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August 20, 2019

For Immediate Release

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AEON REIT Investment Corporation
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Representative: Akifumi Togawa, Executive Director
(Securities code: 3292)

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Notice Concerning Acquisition and Leases of Domestic Properties

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that AEON Reit Management Co., Ltd. (the “Asset Manager”), to which the Investment Corporation entrusts asset management, today determined to acquire and lease domestic real estate trust beneficiary interests of the following two properties (the “Anticipated Properties”) (the “Acquisition”) .

1. Summary of Planned Acquisitions

Property number (Note 1)	Property name	Location	Anticipated acquisition price (in millions of yen)	Anticipated acquisition date
RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka Pref.	18,040	September 3, 2019
RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	9,667	February 3, 2020
Total		-	27,707	-

- (1) Execution date of the sale and purchase agreement : August 20, 2019
- (2) Anticipated acquisition date : September 3, 2019 (AEON MALL Fukutsu)
February 3, 2020 (AEON MALL Tamadaira woods)
- (3) Sellers : Please refer to “3. (2) Overview of sellers” below
- (4) Acquisition funds
 - AEON MALL Fukutsu:
Net proceeds (Note 2) from the issuance of new investment units as resolved at the meeting of the board of directors of the Investment Corporation held on August 20, 2019 and cash on hand
 - AEON MALL Tamadaira woods
Net proceeds from debt financing in the form of loans (Note 3) which will be scheduled on February 3, 2020 and cash on hand
- (5) Settlement method : Payment of entire amount upon delivery

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(Notes)

1. “Property number” indicates a numbered classification of properties based on types such as commercial facilities: SRSC (super regional shopping center), RSC (regional shopping center), CSC (community shopping center), NSC (neighborhood shopping center), SM (supermarket) and L (logistics). A “shopping center” means, in general, a retail property containing a combination of retail businesses, restaurant businesses and other services, managed as one unit and formed, developed and owned by developers, and is sometimes referred as “SC”. In most cases, the location, scale and type of each shopping center conform to the characteristics of its commercial area, and the property of each shopping center also includes a parking area appropriate for its type and scale.
2. Please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today for more details.
3. We will make an announcement regarding the borrowing of funds as soon as the borrowing decision is made.
4. Brokerage is not applicable in connection with the Acquisition.

2. Reasons for Acquisition and Leases

The Investment Corporation positions retail properties as the “infrastructure assets of local communities” and invests in those assets with the strong support of the AEON Group (Note) in order to capture stable profits and enhance unitholder over the medium-long term through steady growth derived from our asset management. With respect to our asset management, we are specifically focused on portfolio quality, and ordinary distributions per unit (DPU) under current market environment.

Highlights of the Anticipated Properties are as follows:

AEON MALL Fukutsu (Fukutsu City, Fukuoka Prefecture)

【Advantages of the location】

- Located along National Route 3 and roughly 6km from the Koga interchange on the Kyushu Expressway. Catchment area within 30 minute drive radius covers roughly 350,000 people.
- Easy access from not only within Fukutsu City but adjacent cities such as Koga City and Munakata City as well

【Property characteristics】

- By far the largest retail property with floor space that is more than twice the size of all other shopping centers in Fukutsu City, Koga City and Munakata City.
- Attributed to the lessons from the East Japan Earthquake, the facility is equipped with the latest safety features as it’s the first mall opened by the AEON Group since the earthquake

【Advantages of the property】

- Located in the commuter town of the Fukuoka area with ongoing population influx. 14.9% increase in population (2019) compared to 2012 levels
- Provides various value and functionality ranging from “daily shopping” to “experience” and “community functions”

AEON MALL Tamadaira woods (Hino City, Tokyo)

【Advantages of the location】

- 3 minute walking distance from Toyoda station on the JR Chuo Line. Located in the core area of the “compact city” concept by the Hino city government

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- Surrounded by a residential area located north of the property. Visited on a daily basis by the local community residing in nearby areas such as Tamadaira, Asahigaoka, Toyoda, and Fujimachi
- Good location in terms of accessibility. National Route 20 (Hino Bypass) is located 500m south of the property.

【Property characteristics】

- Good access to major stations in central Tokyo and a variety of ways to visit the property (i.e. train, bus, automobile, bicycle, and foot)

【Advantages of the property】

- Surrounding area is a commuter town with a steadily growing population due to renewal projects of the Tamadaira housing complex, development projects around the train station, and other regional development projects including the opening of AEON MALL Tamadaira woods. Catchment population within 5km radius is roughly 510,000 people.
- Functions as the hub of the city development in the redevelopment plans by Hino City government and Urban Renaissance Agency. Identified as a “community infrastructure asset” with close ties to the local community.
- Retail property functioning as a community center with AEON Style brand food section and highly recognized tenants such as MUJI and NITORI.

In addition, we believe that the tenants of the Anticipated Properties satisfy the selection criteria for tenants written in the “Report on the Management Structure and System”, which we published on April 25, 2019.

(Note) “AEON Group” is a group consisting of the pure holding company AEON CO., LTD., as well as its 293 consolidated subsidiaries and 29 affiliates as of the end of February 2019. Same shall apply hereinafter.

3. Overview of the Anticipated Properties and Leases

(1) Summary of the Anticipated Properties

The tables below show an overview of each Anticipated Property (the “Individual Property Tables”). When referring to the Individual Property Tables, please refer to the following explanation of the terms used in the tables.

In principle, unless otherwise noted, all information included in the tables is as of June 30, 2019.

For some properties, we may not acquire all or part of the ownership right or part of the leasehold right of a site where each facility is located, or may not acquire part of the ownership of building(s), structure(s), etc. located within the same site.

- Anticipated acquisition price* represents the purchase price of each Anticipated Property, as shown in the sale and purchase agreement of the relevant Anticipated Property (excluding national and local consumption taxes and expenses, such as transaction fees, and is rounded down to the nearest million yen).
- Address* represents the displayed address of each property. If there is no displayed address, the building address in the property registry is shown (one of the addresses if there are multiple addresses).
- Type of specified asset* represents the category of acquisition; either acquisition through trust beneficiary interests or acquisition of real estate ownership rights.
- Anticipated acquisition date* represents the scheduled date of acquisition shown in the sale and purchase

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agreement on the relevant Anticipated Properties, which we entered into with a Seller.

(e) *Land*

- *Lot area* is based on the description in the land register, and the lot area of some sites may not match the current status.
If a trustee of an Anticipated Property subleases only part of a parcel of land, a figure calculated based on an area stated in the sublease contract.
- *Use district* represents types of districts listed in Article 8, paragraph 1, item 1 of the City Planning Act.
- *Coverage ratio* and *Floor-area ratio* represent, in principle, the figures stipulated in accordance with applicable laws and regulations, such as the Building Standards Act and the City Planning Act. Depending on the acquired asset, certain easing measures or restrictions may be applied to the floor-area ratio and the coverage ratio. If there are multiple floor-area ratios applicable to the lot, the multiple ratios are listed side by side, or the figure after converting to the floor-area ratio for the entire lot is noted.
- *Ownership type* represents types of rights a trustee of a real estate trust possesses or is due to possess with respect to an Anticipated Property.

(f) *Building*

- *Completion date* represents the date of completion as described in the property registry. If there are expansions and/or reconstructions, the time of these expansions and/or reconstructions are also noted.
- *Structure/Floors* is based on the property registry.
- *Total floor area* is based on the property registry. Any attached buildings are noted separately.
- *Use* represents main items among the building types noted in the property registry.
- *Ownership type* represents types of rights a trustee of a real estate trust possesses or is due to possess with respect to an Anticipated Property.
- When there are multiple buildings, *Completion date*, *Structure/Floors*, *Total floor area*, *Use* and *Ownership type* represent those of each building with numbers.

(g) *Master lease company* represents the companies with which we have entered into a master lease agreement for each Anticipated Property, which is in effect as of the date hereof, or due to enter into such an agreement hereafter.

As of today, we have concluded a master lease agreement with AEON Mall Co., Ltd. (as master lessee) for two properties (AEON MALL Fukutsu and AEON MALL Tamadaira woods).

(h) *Property management company* (the “PM company”) with respect to each Anticipated Property is the company with which we have entered into a property management agreement, which is in effect as of the date hereof, or due to enter into such an agreement hereafter.

(i) *PML value* represents Probable Maximum Loss (the “PML”) based on the report of 41 properties as of August 2019 prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd. We evaluate earthquake-related risk analysis as part of due diligence at the time of acquiring assets, by requesting it to Tokio Marine & Nichido Risk Consulting Co., Ltd. The analysis evaluates the earthquake resistance of the building by its unique structure evaluation method based on the structure plans and structure calculation documents, compares it with contents of the structure calculation documents, and evaluates the final earthquake resistance of the subject building. We calculate the PML value of a building by an earthquake based on overall results of evaluation including hazards caused by earthquakes and ground conditions, taking into account a building’s sensitivity to earthquakes, based on the final earthquake resistance assessment.

(j) *Collateralized* indicates whether a property is collateralized or not and shows “Yes” if an Anticipated Property (excluding leased land portions) is collateralized.

(k) *Tenant details*

- *Number of tenants* represents the total number of tenants who have entered into an individual lease

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agreement for each Anticipated Property, which will be in effect as of the date we acquire such assets. In cases where a master lease agreement is entered into and its rent is fixed under the master lease agreement, it represents the number of master lease companies.

- *Annual contracted rent* represents an annualized amount, which is calculated by multiplying the monthly rent (excluding national and local consumption taxes) stipulated in an individual lease agreement for each Anticipated Property, which will be in effect when the Investment Corporation acquires such assets, by 12, and which is rounded to the nearest million yen.
 - *Leasehold/Security deposits* represents an amount specified in an individual lease agreement for each Anticipated Property, which will be in effect when the Investment Corporation acquires such assets, and which is rounded to the nearest million yen.
 - *Total leased area* represents the leased area shown in an individual lease agreement for each Anticipated Property, which will be in effect when the Investment Corporation acquires such assets.
 - *Total leasable area* represents the leasable area considered possible to lease, based on an individual lease agreement for each Anticipated Property, which will be in effect when the Investment Corporation acquires such assets, or floor plans, etc.
 - *Occupancy rate* represents the proportion of total leased area to total leasable area in relation to each Anticipated Property at the time of acquisition by the Investment Corporation, and the figure is rounded the second decimal place.
- (1) *Special remarks* represent, in principle, items related to the interests in or use of, etc. individual assets, which remarks are considered important, as well as items considered to be important matters based on their degree of impact on an asset's appraisal value, profitability or disposability, based on information as of June 30, 2019.

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(RSC-32) AEON MALL Fukutsu

Property name		AEON MALL Fukutsu
Anticipated acquisition price		¥18,040 million (Note 1)
Address		6-16-1, Himakino, Fukutsu City, Fukuoka Pref
Type of specified asset		Trust beneficiary interest
Trust establishment date		February 28, 2017
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period termination date		February 28, 2027
Anticipated acquisition date		September 3, 2019
Land	Lot area	154,762.22 m ² (Note 2)
	Use district	Commercial district, category 1 residential district
	Coverage ratio	90%
	Floor-area ratio	200%
	Ownership type	Ownership rights and leasehold rights
Building	Completion date	April 20, 2012
	Structure/Floors	Steel-framed, flat roof / 5 stories above ground
	Total floor area	100,020.87 m ²
	Use	Department store
	Ownership type	Ownership rights
Master lease company		AEON Mall Co., Ltd.
Classification of master lease		Fixed rent (Note 3)
Property management company		Geo Akamatsu Co., Ltd.
PML value		1.5%
Collateralized		No
Appraisal value (As of appraisal date)		¥18,300 million (June 30, 2019)
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Tenant details		
	Number of tenants	1
	Annual contracted rents	¥1,246 million
	Leasehold/Security deposits	¥628 million
	Total leased area	100,020.87 m ²
	Total leasable area	100,020.87 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable

(Notes)

- Using net proceeds from the issuance of new investment units as resolved at the meeting of the board of directors of the Investment Corporation held on August 20, 2019 and cash on hand. Please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” released today for more details.
- 17,244.23 m² of leased land is included.
- In addition to fixed rent, the amount of the fixed assets tax and city planning tax are paid as variable rent. Besides, variable rent is reviewed every year for the changes of fixed assets tax and city planning tax.

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(RSC-33) AEON MALL Tamadaira woods

Property name		AEON MALL Tamadaira woods
Anticipated acquisition price		¥9,667 million (Note 1)
Address		2-4-1, Tamadaira, Hino city, Tokyo
Type of specified asset		Trust beneficiary interest
Trust establishment date		February 24, 2017
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period termination date		February 23, 2027
Anticipated acquisition date		February 3, 2020
Land	Lot area	30,921.84 m ²
	Use district	Commercial district
	Coverage ratio	100% (Note 2)
	Floor-area ratio	300%
	Ownership type	Leasehold rights
Building	Completion date	November 17, 2014, Expansion: November 20, 2015
	Structure/Floors	Steel-framed, flat roof / 7 stories above ground
	Total floor area	66,575.54 m ²
	Use	Department store
	Ownership type	Ownership rights
Master lease company		AEON Mall Co., Ltd.
Classification of master lease		Fixed rent (Note 3)
Property management company		Geo Akamatsu Co., Ltd.
PML value		7.0%
Collateralized		No
Appraisal value (As of appraisal date)		¥10,200 million (June 30, 2019)
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Tenant details		
	Number of tenants	1
	Annual contracted rents	¥1,161 million
	Leasehold/Security deposits	¥284 million
	Total leased area	66,575.54 m ²
	Total leasable area	66,575.54 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable

(Notes)

- Using net proceeds from debt financing in the form of loans which will be scheduled on February 3, 2020 and cash on hand.
- The original coverage ratio of this property's land for use district was 80%. However, because this property is a fire-resistant structure located in a fire preventive district, a proportional distribution calculation is used, thereby the coverage ratio is not applicable.
- In addition to fixed rent, the amount of the fixed assets tax and city planning tax are paid as variable rent. Besides, variable rent is reviewed every year for the changes of fixed assets tax and city planning tax.

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(2) Overview of Sellers

The sellers are general business companies in Japan. The details of the sellers are not disclosed because we have not obtained their consent. As of today's date, the sellers fall under neither an interested person as stipulated in the Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 including subsequent revisions) nor the Article 123 of Order for Enforcement of Investment Trust Act (Cabinet Order No. 480 of 2000 including subsequent revisions), as well as an interested party under the internal rule "Rule for Interested-Party Transactions" of the Asset Manager.

4. Overview of Property Owners, etc.

In regard to the Anticipated Properties, there is no acquisition from parties which have a particular relationship with the Investment Corporation or the Asset Manager.

5. Schedule of Acquisition

Property Number	Property name	Date of determination of acquisition	Date of execution of the sale and purchase agreement	Scheduled date of payment	Anticipated acquisition date
RSC-32	AEON MALL Fukutsu	August 20, 2019	August 20, 2019	September 3, 2019	September 3, 2019
RSC-33	AEON MALL Tamadaira woods	August 20, 2019	August 20, 2019	February 3, 2020	February 3, 2020

6. Transactions with Interested Parties, etc.

(1) Procedures for acquisition of assets, etc. from Interested Parties

The Investment Corporation considers it important to establish an appropriate governance system in order to maximize investors' value and has set up a structure in which opinions of third parties without interests with the AEON group are reflected in the decision-making of the Asset Manager in relation to transactions with Interested Parties, such as acquisition of assets from the AEON group. Specifically, we have a decision-making process in which external specialists, each a third party without interests with the AEON group, are appointed as members in both the Investment Committee and the Compliance Committee, and it is required that such external specialists are present at the committees and vote in favor of such transactions when transactions with Interested Parties are to be executed.

(2) Real estate lease agreement (master lease agreement)

The Investment Corporation will enter into master lease agreements for AEON MALL Fukutsu and AEON MALL Tamadaira woods with AEON Mall Co., Ltd., through trustees of each of the Anticipated Properties. Since AEON Mall Co., Ltd., is a subsidiary, etc. of AEON CO., LTD., the parent company of the Asset Manager, and Interested Parties, as defined by the Article 201 of Investment Trust Act and the Article 123 of Order for Enforcement of Investment Trust Act, as well as interested parties under the internal rule "Rule for Interested-Party Transactions" of the Asset Manager, in connection with entering into such master lease agreements through trustees of such Anticipated Properties, the Asset Manager has gone through the decision-making process prescribed by such interested party transaction rule.

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Overview of Lessees – Master Lease Agreement>

(RSC-32) AEON MALL Fukutsu, (RSC-33) AEON MALL Tamadaira woods

Name	AEON Mall Co., Ltd.
Address	1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba
Name and title of the company representative	Akio Yoshida, President and CEO
Business	Development of large-scale shopping malls, tenant leasing and operation/management
Paid-in capital	¥42,313 million (as of February 28, 2019)
Establishment date	November 12, 1911
Net assets	¥413,922 million (as of February 28, 2019)
Total assets	¥1,167,443 million (as of February 28, 2019)
Large shareholder and equity position	AEON CO., LTD. 55.34% (as of February 28, 2019)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable
Human resources	Not applicable
Transactions	Transactions with the Investment Corporation: Total rent income ¥6,254 million (August 1, 2018 ~ January 31, 2019) Total land rent paid, etc. ¥646 million (August 1, 2018 ~ January 31, 2019) Transaction with the Asset Manager: AEON Mall Co., Ltd. entered into the pipeline support agreement and shopping center management agreement with the Asset Manager.
Related party	AEON Mall Co., Ltd. is a Related Party of the Investment Corporation. It is also an Interested Party under the internal rule “Rule for Interested-Party Transactions” of the Asset Manager and an Interested Party defined by the Investment Trust Act.

7. Forward commitment, etc. (Note)

(1) Anticipated Property under a Forward Commitment

The sale and purchase agreement for AEON MALL Tamadaira woods falls under a forward commitment as defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.”

(Note) *Forward commitment contract, etc.* refers to a post-dated sale and purchase contract and any other similar contract by which both parties are bound to make payment of a price and deliver a property / properties after the lapse of more than one month from the date of the conclusion of the contract. Same shall apply hereinafter

(2) Financial impacts on the Investment Corporation in the event of failure to fulfill forward commitment

In accordance with the terms and conditions of the sale and purchase agreement for AEON MALL Tamadaira woods, if the agreement is cancelled due to a breach of the terms and conditions by the Investment Corporation or if inaccuracies are found in the representations and warranties provided by the Investment Corporation, the counterparty is able to claim for an amount equivalent to 10% of the transaction price (excluding the amount equivalent to the building consumption tax) to the Investment Corporation as a penalty.

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8. Future Outlook

Please refer to the “Notice Concerning Revision to the Forecasts for Performance and Distributions for the Fiscal Period Ending January 31, 2020 and the Forecasts for Performance and Distributions for the Fiscal Period Ending July 31, 2020” announced today for more details on the impact of acquisition of the Anticipated Properties on the Investment Corporation’s expected performance and distributions in the fiscal period ending January 31, 2020 (from August 1, 2019 to January 31, 2020) and the fiscal period ending July 31, 2020 (from February 1, 2020 to July 31, 2020).

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9. Appraisal Summary

Property name	AEON MALL Fukutsu
Appraisal value	¥18,300,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	June 30, 2019

Item	Amount or percentage	Summary
Capitalization approach price	¥18,300,000,000	Calculation based on a price by the Discounted Cash Flow approach as a standard, after examining it by the Direct Capitalization approach, which is based on transactions yields in a market and is not so much affected by assumed factors relatively.
Price calculated by the Direct Capitalization approach	¥18,600,000,000	
Operating income	¥1,246,982,700	
Gross rental income	¥1,246,982,700	Actual rents in a market
Losses due to vacancies, etc.	¥0	No losses due to vacancies, since calculation is based on the assumption that the whole building is leased to one tenant. Risks of tenants leaving a property and fluctuations in Net cash flow as a result of a rent revision are incorporated into a rate.
Operating expenses	¥225,827,383	
Maintenance costs	¥0	No maintenance costs because they are paid by tenant based on the amendment to the building lease agreement
Utilities costs	¥0	No maintenance costs because they are paid by tenant based on the amendment to the building lease agreement
Repair costs	¥23,800,000	Assessed using engineering reports, etc. as a reference
Property management fees	¥2,160,000	Based on the property management agreement
Advertisement for leasing, etc.	¥0	
Taxes	¥157,190,600	Based on the taxes related documents
Insurance premium	¥5,345,800	Based on the insurance documents. No coverage by earthquake insurance.
Other expenses	¥37,330,983	Based on the memorandum of the lease agreement for the land and etc.
Net operating income	¥1,021,155,317	
Return on investment of temporary available funds	¥6,284,953	Return on investment is assessed at 1.0%, taking into account the interest rate levels, etc. of both investment and financing.
Capital expenditure	¥23,800,000	Assessed using engineering reports, etc. as a reference
Net cash flow	¥1,003,640,270	
Capitalization rate	5.4%	A rate estimated by comparing several transaction yields in neighbor areas or similar areas within the location of properties.
Price calculated by the DCF approach	¥18,100,000,000	
Discount rate	5.4% till 7 th year 5.5% since 8 th year	A rate estimated by taking into account for individual risk and the base rate related to commercial property located in the suburb.
Terminal capitalization rate	5.6%	A rate estimated by taking into account for future uncertainty based on capitalization rate.
Cash approach price	¥20,300,000,000	
Ratio of land	63.8%	
Ratio of building	36.2%	

Other points to be noted for the determination of appraisal value	Not applicable
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Property name	AEON MALL Tamadaira woods
Appraisal value	¥10,200,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	June 30, 2019

Item	Amount or percentage	Summary
Capitalization approach price	¥10,200,000,000	Calculation based on a price by the Discounted Cash Flow approach as a standard, after examining it by the Direct Capitalization approach, which is based on transactions yields in a market and is not so much affected by assumed factors relatively.
Price calculated by the Direct Capitalization approach	¥10,700,000,000	
Operating income	¥1,161,397,932	
Gross rental income	¥1,161,397,932	Actual rents in a market
Losses due to vacancies, etc.	¥0	No losses due to vacancies, since calculation is based on the assumption that the whole building is leased to one tenant. Risks of tenants leaving a property and fluctuations in Net cash flow as a result of a rent revision are incorporated into a rate.
Operating expenses	¥623,383,754	
Maintenance costs	¥0	No maintenance costs because they are paid by tenant based on the amendment to the building lease agreement
Utilities costs	¥0	No maintenance costs because they are paid by tenant based on the amendment to the building lease agreement
Repair costs	¥16,600,000	Assessed using engineering reports, etc. as a reference
Property management fees	¥1,680,000	Based on the property management agreement
Advertisement for leasing, etc.	¥0	
Taxes	¥111,877,900	Based on the taxes related documents
Insurance premium	¥3,682,480	Based on the insurance documents. No coverage by earthquake insurance.
Other expenses	¥489,543,374	Based on the memorandum of the lease agreement for the land and etc.
Net operating income	¥538,014,178	
Return on investment of temporary available funds	¥2,844,270	Return on investment is assessed at 1.0%, taking into account the interest rate levels, etc. of both investment and financing.
Capital expenditure	¥16,600,000	Assessed using engineering reports, etc. as a reference
Net cash flow	¥524,258,448	
Capitalization rate	4.9%	A rate estimated by comparing several transaction yields in neighbor areas or similar areas within the location of properties.
Price calculated by the DCF approach	¥9,940,000,000	
Discount rate	4.9% till 5 th year 5.0% since 6 th year	A rate estimated by taking into account for individual risk and the base rate related to commercial property located in the suburb.
Terminal capitalization rate	5.2%	A rate estimated by taking into account for future uncertainty based on capitalization rate.
Cash approach price	¥11,000,000,000	
Ratio of land	55.6%	
Ratio of building	44.4%	

Other points to be noted for the determination of appraisal value	Not applicable
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*Distribution of this material: This material is distributed to “Kabuto Club” (a media correspondents’ club at the Tokyo Stock Exchange, Inc.), the press club at the Ministry of Land, Infrastructure, Transport and Tourism and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

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

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(Attachments)

Reference Material 1
Reference Material 2
Reference Material 3

Outline of Building Engineering Report
Photos of the Properties and Maps / Photo of the Surrounding Areas
Portfolio after Acquisition of Anticipated Properties

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Reference Material 1 Outline of Building Engineering Report

Property Number	Property name	Replacement cost (millions of yen) (Note 1, 2)	Repair and maintenance expenses at time of survey (thousands of yen) (Note 1)			Engineering firm	Survey period (Note 4)
			Urgent	Short term (Note 3)	Long term (Note 3)		
RSC-32	AEON MALL Fukutsu	10,980	0	0	49,753	Tokio Marine & Nichido Risk Consulting Co., Ltd.	June, 2019
RSC-33	AEON MALL Tamadaira woods	7,583	100	0	36,498	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July, 2019

(Notes)

1. *Replacement cost* and *Repair and maintenance expenses at time of survey* are shown by truncating portions of less than a million yen and a thousand yen, respectively.
2. *Replacement cost* represents the amount which does not include national and local consumption taxes shown in the building engineering report on a building inspection, observance of related laws and regulations, evaluation of repair and maintenance expenses, environmental assessment, etc.
3. *Short term* represents repair and maintenance expenses to be required within one year from a point of research when a research company made trial calculations, while *long term* represents such costs by converting the costs to be required within 10 to 15 years (the period varies from company to company) from such point of research into an annual average amount by the Asset Manager.
4. *Survey period* represents the reporting or the survey date of the building engineering report.

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Reference Material 2

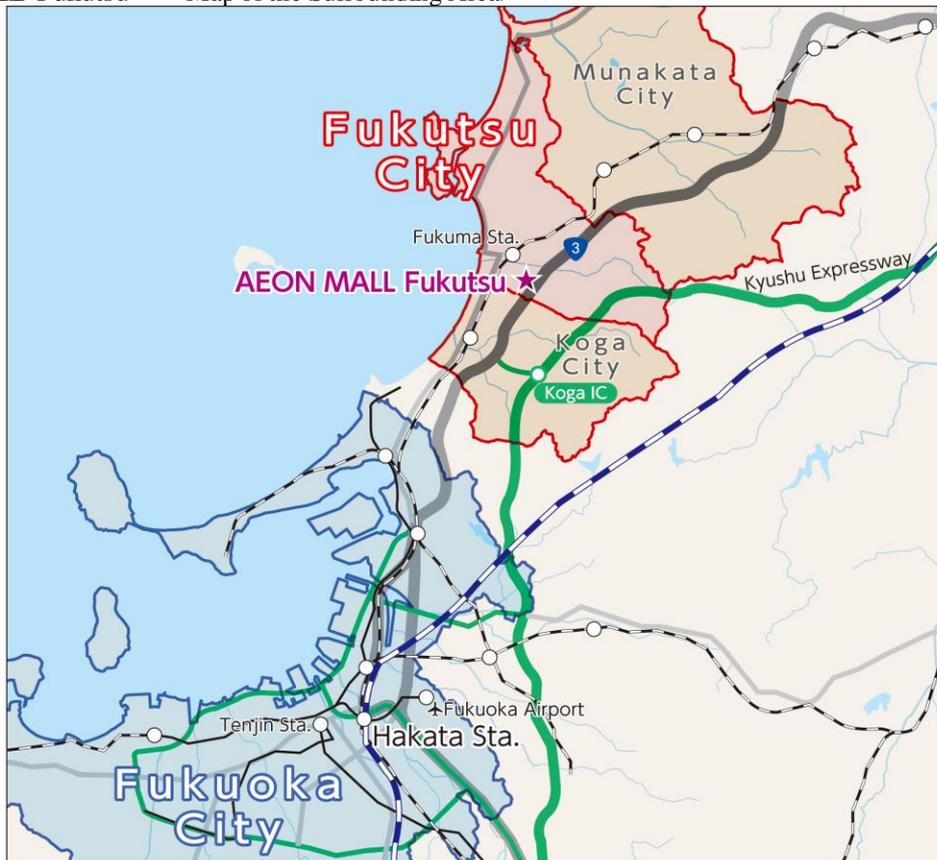
Photos of the Properties and Maps / Photo of the Surrounding Areas

<AEON MALL Fukutsu

Photo of the Property>



<AEON MALL Fukutsu Map of the Surrounding Area>

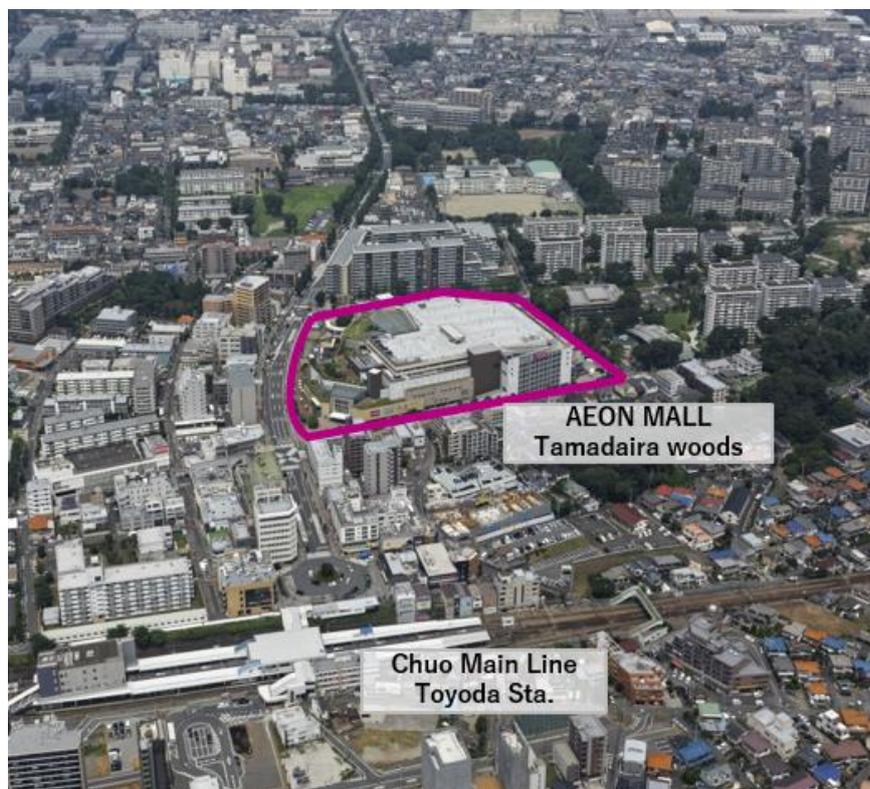


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<AEON MALL Tamadaira woods Photo of the Property >



<AEON MALL Tamadaira woods Aerial photo of the Surrounding Area>



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Property number	Property name	Location	Acquisition price (scheduled) (millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Sellers
SRSC-1	AEON LakeTown mori	Koshigaya City, Saitama Pref.	21,190	5.4	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze	Koshigaya City, Saitama Pref.	6,730	1.7	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	5,340	1.4	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	6,680	1.7	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara (Note 3)	Mito City, Ibaraki Pref.	16,565	4.2	AEON Mall Co., Ltd. and Mito-Shi, Ibaraki
RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	6,860	1.8	Tokyo Century Corporation
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	10,220	2.6	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	4,950	1.3	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	9,660	2.5	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	3,290	0.8	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	7,230	1.9	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	7,780	2.0	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama Pref.	17,890	4.6	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	Ayuta County, Kagawa Pref.	8,740	2.2	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	11,246 (Note 4)	2.9	Tokyo Century Corporation and AEON Mall Co., Ltd.
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	21,470	5.5	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City Hokkaido	5,900	1.5	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	Kushiro City Hokkaido	1,780	0.5	Forester Special Purpose Company
RSC-18	AEON MALL Rifu	Miyagi County Miyagi Pref.	2,560	0.7	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata-Minami	Yamagata City Yamagata Pref.	1,350	0.3	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City Mie Pref.	2,210	0.6	Forester Special Purpose Company
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara Pref.	14,500	3.7	AEON Mall Co., Ltd.
RSC-22	AEON MALL Chiba-Newtown	Inzai City, Chiba Pref.	12,190	3.1	Tokyo Century Corporation
RSC-23	AEON MALL Kofu Showa (Note 5)	Nakakoma Country, Yamanashi Pref.	15,489	4.0	AEON Mall Co., Ltd. and Showa-cho Jyoei Land Readjustment Association
RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido	7,840	2.0	Mevius Gamma Special Purpose Company

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RSC-25	AEON MALL Oyama	Oyama City, Tochigi Pref.	6,280	1.6	AEON Retail Co., Ltd.
RSC-26	AEON MALL Itamikoya	Itami City, Hyogo Pref.	16,860	4.3	AEON Retail Co., Ltd.
RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima Pref.	13,400	3.4	AEON Retail Co., Ltd.
RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki Pref.	12,030	3.1	AEON Retail Co., Ltd.
RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa Pref.	9,940	2.5	AEON Retail Co., Ltd.
RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki Pref.	9,552	2.4	Godo Kaisha Double O2
RSC-31	AEON MALL Kyoto Gojyo	Kyoto City, Kyoto Pref.	13,333	3.4	Godo Kaisha Double O3
RSC-32	AEON MALL Fukutsu (Note 6)	Fukutsu City, Fukuoka Pref.	18,040	4.6	Not disclosed
RSC-33	AEON MALL Tamadaira woods (Note 6)	Hino City, Tokyo	9,667	2.5	Not disclosed
CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa Pref.	6,410	1.6	Sumitomo Mitsui Finance and Leasing Co., Ltd.
CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba Pref.	3,748	1.0	AEON Retail Co., Ltd.
CSC-3	AEON Kireuriwari Shopping Center	Osaka City, Osaka Pref.	4,394	1.1	Godo Kaisha Double O2
L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa Pref.	14,280	3.7	Tokyo Century Corporation
L-2	AEON Minami-Osaka RDC	Sakai City, Osaka Pref.	9,870	2.5	Tokyo Century Corporation
L-3	Daiei-Ibaraki Process Center	Ibaraki City, Osaka Pref.	6,810	1.7	Tokyo Century Corporation
M-1	AEON Taman Universiti Shopping Centre	Johor, Malaysia	658 (RM 20 million) (Note 7)	0.2	AEON Malaysia
M-2	AEON MALL SEREMBAN 2	Negeri Sembilan, Malaysia	5,252 (RM 215 million) (Note 8)	1.3	Swiss Advanced Technology Institute (M) Sdn. Bhd.
Total		—	390,185	100.0	—

(Notes)

1. Acquisition price (scheduled) represents the purchase price of each asset shown in the sale and purchase agreement on each Anticipated Property (excluding national and local consumption taxes and costs such as broker's commissions, etc., and the amount is rounded down to the nearest million yen.).
2. Investment ratio represents the proportion of an acquisition price (scheduled) of each trust beneficiary interest to the total of acquisition prices (scheduled) and each ratio is rounded to one decimal place.
3. AEON MALL Mitouchihara includes adjacent lands acquired on April 28, 2015, other than currently held real estate trust beneficiary interests.
4. Acquisition price of AEON MALL Nogata has been decreased because the Investment Corporation has transferred part of the land.
5. Acquisition price and Investment ratio of AEON MALL Kofu Showa includes the price and number of the Extended Building which the Investment Corporation acquired as of September 3, 2018.
6. The Investment Corporation plans to acquire AEON MALL Fukutsu on September 3, 2019 and AEON MALL tamadaira woods on February 3, 2020.
7. Acquisition price of AEON Taman Universiti Shopping Centre represents the total yen amount of the considerations actually paid by the Investment Corporation to AEON CO. (M) BHD. over several times (the sale and purchase price, etc., shown in the sale and purchase agreement, etc.), excluding expenses incurred on the acquisition of the property (broker's commissions and taxes and dues, etc.). The weighted average exchange rate calculated from the exchange rates applied at each payment was ¥32.92 to 1 RM, rounded down to the second decimal place.
8. Acquisition price of AEON MALL SEREMBAN 2 represents the purchase price (the sale and purchase price, etc., shown in the sale and purchase agreement), excluding expenses incurred on the acquisition of the property (broker's

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commissions and taxes and dues, etc.), paid by the Investment Corporation acquired to Swiss Advanced Technology Institute (M) Sdn. Bhd, through JAMBATAN MANSEIBASHI (M) Sdn. Bhd. (overseas real estate holding corporation (means the corporation stipulated in Article 221-2, Item 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations) which we have established in Malaysia) . The exchange rate is ¥24.43 to 1 RM dated on September 30, 2016, at the time of acquisition (rounded down to the second decimal place).

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