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For Immediate Release

Investment Corporation:
AEON REIT Investment Corporation
1-2-1, Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Representative: Akifumi Togawa, 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 Interest Rate) and
Conclusion of Interest Rate Swap Agreements**

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that it has determined the details of the debt financing regarding the debt financing (i) announced in the Notice Concerning Debt Financing (Refinancing of the Existing Loans) of September 26, 2019 and debt financing (ii) announced in the Notice Concerning Debt Financing Through Green Jointly Operated Specified Money Trust (AEON Reit Green Trust) on the same date (the debt financing (i) and (ii) are collectively referred to as the “Debt Financing”). In addition, Investment Corporation has decided to establish an interest rate swap. Details are as follows.

I. Debt Financing:

1. Summary of the Debt Financing

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note 1)	Borrowing date	Financing method	Maturity	Repayment Method (Note 6)	Security and guarantee
Long term (a)	Sumitomo Mitsui Trust Bank, Limited (Trust unit)	3.3	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.22% (Note 2) (Note 3)	October 21, 2019	Debt financing according to an individual term loan agreement dated October 17, 2019 in which the lender on the left is designated as a loan provider based on the Jointly-Operated Specified Money Trust (common name: AEON Reit Green Trust) formed by the lender on the left. (note 5)	October 20, 2022	Bullet repayment	Unsecured and unguaranteed
Long term (b)	The Chiba Bank, Ltd.	0.3	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.22% (Note 2) (Note 3)	October 21, 2019	Debt financing based on individual term loan agreements entered into on October 17, 2019 with the lenders mentioned in “Financial institutions	October 20, 2022	Bullet repayment	Unsecured and unguaranteed

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note 1)	Borrowing date	Financing method	Maturity	Repayment Method (Note 6)	Security and guarantee
Short term	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited	12.0	Base rate (JBA one-month Japanese Yen TIBOR) plus 0.22% (Note 4)	October 21, 2019	Debt financing based on individual term loan agreements entered into on October 17, 2019 with the lenders mentioned in “Financial institutions	October 20, 2020	Bullet repayment	Unsecured and unguaranteed

(Notes)

- Loan fees and other charges to be paid to the lenders are not included.
- Interest rates for payment are practically fixed based on the Interest Rate Swap Agreements concluded separately. For more details, please refer to “II. Conclusion of Interest Rate Swap Agreements” mentioned as below.
- The first interest payment date will be due on January 20, 2020, and subsequent interest payment dates will be due on 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 published by TIBOR Administration (“JBATA”), General Incorporated Association two business days prior to the interest payment date. The base rate will be reviewed on every payment date; provided, however, that when the calculation period is less than three months, 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, please refer to the JBATA website (<http://www.jbatibor.or.jp/english/rate/>).
- The first interest payment date will be due on November 20, 2019, and subsequent interest payment dates will be due on 20th day of every month 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 one-month Japanese yen TIBOR (Tokyo Interbank Offered Rate) published by the General Incorporated Association JBA TIBOR Administration (JBATA) at two business days prior to the interest payment date. The base rate will be reviewed on every payment date; provided, however, that when the calculation period is less than one month, 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, please refer to the JBATA website (<http://www.jbatibor.or.jp/english/rate/>).
- Based on the Jointly-Operated Specified Money Trust (common name: AEON Reit Green Trust) formed by the abovementioned lender, Investment Corporation will conclude an individual term loan agreement with the abovementioned lender on October 17, 2019. For details, including the scheme of the AEON Reit Green Trust, please refer to the Notice Concerning Establishment of Green Finance Framework on September 26, 2019.
- 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 the Debt Financing

The proceeds from the Debt Financing will be used to fund of refinancing funds of ¥15.6 billion (Note) that has maturity date of October 21, 2019

(Note) The relevant borrowing was announced in the “Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements on February 25, 2015,” “Notice Concerning Debt Financing (Determination of borrowing amount and interest rate)” on February 23, 2016, and “Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements” on October 18, 2016, and “Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements” on March 24, 2017

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

(1) Total amount to be procured

¥15.6 billion in total

(2) Specific use of proceeds

The proceeds from the Debt Financing will be used to fund of refinancing of the foregoing.

(3) Anticipated disbursement date
October 21, 2019

4. Status of balance of borrowings and other interest-bearing debts after the Debt Financing

(Units: in millions of yen)

	Before the Debt Financing	After the Debt Financing	Change
Short-term borrowings (Note 1)	—	12,000	12,000
Long-term borrowings (Note 2)	129,000	117,000	(12,000)
Total borrowings	129,000	129,000	—
Investment corporation bonds	21,000	21,000	—
Total of borrowings and investment corporation bonds	150,000	150,000	—
Other interest-bearing debts	—	—	—
Total interest-bearing debts	150,000	150,000	—

(Notes)

- Short-term borrowings are borrowings with a maturity of one year or less.
- Long-term borrowings are borrowings with a maturity of more than one year and include long-term borrowings due for repayment within one year.

II. Conclusion of Interest Rate Swap Agreements:

1. Reason for concluding the Interest Rate Swap Agreements

The Interest Rate Swap Agreements are made in order to fix interest rate payments and hedge the potential risk of rising interest rates for the part of borrowings under individual term loan agreements entered into on October 17, 2019, as mentioned in “I. Debt Financing – 1. Summary of the Debt Financing”.

2. Summary of the Interest Rate Swap Agreements

The Interest Rate Swap Agreements of the Debt Financing (a)

Counterparty	Nomura Securities Co.,Ltd.
Notional principal	¥3.3 billion
Interest rate	Fixed interest rate for payment: Δ 0.00500% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 21, 2019
Termination date	October 20, 2022
Interest payment date	The first interest payment date will be due on January 20, 2020, and subsequent interest payment dates will be due on 20 th 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)

(Note) The interest rate for the Debt Financing (a) will be effectively fixed at 0.21500% with the conclusion of the Interest Rate Swap Agreement.

The Interest Rate Swap Agreements of the Debt Financing (b)

Counterparty	Nomura Securities Co.,Ltd.
Notional principal	¥0.3 billion
Interest rate	Fixed interest rate for payment: Δ 0.00500% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 21, 2019
Termination date	October 20, 2022
Interest payment date	The first interest payment date will be due on January 20, 2020, and subsequent interest payment dates will be due on 20 th 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)

(Note) The interest rate for the Debt Financing (b) will be effectively fixed at 0.21500% with the conclusion of the Interest Rate Swap Agreement.

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

As for risks regarding repayment of the Debt Financing, there are no material changes from the details described in “Section 2. Matters for reference/2. Supplementary information for reference materials/9. Investment risks” mentioned in the securities report submitted on August 20, 2019

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