordance with Accounting Standard for Impairment of Fixed Assets, AEON REIT has adopted the accounting treatment to reduce the book value of non-current assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to decline in profitability.

In adopting the accounting treatment, each property owned by AEON REIT is regarded as a single asset group, and AEON REIT determines whether it is required to recognize impairment losses when indications of impairment for the group are deemed to exist due to continued operating losses, significant declines in the market prices, and significant deterioration of business environment, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount that is based on real estate appraisal value, etc. prepared by third-parties, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, such items as rent, vacancy period, occupancy rate, expenses related to rent business, property ownership period, capital expenditures and discount rate for estimating the recoverable amount are determined by comprehensively considering the market trends and transaction cases of similar properties, etc. in reference to information from outside experts, including figures set forth in real estate appraisal.

The performance and the market price of each property may be affected by the trends in the real estate rental market and real estate transaction market. Accordingly, any change in the assumptions used for the estimates may affect AEON REIT's assets and profit and loss in the following fiscal period.

(9) Notes to Financial Statements

Notes to Balance Sheets

		(Unit: Thousands of yen)		
Previous fiscal period (As of January 31, 2022)		Current fiscal period (As of July 31, 2022)		
*1.	Minimum net assets as provided in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations	50,000	*1. Minimum net assets as provided in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations	50,000

Notes to Statements of Income

*1. Breakdown of revenues and expenses related to real estate leasing business

Previous fiscal period (From August 1, 2021, to January 31, 2022)		(Unit: Thousands of yen)
A. Revenues related to real estate leasing business		
Rent revenue - real estate		
Rent		19,727,043
Other rent revenue - real estate		62,781
Total revenues related to real estate leasing business		19,789,824
B. Expenses related to real estate leasing business		
Expenses related to rent business		
Property and facility management fees		49,326
Repairs and maintenance expenses		982,724
Insurance expenses		215,505
Trust fees		24,193
Land rent paid		2,591,994
Taxes and dues		2,024,931
Depreciation		5,213,564
Water charges		45,953
Other expenses related to rent business		15,492
Total expenses related to real estate leasing business		11,163,686
C. Operating income from real estate leasing business (A – B)		8,626,138
Current fiscal period (From February 1, 2022, to July 31, 2022)		(Unit: Thousands of yen)
A. Revenues related to real estate leasing business		
Rent revenue - real estate		
Rent		19,762,138
Other rent revenue - real estate		204,183
Total revenues related to real estate leasing business		19,966,322
B. Expenses related to real estate leasing business		
Expenses related to rent business		
Property and facility management fees		49,393
Repairs and maintenance expenses		1,025,856
Insurance expenses		227,837
Trust fees		24,242
Land rent paid		2,596,743
Taxes and dues		2,259,573
Depreciation		5,181,192
Water charges		47,226
Other expenses related to rent business		9,530
Total expenses related to real estate leasing business		11,421,596
C. Operating income from real estate leasing business (A – B)		8,544,725

*2. Breakdown of dividends received

Previous fiscal period (From August 1, 2021, to January 31, 2022)

The entire amount of the maximum distributable amount (RM 5,236,912 (¥139,076 thousand) based on the results of the fiscal period ended July 2021 of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. was paid to AEON REIT as dividends (Note 3), which were calculated on the following basis.

Items of statements of income of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. and the basis of calculating dividends (from February 1, 2021, to July 31, 2021)

(Unit: RM (Thousands of yen))

Revenues related to real estate leasing business	7,752,142	(204,656)
Expenses related to real estate leasing business	655,946	(17,316)
Other expenses	145,987	(3,854)
Unrealized gain from valuation of investment properties	-	(-)
Net income before income taxes	6,950,209	(183,485)
Net income before income taxes after deducting unrealized gain	6,950,209	(183,485)
Corporate income taxes on net income before income taxes after deducting unrealized gain	1,713,297	(45,231)
Maximum distributable amount (Note 3)	5,236,912	(139,076)
Dividends (Note 3)	5,236,912	(139,076)

(Note 1) The table above is based on the accounting standards of Malaysia (equivalent to IFRS), although disclosure is not based on the Malaysian standards.

(Note 2) For the exchange rate, the period-average exchange rate (RM 1 = JPY 26.40 (rounded down to the second decimal place)) is used.

(Note 3) Maximum distributable amount and dividends are converted to the yen value by using the forward exchange rate on December 2, 2021, of RM 1 = JPY 26.55 (rounded down to the second decimal place).

Current fiscal period (From February 1, 2022, to July 31, 2022)

The entire amount of the maximum distributable amount (RM 5,279,319 (¥155,137 thousand) based on the results of the fiscal period ended January 2022 of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. was paid to AEON REIT as dividends (Note 3), which were calculated on the following basis.

Items of statements of income of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. and the basis of calculating dividends (from August 1, 2021, to January 31, 2022)

(Unit: RM (Thousands of yen))

Revenues related to real estate leasing business	7,752,142	(208,532)
Expenses related to real estate leasing business	649,460	(17,470)
Other expenses	104,564	(2,812)
Unrealized gain from valuation of investment properties	-	(-)
Net income before income taxes	6,998,118	(188,249)
Net income before income taxes after deducting unrealized gain	6,998,118	(188,249)
Corporate income taxes on net income before income taxes after deducting unrealized gain	1,718,799	(46,235)
Maximum distributable amount (Note 3)	5,279,319	(155,137)
Dividends (Note 3)	5,279,319	(155,137)

(Note 1) The table above is based on the accounting standards of Malaysia (equivalent to IFRS), although disclosure is not based on the Malaysian standards.

(Note 2) For the exchange rate, the period-average exchange rate (RM 1 = JPY 26.90 (rounded down to the second decimal place)) is used.

(Note 3) Maximum distributable amount and dividends are converted to the yen value by using the forward exchange rate on June 2, 2022, of RM 1 = JPY 29.38 (rounded down to the second decimal place).

*3. Breakdown of extraordinary income

Previous fiscal period (From August 1, 2021, to January 31, 2022)

Not applicable.

Current fiscal period (From February 1, 2022, to July 31, 2022)

AEON REIT recorded ¥786,528 thousand in insurance income for the assets damaged by the earthquakes with the epicenter in the northwestern part of Chiba Prefecture and off the coast of Fukushima Prefecture.

*4. Breakdown of extraordinary losses

Previous fiscal period (From August 1, 2021, to January 31, 2022)

1) Loss on disaster

Losses related to the assets damaged by the earthquake with the epicenter in the northwestern part of Chiba Prefecture (expenses for restoration work) were recognized as loss on disaster (¥57,198 thousand).

2) Provision for loss on disaster

With regard to the assets damaged by the earthquake with the epicenter in the northwestern part of Chiba Prefecture, expenses for restoration work that were reasonably estimated as of the end of the fiscal period ended January 31, 2022 (¥49,456 thousand) were recorded as provision of allowance for loss on disaster.

Current fiscal period (From February 1, 2022, to July 31, 2022)

1) Loss on disaster

Losses related to the assets damaged by the earthquake with the epicenter off the coast of Fukushima Prefecture (expenses for restoration work) were recognized as loss on disaster (¥565,672 thousand).

2) Provision for loss on disaster

With regard to the assets damaged by the earthquake with the epicenter off the coast of Fukushima Prefecture, expenses for restoration work that were reasonably estimated as of the end of the fiscal period ended July 31, 2022 (¥25,243 thousand) were recorded as provision of allowance for loss on disaster.

Notes to Statements of Unitholders' Equity

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

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,044,467 units	2,044,467 units

Notes to Statements of Cash Flows

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

	(Unit: Thousands of yen)	
	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Cash and deposits	13,989,226	21,399,253
Cash and deposits in trust	9,492,028	8,902,646
Cash and cash equivalents	23,481,254	30,301,900

2. Details of material non-cash transactions

Newly recorded significant Asset Retirement Obligations

	(Unit: Thousands of yen)	
	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Amount of significant Asset Retirement Obligations	86,108	-

Financial Instruments

1. Matters regarding financial instruments

(1) Policy for financial instruments

AEON REIT 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; the 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

Proceeds from loans payable and investment corporation bonds are used mainly for the purpose of acquiring real estate and trust beneficiary rights in real estate.

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

Loans payable with floating interest rates are exposed to the risk of fluctuations in interest rates. However, by appropriately managing the debt ratio, etc., it is possible to limit the impact of a rise in market interest rates on the operations of AEON REIT. 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 be omitted for those interest rate swaps that meet the criteria for exceptional treatment.

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

Loans payable, investment corporation bonds and tenant leasehold and security deposits in trust are exposed to liquidity risks. However, AEON REIT manages these risks through preparing monthly financing plans, maintaining liquidity on hand, and other means by the Asset Manager.

Operating receivables denominated in foreign currencies 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.

AEON REIT may be engaged in foreign currency denominated transactions in connection with investments in overseas real estate, etc. Such transactions carry the risk of fluctuations in exchange rates, and exchange rate fluctuations may negatively affect AEON REIT's earnings. If the yen is increasingly appreciated against other currencies, the yen-value of foreign currency denominated transactions that arise in connection with investments in overseas real estate, etc. may be diminished to negatively impact AEON REIT's net income for the relevant fiscal period.

Moreover, if there are foreign denominated assets and liabilities in connection with investments in overseas real estate, etc., certain accounts of these assets and liabilities will be converted into yen at the exchange rates prevailing on the closing date for the preparation of financial statements. Due to exchange rate fluctuations, these accounts may negatively affect AEON REIT's net income.

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

The fair values of financial instruments include values based on market prices or, for shares, etc. for which there are no market prices available, reasonably calculated values. 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. Stocks, etc. with no market price are not included in the table below ^(Note 2). "Cash and deposits" and "Cash and deposits in trust" are cash and short term settlements, and their fair values approximate their carrying amounts. Accordingly, notes on "Cash and deposits" and "Cash and deposits in trust" are omitted due to immateriality.

Previous fiscal period (as of January 31, 2022)

(Unit: Thousands of yen)			
	Balance sheet carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	40,100,000	40,129,386	29,386
(2) Investment corporation bonds	51,000,000	50,674,900	(325,100)
(3) Long-term loans payable	88,000,000	88,884,050	884,050
Total liabilities	179,100,000	179,688,337	588,337
(4) Derivative transactions	-	-	-

Current fiscal period (as of July 31, 2022)

(Unit: Thousands of yen)			
	Balance sheet carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	20,800,000	20,809,529	9,529
(2) Investment corporation bonds	51,000,000	50,562,500	(437,500)
(3) Long-term loans payable	107,300,000	108,097,457	797,457
Total liabilities	179,100,000	179,469,487	369,487
(4) Derivative transactions	-	-	-

(Note 1) Measurement of fair values of financial instruments

(1) Current portion of long-term loans payable, (3) Long-term loans payable

Because the interest rates of long-term loans payable with 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 value for interest rate swaps, to which special treatment is applied, is included in the fair value of long-term loans payable, a hedged item.

(2) Investment corporation bonds

The fair value of investment corporation bonds is based on the reference price disclosed by the Japan Securities Dealers Association.

(4) Derivative transactions

Please refer to "Derivative Transactions" described later.

(Note 2) Financial instruments for which there are no market prices

(Unit: Thousands of yen)		
	Previous fiscal period (as of January 31, 2022)	Current fiscal period (as of July 31, 2022)
Shares of subsidiaries and associates	6,078,453	6,078,453

Shares of subsidiaries and associates are not subject to fair value disclosure pursuant to Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments.

(Note 3) Expected amount of repayments of investment corporation bonds and loans payable after balance sheet date

Previous fiscal period (as of January 31, 2022)

(Unit: Thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	40,100,000	–	–	–	–	–
Investment corporation bonds	–	–	–	2,000,000	1,000,000	48,000,000
Long-term loans payable	–	20,400,000	15,300,000	13,300,000	20,400,000	18,600,000
Total	40,100,000	20,400,000	15,300,000	15,300,000	21,400,000	66,600,000

Current fiscal period (as of July 31, 2022)

(Unit: Thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	20,800,000	–	–	–	–	–
Investment corporation bonds	–	–	–	2,000,000	1,000,000	48,000,000
Long-term loans payable	–	20,400,000	15,300,000	15,900,000	20,400,000	35,300,000
Total	20,800,000	20,400,000	15,300,000	17,900,000	21,400,000	83,300,000

Derivative Transactions

1. Derivative transactions not applying hedge accounting

Previous fiscal period (as of January 31, 2022)

Not applicable.

Current fiscal period (as of July 31, 2022)

Not applicable.

2. Derivative transactions applying hedge accounting

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

Previous fiscal period (as of January 31, 2022)

(Unit: Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged item	Contract amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Exceptional treatment for hedge accounting of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	106,700,000	87,300,000	(Note)	—

(Note) Fair value of interest rate swap with the exceptional 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 July 31, 2022)

(Unit: Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged item	Contract amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Exceptional treatment for hedge accounting of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	126,000,000	106,600,000	(Note)	—

(Note) Fair value of interest rate swap with the exceptional 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.

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

	(Unit: Thousands of yen)	
	Previous fiscal period (As of January 31, 2022)	Current fiscal period (As of July 31, 2022)
Deferred tax assets		
Asset retirement obligations	142,931	143,504
Amortization of leasehold interests	38,017	19,160
Tax loss carried forward (Note)	260,779	169,166
Subtotal of deferred tax assets	441,728	331,830
Valuation reserve	(309,156)	(200,814)
Total deferred tax assets	132,572	131,015
Deferred tax liabilities		
Property and equipment corresponding to the asset retirement obligations	(132,572)	(131,015)
Total deferred tax liabilities	(132,572)	(131,015)
Net deferred tax assets	-	-

(Note) For the tax loss carried forward and the amount of the deferred tax assets by carry-forward period, please refer to "3. Tax loss carried forward and amount of deferred tax assets by carry-forward period."

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

	(Unit: %)	
	Previous fiscal period (As of January 31, 2022)	Current fiscal period (As of July 31, 2022)
Normal effective statutory tax rate	31.46	31.46
(Adjustments)		
Distributions paid included in deductibles	(32.01)	(30.56)
Provision of distribution reserve	-	(0.89)
Reversal of distribution reserve	0.59	-
Other	(0.03)	0.00
Effective tax rate after application of tax effect accounting	0.01	0.01

3. Tax loss carried forward and amount of deferred tax assets by carry-forward period

Previous fiscal period (as of January 31, 2022)

	(Unit: Thousands of yen)						
	1 year or less	1 year through 2 years	2 years through 3 years	3 years through 4 years	4 years through 5 years	5 years or more	Total
Tax loss carried forward (Note)	-	-	-	260,779	-	-	260,779
Valuation reserve	-	-	-	(260,779)	-	-	(260,779)
Total deferred tax assets	-	-	-	-	-	-	-

(Note) Tax loss carried forward represents the amount multiplied by the effective statutory tax rate.

Current fiscal period (as of July 31, 2022)

(Unit: Thousands of yen)

	1 year or less	1 year through 2 years	2 years through 3 years	3 years through 4 years	4 years through 5 years	5 years or more	Total
Tax loss carried forward (Note)	–	–	–	169,166	–	–	169,166
Valuation reserve	–	–	–	(169,166)	–	–	(169,166)
Total deferred tax assets	–	–	–	–	–	–	–

(Note) Tax loss carried forward represents the amount multiplied by the effective statutory tax rate.

Asset Retirement Obligations

Asset retirement obligations recorded on the balance sheets

1. Overview of the asset retirement obligations

Asset retirement obligations have been recorded as AEON REIT has obligations to restore the sites to their original conditions based on the fixed-term land lease agreements for some of its assets.

2. Calculation method of the amount of the asset retirement obligations

The amount of the asset retirement obligations is calculated by estimating the expected use period of the relevant assets to be the remaining period of the relevant fixed-term land lease agreements (38 to 46 years) and using the discount rates of 0.797% - 0.802%.

3. Change in the total amount of the asset retirement obligations

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Balance at beginning of current period (Note)	119,399	454,327
Increase due to purchase of property and equipment	333,113	–
Adjustment due to passage of time	1,814	1,821
Balance at end of current period	454,327	456,149

(Note) Due to increased significance, the amount of the past year is indicated as balance at beginning of previous period, starting from the 18th fiscal period.

Investment and Rental Properties

AEON REIT holds retail properties. The balance sheet carrying amounts, changes during the fiscal period, and fair values of these rental properties are as follows. Amounts do not include AEON Mall Seremban 2 held through the overseas SPC. The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income.”

(Unit: Thousands of yen)

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Balance sheet carrying amount		
Balance at beginning of period	351,964,805	399,392,013
Changes during period	47,427,208	(3,304,314)
Balance at end of period	399,392,013	396,087,699
Fair value at end of period	473,451,422	470,658,643

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

(Note 2) Of the changes during the previous fiscal period, the increase is mainly due to acquisition of four properties (AEON MALL Takasaki, AEON MALL Narita, AEON MALL Shinkomatsu and AEON MALL Sagayamato) with a total acquisition price of ¥50,753,811 thousand, capital expenditures at existing properties amounting to ¥1,504,386 thousand and recording of asset retirement obligations amounting to ¥445,703 thousand, while the decrease is principally attributable to depreciation amounting to ¥5,213,564 thousand. Of the changes during the current fiscal period, the increase is mainly due to capital expenditures at existing properties amounting to ¥1,866,048 thousand, while the decrease is principally attributable to depreciation amounting to ¥5,181,192 thousand.

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

Revenue Recognition

Previous fiscal period (From August 1, 2021, to January 31, 2022)

1. Breakdown information on revenue from contracts with customers

For the breakdown information on revenue from contracts with customers, refer to “*1. Breakdown of revenues and expenses related to real estate leasing business” in Notes to Statements of Income.

Note that “*1. Breakdown of revenues and expenses related to real estate leasing business” includes revenue in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No.13). Furthermore, revenue from contracts with customers mainly represents utilities income (¥45,953 thousand) that is included in Other rent revenue - real estate.

2. Basic information for understanding revenue from contracts with customers

The information is as described in Notes on Significant Accounting Policies.

3. Information on relationship between fulfillment of performance obligations based on contracts with customers and cash flow generated from said contracts, and on amount and period of revenues expected to be recognized in the following accounting period or thereafter from contracts with customers existing at the end of the current accounting period

Not applicable.

Current fiscal period (From February 1, 2022, to July 31, 2022)

1. Breakdown information on revenue from contracts with customers

For the breakdown information on revenue from contracts with customers, refer to “*1. Breakdown of revenues and expenses related to real estate leasing business” in Notes to Statements of Income.

Note that “*1. Breakdown of revenues and expenses related to real estate leasing business” includes revenue in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No.13). Furthermore, revenue from contracts with customers mainly represents utilities income (¥47,226 thousand) that is included in Other rent revenue - real estate.

2. Basic information for understanding revenue from contracts with customers

The information is as described in Notes on Significant Accounting Policies.

3. Information on relationship between fulfillment of performance obligations based on contracts with customers and cash flow generated from said contracts, and on amount and period of revenues expected to be recognized in the following accounting period or thereafter from contracts with customers existing at the end of the current accounting period

Not applicable.

Segment Information, Etc.

1. Segment information

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

2. Related information

Previous fiscal period (From August 1, 2021, to January 31, 2022)

(1) Information about products and services

Disclosure is omitted since 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 Mall Co., Ltd.	9,697,666	Real estate leasing business
AEON Retail Co., Ltd.	7,045,883	Real estate leasing business
AEON Hokkaido Corporation	790,538	Real estate leasing business
AEON KYUSHU Co., Ltd.	762,888	Real estate leasing business
The Daiei, Inc.	634,473	Real estate leasing business
AEON TOHOKU Co., Ltd.	426,497	Real estate leasing business
AEON Global SCM Co., Ltd.	289,620	Real estate leasing business
AEON CO. (M) BHD. (Note)	21,116	Real estate leasing business

(Note) *Operating revenue* is converted into yen using the foreign exchange rate prevailing at the time the transaction occurred (monthly average spot exchange rate for the month directly preceding the month in which the transaction took place).

Current fiscal period (From February 1, 2022, to July 31, 2022)

(1) Information about products and services

Disclosure is omitted since 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 Mall Co., Ltd.	9,722,364	Real estate leasing business
AEON Retail Co., Ltd.	6,738,743	Real estate leasing business
AEON Hokkaido Corporation	1,019,373	Real estate leasing business
AEON KYUSHU Co., Ltd.	764,818	Real estate leasing business
The Daiei, Inc.	635,751	Real estate leasing business
AEON TOHOKU Co., Ltd.	511,808	Real estate leasing business
AEON Global SCM Co., Ltd.	289,620	Real estate leasing business
AEON CO. (M) BHD. (Note)	22,578	Real estate leasing business

(Note) *Operating revenue* is converted into yen using the foreign exchange rate prevailing at the time the transaction occurred (monthly average spot exchange rate for the month directly preceding the month in which the transaction took place).

Per Unit Information

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Net assets per unit	¥115,675	¥115,730
Net income per unit	¥3,283	¥3,370

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

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

	Previous fiscal period (From August 1, 2021, to January 31, 2022)	Current fiscal period (From February 1, 2022, to July 31, 2022)
Net income (Thousands of yen)	6,660,669	6,889,936
Amount not attributable to common unitholders (Thousands of yen)	–	–
Net income attributable to common investment units (Thousands of yen)	6,660,669	6,889,936
Average number of investment units for the period (Units)	2,028,344	2,044,467

Significant Subsequent Events

Not applicable.

Omission of Disclosure

AEON REIT omits the disclosure of notes to lease transactions, securities, retirement benefits, share of profit or loss of entities accounted for using equity method and related-party transactions as it does not find substantial need for disclosure in the Financial Report.

(10) Changes in Total Number of Investment Units Issued

Changes in the total number of investment units issued and the total unitholders' capital of AEON REIT in the last five years are as follows:

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Millions of yen) (Note 1)		Remarks
		Change	Balance	Change	Balance	
September 27, 2017	Capital increase through public offering	134,700	1,770,612	14,424	191,451	(Note 2)
October 24, 2017	Capital increase through third-party allotment	6,735	1,777,347	721	192,172	(Note 3)
September 3, 2019	Capital increase through public offering	91,400	1,868,747	11,805	203,977	(Note 4)
October 1, 2019	Capital increase through third-party allotment	4,570	1,873,317	590	204,568	(Note 5)
August 17, 2021	Capital increase through public offering	163,000	2,036,317	23,729	228,297	(Note 6)
September 14, 2021	Capital increase through third-party allotment	8,150	2,044,467	1,186	229,484	(Note 7)

(Note 1) Difference between unitholders' capital and the amount of deduction from unitholders' capital is indicated.

(Note 2) New investment units were issued through public offering with an issue price per unit of ¥110,662 (issue value: ¥107,086), for the purpose of procuring funds to acquire new properties.

(Note 3) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥107,086.

(Note 4) New investment units were issued through public offering with an issue price per unit of ¥133,477 (issue value: ¥129,164), for the purpose of procuring funds to acquire new properties.

(Note 5) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥129,164.

(Note 6) New investment units were issued through public offering with an issue price per unit of ¥150,442 (issue value: ¥145,581), for the purpose of procuring funds to repay borrowings used to fund acquisition of new properties.

(Note 7) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥145,581.

3. Reference Information

(1) Status of Investment

i) Composition of assets

Type of assets	Property type	Region (Note 1)	Previous fiscal period (As of January 31, 2022)					Current fiscal period (As of July 31, 2022)				
			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 (%)	
Trust beneficiary rights in real estate	Retail properties, etc.	Hokkaido and Tohoku	28,424	6.6	–	–	–	28,299	6.5	–	–	–
		Kanto (Note 5)	151,673	35.1	–	–	–	150,529	34.6	–	–	–
		Tokai, Hokuriku and Chubu	61,235	14.2	–	–	–	60,281	13.9	–	–	–
		Kinki	85,821	19.8	–	–	–	85,079	19.6	–	–	–
		Chugoku and Shikoku	28,108	6.5	–	–	–	28,062	6.5	–	–	–
		Kyushu and Okinawa	43,525	10.1	–	–	–	43,238	9.9	–	–	–
		Malaysia	602	0.1	602	(94)	0.1	596	0.1	596	(38)	0.1
Total			399,392	92.3	602	(94)	0.1	396,087	91.1	596	(38)	0.1
Shares of subsidiaries and associates (Note 6)			6,078	1.4	6,078	545	1.4	6,078	1.4	6,078	1,191	1.4
Deposits and other assets			27,232	6.3	15	–	0.0	32,468	7.5	16	–	0.0
Total assets			432,702	100.0	6,696	451	1.5	434,634	100.0	6,691	1,153	1.5

	Previous fiscal period (As of January 31, 2022)		Current fiscal period (As of July 31, 2022)	
	Amount (Millions of yen)	Percentage to total assets (%)	Amount (Millions of yen)	Percentage to total assets (%)
Total liabilities	196,207	45.3	198,027	45.6
Total net assets	236,495	54.7	236,607	54.4

(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 trust beneficiary rights in real estate, book value less depreciation expenses) as of the end of the fiscal period.

(Note 3) *Unrealized gain (loss) on valuation of foreign currency* as of January 31, 2022, represents the amount obtained by subtracting the book value at end of 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 end of period which has been converted to Japanese yen based on the exchange rate as of the end of the fiscal period (January 31, 2022). The applied exchange rate on the closing date (January 31, 2022) is RM 1 = ¥27.58 (rounded down to the second decimal place).

(Note 4) *Unrealized gain (loss) on valuation of foreign currency* as of July 31, 2022, represents the amount obtained by subtracting the book value at end of 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 end of period which has been converted to Japanese yen based on the exchange rate as of the end of the fiscal period (July 31, 2022). As the closing date (July 31, 2022) was not a business day, the exchange rate on the immediately preceding business day (July 29, 2022) of RM 1 = ¥30.27 (rounded down to the second decimal place) is applied.

(Note 5) “AEON MALL Mitouchihara,” located in “Kanto,” includes, in addition to the trust beneficiary rights in real estate portion, a real estate portion (adjacent land portion that was additionally acquired on April 28, 2015; the balance sheet carrying amount is ¥108 million).

(Note 6) *Shares of subsidiaries and associates* represents stocks issued by overseas real estate holding corporations defined in Article 221-2, Paragraph 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations.

ii) Major investment securities

Investment securities held by AEON REIT as of the end of the current period are as follows.

Security name	Type of assets	Business type	Quantity (shares)	Book value		Estimated value (Note)		As a percentage of total assets (%)
				Unit value (yen)	Amount (Thousands of yen)	Unit value (yen)	Amount (Thousands of yen)	
JAMBATAN MANSEIBASHI (M) Sdn. Bhd.	Shares of affiliate company	Overseas real estate holding corporation	239,110,002	25.42 (RM 1)	6,078,453 (RM 240,185,002)	25.42 (RM 1)	6,078,453 (RM 240,185,002)	1.4

(Note) The *Estimated value* of the stocks of the affiliate in question represents the acquisition value since it was no market prices.

Investment ratio by asset type and business type

Type	Region	Business type	As a percentage of total assets (%)
Shares of affiliate company	Malaysia	Overseas real estate holding corporation	1.4
Total			1.4

iii) Investment properties

A summary of the properties held by AEON REIT is provided for the convenience of readers in “iv) Other main investment assets” below.

iv) Other main investment assets

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

The summary of real estate, etc., held by AEON REIT as of July 31, 2022 (the end of the 19th fiscal period) (including real estate AEON REIT owns through the Overseas SPC) 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	17,737	23,700	4.7	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze (Note 4)	6,730	5,436	7,800	1.5	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	5,340	5,016	6,950	1.2	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	6,680	5,536	6,990	1.5	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara (Note 5)	16,565	13,027	17,716	3.7	AEON Mall Co., Ltd. Mito City, Ibaraki Pref.
RSC-4	AEON MALL Ota	6,860	6,009	8,210	1.5	Tokyo Century Corporation
RSC-5	AEON Sagamihara Shopping Center	10,220	9,480	11,000	2.3	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	4,950	3,209	4,880	1.1	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	9,660	9,045	10,500	2.2	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	3,290	3,125	3,920	0.7	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	7,230	5,574	7,720	1.6	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	7,780	6,143	8,430	1.7	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	17,890	16,192	19,900	4.0	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	8,740	5,727	8,850	2.0	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata (Note 6)	12,546	10,237	14,200	2.8	Tokyo Century Corporation AEON Mall Co., Ltd.
RSC-15	AEON MALL KYOTO	21,470	19,019	22,300	4.8	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	5,900	5,014	6,200	1.3	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	1,780	1,736	1,890	0.4	Forester Special Purpose Company
RSC-18	AEON MALL Shinrifu North Wing (Note 7)	2,560	2,810	2,280	0.6	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata-Minami	1,350	1,200	1,480	0.3	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	2,210	2,173	2,440	0.5	Forester Special Purpose Company
RSC-21	AEON MALL Yamatokoriyama (Note 8)	14,452	12,472	14,700	3.2	AEON Mall Co., Ltd.
RSC-22	AEON MALL Chiba Newtown (mall, and cinema and sports complex)	12,190	11,113	11,900	2.7	Tokyo Century Corporation
RSC-23	AEON MALL Kofu Showa (Note 9)	15,489	13,938	17,200	3.5	AEON Mall Co., Ltd. Showa-cho Joei Land Readjustment Association
RSC-24	AEON MALL Tomakomai	7,840	6,984	8,180	1.8	Mevius Gamma Special Purpose Company
RSC-25	AEON MALL Oyama	6,280	5,449	6,220	1.4	AEON Retail Co., Ltd.
RSC-26	AEON MALL Itamikoya	16,860	15,049	17,600	3.8	AEON Retail Co., Ltd.
RSC-27	AEON MALL Kagoshima	13,400	12,007	13,400	3.0	AEON Retail Co., Ltd.
RSC-28	AEON MALL Tsuchiura	12,030	10,473	12,600	2.7	AEON Retail Co., Ltd.
RSC-29	AEON MALL Kahoku	9,940	8,131	10,800	2.2	AEON Retail Co., Ltd.
RSC-30	AEON MALL Shimotsuma	9,552	8,518	10,000	2.1	Godo Kaisha Double O2
RSC-31	AEON MALL Kyoto Gojo	13,333	12,827	13,900	3.0	Godo Kaisha Double O3
RSC-32	AEON MALL Fukutsu	18,040	17,300	18,300	4.0	Undisclosed (Note 10)
RSC-33	AEON MALL Tamadaira woods	9,667	9,355	10,200	2.2	Undisclosed (Note 10)
RSC-34	AEON MALL Takasaki	17,164	16,913	17,500	3.8	Undisclosed (Note 10)
RSC-35	AEON MALL Narita	14,001	13,968	14,200	3.1	Godo Kaisha Double O6
RSC-36	AEON MALL Shinkomatsu	15,350	15,259	15,600	3.4	ASM2 Godo Kaisha
RSC-37	AEON MALL Sagayamato	3,720	3,692	3,830	0.8	Undisclosed (Note 10)
CSC-1	AEON Chigasaki-Chuo Shopping Center	6,410	6,496	6,580	1.4	Sumitomo Mitsui Finance & Leasing Co., Ltd.
CSC-2	AEON STYLE Kemigawahama	3,748	3,268	3,920	0.8	AEON Retail Co., Ltd.
CSC-3	AEON Kireuriwari Shopping Center	4,394	4,141	4,760	1.0	Godo Kaisha Double O2
CSC-4	AEON Ueda Shopping Center	5,350	5,398	5,840	1.2	Godo Kaisha Double O5
L-1	Daiei-Kawasaki Process Center	14,280	13,279	15,800	3.2	Tokyo Century Corporation
L-2	AEON Minami-Osaka RDC	9,870	9,244	11,500	2.2	Tokyo Century Corporation
L-3	Daiei Ibaraki Process Center	6,810	6,751	8,140	1.5	Tokyo Century Corporation

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
M-1	AEON Taman Universiti Shopping Centre (Note 11)	658 [RM 20 million]	596 [RM 18 million]	632 [RM 20 million]	0.1	AEON CO. (M) BHD.
M-2	AEON MALL SEREMBAN 2 (Note 12)	5,252 [RM 215 million]	–	7,173 [RM 237 million]	1.2	Swiss Advanced Technology Institute(M) Sdn. Bhd.
	Total	447,023	396,087 (Note 13)	477,832	100.0	

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

(Note 2) *Assessed value at end of period* represents the appraisal value shown on the appraisal report of property as of the valuation date of July 31, 2022, 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 first decimal place.

(Note 4) AEON REIT holds 40% of each trust beneficiary right in real estate 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 AEON REIT’s pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the trust beneficiary rights in real estate (40% for each property).

(Note 5) This property includes, in addition to the trust beneficiary rights in real estate portion, a real estate portion (adjacent land portion that was additionally acquired on April 28, 2015; the acquisition price is ¥105 million, the book value at the end of the period is ¥108 million, and the assessed value at the end of the period is ¥116 million).

(Note 6) For this property *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the amounts and figures that reflect the land AEON REIT additionally acquired as of February 25, 2021.

(Note 7) AEON MALL Shinrifu North Wing was renamed from AEON MALL Rifu in July 2021.

(Note 8) *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the price and figures that reflect the sale of part of its land as announced in “Notice of Disposition of Part of Land of Domestic Property (AEON MALL Yamatokoriyama)” dated March 24, 2021.

(Note 9) For this property *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the amounts and figures that include the “Extended Building” AEON REIT additionally acquired as of September 3, 2018.

(Note 10) The seller is not disclosed due to inevitable reasons, as AEON REIT has not obtained consent for disclosure from the seller.

(Note 11) *Acquisition price* represents the total yen amount of the considerations actually paid by AEON REIT 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 RM 1, rounded down to the second decimal place.

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*, expenses incurred on the acquisition of the property (related expenses) and capital expenditures. For related expenses and capital expenditures paid in Japanese yen, the paid amount has been added to the *Acquisition price*, while for related expenses and capital expenditures 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*.

AEON REIT holds the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate of AEON Taman Universiti Shopping Centre (rights to the trust for part of AEON Taman Universiti Shopping Centre located in Johor, Malaysia; the same shall apply hereinafter). *Assessed value at end of period* describes the amount for the appraisal value shown on the appraisal report of property as of the valuation date of July 31, 2022, or survey price shown on a survey report of property, equivalent to AEON REIT’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 beneficiary rights in real estate. The amount of *Assessed value at end of period* has been converted to the yen using the exchange rate of the closing date (July 31, 2022), although practically using the exchange rate (RM 1 = ¥30.27; rounded down to the second decimal place) on July 29, 2022, which is the business day immediately preceding the closing date, as the closing date was not a business day.

(Note 12) The amount of *Acquisition price* indicates the value at which AEON REIT acquired AEON MALL SEREMBAN 2 from the seller through the Overseas SPC (the sale price, etc. stated in the sale agreement, etc., excluding the expenses (brokerage commissions, taxes and dues, etc.) that were required for the acquisition of AEON MALL SEREMBAN 2). The exchange rate used at the time of acquisition on September 30, 2016 (RM 1 = ¥24.43; rounded down to the second decimal place) is applied for the conversion from RM to Japanese yen.

Book value at end of period is not indicated as AEON REIT does not directly own the property. The amount of *Assessed value at end of period* has been converted to the yen using the exchange rate of the closing date (July 31, 2022), although practically using the exchange rate (RM 1 = ¥30.27; rounded down to the second decimal place) on July 29, 2022, which is the business day immediately preceding the closing date, as the closing date was not a business day.

(Note 13) The total amount excludes AEON MALL SEREMBAN 2 that AEON REIT owns through the Overseas SPC.

(B) Overview of lease

The overview of lease (annual contracted rent, leasehold and security deposits, total leasable area, total leased area, and occupancy rate as of July 31, 2022) of real estate, etc., held by AEON REIT as of the end of the current fiscal period (July 31, 2022) is shown below.

Property type	Property number	Property name	Location	Date of construction	Annual contracted rent (Millions of yen)	Leasehold and security deposits (Millions of yen)	Total leasable area (m ²) (Note 1)	Total leased area (m ²)	Occupancy rate (%)
Retail properties, etc.	SRSC-1	AEON LakeTown mori (Note 2)	Koshigaya City, Saitama Pref.	September 9, 2008	679	685	205,711.70	205,711.70	100.0
	SRSC-2	AEON LakeTown kaze (Note 2)	Koshigaya City, Saitama Pref.	September 9, 2008	336	330	127,183.81	127,183.81	100.0
	RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	July 23, 2003	368	338	98,968.59	98,968.59	100.0
	RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	March 2, 2007	351	354	60,682.20	60,682.20	100.0
	RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki Pref.	November 8, 2005	720 (Note 3)	726 (Note 3)	159,997.49	159,997.49	100.0
	RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	November 17, 2003	480	476	93,165.27	93,165.27	100.0
	RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	August 9, 1993	417	420	75,056.62	75,056.62	100.0
	RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	March 29, 2007	324	330	64,246.26	64,246.26	100.0
	RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	November 12, 1996	458	446	125,253.74	125,253.74	100.0
	RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	August 6, 2001	217	214	44,193.80	44,193.80	100.0
	RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	October 3, 2008	324	328	48,229.25	48,229.25	100.0
	RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	March 8, 1999	428	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	453	460	113,149.07	113,149.07	100.0
	RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	April 4, 2005	546	545	151,969.51	151,969.51	100.0
	RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	January 7, 2010	718	698	136,468.45	136,468.45	100.0
	RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	November 10, 2000	447	–	78,360.81	78,360.81	100.0
	RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	September 13, 2000	230	–	51,763.05	51,763.05	100.0
	RSC-18	AEON MALL Shinrifu North Wing (Note 4)	Miyagi County, Miyagi Pref.	April 18, 2000	208	–	66,478.91	66,478.91	100.0
	RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata Pref.	November 17, 2000	160	–	53,502.94	53,502.94	100.0
	RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie Pref.	January 23, 2001	232	–	41,447.33	41,447.33	100.0
	RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara Pref.	February 16, 2010	897	768	105,230.88	105,230.88	100.0
	RSC-22	AEON MALL Chiba Newtown (mall, and cinema and sports complex)	Inzai City, Chiba Pref.	April 17, 2006	401	403	107,425.97	107,425.97	100.0
	RSC-23	AEON MALL Kofu Showa (Note 5)	Nakakoma County, Yamanashi Pref.	March 11, 2011	671	643	99,772.38	99,772.38	100.0
RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido Pref.	April 8, 2005	342	–	71,308.33	71,308.33	100.0	

Property type	Property number	Property name	Location	Date of construction	Annual contracted rent (Millions of yen)	Leasehold and security deposits (Millions of yen)	Total leasable area (m ²) (Note 1)	Total leased area (m ²)	Occupancy rate (%)
Retail properties, etc.	RSC-25	AEON MALL Oyama	Oyama City, Tochigi Pref.	April 18, 1997	280	279	47,872.33	47,872.33	100.0
	RSC-26	AEON MALL Itamikoya	Itami City, Hyogo Pref.	February 2, 2011	845	851	122,944.71	122,944.71	100.0
	RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima Pref.	September 12, 2007	588	–	132,341.35	132,341.35	100.0
	RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki Pref.	May 19, 2009	531	536	86,848.51	86,848.51	100.0
	RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa Pref.	September 30, 2008	489	492	70,948.14	70,948.14	100.0
	RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki Pref.	November 17, 1997	386	–	58,402.66	58,402.66	100.0
	RSC-31	AEON MALL Kyoto Gojo	Kyoto City, Kyoto Pref.	January 21, 2004	437	–	87,311.56	87,311.56	100.0
	RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka Pref.	April 20, 2012	621	628	100,020.87	100,020.87	100.0
	RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	November 17, 2014	578	284	66,575.54	66,575.54	100.0
	RSC-34	AEON MALL Takasaki	Takasaki City, Gunma Pref.	October 16, 2006	733	722	126,403.58	126,403.58	100.0
	RSC-35	AEON MALL Narita	Narita City, Chiba Pref.	March 15, 2000	569	–	122,785.62	122,785.62	100.0
	RSC-36	AEON MALL Shinkomatsu	Komatsu City, Ishikawa Pref.	February 27, 2017	718	–	79,509.27	79,509.27	100.0
	RSC-37	AEON MALL Sagayamato	Saga City, Saga Pref.	September 1, 2000	176	105	68,942.36	68,942.36	100.0
	CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa Pref.	October 13, 2000	224	223	63,158.24	63,158.24	100.0
	CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba Pref.	November 20, 1991	174	177	29,947.62	29,947.62	100.0
	CSC-3	AEON Kireuiwari Shopping Center	Osaka City, Osaka Pref.	November 21, 2005	173	–	27,603.46	27,603.46	100.0
	CSC-4	AEON Ueda Shopping Center	Ueda City, Nagano Pref.	June 30, 2004	224	–	61,349.07	61,349.07	100.0
	L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa Pref.	April 22, 1997	489	269	59,265.77	59,265.77	100.0
	L-2	AEON Minami-Osaka RDC	Sakai City, Osaka Pref.	April 25, 1995	289	144	50,197.06	50,197.06	100.0
	L-3	Daiei Ibaraki Process Center	Ibaraki City, Osaka Pref.	June 14, 1977	251	263	50,783.58	50,783.58	100.0
M-1	AEON Taman Universiti Shopping Centre (Note 6)	Johor, Malaysia	2002	22 [RM 791 thousand]	–	22,870.00	22,870.00	100.0	
M-2	AEON MALL SEREMBAN 2 (Note 7)	Negeri Sembilan, Malaysia	2005	227 [RM 7,752 thousand]	–	81,135.00	81,135.00	100.0	
Total					20,193 (Note 8)	14,322	4,056,102.68	4,056,102.68	100.0

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

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

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

(Note 4) AEON MALL Shinrifu North Wing was renamed from AEON MALL Rifu in July 2021.

(Note 5) Annual contracted rent, Leasehold and security deposits, Total leasable area, Total leased area and Occupancy rate of AEON MALL Kofu Showa represent the amounts and figures that include those of the “Extended Building” AEON REIT additionally acquired as of September 3, 2018. Furthermore, the date of construction of the “Extended Building” is November 20, 2017.

(Note 6) Date of construction represents the completion year noted in the Building Status Report prepared by Takenaka Corporation. AEON REIT holds the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate of AEON Taman Universiti Shopping Centre. Annual contracted rent describes the figure equivalent to AEON REIT’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 beneficiary rights in real estate. *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 building floor area as indicated in the Building Status Report prepared by Takenaka Corporation or the building floor area as indicated in the real estate appraisal report prepared by the Japan Real Estate Institute.

(Note 7) AEON REIT owns the property through the Overseas SPC. For annual contracted rent, the figure has been converted to Japanese yen based on the period-average exchange rate (RM 1 = ¥29.36; rounded down to the second decimal place).

(Note 8) The total amount of annual contracted rent is calculated by including AEON MALL SEREMBAN 2 that AEON REIT owns through the Overseas SPC. Accordingly, the total amount of annual contracted rent in the above table does not match the rent revenue - real estate of AEON REIT.

(C) Summary of real estate appraisal

The summary of real estate appraisal (appraisal value; income approach value and capitalization rate based on direct capitalization method; income approach value based on DCF method; discount rate, terminal capitalization rate and NOI) for the already acquired properties (including real estate AEON REIT owns through the Overseas SPC) as of the end of the 19th fiscal period (July 31, 2022) is shown below.

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Income approach value					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.	23,700	24,100	4.7	23,500	4.7 4.8 (Note 4)	4.9	1,151
SRSC-2	AEON LakeTown kaze (Note 3)	The Tanizawa Sōgō Appraisal Co., Ltd.	7,800	8,000	5.1	7,720	5.0 5.1 (Note 4)	5.4	423
RSC-1	AEON MALL Morioka	Japan Real Estate Institute	6,950	7,000	6.5	6,900	6.1	6.7	526
RSC-2	AEON MALL Ishinomaki	Japan Real Estate Institute	6,990	7,090	6.2	6,890	5.9	6.5	467
RSC-3	AEON MALL Mitouchihara (Trust beneficiary rights in real estate) (Note 5)	Japan Real Estate Institute	17,600	17,700	5.9	17,400	5.5	6.1	1,105
	AEON MALL Mitouchihara (Land) (Note 5)	Japan Real Estate Institute	116	—	—	116	5.2	—	—
RSC-4	AEON MALL Ota	Japan Real Estate Institute	8,210	8,260	6.3	8,150	5.8	6.5	589
RSC-5	AEON Sagamihara Shopping Center	Japan Real Estate Institute	11,000	11,100	5.2	10,900	4.9	5.4	668
RSC-6	AEON MALL Ogaki	Japan Real Estate Institute	4,880	4,900	7.1	4,860	6.2	7.8	378
RSC-7	AEON MALL Suzuka	Japan Real Estate Institute	10,500	10,600	6.1	10,400	5.7	6.5	785
RSC-8	AEON MALL Meiwa	The Tanizawa Sōgō Appraisal Co., Ltd.	3,920	4,030	6.4	3,870	6.3 6.4 (Note 4)	6.7	294
RSC-9	AEON MALL Kasai-Hojo	Japan Real Estate Institute	7,720	7,750	6.7	7,680	6.4	6.9	535
RSC-10	AEON MALL Hiezu	Japan Real Estate Institute	8,430	8,490	6.7	8,370	6.3	7.0	607
RSC-11	AEON MALL Kurashiki	Japan Real Estate Institute	19,900	20,100	6.0	19,700	5.7	6.2	1,279
RSC-12	AEON MALL Ayagawa	Japan Real Estate Institute	8,850	8,940	6.4	8,760	6.0	6.7	610
RSC-13	AEON MALL Nogata (Note 6)	Japan Real Estate Institute	14,200	14,300	6.1	14,000	5.8	6.3	949
RSC-15	AEON MALL KYOTO	Japan Real Estate Institute	22,300	22,500	4.7	22,000	4.4	4.9	1,088
RSC-16	AEON MALL Sapporo-Hiraoka	The Tanizawa Sōgō Appraisal Co., Ltd.	6,200	6,400	6.1	6,110	6.1 6.2 (Note 4)	6.4	443
RSC-17	AEON MALL Kushiro-Showa	The Tanizawa Sōgō Appraisal Co., Ltd.	1,890	1,970	6.7	1,860	6.7 6.8 (Note 4)	7.0	180
RSC-18	AEON MALL Shinriku North Wing (Note 7)	The Tanizawa Sōgō Appraisal Co., Ltd.	2,280	2,360	6.3	2,250	6.3 6.4 (Note 4)	6.6	220

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Income approach value					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 (%)	
RSC-19	AEON MALL Yamagata-Minami	The Tanizawa Sōgō Appraisal Co., Ltd.	1,480	1,540	6.5	1,460	6.5 6.6 (Note 4)	6.8	140
RSC-20	AEON MALL Yokkaichi-Kita	The Tanizawa Sōgō Appraisal Co., Ltd.	2,440	2,540	6.1	2,400	6.1 6.2 (Note 4)	6.4	215
RSC-21	AEON MALL Yamatokoriyama (Note 8)	Japan Real Estate Institute	14,700	14,800	5.6	14,500	5.1	5.8	884
RSC-22	AEON MALL Chiba Newtown (mall, and cinema and sports complex)	Japan Real Estate Institute	11,900	12,000	4.8	11,700	4.5	5.0	626
RSC-23	AEON MALL Kofu Showa (Note 9)	Japan Real Estate Institute	17,200	17,300	5.6	17,100	5.1	5.8	989
RSC-24	AEON MALL Tomakomai	The Tanizawa Sōgō Appraisal Co., Ltd.	8,180	8,300	5.8	8,130	5.8 5.9 (Note 4)	6.0	530
RSC-25	AEON MALL Oyama	Japan Real Estate Institute	6,220	6,250	6.6	6,190	6.3	6.8	452
RSC-26	AEON MALL Itamikoya	Japan Real Estate Institute	17,600	17,900	5.6	17,300	5.1	5.8	1,025
RSC-27	AEON MALL Kagoshima	The Tanizawa Sōgō Appraisal Co., Ltd.	13,400	13,700	5.9	13,300	5.9 6.0 (Note 4)	6.2	879
RSC-28	AEON MALL Tsuchiura	Japan Real Estate Institute	12,600	12,700	6.2	12,500	5.7	6.4	801
RSC-29	AEON MALL Kahoku	Japan Real Estate Institute	10,800	10,800	6.8	10,700	6.3	7.0	761
RSC-30	AEON MALL Shimotsuma	Japan Real Estate Institute	10,000	10,100	6.5	9,980	5.9	6.5	656
RSC-31	AEON MALL Kyoto Gojo	The Tanizawa Sōgō Appraisal Co., Ltd.	13,900	14,200	4.8	13,800	4.8 4.9 (Note 4)	5.0	723
RSC-32	AEON MALL Fukutsu	The Tanizawa Sōgō Appraisal Co., Ltd.	18,300	18,600	5.4	18,100	5.4 5.5 (Note 4)	5.6	1,021
RSC-33	AEON MALL Tamadaira woods	The Tanizawa Sōgō Appraisal Co., Ltd.	10,200	10,700	4.9	9,940	4.9 5.0 (Note 4)	5.2	538
RSC-34	AEON MALL Takasaki	Daiwa Real Estate Appraisal Co., Ltd.	17,500	17,800	5.3	17,300	4.9	5.6	991
RSC-35	AEON MALL Narita	Daiwa Real Estate Appraisal Co., Ltd.	14,200	14,600	4.7	14,000	4.5	4.9	785
RSC-36	AEON MALL Shinkomatsu (Note 10)	The Tanizawa Sōgō Appraisal Co., Ltd.	15,600	16,100	—	15,400	6.3 6.4 (Note 4)	—	1,056
RSC-37	AEON MALL Sagayamato	The Tanizawa Sōgō Appraisal Co., Ltd.	3,830	3,960	6.2	3,770	6.2 6.3 (Note 4)	6.5	244
CSC-1	AEON Chigasaki-Chuo Shopping Center	Japan Real Estate Institute	6,580	6,620	5.0	6,530	4.7	5.2	357
CSC-2	AEON STYLE Kemigawahama	Japan Real Estate Institute	3,920	3,950	6.1	3,880	5.6	6.3	270
CSC-3	AEON Kireuriwari Shopping Center	The Tanizawa Sōgō Appraisal Co., Ltd.	4,760	4,910	5.1	4,700	5.1 5.2 (Note 4)	5.4	250
CSC-4	AEON Ueda Shopping Center	Japan Real Estate Institute	5,840	5,870	6.5	5,810	6.2	6.7	381

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Income approach value					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 (%)	
L-1	Daiei-Kawasaki Process Center	Japan Real Estate Institute	15,800	16,000	4.5	15,600	3.9	4.9	766
L-2	AEON Minami-Osaka RDC	Japan Real Estate Institute	11,500	11,700	4.4	11,300	4.1	4.7	521
L-3	Daiei Ibaraki Process Center	Japan Real Estate Institute	8,140	8,200	4.5	8,070	4.2	4.7	412
M-1	AEON Taman Universiti Shopping Centre (Note 11)	Japan Real Estate Institute	632 [RM 20 million]	–	–	632 [RM 20 million]	6.5	7.3	45 [RM 1 million]
M-2	AEON MALL SEREMBAN 2 (Note 11) (Note 12)	Japan Real Estate Institute	7,173 [RM 237 million]	–	–	7,173 [RM 237 million]	6.0	6.5	435 [RM 14 million]
Total			477,832	–	–	472,702	–	–	–

(Note 1) *Appraisal value* represents the appraisal value indicated in the appraisal report with the valuation date of July 31, 2022, or the survey value indicated in the real estate survey report.

(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 value*, *price based on direct capitalization method*, *price based on DCF method*, and *NOI* describe AEON REIT's pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the trust beneficiary rights in real estate (40% for each property).

(Note 4) Discount rates for AEON LakeTown mori are 4.7% during the initial year and 4.8% from the second year.
Discount rates for AEON LakeTown kaze are 5.0% during the initial year and 5.1% from the second year.
Discount rates for AEON MALL Meiwa are 6.3% during the initial year and 6.4% from the fourth year.
Discount rates for AEON MALL Sapporo-Hiraoka are 6.1% during the initial year and 6.2% from the second year.
Discount rates for AEON MALL Kushiro-Showa are 6.7% during the initial two years and 6.8% from the third year.
Discount rates for AEON MALL Shinrifu North Wing are 6.3% during the initial five years and 6.4% from the sixth year.
Discount rates for AEON MALL Yamagata-Minami are 6.5% during the initial year and 6.6% from the second year.
Discount rates for AEON MALL Yokkaichi-Kita are 6.1% during the initial two years and 6.2% from the third year.
Discount rates for AEON MALL Tomakomai are 5.8% during the initial seven years and 5.9% from the eighth year.
Discount rates for AEON MALL Kagoshima are 5.9% during the initial two years and 6.0% from the third year.
Discount rates for AEON MALL Kyoto Gojo are 4.8% during the initial four years and 4.9% from the fifth year.
Discount rates for AEON MALL Fukutsu are 5.4% during the initial four years and 5.5% from the fifth year.
Discount rates for AEON MALL Tamadaira woods are 4.9% during the initial two years and 5.0% from the third year.
Discount rates for AEON MALL Shinkomatsu are 6.3% during the initial seven years and 6.4% from the eighth year.
Discount rates for AEON MALL Sagayamato are 6.2% during the initial nine years and 6.3% from the tenth year.
Discount rates for AEON Kireuiwari Shopping Center are 5.1% during the initial five years and 5.2% from the sixth year.

(Note 5) For AEON MALL Mitouchihara, there exist both a portion of trust beneficiary rights in real estate and a real estate portion, and as AEON REIT has obtained separate appraisal report for each, these have been entered separately.

(Note 6) For AEON MALL Nogata, AEON REIT additionally acquired land as of February 25, 2021.

(Note 7) AEON MALL Shinrifu North Wing was renamed from AEON MALL Rifu in July 2021.

(Note 8) For AEON MALL Yamatokoriyama, the amounts and figures are indicated by reflecting the sale of part of its land as announced in "Notice of Disposition of Part of Land of Domestic Property (AEON MALL Yamatokoriyama)" dated March 24, 2021.

(Note 9) For AEON MALL Kofu Showa, the amounts and figures are indicated combined with those of the Extended Building AEON REIT additionally acquired on September 3, 2018.

(Note 10) For AEON MALL Shinkomatsu, the price based on direct capitalization method is estimated by the capitalization method over a definite term (revised Inwood method), in consideration of such facts that the right of use of the land is fixed-term sub-leasehold interest for business purposes and thus its profit-earning period is limited.

(Note 11) Pursuant to the local appraisal methodology, the evaluation of the appraisal value of AEON Taman Universiti Shopping Centre and AEON MALL SEREMBAN 2 has been entrusted to Japan Real Estate Institute. *Appraisal value* of AEON Taman Universiti Shopping Centre is based on the appraisal value as indicated on the appraisal report as of the valuation date of July 31, 2022, and shows the amount equivalent to the rights (18.18%) similar to the co-ownership right (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate in Malaysia for AEON Taman Universiti Shopping Centre. The prices and NOI in *Income approach value* are based on the value, etc. calculated by the standard income approach applied in Malaysia to real estate for investment (the investment method), and shows the

amounts equivalent to the rights (18.18%) similar to the co-ownership right (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate for AEON Taman Universiti Shopping Centre. *Appraisal value* of AEON MALL SEREMBAN 2 shows the appraisal value as indicated on the appraisal report as of the valuation date of July 31, 2022. The amounts indicated in yen in *Appraisal value* and the prices and NOI in *Income approach value* have been converted to the yen using the exchange rate of the closing date (July 31, 2022), although practically using the exchange rate (RM 1 = ¥30.27; rounded down to the second decimal place) on July 29, 2022, which is the business day immediately preceding the closing date, as the closing date was not a business day.

(Note 12) The property is owned by AEON REIT through the Overseas SPC.

(D) Statements of income of individual properties

19th fiscal period (From February 1, 2022, to July 31, 2022)

(Unit: Thousands of yen)

Property number	SRSC-1	SRSC-2	RSC-1	RSC-2	RSC-3
Property name	AEON LakeTown mori	AEON LakeTown kaze	AEON MALL Morioka	AEON MALL Ishinomaki	AEON MALL Mitouchihara
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	679,341	336,914	368,027	351,620	720,466
Rent revenue—real estate	679,341	336,914	368,027	351,620	720,466
(B) Expenses related to real estate leasing business	125,347	135,198	119,998	128,716	168,454
Property and facility management fees (Note 1)	1,826	1,284	1,820	1,790	1,400
Taxes and dues	79,348	31,184	41,980	45,799	71,394
Insurance expenses	7,788	5,557	5,063	3,373	8,805
Repairs and maintenance expenses	36,254	16,490	21,365	23,031	10,862
Land rent paid	16	78,959	49,748	54,704	75,121
Utilities	—	—	—	—	—
Other expenses related to rent business	113	1,721	20	18	870
(C) NOI (A – B)	553,993	201,715	248,028	222,903	552,011
(D) Depreciation	207,614	96,203	86,317	82,242	126,381
(E) Income from leasing business (C – D)	346,379	105,512	161,710	140,661	425,630
(F) Capital expenditures	—	25,675	58,726	—	2,257
(G) NCF (C – F)	553,993	176,040	189,301	222,903	549,754

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-4	RSC-5	RSC-6	RSC-7	RSC-8
Property name	AEON MALL Ota	AEON Sagamihara Shopping Center	AEON MALL Ogaki	AEON MALL Suzuka	AEON MALL Meiwa
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	480,813	417,774	324,116	458,637	217,452
Rent revenue—real estate	480,813	417,774	324,116	458,637	217,452
(B) Expenses related to real estate leasing business	196,806	111,803	139,329	92,452	84,722
Property and facility management fees (Note 1)	1,400	1,400	1,760	1,850	1,850
Taxes and dues	37,225	74,062	31,338	52,251	20,454
Insurance expenses	4,627	6,492	3,234	6,723	1,819
Repairs and maintenance expenses	20,925	29,828	8,784	26,469	22,913
Land rent paid	132,591	—	94,212	—	37,567
Utilities	—	—	—	—	—
Other expenses related to rent business	38	19	—	5,158	117
(C) NOI (A – B)	284,006	305,971	184,786	366,185	132,730
(D) Depreciation	92,651	95,789	106,263	132,636	42,377
(E) Income from leasing business (C – D)	191,355	210,182	78,523	233,548	90,352
(F) Capital expenditures	95,005	144,843	16,079	95,898	—
(G) NCF (C – F)	189,000	161,128	168,707	270,286	132,730

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-9	RSC-10	RSC-11	RSC-12	RSC-13
Property name	AEON MALL Kasai-Hojo	AEON MALL Hiezu	AEON MALL Kurashiki	AEON MALL Ayagawa	AEON MALL Nogata
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	324,280	428,759	741,643	453,909	546,181
Rent revenue—real estate	324,280	428,759	741,643	453,909	546,181
(B) Expenses related to real estate leasing business	63,343	164,717	197,563	158,858	128,777
Property and facility management fees (Note 1)	1,850	1,850	1,850	1,850	1,850
Taxes and dues	39,748	40,692	91,721	51,204	59,687
Insurance expenses	2,261	5,600	9,371	5,512	10,701
Repairs and maintenance expenses	9,605	44,461	94,546	15,332	56,524
Land rent paid	9,677	72,092	—	84,915	—
Utilities	—	—	—	—	—
Other expenses related to rent business	201	21	73	43	13
(C) NOI (A – B)	260,936	264,041	544,079	295,050	417,403
(D) Depreciation	95,474	151,000	220,754	184,777	163,114
(E) Income from leasing business (C – D)	165,462	113,041	323,324	110,273	254,288
(F) Capital expenditures	—	54,520	455,599	734	250,280
(G) NCF (C – F)	260,936	209,521	88,480	294,316	167,122

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-15	RSC-16	RSC-17	RSC-18	RSC-19
Property name	AEON MALL KYOTO	AEON MALL Sapporo-Hiraoka	AEON MALL Kushiro-Showa	AEON MALL Shinriku North Wing	AEON MALL Yamagata-Minami
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	718,720	447,589	230,484	208,285	160,728
Rent revenue—real estate	718,720	447,589	230,484	208,285	160,728
(B) Expenses related to real estate leasing business	185,075	229,424	150,858	163,356	95,118
Property and facility management fees (Note 1)	1,562	2,180	2,180	1,760	1,820
Taxes and dues	132,416	42,904	30,270	21,165	17,675
Insurance expenses	8,027	4,844	3,112	3,740	3,105
Repairs and maintenance expenses	43,054	14,020	18,561	70,752	7,975
Land rent paid	—	165,475	96,733	65,915	64,541
Utilities	—	—	—	—	—
Other expenses related to rent business	16	—	—	22	—
(C) NOI (A – B)	533,644	218,164	79,625	44,928	65,610
(D) Depreciation	186,276	77,081	31,544	52,433	22,620
(E) Income from leasing business (C – D)	347,367	141,083	48,081	(7,504)	42,990
(F) Capital expenditures	5,150	10,658	—	181,155	11,231
(G) NCF (C – F)	528,494	207,505	79,625	(136,226)	54,378

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-20	RSC-21	RSC-22	RSC-23	RSC-24
Property name	AEON MALL Yokkaichi-Kita	AEON MALL Yamatokoriyama	AEON MALL Chiba Newtown (mall, and cinema and sports complex)	AEON MALL Kofu Showa	AEON MALL Tomakomai
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	232,419	897,274	401,580	671,711	342,203
Rent revenue–real estate	232,419	897,274	401,580	671,711	342,203
(B) Expenses related to real estate leasing business	126,939	448,095	91,194	178,232	81,345
Property and facility management fees (Note 1)	1,760	1,760	1,670	1,820	1,850
Taxes and dues	20,838	58,512	70,718	61,227	59,590
Insurance expenses	2,355	6,693	5,110	6,152	4,056
Repairs and maintenance expenses	10,515	135,310	13,429	16,037	15,848
Land rent paid	91,469	245,786	241	92,995	–
Utilities	–	–	–	–	–
Other expenses related to rent business	–	32	24	–	–
(C) NOI (A – B)	105,480	449,178	310,386	493,479	260,858
(D) Depreciation	36,820	179,977	103,892	263,628	78,291
(E) Income from leasing business (C – D)	68,660	269,200	206,493	229,850	182,566
(F) Capital expenditures	37,764	97,620	9,098	–	43,453
(G) NCF (C – F)	67,715	351,558	301,288	493,479	217,405

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-25	RSC-26	RSC-27	RSC-28	RSC-29
Property name	AEON MALL Oyama	AEON MALL Itamikoya	AEON MALL Kagoshima	AEON MALL Tsuchiura	AEON MALL Kahoku
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	280,480	845,852	588,621	531,123	489,234
Rent revenue–real estate	280,480	845,852	588,621	531,123	489,234
(B) Expenses related to real estate leasing business	56,865	339,120	161,317	143,504	138,375
Property and facility management fees (Note 1)	1,400	1,376	1,688	1,334	1,580
Taxes and dues	31,011	92,111	93,334	52,228	39,553
Insurance expenses	2,862	7,952	6,879	5,081	4,419
Repairs and maintenance expenses	21,584	14,453	26,591	20,275	34,375
Land rent paid	–	223,227	32,792	64,567	58,428
Utilities	–	–	–	–	–
Other expenses related to rent business	6	–	32	18	20
(C) NOI (A – B)	223,615	506,731	427,304	387,618	350,858
(D) Depreciation	89,968	185,172	178,974	154,201	167,548
(E) Income from leasing business (C – D)	133,646	321,559	248,329	233,417	183,309
(F) Capital expenditures	868	–	11,039	19,246	–
(G) NCF (C – F)	222,746	506,731	416,264	368,372	350,858

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-30	RSC-31	RSC-32	RSC-33	RSC-34
Property name	AEON MALL Shimotsuma	AEON MALL Kyoto Gojo	AEON MALL Fukutsu	AEON MALL Tamadaira woods	AEON MALL Takasaki
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	386,272	437,288	621,662	578,563	733,215
Rent revenue—real estate	386,272	437,288	621,662	578,563	733,215
(B) Expenses related to real estate leasing business	73,128	81,089	111,782	309,030	219,841
Property and facility management fees (Note 1)	1,610	1,412	1,580	1,340	1,340
Taxes and dues	27,490	65,768	77,327	53,318	80,474
Insurance expenses	3,625	4,407	6,492	4,480	7,754
Repairs and maintenance expenses	—	9,501	8,322	5,680	4,077
Land rent paid	40,378	—	18,042	244,190	125,766
Utilities	—	—	—	—	—
Other expenses related to rent business	24	—	18	20	429
(C) NOI (A – B)	313,144	356,198	509,880	269,532	513,373
(D) Depreciation	117,138	76,221	153,209	94,613	207,908
(E) Income from leasing business (C – D)	196,005	279,977	356,670	174,919	305,465
(F) Capital expenditures	—	6,868	—	—	—
(G) NCF (C – F)	313,144	349,330	509,880	269,532	513,373

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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-35	RSC-36	RSC-37	CSC-1	CSC-2
Property name	AEON MALL Narita	AEON MALL Shinkomatsu	AEON MALL Sagayamato	AEON Chigasaki-Chuo Shopping Center	AEON STYLE Kemigawahama
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	569,331	718,254	176,202	224,126	174,784
Rent revenue—real estate	569,331	718,254	176,202	224,126	174,784
(B) Expenses related to real estate leasing business	189,826	177,740	56,617	94,071	41,605
Property and facility management fees (Note 1)	1,340	1,520	1,520	1,400	1,298
Taxes and dues	54,740	73,474	19,380	34,096	16,151
Insurance expenses	6,477	4,928	4,072	2,791	1,794
Repairs and maintenance expenses	19,777	—	—	55,763	7,284
Land rent paid	107,469	97,800	31,627	—	15,056
Utilities	—	—	—	—	—
Other expenses related to rent business	21	18	17	21	19
(C) NOI (A – B)	379,505	540,513	119,584	130,054	133,179
(D) Depreciation	92,804	290,083	53,464	50,877	53,906
(E) Income from leasing business (C – D)	286,701	250,430	66,120	79,176	79,273
(F) Capital expenditures	22,750	—	—	203,975	2,335
(G) NCF (C – F)	356,754	540,513	119,584	(73,920)	130,843

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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	CSC-3	CSC-4	L-1	L-2	L-3
Property name	AEON Kireuriwari Shopping Center	AEON Ueda Shopping Center	Daiei-Kawasaki Process Center	AEON Minami-Osaka RDC	Daiei Ibaraki Process Center
Number of operating days	181	181	181	181	181
(A) Revenues related to real estate leasing business	173,051	224,029	489,893	289,620	251,197
Rent revenue—real estate	173,051	224,029	489,893	289,620	251,197
(B) Expenses related to real estate leasing business	49,535	36,089	109,606	31,301	52,774
Property and facility management fees (Note 1)	1,406	1,400	1,580	1,370	1,700
Taxes and dues	21,307	30,915	47,887	25,256	39,418
Insurance expenses	2,178	3,763	6,167	3,398	4,097
Repairs and maintenance expenses	—	—	6,472	1,257	7,538
Land rent paid	24,625	—	6	—	—
Utilities	—	—	47,226	—	—
Other expenses related to rent business	17	11	266	19	19
(C) NOI (A – B)	123,515	187,939	380,286	258,318	198,422
(D) Depreciation	43,138	65,404	95,666	67,487	20,874
(E) Income from leasing business (C – D)	80,376	122,535	284,620	190,830	177,548
(F) Capital expenditures	—	—	—	—	3,208
(G) NCF (C – F)	123,515	187,939	380,286	258,318	195,214

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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	M-1	
Property name	AEON Taman Universiti Shopping Centre (Note 2)	Total
Number of operating days	181	—
(A) Revenues related to real estate leasing business	22,578	19,966,322
Rent revenue—real estate	22,578	19,966,322
(B) Expenses related to real estate leasing business	1,444	6,240,404
Property and facility management fees (Note 1)	449	73,636
Taxes and dues	912	2,259,573
Insurance expenses	81	227,837
Repairs and maintenance expenses	—	1,025,856
Land rent paid	—	2,596,743
Utilities	—	47,226
Other expenses related to rent business	0	9,530
(C) NOI (A – B)	21,134	13,725,917
(D) Depreciation	6,363	5,181,192
(E) Income from leasing business (C – D)	14,770	8,544,725
(F) Capital expenditures	—	1,866,048
(G) NCF (C – F)	21,134	11,859,869

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* 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).

(2) Capital expenditures for properties held

(A) Schedule of capital expenditures

The following table shows major estimated capital expenditure for renovation work, etc. (mainly those exceeding ¥30 million per work) that AEON REIT plans to conduct for properties held as of July 31, 2022.

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 LakeTown mori (Koshigaya City, Saitama Pref.)	Renewal of central monitoring boards	From June 2023 to July 2023	40	—	—
AEON LakeTown kaze (Koshigaya City, Saitama Pref.)	Renewal of air-conditioning units	From May 2023 to June 2023	44	—	—
AEON MALL Morioka (Morioka City, Iwate Prefecture)	Renewal of air-conditioning units	From September 2022 to November 2022	59	—	—
	Renewal of electrical facilities	From December 2022 to April 2023	60	—	—
	Renewal of gas bulk tanks	From March 2023 to April 2023	32	—	—
	Renewal of air-conditioning units	From April 2023 to May 2023	64	—	—
AEON MALL Mitouchihara (Mito City, Ibaraki Pref.)	Renewal of air-conditioning units	From July 2022 to November 2022	39	—	—
	Renewal of air-conditioning units	From May 2023 to June 2023	47	—	—
AEON MALL Ota (Ota City, Gunma Pref.)	Renewal of air-conditioning units	From September 2022 to December 2022	89	—	—
	Renewal of air-conditioning units	From March 2023 to May 2023	97	—	—
AEON MALL Suzuka (Suzuka City, Mie Pref.)	Parking lot paving	From October 2022 to October 2022	38	—	—
	Renewal of hot/cold water generators	From November 2022 to January 2023	78	—	—
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Revitalization	From April 2022 to October 2022	39	—	—
	Revitalization	From April 2022 to October 2022	43	—	—
	New construction of child-care facilities	From April 2022 to August 2022	80	—	—
	Exterior wall painting	From December 2021 to March 2023	622	—	—
	Renewal of air-conditioning units	From October 2022 to June 2023	387	—	—
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Renewal of air-conditioning units	From September 2022 to December 2022	132	—	—
	Renewal of firefighting equipment	From December 2022 to January 2023	87	—	—
	Renewal of air-conditioning units	From January 2023 to March 2023	122	—	—
AEON MALL KYOTO (Kyoto City, Kyoto Pref.)	Renewal of central monitoring boards	From December 2022 to January 2023	46	—	—
AEON MALL Kushiro-Showa (Kushiro City, Hokkaido Pref.)	Renewal of air-conditioning units	From August 2022 to October 2022	101	—	—
AEON MALL Shinrifu North Wing (Miyagi County, Miyagi Pref.)	Renewal of hot/cold water generators	From October 2022 to December 2022	71	—	—
	Renewal of electrical facilities	From January 2023 to April 2023	203	—	—
	Renewal of firefighting equipment	From May 2023 to June 2023	36	—	—
	Renewal of air-conditioning units	From April 2023 to June 2023	275	—	—
	Renewal of air-conditioning units	From April 2023 to May 2023	58	—	—
	Renewal of air-conditioning units	From March 2023 to April 2023	39	—	—

AEON MALL Yokkaichi-Kita (Yokkaichi City, Mie Pref.)	Renewal of air-conditioning units	From September 2022 to November 2022	38	—	—
	Replacement of elevator parts	From March 2023 to June 2023	41	—	—
AEON MALL Yamatokoriyama (Yamatokoriyama City, Nara Pref.)	Renewal of central monitoring boards	From April 2023 to June 2023	33	—	—
AEON MALL Tomakomai (Tomakomai City, Hokkaido Pref.)	Renewal of air-conditioning units	From February 2023 to June 2023	30	—	—
AEON MALL Shimotsuma (Shimotsuma City, Ibaraki Pref.)	Exterior wall painting	From March 2022 to December 2022	360	—	—
AEON MALL Takasaki (Takasaki City, Gunma Pref.)	Renewal of central monitoring boards	From September 2022 to January 2023	55	—	—
AEON MALL Narita (Narita City, Chiba Pref.)	Renewal of air-conditioning units	From September 2022 to December 2022	52	—	—
	Renewal of air-conditioning units	From January 2023 to April 2023	40	—	—
AEON Chigasaki-Chuo Shopping Center (Chigasaki City, Kanagawa Pref.)	Renewal of air-conditioning units	From September 2022 to November 2022	98	—	—
	Renewal of air-conditioning units	From March 2023 to May 2023	98	—	—

(B) Capital expenditures during the period

For properties held by AEON REIT as of July 31, 2022, the major construction works that fall under capital expenditure (those exceeding ¥30 million per work) conducted by AEON REIT during the current fiscal period are shown in the table below. The capital expenditure for the current period amounted to ¥1,866 million. Combined with ¥1,025 million in repairs and maintenance that was classified as expenses as well as ¥603 million in loss on disaster from the earthquake with the epicenter in the northwestern part of Chiba Prefecture and off the coast of Fukushima Prefecture, AEON REIT conducted construction works totaling ¥3,495 million in the current fiscal period.

Property name (Location)	Purpose	Period	Cost of construction works (Millions of yen)
AEON MALL Morioka (Morioka City, Iwate Pref.)	Renewal of air-conditioning units	From April 2022 to May 2022	57
AEON MALL Shinriku North Wing (Miyagi County, Miyagi Pref.)	Rooftop parking lot waterproofing	From November 2021 to March 2022	168
AEON MALL Ota (Ota City, Gunma Pref.)	Renewal of air-conditioning units	From March 2022 to June 2022	76
AEON Sagamiyama Shopping Center (Sagamiyama City, Kanagawa Pref.)	Renewal of air-conditioning units	From March 2022 to May 2022	143
AEON Chigasaki-Chuo Shopping Center (Chigasaki City, Kanagawa Pref.)	Renewal of air-conditioning units	From March 2022 to June 2022	76
	Renewal of extra high-tension power facilities	From January 2022 to July 2022	127
AEON MALL Suzuka (Suzuka City, Mie Pref.)	Renewal of air-conditioning units	From May 2022 to July 2022	71
AEON MALL Yokkaichi-Kita (Yokkaichi City, Mie Pref.)	Renewal of air-conditioning units	From March 2022 to May 2022	36
AEON MALL Yamatokoriyama (Yamatokoriyama City, Nara Pref.)	Renewal of parking lots	From September 2021 to March 2022	81
AEON MALL Hiezu (Saihaku County, Tottori Pref.)	Rooftop waterproofing	From March 2022 to April 2022	48
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Renewal of air-conditioning units	From August 2021 to June 2022	397
	Renewal of water tanks	From June 2022 to June 2022	47
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Renewal of air-conditioning units	From February 2022 to February 2022	123
	Renewal of air-conditioning units	From March 2022 to April 2022	110