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For Immediate Release

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Notice Concerning Obtainment of Preferential Negotiation Rights for Acquisition of a Property

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) announces that it obtained preferential negotiation rights for the acquisition of AEON MALL Oyama (“the property”) based on the pipeline support agreement made among three parties; the Investment Corporation, AEON Reit Management Co., Ltd. (the “Asset Manager”) to which the Investment Corporation entrusts the management of its assets and AEON RETAIL Co., Ltd. on October 17, 2013.

1. Overview of the Preferential Negotiation Rights:

Property name	AEON MALL Oyama
Entity from which the Investment Corporation obtained the preferential negotiation rights	AEON RETAIL Co., Ltd.
Description of the preferential negotiation rights	The rights to preferentially negotiate regarding the acquisition of the property
Period of the preferential negotiation	From July 15, 2016 to December 31, 2016

As of today this does not constitute a decision by the Investment Corporation to acquire the property. The preferential negotiation rights shall not be deemed a guarantee that we assure to acquire the property, nor shall we be obliged to acquire the property as this is a right we obtained based on the pipeline support agreement.

For acquiring the property, we will get required due diligence done and make a decision based on the internal rule which is the “Rule for Interested-Party Transactions” of the Asset Manager.

However, the Investment Corporation and the Asset Manager will pay no consideration to AEON RETAIL Co., Ltd. for obtaining the preferential negotiation rights.

2. Reason and Background of the Obtainment of the Preferential Negotiation Rights:

Pursuant to the object and the policy of its asset management prescribed in the Articles of Incorporation of the Investment Corporation, we obtained the preferential negotiation rights for the property in order to secure opportunities to acquire the property which enables us to expect to ensure stable revenue over the medium to long term in accordance with the pipeline support agreement made among three parties; the Investment Corporation, the Asset Manager and AEON RETAIL Co., Ltd.. We believe that the acquisition of the property will enhance to expand the scale of our portfolio, develop its diversification and strengthen further revenue base.

3. Features of the Property:

The property is one of the large-scale shopping centers which is operated by AEON MALL Co., Ltd. and characterized as Regional Shopping Center having approximately 80 specialty stores mainly led by a General Merchandise Store – “AEON Oyama”. After the establishment of the property in April, 1997 the division of specialty stores was expanded in October, 2008 and the property has stable and long-term management track records.

The property is approximately 3 kilometers northeast of JR Oyama station where Tohoku Shinkansen, Tohoku Main Line, Ryomo Line and Mito Line are linked up and a good accessibility is provided facing in the prefectural road 33 and 339. Oyama City where the property is located is a southern city of Tochigi prefecture with a 2nd largest population in the prefecture; 160,000 people, following only after Utsunomiya City. In addition to large-size plants, there are Oyama Eastern Industrial Park on the east side and many factory-worker households in the area. With respect to marketing-area wise population, the area covers 47,000 people within three kilometers and 132,000 people within 5 kilometers.

Overview of the Property:

Property name	AEON MALL Oyama
Location	1352-3, Azanishiyama, Oazanakakuki, Oyama City, Tochigi Prefecture
Ground Area	50,119.61m ²
Date of completion	(1) April 18, 1997 (2) October 15, 2008
Structure and number of floors	Three-storied steel building with flat roof
Gross floor area	(1) 29,496.83m ² (2) 18,375.50m ²

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

<Attached reference>

- Exterior image of AEON MALL Oyama
- Map of the surrounding area

Exterior image of AEON MALL Oyama:



Map of the surrounding area:

