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For Immediate Release

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Notice Concerning Acquisition of Domestic Property (Additional Acquisition of Land)

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 the following domestic property (the “Asset to be acquired”).

1. Summary of Acquisition

Property number (Note 1)	Property name	Location	Planned acquisition price (in millions of yen) (Note 2)	Seller
RSC-3	AEON MALL Mitouchihara (Additional acquisition of land)	Mito City, Ibaraki Pref.	105	Mito City, Ibaraki Pref.
Total		—	105	—

- (1) Scheduled conclusion date of the sale and purchase agreement: March 30, 2015 (scheduled)
- (2) Scheduled acquisition date: April 28, 2015 (scheduled)
- (3) Seller: Mito City, Ibaraki Pref.
- (4) Acquisition funds: Its own funds
- (5) Method of settlement: ¥5.60 million, which is the equivalent to at least 5% of the bid amount, was paid at the time of bidding as bid deposit. At least 10% of the contract amount will be paid as contract deposit (the bid deposit is used as part of the contract deposit) within the 5 days following the date of receipt of notice of determination of successful bid, and the remaining amount will be fully paid within the 30 days starting on the contract conclusion date.

(Notes)

- (1) *Property number* indicates a numbered classification of properties based on types of commercial facilities: SRSC (Super regional shopping center), RSC (Regional shopping center), CSC (Community shopping center), NSC (Neighborhood shopping center), and SM (Supermarket). Meanwhile, a shopping center means, in general, a retail property containing a combination of retail businesses, restaurant businesses and other services which is managed as one unit and is formed, developed and owned by developers and is sometimes referred as “SC.” In most cases, the location, scale and type of stores conform to the characteristics of the commercial area, and the property also contains a parking area appropriate

for the type and scale of stores contained within the shopping center.

- (2) *Planned acquisition price* represents the sale and purchase price of the asset stipulated in the sale and purchase agreement relating to the Asset to be acquired (excluding expenses such as broker's commissions; and the amount is rounded down to the nearest million yen).

2. Reasons for Acquisition

The Investment Corporation intends to improve its portfolio in both quality and quantity by acquiring the Assets to be acquired in accordance with target properties and policies in its asset management defined in its Article of Incorporation.

The Asset to be acquired is land adjacent to AEON MALL Mitouchihara, which is an asset already held by the Investment Corporation. As the current owners of this land, Mito City, Ibaraki Prefecture, placed the aforesaid asset under general competitive bidding, the Investment Corporation participated in the aforesaid general competitive bidding. As a result, the Investment Corporation's bid was accepted and its acquisition of the land was decided today. The Investment Corporation will enter into an agreement establishing fixed term land lease right for business purposes with AEON MALL Co., Ltd., which is the master lease company of AEON MALL Mitouchihara, concerning the leasing of the Asset to be acquired to the aforesaid company, and it will lease the asset.

3. Assets to Be Acquired

(1) Summary of the Assets to be acquired

Property name		AEON MALL Mitouchihara (Additional acquisition of land)
Planned acquisition price		¥105 million
Address (Note 1)		1-198, Uchihara, Mito-shi, Ibaraki
Type of specified asset		Real estate
Trust establishment date		—
Trustee		—
Trust period termination date		—
Scheduled acquisition date		April 28, 2015
Land	Lot area (Note 2)	1,999.83 m ²
	Use district	Neighborhood commercial district
	Building coverage ratio	80%
	Floor-area ratio	200%
	Ownership type	Ownership rights
Building	Completion date	—
	Structure/Floors	—
	Total floor area	—
	Use	—
	Ownership type	—
Master lease company		Not applicable. (Note 3)
Property management company (Note 4)		To be determined
PML value		—
Collateralized		No
Appraisal value (As of)		¥112 million (March 1, 2015)
Appraisal agency		Japan Real Estate Institute
Tenant details (Note 5)		
	Number of tenants	1
	Annual contracted rents	¥5 million
	Leasehold/security deposits	¥2 million
	Total leased area	1,999.83 m ²
	Total leasable area	1,999.83 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable.

(Notes)

- (1) *Address* represents the address in the land register (one of the addresses if there are multiple addresses).
- (2) *Lot area* is based on a description in the land register, and some sites may not match the current status.
- (3) The Investment Corporation will enter into an agreement establishing fixed term land lease right for business purposes with AEON Mall Co., Ltd.
- (4) *Property management company* (the “PM company”) represents the companies with which we have entered into a property management agreement for the Asset to be acquired, which is in effect as of the date hereof, or due to enter into such an agreement hereafter.
- (5) The details stipulated in *Tenant details* represents the details of the agreement establishing fixed term land lease right for business purposes that is to be newly entered into with the lessee of the Asset to be acquired, AEON MALL Co. Ltd.

- *Number of tenants* represents the total number of tenants who have entered into the agreement establishing fixed term land lease right for business purposes for the Asset to be acquired, which will be in effect as of the date we acquire such asset.
- *Annual contracted rent* represents an annualized amount which is calculated by multiplying the monthly rent (excluding national and local consumption taxes) stipulated in the agreement establishing fixed term land lease right for business purposes for the Asset to be acquired, which will be in effect, when the Investment Corporation acquires such asset, by 12, and which is rounded to the nearest million yen.
- *Leasehold/security deposits* represents an amount which is specified in the agreement establishing fixed term land lease right for business purposes for the Asset to be acquired, which will be in effect, when the Investment Corporation acquires such asset, and which is rounded to the nearest million yen.
- *Total leased area* represents a leased area shown in the agreement establishing fixed term land lease right for business purposes for the Asset to be acquired, which will be in effect, when the Investment Corporation acquires such asset.
- *Total leasable area* represents a leasable area which is considered possible to lease, based on the agreement establishing fixed term land lease right for business purposes for the Asset to be acquired, which will be in effect, when the Investment Corporation acquires such asset, or floor plans, etc.
- *Occupancy rate* represents a proportion of a total rental area in a total rentable area in relation to the Asset to be acquired at the time of acquisition by the Investment Corporation, and the figure is rounded to the nearest tenth.

(2) Overview of sellers

The seller is Mito City, Ibaraki Prefecture. Mito City has no special interest in the Investment Corporation or the Asset Manager.

4. Overview of Property Owners, etc.

No applicable items as the Asset to be acquired will not be acquired from a party with special interest in the Investment Corporation or the Asset Manager.

5. Overview of Brokerage

The transaction relating to the acquisition of the asset above was general competitive bidding, and there was no brokerage.

6. Schedule of Acquisition

Property Number	Property name	Date of determination of acquisition	Scheduled date of conclusion of sale and purchase agreement	Scheduled date of payment (Note)	Scheduled acquisition date
RSC-3	AEON MALL Mitouchihara (Additional acquisition of land)	Mar. 20, 2015	Mar. 30, 2015	Mar. 30, 2015 Apr. 28, 2015	Apr. 28, 2015

(Note)

¥5.60 million, which is the equivalent to at least 5% of the bid amount, was paid at the time of bidding as bid deposit. At least 10% of the contract amount will be paid as contract deposit (the bid deposit is used as part of the contract deposit) within the 5 days following the date of receipt of notice of determination of successful bid, and the remaining amount will be fully paid within the 30 days starting on the contract conclusion date.

7. Transactions with Interested Parties, etc.

The Investment Corporation will conclude an agreement establishing fixed term land lease right for business purposes with AEON Mall Co., Ltd. As the party to the agreement is a subsidiary of AEON CO., LTD., which is the parent company of the Investment Corporation, it is deemed to be an interested party, etc. defined in Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Investment Trust Act, and an interested party under the internal rule “Rule for Interested-Party Transactions” of the Asset Manager. Accordingly, the decision-making procedures stipulated in the said Rule for Interested-Party Transactions have been completed for concluding the agreement establishing fixed term land lease right for business purposes.

<Overview of party to agreement and agreement establishing fixed term land lease right for business purposes>

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	Mall business (Development business)
Paid-in capital	¥42,207 million (as of January 31, 2015)
Establishment date	November 12, 1911
Net assets	¥284,672 million (as of February 28, 2014)
Total assets	¥729,381 million (as of February 28, 2014)
Large shareholder and equity position	AEON CO., LTD.: 48.78% (as of February 28, 2014)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable.
Human resources	Two employees are temporarily transferred to the Asset Manager as of the date hereof.
Transactions	Transactions with the Investment Corporation (August 1, 2014 to January 31, 2015): Rent revenue - real estate ¥3,858 million Rent paid, etc. ¥334 million Transactions 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. falls under the category of related parties of the Investment Corporation. Also it falls under the category of interested parties under the internal rule “Rule for Interested-Party Transactions” of the Asset Manager and interested parties, etc. defined by the Investment Trust Act.

8. Future Outlook

As the impact of the acquisition of the Asset to be acquired on the Investment Corporation’s performance is immaterial, there are no changes to the Forecasts of Performance for the fiscal period ending July 31, 2015 (from February 1, 2015, to July 31, 2015) and the fiscal period ending January 2016 (from August 1, 2015, to January 31, 2016), which were announced in the “Financial Report for the Fiscal Period Ended January 31, 2015” dated March 13, 2015.

9. Appraisal Summary

Property name	AEON MALL Mitouchihara (Land)	
Appraisal value	¥112,000,000	
Appraiser	Japan Real Estate Institute	
Appraisal date	March 1, 2015	

Item	Amount or percentage	Summary
Return price	¥112,000,000	Of the means of calculating the return price, the direct capitalization approach, which is a method by which net income for a period is capitalized at a capitalization rate, is not applied because the contents of the agreement for this matter that will be returned to the land with a cleared surface upon the expiration of the agreement period do not have a relation with this approach.
Price calculated by the Discounted Cash Flow approach	¥112,000,000	
Discount rate	5.2%	A rate estimated by taking into account individuality of the subject property, etc. comprehensively, with reference to the return on investment in similar properties, etc.
Terminal capitalization rate	—	
Price calculated by the percentage method	¥106,000,000	
Land price of subject real estate when land surface is cleared	¥132,000,000	
Price of fixed term land lease right	¥26,400,000	

Other matters appraiser paid attention at the time of Appraisal	The appraiser judged that the return price calculated by the Discounted Cash Flow approach, which faithfully reproduces the price formation process from the income side, was the most persuasive. Consequently, as this return price was employed, the price calculated by the percentage method was used as a reference only, and the appraisal value was determined accordingly.
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*AEON REIT Investment Corporation’s website: <http://www.aeon-jreit.co.jp/en/>

Attachments

Reference material 1	Map of the surrounding areas
Reference material 2	Portfolio after acquisition of Assets to be acquired

Attachments

Reference material 1

Map of the surrounding areas



Reference material 2

Portfolio after acquisition of Assets to be acquired

Property Number	Property name	Location	Acquisition/planned acquisition price (in millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Sellers
SRSC-1	AEON LakeTown mori	Koshigaya City, Saitama Pref.	21,190	10.9	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze	Koshigaya City, Saitama Pref.	6,730	3.5	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	5,340	2.7	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	6,680	3.4	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki Pref.	16,460 105	8.5 0.1	AEON Mall Co., Ltd. Mito City, Ibaraki Pref.
RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	6,860	3.5	Century Tokyo Leasing Corporation
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	10,220	5.3	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	4,950	2.5	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	9,660	5.0	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	3,290	1.7	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	7,230	3.7	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	7,780	4.0	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama Pref.	17,890	9.2	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	Ayauta County, Kagawa Pref.	8,740	4.5	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	11,250	5.8	Century Tokyo Leasing Corporation and AEON Mall Co. Ltd.
RSC-14	AEON MALL Kumamoto	Kamimashiki County, Kumamoto Pref.	14,060	7.2	AEON Mall Co., Ltd.
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	21,470	11.0	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	5,900	3.0	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	1,780	0.9	Forester Special Purpose Company
RSC-18	AEON MALL Rifu	Miyagi County, Miyagi Pref.	2,560	1.3	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata Pref.	1,350	0.7	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie Pref.	2,210	1.1	Forester Special Purpose Company
M-1	AEON Taman Universiti Shopping Centre	Johor, Malaysia	658 (RM 20 million) (Note 3)	0.3	AEON CO. (M) BHD.
Total		—	194,363	100.0	—

(Notes)

- (1) *Acquisition/planned acquisition price* represents the sale and purchase price of each asset shown in the sale and purchase agreement on each Asset to be acquired (excluding national and local consumption taxes and expenses such as broker's commissions; and the amount is rounded down to the nearest million yen.)
- (2) *Investment ratio* represents a proportion that the acquisition or planned acquisition price of each beneficiary right in trust or real property constitutes in the total of acquisition or planned acquisition prices and each ratio is rounded to the nearest tenth.
- (3) The Investment Corporation acquired AEON Taman Universiti Shopping Centre for RM20 million from AEON Co. (M) BHD. The acquisition price in yen represents a total of several instalment payments in yen. It does not include various costs required to acquire the real estate, etc. (broker's commissions, taxes and dues, etc.) and is the amount stated in the sale and purchase agreement or the like.