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January 18, 2016

For Immediate Release

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 AEON REIT Investment Corporation
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 (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 five properties (the “Anticipated Properties”). AEON Mall Co., Ltd., the seller of AEON MALL Yamatokoriyama and AEON MALL Kofu Showa, two of the Anticipated Properties, is a subsidiary of AEON CO., LTD., which is the parent company of the Asset Manager. Such seller is an Interested party, as defined by Article 201 of the Investment Trust and Investment Corporation Act (the “Investment Trust Act”) and Article 123 of the Order for Enforcement of the Investment Trust and Investment Corporation Act (the “Order for Enforcement of Investment Trust Act”), and is also an interested party under the Asset Manager’s internal rule “Rule for Interested-Party Transactions”. In connection with the acquisition of the Anticipated Properties from AEON Mall Co., Ltd., the Asset Manager has gone through the decision-making process prescribed by such interested-party transaction rule, including approval by a formal resolution at a meeting of our board of directors.

1. Summary of Planned Acquisitions

Property number (Note 1)	Property name	Location	Anticipated acquisition price (in millions of yen)	Seller
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara Pref.	14,500	AEON Mall Co., Ltd.
RSC-22	AEON MALL Chiba-Newtown (Note2)	Inzai City, Chiba Pref.	12,190	Century Tokyo Leasing Corporation
RSC-23	AEON MALL Kofu Showa	Nakakoma Country, Yamanashi Pref.	8,000	AEON Mall Co., Ltd.
CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa Pref.	6,410	Sumitomo Mitsui Finance and Leasing Co., Ltd.
L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa Pref.	14,280	Century Tokyo Leasing Corporation
Total		—	55,380	—

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- (1) Execution date of the sale and purchase agreement: January 18, 2016
- (2) Anticipated acquisition date: February 15, 2016 (Daiei-Kawasaki Process Center)
February 29, 2016 (AEON MALL Yamatokoriyama, AEON MALL Kofu Showa)
March 29, 2016 (AEON MALL Chiba-Newtown)
May 31, 2016 (AEON Chigasaki-Chuo Shopping Center)
- (3) Sellers: Please refer to “3. (2) Overview of sellers” below
- (4) Acquisition funds: Net proceeds from the issuance of new investment units (Note 3), which was resolved at the meeting of the board of directors of the Investment Corporation held on January 18, 2016, debt financing in the form of loans (Note 4) and cash on hand
- (5) Method of settlement: Payment of entire amount upon delivery

(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) AEON MALL Chiba-Newtown includes the shopping mall and cinema portions of the shopping center, and does not include the “Enjoy Life” building or AEON store building portions.
- (3) Please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” announced today for more details.
- (4) Please refer to “Notice Concerning Debt Financing” announced today for more details.

2. Reasons for acquisition and leases

The Investment Corporation intends to improve its portfolio in both quality and quantity by acquiring the Anticipated Properties in accordance with its policies regarding its target properties and other investment policies as defined in its Article of Incorporation. Upon acquisition of the Anticipated Properties, our portfolio will expand to 28 properties and our total portfolio size, based on aggregate (anticipated) acquisition price will increase to 249.7 billion yen. We believe that the acquisition of the Anticipated Properties contributes to the expansion and diversification of our portfolio and strengthens our profit foundation further. Three of the Anticipated Properties, AEON MALL Yamatokoriyama, AEON MALL Chiba-Newtown and AEON MALL Kofu Showa, are characterized as RSCs with stable and long-term operational experience that have the capacity to draw in customers from the wider region. AEON Chigasaki-Chuo Shopping Center is characterized as region-based CSC, a community shopping center with a long track record that captures a large share of the consumers in the market for daily necessities. Each property maintains solid and stable attractions for customers as a lifestyle infrastructure that forms the backbone of the local communities. One of the Anticipated Properties, Daiei-Kawasaki Process Center, is composed of a preexisting building and an expansion wing. The preexisting building is leased to an Aeon Group (Note) company and the expansion wing contains a non-Aeon Group third party as its tenant. As of October 31, 2014, the expansion wing as a whole delivered products to 174 Aeon Group stores and is one of the most important strategic distribution centers for Aeon Group in the Tokyo metropolitan area.

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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 October 28, 2015.

(Note) “Aeon Group” is a group consisting of the pure holding company AEON CO., LTD., as well as its 284 consolidated subsidiaries and 31 affiliates as of the end of February, 2015.

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 November 30, 2015.

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 shopping center is located, or may not acquire part of the ownership of building(s), structure(s), etc. located within the same site.

(a) *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).

(b) *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).

(c) *Type of specified asset* represents the category of acquisition; either acquisition through trust beneficiary interests or acquisition of real estate ownership rights.

(d) *Anticipated acquisition date* represents the scheduled date of acquisition shown in the sale and purchase 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 actual measurement of the subleased portion of an Anticipated Property is stated.

- *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.

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- (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. or AEON Retail Co., Ltd.(each, as master lessee) with respect to each of the four retail properties in the Anticipated Properties.
- (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 as of January 2016 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 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 to the nearest tenth.
- (l) *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 November 30, 2015.

(RSC-21) AEON MALL Yamatokoriyama

Property name		AEON MALL Yamatokoriyama
Anticipated acquisition price		¥14,500 million
Address		771, Shimomitsuhashi-cho, Yamatokoriyama-shi, Nara
Type of specified asset		Trust beneficiary interest
Trust establishment date		February 29, 2016
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period termination date		February 28, 2026
Anticipated acquisition date		February 29, 2016
Land	Lot area(Note 1)	165,392.18 m ²
	Use district	Commercial district
	Coverage ratio	80%
	Floor-area ratio	300%
	Ownership type	Ownership rights, co-ownership shires and leasehold rights
Building	Completion date	February 16, 2010
	Structure/Floors	Steel-framed reinforced concrete, flat roof / 5 stories above ground
	Total floor area(Note 2)	105,137.75 m ²
	Use	Department store and Parking lots
	Ownership type	Ownership rights
Master lease company		AEON Mall Co., Ltd.
Property management company		GEO AKAMATSU CO., LTD.
PML value		12.0%
Collateralized		No
Appraisal value (As of)		¥14,600 million (October 31, 2015)
Appraiser		Japan Real Estate Institute
Tenant details		
	Number of tenants	1
	Annual contracted rents	¥1,537 million
	Leasehold/Security deposits	¥768 million
	Total leased area	105,137.75 m ²
	Total leasable area	105,137.75 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable.

(Notes)

(1) Includes the leased land portion of 161,603.21 m²

(2) The property's building includes three buildings for machine room use (93.13 m² in total) as attached buildings but the total floor area of the attached buildings is not included in the total floor area.

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(RSC-22) AEON MALL Chiba-Newtown

Property name		AEON MALL Chiba-Newtown
Anticipated acquisition price		¥12,190 million
Address		3-2, Chuo-kita, Inzai-shi, Chiba
Type of specified asset		Trust beneficiary interest
Trust establishment date		April 26, 2013
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period termination date		February 28, 2026
Anticipated acquisition date		March 29, 2016
Land	Lot area	44,379.35m ²
	Use district	Commercial district
	Coverage ratio	80%
	Floor-area ratio	400%
	Ownership type	Ownership rights, Loan for use rights and fixed term leasehold rights for business use
Building (Note 1,2)	Completion date	Buildings 1-3: April 17, 2006
	Structure/Floors	Building 1: Steel-framed reinforced concrete, flat roof / 4 storied above ground with 1 story below ground Building 2: Steel-framed, flat roof / 4 stories above ground Building 3: Steel-framed, alloy-plated steel sheet roof / 1 story above ground
	Total floor area	Building 1: 70,593.58 m ² , Building 2: 36,819.72 m ² , Building 3: 12.67 m ²
	Use	Building 1: Shops and parking lots Building 2: Training schools, amusement facilities, movie theaters and parking lot Building 3: Machinery rooms
	Ownership type	Ownership rights
Master lease company		AEON Mall Co., Ltd.
Property management company		PRIME PLACE Co., Ltd.
PML value		2.7%
Collateralized		No
Appraisal value (As of)		¥12,200 million (October 31, 2015)
Appraiser		Japan Real Estate Institute
Tenant details		
Number of tenants		1
Annual contracted rents		¥807 million
Leasehold/Security deposits		¥403 million
Total leased area		107,425.97 m ²
Total leasable area		107,425.97 m ²
Occupancy rate		100.0%
Special remarks		Not applicable.

(Note)

- (1) Because there are multiple buildings, each building is numbered and individual information is described under such number.
- (2) Building 1 includes the bridge connects Building 1 and Building 2, and the bridge connects Building 1 and the eastern adjacent building (the eastern adjacent building is not included in the Anticipated Properties). In addition, the bridge connects Building 1 and Building 3 is included in the Anticipated Properties.

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(RSC-23) AEON MALL Kofu Showa

Property name		AEON MALL Kofu Showa
Anticipated acquisition price		¥8,000 million
Address		434-3, Ikkuiminakami, Showa-cho, Nakakoma-gun, Yamanashi
Type of specified asset		Trust beneficiary interest
Trust establishment date		February 29, 2016
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust period termination date		February 28, 2026
Anticipated acquisition date		February 29, 2016
Land	Lot area(Note1)	113,716.01 m ²
	Use district(Note2)	Land 1: Commercial district, Land 2: Quasi-residential district, Land 3: Category 1 exclusively middle-to-high-rise residential district Land 4: Category 1 residential district
	Coverage ratio(Note2)	Land 1:80%, Lands 2-4: 60%
	Floor-area ratio(Note2)	Land 1: 400%, Lands 2-4: 200%
	Ownership type	Ownership rights and Leasehold rights
Building (Note3)	Completion date	March 11, 2011
	Structure/Floors	Reinforced concrete, steel-framed reinforced concrete, flat roof / 4 stories above ground
	Total floor area	66,417.84 m ²
	Use	Shops and Movie theaters
	Ownership type	Ownership rights
Master lease company		AEON Mall Co., Ltd.
Property management company		GEO AKAMATSU CO., LTD.
PML value		2.5%
Collateralized		No
Appraisal value (As of)		¥8,080 million (October 31, 2015)
Appraisal agency		Japan Real Estate Institute
Tenant details		
	Number of tenants	1
	Annual contracted rents	¥785 million
	Leasehold/Security deposits	¥392 million
	Total leased area	66,417.84 m ²
	Total leasable area	66,417.84 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable.

(Notes)

- (1) This property's lot comprises provisionally allocated land and reserved land located within the area of the Land Readjustment Project of Showa-cho, Jyoei, which was carried out by an association formed to execute a land readjustment project as a Kofu City planning project. The address and lot area shown above are those of the original plot areas (leased land) prior to the provisional allocation. For the reserved land, a final order for actual allocation will be issued in the future, and an ownership rights transfer registration may be carried out from the day following the public notice date of the final order.
- (2) The use district, coverage ratio and floor-area ratio represent figures for the provisionally allocated land and the reserved land. The original coverage ratio of this property's land for use district of was 80% for Land 1, and 60% for use district of Lands for Lands 2-4. However, because this land is located at on a corner, a proportional distribution calculation is used, thereby easing the applied coverage ratio to 85.68%. The original floor-area ratio of this property's land for use district of Land 1 was 400%, and 200% for use district of Lands for Lands 2-4, but a floor-area ratio of 356.80% has been applied following a proportional distribution calculation.
- (3) One machine room (91.67 m²) is attached to the building of this property. The floor area of the attached building is not included in the total floor area.

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(CSC-1) AEON Chigasaki-Chuo Shopping Center

Property name		AEON Chigasaki-Chuo Shopping Center
Anticipated acquisition price		¥6,410 million
Address		3-5-16, Chigasaki, Chigasaki-shi, Kanagawa
Type of specified asset		Trust beneficiary interest
Trust establishment date		January 28, 2002
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period termination date		February 28, 2026
Anticipated acquisition date		May 31, 2016
Land	Lot area	27,186.64 m ²
	Use district	Industrial district
	Coverage ratio(Note1)	70%
	Floor-area ratio	200%
	Ownership type	Ownership rights
Building (Note2)	Completion date	October 13, 2000
	Structure/Floors	Steel-framed, flat roof / 5 stories above ground
	Total floor area	63,008.00 m ²
	Use	Shops and parking lots
	Ownership type	Ownership rights
Master lease company		AEON Retail Co., Ltd.
Property management company		AEON DELIGHT CO., LTD.
PML value		14.8%
Collateralized		No
Appraisal value (As of)		¥6,430 million (October 31, 2015)
Appraiser		Japan Real Estate Institute
Tenant details		
	Number of tenants	1
	Annual contracted rents	¥447 million
	Leasehold/Security deposits	¥223 million
	Total leased area	63,008.00 m ²
	Total leasable area	63,008.00 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable.

(Notes)

- (1) The coverage ratio of this property's land was originally 60%. However, because this land is located at a corner, a specific calculation is used, thereby easing the applied coverage ratio to 70%.
- (2) This property's lot includes an unregistered building which is owned by AEON Retail Co., Ltd. The building will be trusted and transferred to the trustee upon completion of registration procedures, and incorporated into the trust property concerned with the trust beneficiary interest the Investment Corporation will acquire.

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(L-1) Daiei-Kawasaki Process Center

Property name		Daiei-Kawasaki Process Center
Anticipated acquisition price		¥14,280 million
Address		6-32, Shiraishi-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Type of specified asset		Trust beneficiary interests
Trust establishment date		January 30, 2007
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period termination date		February 28, 2026
Anticipated acquisition date		February 15, 2016
Land	Lot area	45,828.97 m ²
	Use district	Industrial dedicated district
	Coverage ratio(Note1)	70%
	Floor-area ratio	200%
	Ownership type	Ownership rights and classification surface rights
Building	Completion date	April 22, 1997
	Structure/Floors	Steel reinforced concrete, flat roof / 6 stories above ground
	Total floor area(Note 2)	42,743.29 m ²
	Use	Factories and warehouses
	Ownership type	Ownership rights
Master lease company		-
Property management company		Jones Lang LaSalle K.K.
PML value		3.7%
Collateralized		No
Appraisal value (As of)		¥14,500 million (October 31, 2015)
Appraiser		Japan Real Estate Institute
Tenant details		
	Number of tenants	2
	Annual contracted rents	¥883 million
	Leasehold/Security deposits	¥269 million
	Total leased area	42,743.29 m ²
	Total leasable area	42,743.29 m ²
	Occupancy rate	100.0%
Special remarks		Not applicable.

(Notes)

- (1) The coverage ratio of this property's land was originally 60%. However, because this land is located at a corner, a specific calculation is used, thereby easing the applied coverage ratio to 70%.
- (2) The property's building includes eight buildings as attached buildings in addition to the main building: one office (7,477.67 m² in total), one machinery room (139 m²), two warehouses (8,722.63 m² in total. One of the two, which was built on September 2, 2012 and has a total floor area of 8,505.32 m², is an extension building for logistics use), one pump room (47.15 m²), two laboratory buildings (128.2 m² in total), and one guard room (7.83 m²). However, the total floor area of the eight attached buildings is not included in the total floor area.

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(2) Overview of sellers

(RSC-21) AEON MALL Yamatokoriyama, (RSC-23) AEON MALL Kofu Showa

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 February 28, 2015)
Establishment date	November 12, 1911
Net assets	¥309,746 million (as of February 28, 2015)
Total assets	¥854,667 million (as of February 28, 2015)
Large shareholder and equity position	AEON CO., LTD., 49.20% (as of February 28, 2015)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable.
Human resources	2 employees are temporarily transferred to the Asset Manager as of the date hereof
Transactions	Transactions with the Investment Corporation Total rent income ¥4,448 million (February 1, 2015 to July 31, 2015) Total rent paid, etc. ¥334 million (February 1, 2015 to July 31, 2015) 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. 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 Interested Party defined by the Investment Trust Act.

(RSC-22) AEON MALL Chiba-Newtown, (L-1) Daiei-Kawasaki Process Center

Name	Century Tokyo Leasing Corporation
Address	3, Kanda Neribei-Cho, Chiyoda-ku, Tokyo
Name and title of the company representative	Shunichi Asada, President and CEO
Business	Leasing and installment business, Finance business, etc.
Paid-in capital	¥34,231 million (as of March 31, 2015)
Establishment date	July 1, 1969
Net assets	¥222,808 million (as of March 31, 2015)
Total assets	¥2,174,228 million (as of March 31, 2015)
Shareholders and equity position	ITOCHU Corporation, 25.00% (as of March 31, 2015)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable.
Human resources	Not applicable.
Transactions	Century Tokyo Leasing Corporation holds 1.83% of investment units outstanding. (as of July 31, 2015)
Related party	Not applicable.

(CSC-1) AEON Chigasaki-Chuo Shopping Center

Name	Sumitomo Mitsui Finance and Leasing Co., Ltd.
Address	1-3-2, Marunouchi, Chiyoda-ku, Tokyo
Name and title of the company representative	Yoshinori Kawamura, President and CEO

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Business	Leasing, installment and rental business of machineries or other properties, Other related service, etc.
Paid-in capital	¥15,000 million (as of March 31, 2015)
Establishment date	February 4, 1963
Net assets	¥424,685 million (as of March 31, 2015)
Total assets	¥2,797,763 million (as of March 31, 2015)
Shareholders and equity position	Sumitomo Mitsui Financial Group, Inc., 58.23% (as of March 31, 2015)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable.
Human resources	Not applicable.
Transactions	Not applicable.
Related party	Not applicable.

4. Overview of property owners, etc.

Cases of property acquisition from parties with which the Investment Corporation has a particular relationship are listed below. The table below notes (1) the names of the company or person; (2) the nature of the relationship with the party in which the Investment Corporation has a particular interest; and (3) the circumstances behind and reason for the acquisition, etc.

Property name (Address)	Previous owner/trust beneficiary	Owner/trust beneficiary prior to entity in column to immediate left
	(1), (2), (3) Acquisition (Transfer) price Acquisition (Transfer) date	(1), (2), (3) Acquisition (Transfer) price Acquisition (Transfer) date
AEON MALL Yamatokoriyama (771, Shimomitsuhashi-cho, Yamatokoriyama-shi, Nara)	(1) AEON Mall Co., Ltd. (2) Subsidiary of AEON CO., LTD., parent company of the Asset Manager (3) Acquired for development purposes	An unrelated third party
	Omitted due to owning it over one year	-
	February 2010	-
AEON MALL Kofu Showa (434-3, Ikkuiminakami, Showa-cho, Nakakoma-gun, Yamanashi)	(1) AEON Mall Co., Ltd. (2) A subsidiary of AEON CO., LTD., parent company of the Asset Manager (3) Acquired for development purposes	An unrelated third party
	Omitted due to owning it over one year	-
	March 2011	-

5. Overview of brokerage

There was no brokerage in the acquisition of the assets above.

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6. 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-21	AEON MALL Yamatokoriyama	Jan. 18, 2016	Jan. 18, 2016	Feb. 29, 2016	Feb. 29, 2016
RSC-22	AEON MALL Chiba-Newtown			Mar. 29, 2016	Mar. 29, 2016
RSC-23	AEON MALL Kofu Showa			Feb. 29, 2016	Feb. 29, 2016
CSC-1	AEON Chigasaki-Chuo Shopping Center			May. 31, 2016	May. 31, 2016
L-1	Daiei-Kawasaki Process Center			Feb. 15, 2016	Feb. 15, 2016

7. Transactions with Interested Parties, etc.

(1) Changes in 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. Concretely, 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.

The Asset Manager revised the "Rule for Interested-Party Transactions" on December 1, 2014, and the rules state that the Asset Manager is required to obtain consent of the Investment Corporation based on approval of the board of directors of the Investment Corporation, in case the Asset Manager intends to acquire, transfer, lend or borrow real estate or securities from or to Interested Parties for the Investment Corporation.

(2) Acquisition of assets

AEON Mall Co., Ltd., the seller of AEON MALL Yamatokoriyama and AEON MALL Kofu Showa, two of the Anticipated Properties, is a Subsidiary of AEON CO., LTD., which is the parent company of the Asset Manager. Such seller is an Interested Party, as defined by the Article 201 of Investment Trust Act and the Article 123 of Order for Enforcement of Investment Trust Act, and also is an interested party under the internal rule "Rule for Interested-Party Transactions" of the Asset Manager. In connection with the acquisition of the Anticipated Properties from AEON Mall Co., Ltd., the Asset Manager has gone through the decision-making process prescribed by such interested party transaction rule, including approval by resolution at a meeting of our board of directors.

(3) Real estate lease agreement (master lease agreement)

The Investment Corporation will enter into a master lease agreement for AEON MALL Yamatokoriyama, AEON MALL Chiba-Newtown and AEON MALL Kofu Showa with AEON Mall Co., Ltd. through trustees of each of such Anticipated Property. It will also enter into a master lease agreement for AEON

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Chigasaki-Chuo Shopping Center with AEON Retail Co., Ltd., through trustee of such Anticipated Property. Since those contractors are all subsidiaries, etc. of AEON CO., LTD., 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.

(4) Property management

The Investment Corporation outsources the property management of “AEON Chigasaki-Chuo Shopping Center”, one of the Anticipated Properties, to AEON DELIGHT CO., LTD. Since AEON DELIGHT CO., LTD. is a subsidiary, etc. of AEON CO., LTD., parent company of the Asset Manager, and an Interested Party, 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 an interested party under the internal rule “Rule for Interested-Party Transactions” of the Asset Manager, in connection with entering into such property management agreement through a trustee of such Anticipated Property, the Asset Manager has gone through the decision-making process prescribed by such interested party transaction rule.

Overview of lessees (1) – Master lease agreement

(RSC-21) AEON MALL Yamatokoriyama, (RSC-22) AEON MALL Chiba-Newtown, (RSC-23) AEON MALL Kofu Showa

Please refer to “3. (2) Overview of sellers”

(CSC-1) AEON Chigasaki-Chuo Shopping Center

Name	AEON Retail Co., Ltd.
Address	1-5-1, Nakase, Mihama-ku, Chiba-shi, Chiba
Name and title of the company representative	Soichi Okazaki, President and CEO
Business	General Merchandise Store Business (GMS Business)
Paid-in capital	¥48,970 million (as of February 28, 2015)
Establishment date	August 21, 2008
Net assets	¥311,008 million (as of February 28, 2015)
Total assets	¥1,161,090 million (as of February 28, 2015)
Large shareholder and equity position	AEON CO., LTD. 100.00% (as of February 28, 2015)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable.
Human resources	6 employees are temporarily transferred to the Asset Manager as of the date hereof.
Transactions	Transactions with the Investment Corporation Total rent revenue ¥4,082 million (from February 1, 2015 to July 31, 2015) Total land rent paid ¥724 million (from February 1, 2015 to July 31, 2015) Transactions with the Asset Manager AEON Retail Co., Ltd. entered into the pipeline support agreement and shopping center management agreement with the Asset Manager.

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	Related party	AEON Retail 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.
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Overview of lessees (2) – Property management

(CSC-1) AEON Chigasaki-Chuo Shopping Center

Name	AEON DELIGHT CO., LTD.	
Address	2-3-2, Minamisemba, Chuo-ku, Osaka-shi, Osaka	
Name and title of the company representative	Ippei Nakayama, President and CEO	
Business	Total facility management service business, real estate leasing business	
Paid-in capital	¥3,238 million (as of February 28, 2015)	
Establishment date	November 16, 1972	
Net assets	¥73,023 million (as of February 28, 2015)	
Total assets	¥112,790 million (as of February 28, 2015)	
Large shareholder and equity position	AEON Retail Co., Ltd. 42.94% AEON CO., LTD. 16.81% (as of February 28, 2015)	
Relationship with the Investment Corporation and the Asset Manager		
Capital	Not applicable.	
Human resources	Not applicable.	
Transactions	Transactions with the Investment Corporation Total commissions paid (administration fees) ¥6 million (February 1, 2015 to July 31, 2015)	
Related party	AEON DELIGHT CO., LTD. is not a Related Party of the Investment Corporation. However, it is 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.	

8. Forward commitment, etc.

(1) Anticipated Properties to be acquired through forward commitment contracts, etc. (Note)

Property Number	Property name	Date of execution of the sale and purchase agreement	Date of acquisition of a property/properties
RSC-21	AEON MALL Yamatokoriyama	Jan. 18, 2016	Feb. 29, 2016
RSC-22	AEON MALL Chiba-Newtown		Mar. 29, 2016
RSC-23	AEON MALL Kofu Showa		Feb. 29, 2016
CSC-1	AEON Chigasaki-Chuo Shopping Center		May. 31, 2016

(Note) *Forward commitment contract, etc.* means 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.

(2) Impact on the financial condition of the Investment Corporation if the transaction subject to the forward commitment contract, etc. cannot be completed

Each sale and purchase agreement for the Anticipated Properties, including the sale and purchase agreements for AEON MALL Yamatokoriyama, AEON MALL Chiba-Newtown, AEON MALL Kofu Showa and AEON

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Chigasaki-Chuo Shopping Center, contains provisions stating that in the event that either of the seller of the Anticipated Properties or the Investment Corporation, as purchaser of the Anticipated Properties, is in breach of the said sale and purchase agreement and each counterparty is unable to achieve the purposes of the said agreement due to the breach, the counterparty is able to cancel the agreement upon issuing notice and the party in breach of the agreement is obligated to make payment of an amount equivalent to 20% of the transaction price to the other party as a penalty. However, the agreement also states that the payment of the transaction is subject to the Corporation's fulfillment of completing raising funds necessary for acquiring the relevant Anticipated Property, and in case such a condition is not fulfilled, the Investment Corporation will be able to cancel the sale and purchase agreement without incurring the penalty or the agreement will become void as a natural consequence, unless the Investment Corporation represents its intention of waiving the said fulfillment of the condition or the postponement of the fulfillment.

Therefore, we consider it unlikely that it will have material adverse effect on our financial condition, amounts of distribution, etc. directly, if we are unable to perform our obligation of making payment for the transaction under the sale and purchase agreement due to failure to complete the offering or borrowing of funds, etc., because in such case, we will not be obligated to make a penalty payment as a result of being unable to perform such obligation.

9. Future outlook

Please refer to the "Notice Concerning Revision to Forecasts for Performance and Distributions for the Fiscal Period Ending July 31, 2016 and Forecasts for Performance and Distributions for the Fiscal Period Ending January 31, 2017" 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 July 31, 2016 (from February 1, 2016 to July 31, 2016) and the fiscal period ending January 31, 2017 (from August 1, 2016 to January 31, 2017).

10. Appraisal summary

Property name	AEON MALL Yamatokoriyama	
Appraisal value	¥14,600,000,000	
Appraiser	Japan Real Estate Institute	
Appraisal date	October 31, 2015	

Item	Amount or percentage	Summary
Capitalization approach price	¥14,600,000,000	Calculated by considering the resulting appraisal price derived using the Direct Capitalization approach as well as the resulting appraisal price derived using the Discounted Cash Flow approach based on judgment that both prices have qualities of becoming normalized at the same level
Price calculated by the Direct Capitalization approach	¥14,800,000,000	
Operating income	¥1,537,071,000	
Gross rental income	¥1,537,071,000	Total rent income based on the terms of scheduled lease agreements, taking into account tenant's ability to pay rents, etc.
Losses due to vacancies, etc.	¥0	No losses due to vacancies, in light of the relationship to tenant, competitiveness of the property as a retail facility, conditions in lease agreements, etc.
Operating expenses	¥660,615,000	
Maintenance	¥50,000	Calculated by estimating fees on bank transfers, etc.
Utilities costs	¥0	No utilities costs because they are paid by tenant
Repair costs	¥15,205,000	Calculated after taking into account the yearly average amount of repair costs in the management and operation plan hereafter, levels of such costs in similar properties, the engineering report, etc.
Property management fees	¥2,700,000	Calculated by taking into account compensation rates in similar properties, individuality of the subject property, etc.
Advertisement for leasing, etc.	¥0	No costs for brokerage and advertising when inviting new tenants in light of the long-termed blanket contract shops covering the retail property
Taxes	¥130,851,000	An estimated figure based on standard amounts of taxation in FY 52015
Insurance premium	¥7,041,000	Calculated by taking into account relevant insurance premium premiums based on an estimate and insurance premium rates for similar buildings to, etc.
Other expenses	¥504,768,000	Land rent paid for the land
Net operating income	¥876,456,000	
Return on investment of temporary available funds	¥15,371,000	A yield estimated at 2.0%, taking into account interest rate levels in the management and raising of funds
Capital expenditure	¥46,880,000	An estimated figure in light of levels of capital expenditure at similar properties, the age of the subject building, the yearly average amount of renewal expenses in the engineering report, etc.
Net cash flow	¥844,947,000	
Capitalization rate	5.7%	A rate estimated by determining as a base rate the yield of a property considered to have the lowest investment risk, adjusting for variance based on location of the subject property, competitiveness of the property conditions (such as age, total floor area and facility quality), terms and conditions of lease agreements, etc. and other conditions (such as matters related to the interests in the land and building), and additionally taking into account of uncertainty in the future, transaction yields in relation to similar properties, results of a hearing from each investor, etc.
Price calculated by the Discounted Cash Flow approach	¥14,400,000,000	
Discount rate	5.2%	A rate estimated by comprehensively taking into account the individuality of the subject property and other factors, with reference to the return on investment for similar properties, etc.
Terminal capitalization rate	5.9%	A rate estimated by comprehensively taking into account future trends in the return on investment, the possibility of putting investment in the subject property at risk as an investment, a general prediction of GDP growth rates in the future, trends in real estate prices and rents, with reference to the transaction yield in relation to similar properties, etc.
Cash approach Price	¥15,500,000,000	
Ratio of land	42.1%	
Ratio of building	57.9%	
Other matters to which the Appraiser paid attention at the time of Appraisal	Not applicable.	

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Property name	AEON MALL Chiba-Newtown	
Appraisal value	¥12,200,000,000	
Appraiser	Japan Real Estate Institute	
Appraisal date	October 31, 2015	
Item	Amount or percentage	Summary
Capitalization approach price	¥12,200,000,000	Calculated by considering the resulting appraisal price derived using the Direct Capitalization approach as well as the resulting appraisal price derived using the Discounted Cash Flow approach based on judgment that both prices have qualities of becoming normalized at the same level
Price calculated by the Direct Capitalization approach	¥12,300,000,000	
Operating income	¥807,052,000	
Gross rental income	¥807,052,000	Total office rent income based on the term of scheduled lease agreements, taking into account tenants' ability to pay rent, etc.
Losses due to vacancies, etc.	¥0	No losses due to vacancies, in light of the surrounding tenants, competitiveness of the property as a retail facility, conditions in lease agreements, etc.
Operating expenses	¥182,680,000	
Maintenance	¥50,000	Calculated by estimating fees on bank transfers, etc.
Utilities costs	¥0	No utilities costs because they are paid by tenant
Repair costs	¥29,215,000	Calculated after taking into account the yearly average amount of repair costs in the management and operation plan hereafter, levels of such costs in similar properties, the engineering report, etc.
Property management fees	¥2,700,000	Calculated by taking into account compensation rates in similar properties, individuality of the subject property, etc.
Advertisement for leasing, etc.	¥0	No costs for brokerage and advertising when inviting new tenants in light of the long-term blanket contract covering the retail property.
Taxes	¥145,456,000	An estimated figure based on actuals in FY 2015
Insurance premium	¥4,786,000	Calculated by taking into account relevant insurance premium based on an estimate and insurance premium rates for similar buildings to the subject buildings, etc.
Other expenses	¥473,000	Land rent paid for part of the land
Net operating income	¥624,372,000	
Return on investment of temporary available funds	¥8,070,000	A yield is estimated at 2.0%, taking into account interest rate levels in the management and raising of funds.
Capital expenditure	¥18,985,000	An estimated figure made with reference to the engineering report
Net cash flow	¥613,457,000	
Capitalization rate	5.0%	A rate estimated by determining as a base rate the yield of a property considered to have the lowest investment risk, adjusting for variance based on location of the subject property, competitiveness of the property conditions (such as age, total floor area and facility quality), terms and conditions of lease agreements, etc. and other conditions (such as matters related to the interests in the land and building), and additionally taking into account of uncertainty in the future, transaction yields in relation to similar properties, results of a hearing from each investor, etc.
Price calculated by the Discounted Cash Flow approach	¥12,000,000,000	
Discount rate	4.7%	A rate estimated by comprehensively taking into account the individuality of the subject property and other factors. comprehensively, with reference to the return on investment for similar properties, etc.
Terminal capitalization rate	5.2%	A rate estimated by taking into account future trends in the return on investment, the possibility of putting investment in the subject property at risk as an investment, a general prediction of GDP growth rates in the future, trends in real estate prices and rents, comprehensively, with reference to the transaction yield in relation to similar properties, etc.
Cash approach Price	¥14,600,000,000	
Ratio of land	61.8%	
Ratio of building	38.2%	
Other matters to which the Appraiser paid attention at the time of Appraisal	Not applicable.	

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Property name	AEON MALL Kofu Showa
Appraisal value	¥8,080,000,000
Appraiser	Japan Real Estate Institute
Appraisal date	October 31, 2015

Item	Amount or percentage	Summary
Capitalization approach price	¥8,080,000,000	Calculated by considering the resulting appraisal price derived using the Direct Capitalization approach as well as the resulting appraisal price derived using the Discounted Cash Flow approach based on judgment that both prices have qualities of becoming normalized at the same level
Price calculated by the Direct Capitalization approach	¥8,150,000,000	
Operating income	¥785,635,000	
Gross rental income	¥785,635,000	Total office rent income based on conditions in lease agreements, taking into account such conditions, tenants' ability to pay rents, etc.
Losses due to vacancies, etc.	¥0	No losses due to vacancies, in light of situations surrounding tenants, competitiveness as commercial facilities, conditions in lease agreements, etc.
Operating expenses	¥286,002,000	
Maintenance	¥50,000	Calculated by estimating fees on bank transfers, etc.
Utilities costs	¥0	No utilities costs because it is a charge of tenants
Repair costs	¥8,626,000	Calculated after taking into account a yearly average amount of repair costs in the management and operation plan hereafter, levels of such costs in similar properties, the engineering report, etc.
Property management fees	¥2,700,000	Calculated by taking into account compensation rates in similar properties, individuality of the subject property, etc.
Advertisement for leasing, etc.	¥0	No costs for brokering and advertising when inviting new tenants in light of the long-termed blanket contract for lease as shops
Taxes	¥84,691,000	An estimated figure based on standard amounts of taxation in FY 2015
Insurance premium	¥3,947,000	Calculated by taking into account relevant insurance premium based on an estimate and insurance premium rates for similar buildings to the subject buildings, etc.
Other expenses	¥185,988,000	Rent fee for land
Net operating income	¥499,633,000	
Return on investment of temporary available funds	¥7,856,000	A yield is estimated at 2.0%, taking into account interest rate levels in the managing and raising of funds.
Capital expenditure	¥26,751,000	An estimated figure, with reference to the engineering report
Net cash flow	¥480,738,000	
Capitalization rate	5.9%	A rate estimated by determining as a base rate the yield of a property considered to have the lowest investment risk, adjusting spread in relation to the location of the subject property, competitiveness of the property conditions(such as age, total floor area and facility quality), terms and conditions of lease agreements, etc. and other conditions(such as matters related to the interests in the land and building), and additionally taking into account of uncertainty in the future, transaction yield in relation to similar properties, results of a hearing from each investor, etc.
Price calculated by the Discounted Cash Flow approach	¥8,000,000,000	
Discount rate	5.4%	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	6.1%	A rate estimated by taking into account future trends in the return on investment, the possibility of putting investment in the subject property at risk as an investment, a general prediction of GDP growth rates in the future, trends in real estate prices and rents, comprehensively, with reference to the transaction yield in relation to similar properties, etc.
Cash approach Price	¥8,850,000,000	
Ratio of land	45.1%	
Ratio of building	54.9%	

Other matters Appraiser paid attention at the time of Appraisal	Not applicable.
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Property name	AEON Chigasaki-Chuo Shopping Center
Appraisal value	¥6,430,000,000
Appraiser	Japan Real Estate Institute
Appraisal date	October 31, 2015

Item	Amount or percentage	Summary
Capitalization approach price	¥6,430,000,000	Calculated by considering the resulting appraisal price derived using the Direct Capitalization approach as well as the resulting appraisal price derived using the Discounted Cash Flow approach based on judgment that both prices have qualities of becoming normalized at the same level
Price calculated by the Direct Capitalization approach	¥6,470,000,000	
Operating income	¥447,029,000	
Gross rental income	¥447,029,000	Total rent income based on in the terms of scheduled lease agreements, taking into account tenant's ability to pay rent, etc.
Losses due to vacancies, etc.	¥0	No losses due to vacancies, in light of tenants the relationship to tenant, competitiveness of the property as facilities a retail facility, conditions in lease agreements, etc.
Operating expenses	¥104,796,000	
Maintenance	¥50,000	Calculated by estimating fees on bank transfers, etc.
Utilities costs	¥0	No utilities costs because tenants they are paid by tenant
Repair costs	¥28,396,000	Calculated after taking into account a yearly average amount of repair costs in the management and operation plan hereafter, levels of such costs in similar properties, the engineering report, etc.
Property management fees	¥2,700,000	Calculated by taking into account compensation rates in similar properties, individuality of the subject property, etc.
Advertisement for leasing, etc.	¥0	No costs for brokerage and advertising when inviting new tenants in light of the long-term blanket contract shops covering the retail property
Taxes	¥70,417,000	An estimated figure based on actuals in FY 20152015
Insurance premium	¥3,233,000	Calculated by taking into account relevant insurance premium based on an estimate and insurance premium rates for similar buildings to the subject buildings, etc.
Other expenses	¥0	No special cost for other expenses
Net operating income	¥342,233,000	
Return on investment of temporary available funds	¥4,470,000	A yield is estimated at 2.0%, taking into account interest rate levels in the managing and raising of funds.
Capital expenditure	¥16,940,000	An estimated figure made with reference to the engineering report
Net cash flow	¥329,763,000	
Capitalization rate	5.1%	A rate estimated by determining as a base rate the yield of a property considered to have the lowest investment risk, adjusting the for variance based on location of the subject property, competitiveness of the property conditions(such as age, total floor area and facility quality), terms and conditions of lease agreements, etc. and other conditions(such as matters related to the interests in the land and building), and additionally taking into account of uncertainty in the future, transaction yield in relation to similar properties, results of a hearing from each investor, etc.
Price calculated by the Discounted Cash Flow approach	¥6,390,000,000	
Discount rate	4.8%	A rate estimated by comprehensively taking into account the individuality of the subject property and other factors, with reference to the return on investment in for similar properties, etc.
Terminal capitalization rate	5.3%	A rate estimated by taking into account future trends in the return on investment, the possibility of putting investment in the subject property at risk as an investment, a general prediction of GDP growth rates in the future, trends in real estate prices and rents, comprehensively, with reference to the transaction yield in relation to similar properties, etc.
Cash approach Price	¥6,890,000,000	
Ratio of land	68.0%	
Ratio of building	32.0%	

Other matters to which the Appraiser paid attention at the time of Appraisal	Not applicable.
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Property name	Daiei-Kawasaki Process Center	
Appraisal value	¥14,500,000,000	
Appraiser	Japan Real Estate Institute	
Appraisal date	October 31, 2015	
Item	Amount or percentage	Summary
Capitalization approach price	¥14,500,000,000	Calculated by considering the resulting appraisal price derived using the Direct Capitalization approach as well as the resulting appraisal price derived using the Discounted Cash Flow approach based on judgment that both prices have qualities of becoming normalized at the same level.
Price calculated by the Direct Capitalization approach	¥14,600,000,000	
Operating income	¥976,194,000	
Gross rental income	¥976,194,000	Calculated rental income (including common service expense) based on an estimate of a standard rental income over the mid-to-long term, considering the average rent based on the present lease contract, the rent when estimating leasing the property to lease for the first time (both include common service expenses), the property of the existing tenants, etc.
Losses due to vacancies, etc.	¥0	No losses due to vacancies in relation to assumed because the risk of tenant exits built into the capitalization rate
Operating expenses	¥214,008,000	
Maintenance	¥500,000	Calculated cost for management of plant cultivation, bank transfer fee, etc.
Utilities costs	¥91,000,000	Calculated by considering the rate of operation for rentable area based on performance for past financial year, etc.
Repair costs	¥12,683,000	Calculated after taking into account a yearly average amount of repair costs in the management and operation plan hereafter, levels of such costs in similar properties, the engineering report, etc.
Property management fees	¥2,160,000	Calculated by taking into account compensation rates in similar properties, individuality of the subject property, etc.
Advertisement for leasing, etc.	¥0	No advertisement leasing fees because under the normal current lease for agreements, both the main building and contract the building annex are leased to tenants under long-term lease agreements
Taxes	¥101,170,000	An estimated figure based on standard amounts of taxation in FY2015 for lands and buildings and actuals in FY 2015 for depreciable assets actual results of operation for depreciable assets
Insurance premium	¥6,455,000	Calculated by considering an insurance premium based on estimated cost and a premium rate of the subject building and similar properties
Other expenses	¥40,000	Calculated as the cost for outside advertisement, permission for occupation of road space, regular joint use, etc.
Net operating income	¥762,186,000	
Return on investment of temporary available funds	¥5,386,000	A yield is estimated at 2.0%, taking into account interest rate levels in the managing and raising of funds
Return on investment of temporary available funds	¥23,452,000	An estimated figure made with reference to the engineering report
Net cash flow	¥744,120,000	
Capitalization rate	5.1%	A rate estimated by adjusting the for variance based on location of the subject property, the property conditions, terms and conditions of lease agreements. and other conditions to a base rate for each area determined by the appraisal agency, and additionally taking into account of uncertainty in the future, transaction yield in relation to similar properties, etc.
Price calculated by the Discounted Cash Flow approach	¥14,300,000,000	
Discount rate	4.6%	A rate estimated by comprehensively taking into account the individuality of the subject property and other factors, with reference to the return on investment in for similar properties, etc.
Terminal capitalization rate	5.5%	A rate estimated by taking into account future trends in the return on investment, the possibility of putting investment in the subject property at risk as an investment, a general prediction of GDP growth rates in the future, trends in real estate prices and rents, comprehensively, with reference to the transaction yield in relation to similar properties, etc.
Cash approach Price	¥14,000,000,000	
Ratio of land	58.3%	
Ratio of building	41.7%	
Other matters to which the Appraiser paid attention at the time of Appraisal	Not applicable.	

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End

*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: <http://www.aeon-jreit.co.jp/en/>

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(Attachments)

Reference material 1	Outline of building engineering report
Reference material 2	Photos of the properties and maps of the surrounding areas
Reference material 3	Portfolio after acquisition of Anticipated Properties

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(Attachments)

Reference material 1 Outline of building engineering report

Property Number	Property name	Replacement cost (in millions of yen) (Note 1, 2)	Repair and maintenance expenses at time of survey (in thousands of yen) (Note 1)			Engineering firm	Survey period (Note 4)
			Urgent	Short term (Note 3)	Long term (Note 3)		
RSC-21	AEON MALL Yamatokoriyama	10, 924	–	–	65, 293	Nippon Kanzai Co.,Ltd.	May 2015
RSC-22	AEON MALL Chiba-Newtown	8, 537	–	–	47,295	Tokyo Bldg-Tech Center Co.,Ltd.	October 2015
RSC-23	AEON MALL Kofu Showa	5, 903	–	–	37, 202	Nippon Kanzai Co.,Ltd.	May 2015
CSC-1	AEON Chigasaki-Chuo Shopping Center	4, 661	200	–	44, 529	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2015
L-1	Daiei-Kawasaki Process Center	10, 524	–	–	35, 675	Tokio Marine & Nichido Risk Consulting Co., Ltd.	May 2015

(Notes)

- (1) *Replacement cost* and *Repair and maintenance expenses* 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 costs, environmental assessment, etc.
- (3) *Short term* represents repair costs to be required within one year from a point of research when each research company made trial calculations, while *long term* represents such costs by converting the costs to be required within ten 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* lists the date when the building engineering report was prepared.

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Reference material 2

Photos of the properties and maps of the surrounding areas

AEON MALL Yamatokoriyama

Photo of the property



AEON MALL Yamatokoriyama

Map of the surrounding area



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AEON MALL Chiba-Newtown

Photo of the property



AEON MALL Chiba-Newtown

Photo of the property



AEON MALL Chiba-Newtown

Maps of the surrounding area



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AEON MALL Kofu Showa

Photo of the property



AEON MALL Kofu Showa

Map of the surrounding area



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AEON Chigasaki-Chuo Shopping Center

Photo of the property



AEON Chigasaki-Chuo Shopping Center

Map of the surrounding area



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Reference material 3

Portfolio after acquisition of Anticipated Properties

Property number	Property name	Location	Acquisition price (scheduled) (in millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Sellers
SRSC-1	AEON LakeTown mori	Koshigaya City, Saitama Pref.	21,190	8.5	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze	Koshigaya City, Saitama Pref.	6,730	2.7	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	5,340	2.1	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	6,680	2.7	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara (Note 3)	Mito City, Ibaraki Pref.	16,565	6.6	AEON Mall Co., Ltd. and Mito-Shi, Ibaraki
RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	6,860	2.7	Century Tokyo Leasing Corporation
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	10,220	4.1	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	4,950	2.0	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	9,660	3.9	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	3,290	1.3	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	7,230	2.9	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	7,780	3.1	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama Pref.	17,890	7.2	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	Ayauta County, Kagawa Pref.	8,740	3.5	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	11,250	4.5	Century Tokyo Leasing Corporation and AEON Mall Co., Ltd.
RSC-14	AEON MALL Kumamoto	Kamimashiki County, Kumamoto Pref.	14,060	5.6	AEON Mall Co., Ltd.
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	21,470	8.6	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City Hokkaido	5,900	2.4	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	Kushiro City Hokkaido	1,780	0.7	Forester Special Purpose Company
RSC-18	AEON MALL Rifu	Miyagi County Miyagi Pref.	2,560	1.0	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata-Minami	Yamagata City Yamagata Pref.	1,350	0.5	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City Mie Pref.	2,210	0.9	Forester Special Purpose Company
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara Pref.	14,500	5.8	AEON Mall Co., Ltd.
RSC-22	AEON MALL Chiba-Newtown	Inzai City, Chiba Pref.	12,190	4.9	Century Tokyo Leasing Corporation

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RSC-23	AEON MALL Kofu Showa	Nakakoma Country, Yamanashi Pref.	8,000	3.2	AEON Mall Co., Ltd.
CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa Pref.	6,410	2.6	Sumitomo Mitsui Finance and Leasing Co., Ltd.
L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa Pref.	14,280	5.7	Century Tokyo Leasing Corporation
M-1	AEON Taman Universiti Shopping Centre	Johor, Malaysia	658 (RM 20 million) (Note 4)	0.3	AEON CO.(M) BHD.
Total		—	249,743	100.0	—

(Notes)

- (1) *Acquisition (scheduled) price* 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 a proportion of an acquisition price (scheduled) of each trust beneficiary interest in a total of acquisition prices (scheduled) and each proportion 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) The Investment Corporation acquired AEON Taman Universiti Shopping Centre for RM 20 million from AEON Co. (M) BHD. Amount of transaction represents the total yen amount of the considerations actually paid by the Investment Corporation to AEON CO. (M) BHD. over several times, and is the amount (the sale and purchase price, etc., shown on the sale and purchase agreement, etc.) excluding expenses incurred on the acquisition of the property (commission, 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.

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