

For Immediate Release

Investment Corporation:  
 AEON REIT Investment Corporation  
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 Representative: Nobuaki Seki, Executive Director  
 (Securities code: 3292)

Asset Manager:  
 AEON Reit Management Co., Ltd.  
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### Notice Concerning a Plan of Corporate Bond (Green Bonds) Issuance

AEON REIT Investment Corporation (the “Investment Corporation”) plans to issue investment corporation bonds (green bonds; hereinafter the “Green Bonds”) based on the comprehensive resolution of its Board of Directors on the issuance of investment corporation bonds announced in “Notice Concerning Comprehensive Resolution on Issuance of Investment Corporation Bonds” dated October 23, 2019, and the shelf registration statement dated July 25, 2019 (including subsequent amendments), and hereby announces that today, the Investment Corporation submitted the amended shelf registration statement to the Director-General of Kanto Local Finance Bureau.

#### 1. Purpose of issuing the Green Bonds

The Investment Corporation has been continuously issuing investment corporation bonds from the viewpoint of diversifying its means of financing. It now plans to issue the Green Bonds, which are investment corporation bonds issued to private investors, with the intention of collecting funds more stably and across a broader range.

#### 2. Summary of the Green Bonds

- (1) Name of the Investment Corporation Bonds  
 : Sixth Series Unsecured Investment Corporation Bond of AEON REIT Investment Corporation with special pari passu conditions among investment corporate bonds) (Green Bonds) (scheduled)
- (2) Total issue amount : Total amount: ¥12 billion (scheduled)
- (3) Amount of each bond : ¥1 million (scheduled)
- (4) Yield not yet determined
- (5) Issuance conditions determination date : November 15, 2019 (scheduled)
- (6) Subscription date : from November 18, 2019 to December 5, 2019 (scheduled)
- (7) Payment date : December 6, 2019 (scheduled)
- (8) Redemption date : December 6, 2029 (scheduled)
- (9) Commissioned company  
 for corporate bondholders : Mizuho Bank, Ltd. (scheduled)
- (10) Underwriters : SMBC Nikko Securities Inc. (scheduled)  
 Daiwa Securities Co., Ltd. (scheduled)  
 Mizuho Securities Co., Ltd. (scheduled)

### 3. Background of issuing the Green Bonds

With the basic philosophy of contributing to the enhancement of people's lives and local communities through investment in retail facilities and related properties, the Investment Corporation aims to ensure stable income in the medium to long term by investing in assets that form the backbone of local communities and their lifestyle infrastructure. To achieve this philosophy and goal, it is important to take ESG into consideration in all aspects of operations and collaborate with stakeholders who facilitate it. Based on this concept, AEON Reit Management Co., Ltd. (the "Asset Management Company"), with which the Investment Corporation entrusts the management of its assets, established a policy for sustainability and has been facilitating its implementation. In addition, the Investment Corporation has established the following Green Finance Framework to enhance fund procurement means by attracting more investors who are prepared to make ESG investments and contribute to the development of Green Finance initiatives while simultaneously realizing the philosophy and goal.

As part of these efforts, the Investment Corporation is working actively to acquire environmental certifications, including DBJ Green Building Certification, which is awarded by the Development Bank of Japan Inc. to real properties that are sensitive to the environment and society, and CASBEE Real Estate Certification, an environmental certification program for buildings, which is operated by CASBEE evaluation and certification agencies authorized by the Institute for Building Environment and Energy Conservation (IBEC). As of today's date, the Investment Corporation has received environmental certification for 19 properties. These efforts of the Investment Corporation are highly recognized by third-party organizations, and it has received the Green Star rating (Note 1) in the GRESB Real Estate Assessment in four consecutive years.

The Investment Corporation plans to use all the funds procured through the issuance of the Green Bonds to refinance the borrowings used for the acquisition of Aeon Mall Kofu Showa and Aeon Mall Kagoshima, which are Green Qualified Assets (Note 2) that meet the criteria for green eligible assets (Note 2) (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations).

Note 1: See below for the Investment Corporation's activities for sustainability.  
<https://www.aeon-jreit.co.jp/en/about/environment.html>

Note 2: Green Qualified Assets refer to properties that meet criteria 1 and 2 as specified in section 4. (2) below.

### 4. Overview of the Green Finance Framework

#### (1) Use of funds procured through Green Finance

The Investment Corporation will use all funds procured through Green Finance to acquire Green Qualified Assets (Note), refinance the borrowings used for the acquisition of Green Qualified Assets or redeem outstanding investment corporation bonds used for the acquisition of Green Qualified Assets.

#### (2) Criteria for qualification

##### (i) Qualification criteria 1

Relevant properties have obtained or are expected to obtain any certification that falls under the following.

- a. Three, four or five stars in the DBJ Green Building Certification;
- b. B+, A or S ranking in the CASBEE Real Estate Certification;
- c. Three, four or five stars in the BELS Evaluation;
- d. Silver, Gold or Platinum in the LEED certification; and
- e. Any third-party certificate, other than the said certifications, whose ratings are equivalent to such respective ratings.

##### (ii) Qualification criteria 2

Real estate under management has undergone facility renovations aimed at making improvements that are beneficial from an environmental perspective, such as energy efficiency and water consumption performance.

#### (3) Procedures for making proposals and decisions on projects

Proposals for green projects, for which funds procured through Green Financing are used, are made by the Finance and Planning Department of the Asset Management Company, and decisions are made at meetings of the Investment Committee and Board meetings of the Investment Corporation.

#### (4) Management of procured funds

The Investment Corporation establishes an upper limit to a balance of Green Finance (the “Upper limit of Green Finance Procurement”) by multiplying the total acquisition value of Green Qualified Assets owned by the Investment Corporation by the total asset LTV (Loan to Value/Interest-bearing ratio) as of the final day of the most recent calculation period at the time of fund procurement through Green Financing. The Investment Corporation manages a balance of Green Finance to ensure that such a balance does not surpass the upper limit of Green Finance Procurement.

The Investment Corporation also internally traces and manages allocated funds on a project-by-project basis to the extent that there is a balance of funds procured through Green Financing.

The Investment Corporation uses all funds procured through Green Finance, promptly or at the earliest opportunity, to acquire Green Qualified Assets, refinance existing borrowings that have been used for the acquisition of Green Qualified Assets and redeem outstanding investment corporation bonds that have been used for the acquisition of Green Qualified Assets. If none of the funds procured through Green Finance are used promptly or tentatively for Green Qualified Assets, the Investment Corporation specifies the amount of funds that has not been used and manages the same amount as cash or cash equivalents until it is used for Green Qualified Assets. If none of the funds procured through Green Financing are used promptly or tentatively, the Investment Corporation discloses the progress on the use of procured funds until all of such procured funds are used for Green Qualified Assets.

The upper limit of Green Finance Procurement was 102.1 billion yen as of October 30, 2019 (total acquisition value of Green Qualified Assets, 227.4 billion yen × 44.9%, which was the total asset LTV as of July 31, 2019).



#### (5) Reporting

In addition, to the extent that there is a balance of funds procured through Green Financing, the Investment Corporation discloses the following indicators on the Investment Corporation’s website.

- Number of properties, certification levels and total acquisition values with respect to Green Qualified Assets;
- Upper limit of procurement of Green Finance;
- Amounts of electricity, gases and greenhouse gases, etc, consumed by properties owned by the Investment Corporation; and
- Contents of facility renovations which meet criteria 2 specified in (2) and their expected reduction rate of energy efficiency, etc.

5. Evaluation of external organizations

The Investment Corporation has obtained the Green 1 (F) rating for the qualifications of its Green Finance Framework (Note 1) from Japan Credit Rating Agency, Ltd. (“JCR”), which is the highest evaluation in JCR’s Green Finance Framework Evaluation (Note 2). In addition, the Investment Corporation has received the preliminary Green 1 rating for the Green Bonds, which is the highest evaluation in JCR’s Green Bond Evaluation (Note 2).

In the process of receiving the third-party evaluation for the Green Bonds, JCR, the supporter for the issuance of the Green Bonds, received a notice of entitlement to the subsidy for the Green Bonds in the 2019 assistance program for the Green Bond issuance promotion platform (Note 3) of the Ministry of the Environment as to entitlement to the subsidy.

Note 1. The qualifications of a Green Finance Framework refer to compliance with the four requirements (use of proceeds, process for project evaluation and selection, management of proceeds, and reporting) specified in the Green Bond Principles 2018.

Note 2. See below for the JCR Green Finance Framework Evaluation and JCR Green Bond Evaluation.

Japan Credit Rating Agency’s website:

<https://www.jcr.co.jp/en/greenfinance/>

Note 3. See below for the assistance program for the Green Bond issuance promotion platform.

Website for the Green Bond Issuance Promotion Platform of the Ministry of the Environment:

<http://greenbondplatform.env.go.jp/en/>

6. Other

Details such as issuance conditions will be announced as soon as they are determined.

End

\*The Investment Corporation’s website: <https://www.aeon-jreit.co.jp/en/index.html>