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November 6, 2020

For Immediate Release

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## Notice Concerning a Plan of Corporate Bond (Sustainability Bonds) Issuance

AEON REIT Investment Corporation (the “Investment Corporation”) plans to issue investment corporation bonds (sustainability bonds; hereinafter the “Sustainability 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 27, 2020, and the shelf registration statement dated July 28, 2020 (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 Sustainability 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 Sustainability 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 Sustainability Bonds

- (1) Name of the Investment Corporation Bonds  
: Seventh Series Unsecured Investment Corporation Bond of AEON REIT Investment Corporation  
with special pari passu conditions among investment corporate bonds) (Sustainability Bonds)  
(scheduled)
- (2) Total issue amount : Total amount: ¥18 billion (scheduled)
- (3) Amount of each bond : ¥1 million (scheduled)
- (4) Yield not yet determined
- (5) Issuance conditions  
determination date : November 13, 2020 (scheduled)
- (6) Subscription date : from November 16, 2020 to December 3, 2020 (scheduled)
- (7) Payment date : December 4, 2020 (scheduled)
- (8) Redemption date : December 4, 2030 (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)  
Okasan 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 Sustainability Finance Framework to enhance fund procurement means by attracting more investors who are prepared to make ESG investments and contribute to the development of Sustainability 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, 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), and Building-Housing Energy-efficiency Labelling System (“BELS”) Certification, BELS is a certification system where third party institutions evaluate the energy saving performance of buildings. As of today’s date, the Investment Corporation has received environmental certification for 24 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 funds procured through the issuance of the Sustainability Bonds to refinance the borrowings used for the acquisition of AEON MALL Ishinomaki and AEON MALL Mitouchihara, which are sustainability eligible assets that meet the criteria for Sustainability Qualified 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: Sustainability Qualified Assets means projects that meet criteria 1 and 2 as specified in “Notice Concerning Comprehensive Resolution on Issuance of Investment Corporation Bonds” dated October 27, 2020.

### 4. Overview of the Sustainability Finance Framework

Please refer to “Notice Concerning Comprehensive Resolution on Issuance of Investment Corporation Bonds” dated October 27, 2020.

### 5. Evaluation of external organizations

Regarding sustainability finance, including the issuance of Sustainability Bonds, the Investment Corporation has formulated the Sustainability Finance Framework in accordance with Sustainability Bond Guidelines 2018 (Note 1), Green Bond Principles 2018 (Note 2), Social Bond Principles 2018 (Note 3) and the Green Loan and Sustainability Link Loan Guidelines (2020 version) (Note 4).

The Investment Corporation has obtained an SU1(F) rating from Japan Credit Rating Agency, Ltd. (“JCR”), the highest evaluation in the JCR Sustainability Finance Framework Evaluation (Note 5) as a third-party evaluation for the Sustainability Finance Framework.

In the process of receiving the third-party evaluation, JCR received a notice of entitlement to the subsidy in the 2020 assistance program for the Green Bond issuance promotion platform (Note 6) of the Ministry of the Environment.

(Note 1) “Sustainability Bond Guidelines 2018” refers to the guidelines related to the issuance of Sustainability Bonds formulated by the International Capital Market Association (ICMA).

(Note 2) “Green Bond Principles 2018” refers to guidelines related to the issuance of green bonds formulated by the Green Bond Principles Executive Committee, a private organization for which the International Capital Market Association (ICMA) acts as secretariat.

(Note 3) “Social Bond Principles 2018” refers to guidelines related to the issuance of social bonds formulated by the Green Bond Principles and the Social Bond Principles Executive Committee, a private organization for which the International Capital Market Association (ICMA) acts as secretariat.

(Note 4) “The Green Loan and Sustainability Link Loan Guidelines (2020 version)” refers to the guidelines formulated and published in March 2020 by the Ministry of the Environment for the purpose of stimulating green loans and sustainability link loans in consideration of consistency with the Green Loan Principles formulated by the Loan Market Association (LMA) and other organizations in 2018 and with the Sustainability Link Loan Principles formulated by the LMA and other organizations in 2019.

(Note 5) “The JCR Sustainability Finance Framework Evaluation” is JCR’s third-party evaluation of the degree to which the funds raised are appropriated to social projects or green projects as defined by JCR and the degree of the management and control of the use of sustainability finance and efforts to ensure the transparency of the use of sustainability finance. To distinguish the JCR Sustainability Finance Framework Evaluation from the evaluation of individuals bonds or loans, (F) is added to the end of the evaluation code. The JCR Sustainability Finance Framework Evaluation of the Sustainability Bonds is stated on JCR’s website: <https://www.jcr.co.jp/greenfinance/>

(Note 6) “The assistance program for the Green Bond issuance promotion platform” is a program where assistance is given to registered supporters of companies and local governments that will issue green bonds for their support by providing external reviews and consulting about developing a framework for green bonds among other types of support, to aid the registered supporters in paying for the expenses necessary for the support.

Green bonds require that all funds raised be appropriated to green projects and all items below be satisfied at the time of issuance. The requirements for sustainability bonds are that 50% or more of the funds raised be appropriated to green projects and that all items below be satisfied at the time of issuance.

(1) The projects fall under either of the following items at the time of issuance of green bonds:

1. The projects contribute to decarbonization primarily in Japan (renewable energy and energy saving)

- At least half of the funds raised are appropriated to domestic decarbonization projects, or at least half the projects are domestic decarbonization projects.

2. The projects are highly effective at decarbonization and local revitalization.

- Effective at decarbonization: The subsidy for a ton reduction in CO<sub>2</sub> emissions in Japan is a certain amount or less.

- Effective at regional revitalization: Projects that are deemed to contribute to regional revitalization under ordinances and plans of local governments. Projects in which local governments are expected to invest.

(2) Before the issuance of green bonds, organizations providing external reviews confirm that the framework of green bonds is compliant with the green bond guidelines.

(3) Bonds are not greenwash bonds.

## 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>