

Regarding the acquisition of the extended building of AEON MALL Kofu Showa

～Supplementary information for the release “Notice Concerning Acquisition
(Additional Acquisition of the Extended Building) and Lease of Domestic Property” dated today～



1

Strengthening of competitiveness by taking advantage of the development capabilities of the AEON Group

- Evolving into the overwhelming top mall in the area through the new construction of a large-scale extended building and the renewal of the existing building

2

Increase in real estate value through the development and acquisition of the extended building

- The appraised value together with the existing building is 17.3 billion yen. Unrealized gain increased 0.8 billion yen as compared to the previous one to 1.2 billion yen.
- Increase of rent from 806 million yen to 1,346 million yen as a result of the acquisition of the extended building and works for the revitalization of the existing building

3

By taking advantage of the abundant cash flow, use of the funds on hand for all investments acquisition of the extended building/ revitalization of the existing building

- By using cash flows created based on depreciation expenses of about 8.5 billion yen annually, conducting the acquisition of the extended building (7.1 billion) and the revitalization of the existing building (0.7 billion).

4

Following the replacements of AEON MALL Kumamoto (transfer) and Aeon MALL Kyoto Gojo (acquisition), implementation of actions for increasing investor value

- Forecast dividend per unit for the fiscal period ending January 2019
 - (Before the implementation of the replacement) 2,880 yen
 - (After the implementation of the replacement) 2,970 yen
 - (After the acquisition of the extended building) 3,010 yen
- Forecast NAV per unit for the fiscal period ending January 2019
 - (Before the implementation of the replacement) 128,301 yen
 - (After the implementation of the replacement) 129,514 yen
 - (After the acquisition of the extended building) 129,969yen

Strengthening of competitiveness by taking advantage of the development capabilities of the AEON Group

The acquisition of the extended building evolved into the overwhelming top mall in the area

- Effective use of the site by taking advantage of the development capabilities of the AEON Group(Note). Expansion of the total floor area, which is the largest in Yamanashi Prefecture, by 1.5 times through the extension.
- Conducting the renewal of the existing building concurrently with the opening of the extended building. Further increase and improvement of tenants by taking advantage of the leasing capabilities of the AEON Group.
- The largest number of tenants in the trading area. Beginning with H&M, ZARA, GAP and other global fashion brands, 55 stores opened in Yamanashi Prefecture for the first time.

Overview of the property



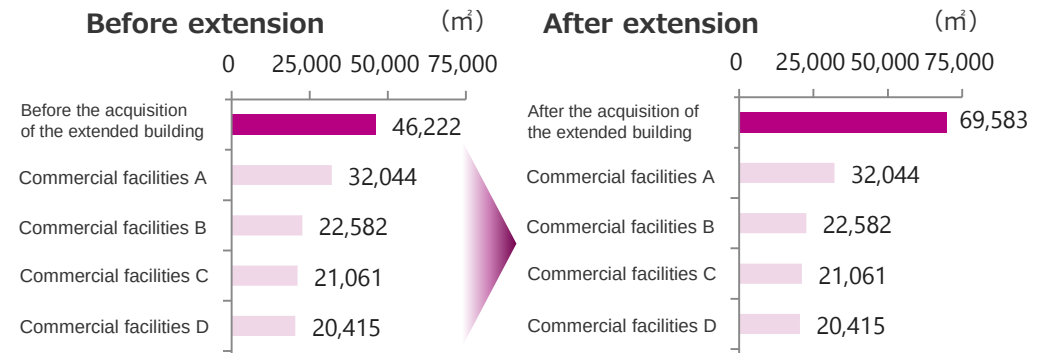
Existing building
(already acquired)

After the acquisition of the
extended building
(existing building and
extended building)

Acquisition (anticipated) price	¥8.3 billion	¥15.4 billion
Appraised value	¥8.6 billion	¥17.3 billion
Site area	119,064.22㎡	
Total floor area	66,417.84 ㎡	99,680.71㎡
Date of completion	March 11, 2011	November 20, 2017 (extended building)
Population of the trading area	3-km area approx. 62,000 5-km area approx. 176,000 10-km area approx. 444,000	

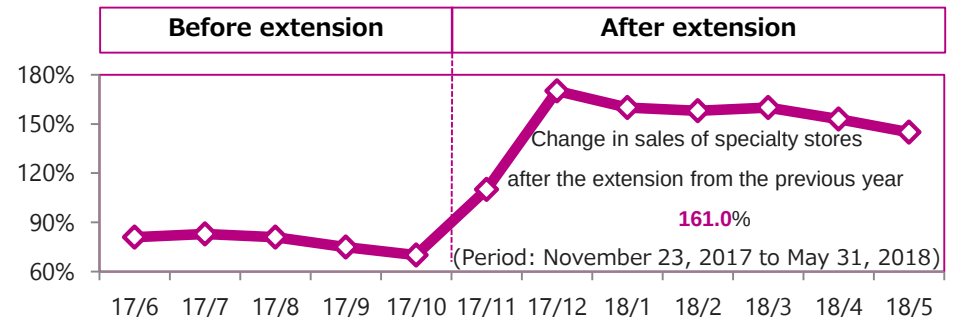
(Note) The AEON Group consists of AEON Co., Ltd., which is the pure holding company, and its 291 consolidated subsidiaries and 31 equity-method affiliates (as of the end of February 2018).

Comparison of store areas in the 10km trading area



(Source) Prepared by the Asset Manager based on the market report prepared by BAC Urban Projects Co.,Ltd..

Changes in sales of specialty stores from the previous year (AEON MALL Kofu Showa)



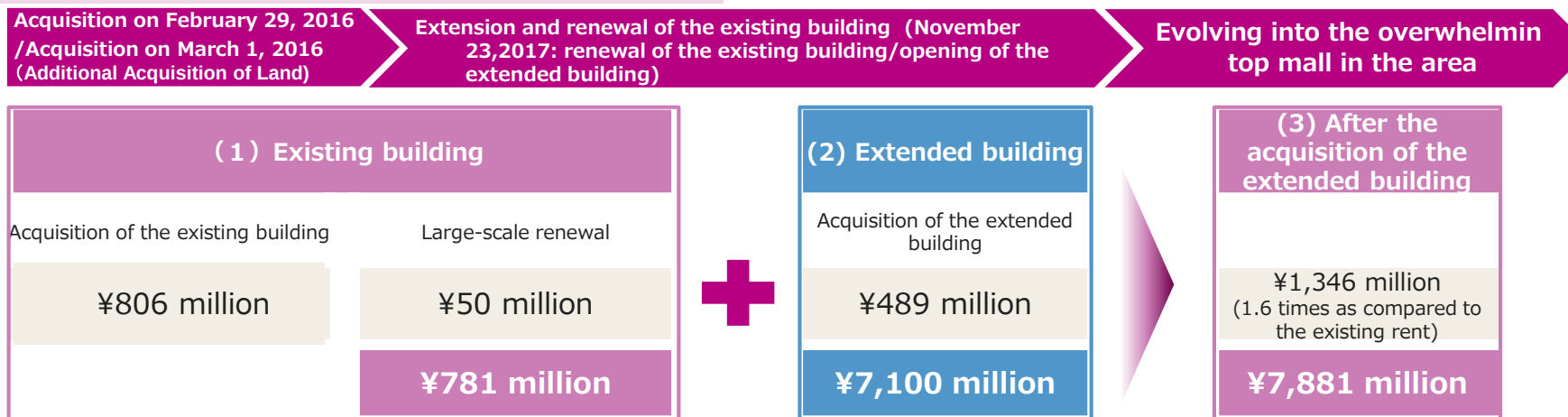
(Source) Prepared by the Asset Manager based on Financial Results for FY2018 Q1of AEON MALL Co., Ltd..

Increase in investor value through the extension/renewal of the existing building

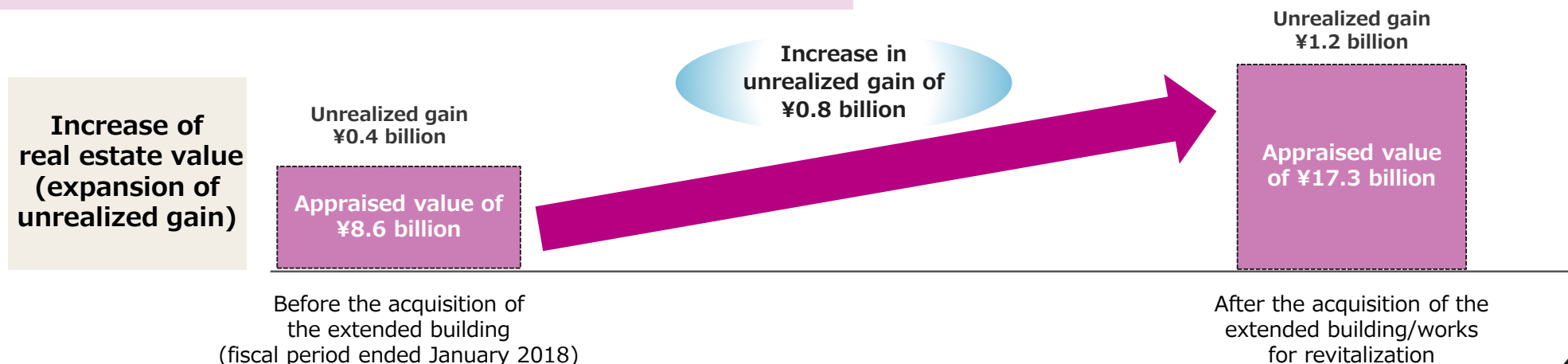
Realization of increase in the real estate value by acquisition of the extended building developed AEON Group

- Increase in the rent from 806 million yen to 1,346 million yen as a result of the acquisition of the extended building and the revitalization of the existing building
- Increase in the real estate value together with the existing building through the acquisition of the extended building

(i) Actions and Annual Rent of AEON MALL Kofu Showa

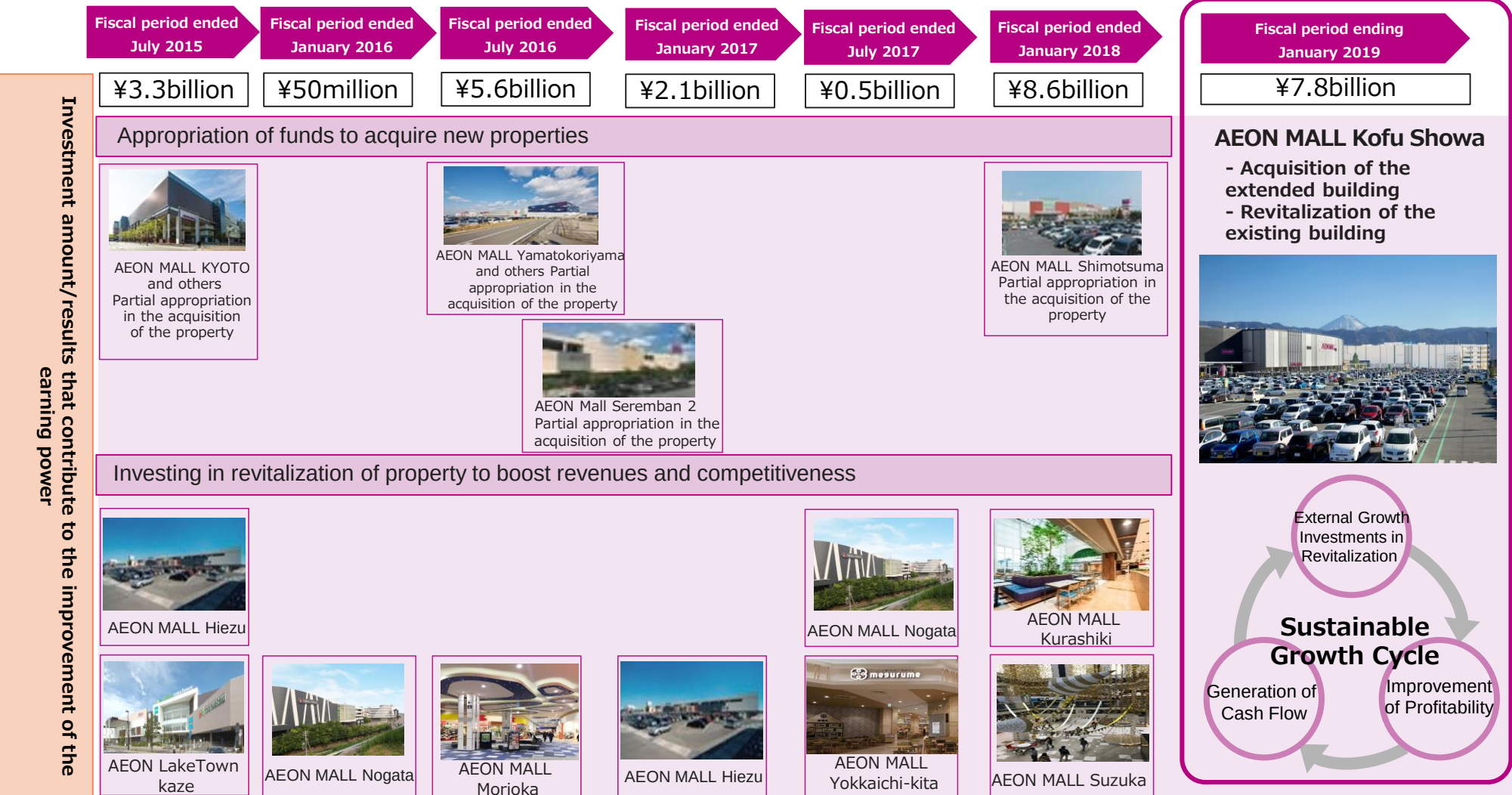


(ii) Comparison of the real estate value of AEON MALL Kofu Showa



Investment for continual improvement of earning power by utilizing funds on hand

Through the effective use of abundant cash flow, undertake continual investment, which involves an External Growth and Internal Growth



Following the replacements of properties, implementation of actions for increasing investor value

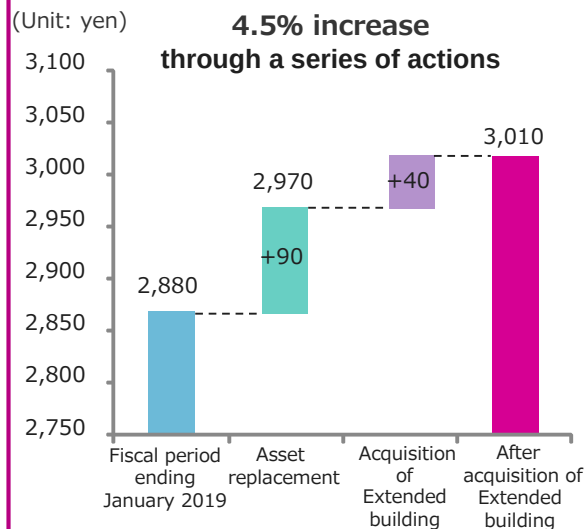
Through the initiatives for the replacement of properties and the acquisition of extended buildings, strengthen the portfolios and increase investor value

Increase in portfolio quality

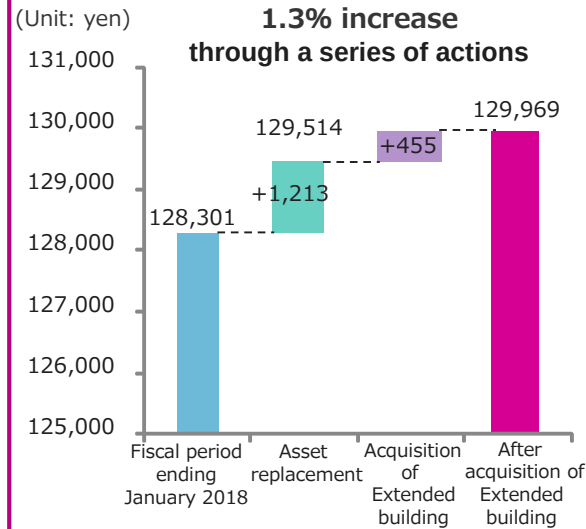


Increase in investor value

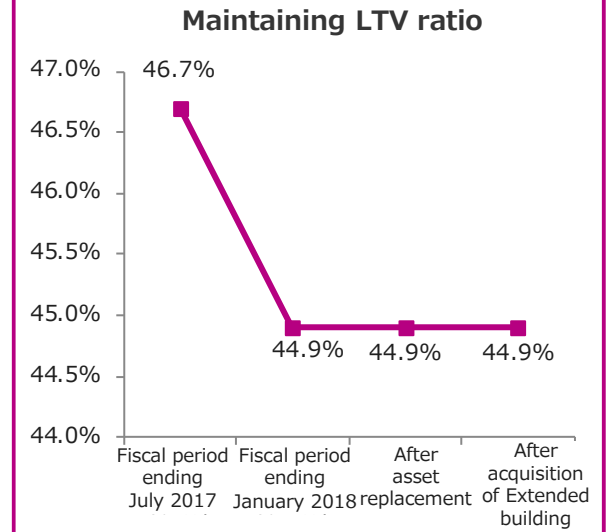
Forecasts of dividend per unit
(fiscal period ending January 2019)



Forecasts of NAV per unit



LTV (Loan to Value)



(Note1) Please refer to "Notice Concerning Revision to the Forecasts for Performance and Distributions for the Fiscal Period Ending January 31, 2019 and the Forecasts for Performance and Distributions for the Fiscal Period Ending July 31, 2019" dated today for details of forecasts of dividend per unit after acquisition.

(Note2) "NAV per unit as of the end of the 10th fiscal period (ending January 31, 2018)" has been calculated using the following formula. NAV per unit = NAV as of the end of the 10th fiscal period (ended January 31, 2018) divided by the number of investment units issued (1,777,347) as of the end of the 10th fiscal period (ended January 31, 2018)
"NAV as of the end of the 10th fiscal period (ended January 31, 2018)" = total unitholders' capital as of the end of the 10th fiscal period (ended January 31, 2018) added with unrealized profit or loss on portfolio as of the end of the 10th fiscal period (ended January 31, 2018)

(Note3) The LTV after acquisition of Extend building has been calculated by dividing the amount of interest-bearing debt balance as of the date of this document added with security and guarantee deposits by the amount of total assets as of the end of the 10th fiscal period.

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(Registration of financial instruments business: Kanto Local Finance Bureau, Director-General (Financial Instruments), No. 2668)

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