

19th FP (Jul. 2022)

Financial Results Presentation Material

(the Asset Manager)

AEON Reit Management Co., Ltd.

Stock code : 3292 <https://www.aeon-jreit.co.jp/>



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19th FP(Jul. 2022) Financial Results Presentation Material

I. 19th FP Financial Result / Forecast for 20th FP and 21st FP

Executive Summary

DPU

19th FP
(Actual)

¥3,274
(Forecast : ¥3,270)

20th FP
(Forecast)

¥3,270

21st FP
(Forecast)

¥3,270

Initiatives

External Growth

- ▶ Signed new Pipeline Support Contract etc.
- ▶ AEON MALL Ota: Signed Expansion Development Agreement

Internal Growth

- ▶ AEON MALL Kahoku: Re-laid the floor
- ▶ AEON MALL Yamatokoriyama: Road expansion work

Financing

- ▶ Completed refinancing of ¥19.3 bn
- ▶ Change in rating outlook from JCR
A A – (Stable) ▶ A A – (Positive)

Sustainability

- ▶ Issued Sustainability Report
- ▶ Disclosed TCFD (Note) qualitative analysis

Performance in 19th FP ~Trends in Retail Facilities~

Despite the lingering effect of COVID-19 pandemic., end tenant occupancy and sales remained robust.

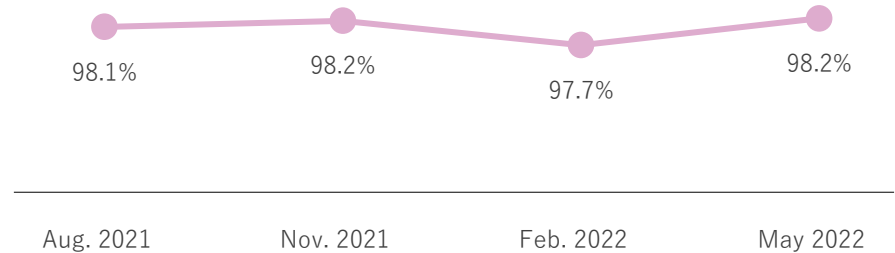
Trends of owned Retail Facilities (Japan and Overseas)

Achieved 100% of rent revenue plan

Domestic	Status (19th FP)
	Feb. and Jul. 2022 : Increase in the number of infected people with the Omicron variant. No activities restrictions in Golden week (Period of consecutive national holidays in May) for the first time in three years.
International (Malaysia)	Trends of owned properties
	Although some ups and downs were there due to the effect of COVID-19 pandemic, no activity restrictions were imposed and both sales and no. of customers are gradually recovering compared to 2019.
International (Malaysia)	Status (19th FP)
	Since 18th FP, there has been a shift from a pandemic to an endemic (an infectious disease that repeats itself in a cycle), and restrictions have been eased significantly, in terms of the hours of operation of restaurants, as well as the maximum capacity of customers.
International (Malaysia)	Trends of owned properties
	With the significant easing of restrictions serving as a tailwind, both sales and no. of customers is recovering compared to 2019.

End Tenant Occupancy

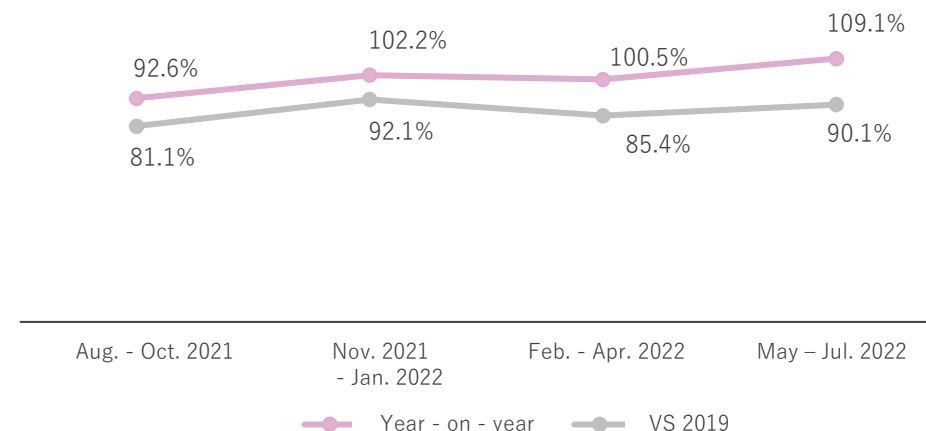
Maintained high occupancy



End Tenant Sales

(Year-on-year, and compared to same month in 2019)

Recovered to around 90% compared to the same month in 2019



19th FP (Jul. 2022) financial summary

Achieved DPU of ¥3,274 and outperformed the initial forecast, despite losses from the earthquake.

(Unit : million yen)

	19th FP Ended July 31, 2022			18th FP Ended Jan 31, 2022	
	Result A	Initial Forecast B	Differences A-B	Result C	Differences A-C
Operating Revenues	20,121	19,933	① +187	19,928	⑤ +192
Operating Expenses	12,559	12,428	② +130	12,237	⑥ +322
Operating Income	7,561	7,505	+56	7,691	▲129
Ordinary Income	6,694	6,621	+73	6,767	⑦ ▲73
Extraordinary Income	786	104	③ +681	-	⑧ +786
Extraordinary Loss	590	-	④ +590	106	⑨ +484
Net Income	6,889	6,726	+163	6,660	+229
Reversal of dividend reserves	▲195	▲37	▲158	116	▲312
NOI	13,725	13,705	+20	13,839	▲113
Distributions per Unit (yen) (Note2)	3,274	3,270	+4	3,315	▲41

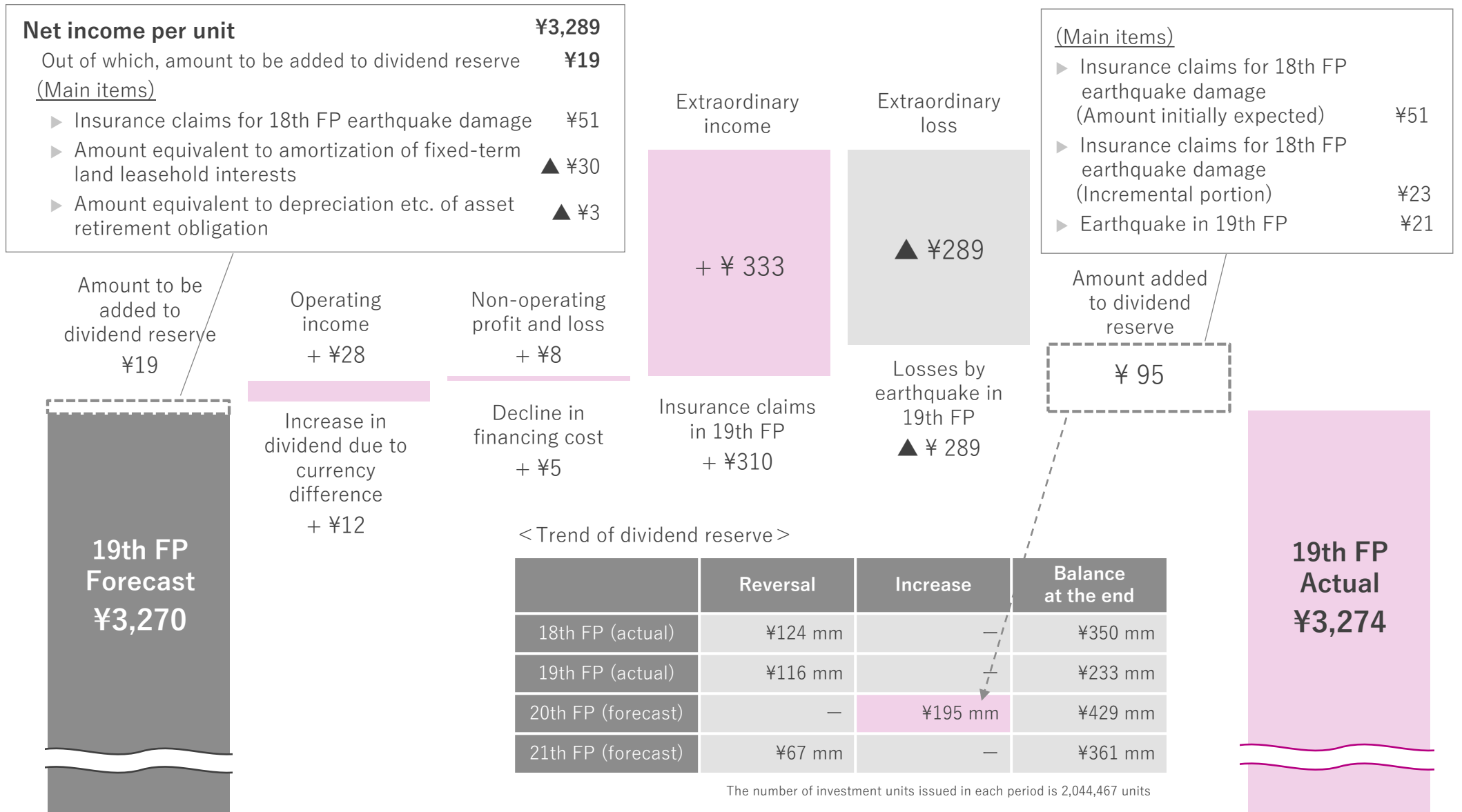
Difference from forecast (A-B)

Item No.	Item	Amount (JPY MM)
①	Increase in other rental revenue	+156
	- Out of which, compensation for AEON MALL Yamatokoriyama land expropriation (Note 1)	+132
	Increase in dividend due to currency difference	+25
②	Increase in repair & maintenance expenses	+139
	- Out of which, the amount related to land expropriation (Note 1)	+121
③	Increase in insurance claims related to the Chiba earthquake in 18th FP	+47
	Insurance claims related to the Fukushima earthquake in 19th FP	+633
④	Losses related to the Fukushima earthquake in 19th FP	+590

Period-on-period difference (A-C)

Item No.	Item	Amount (JPY MM)
⑤	Compensation for the AEON MALL Yamatokoriyama land expropriation (Note 1)	+132
	Increase in rental revenue	+35
	Increase in dividend due to currency difference	+16
⑥	Start of property tax payments for properties acquired in 2021	+232
	Increase in repair & maintenance expenses	+43
	Increase in asset management fee	+62
⑦	Lump-sum booking of past portion of fixed term land leasehold amortization etc.	+86
	Increase in interest payments resulting from the extension of maturities	▲31
⑧	Insurance claims related to the Chiba earthquake in 18th FP	+152
	Insurance claims related to the Fukushima earthquake in 19th FP	+633
⑨	Past losses related to the Chiba earthquake in 18th FP	▲106
	Losses related to the Fukushima earthquake in 19th FP	+590

19th FP (Jul. 2022) DPU ~Actual vs Forecast analysis~



Summary as of 19th FP (Jul. 2022)

Asset size of 47 properties (Note 1)

¥447.0 bn

Portfolio NOI yield

6.2%

NOI yield after depreciation

3.9%

Unrealized gain (Note 2)

¥74.5 bn

(+¥0.5 bn from
the end of 18th FP)

Distribution per unit

¥3,274

(Forecast ¥3,270)

NAV per unit

¥148,721

(+¥251 from
the end of 18th FP)

LTV (excluding deposits)

41.2%

LTV (including deposits)

44.5%

20th FP (Jan. 2023), 21st FP (Jul. 2023) forecast

Forecasting DPU of ¥3,270 in FP20 and FP21. Rent revenue to be in line with expectations.

(Unit : mm yen)

	20th FP Ended Jan. 31, 2023			21th FP Ended Jul. 31, 2023		
	Forecast Announced on Sep. 14, 2022	Forecast Announced on Mar. 17, 2022	Differences	Forecast Announced on Sep. 14, 2022	Differences	
	A	B	A-B	C	A-C	
Operating Revenues	19,961	19,934	① +27	19,976	③ +15	
Operating Expenses	12,381	12,346	② +34	12,396	④ +15	
Operating Income	7,579	7,587	▲7	7,579	▲0	
Ordinary Income	6,621	6,621	▲0	6,627	+6	
Net Income	6,620	6,620	▲0	6,627	+6	
Reversal of dividend reserves	67	67	-	67	+0	
Distributions per Unit (¥)	3,270	3,270	-	3,270	-	

FP20 VS previous forecast

Item no.	Main items	JPY MM
①	Review of currency rate	+18
	Increase in rental business revenue	+8
②	Increase in insurance premium	+47
	Decline in repair & maintenance expenses	▲29
	Increase in fund costs	+13

FP21 VS FP20

Item no.	Main items	JPY MM
③	Increase in rental business revenue	+12
④	Increase in insurance premium	+83
	Decline in repair & maintenance expenses	▲76
	Increase in depreciation	+10

Precondition: Currency rate used for the forecast of 20th FP and 21st FP : 1RM = 28.00 JPY
Number of investment units issued in the 20th FP and 21st FP : 2,044,467 units

Notes (I)

P.6 Executive Summary

(Note) TCFD is an abbreviation for “Task Force on Climate-related Financial Disclosures”.

P.7 Performance in FP19 ~Trends in Retail Facilities~

(Note) “End Tenant Occupancy” and “End Tenant Sales (Year-on-year, and compared to same month in 2019) ” is a percentage comparison of end tenant occupancy and tenant sales during the period of Aug. 2021 to Jul. 2022, for the domestic retail facilities owned by the REIT as of the end of Jul. 2022. For Jun. and Jul. 2022, we have based the calculations on preliminary numbers provided by each master lessee.

P.8 19th FP (Jul. 2022) financial summary

(Note 1) “Land expropriation” : Acquisition of land etc. that is necessary for public works, by the national or local governments, based on the Land Expropriation Law.

(Note 2) No. of investment units outstanding in 18th FP and 19th FP : 2,044,467

P.10 Summary as of 19th FP (Jul. 2022)

(Note 1) Total acquisition price excluding expenses related to the acquisitions (brokerage fee, tax, etc.)

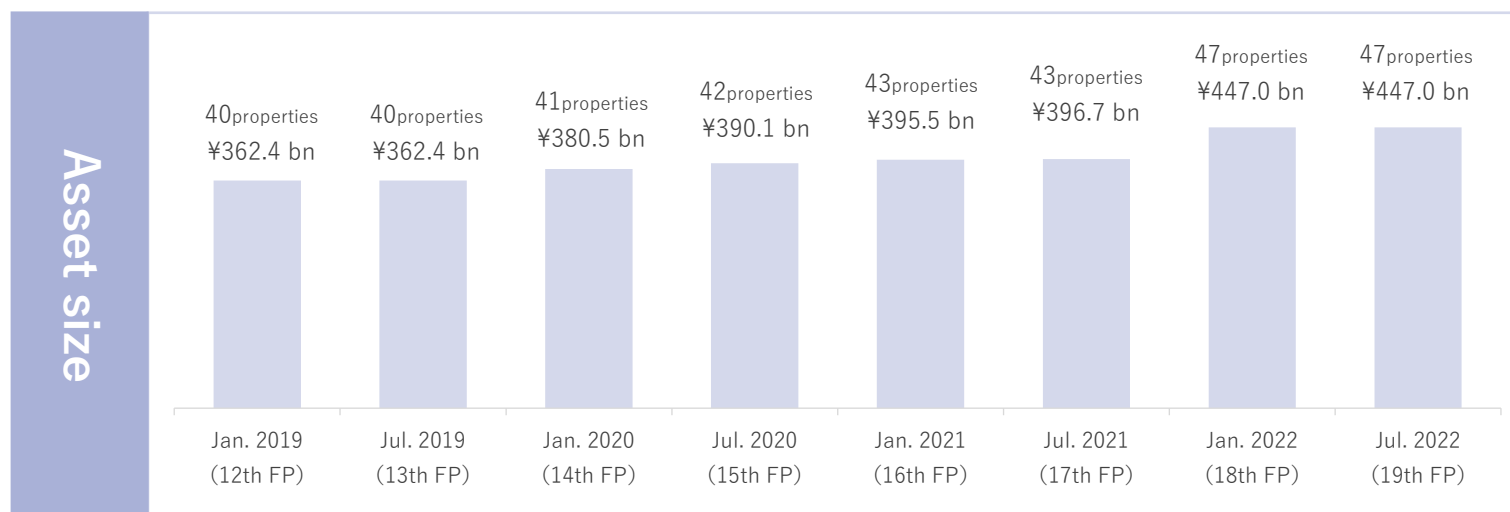
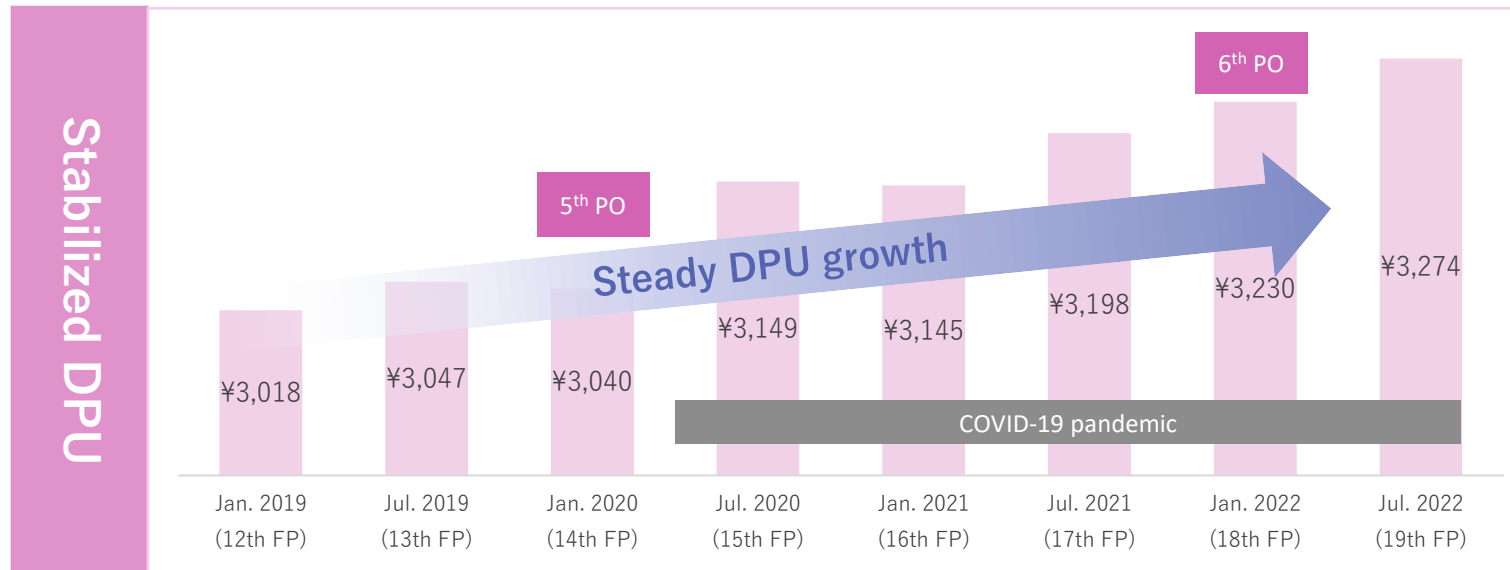
(Note 2) Unrealized gain has been calculated by deducting the book value as of the end of 19th FP from the appraisal value as of the end of 19th FP

19th FP(Jul. 2022) Financial Results Presentation Material

II . Mid-term Target

Progress towards Mid-term Target, and future risks

Achieved steady growth even with the impact of the COVID-19 pandemic.
Need to take measures to secure stability, in response to challenges posed by the recent external environment.



Future challenges for REIT

Higher operation costs resulting from rising energy prices

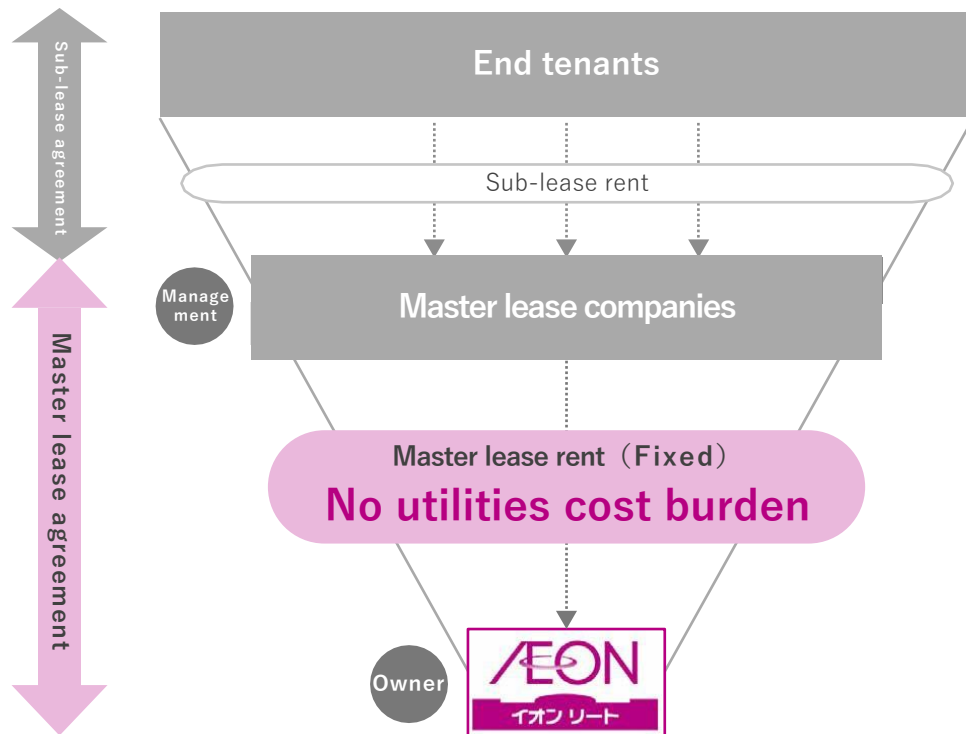
Higher funding costs resulting from rising interest rates

Response to external environmental risks

With the ongoing inflation, there are concerns about higher operation costs such as utilities expenses, as well as higher funding costs due to interest rate hikes. However, AEON REIT will leverage its strengths to mitigate risks.

Against higher operation costs

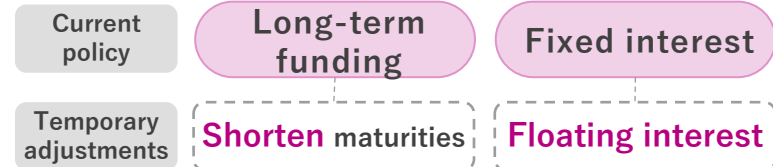
- ▶ Based on the fixed rent agreements under the master lease scheme, AEON REIT does not bear the burden of utilities cost, etc.. (Note)



Against higher funding costs

Response to interest rate hikes

- ▶ **Can lower the risk of higher funding costs** by temporarily shifting to short-term or floating interest debt.



Basic funding policy

Long-term funding

- ▶ Funding at maturities of 5-7 years, in order to mitigate impact from market risks.

Fixed interest

- ▶ Take advantage of financing environment and securing long-term fixed interest funding.

Funding status

Initial duration
of debt
7.9 years

Fixed interest
debt ratio
100%

New Mid-term Target ~Top Priorities~

Setting a new Mid-term Target in pursuit of further growth.

Stabilized DPU

Aim to raise the level of stabilized DPU, including the usage of our abundant cash-on-hand

¥3,274

(Actual DPU in Jul. 2022)

(Does not include distribution in excess of profit)

※No distribution in excess of profit



¥3,600

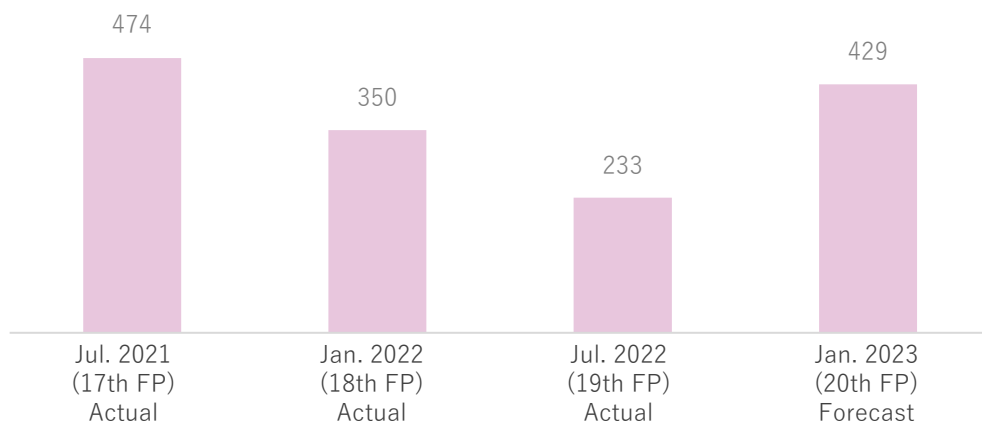
(Including distribution in excess of profit)

Change in definition of “Stabilized DPU Target”

After the reversal of the entire amount of dividend reserve, we will review the definition based on our Policy on Distribution in Excess of Profit.

Dividend reserve amount

(JPY MM)



Some examples of the reversal of dividend reserve

- ▶ Insurance deductibles related to natural disasters
- ▶ Temporary decline in rent revenue during suspension of operations during refurbishments
- ▶ Amortization of fixed-term land leasehold, depreciation related to asset retirement obligations, etc.



Even after the reversal of the entire amount of dividend reserve, we will seek stable distribution, in accordance with the newly set Policy on Distribution in Excess of Profit.

New Mid-term Target ~Priorities~

Asset size

Aim to expand asset size with responding to the market environment

¥447.0 bn

(As of Sep. 14, 2022)



¥600.0 bn

Sustainability

Aim to be a REIT rated at the top level of J-REIT

MSCI ESG
Ratings

BB

(Note1)

GRESB
Rating

5 Stars

(Note2)

Ratio of third-
party
certification

(Note 3・4)

4 Stars or higher

80.4%

(3 Stars or higher 84.9%)



MSCI ESG
Ratings

A

GRESB
Rating

5 Stars

Ratio of third-
party
certification

4 Stars or
higher

80% or higher

(3 Stars or higher
85% or higher)

Promotion of
CO2 emissions
reduction in
cooperation
with the Group

(As of Sep. 14, 2022)

Financing

Aim to raise funds on more favorable terms

Long term issuer rating by Japan Credit Rating Agency

AA—

(Outlook : Positive)

(As of Sep. 14, 2022)



AA

Policy on Distribution in Excess of Profit

In anticipation of the dividend reserve going down to zero, we have set a new Policy on Distribution in Excess of Profit. Will temporarily pay distribution in excess of profit if necessary, in order to stabilize distribution.

Timing of applying the Policy

Balance of dividend reserve

¥429 MM

(Forecast for Jan. 2023)

Will begin applying new policy when the entire amount of dividend reserve is reversed.

New Policy (after reversal of entire amount of dividend reserve)

Additional policy

- ▶ Temporary increases in repair & maintenance expenses, which lead to improving the competitiveness of a property, or contributing to maintaining and strengthening its functions



Existing policy

- ▶ Expenses from amortization etc. of fixed-term land leaseholds or asset retirement obligations
- ▶ Losses from asset retirement, disposal loss or impairment
- ▶ Decline in revenue due to currency fluctuations
- ▶ Natural disasters, and related unexpected events
- ▶ Dilution of distribution following issuance of new investment units
- ▶ Other one-off/temporary expenses due to contingencies

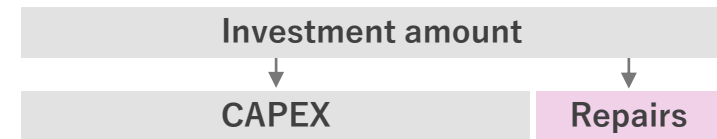
(Announced in the FP17 results announcement material)

Expected use of distribution in excess of profit

Examples of potential uses

- ▶ Expenses related to expansion of existing properties
- ▶ Property refurbishments to strengthen competitiveness
- ▶ Regular construction work that affects the REIT's earnings (air conditioning, electric facilities, etc.)
- ▶ Construction to introduce equipment to lower operational cost, etc.

Image of distribution in excess of profit



Subject to distribution in excess of profit

Future policy based on past example (AEON MALL Kofushowa)

- ▶ Conducted expansion and refurbishment of existing building in the past.
- ▶ Because such projects tend to have a major impact on our earnings, we will consider distributing in excess of profit for expenses related to expansions going forward.




External Growth ~Policy Regarding External Growth~

Maintain investment criteria and the current external growth policy, and continue selective investments in “Community Infrastructure Asset” in pursuit of achieving the asset size target of ¥600.0 billion.

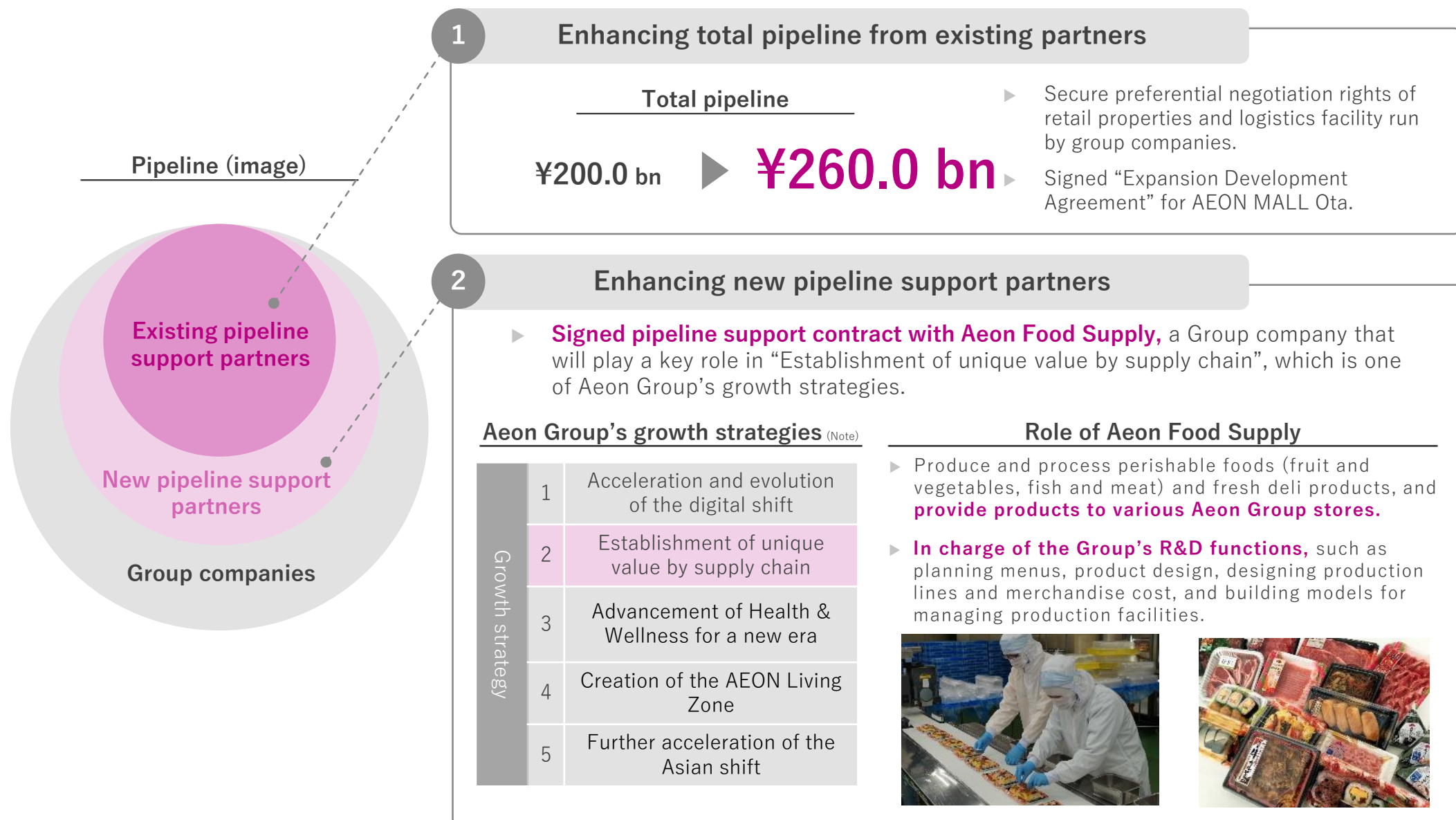
	18th FP (Jan. 2022)	Hereafter
Target for asset size	¥500.0 bn	¥600.0 bn
Total pipeline (Note 1)	¥200.0 bn	¥260.0 bn Secured preferential negotiation rights : “Expansion Development Agreement” for AEON MALL Ota, etc.
Investment target	“Community Infrastructure Asset”	(No change)
Portfolio development policy	Large-scale retail property 80% or more Other retail property No more than 20% Logistics facility No more than 10%	(No change)
Pipeline support agreements	9 companies	New 10 companies +AEON Food Supply LTD

■Aeon Mall Ota: Expansion plan (Note 2)

Schedule			Details	Expansion building image (Note 3)
2013	2022	2024 Spring	<ul style="list-style-type: none"> Signed “Expansion Development Agreement” with AEON MALL Co., Ltd.. Secured preferential negotiation rights for the expansion building, based on above Agreement. 	
Property acquisition	Signed expansion agreement	Renewal opening		

External Growth ~Priorities~

Promoting 2 focus strategies, in order to achieve mid-term targets.
Seek to expand pipeline, through the strong support of the Group companies.



1

Enhancing total pipeline from existing partners

Total pipeline

¥200.0 bn



¥260.0 bn

- ▶ Secure preferential negotiation rights of retail properties and logistics facility run by group companies.
- ▶ Signed “Expansion Development Agreement” for AEON MALL Ota.

2

Enhancing new pipeline support partners

- ▶ **Signed pipeline support contract with Aeon Food Supply**, a Group company that will play a key role in “Establishment of unique value by supply chain”, which is one of Aeon Group’s growth strategies.

Aeon Group’s growth strategies (Note)

Growth strategy	1	Acceleration and evolution of the digital shift
	2	Establishment of unique value by supply chain
	3	Advancement of Health & Wellness for a new era
	4	Creation of the AEON Living Zone
	5	Further acceleration of the Asian shift

Role of Aeon Food Supply

- ▶ Produce and process perishable foods (fruit and vegetables, fish and meat) and fresh deli products, and **provide products to various Aeon Group stores.**
- ▶ **In charge of the Group’s R&D functions**, such as planning menus, product design, designing production lines and merchandise cost, and building models for managing production facilities.



Internal Growth

Actively invest in improving the quality of “Community Infrastructure Assets”, thereby improving profitability.

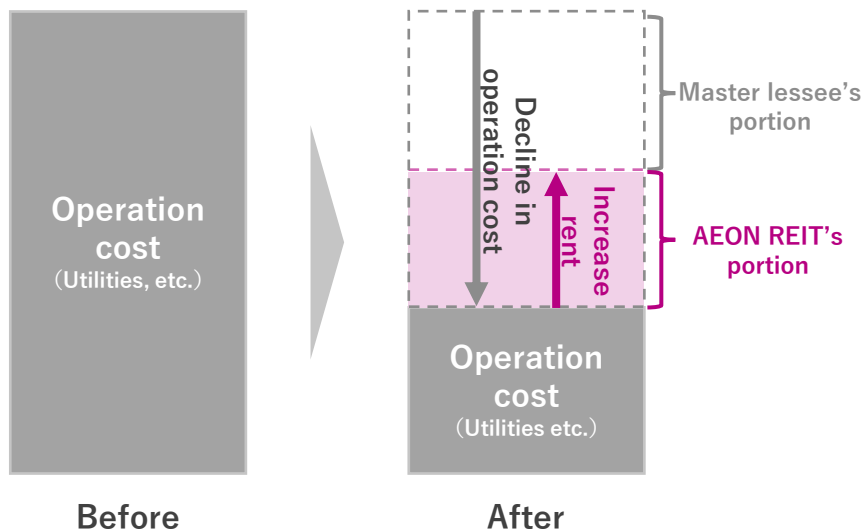
Construction to increase rent through a green lease structure

- ▶ When it is possible to do construction work by ESG investments to lower the cost for the master lessee, AEON REIT will consider raising the rent to share some of the cost reduction.

Example

- ▶ By renewing the air conditioning facilities, make energy and resource use at stores more efficient.
- ▶ Master lessee can lower its operation cost, while AEON REIT can raise the rent.

Sharing the cost reduction



Rent improvement work that enhances the competitiveness of properties

- ▶ Based on the project at AEON MALL Suzuka to expand the end tenants' floor space, propose similar construction work.
- ▶ Through discussions with the master lessee side, propose and execute construction that enhances the competitiveness of retail facilities.

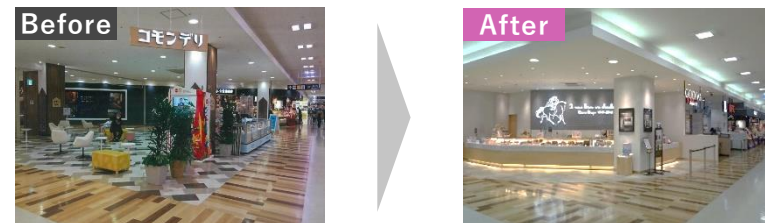
Project at AEON MALL Suzuka

- ▶ Conducted construction work to relocated the waste storage space and revitalize the food and merchandise sales area, and expanded the space leased to tenants.
- ▶ Relocating the waste storage space led to a better work environment and improved workers' satisfaction.

Relocation of waste storage space



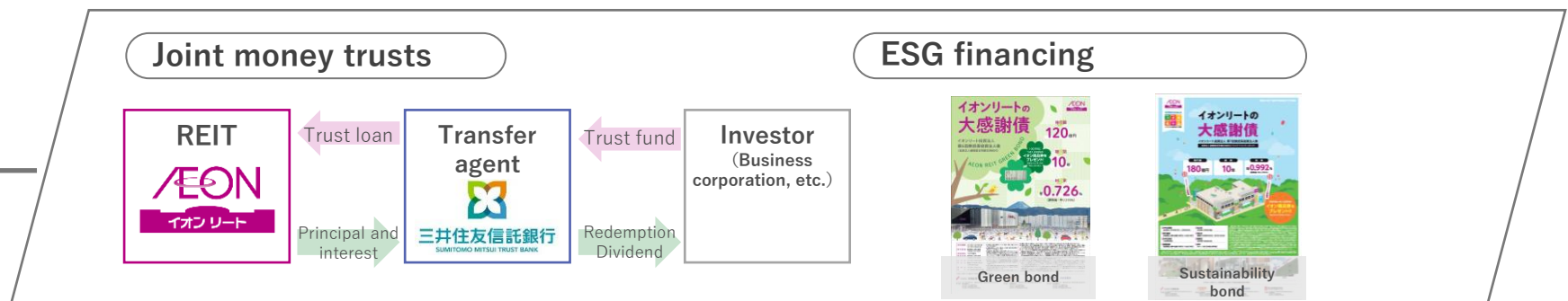
Revitalization of food and merchandise sales area



Financing ~Funding Policy (1/2)~

Initiatives taken until 19th FP

With the increase in interest-bearing debt, diversified sources of funding, while extending and diversifying the maturities, in order to stabilize financing.



Financing ~Funding Policy (2/2) ~

Future Funding Policy

Recent financing environment

- ▶ Rise in long-term interest rates
- ▶ Full implementation of Basel III
- ▶ Impact from COVID-19, and the consolidation of financial institutions
- ▶ Increase in funding amount due to growth in AEON REIT's assets
- ▶ Expansion of ESG finance market



Depending on the upcoming financing environment, it could become more difficult to raise funding.

AEON REIT's strengths

- ▶ Lower refinancing risk due to long-term and diversified maturities
- ▶ Access to new debt investors utilizing the Aeon brand
- ▶ Large-scale funding using retail bonds
- ▶ ESG financing structure, making use of the fact that many of our properties have environmental certificates



Can secure stable funding through sources such as retail bonds utilizing the Aeon brand.



Policy on issuing investment corporation bonds

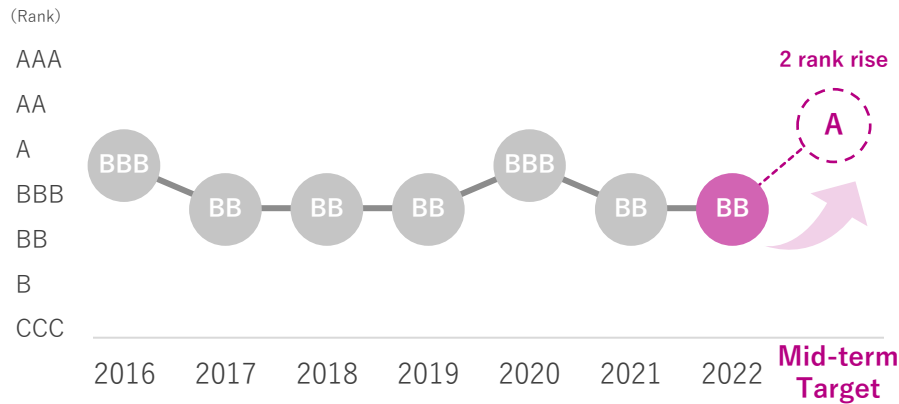
Investment corporation bond issuance is **capped at 50%** of total interest-bearing debt, and is **controlled within the range of up to 40%**.

Sustainability

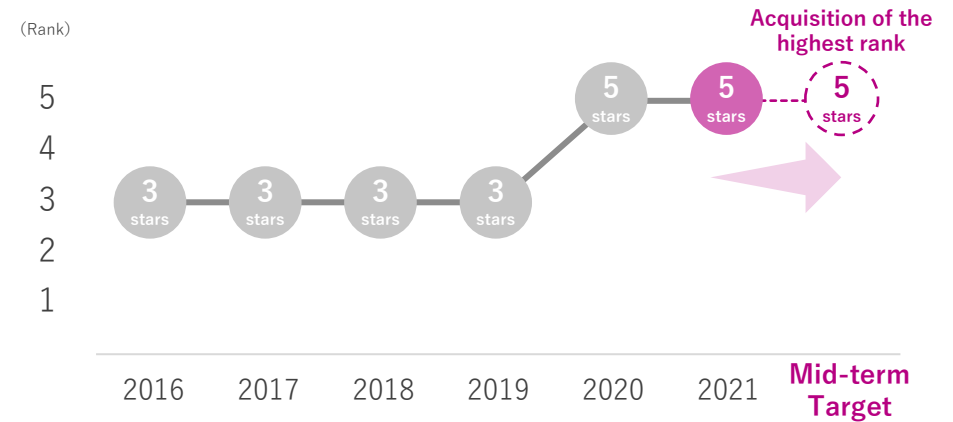
Aiming to be a REIT evaluated at the top level of J-REIT in the sustainability field.

External ratings

MSCI ESG Ratings

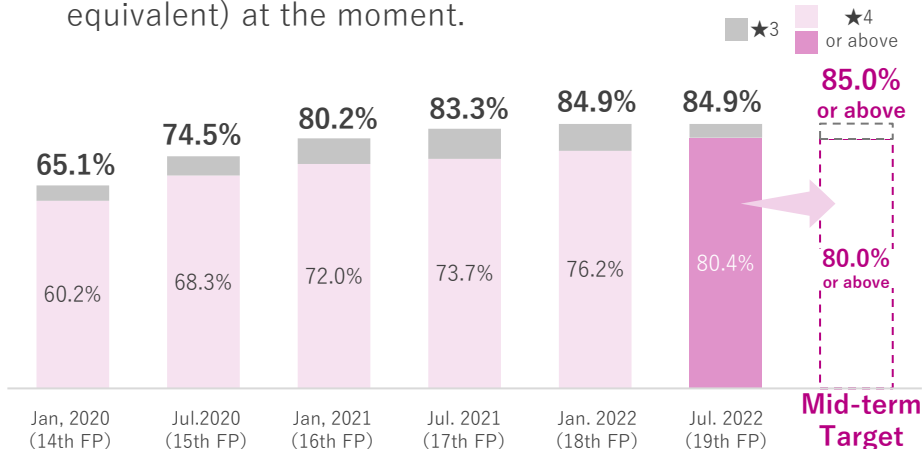


GRESB Real Estate Assessment



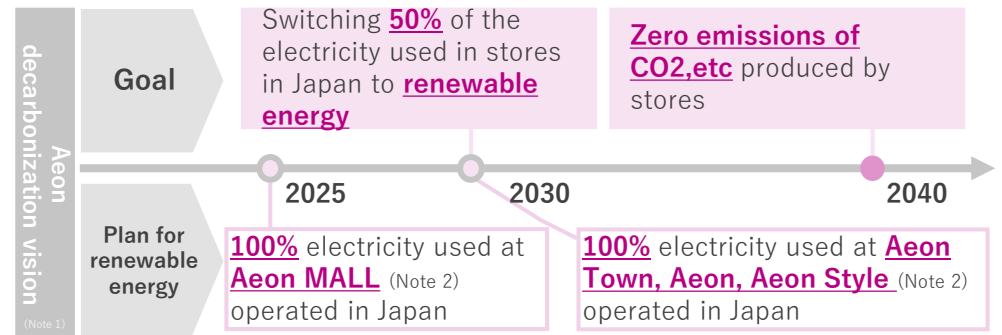
Third-party certification

- ▶ All of the certified properties are rated 3 stars(or rate equivalent)or higher and most of them are 4 stars(or rate equivalent) at the moment.



Reduction of CO2 emissions

- ▶ Promoting decarbonization throughout the group by reducing store power consumption and switching to renewable energy.
- ▶ AEON REIT will consider initiatives to **reduce power consumption** for a while (for ex.: value-up investments based on green lease) .



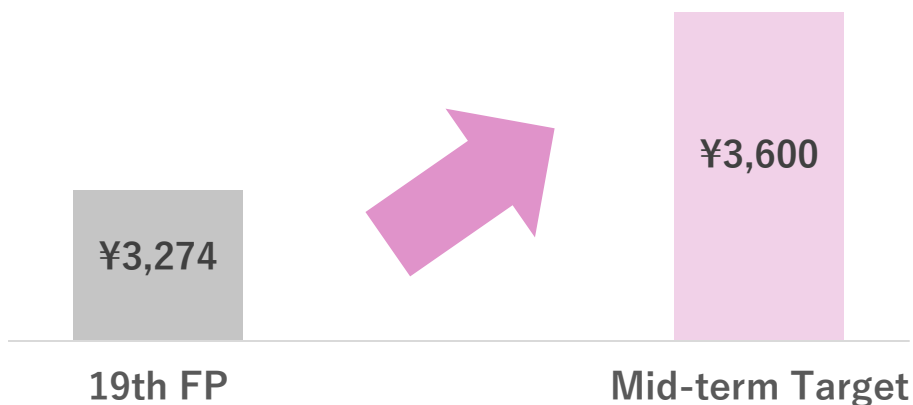
Promotion of Cash Management Strategy

In order to achieve stabilized DPU target, make use of abundant cash-on-hand generated from depreciation.

Strategy	Method
Improve profitability	Property acquisition
	Revitalization investment
Stabilize financial base	LTV control
	Resilience
Promotion of capital policy	Distribution in Excess of Profit
	Purchase of treasury investment units

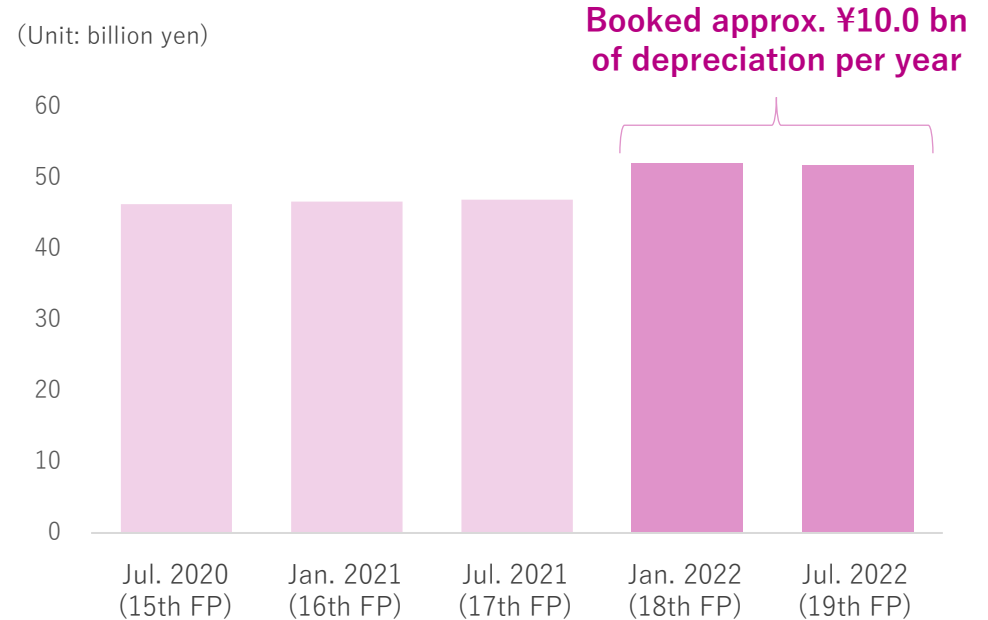
Promote above 3 strategies, flexibly choose the optimal method depending on the environment and utilize cash-on-hand.

Target for stabilized DPU



Cash-on-hand serves as driver for growth ~Trend of depreciation~

(Unit: billion yen)



Example of use of cash-on-hand

~Acquisition of Aeon Ueda Shopping Center~

Acquisition price
5.35 billion yen

NOI yield after
depreciation at the time
of acquisition
4.6%



Notes (II)

P.15 Response to external environmental risks

(Note) Out of the properties owned by the Investment Corporation, for the Daiei-Kawasaki Process Center the Investment Corporation temporarily pays the water expenses, and received the same amount later from the tenant. Although the amount is booked as water expenses on our P/L, there is no actual burden borne by the Investment Corporation.

P.17 New Mid-term Target ~Top priorities~

(Note 1) MSCI is a financial services provider based in New York, USA. MSCI provides various tools to assist in investment decision making to institutional investors around the world, including asset managers, hedge funds and pension funds. The MSCI ESG rating analyzes how well companies are managing risks related to the Environment, Social and Governance, and its 7 ratings range from the highest AAA to the lowest CCC.

(Note 2) GRESB refers to the annual benchmark certifications that measure ESG considerations of real estate companies and funds, as well as the organization operating the certifications. The GRESB Real Estate Certification is a 5 level rating based on the global ranking of the total score

(Note 3) The ratio of properties with third party certifications is calculated by dividing the total rentable floor area of certified properties by that of all properties owned in Japan. Third party certification refers to the DBJ Green Building certification, CASBEE certification and BELS certification, etc.

(Note 4) ★4 or higher refers to “4 or 5 stars in the DBJ Green Building certification”, “Rank A or S in the CASBEE Real Estate Evaluation”, “4 or 5 stars in BELS”. ★3 or higher refers to “3, 4 or 5 stars in the DBJ Green Building certification”, “Rank B+, A or S in the CASBEE Real Estate Evaluation”, “3, 4 or 5 stars in BELS” (as of the end of Jul. 2022).

P.19 External Growth ~Policy Regarding External Growth~

(Note 1) “Total amount in the pipeline” refers to the total value of properties owned by the Aeon Group or third parties, for which AEON REIT has submitted a Letter of Intent to Purchase etc. in the past, and the Letter etc. has not expired

(Note 2) As of Sep. 14, 2022, the Investment Corporation has not made a decision to acquire the expansion building, and there is no guarantee that the Investment Corporation will acquire the property

(Note 3) This image has been prepared based on expectations of the building to be completed, and could differ from the actual building.

P.20 External Growth ~Priorities~

(Note) Source: Aeon Co., Ltd. “Medium-term Management Plan FY2021-2025” (announced on Apr. 9, 2021)

P.21 Financing~Funding Policy (1/2)~

(Note) The amount stated in “Room for borrowings” refers to the amount that can be borrowed if the LTV (including tenant deposits) was to be raised to 50%. This does not guarantee or commit that the Investment Corporation will actually be able to raise this amount of funding

P.24 Sustainability

(Note 1) Compiled by the Asset Management Company based on pages 18-19 of Aeon Co., Ltd.’s “AEON SUSTAINABILITY DATA BOOK 2021”

(Note 2) Applies to shopping centers using the “Aeon Mall” and “Aeon Town” brand names, and GMS’s that use the brand name “AEON” and “Aeon Style” as of Jul. 2021

III. AEON REIT's Strengths

AEON REIT's Strengths

External growth

▶ Investment in “Community Infrastructure Assets”

Investing in facilities responding to social changes and being supported by communities for a long time going forward.

▶ Pipeline support

Advantages of acquisition from abundant pipelines.

Internal growth

▶ Strong master lease agreement

Stable rent income based on Long-term and fixed master lease.

▶ Effective floor expansion and revitalization

Various measures aiming for strengthening competitiveness and maintaining and improving functions.

Financial strategy

▶ Funding stability

Realization of various procurement methods such as retail bonds and green finances.

Risk management

▶ Distribution stability

Improving resilience to natural disasters by utilizing earthquake insurance and reserve funds.

Strategic cash management

▶ Cash on hand generation capability

Promotion of investment making use of abundant cash-on-hand generated from depreciation.

▶ Flexible use of cash on hand

Choosing the best option based on the situation.

Sustainability

- ▶ **Aiming to achieve sustainable society and secure stable profits for AEON REIT from mid- to long-term perspective**

“Community Infrastructure Asset” localized successfully

Community Infrastructure Assets defined by AEON REIT

- ▶ A community platform offering a range of tenants that is visited by people on a daily basis.
- ▶ A facility that responds flexibly to changes in the needs for daily life and environment which enables continuous operation for a long time going forward.
- ▶ A facility essential to communities that offers a place for community development.

Environmentally friendly facility

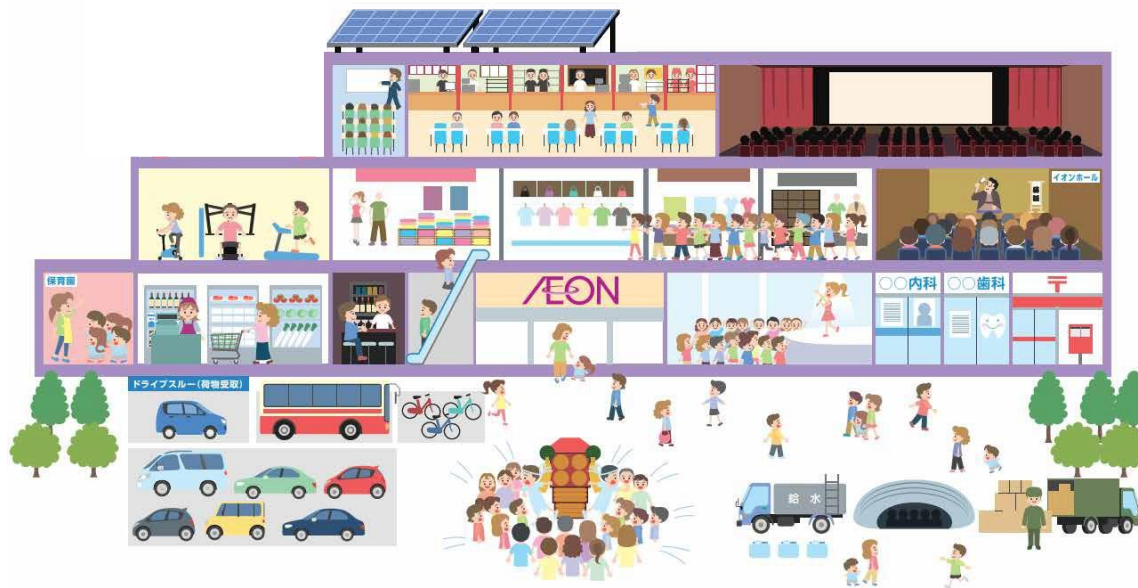


Solar panels installed on the rooftop and walls help reduce the environmental burden.

Drive through and pick-up



Prepared a lane for drivers who want to pick up items ordered on the web.



Tenants visited by consumers on a daily basis



Meeting wide-ranging consumer needs such as a cinemas and food courts.

Tenants providing public services



Post office, nursery school, clinic, and other tenants providing public services.

Services matching with people's lifestyle



“Regi-go”: The shopping style without face-to-face communication and waiting at cash register.



Smooth checkout through the app "iAEON".

Place for local exchanges and community activities



Sale of locally produced products, events for local residents, workshops, MALL walking and various other events are held.

Used as a disaster control base



Signed disaster-relief cooperation agreement with Ground Self-defense Force and Japan Airlines.



Balloon shelter that becomes an evacuation space in the event of a disaster.

Points of the “Community Infrastructure Asset”

Location

Demographic change /
Trade area / Traffic access /
Competitive environment /
Development plan



Strength of trade area

Ex.

Trade Area

Trading area
population (Note 1)

approx.
450,000
(10km area)

Traffic access

Road Traffic (Note 2)
(AEON MALL Fukutsu)

approx.
43,000
(Hachioji Interchange on the
Chuo Expressway
Approx. 30,000)

Building Facility

Parking lot / Traffic line /
Equipment friendly
to Human and Environment /
Disaster prevention base



Robustness, Convenience

Ex.

Parking lot

Average number of
parking lots owned
by one commercial
facility (Note 3)

over **3,000**

Disaster prevention base

Comprehensive
cooperation agreement
with local government

approx. **100%**
(Commercial facilities in Japan)

Operation

Customer attraction /
Operating performance /
Leasing / Public features



Various incentives to visit

Ex.

Occupancy rate

Substantial
occupancy rate
of end tenants (Note 4)

approx.
98%

Leasing

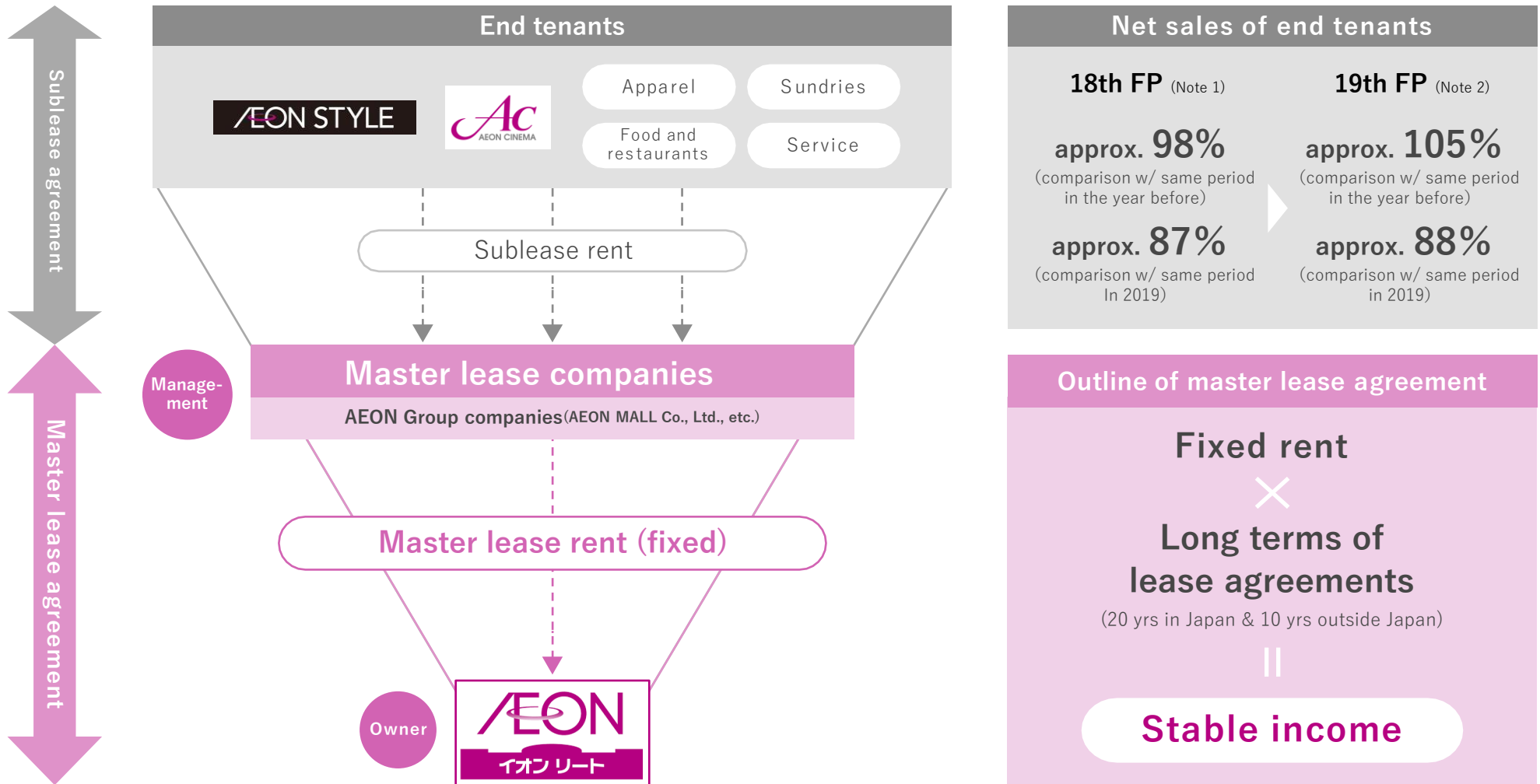
Total number of
commercial
facilities owned in
Japan

approx.
5,600 tenants

Stability of “Community Infrastructure Asset” and its rent

Acquiring top-class stores in each region, which are capable for responding to environmental changes, stable profit can be expected and have abundant neighborhood markets.

Stable rents are secured through master lease agreements based on fixed rents with AEON Group companies.



External growth ~Selective investments backed by Pipeline Support~

Through selective investments backed by Pipeline Support, AEON REIT acquires properties at adequate terms while maintaining the quality of the portfolio.

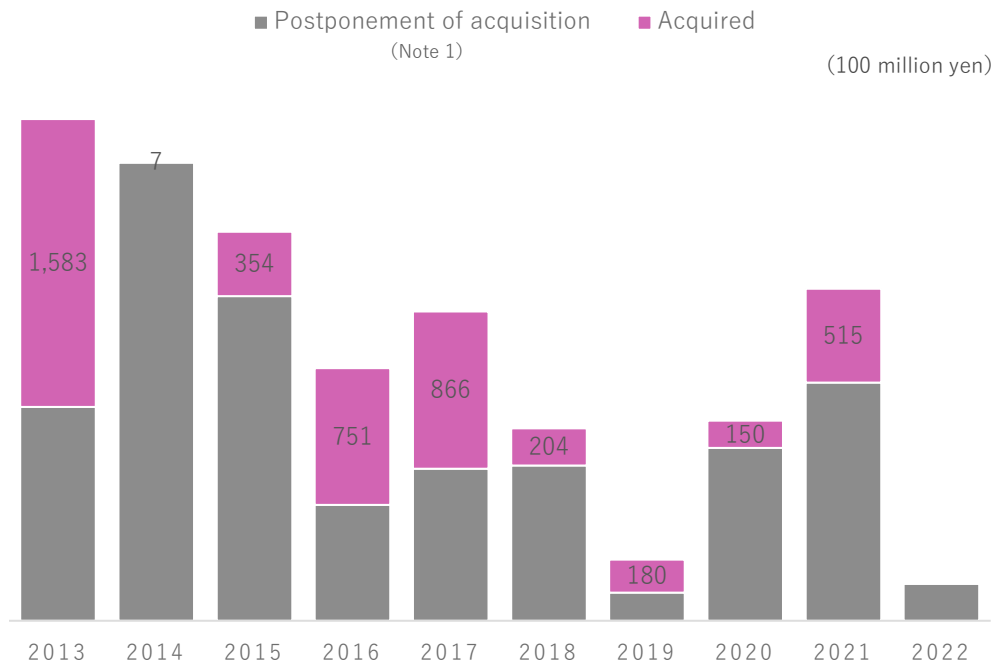
Track record of selective investments ~Quality of portfolio~

AEON REIT acquires only
approx. 30%
of properties considered

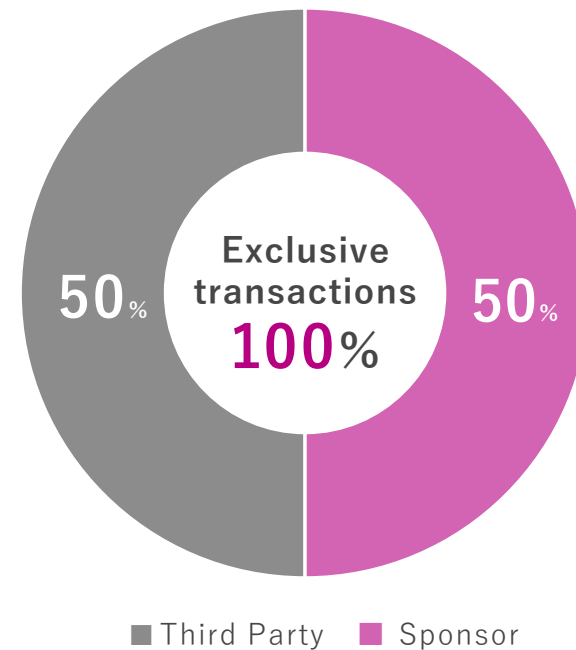
Track record of selective investments ~Adequate terms~

Ratio of one-on-one (exclusive) property acquisitions
100%

Ratio of acquisitions and no. of opportunities looked at



Acquisitions through one-on-one (exclusive) transactions (Note 2)



External growth ~Further growth backed by Pipeline Support~

AEON REIT can continuously acquire AEON Group's numerous properties.

The advantages of Pipeline Support

Opportunities provided from
AEON Group



Preferential
negotiation rights



Utilization of warehousing
function

Properties operated by Pipeline Support companies (Note 1, 2, 3)

Japan	AEON MALL Co., Ltd.	▶ 163 _{sc}
	AEON TOWN Co., Ltd.	▶ 151 _{sc}
	AEON RETAIL Co., Ltd., AEON RYUKYU Co., Ltd. AEON Hokkaido Co., Ltd., The Daiei, Inc. AEON KYUSHU Co., Ltd. AEON TOHOKU Co., Ltd.	▶ 1,133 stores <small>(Note 4)</small> <small>(GMS · SM · DS · HC · SuC)</small>
	AEON GLOBAL SCM CO., LTD. The Daiei, Inc. <small>New</small> AEON Food Supply CO., Ltd.	▶ 83 facilities
Overseas	AEON MALL Co., Ltd.	▶ 34 _{sc}
	AEON CO. (M) BHD. AEON BIG (M) SDN. BHD.	▶ 63 stores <small>(GMS · SM · DS only)</small>



Total pipeline
¥260.0 bn

Internal growth ~Enhancing values of properties~

Achieving asset value improvement and increased rent by continuous value-up investments.

Strengthen property competitiveness

Large-scale renewal

- Major replacement of tenants in response to changes in the trade area

Floor expanding

- Enhancing motivation to visit the store by increasing number of tenants

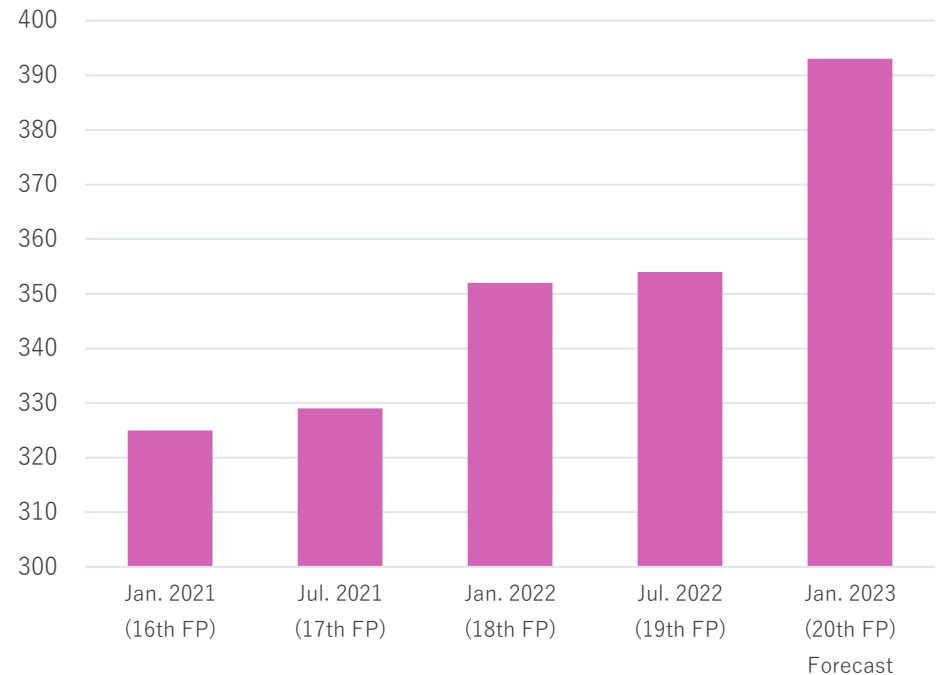


Cumulative amount of revitalization investment with rent increase (Note 1)

¥5.55 bn (as of Jul. 2022)

Cumulative amount of annual rent increased by revitalization investments (Note 2)

(Unit: mm yen)



Maintain and improve property functions

Equipment renewal work

- Energy efficiency improvement by introducing the latest equipment
- Improvement of customer comfort

Exterior wall construction

- Improvement of property image through exterior renewal

Disaster prevention / mitigation work

- Suppression and minimization of damage caused by earthquakes
- Early restoration of sales



Floor replacement work

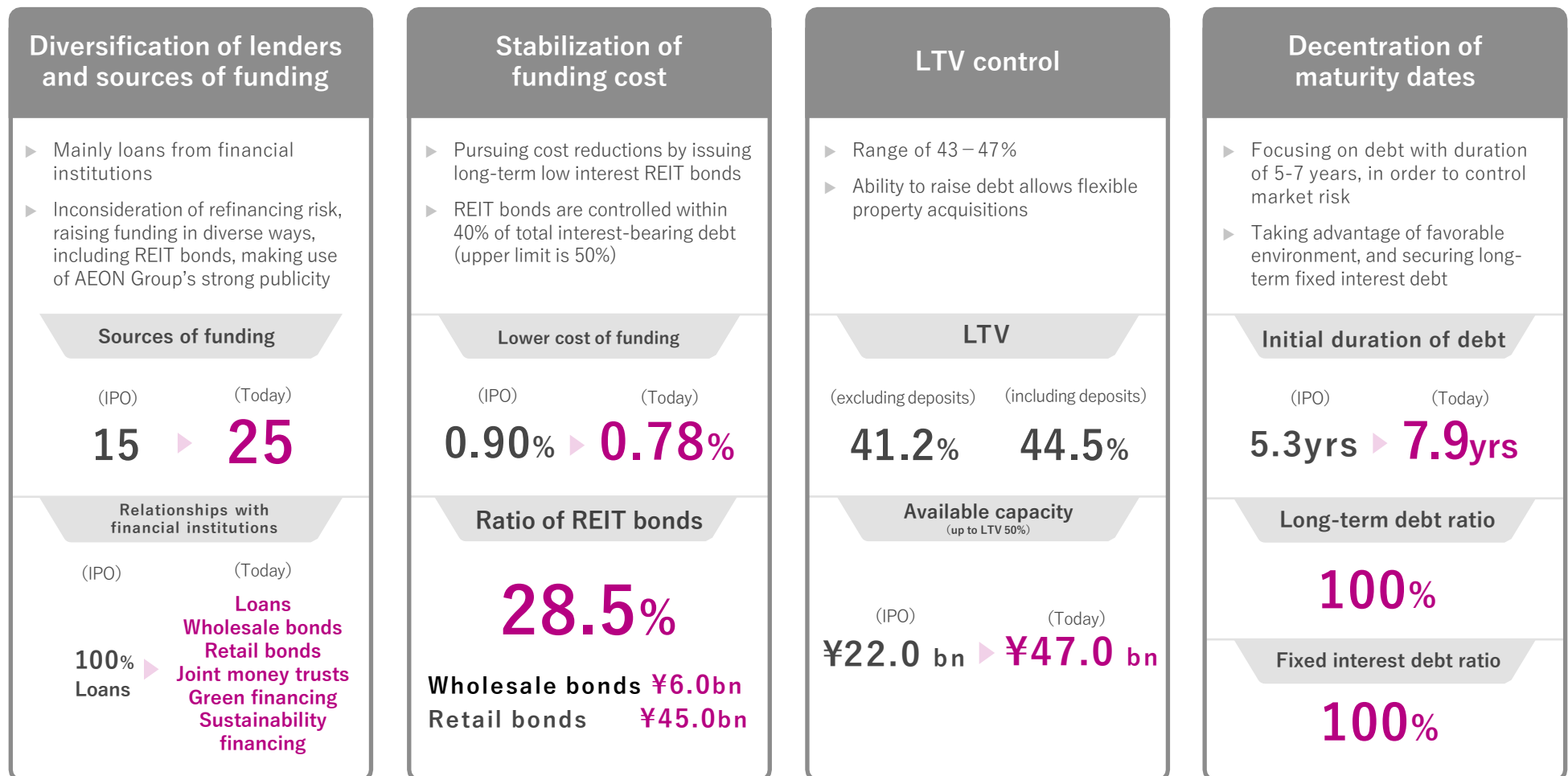


Exterior wall painting

Financial policy ~Stable funding~

Steadily working on securing stable funding in preparation for potential changes in the surrounding environment.

The 4 pillars of our stable funding (=A structure that enable us to receive funding at any time)



Financial strategy ~Financial management~

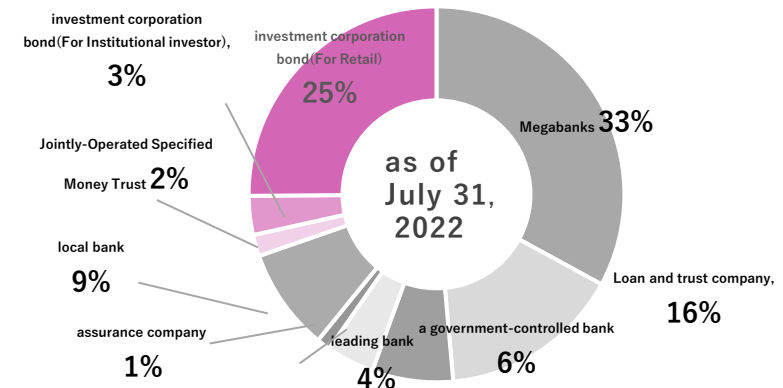
Financial management

	18th FP (Ended Jan. 2021)	19th FP (Ended Jul. 2022)
New borrowing amount (Note1)	38.4billion	19.3billion
Interest-bearing debt balance	179.1billion	179.1billion
of which, investment corporation bonds	51.0billion	51.0billion
Initial period remaining	7.3yrs	7.9yrs
Avg. number of years remaining	4.3yrs	4.4yrs
Avg. cost of interestbearing debts	0.73%	0.78%
Ratio of long-term and short-term Debts	100.0%	100.0%
Fixed interest rate ratio	89.2%	100.0%
LTV (including deposits)	44.7%	44.5%
Available capacity (up to 50%)	Approx. ¥ 45.0 billion	Approx. ¥ 47.0 billion

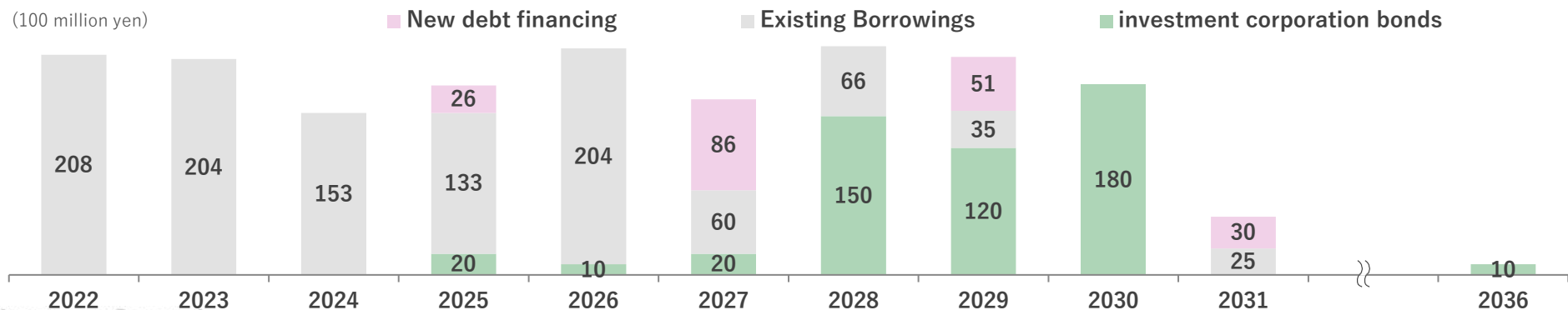
Rating

Credit rating agency	Rating target	Rating	Outlook
Japan Credit Rating Agency	Long-term issuer rating	AA-	Positive

Breakdown of interest-bearing debt

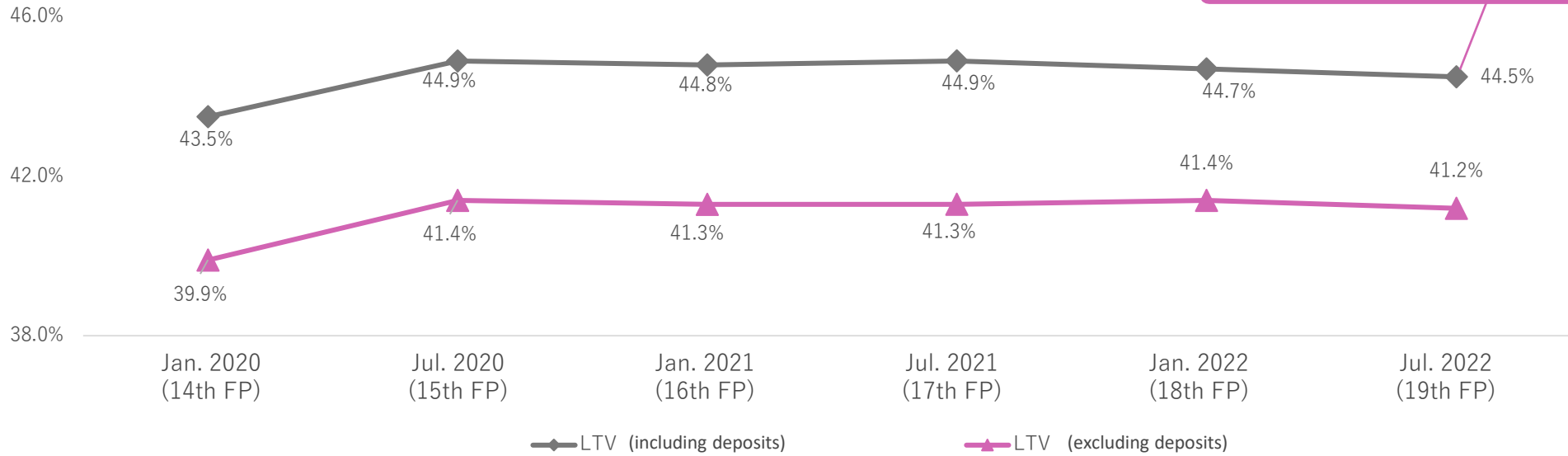


Decentration of maturity dates (as of Jul. 31, 2022)

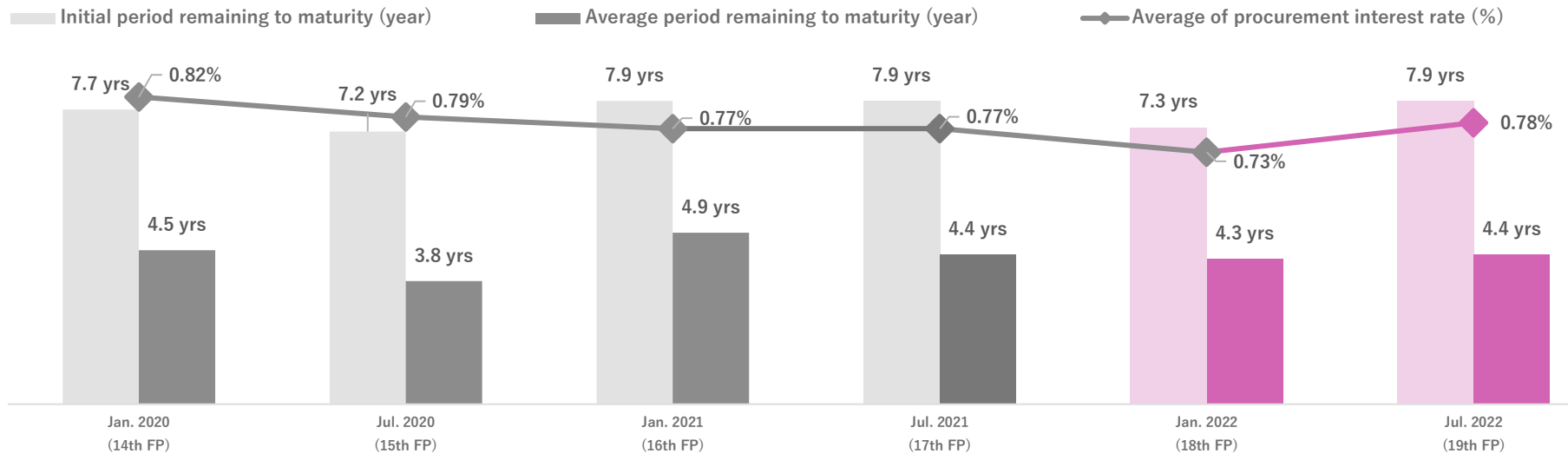


Financial strategy ~LTV & Cost trends~

LTV trends



Interest-bearing debt average financing period and cost trends



Risk management ~Resilient to natural disasters~

Growing into a REIT that is highly resistant to sudden disasters.

Diversified investment

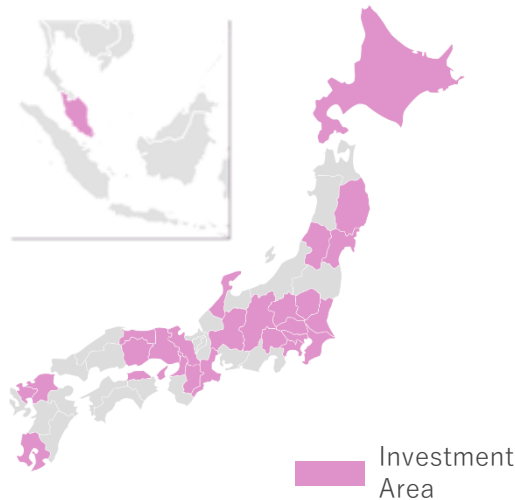
- ▶ Diversification of investment area and acquisition price per property

26 Prefectures^(note.1)

(2nd FPend: 14 prefectures)

+

Malaysia



Fire insurance and earthquake insurance coverage

- ▶ Guarantee earthquake insurance for domestic portfolio
- ▶ Amount of insurance for earthquake insurance : **¥3.0 bn** (immunity of ¥50 mm (Note))
- ▶ Fire insurance also covers wind and flood damage from typhoons and heavy rains
- ▶ Facility liability insurance also covers business indemnity

<earthquake risk status>	PML (%)	Expected maximum loss
Domestic Portfolio PML	1.2%	approx. ¥4.8 bn

<earthquake risk status>	
Target property / Domestic owned properties	45 properties
Limit of payment (immunity of ¥50mm (Note))	¥3.0 bn
Insurance premium (annually)	¥280 mm

Abundant cash flow

- ▶ approx. **¥10.0** bn per year of cash-on-hand generated by depreciation expense can be utilized for natural disasters, etc.

Additions to reserve for dividends

- ▶ Balance of distribution reserves at the end of 20hFP : **¥429** mm (forecast)
- ▶ Planned to be utilized to maintain the stability of distributions when revenues decrease temporarily due to natural disasters and other causes

Utilization of abundant cash-on-hand

Realizing investments with abundant cash-on-hand generated from depreciation expenses.

Simulation of Cash-on-hand utilization

(Calculated based on approximately ¥5.0 bn, a portion of depreciation expenses per period)

		DPU	LTV	FCF
Improve profitability	Property acquisition Revitalization investment Assumes the acquisition of properties with NOI yield of 6.2%, NOI yield after depreciation of 3.9%	Approx. ¥47 increase	No change	¥0.1 bn increase
	LTV control Resilience Assumes repayment of debt with an average interest rate of 0.8%	Approx. ¥9 increase	Approx. 0.7% decrease	No change
Capital policy (Note 1・2)	Distribution in Exchange of Profit Purchase of treasury investment units Assumes acquisition and cancellation of treasury units at the price of ¥118,976. Borrowing is to be repaid at the same time In order to maintain the LTV.	Approx. ¥40 increase	Approx. 0.3% increase	No change

Past investment records

External growth Acquisition of the extension building **¥7.1 bn**



extension building

AEON MALL Kofushowa

Internal growth Renewal of floor space **¥790 mm**



AEON MALL Morioka

External growth Additional acquisition of the land **¥1.3 bn**



AEON MALL Nogata

Sustainability ~Main topics of the 19th FP~

Issuance of Sustainability Report

- ▶ Issued AEON REIT's first sustainability report in Apr. 2022.



Disclosure of TCFD Qualitative Analysis

- ▶ New menu "Climate Change" has been released on the website in Aug. 2022.
- ▶ Disclosed qualitative analysis in line with TCFD recommendations.



Third-party certification (Recertification)

- ▶ In Mar. 2022 and Jul. 2022, a total of 7 third-party certifications were obtained (all recertified).
- ▶ Maintaining high evaluation in addition to high acquisition rate :

Ratio of certified properties **84.9%**
(Based on total leasable area/as of Jul. 2022)

CASBEE Certification of real estate appraisal



AEON MALL Yamatokoriyama

S rank

DBJ Green Building Certification



DBJ Green Building



AEON MALL Itamikoya and another

★★★★★



AEON MALL Kyoto Gojo and other 3 properties

★★★★★

AEON MALL Kyoto Gojo has **increased its rating by one** from the previous certification.

Management message

MANAGEMENT MESSAGE

President and Representative Director
Nobuaki Seki



AEON REIT Investment Corporation was listed in November 2013, and thanks to your support, we are pleased to announce the closing of our 19th FP.

The external environment which is surrounding our operation is changing drastically on daily basis, including COVID-19 that hasn't been settled and soaring energy prices. Even in this situation, we will manage stable and growing operation while responding to the changes, by making use of strengths of AEON REIT, such as the master lease scheme which ensures stable income with fixed rent, and also our cash management strategy utilizing cash on hand.

In this FP, we have disclosed a new mid-term target. We will aim to further increase of unitholder value by setting higher targets, taking the results we have achieved through our management to date and also severe external environment into account.

We will continue to work together with our stakeholders to achieve "sustainable growth" and to be highly evaluated by our investors through our investment management.

We look forward to your continued support.

Career

Joined Jusco Co., Ltd. (currently, AEON Co. Ltd.) in 1988. He was seconded to JAYA JUSCO STORES (currently, AEON Malaysia) in 1995. Since 2000, Mr. Seki engaged in the management of the Group's overseas companies and assignments related to Asian businesses and developer business strategies. He became deeply involved in the establishment of AEON Reit as an Auditor and a Director of the Company in 2012 and 2013, respectively. After gaining his career as an Executive Officer of AEON Retail Co., Ltd. while concurrently serving as the General Manager of Developer Department and General Manager of President's Office, he was appointed Director of the Company in 2018. Representative Director of AEON REIT and Executive Director of AEON REIT since 2019.



Managing Director
Tomohiro Itosaka

Career

1995 Joined Kyoei Fire & Marine Insurance Co., Ltd.
1996 Joined Jusco (the current AEON). Since 2008, has been involved in setting the Group's mid-term management plans, establishing the Investment Committee, etc. in the Strategy Dept.
2011 General Manager of the Corporate Communications Dept. In charge of Group PR, IR and SR activities
2016 Senior Executive Director and Chief Strategy Officer of AEON Pet Inc.
Director of AEON REIT since May 2020



Director
Akifumi Togawa

Career

Joined AEON Co., Ltd. (formerly JUSCO Co., Ltd.) in April 1996. Started overseeing the overall financial affairs from the time before listing as the Manager of the Finance Group, Finance and Planning Department of AEON Reit Management Co., Ltd. General Manager of the Finance and Planning Department of AEON Reit Management Co., Ltd. since 2018 and Director of AEON Reit Management Co., Ltd. since 2019.



Director
Yoshiki Kashimura

Career

1989 Joined The Dai-Ichi Kangyo Bank, Ltd. (the current Mizuho Bank, Ltd.)
Joined risk management department in 2003.
2018 Appointed as Deputy General manager, Risk Management Department, in Mizuho Financial Group.
Joined AEON REIT since 2019 as Compliance officer and Compliance manager.
Director of AEON REIT since May 2021

Notes (III)

P.30 Points of the “Community Infrastructure Asset”

(Note 1) Estimated with 34 properties listed in marketing report out of 38 domestically owned SRSC and RSC.

(Note 2) Excerpted from the daytime 12hour motor vehicle traffic amount mentioned in “the 2015 National Road and Street Traffic Conditions Survey and Market Report”.

(Note 3) Estimated with 38 domestically owned properties including SRSC and RSC.

(Note 4) Calculated based on the ratio of the actual leased space (subleased space), which is calculated by subtracting vacant floor space from total leased space (master leased space), for domestic retail properties (42 properties) owned by the Investment Corporation (as of the end of May 2022).

P.31 Stability of “Community Infrastructure Asset” and its rent

(Note 1) Net sales of end tenants (18th FP) represents the comparison rate (with same months in the year before and in 2019) of the total amount of end-tenant sales from Aug. 2021 to Jan. 2022 at domestic commercial facilities owned by the Investment Corporation as of the end of Jan. 2022.

(Note 2) Net sales of end tenants (19th FP) represents the comparison rate (with same months in the year before and in 2019) of the total amount of end-tenant sales from Feb. 2022 to Jul. 2022 at domestic commercial facilities owned by the Investment Corporation as of the end of Jul. 2022. Net sales of end tenants of Jun. 2022 and Jul. 2022 are calculated based on preliminary figures received through interviews with each master lessee.

P.32 External growth ~Selective investments backed by Pipeline Support~

(Note 1) “Not acquired” refers to the properties which AEON REIT ended up not acquiring in the period, due to various reasons such as pricing, economic terms and conditions, timing of financing after consideration and discussion with the seller.

(Note 2) Calculated based on the number of transactions related to assets acquired by the end of Jul. 2022.

P.33 External growth ~Further growth backed by Pipeline Support~

(Note 1) Excerpts from the supplements to the financial results of AEON Co., Ltd. For the fiscal period ended Feb. 2022 (excluding AEON MALL Co., Ltd., AEON TOWN Co., Ltd., and AEON GLOBAL SCM Co., Ltd., The Daiei, Inc. partial hearing.), corporate websites (AEON MALL Co., Ltd. And AEON TOWN Co., Ltd., AEON Food Supply LTD), and data provided by AEON GLOBAL SCM Co., Ltd. (for the fiscal period ended Jul. 2022).

(Note 2) SC, GMS, SM, DS, HC and SuC stand for “Shopping Center”, “General merchandise store”, “Supermarket”, “Discount store”, “Home center”, and “Supercenter”, respectively.

(Note 3) This does not imply that AEON REIT is currently considering the acquisition of these properties.

(Note 4) Some of these stores are operating as tenants in the shopping centers managed by AEON MALL or AEON TOWN.

P.34 Internal growth ~Enhancing values of properties~

(Note 1) “Revitalization investment” refers to construction work for improving the value of properties.

(Note 2) Calculated based on the information of the assets held at the end of Jul. 2022 (19th FP).

P.36 Financial strategy ~Financial management~

(Note) Includes refinancing (excluding bridge loans) and debt procurement related to acquisition of new properties.

P.37 Financial strategy ~LTV&Cost trends~

(Note) “Loan capacity” is the approximate amount which can be borrowed if LTV (including security deposit) is raised to 50%. The said amount does not guarantee or promise that the Investment company will actually be able to procure the said amount of funds.

Notes (III)

P.38 Risk management ~Resilient to natural disasters~

(Note) Immunity of Aeon Lake Town Mori and Aeon Lake Town Kaze is set as ¥30 mm.

P.39 Utilization of abundant cash-on-hand

(Note 1) Assuming an investment unit price level of 0.8 times the NAV per unit of ¥148,721 at the end of the 19th FP.

(Note 2) Estimated based on approximately ¥2.2 bn in loan repayments and approximately ¥2.8 bn in purchases and cancellations of own investment units.

19th FP(Jul. 2022) Financial Results Presentation Material

Appendix 1

Features of AEON REIT Investment Corporation

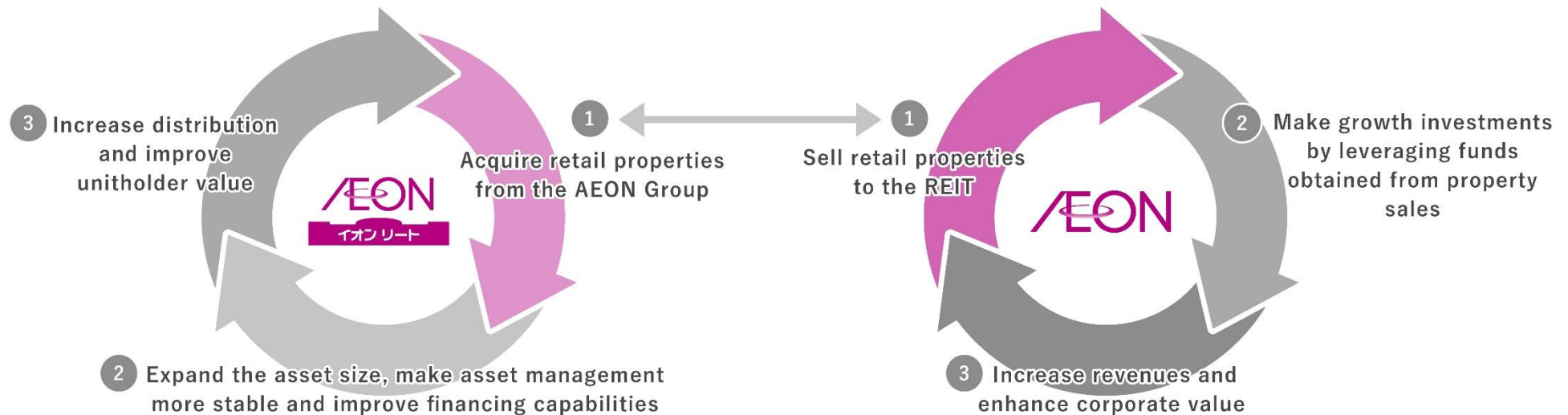
Corporate philosophy and policy

Corporate philosophy

- ▶ AEON REIT positions retail properties (Note 1) as **the Community Infrastructure Assets** of local communities and invests in those properties to support the rich life of people living there.
- ▶ AEON REIT aims to create **a rich life for people** and **contribute to local communities** through investment activities and implements stable asset management on a medium- to long-term basis.

Corporate policy

- ▶ AEON REIT carries out a growth strategy based on the policy of maintaining a mutually beneficial relationship with the AEON Group (Note 2), thereby aiming to maximize value for unitholders.



Portfolio development policy

Investment ratio by type of properties

Type of properties		Investment ratio <small>(Note 1)</small>
Large-scale retail property	<ol style="list-style-type: none"> Super regional shopping center (SRSC) : More than one anchor tenant with over 200 specialty stores Regional shopping center (RSC) : A large GMS with over 50 specialty stores Community shopping center (CSC) : A GMS, discount store and large grocery store with 20 to 50 specialty stores 	80% or more
Other retail property <small>(small- and medium-scale)</small>	Neighborhood shopping center (NSC) : A grocery store with 10 to 30 specialty stores Supermarket (SM) : A grocery supermarket with a focus on the selling of high purchase frequency commodities, such as food and household good	No more than 20%
Logistics facility	Logistics facilities that support a supply chain, an integral part of the retail business	No more than 10%

Investment ratio by region

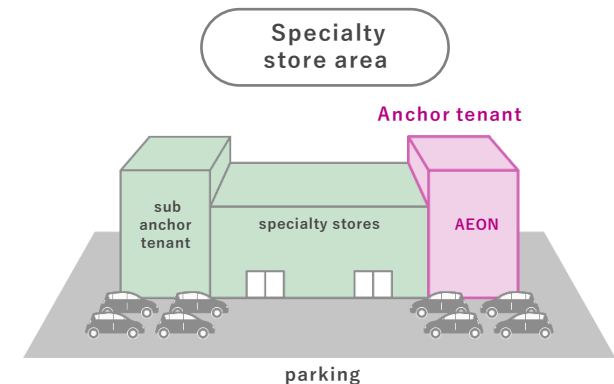
Domestic

Ratio :
**85%
or more**

Overseas

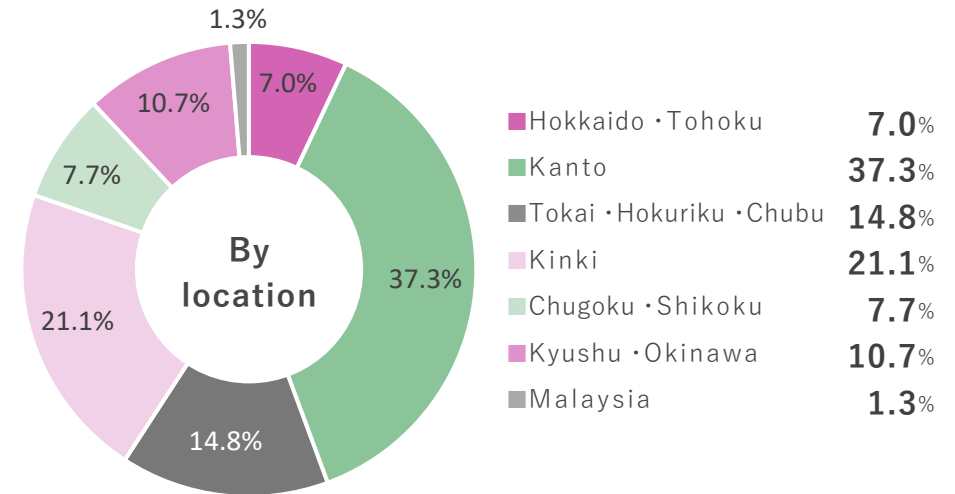
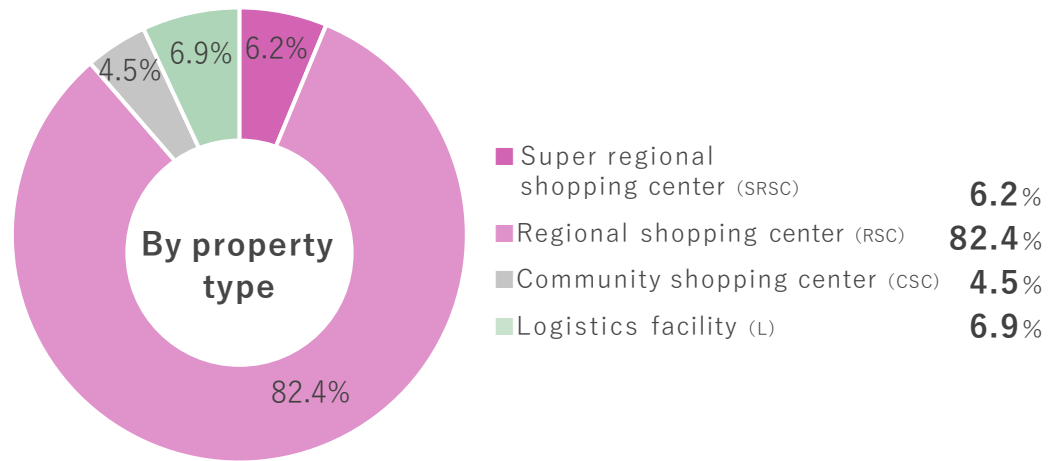
Ratio :
**No more than
15%**

(Countries and regions with strong economic growth prospects in the medium to long term (Note 2) (Note 3))



Summary of portfolio (as of Jul. 31, 2022)

Portfolio data



Summary of portfolio

Number of properties	47 (Domestic 45, Overseas 2)
Total acquisition price	¥447.0bn
Portfolio appraisal NOI yield before depreciation	6.2%
Portfolio appraisal NOI yield after depreciation	3.9%
Average remaining lease term	13.8 yrs
Average building age	17.3 yrs

Properties owned by AEON REIT (As of end of Jul. 31, 2022)

Tokai, Chubu and Hokuriku 8 properties

- 6 AEON MALL Ogaki (Ogaki City, Gifu)
- 7 AEON MALL Suzuka (Suzuka City, Mie)
- 8 AEON MALL Meiwa (Taki County, Mie)
- 20 AEON MALL Yokkaichi-Kita (Yokkaichi City, Mie)
- 23 AEON MALL Kofu Showa (Nakakoma County, Yamanashi)
- 29 AEON MALL Kahoku (Kahoku City, Ishikawa)
- 4 AEON Ueda Shopping Center (Ueda City, Nagano)
- 36 AEON MALL Shinkomatsu (Komatsu City, Ishikawa)



Kyushu and Okinawa 4 properties

- 13 AEON MALL Nogata (Nogata City, Fukuoka)
- 27 AEON MALL Kagoshima (Kagoshima City, Kagoshima)
- 32 AEON MALL Fukutsu (Fukutsu City, Fukuoka)
- 37 AEON MALL Sagayamato (Saga City, Saga)



Malaysia 2 properties

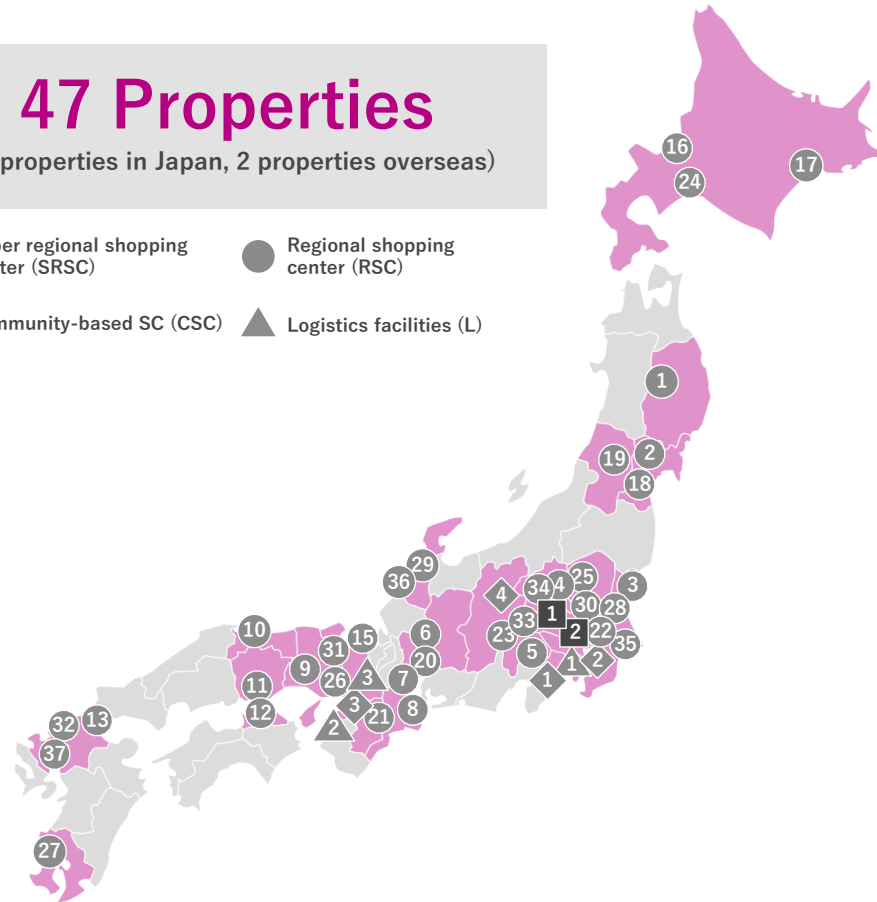


- M-1 AEON Taman Universiti Shopping centre (Johor, Malaysia)
- M-2 AEON MALL Seremban 2 (Negeri Sembilan, Malaysia)

47 Properties

(45 properties in Japan, 2 properties overseas)

- Super regional shopping center (SRSC)
- Regional shopping center (RSC)
- ◆ Community-based SC (CSC)
- ▲ Logistics facilities (L)



Hokkaido and Tohoku 7 properties

- 1 AEON MALL Morioka (Morioka City, Iwate)
- 2 AEON MALL Ishinomaki (Ishinomaki City, Miyagi)
- 16 AEON MALL Sapporo-Hiraoka (Sapporo City, Hokkaido)
- 17 AEON MALL Kushiro-Showa (Kushiro City, Hokkaido)
- 18 AEON MALL Shinrifu North Wing (Miyagi County, Miyagi)
- 19 AEON MALL Yamagata-Minami (Yamagata City, Yamagata)
- 24 AEON MALL Tomakomai (Tomakomai City, Hokkaido)

Kanto 15 properties

- 1 Aeon Lake Town mori (Koshigaya City, Saitama)
- 2 Aeon Lake Town kaze (Koshigaya City, Saitama)
- 3 AEON MALL Mitouchihara (Mito City, Ibaraki)
- 4 AEON MALL Ota (Ota City, Gunma)
- 5 AEON Sagami-hara Shopping Center (Sagami-hara City, Kanagawa)
- 22 AEON MALL Chiba-Newtown (The shopping mall building and The cinema and sports building) (Inzai City, Chiba)
- 25 AEON MALL Oyama (Oyama City, Tochigi)
- 28 AEON MALL Tsuchiura (Tsuchiura City, Ibaraki)
- 30 AEON MALL Shimotsuma (Shimotsuma City, Ibaraki)
- 33 AEON MALL Tamadaira woods (Hino City, Tokyo)
- 1 AEON Chigasaki-Chuo Shopping Center (Chigasaki City, Kanagawa)
- 2 AEON STYLE Kemigawahama (Chiba City, Chiba)
- 1 Daiei-Kawasaki Process Center (Kawasaki City, Kanagawa)
- 34 AEON MALL Takasaki (Takasaki City, Gunma)



- 35 AEON MALL Narita (Narita City, Chiba)



Kinki, Chugoku and Shikoku 11 properties

- 9 AEON MALL Kasai-Hojo (Kasai City, Hyogo)
- 2 AEON Minami-Osaka RDC (Sakai City, Osaka)
- 10 AEON MALL Hiezu (Saihaku County, Tottori)
- 3 Daiei Ibaraki Process Center (Ibaraki City, Osaka)
- 11 AEON MALL Kurashiki (Kurashiki City, Okayama)
- 12 AEON MALL Ayagawa (Ayauta County, Kagawa)
- 15 AEON MALL KYOTO (Kyoto City, Kyoto)
- 21 AEON MALL Yamatokoriyama (Yamatokoriyama City, Nara)
- 26 AEON MALL Itamikoya (Itami City, Hyogo)
- 31 AEON MALL Kyoto Gojo (Kyoto City, Kyoto)
- 3 AEON Kireuriwari Shopping Center (Osaka City, Osaka)

Expansion of asset size since listing



utilizing cash on hand

AEON Ueda SC
(¥5.3bn)



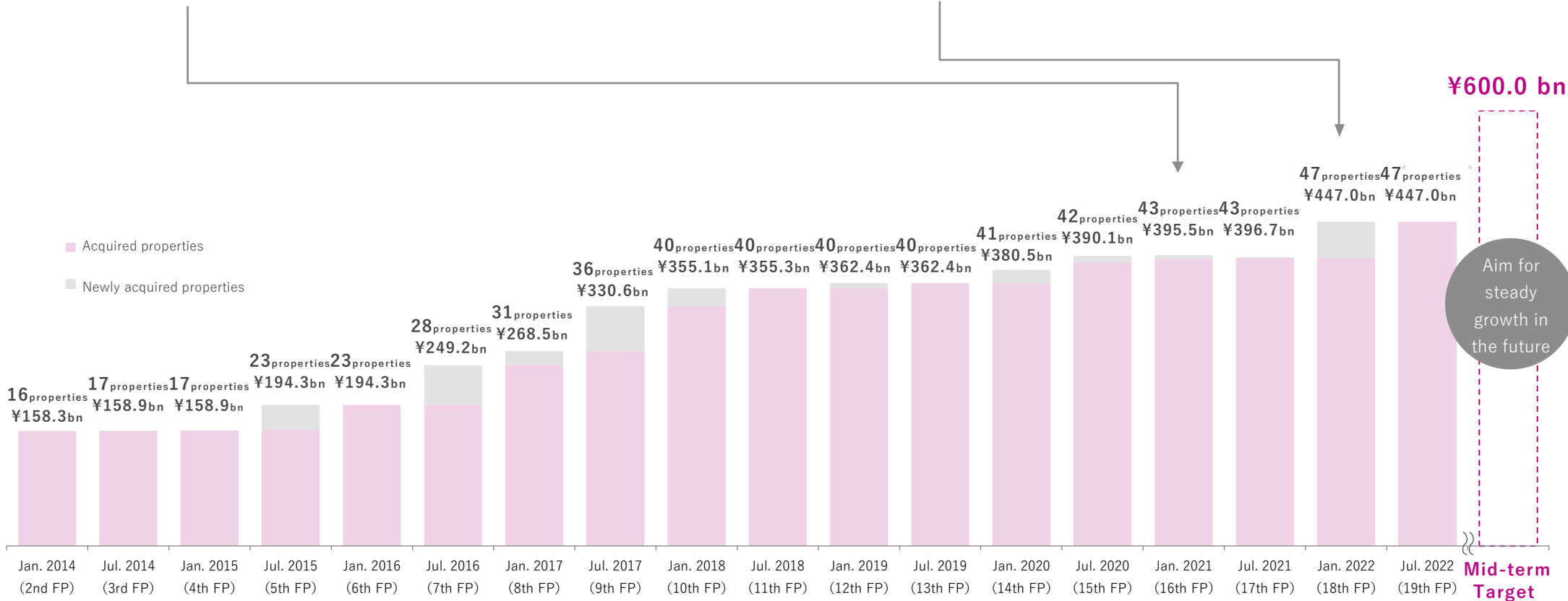
the 6th follow-on offering

AEON MALL Takasaki
(¥17.1bn)

AEON MALL Narita
(¥14.0bn)

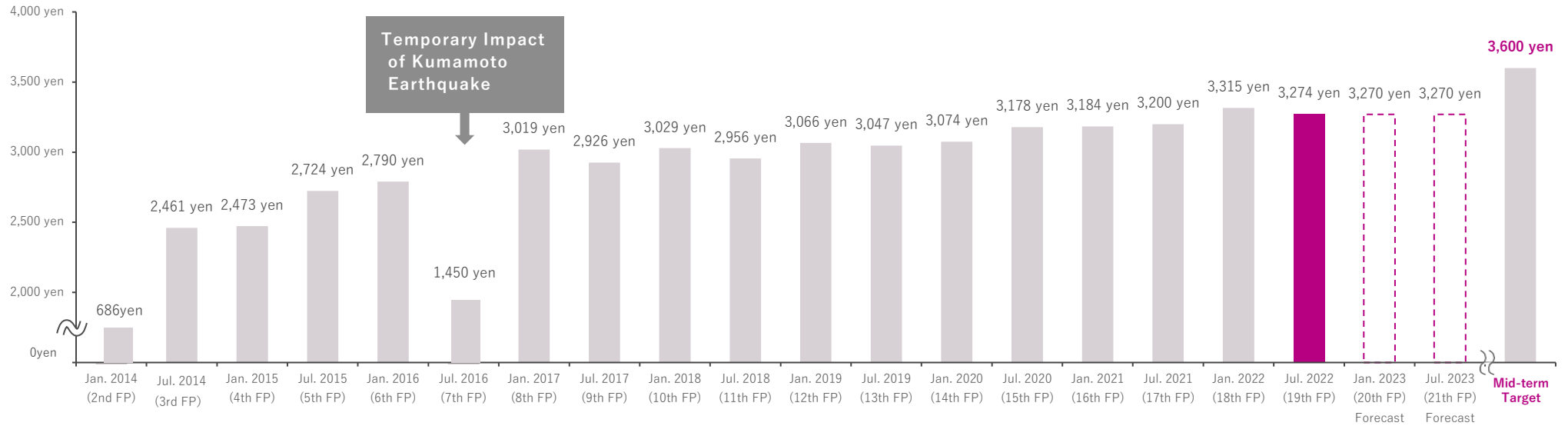
AEON MALL Shinkomatsu
(¥15.3bn)

AEON MALL Sagayamato
(¥3.7bn)

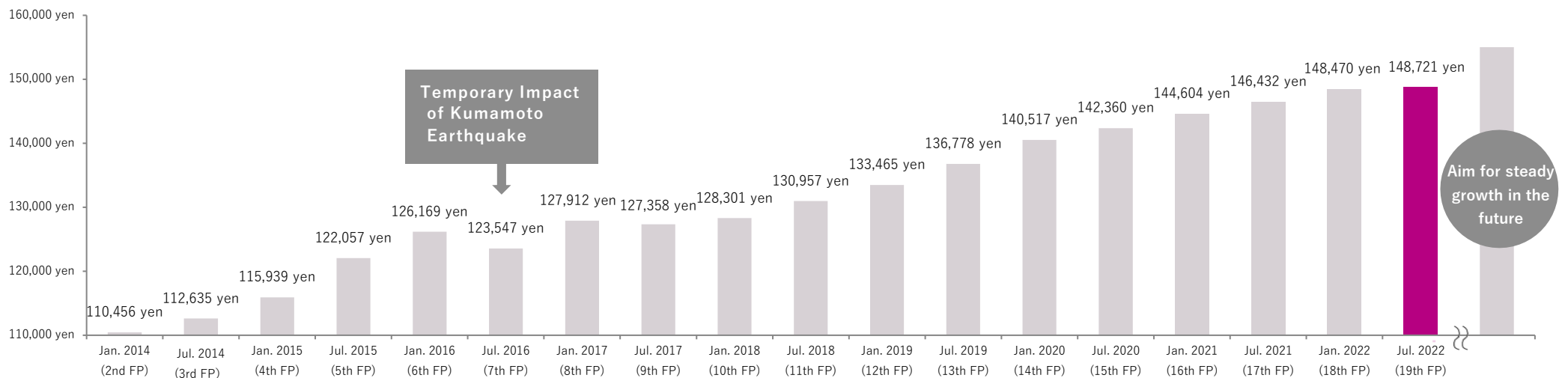


Growth of DPU and NAV per unit

Changes in DPU

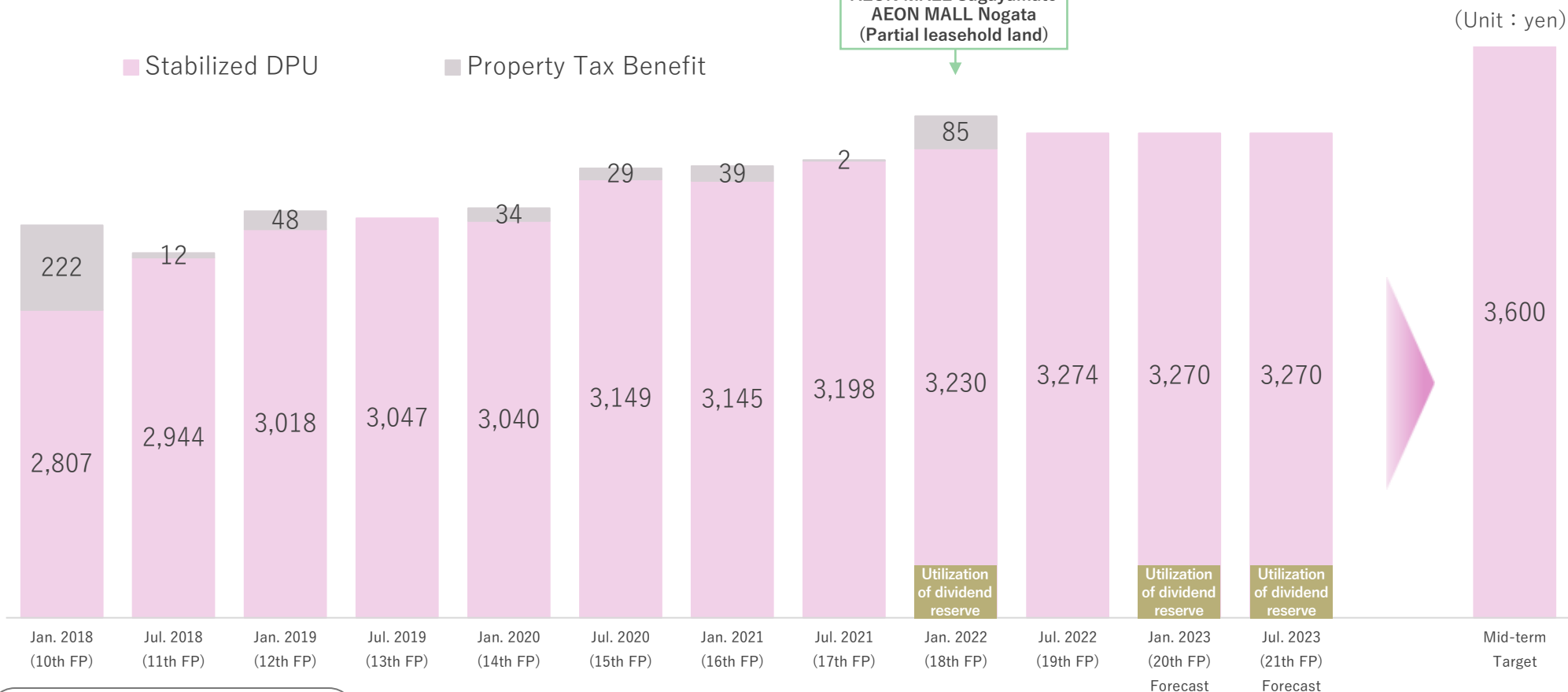


Changes in NAV per unit



Steady growth of stabilized DPU

+ Property Tax Benefit by property acquisition
 AEON MALL Takasaki
 AEON MALL Narita
 AEON MALL Shinkomatsu
 AEON MALL Sagayamato
 AEON MALL Nogata
 (Partial leasehold land)



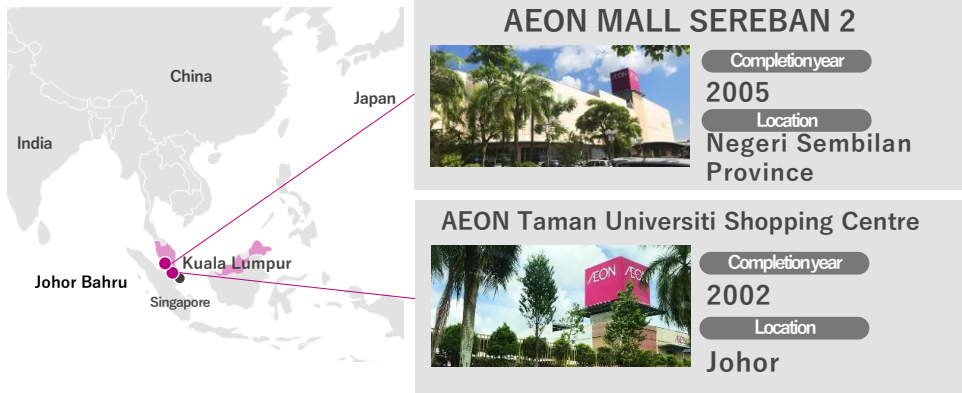
“Property Tax Benefit”

- ▶ Fixed asset and city planning taxes that are imposed on owners of real estate as of January 1st each year. Paid by both the seller and buyer of real estate according to the period of hold during the year in which the selling and buying transaction is conducted.
- ▶ Distribution increases in the year of transaction because the tax paid by the buyer is capitalized and not booked as expenses for the year. The expenses are posted from the payment period in the following year.

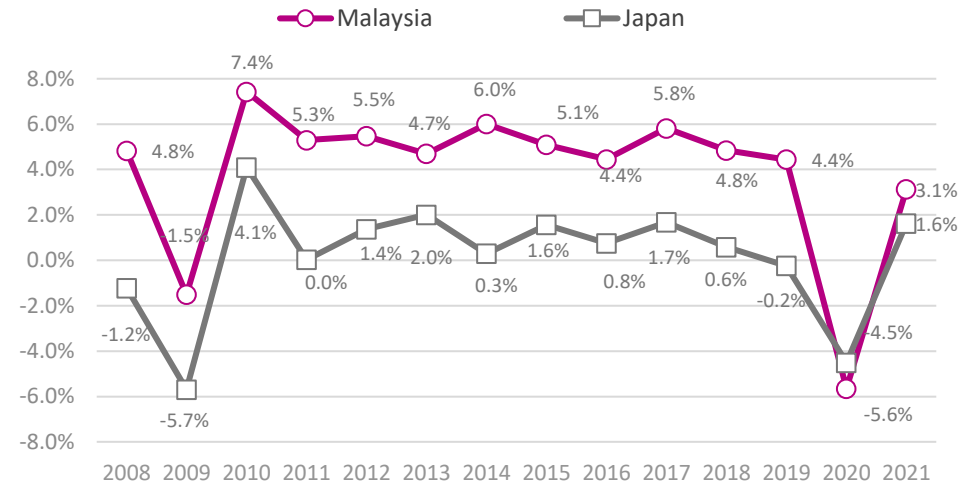
Overview of overseas properties

Acquired properties from AEON Malaysia, which has been operating locally for over 30 years. Rents are CPI-linked and reflecting Malaysia's growth potential.

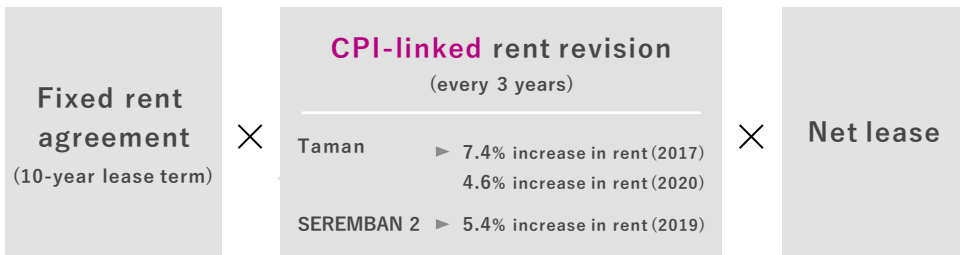
About the properties



GDP growth rate of Japan and Malaysia



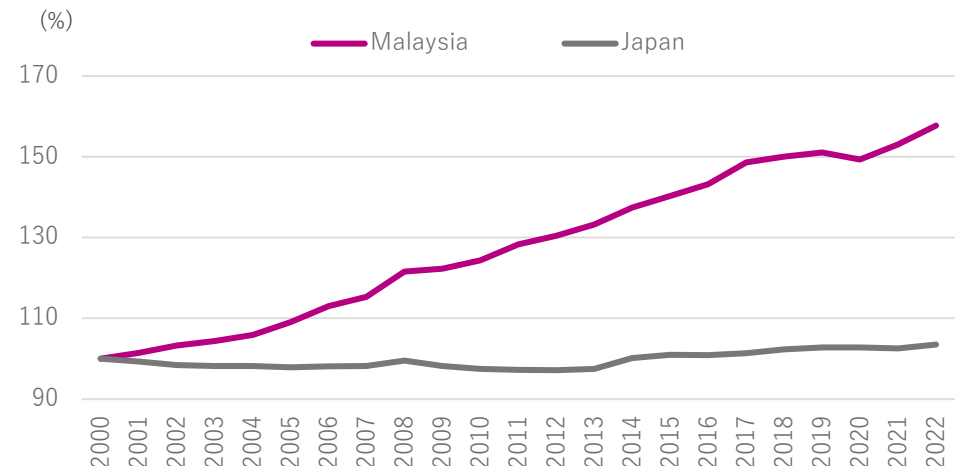
Details of the master lease agreement



About AEON Malaysia (AEON Co. (M) BHD)

- ▶ Founded in 1984 and has been operating in Malaysia for more than **30 years**.
- ▶ **Have been listed** on the Kuala Lumpur Stock Exchange **since 1996**.
- ▶ **Operates 28 malls, generating operating income 3,630 million RM.**(¥100.1 bn at 27.59 yen to 1 RM) (Note 1)

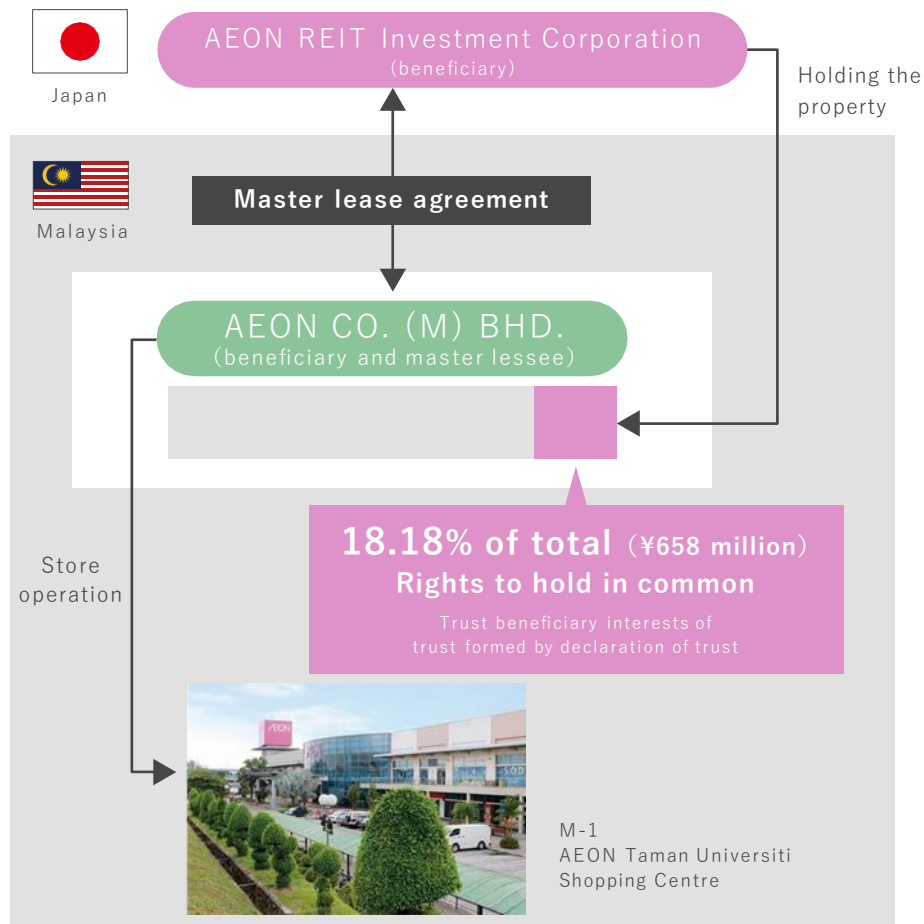
Changes in CPI in Malaysia and Japan (Note 3)



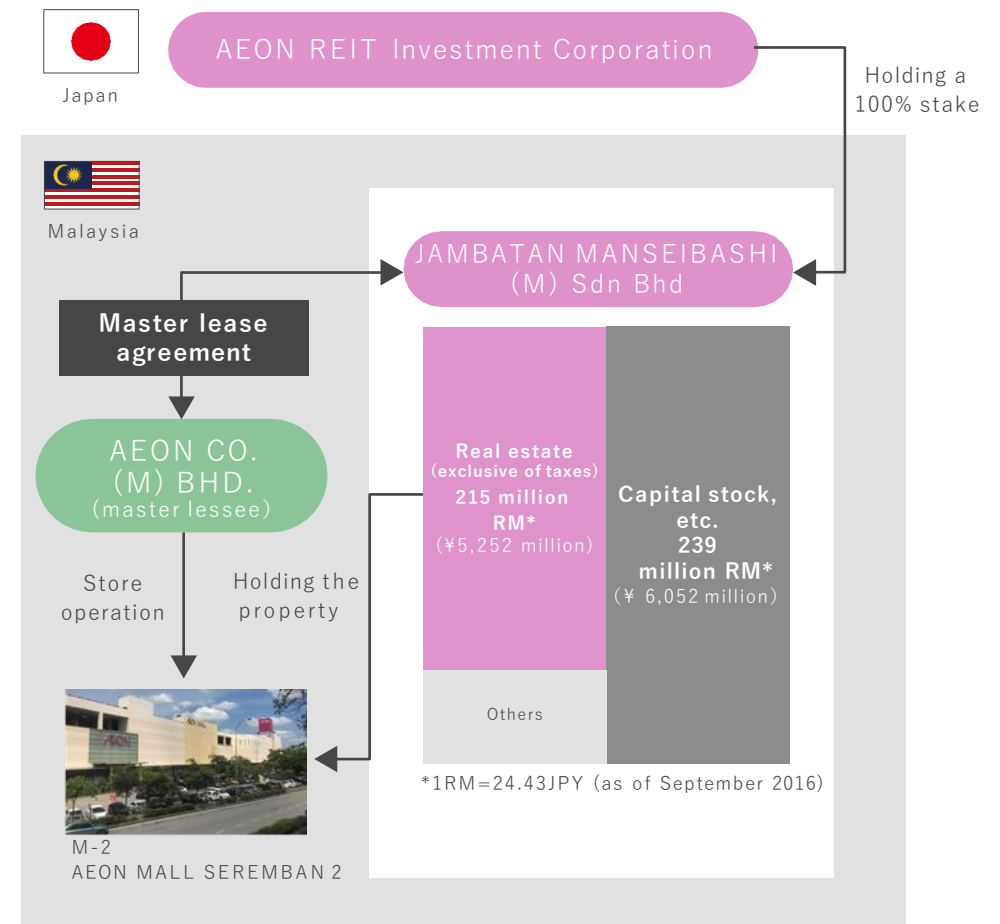
Schemes for acquisition of overseas properties

“Declaration-of-trust scheme” was utilized in the J-REIT’s first overseas investment case in Jun. 2014. “Overseas SPC scheme” was also utilized as second case for AEON REIT in Sep.2016.

Declaration-of-trust scheme (acquired in June 2014)

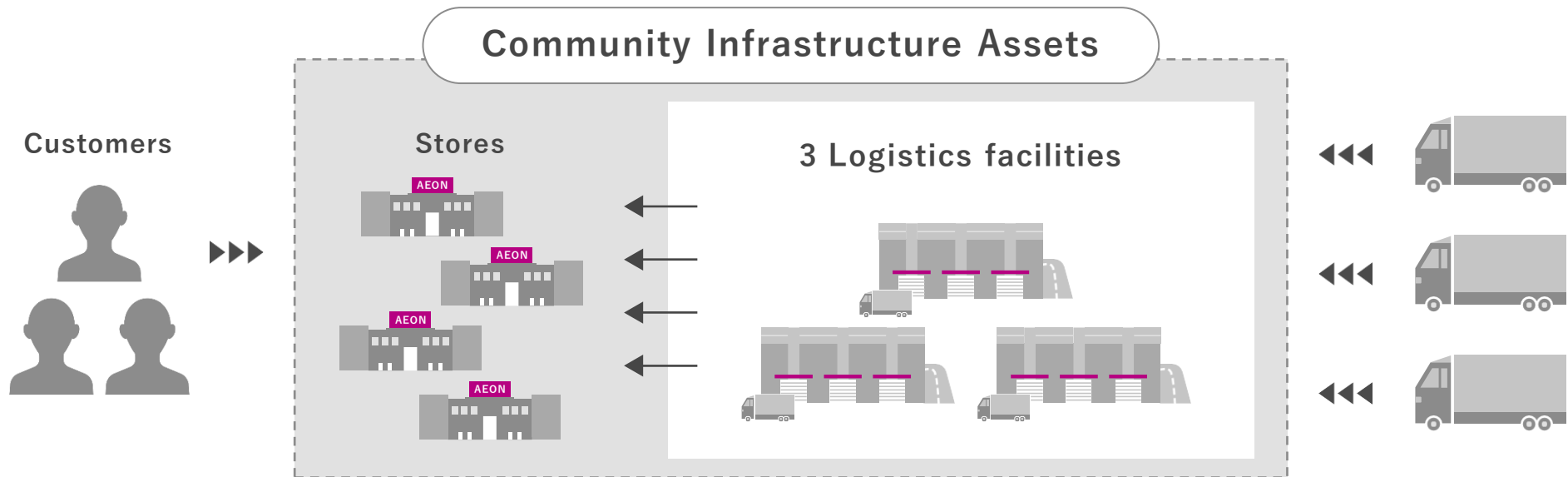





Overseas SPC scheme (acquired in September 2016)



Overview of logistics facilities

Invested in logistics facilities, supporting commercial distribution. Currently own 3 properties. Seek to incorporate growth potential and profitability in AEON Group's overall supply chain.

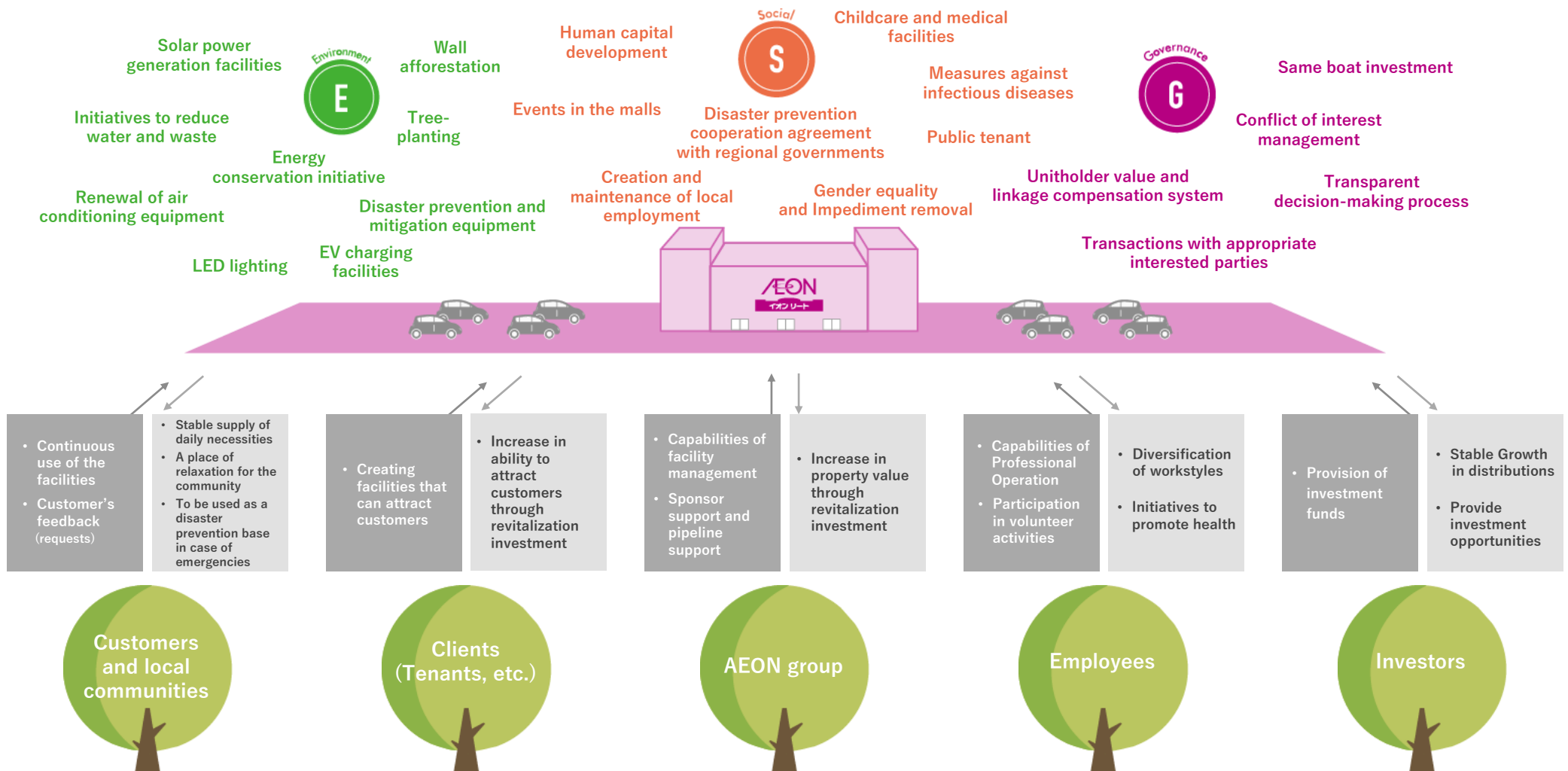


Type of facility	merchandise	Function	Kanto region	Kansai region
Process Center(PC)	Fresh food	<p>■ Fresh food processing center</p> <p>Producing and processing fresh food on behalf of each store and supplying raw materials for cooking at each store.</p>	 Daiei-Kawasaki Process Center	 Daiei-Ibaraki Process Center
Regional Distribution Center(RDC)	High rotation products	<p>■ Inventory storage base</p> <p>Mainly used as an ordinary temperature facility, responsible for temporary storage and supply of goods frequently replenished at each store.</p>		 AEON Minami-Osaka RDC

Sustainability Initiatives ~ AEON REIT ~

AEON REIT is promoting sustainable management by cooperating and enhancing each other with the stakeholders.

Received **5 Stars** (the highest rating) in the GRESB Real Estate Assessment 2021

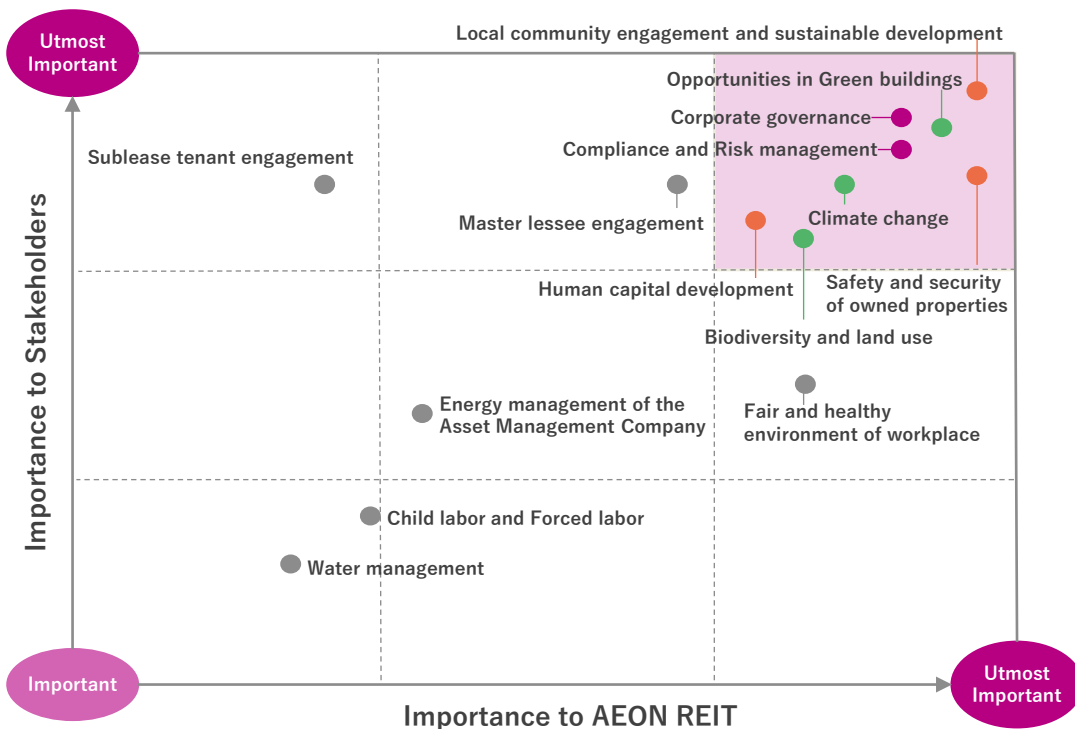


Sustainability Initiatives ~Materiality~

Materiality (Note 1) setting

- ▶ AEON REIT set **14** topics as its **Materiality** from sustainability issues and selected **8** as its **priorities**.
- ▶ AEON REIT will focus on 8 priorities for a while and consider specific measures and KPI for each topic.

Materiality Matrix (Note 2)



Priorities



Sustainability Initiatives ~ Environment ~

Environment E Reduction targets for energy consumption and CO2 emissions

AEON REIT aims to reduce the annual average of 1% of its energy consumption intensity and CO2 emission intensity in the medium and long term in the entire portfolio and individual property. As a target for FY 2019, AEON REIT aims to reduce 5% of energy consumption and CO2 emission for the five years from FY 2020 to 2024, compared to the figure of FY 2019.

Environment E Examples of initiatives for energy efficiency

AEON MALL Kurashiki Attracting customers and conserving the environment at the same time



solar panel



tree-planting



wall afforestation



garden mist

Environment E Property certification

84.9% : Ratio of properties with environmental certification
(Based on total leasable area/as of Jul. 2022)

DBJ Green Building Certification



DBJ Green Building

28 properties



Jul. 2022

AEON MALL Itamikoya

★★★★★ Reacquisition

CASBEE Certification of real estate appraisal



S rank
4 properties
(highest rating)



Mar. 2022

AEON MALL Yamatokoriyama

(Other 3 properties)

BELS Certification



★★★★ **1 property**



Feb. 2020

AEON Minami-Osaka RDC

Sustainability Initiatives ~ Social ~

Social

S

Initiatives at owned properties

Employment retention



Continued operations despite COVID-19 pandemic and contributed to maintaining employment in the region

Offering disaster prevention bases



Offering facilities as evacuation and supply base in case of emergencies

Public tenants



Including public tenants, such as administration office.

diversity



Installed restrooms for everyone (Genderless)

Creating a place for local community



Various events such as mall walks and festivals are held.



Providing multipurpose hall "AEON Hall", which is used by local governments and various regional groups

Social

S

Initiatives of the asset manager

Creating a comfortable working environment



In 2022, the asset management company was acknowledged by the government (Ministry of the Economy) as a company focused on health and productivity

- ▶ Various initiatives for health promotion (Food and nutrition/Sleep seminar, etc.)
- ▶ Conducting employee satisfaction survey
- ▶ Conducting walking events
- ▶ Stress checks and arranging mental health training course
- ▶ Lessening overtime by complying thoroughly to the law
- ▶ Installation of Whistle blowing system

Infection prevention measures



- ▶ Distribute masks and disinfectant to all officers and employees, which the company has been doing so far as a measure against flu
- ▶ Promotion of telework and off-peak commuting
- ▶ 52.7% of telework rate (from Feb.2022 to Jul. 2022)

Human Resource Development, Employee Training and Certification acquisitionSupport

qualification name	holders	Type of training	NO.
Real Estate Transaction Agent	15 people	Compliance	11 times
ARES Master	11 people	Business	6 times
Certified Real Estate Consulting Master	3 people	Safety and Health	6 times
		System and Others	17 times
		Total	40 times

(As of the end of Jul. 2022)

(from Mar. 2021 to Feb. 2022)

Sustainability Initiatives ~ Governance and others ~



Governance

Transparent decision-making process

- ▶ Added 1 executive to the Investment Corporation from 29 Oct. 2022. (4 in total)
- ▶ Attendance and approval of outside committee members is required to pass resolutions.



Investment committee



Compliance committee

Investment remuneration system linked to investor value

Investment remuneration I

Total assets x 0.3% (max. rate, yearly)



Investment remuneration II

Before deduction DPUx NOI x 0.001% (max. rate)

Same boat investment by AEON Group

AEON Group's stake in AEON REIT:

approx.17.2%

(as of July 2022)

Sustainable finance

Sustainability finance

“The highest”
SU1 acquisition (JCR)

Sustainability bonds (Retail)

¥18.0 billion

Sustainability loan (including Sustainability Derivatives)

¥5.1 billion

Green finance

“The highest”
Green1 acquisition (JCR)

Green bonds (Retail)

¥12.0 billion

Green trust loan

¥3.3 billion

Impact report FY2020

1. Energy consumption (electricity, gas) and Green house gas emission rate

	Classification			Electricity (kWh, kWh/m ²)	Gas (m ³ , m ³ /m ²)	Greenhouse gas (t-CO ₂ , t-CO ₂ /m ²)
	properties	total	intensity			
Qualified assets	29	436,388,911	147	1,625,302	190,447	
	74.4%			0.5	0.0643	
Non-qualified assets	10	94,929,275	204	2,113,050	47,318	
	25.6%			4.5	0.1015	

2. Name of properties applicable for sustainability finance and social projects

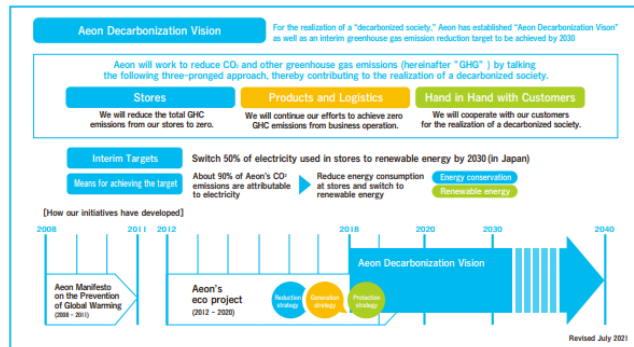
Applicable properties	Social projects applicable for finance	①(a) Total no. of employees	②(b) Disaster prevention agreement
AEON MALL Ishinomaki	①(a) Facilities that are sufficiently creating local employment ②(b) Facilities that are able to supply necessary resources and evacuation space at the time of disaster by concluding a disaster prevention agreement with a local government	Approx. 1,300	Concluded
AEON MALL Mitouchihara		Approx. 3,100	Concluded

Sustainability ~AEON Group~

Aeon strives to ensure Group growth while helping to realize a sustainable society in accordance with the basic principle of pursuing peace, respecting humanity, and contributing to local communities, always with the consumer's point of view as its core.

AEON Decarbonization vision

Switching **50%** of the electricity used in stores in Japan to renewable energy **by 2030**



BCM

- ▶ In cooperation with **the Japan's Self Defense Force** and **Japan Air Line**
- ▶ Target: **100** temporary local shelters (60 locations as of the end of Feb. 2021)



Clear policies for each field

Established basic group policies for each field based on social demands.

Sustainable Procurement Policy

Plastic Usage Policy

Aeon Basic Policy
Human Rights Policy

Biodiversity Principle

Information Security Policy

Comprehensive partnership agreements

Health management statement

AEON COVID-19 Protocol for Infectious Disease Control

Food waste reduction targets

Diversity

2025 Target

Female managers ratio **50%**
(26% in FY2021)



About AEON Group (1/3) ~ Pipeline support ~

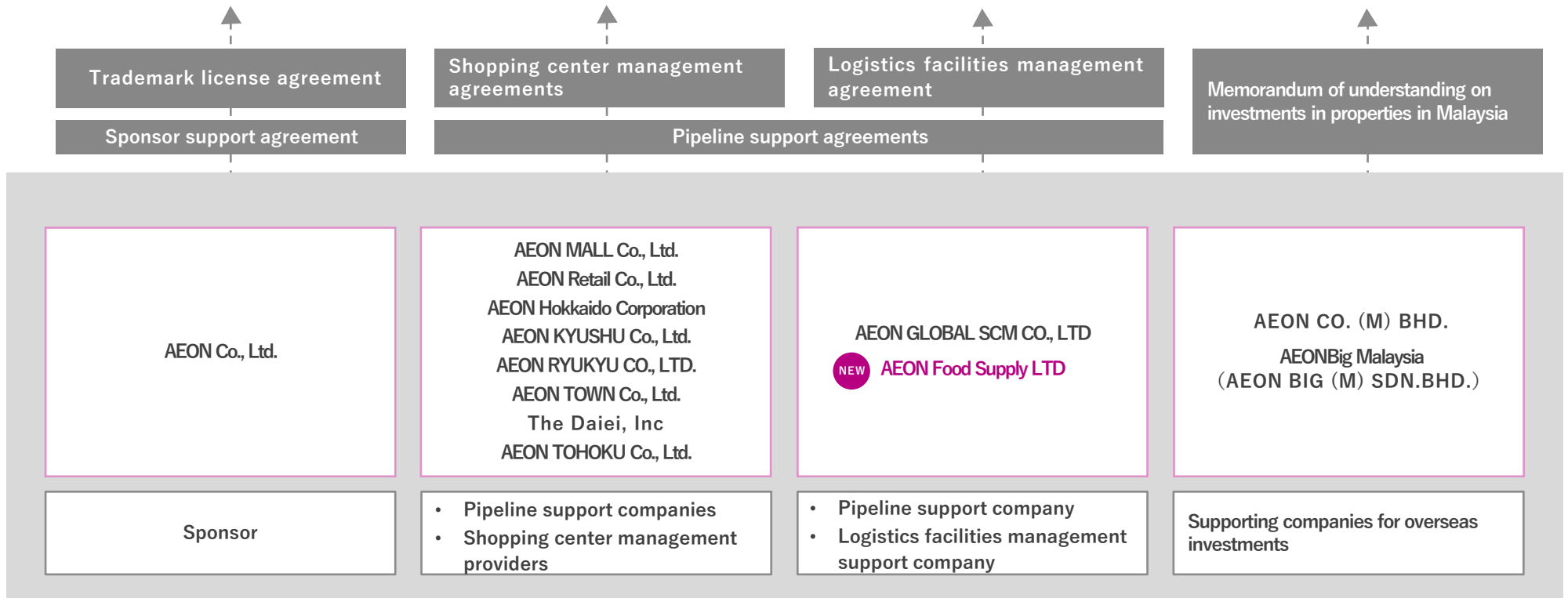
Supported by 13 companies from AEON Group and fully utilizing the Group synergy.

Major supports to be provided

- ▶ Provision of information on properties owned by AEON REIT.
- ▶ Grant of preferential negotiation rights on the retail properties operated by AEON Group.
- ▶ Provision of information on potential sales of properties owned by third parties.



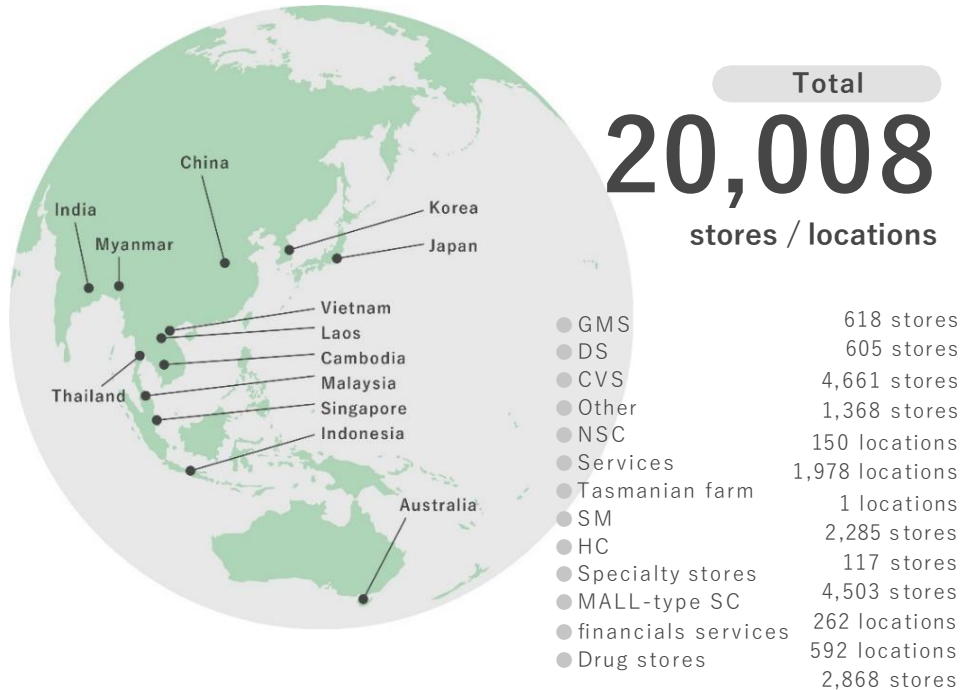
AEON REIT Investment Corporation / AEON Reit Management Co., Ltd



About AEON Group (2/3) ~ Overview of the group ~

Numerical data

(Note1)



Consolidated operating revenue

¥8,715bn

Group employees

560,000

AEON Finance Service
Number of consolidated card members

47.3 million

Businesses fields



Market positioning (Note 3)

(Unit: USD million)

Ranking	Company name	Head office	Amount of sales
1	Walmart Stores	United States	559,151
2	Amazon.com	United States	386,064
3	CVS health	United States	268,706
4	Costco	United States	166,761
5	Schwarz Group	Germany	145,064
14	AEON	Japan	81,204
15	Rewe Group	Germany	77,761

About AEON Group (3/3)

~ Major large-scale retail properties (including facilities under development) ~

- Major Shopping Centers developed by AEON Group
- Major Shopping Centers currently under development

Chugoku and Shikoku

- AEON MALL Tottorikita
- AEON Matsue Shopping Center
- AEON MALL Izumo
- AEON MALL Okayama
- AEON MALL Hiroshima Fuchu
- AEON MALL Hiroshima Gion
- THE OUTLETS HIROSHIMA
- AEON TOWN Houfu
- AEON MALL Tokushima
- AEON MALL Takamatsu
- AEON MALL Niihama
- AEON MALL Imabarishintoshi
- AEON MALL Kochi

- Tottori City, Tottori
- Matsue City, Shimane
- Izumo City, Shimane
- Okayama City, Okayama
- Aki County, Hiroshima
- Hiroshima City, Hiroshima
- Hiroshima City, Hiroshima
- Hofu City, Yamaguchi
- Tokushima City, Tokushima
- Takamatsu City, Kagawa
- Niihama City, Ehime
- Imabari City, Ehime
- Kochi City, Kochi

Kinki

- AEON MALL Wakayama
- AEON MALL Kusatsu
- AEON MALL Kyoto Katsuragawa
- AEON MALL Rinkusennan
- AEON MALL Dainichi
- AEON MALL Osaka Dome City
- AEON MALL Shijonawate
- AEON MALL Sakaitteppouchu
- AEON MALL Fujiidera SC
- AEON MALL Kobeminami
- AEON MALL Kashiwara

- Wakayama City, Wakayama
- Kusatsu City, Shiga
- Kyoto City/Mukou City, Kyoto
- Sennan City, Osaka
- Moriguchi City, Osaka
- Osaka City, Osaka
- Shijonawate City/Neyagawa City, Osaka
- Sakai City, Osaka
- Fujiidera City, Osaka
- Kobe City, Hyogo
- Kashiwara City, Nara

THE OUTLETS KITAKYUSHU



Kyushu and Okinawa

- THE OUTLETS KITAKYUSHU
- AEON MALL Fukuoka
- AEON MALL Yahatahigashi
- AEON Daito Shopping Center
- AEON Yatsushiro Shopping Center
- AEON MALL Sankoh
- AEON MALL Miyazaki
- AEON MALL Okinawa Rycom

- Kitakyushu City, Fukuoka
- Fukuoka City, Fukuoka
- Kitakyushu City, Fukuoka
- Sasebo City, Nagasaki
- Yatsushiro City, Kumamoto
- Nakatsu City, Oita
- Miyazaki City, Miyazaki
- Nakagami County, Okinawa

AEON MALL Nagoya Noritake Garden



Tokai and Hokuriku

- AEON MALL Takaoka
- AEON MALL Tonami
- AEON MALL Shin-Komatsu
- AEON MALL Hakusan
- AEON MALL Kakamigahara
- AEON MALL Toki
- AEON MALL Hamamatsuichino
- (tentative name) AEON MALL Toyokawa

- Takaoka City, Toyama
- Tonami City, Toyama
- Komatsu City, Ishikawa
- Hakusan City, Ishikawa
- Kakamigahara City, Gifu
- Toki City, Gifu
- Hamamatsu City, Shizuoka
- Toyokawa City, Aichi

- AEON MALL Odaka
- AEON MALL Nagoya Chaya
- AEON MALL Nagoya Noritake Garden
- AEON MALL Fuso
- AEON MALL Tokoname
- AEON MALL Nagakute
- AEON MALL Toin
- AEON MALL Tsu minami

- Nagoya City, Aichi
- Nagoya City, Aichi
- Nagoya City, Aichi
- Niwa County, Aichi
- Tokoname City, Aichi
- Nagakute City, Aichi
- Inabe County, Mie
- Tsu City, Mie

Hokkaido and Tohoku

- AEON MALL Around Asahikawa Station
- AEON MALL Shimoda
- AEON MALL Moriokaminami
- AEON MALL Natori
- AEON MALL Shinrifu South Wing
- AEON MALL Akita
- AEON MALL Tendo
- AEON MALL Iwakionahama
- (tentative name) AEON MALL Kita Fukushima

- Kamikita County, Aomori
- Morioka City, Iwate
- Natori City, Miyagi
- Rifu-cho, Miyagi
- Akita City, Akita
- Tendo City, Yamagata
- Iwaki City, Fukushima
- Date City, Fukushima

Kanto and Koushinetsu

- AEON MALL Tsukuba
- AEON MALL Sanoshintoshi
- AEON MALL Urawamisono
- AEON MALL Hanyu
- AEON MALL Kasukabe
- AEON MALL Yono
- AEON MALL Ageo
- AEON MALL Kawaguchi
- AEON MALL Makuhari New City
- AEON MALL Kisarazu
- Hachioji North Interchange
- AEON MALL Hinode
- (tentative name) Jiyugaoka 2-Chome project
- AEON Hadano Shopping Center
- AEON MALL Zama
- (tentative name) AEON MALL Hiratsuka
- (tentative name) AEON MALL Yokohama Nishiguchi
- AEON MALL Niigataminami
- AEON MALL Sakudaira
- AEON MALL Matsumoto
- AEON MALL Suzaka

- Tsukuba City, Ibaraki
- Sano City, Tochigi
- Saitama City, Saitama
- Hanyu City, Saitama
- Kasukabe City, Saitama
- Saitama City, Saitama
- Ageo City, Saitama
- Kawaguchi City, Saitama
- Chiba City, Chiba
- Kisarazu City, Chiba
- Hachioji City, Tokyo
- Nishitama County, Tokyo
- Meguro Ward, Tokyo
- Hadano City, Kanagawa
- Zama City, Kanagawa
- Hiratsuka City, Kanagawa
- Yokohama City, Kanagawa
- Niigata City, Niigata
- Saku City, Nagano
- Matsumoto City, Nagano
- Suzaka City, Nagano

Notes (IV)

P.45 Corporate philosophy and policy

(Note 1) Refers to retail properties, logistics facilities and related facilities. Retail properties refer to facilities containing retail businesses and other merchandising businesses, entertainment and amusement facilities and other facilities that attract customers (including parking lots and equipment and systems for logistics). Logistics facilities refer to warehouses and other storage facilities for the distribution and transport of merchandise and other goods.

(Note 2) Refers to the group comprised of the holding company AEON CO., LTD. and its 287 consolidated subsidiaries and 27 equity-method associates (as of Feb. 28, 2021).

P.46 Portfolio policy

(Note 1) Calculated based on acquisition prices.

(Note 2) Indicates such as Malaysia in the ASEAN region and China.

(Note 3) ASEAN indicates Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia.

P.51 Steady growth of stabilized DPU

(Note) Stabilized DPU is the estimated amount of distribution per unit, which is calculated by adjusting the following temporary fluctuations in expenses caused by the accounting treatment of taxes and public dues of property tax, city planning tax, and other taxes (the “Taxes and Public Dues” in this Note) imposed on the actual amount of distribution per unit (excluding distributions in excess of earnings). By the 19th fiscal period ending Jul. 2022, it refers to the estimated amount of distribution per unit, which does not include distribution in excess of profit. From the fiscal period ending Jan. 2023 (20th period), it refers to the estimated amount calculated based on the distribution per unit including the distribution in excess of profit due to the revision of the definition. The “stabilized DPU” for the 18th FP (fiscal period ending Jan. 31, 2022) is calculated after adding the dividend reserve of ¥116 mm, which was utilized to compensate for the loss from the disaster caused by the earthquakes and amortization of leasehold rights of fixed-term leasehold properties, etc.. Dividend reserve is also to be used for the amortization of leasehold rights of fixed-term leasehold properties, etc. from the 20th FP (ending Jan. 31, 2023). Stabilized DPU is calculated based on the assumption that the dividend reserve will be reversed by ¥67 mm for both the 20th FP (fiscal period ending Jan. 31, 2023) and the 21st FP (fiscal period ending Jul. 31, 2023). The future Stabilized DPU are forecast figure anticipated by AEON REIT Investment Corporation as of the publication date of this document and not audited. AEON REIT Investment Corporation does not guarantee or promise its achievement.

P.52 Overview of overseas properties

(Note 1) Created by the Asset Management Company based on the information listed in “Annual Report 2021” issued by AEON Malaysia.

(Note 2) Created by the Asset Management Company based on the information listed in “World Development Indicators” issued by World Bank.

(Note 3) Created by the Asset Management Company based on the information listed in “World Economic Outlook Databases” issued by IMF. (The data in 2000 is set as 100.)

P.56 Sustainability ~Materiality~

(Note 1) Materiality refers to key issues that may cause huge impact to the activities of the corporation.

(Note 2) Materiality Matrix refers to the prioritization matrix which shows “how important the corporation recognize the issue”.

P.57 Sustainability ~Materiality~

P.58 Sustainability ~Materiality~

P.60 Sustainability ~Materiality~

(Note) Information listed on above pages collectively describes the ESG initiatives of the Investment Corporation, the Asset Management Company and AEON Group, and includes those not directly related to the Investment Corporation or the Asset Management Company.

Notes (IV)

P.62 About AEON Group (2/3) ~Overview of the AEON Group~

(Note 1) Created by the Asset Management Company based on information on "AEON 2022" uploaded on websites of AEON Co., Ltd

(Note 2) Mentioned based on the securities report dated May 27, 2021 of AEON Co., Ltd.

(Note 3) Created by the Asset Management Company based on the sales data of each company in 2020.

P.63 About AEON Group (3/3) ~ Major large-scale retail properties(including facilities under development) ~

(Note 1) Prepared by the Asset Management Company based on the information provided by AEON CO., LTD. and AEON MALL Co., Ltd. (as of Jul. 2022).

(Note 2) AEON REIT neither owns nor plans to acquire any of these properties as of now.

19th FP(Jul. 2022) Financial Results Presentation Material

Appendix 2

Numeric data

Balance Sheet of 19th FP (as of Jul. 31, 2022)

	18th FP (as of Jan 31, 2022)		19th FP (as of July 31, 2022)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Assets				
I Current assets	26,245,471	6.1%	31,393,497	7.2%
Cash and deposits	13,989,226	3.2%	21,399,253	4.9%
Cash and deposits in trust	9,492,028	2.2%	8,902,646	2.0%
Prepaid expenses	654,433	0.2%	448,556	0.1%
Income taxes receivable	18	0.0%	18	0.0%
Consumption taxes receivable	2,071,557	0.5%	–	–
Other	38,207	0.0%	643,021	0.1%
II Non-current assets	406,107,828	93.9%	402,927,462	92.7%
Property and equipment	325,779,474	75.3%	322,536,062	74.2%
Land	108,463	0.0%	108,463	0.0%
Buildings in trust, net	183,762,888	42.5%	180,516,040	41.5%
Structures in trust, net	805,612	0.2%	810,774	0.2%
Tools, furniture and fixtures in trust, net	15,652	0.0%	13,927	0.0%
Land in trust	141,086,856	32.6%	141,086,856	32.5%
Construction in progress in trust	–	–	–	–
Intangible assets	73,612,539	17.0%	73,551,636	16.9%
Leasehold rights in trust	73,612,539	17.0%	73,551,636	16.9%
Investments and other assets	6,715,815	1.6%	6,839,763	1.6%
Shares of subsidiaries and associates	6,078,453	1.4%	6,078,453	1.4%
Long-term prepaid expenses	626,900	0.1%	750,849	0.2%
Leases and guarantee deposits	10,460	0.0%	10,460	0.0%
III	349,377	0.1%	314,031	0.1%
Investment unit issuance expenses	55,228	0.0%	39,344	0.0%
Investment corporation bond issuance costs	294,148	0.1%	274,686	0.1%
Total assets	432,702,678	100.0%	434,634,991	100.0%

	18th FP (as of Jan 31, 2022)		19th FP (as of July 31, 2022)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Liabilities				
I Current liabilities	42,430,055	9.8%	24,948,018	5.7%
Operating accounts payable	1,417,271	0.3%	1,866,229	0.4%
Short-term debt	–	–	–	–
Current portion of long-term loan payable	40,100,000	9.3%	20,800,000	4.8%
Account payable - other	473,294	0.1%	472,598	0.1%
Accrued expense	104,429	0.0%	106,100	0.0%
Income taxes payable	605	0.0%	605	0.0%
Accrued consumption taxes	–	–	1,473,079	0.3%
Provision for loss on disaster	49,456	0.0%	37,084	0.0%
Other	284,998	0.1%	192,321	0.0%
II Non-current liabilities	153,777,252	35.5%	173,079,074	39.8%
Investment corporation bond	51,000,000	11.8%	51,000,000	11.7%
Long-term loans payable	88,000,000	20.3%	107,300,000	24.7%
Tenants leasehold and security deposits	2,628	0.0%	2,628	0.0%
Tenants leasehold and security deposits in trust	14,320,296	3.3%	14,320,296	3.3%
Asset retirement obligation	454,327	0.1%	456,149	0.1%
Total liabilities	196,207,307	45.3%	198,027,092	45.6%
Net assets				
I Unitholders' equity	236,495,370	54.7%	236,607,898	54.4%
Unitholders' capital, net	229,484,384	53.0%	229,484,384	52.8%
Unitholders' capital	233,010,081	53.8%	233,010,081	53.6%
Other deduction from unitholders' capital	▲ 3,525,697	▲0.8%	▲ 3,525,697	▲0.8%
Surplus	7,010,985	1.6%	7,123,514	1.6%
Distribution reserve	350,316	0.1%	233,577	0.1%
Unappropriated retained earnings	6,660,669	1.5%	6,889,936	1.6%
Total net assets	236,495,370	54.7%	236,607,898	54.4%
Total liabilities and net assets	432,702,678	100.0%	434,634,991	100.0%

Statements of income of 19th FP (as of Jul. 31, 2022)

(Statements of Income)

	18th FP (From Aug 1, 2021 to Jan 31, 2022)		19th FP (From Feb 1, 2021 to July 31, 2022)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Operating revenue	19,928,901	100.0%	20,121,459	100.0%
Rent revenue - real estate	19,789,824	99.3%	19,966,322	99.2%
Dividends received	139,076	0.7%	155,137	0.8%
Gain on sale of real estate	-	-	-	-
Operating expenses	12,237,248	61.4%	12,559,605	62.4%
Expenses related to rent business	11,163,686	56.0%	11,421,596	56.8%
(Depreciation)	(5,213,564)	(26.2%)	(5,181,192)	(25.7%)
Asset management fee	860,291	4.3%	922,851	4.6%
Asset custody fee	22,152	0.1%	22,378	0.1%
Administrative service fees	65,335	0.3%	63,247	0.3%
Director's compensation	4,500	0.0%	5,400	0.0%
Taxes and dues	7,118	0.0%	7,429	0.0%
Other operating expenses	114,164	0.6%	116,701	0.6%
I Operating income	7,691,652	38.6%	7,561,854	37.6%
Non-operating income	1,579	0.0%	5,372	0.0%
Interest income	121	0.0%	122	0.0%
Refund of unpaid distributions	973	0.0%	1,062	0.0%
Other	484	0.0%	4,186	0.0%
Non-operating expenses	925,302	4.6%	872,297	4.3%
Interest expenses	447,298	2.2%	468,449	2.3%
Interest expenses on investment corporation bonds	217,522	1.1%	215,139	1.1%
Amortization of investment unit issuance expenses	15,883	0.1%	15,883	0.1%
Amortization of investment corporation bond issuance expenses	19,461	0.1%	19,461	0.1%
Investment corporation bonds issuance costs	-	-	-	-
Borrowing related expenses	136,085	0.7%	153,362	0.8%
Other	89,051	0.4%	-	-
II Ordinary income	6,767,929	34.0%	6,694,928	33.3%
III Extraordinary income	-	-	786,528	3.9%
Insurance income	-	-	786,528	3.9%
III Extraordinary loss	106,654	0.5%	590,915	2.9%
Loss on disaster	57,198	0.3%	565,672	2.8%
Provision for loss on disaster	49,456	0.2%	25,243	0.1%
IV Income (loss) before taxes	6,661,274	33.4%	6,890,541	34.2%
Income taxes - current	605	0.0%	605	0.0%
V Net income (loss)	6,660,669	33.4%	6,889,936	34.2%
Retained earnings brought forward	-	-	-	-
VI Unappropriated retained earnings (undisposed loss)	6,660,669	33.4%	6,889,936	34.2%

(Breakdown of revenues and expenses related to real estate leasing business)

	18th FP (From Aug 1, 2021 to Jan 31, 2022)		19th FP (From Feb 1, 2021 to July 31, 2022)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Rent revenue - real estate	19,789,824	100.0%	19,966,322	100.0%
Rent revenue	19,727,043	99.7%	19,762,138	99.0%
Other rent revenue - real estate	62,781	0.3%	204,183	1.0%
Expenses related to real estate leasing business	11,163,686	56.4%	11,421,596	57.2%
Property and facility management fees	49,326	0.2%	49,393	0.2%
Repairs and maintenance expenses	982,724	5.0%	1,025,856	5.1%
Insurance expenses	215,505	1.1%	227,837	1.1%
Trust fees	24,193	0.1%	24,242	0.1%
Land rent paid	2,591,994	13.1%	2,596,743	13.0%
Taxes and dues	2,024,931	10.2%	2,259,573	11.3%
Depreciation	5,213,564	26.3%	5,181,192	25.9%
Water charges	45,953	0.2%	47,226	0.2%
Other expenses related to rent business	15,492	0.1%	9,530	0.0%
NO I	13,839,703	-	13,725,917	-
Rent revenue - real estate (+)	19,789,824	-	19,966,322	-
Expenses related to real	▲ 11,163,686	-	▲ 11,421,596	-
Depreciation (+)	5,213,564	-	5,181,192	-

Portfolio list (1/2)

Property number	Property name	Location	Acquisition date	Age of building	Total leasable area (square meters)	acquisition price (mmcredits)	PML(%) (Note 1)
SRSC-1	Aeon Lake Town mori (40% stake) (Note 2)	Koshigaya City, Saitama	November 2013	13.9 years	205,711.70	21,190	2.0
SRSC-2	AEON Lake Town kaze (40% stake) (Note 2)	Koshigaya City, Saitama	November 2013	13.9 years	127,183.81	6,730	1.7
RSC-1	AEON MALL Morioka	Morioka City, Iwate	November 2013	19.0 years	98,968.59	5,340	11.1
RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi	November 2013	15.4 years	60,682.20	6,680	3.9
RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki	November 2013	16.7 years	159,997.49	16,565	0.7
RSC-4	AEON MALL Ota	Ota City, Gunma	November 2013	18.7 years	93,165.27	6,860	4.8
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa	November 2013	29.0 years	75,056.62	10,220	13.4
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu	November 2013	15.4 years	64,246.26	4,950	9.2
RSC-7	AEON MALL Suzuka	Suzuka City, Mie	November 2013	25.7 years	125,253.74	9,660	7.5
RSC-8	AEON MALL Meiwa	Taki County, Mie	November 2013	21.0 years	44,193.80	3,290	4.6
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo	November 2013	13.8 years	48,229.25	7,230	10.7
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori	November 2013	23.4 years	102,045.24	7,780	8.0
RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama	November 2013	22.9 years	157,274.78	17,890	0.5
RSC-12	AEON MALL Ayagawa	Ayaka County, Kagawa	November 2013	14.0 years	113,149.07	8,740	0.6
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka	November 2013	17.3 years	151,969.51	12,546	0.1
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto	February 2015	12.6 years	136,468.45	21,470	13.5
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	February 2015	21.7 years	78,360.81	5,900	3.5
RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	February 2015	21.9 years	51,763.05	1,780	7.0
RSC-18	AEON MALL Shinrifu North Wing	Miyagi County, Miyagi	February 2015	22.3 years	66,478.91	2,560	6.9
RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata	February 2015	21.7 years	53,502.94	1,350	6.2
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie	February 2015	21.5 years	41,447.33	2,210	6.0
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara	February 2016	12.5 years	105,230.88	14,452	12.0
RSC-22	AEON MALL Chiba-Newtown (Mall Building, Cinema and Sports Building)	Inzai City, Chiba	March 2016	16.3 years	107,425.97	12,190	2.7
RSC-23	AEON MALL Kofu Showa (Note 3)	Nakakoma County, Yamanashi	February 2016	11.4 years/4.7 years	99,772.38	15,489	2.5/3.1
RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido	September 2016	17.3 years	71,308.33	7,840	2.9

Portfolio list (2/2)

Property number	Property name	Location	Acquisition date	Age of building	Total leasable area (square meters)	acquisition price (mmcredits)	PML (%) (Note 1)
RSC-25	AEON MALL Oyama	Oyama City, Tochigi	August 2016	25.3 years	47,872.33	6,280	4.5
RSC-26	AEON MALL Itamikoya	Itami City, Hyogo	February 2017	11.5 years	122,944.71	16,860	1.8
RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima	February 2017	14.9 years	132,341.35	13,400	6.1
RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki	February 2017	13.2 years	86,848.51	12,030	1.0
RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa	February 2017	13.8 years	70,948.14	9,940	11.4
RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki	September 2017	24.7 years	58,402.66	9,552	2.7
RSC-31	AEON MALL Kyoto Gojo	Kyoto City, Kyoto	July 2018	18.5 years	87,311.56	13,333	11.6
RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka	September 2019	10.3 years	100,020.87	18,040	1.5
RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	February 2020	7.7 years	66,575.54	9,667	7.0
RSC-34	AEON MALL Takasaki	Takasaki City, Gunma	August 2021	15.8 years	126,403.58	17,164	4.0
RSC-35	AEON MALL Narita	Narita City, Chiba	August 2021	22.4 years	122,785.62	14,001	5.0
RSC-36	AEON MALL Shinkomatsu	Komatsu City, Ishikawa	August 2021	5.4 years	79,509.27	15,350	6.7
RSC-37	AEON MALL Sagayamato	Saga City, Saga	August 2021	21.9 years	68,942.36	3,720	8.6
CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa	May 2016	21.8 years	63,158.24	6,410	14.8
CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba	November 2017	30.7 years	29,947.62	3,748	2.6
CSC-3	AEON Kireuriwari Shopping Center	Osaka City, Osaka	September 2017	16.7 years	27,603.46	4,394	9.3
CSC-4	AEON Ueda Shopping Center	Ueda City, Nagano	October 2020	18.1 years	61,349.07	5,350	9.0
L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa	February 2016	25.3 years	59,265.77	14,280	3.7
L-2	AEON Minami-Osaka RDC	Sakai City, Osaka	February 2017	27.3 years	50,197.06	9,870	12.5
L-3	Daiei-Ibaraki Process Center	Ibaraki City, Osaka	October 2017	45.2 years	50,783.58	6,810	12.6
M-1	AEON Taman Universiti Shopping Centre	Malaysia Johor	June 2014	20.2 years	22,870.00	658 (RM20 million)	0.8
M-2	AEON MALL SEREMBAN 2 (Note 4)	Malaysia Negeri Sembilan Province	September 2016	17.6 years	81,135.00	5,252 (RM215 million)	4.0
Total (47 properties as of Jul. 31, 2022)				17.3 years	4,056,102.68	447,023	1.2

Appraisal value (1/2)

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	FP Terminal book value (Millions of yen) (Note 1)	Unrealized gain (Millions of yen) (Note 2)	Appraisal value (Millions of yen)			Capitalization Rate based on direct capitalization method(%)		
					18th FP (Jan. 31, 2022)	19th FP (July 31, 2022)	Difference	18th FP (Jan. 31, 2022)	19th FP (July 31, 2022)	Difference
SRSC-1	AEONLake town mori (note3)	21,190	17,737	5,962	23,700	23,700	-	4.7	4.7	-
SRSC-2	AEONLaketown kaze (note3)	6,730	5,436	2,363	7,800	7,800	-	5.1	5.1	-
RSC-1	AEON MALL Morioka	5,340	5,016	1,933	6,950	6,950	-	6.5	6.5	-
RSC-2	AEON MALL Ishinomaki	6,680	5,536	1,453	7,110	6,990	▲120	6.1	6.2	0.1
RSC-3	AEON MALL Mitouchihara	16,460	12,918	4,681	17,600	17,600	-	5.9	5.9	-
	AEON MALL Mitouchihara(land)	105	108	7	115	116	1	-	-	-
RSC-4	AEON MALL Ota	6,860	6,009	2,200	8,210	8,210	-	6.3	6.3	-
RSC-5	AEON Sagamihara Shopping Center	10,220	9,480	1,519	11,300	11,000	▲300	5.1	5.2	0.1
RSC-6	AEON MALL Ogaki	4,950	3,209	1,670	4,880	4,880	-	7.1	7.1	-
RSC-7	AEON MALL Suzuka	9,660	9,045	1,454	10,500	10,500	-	6.1	6.1	-
RSC-8	AEON MALL Meiwa	3,290	3,125	794	3,930	3,920	▲10	6.4	6.4	-
RSC-9	AEON MALL Kasai-Hojo	7,230	5,574	2,145	7,720	7,720	-	6.7	6.7	-
RSC-10	AEON MALL Hiezu	7,780	6,143	2,286	8,430	8,430	-	6.7	6.7	-
RSC-11	AEON MALL Kurashiki	17,890	16,192	3,707	19,800	19,900	100	6.0	6.0	-
RSC-12	AEON MALL Ayagawa	8,740	5,727	3,122	8,850	8,850	-	6.4	6.4	-
RSC-13	AEON MALL Nogata	12,546	10,237	3,962	14,200	14,200	-	6.1	6.1	-
RSC-15	AEON MALL KYOTO	21,470	19,019	3,280	23,100	22,300	▲800	4.7	4.7	-
RSC-16	AEON MALL Sapporo-Hiraoka	5,900	5,014	1,185	6,170	6,200	30	6.1	6.1	-
RSC-17	AEON MALL Kushiro-Showa	1,780	1,736	153	1,890	1,890	-	6.7	6.7	-
RSC-18	AEON MALL Shinrifu North Wing	2,560	2,810	▲530	2,280	2,280	-	6.3	6.3	-
RSC-19	AEON MALL Yamagata-Minami	1,350	1,200	279	1,480	1,480	-	6.5	6.5	-
RSC-20	AEON MALL Yokkaichi-Kita	2,210	2,173	266	2,440	2,440	-	6.1	6.1	-
RSC-21	AEON MALL Yamatokoriyama	14,452	12,472	2,227	14,600	14,700	100	5.6	5.6	-
RSC-22	AEON MALL Chiba-Newtown (Mall Building, Cinema and Sports Building)	12,190	11,113	786	12,600	11,900	▲700	4.8	4.8	-
RSC-23	AEON MALL Kofu Showa (note4)	15,489	13,938	3,261	17,200	17,200	-	5.6	5.6	-
RSC-24	AEON MALL Tomakomai	7,840	6,984	1,195	8,160	8,180	20	5.8	5.8	-

Appraisal value (2/2)

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	FP Terminal book value (Millions of yen) (Note 1)	Unrealized gain (Millions of yen) (Note 2)	Real estate appraisal value (mm)			Capitalization rate based on direct capitalization method (%)		
					18th FP (Jan. 31, 2022)	19th FP (July 31, 2022)	Difference	18th FP (Jan. 31, 2022)	19th FP (July 31, 2022)	Difference
RSC-25	AEON MALL Oyama	6,280	5,449	770	6,550	6,220	▲330	6.6	6.6	-
RSC-26	AEON MALL Itamikoya	16,860	15,049	2,550	17,600	17,600	-	5.6	5.6	-
RSC-27	AEON MALL Kagoshima	13,400	12,007	1,392	14,200	13,400	▲800	5.9	5.9	-
RSC-28	AEON MALL Tsuchiura	12,030	10,473	2,126	12,600	12,600	-	6.2	6.2	-
RSC-29	AEON MALL Kahoku	9,940	8,131	2,668	10,800	10,800	-	6.8	6.8	-
RSC-30	AEON MALL Shimotsuma	9,552	8,518	1,481	9,980	10,000	20	6.3	6.5	0.2
RSC-31	AEON MALL Kyoto Gojo	13,333	12,827	1,072	13,900	13,900	-	4.8	4.8	-
RSC-32	AEON MALL Fukutsu	18,040	17,300	999	18,300	18,300	-	5.4	5.4	-
RSC-33	AEON Mall Tamadaira Woods	9,667	9,355	844	10,200	10,200	-	4.9	4.9	-
RSC-34	AEON MALL Takasaki	17,164	16,913	586	17,500	17,500	-	5.3	5.3	-
RSC-35	AEON MALL Narita	14,001	13,968	231	14,200	14,200	-	4.7	4.7	-
RSC-36	AEON MALL Shinkomatsu	15,350	15,259	340	15,700	15,600	▲100	6.4	6.4	-
RSC-37	AEON MALL Sagayamato	3,720	3,692	137	3,830	3,830	-	6.2	6.2	-
CSC-1	AEON Chigasaki-Chuo Shopping Center	6,410	6,496	83	6,620	6,580	▲40	5.0	5.0	-
CSC-2	AEON STYLE Kemigawahama	3,748	3,268	651	3,920	3,920	-	6.1	6.1	-
CSC-3	AEON Kireuriwari Shopping Center	4,394	4,141	618	4,760	4,760	-	5.1	5.1	-
CSC-4	AEON Ueda Shopping Center	5,350	5,398	441	5,840	5,840	-	6.5	6.5	-
L-1	Daiei-Kawasaki Process Center	14,280	13,279	2,520	16,100	15,800	▲300	4.6	4.5	▲0.1
L-2	AEON Minami-Osaka RDC	9,870	9,244	2,255	11,300	11,500	200	4.5	4.4	▲0.1
L-3	Daiei-Ibaraki Process Center	6,810	6,751	1,388	7,960	8,140	180	4.6	4.5	▲0.1
M-1	AEON Taman Universiti Shopping Centre (note5) (note6)	658 (RM20 million)	596 (RM18million)	36 (RM2million)	576 (RM20.9million)	632 (RM20.9million)	-	-	-	-
M-2	AEON MALL SEREMBAN 2 (note6)	5,252 (RM215 million)	-	-	6,536 (RM237million)	7,173 (RM237million)	-	-	-	-
Total (As of the end of the Jul. 2022)		447,023	-	74,570	479,987	477,832	-	-	-	-

Major revitalization investments with rent increase (Results and Planned)

Result / Planned	Property name	Rent revision timing	Contents	Revitalization investment Amount (yen) (Note1)(Note2)	Effect of revitalization investment (annualized)	
					Rent increase(yen)	Return on investment
Result	AEON MALL Nogata	Mar. 2014	Exterior wall repair work	109 mm	8 mm	7.4%
Result	AEON MALL Hiezu	Apr. 2015	Large-scale renewal	105 mm	8 mm	7.7%
Result	AEON LakeTown kaze	Apr. 2015	Large-scale renewal	312 mm	21 mm	6.8%
Result	AEON MALL Morioka	Apr. 2016	Expansion of floor space	790 mm	57 mm	7.3%
Result	AEON MALL Nogata (note3)	Mar. 2017	LED construction	79 mm	7 mm	10.0%
Result	AEON MALL Yokkaichi-Kita	Jul. 2017	Food court renewal	113 mm	9 mm	8.5%
Result	AEON MALL Ota	Jul. 2017	New escalator installation	199 mm	14 mm	7.3%
Result	AEON MALL Tomakomai (note4)	Aug. 2017	Exterior wall painting	226 mm	5 mm	2.2%
Result	AEON MALL Morioka	Oct. 2017	Wastewater abatement facility	99 mm	7 mm	7.6%
Result	AEON MALL Suzuka	Nov. 2017	Large-scale renewal	296 mm	22 mm	7.7%
Result	AEON MALL Kurashiki	Dec. 2017	Large-scale renewal	132 mm	9 mm	7.5%
Result	Aeon Kireuriwari Shopping Center	Mar. 2018	Exterior wall painting	129 mm	6 mm	5.1%
Result	AEON MALL Kurashiki	Aug. 2018	New food sales area	82 mm	6 mm	7.5%
Result	AEON MALL Kofu Showa	Sep. 2018	Construction of existing building due to extension	781 mm	50 mm	6.5%
Result	AEON MALL Suzuka	Mar. 2019	Public sewer connection work	88 mm	6 mm	7.3%
Result	AEON MALL Meiwa	Nov. 2019	Large-scale renewal	162 mm	13 mm	8.3%
Result	AEON MALL Nogata	Dec. 2020	Smoke-proof hanging wall	98 mm	2 mm	3.0%
Result	AEON Ueda SC	Dec. 2021	Exterior wall painting	271 mm	17 mm	6.5%
Result	AEON MALL YamatokoIyama	Apr. 2022	Parking lot renovation work	78 mm	5 mm	6.6%
Result	AEON MALL Kahoku	Apr. 2022	Floor reupholstering	24 mm	1 mm	7.6%
Planned	AEON MALL Shimotsuma	Aug. 2022	Toilet renovation	18 mm	1 mm	6.5%
Planned	AEON MALL Kurashiki	Aug. 2022	Construction of new childcare center division	61 mm	4 mm	7.0%
Planned	AEON MALL Sapporo-Hiraoka	Oct. 2022	Toilet renovation	14 mm	1 mm	7.8%
Planned	AEON MALL Kurashiki	Oct. 2022	Revitalization work	39 mm	2 mm	6.4%
Planned	AEON MALL Kurashiki	Oct. 2022	Disaster prevention shutter installation work	42 mm	2 mm	7.0%
Planned	AEON MALL Sapporo-Hiraoka	Nov. 2022	Air conditioner construction	20 mm	1 mm	7.8%
Planned	AEON MALL Shimotsuma	Dec. 2022	Exterior wall painting	360 mm	23 mm	6.5%
Planned	AEON MALL Tomakomai	Dec. 2022	Air conditioner construction	28 mm	2 mm	7.1%

Revitalization investment cases

AEON Ueda - Exterior wall painting (Dec. 2021)

Exterior wall painting for improving property value



AEON MALL Meiwa - Revitalization work (Nov. 2019)

Food court renewal for improving user's convenience



AEON MALL Kofu Showa - Expansion of floor space (extended Nov. 2017, acquired Sep. 2018)

Large-scale extension building has been newly established and **existing building has been renewed**



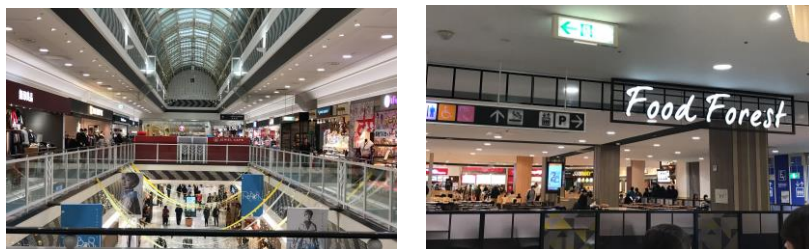
AEON Kireuriwari SC - Exterior wall painting (Mar. 2018)

Exterior wall painting for improving property value



AEON MALL Suzuka - Revitalization work (Nov. 2017)

Revitalization for renewal opening for about **80 sections**



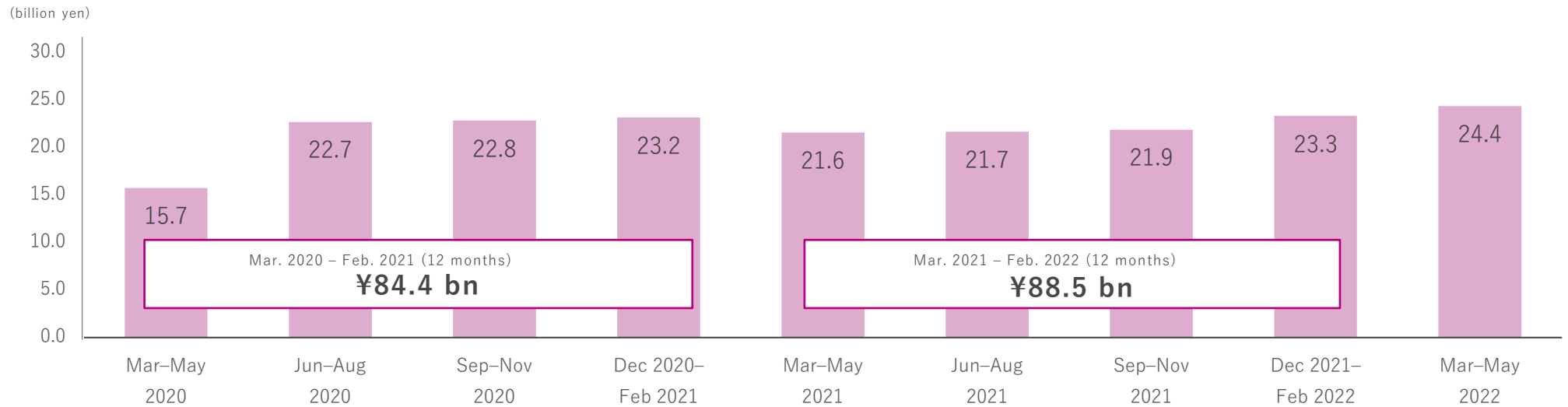
AEON MALL Kurashiki - Revitalization work (Nov. 2017)

Revitalization for reopening in Nov. 2017

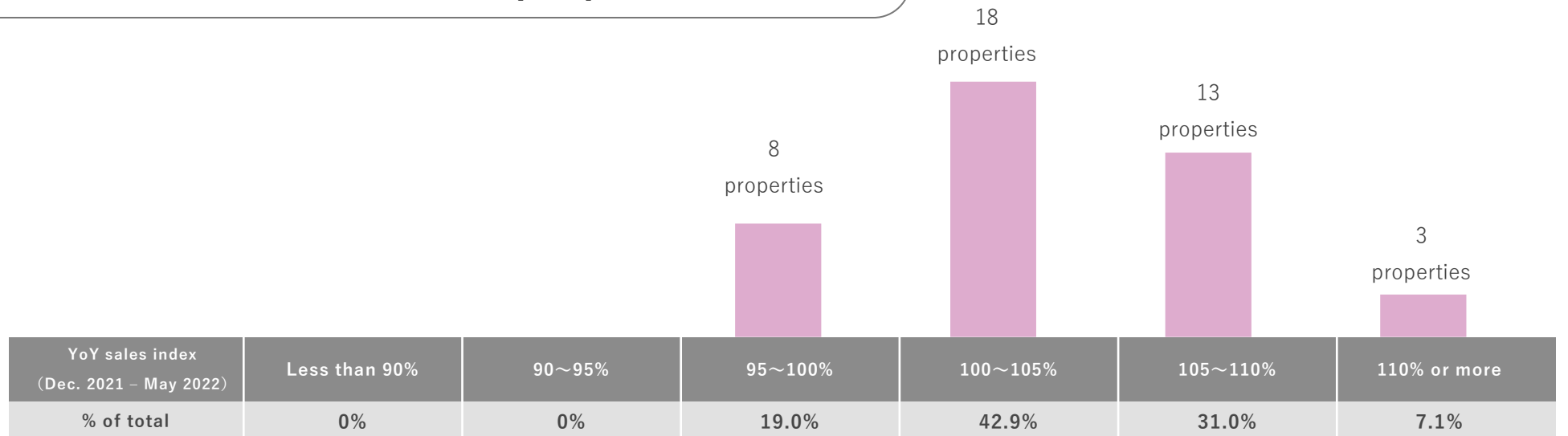


Performance trends of stores in the portfolio (1/2)

Master lease company operating revenue (Note 1,2)

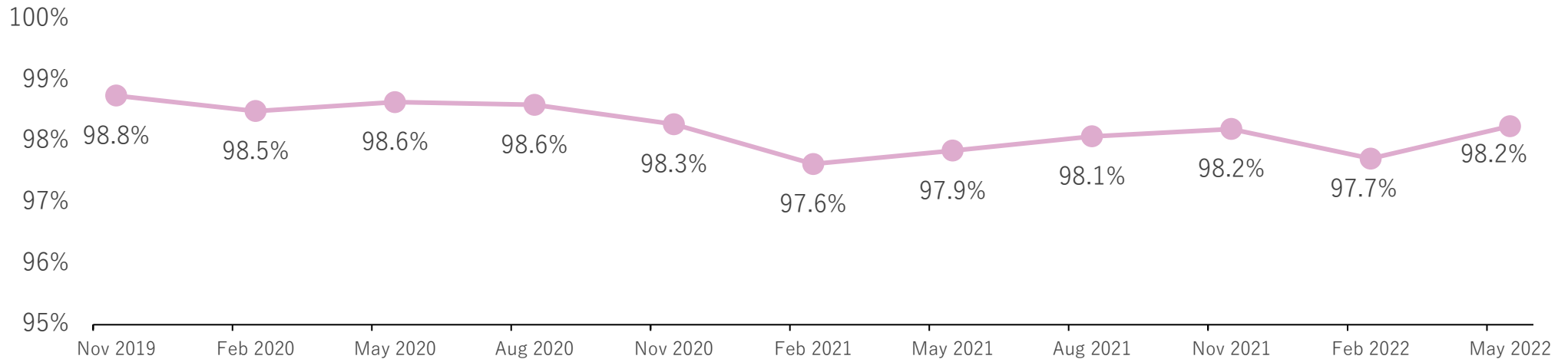


Sales trends of individual properties (Note 3,4,5)

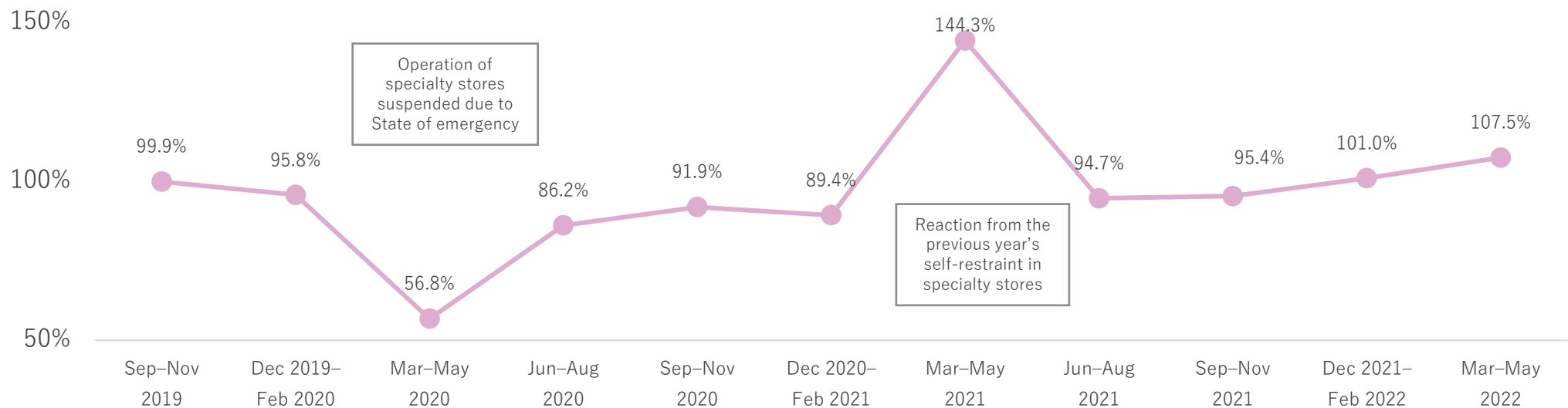


Performance trends of stores in the portfolio (2/2)

Performance trends of End tenants in the portfolio (Note 1,2)

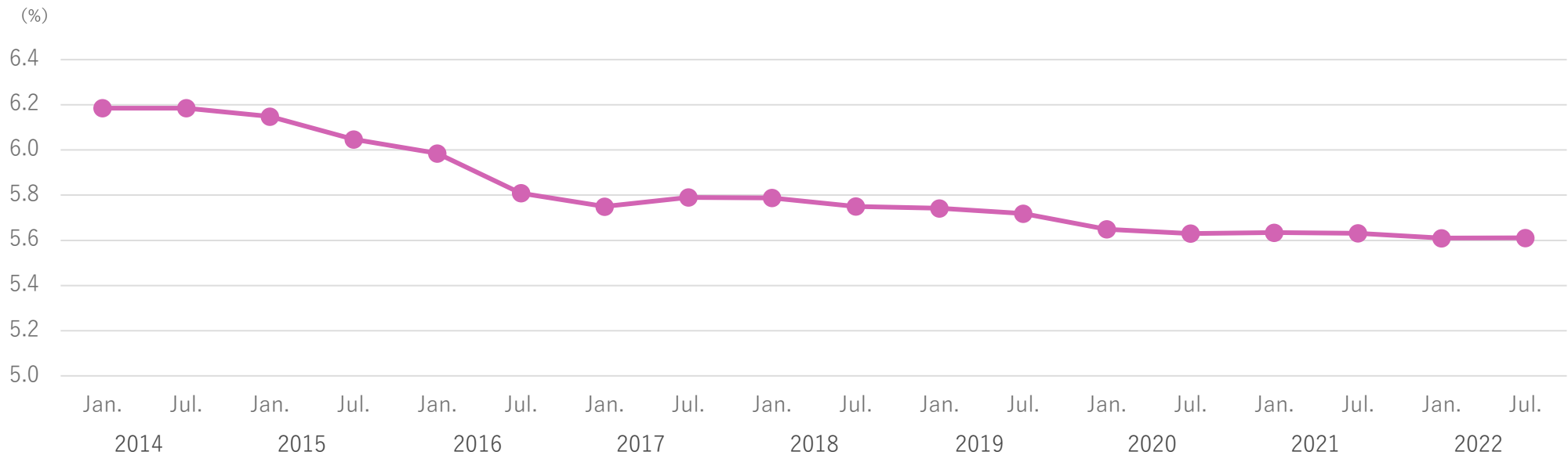


End tenants sales status (every 3 months sales compared to the same period of the previous year) (Note 3,4)

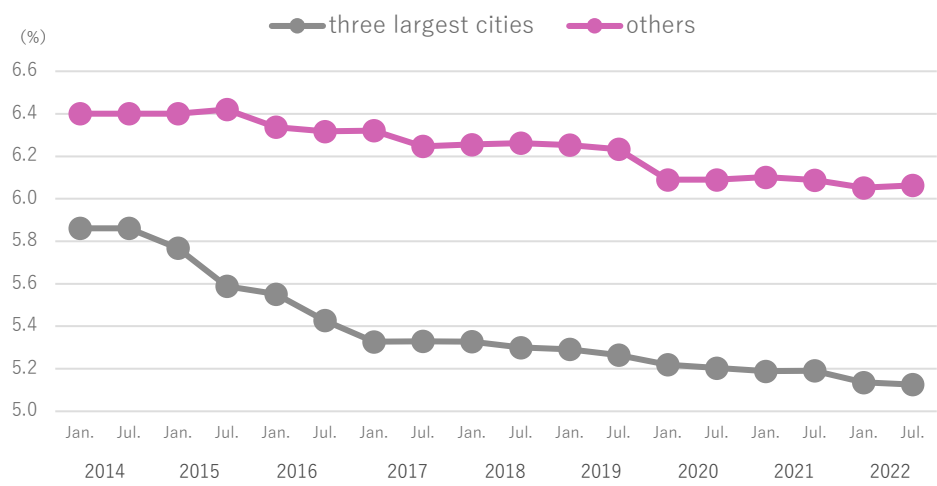


Average cap rate

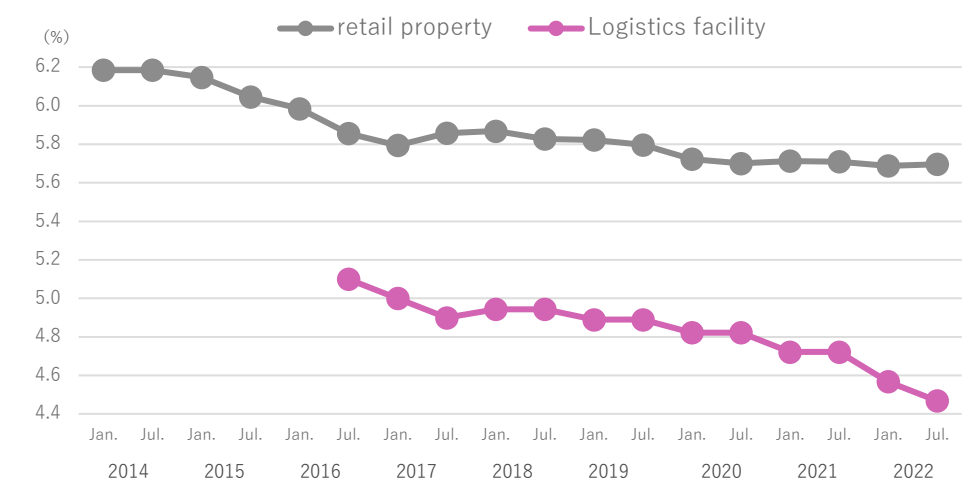
Entire portfolio (Note 1)



By area (Note 1,2)



By facility type (Note 1)



Status of debts (1/2)

Borrowings

Division	Borrowing Amount	Borrowing Date	Maturity	Floating rate/ Fixed rate (Note 1,2)	Interest rate
Long-term	¥5.0bn	November 25, 2013	October 20, 2023	Effective fixed rate	1.76375%
Long-term	¥4.5bn	February 27, 2015	October 21, 2024	Effective fixed rate	1.40390%
Long-term	¥5.8bn	March 29, 2016	October 20, 2022	Effective fixed rate	0.54100%
Long-term	¥6.6bn	May 31, 2016	October 20, 2025	Effective fixed rate	0.99100%
Long-term	¥1.0bn	February 29, 2016	October 20, 2027	Effective fixed rate	1.40730%
Long-term	¥4.8bn	October 20, 2016	October 20, 2022	Effective fixed rate	0.48750%
Long-term	¥1.2bn	October 20, 2016	October 20, 2022	Fixed Rate	0.55000%
Long-term	¥6.7bn	October 20, 2016	October 20, 2023	Effective fixed rate	0.61375%
Long-term	¥2.7bn	October 20, 2016	October 20, 2025	Effective fixed rate	0.87250%
Long-term	¥4.1bn	October 20, 2016	October 20, 2026	Effective fixed rate	1.00300%
Long-term	¥5.2bn	March 28, 2017	October 20, 2022	Effective fixed rate	0.52800%
Long-term	¥0.2bn	March 28, 2017	October 20, 2022	Fixed Rate	0.63000%
Long-term	¥6.8bn	March 28, 2017	October 21, 2024	Effective fixed rate	0.83800%
Long-term	¥5.0bn	March 28, 2017	October 20, 2026	Effective fixed rate	1.09710%
Long-term	¥3.4bn	December 27, 2017	October 20, 2023	Effective fixed rate	0.52270%
Long-term	¥0.3bn	December 27, 2017	October 20, 2023	Fixed Rate	0.60000%
Long-term	¥4.6bn	October 22, 2018	October 20, 2023	Effective fixed rate	0.59700%
Long-term	¥0.4bn	October 22, 2018	October 20, 2023	Fixed Rate	0.64000%
Long-term	¥4.0bn	October 22, 2018	October 20, 2025	Effective fixed rate	0.85100%
Long-term	¥3.3bn	October 21, 2019	October 20, 2022	Effective fixed rate	0.21500%
Long-term	¥0.3bn	October 21, 2019	October 20, 2022	Effective fixed rate	0.21500%
Long-term	¥4.0bn	October 20, 2020	October 21, 2024	Effective fixed rate	0.35900%
Long-term	¥4.8bn	October 20, 2020	October 20, 2026	Effective fixed rate	0.51400%
Long-term	¥5.0bn	October 20, 2020	October 20, 2027	Effective fixed rate	0.61400%
Long-term	¥6.5bn	October 20, 2021	October 20, 2026	Effective fixed rate	0.46000%
Long-term	¥6.6bn	October 20, 2021	October 20, 2028	Effective fixed rate	0.64900%
Long-term	¥3.5bn	October 20, 2021	October 22, 2029	Effective fixed rate	0.76900%
Long-term	¥2.5bn	October 20, 2021	October 20, 2031	Effective fixed rate	0.99700%
Long-term	¥2.6bn	March 22, 2022	October 20, 2025	Effective fixed rate	0.42150%
Long-term	¥8.6bn	March 22, 2022	October 20, 2027	Effective fixed rate	0.62050%
Long-term	¥5.1bn	March 22, 2022	October 22, 2029	Effective fixed rate	0.89600%
Long-term	¥3.0bn	March 22, 2022	October 20, 2031	Effective fixed rate	1.13010%
Total	¥128.1bn				
Sum total	¥128.1bn				

List of lenders

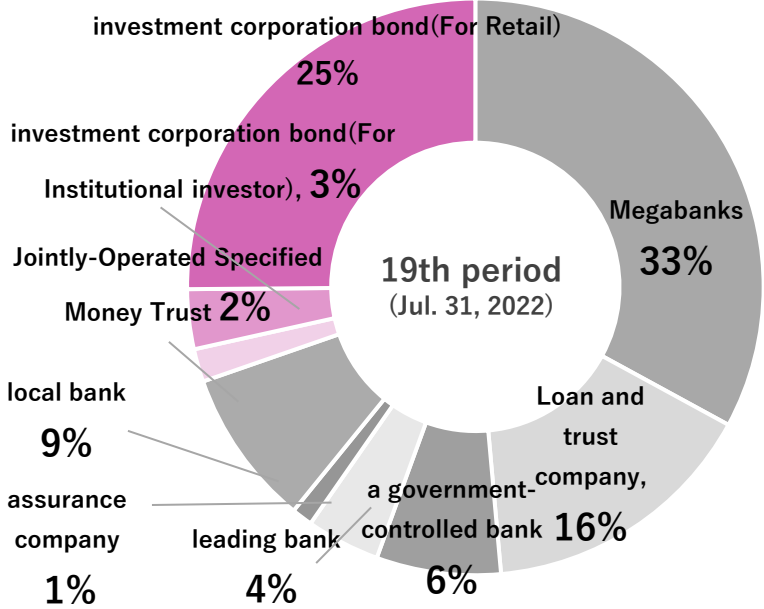
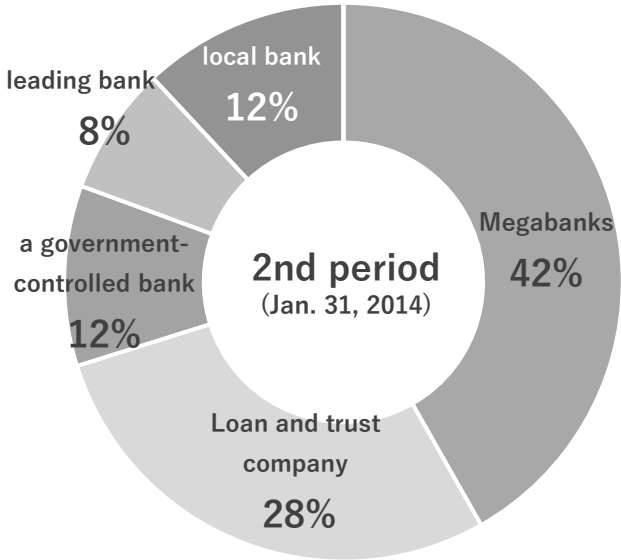
Numbers of Lenders 25 (compared to previous period+1)		
Mizuho Bank	¥23.4bn	18.3%
Sumitomo Mitsui Banking	¥19.1bn	14.9%
Sumitomo Mitsui Trust Bank	¥17.6bn	13.7%
MUFG Bank	¥16.5bn	12.9%
Norinchukin Bank	¥8.0bn	6.2%
Mizuho Trust & Banking	¥6.3bn	4.9%
Mitsubishi UFJ Trust and Banking (Note 3)	¥4.1bn	3.2%
Resona Bank	¥1.2bn	0.9%
AEON BANK	¥3.9bn	3.0%
Development Bank of Japan	¥4.5bn	3.5%
Hyakugo Bank	¥2.1bn	1.6%
Hiroshima Bank	¥2.0bn	1.6%
San ju San Bank(Note 4)	¥4.6bn	3.6%
77 Bank	¥1.0bn	0.8%
Chiba Bank	¥0.3bn	0.2%
Nippon Life Insurance	¥0.8bn	0.6%
Meiji Yasuda Life Insurance	¥1.3bn	1.0%
Shinsei Bank	¥2.3bn	1.8%
The Juroku Bank	¥0.3bn	0.2%
Momiji Bank	¥0.3bn	0.2%
The Gunma Bank	¥1.5bn	1.2%
The Yamaguchi Bank	¥1.4bn	1.1%
Kansai Mirai Bank	¥0.8bn	0.6%
The Nishi-Nippon City Bank	¥0.5bn	0.4%
Daiwa Next Bank	¥1.0bn	0.8%
Sumitomo Mitsui Trust Bank (trust account)	¥3.3bn	2.6%
Total	¥128.1bn	100.0%

Status of debts (2/2)

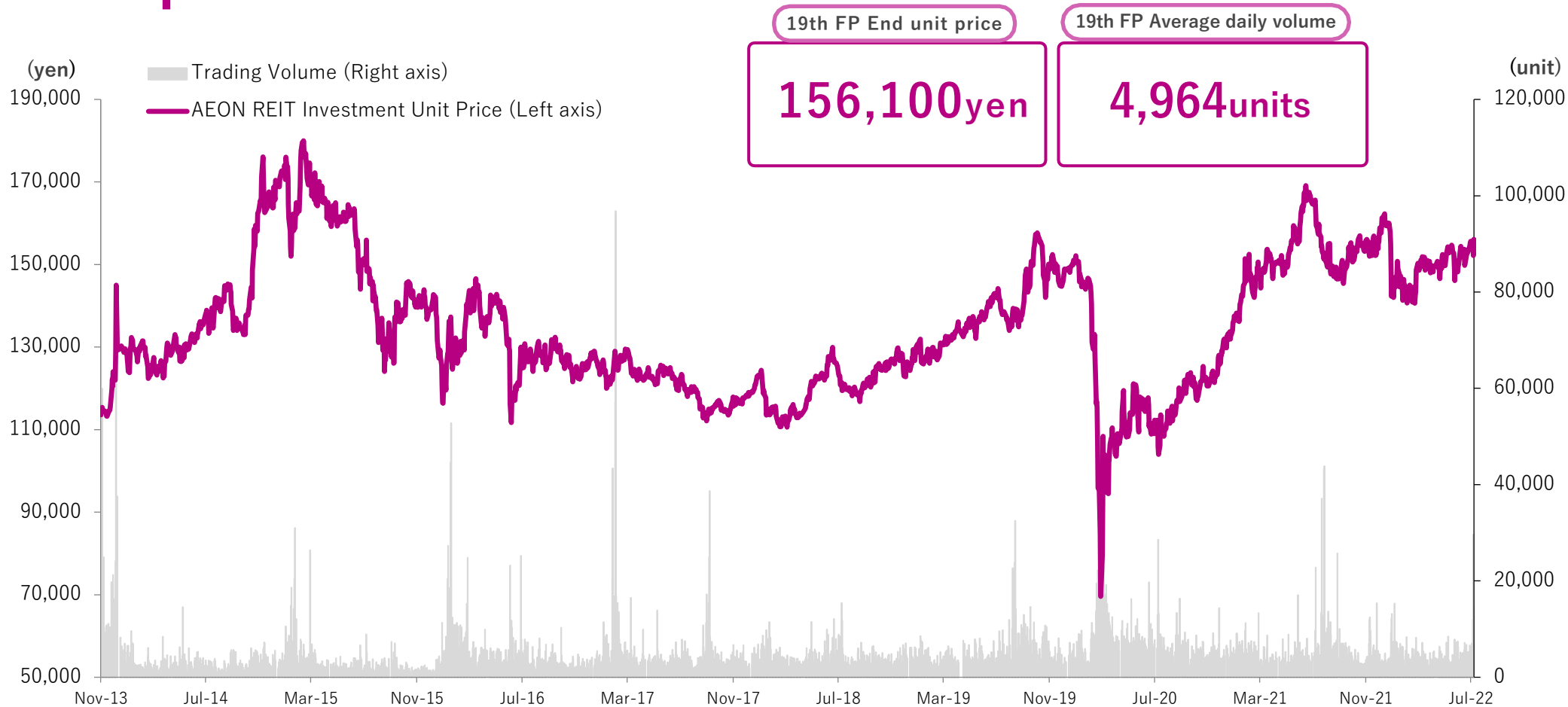
Investment corporation bonds

Serial Number	Amonunt Issued	Division	Interest rate	Date of Determining Conditions	Redemption date	Term	Description	Rating		External authentication	Lead manager
								JCR	JCR		
1	¥2.0bn	For Institutional investor	0.961%	October 6, 2015	October 10, 2025	10 years	Without collateral or guarantee	AA-	—	—	Daiwa Securities Co.,Ltd./SMBC Nikko Securities Inc.
2	¥1.0bn	For Institutional investor	0.470%	October 13, 2016	October 20, 2026	10 years	Without collateral or guarantee	AA-	—	—	SMBC Nikko Securities Inc./Mizuho Securities Co.,Ltd Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd
3	¥1.0bn	For Institutional investor	1.200%	October 13, 2016	October 20, 2036	20 years	Without collateral or guarantee	AA-	—	—	SMBC Nikko Securities Inc./Mizuho Securities Co.,Ltd Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd
4	¥2.0bn	For Institutional investor	0.680%	November 28, 2017	December 8, 2027	10 years	Without collateral or guarantee	AA-	—	—	SMBC Nikko Securities Inc./Mizuho Securities Co.,Ltd Daiwa Securities Co.,Ltd
5	¥15.0bn	For retail	0.783%	November 16, 2018	December 7, 2028	10 years	Without collateral or guarantee	AA-	—	—	SMBC Nikko Securities Inc./Daiwa Securities Co.,Ltd Mizuho Securities Co.,Ltd
6	¥12.0bn	For retail	0.726%	November 15, 2019	December 6, 2029	10 years	Without collateral or guarantee	AA-	Green1	—	SMBC Nikko Securities Inc./Daiwa Securities Co.,Ltd Mizuho Securities Co.,Ltd
7	¥18.0bn	For retail	0.992%	November 13, 2020	December 4, 2030	10 years	Without collateral or guarantee	AA-	SU1	—	SMBC Nikko Securities Inc./Daiwa Securities Co.,Ltd Mizuho Securities Co.,Ltd/Okasan Securities Co.,Ltd
¥51.0bn											

Breakdown of interest-bearing debts



Unit price chart



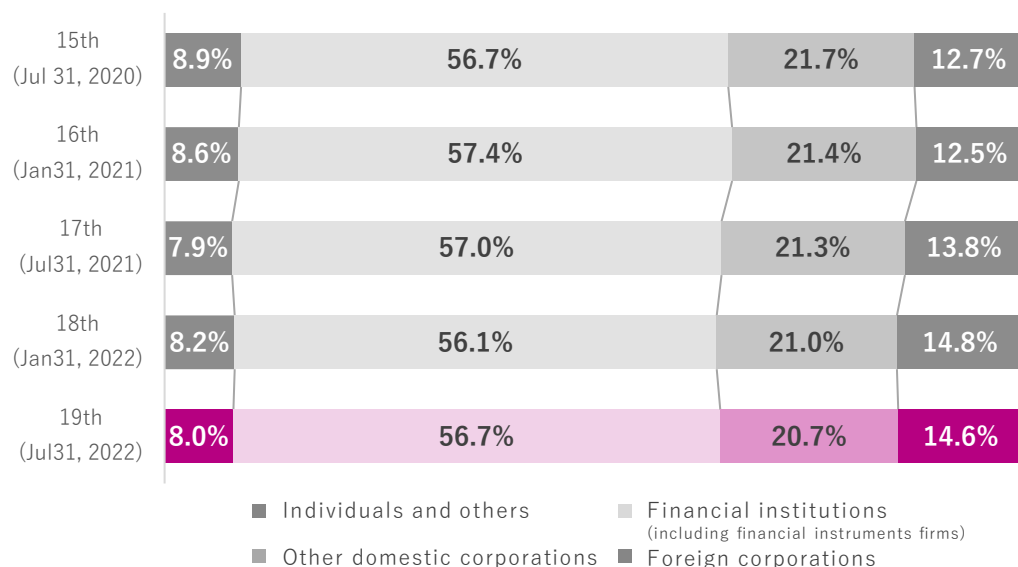
	Jul. 2018 (11th FP)	Jan. 2019 (12th FP)	Jul. 2019 (13th FP)	Jan. 2020 (14th FP)	Jul. 2020 (15th FP)	Jan. 2021 (16th FP)	Jul. 2021 (17th FP)	Jan. 2022 (18th FP)	Jul. 2022 (19th FP)
DPU	2,956 yen	3,066 yen	3,047 yen	3,074 yen	3,178 yen	3,184 yen	3,200yen	3,315yen	3,274yen
NAV per unit	130,957 yen	133,465 yen	136,778 yen	140,517 yen	142,360 yen	144,604 yen	146,432yen	148,470yen	148,721yen
Net assets per unit	111,372 yen	111,413 yen	111,437 yen	112,528 yen	112,632 yen	112,638 yen	112,588yen	115,675yen	115,730yen
Depreciation	4.3 billion yen	4.4 billion yen	4.4 billion yen	4.5 billion yen	4.6 billion yen	4.6 billion yen	4.6 billion yen	5.2billion yen	5.1billion yen

Composition of unitholders

Number of unitholders and Number of Investment Units by unitholder type

	Number of Units				Number of Unitholders			
	18th FP (Jan. 31, 2022)		19th FP (Jul. 31, 2022)		18th FP (Jan. 31, 2022)		19th FP (Jul. 31, 2022)	
	Number of Investment Units	% of total	Number of Investment Units	% of total	Number of Unitholders	% of total	Number of Investment Units	% of total
Individuals and others	167,011	8.2%	163,697	8.0%	23,791	96.2%	23,584	96.2%
Financial institutions (including financial instruments firms)	1,147,481	56.1%	1,158,804	56.7%	187	0.8%	181	0.7%
Other domestic corporations	428,390	21.0%	423,452	20.7%	415	1.7%	411	1.7%
Foreign corporations	301,585	14.8%	298,514	14.6%	333	1.3%	338	1.4%
Total	2,044,467	100.0%	2,044,467	100.0%	24,726	100.0%	24,514	100.0%

Investment unit ownership ratio by unitholder type



Major unitholders (As of Jul. 31, 2022)

	Unitholder Name	Number of Units	% of Total
1	Custody Bank of Japan, Ltd.(trust account)	378,643	18.5%
2	AEON Co., Ltd.	352,351	17.2%
3	The Master Trust Bank of Japan, Ltd. (trust account)	316,062	15.5%
4	The Nomura Trust & Banking Co., Ltd. (trust account)	84,232	4.1%
5	SMBC Nikko Securities Inc.	35,922	1.8%
6	Mizuho Securities Co., Ltd.	27,920	1.4%
7	Sumitomo Mitsui Trust Bank, Limited	27,150	1.3%
8	STATE STREET BANK WEST CLIENT - TREATY 505234	25,891	1.3%
9	The Shinkumi Federation Bank	22,797	1.1%
10	Mizuho Bank, Ltd.	20,000	1.0%
	Total	1,290,968	63.1%

Notes (V)

P.69-70 Portfolio list

- (Note 1) The expected loss rate of the buildings for earthquake damage with a reproduction period of 475 years stated in the earthquake risk assessment report for each property is listed. The figure for “Total” is based on the “46 Property Building Earthquake Risk Survey Portfolio” as of Jul. 2022. “Total” is “PML value of the entire domestic portfolio” and not the average.
- (Note 2) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON LakeTown mori” and “AEON LakeTown kaze” correspond to the quasi co-ownership share of trust beneficiary money (40%).
- (Note 3) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON MALL Kofu Showa” include the amount of additional acquisition of the additional building acquired on Sep. 3, 2018. The PML value of “AEON MALL Kofu Showa” was calculated at the time of acquisition of the extension building, so the “existing building” is 2.5% and the “extension building” is 3.1%.
- (Note 4) The acquisition price, book value at the end of the period, appraisal value and unrealized gain / loss of “AEON Taman Universiti Shopping Center” are based on the co-ownership interest transferred from AEON Malaysia, which owns the entire property. The amount corresponding to the percentage of similar rights (18.18% of the total) is stated.

P.71-72 Appraisal value

- (Note 1) Listed acquisition price, FP Terminal book value, real estate appraisal value is the figure as of Jul. 31, 2022.
- (Note 2) Unrealized gains / losses are calculated as appraisal value minus book value at the end of the period.
- (Note 3) For AEON LakeTown mori and AEON LakeTown kaze, their appraisal values, price based on direct capitalization method, price based on DCF method, and NOI describe the Investment Corporation’s pro-rata portion of the quasi-coownership interest (jun kyōyū-mochibun) in the beneficially rights of real estate in trust (40% for each property).
- (Note 4) AEON MALL Kofu Showa has acquired ¥7,100 mm of the extension building on Sep. 3, 2018, and the above appraisal value refers to the integrated figure of the existing and the extension building.
- (Note 5) The real estate appraisal value indicates the amount equivalent to the right similar to the co-ownership interest in the trust related to the trust beneficiary interest in real estate(18.18%).
- (Note 6) The following conversion of the Malaysian ringgit into yen is used for each period: rate as of Jan. 31, 2022 for 18th FP (1 RM= 27.58 yen (rounded down to the third digit)) and Jul. 29 2022 for 19th FP ((two day before Jul. 31, because it was not business day)1 RM= ¥30.27 (rounded down to the third digit)).

P.73 Major revitalization investments with rent increase (Results and Planned)

- (Note 1) “Revitalization investment amount” refers to the amount mentioned in construction contracts for improving the value of the managed property.
- (Note 2) For the results in the above table(by Jan. 2022), revitalization investments with an increase in rent of ¥75 mm or more are shown. For the results and plan after Feb, 2022, all o of the revitalization investments with an increase in rent are shown.
- (Note 3) Rent increase period is 10 years.
- (Note 4) Rent increase period is 20 years.

Notes (V)

P.75 Performance trends of stores in the portfolio (1/2)

- (Note 1) The above graph shows the income and the incidental income from the end tenants of the master lease company of domestic retail properties owned by the Investment Corporation as of the end of Jul. 2022 (42 properties).
- (Note 2) Data is made based on interviews with the master lease companies.
- (Note 3) The graph above shows the index compared to the same period of the previous year of the sales from Dec. 2021 to May 2022 of the 42 domestic retail properties owned by the Investment Corporation as of the end of Jul. 2022 (compared to Dec. 2020 to May 2021).
- (Note 4) Data is made based on interviews with the master lease companies.
- (Note 5) The composition ratio is rounded off to the first decimal place. Therefore, the total value may not be 100.0%

P.76 Performance trends of stores in the portfolio (2/2)

- (Note 1) The graph above shows substantial occupancy rate of the total leased area (master lease) deducting vacant floor area of domestic retail properties owned by the Investment Corporation as of the end of Jul. 2022 (42 properties) (rounded to the first decimal place).
- (Note 2) Data is made based on interviews with the master lease companies.
- (Note 3) The graph above shows the index of the three months end tenant sales compared to the same period of the previous year of domestic retail properties owned by the Investment Corporation as of the end of Jul. 2022 (42 properties).
- (Note 4) Data is made based on interviews with the master lease companies.

P.77 Average cap rate

- (Note 1) Average cap rate is calculated excluding Malaysian properties whose return yield by direct capitalization method is not calculated.
- (Note 2) “The three largest cities” indicates the Metropolitan, Chubu and Kinki areas, i.e. Metropolitan area covers Tokyo, Kanagawa, Saitama and Chiba pref., Chubu area covers Aichi, Gifu and Mie pref. and Kinki covers Osaka, Kyoto, Hyogo, Nara and Shiga pref. in each.

P.78 Status of debts (1/2)

- (Note 1) Floating interest rates on short-term borrowings are Japanese Yen Tibor published by the Japanese Bankers Association. However, if there is no corresponding period, the interest rate reasonably determined by the agent by the linear apportionment method.
- (Note 2) While funds are borrowed at floating rates, the interest rates are fixed in effect by entering into rate swap agreements to hedge interest rate fluctuation risk. The figures are the interest rates calculated after taking into consideration the effect of interest swaps.
- (Note 3) As of Apr. 16, 2018, Mitsubishi UFJ Trust and Banking Corporation’s lending operations were transferred to MUFG Bank, Ltd. thorough a company split. In accordance with this, the loan claims held by Mitsubishi UFJ Trust and Banking Corporation were succeeded to MUFG Bank, Ltd. as of the same date.
- (Note 4) On May 1, 2021, Mie Bank and Daisan Bank merged to form San ju San Bank, Ltd.

Disclaimer

Disclaimer

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Asset Manager : AEON Reit Management Co., Ltd.

(Registration of financial instruments business : Kanto Local Finance Bureau, Director-General (Financial Instruments), No. 2668)

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