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For Immediate Release

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Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that it determined details of the debt financing (the “Debt Financing”) announced in the “Notice Concerning Debt Financing and Early Repayment of Debt Financing” as of February 27, 2017 and also concluded the Interest Rate Swap Agreements as mentioned below.

The Debt Financing will be conducted additionally including The Daisan Bank, Ltd. and Shinsei Bank, Ltd. as new lenders in order to further enhance our lender formation.

I. Debt Financing:

1. Summary of the Debt Financing

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note7)	Borrowing date	Method	Maturity	Repayment Method (Note 11)	Security and guarantee
Long term (a)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 1)	6.4	Base rate (JBA 3-month yen TIBOR) plus 0.22% (Note8)	March 28, 2017	Debt financing based on individual term loan agreements entered into on March 24, 2017 with the lenders shown left as lenders	October 21, 2019	Bullet repayment	Unsecured and unguaranteed
Long term (b)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 2)	6.1	Base rate (JBA 3-month yen TIBOR) plus 0.31% (Note8)(Note9)			October 20, 2021		

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note7)	Borrowing date	Method	Maturity	Repayment Method (Note 11)	Security and guarantee
Long term (c)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 3)	5.2	Base rate (JBA 3-month yen TIBOR) plus 0.37% (Note8)(Note9)	March 28, 2017	Debt financing based on individual term loan agreements entered into on March 24, 2017 with the lenders shown left as lenders	October 20, 2022	Bullet repayment	Unsecured and unguaranteed
Long term (d)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 4)	0.2	0.63% (fixed interest rate) (Note10)			October 20, 2022		
Long term (e)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 5)	6.8	Base rate (JBA 3-month yen TIBOR) plus 0.61% (Note8)(Note9)			October 21, 2024		
Long term (f)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 6)	5.0	Base rate (JBA 3-month yen TIBOR) plus 0.79% (Note8)(Note9)			October 20, 2026		
Total		29.7	-					

(Notes)

1. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank and Mizuho Trust & Banking Co.
2. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc., AEON BANK, LTD. and Nippon Life Insurance Company.
3. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Hyakugo Bank, Ltd., The Daisan Bank, Ltd. and Shinsei Bank, Ltd.
4. Syndicated lenders consist of The Hiroshima Bank, Ltd.
5. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc., AEON BANK, LTD., Nippon Life Insurance Company and Shinsei Bank, Ltd.
6. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., AEON BANK, LTD., The Mie Bank, Ltd. and Meiji Yasuda Life Insurance Company.
7. Loan fees and other charges to be paid to the lenders are not included.

8. The first interest payment date will be due on April 20, 2017, and subsequent interest payment dates will be due on 20th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day). The base rate applicable to the period for calculation of the interest payable on an interest payment date is the three-month Japanese Yen TIBOR published by TIBOR Administration (“JBATA”), General Incorporated Association two business days prior to the interest payment date. The base rate will be reviewed on every payment date; provided, however, that when the calculation period is less than three months, the base rate will be the base rate corresponding to the period calculated based on the method provided in the agreements. For changes in the Japanese Bankers Association (“JBA”) Japanese Yen TIBOR, which is the base rate, please refer to the JBATA’s website (<http://www.jbatibor.or.jp/english/rate/>).
9. Interest rates for payment are practically fixed based on the Interest Rate Swap Agreements concluded separately. For more details, please refer to “II. Conclusion of the Interest Rate Swap Agreements” mentioned as below.
10. The first interest payment date will be due on April 20, 2017, and subsequent interest payment dates will be due on 20th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day).
11. If certain requirements including our advance written notice are met during the period between the date of executions of the Debt Financing and the repayment dates indicated above, each of the borrowings is repayable either in whole or in part prior to the maturity date.

2. Reason for conducting the Debt Financing

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

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

(1) Total amount to be procured

¥29.7 billion in total

(2) Specific use of proceeds

The proceeds from the Debt Financing of ¥29.7 billion (announced in the “Notice Concerning Debt Financing and Early Repayment of Debt Financing” as of February 27, 2017) will be used to fund of refinancing for ¥29.7 billion (maturity date: October 20, 2017, announced in the “Notice Concerning Debt Financing (Determination of borrowing amount and interest rate)” as of February 24, 2017).

(3) Anticipated disbursement date

March 28, 2017

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

(Units: in millions of yen)

	Before the Debt Financing	After the Debt Financing	Change
Short-term borrowings (Note 1)	31,200	1,500	(29,700)
Long-term borrowings (Note 2)	113,300	143,000	29,700
Total borrowings	144,500	144,500	—
Investment corporation bonds	4,000	4,000	—
Total of borrowings and investment corporation bonds	148,500	148,500	—
Other interest-bearing debts	—	—	—
Total interest-bearing debts	148,500	148,500	—

(Notes)

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

II. Conclusion of Interest Rate Swap Agreements:

1. Reason for concluding the Interest Rate Swap Agreements

The Interest Rate Swap Agreements are made in order to fix interest rate payments and hedge the potential risk of rising interest rates for the part of borrowings under individual term loan agreements entered into on March 24, 2017, as mentioned in “I. Debt Financing – 1. Summary of the Debt Financing”.

2. Summary of the Interest Rate Swap Agreements

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

Counterparty	Daiwa Securities Co., Ltd.
Notional principal	¥6.1 billion
Interest rate	Fixed interest rate for payment: 0.122% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	March 28, 2017
Termination date	October 20, 2021
Interest payment date	The first interest payment date will be due on April 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (b) will be effectively fixed at 0.432% with the conclusion of the Interest Rate Swap Agreement.

(2) The Interest Rate Swap Agreements of the Debt Financing (c)

Counterparty	Daiwa Securities Co., Ltd.
Notional principal	¥5.2 billion
Interest rate	Fixed interest rate for payment: 0.158% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	March 28, 2017
Termination date	October 20, 2022
Interest payment date	The first interest payment date will be due on April 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (c) will be effectively fixed at 0.528% with the conclusion of the Interest Rate Swap Agreement.

(3) The Interest Rate Swap Agreements of the Debt Financing (e)

Counterparty	Nomura Securities Co., Ltd.
Notional principal	¥6.8 billion
Interest rate	Fixed interest rate for payment: 0.228% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	March 28, 2017
Termination date	October 21, 2024
Interest payment date	The first interest payment date will be due on April 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (e) will be effectively fixed at 0.838% with the conclusion of the Interest Rate Swap Agreement.

(4) The Interest Rate Swap Agreements of the Debt Financing (f)

Counterparty	Daiwa Securities Co., Ltd.
Notional principal	¥5.0 billion
Interest rate	Fixed interest rate for payment: 0.3071% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	March 28, 2017
Termination date	October 20, 2026
Interest payment date	The first interest payment date will be due on April 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (f) will be effectively fixed at 1.0971% with the conclusion of the Interest Rate Swap Agreement.

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

Regarding risks concerning repayment and other risks associated with the Debt Financing, there are no significant changes to the disclosure under “Part II Reference information / 2. Information supplementary to reference documents / 6. Investment risks” in the Securities Registration Statement submitted by us on February 1, 2017.

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