

For Immediate Release

Investment Corporation:
 AEON REIT Investment Corporation
 1-2-1, Kanda Nishiki-cho, Chiyoda-ku, Tokyo
 Representative: Nobuaki Seki, Executive Director
 (Securities code: 3292)

Asset Manager:
 AEON Reit Management Co., Ltd.
 Representative: Nobuaki Seki, Representative Director and
 President

Inquiries: Akifumi Togawa, Director and General Manager
 of the Finance and Planning Department
 (TEL. +81-3-5283-6360)

Notice Concerning Debt Financing (Determination of Details of Debt Financing) and Establishment of Interest Rate Swaps

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that details of the Debt Financing announced in the “Notice Concerning Debt Financing (Refinancing of Existing Borrowings)” on September 24, 2020, have been finalized as described below. The Investment Corporation also announces that it has decided to set up interest rate swaps.

I. Debt Financing:

1. Details of the Debt Financing

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note 5)	Borrowing date	Financing method	Maturity	Repayment Method (Note 9)	Security and guarantee
Short term	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 1)	18.0	Base rate (JBA one-month Japanese Yen TIBOR) plus 0.22% (Note 6)	October 20, 2020	Debt Financing based on individual term loan agreements entered into on October 16, 2020, with the lenders mentioned in financial institutions	October 20, 2021	Bullet repayment	Unsecured and unguaranteed
Long term (1)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 2)	4.0	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.30% (Note 7) (Note 8)	October 20, 2020	Debt Financing based on individual term loan agreements entered into on October 16, 2020, with the lenders mentioned in financial institutions	October 21, 2024	Bullet repayment	Unsecured and unguaranteed
Long term (2)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 3)	4.8	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.44% (Note 7) (Note 8)	October 20, 2020	Debt Financing based on individual term loan agreements entered into on October 16, 2020, with the lenders mentioned in financial institutions	October 20, 2026	Bullet repayment	Unsecured and unguaranteed

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note 5)	Borrowing date	Financing method	Maturity	Repayment Method (Note 9)	Security and guarantee
Long term (3)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 4)	5.0	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.53% (Note 7) (Note 8)	October 20, 2020	Debt Financing based on individual term loan agreements entered into on October 16, 2020, with the lenders mentioned in financial institutions	October 20, 2027	Bullet repayment	Unsecured and unguaranteed

(Note 1) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited.

(Note 2) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Development Bank of Japan Inc.

(Note 3) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., The Norinchukin Bank, Development Bank of Japan Inc. and The Mie Bank, Ltd.

(Note 4) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc. and The Mie Bank, Ltd.

(Note 5) Financing fees to be paid to the lenders are not included.

(Note 6) The first interest payment date will be due on November 20, 2020, and subsequent interest payment dates will be due on the 20th day of each month until the principal repayment date. If the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if the payment day is included in the next month, then payment will be made on the immediately preceding business day). The base rate applicable to the period for calculation of the interest payable on an interest payment date is the one month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by JBA TIBOR Administration (“JBATA”), General Incorporated Association, two business days prior to the commencement date of each interest period. The base rate will be reviewed on every payment date; provided, however, that when an indication corresponding to each calculation period does not exist or is not published, the base rate will be the base rate corresponding to the period calculated based on the method provided in the agreements. For changes in the JBA Japanese Yen TIBOR, which is the base rate, refer to the JBATA website (<http://www.jbatibor.or.jp/rate/>).

(Note 7) Interest rates payable are substantively fixed by separately concluding interest rate swap agreements. For details, refer to “II. Establishment of interest rate swaps” below.

(Note 8) The first interest payment date will be due on January 20, 2021, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day). The base rate applicable to the period for calculation of the interest payable on an interest payment date is the three month Japanese Yen TIBOR (Tokyo Interbank Offered published by JBA TIBOR Administration (“JBATA”), General Incorporated Association, two business days prior to the commencement date of each interest period. The base rate will be reviewed on every payment date; provided, however, that when an indication corresponding to each calculation period does not exist or is not published, the base rate will be the base rate corresponding to the period calculated based on the method provided in the agreements. For changes in the JBA Japanese Yen TIBOR, which is the base rate, refer to the JBATA website (<http://www.jbatibor.or.jp/rate/>).

(Note 9) If certain requirements, including our advance written notice, are met during the period between the date of executions of the Debt Financing and the repayment dates indicated above, each of the borrowings is repayable either in whole or in part prior to the maturity date.

2. Reason for conducting Debt Financing

The borrowing will be used for the fund for refinancing of borrowings of 31.8 billion yen (Note) that will become due on October 20, 2020.

(Note) The borrowings are those that were published in the “Notice Concerning Debt Financing and Establishment of Interest Rate Swaps” on November 25, 2013, and the “Notice Concerning Debt Financing” on January 28, 2020.

3. Total amount to be procured, use of proceeds and anticipated disbursement date of the proceeds

(1) Total amount to be procured

31.8 billion yen

(2) Specific use of proceeds

The borrowing will be used for the fund for refinancing of the borrowings stated in 2. above.

(3) Anticipated disbursement date

October 20, 2020

4. Status of borrowings, etc., after the debt financing

(Unit: millions of yen)

	Before the debt financing	After the debt financing	Increase (Decrease)
Short term borrowings (Note 1)	9,800	18,000	8,200
Long term borrowings (Note 2)	117,000	108,800	(8,200)
Total borrowings	126,800	126,800	-
Investment corporation bonds	33,000	33,000	-
Total of borrowings and investment corporation bonds	159,800	159,800	-
Other interest bearing debts	-	-	-
Total interest bearing debts	159,800	159,800	-

(Note 1) Short-term borrowings are borrowings with maturity periods of one year or less.

(Note 2) Long-term borrowings are borrowings with maturity periods of more than one year, and includes long-term borrowing due for repayment within one year.

II. Establishment of interest rate swaps

1. Reason for establishment

Interest rate swaps are set up to hedge the risk of rising interest rates by fixing interest rates payable for some of the borrowings based on individual term loan agreements concluded on October 16, 2020, stated in “I. Debt Financing: 1. Details of the Debt Financing” above.

2. Details of establishment

Interest rate swap agreements for the long term (1)

(1) Counterparty	SMBC Nikko Securities Inc.
(2) Notional principal	4.0 billion yen
(3) Interest rates	Fixed interest rate payable: 0.05900% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2020
(5) End date	October 21, 2024
(6) Interest payment date	The first interest payment date will be due on January 20, 2021, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day).

(Note) As a result of concluding the interest rate swap agreements, interest rates for the long term (1) will be substantively fixed at 0.35900%.

Interest rate swap agreements for the long term (2)

(1) Counterparty	Nomura Securities Co.,Ltd.
(2) Notional principal	4.8 billion yen
(3) Interest rates	Fixed interest rate payable: 0.07400% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2020
(5) End date	October 20, 2026
(6) Interest payment date	The first interest payment date will be due on January 20, 2021, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day).

(Note) As a result of concluding the interest rate swap agreements, interest rates for long term (2) will be substantively fixed at 0.51400%.

Interest rate swap agreements for the long term (3)

(1) Counterparty	Nomura Securities Co.,Ltd.
(2) Notional principal	5.0 billion yen
(3) Interest rates	Fixed interest rate payable: 0.08400% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2020
(5) End date	October 20, 2027
(6) Interest payment date	The first interest payment date will be due on January 20, 2021, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day).

(Note) As a result of concluding the interest rate swap agreements, interest rates for long term (3) will be substantively fixed at 0.61400%.

III. Additional items required to ensure appropriate understanding and judgment by Investors about the information contained herein:

Regarding the risks concerning repayment, etc., of the debt financing, there are no material changes from the “Investment risks” mentioned in the semiannual securities report for the 14th fiscal period (submitted on April 24, 2020).

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