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For Immediate Release

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Notice of Disposition of Part of Land of Domestic Property (AEON MALL Yamatokoriyama)

AEON REIT Investment Corporation Investment ("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 the disposal of part of the land of the domestic property below (the "Asset to be Disposed Of") (the "Disposition").

AEON MALL Co., Ltd., the purchaser of part of the Asset to be Disposed Of, falls under a subsidiary of AEON Co., Ltd., the parent company of the Asset Manager, and therefore the purchaser falls under an interested person as defined by the Article 201 of the Act on Investment Trusts and Investment Corporations (the "Investment Trust Act") and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (the "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. For this reason, the Asset Manager has gone through the decision-making process prescribed by the Rule for Interested Party Transactions when conducting the transaction on the Asset to be Disposed of with AEON MALL Co., Ltd.

1. Overview of the disposition

The Asset to be Disposed Of is part of land of AEON MALL Yamatokoriyama. The table below states only the sites to be disposed of.

Property number	Property name	Address	Planned disposition price (Millions of yen) (Note 1)	Book value (Millions of yen) (Note 2)	Difference between the planned disposition price and the book value (Millions of yen) (Note 3)	Purchaser
RSC-21	AEON MALL Yamatokoriyama (Parking portion)	Yamatokoriyama City, Nara Pref.	52	47	6	Nara Prefectural Land Development Corporation
	AEON MALL Yamatokoriyama (Road portion)		1			AEON MALL Co., Ltd. (Note 4)
Total		-	53	47	6	-

- (1) Scheduled conclusion date of the agreement of the Disposition : March 24, 2021
- (2) Scheduled date of the Disposition : (Parking portion) To be determined
(Road portion) To be determined
- (3) Purchasers : Nara Prefectural Land Development Corporation and AEON MALL Co., Ltd.
- (4) Use of proceeds from disposition : Appropriated as cash on hand for funds to acquire specified assets and related expenses, funds to redeem investment corporation bonds and funds to repay borrowings in the future
- (5) Method of settlement (planned) : (Parking portion) To be determined
(Road portion) The Asset Manager will receive the full amount at the time of delivery.

(Notes)

1. "Planned disposition price" is the trading value of the asset as indicated in the sale and purchase agreement for the Asset to be Disposed Of (excluding expenses such as trading fees, rounded down to the nearest million yen).
2. "Book value" is the total estimated book value of the Asset to be Disposed Of as of the scheduled date of disposition.
3. "Difference between the planned disposition and the book value" is the reference value calculated as the difference between the planned selling price and the book value, which is different from the profit or loss on disposition.
4. The road portion will eventually belong to the national government of Japan after it has been disposed to AEON MALL Co., Ltd.
5. There is no brokerage in the transaction of the Disposition.
6. The "to be determined" part of this transfer will be announced later.

2. Reasons for the disposition

Part of the west side of the land (the Asset to be Disposed Of) of the property is a planned site for the city planning road "KEINAWA EXPRESSWAY," and the Disposition will be made to contribute to the road.

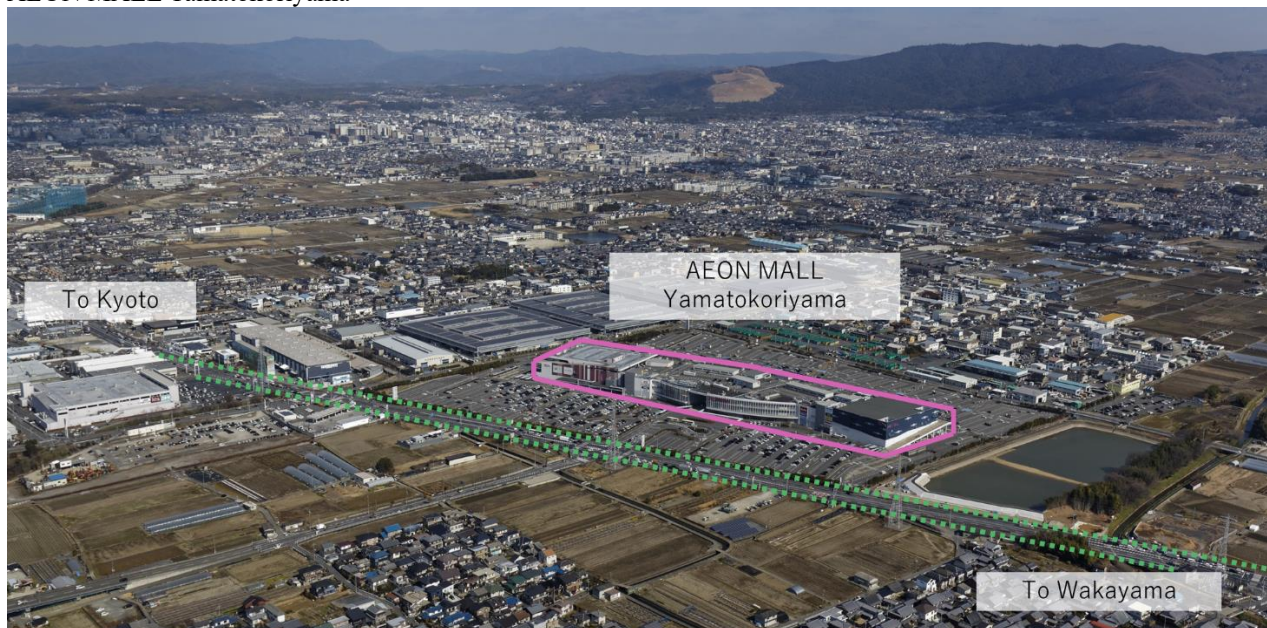
From the southern part of Kyoto Prefecture to the northwestern part of Nara Prefecture and the northern part of Wakayama Prefecture, there are many world cultural heritage sites, such as the Historic Monuments of Ancient Kyoto and Nara and the Sacred Sites and Pilgrimage Routes in the Kii Mountain Range as well as national treasures, in addition to scientific research facilities and research and development bases including the Keihanna Science City. The KEINAWA EXPRESSWAY is being constructed to support the economy, culture and life in the future Kinki area by forming an organic network of these regional resources.

Time required from Kyoto City to Wakayama City is estimated to be shortened by one third, from about 270 minutes to about 100 minutes, by opening the KEINAWA EXPRESSWAY. Due to this improvement in traffic convenience, an ability to attract customers of AEON MALL Yamatokoriyama is expected to increase in the future.

Upon the Disposition, AEON MALL Co., Ltd. will acquire the road portion from the land owners, including the Investment Corporation, and will dispose of it to the national government of Japan in a lump.

Reference:

AEON MALL Yamatokoriyama



*The region of the green dotted line is National Route 24, and the Asset to be Disposed Of is part of the land adjacent to the National Route. This picture is an image and does not accurately show the Asset to be Disposed Of.

3. Details of the Asset to be Disposed Of

(RSC-21) AEON MALL Yamatokoriyama (disposition of part of land)

Property name		AEON MALL Yamatokoriyama (disposition of part of land)
Planned disposition price		(Parking portion) 52 million yen (Road portion) 1 million yen
Address		741, Shimomitsuhashi-cho, Yamatokoriyama-shi, Nara Prefecture
Type of specified asset		Trust beneficiary interest
Entrustment date		February 29, 2016
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust maturity date		February 28, 2026
Scheduled date of disposition		(Parking portion) To be determined (Road portion) To be determined
Land (Note 1)	Site area	160,645.11 m ²
	Use district	Commercial district
	Building coverage ratio	80%
	Floor-area ratio	300%
	Form of ownership	Ownership right, co-ownership right, leasehold right
Building	Completion	—
	Structure/Floors	—
	Total floor area	—
	Use	—
	Form of ownership	—
Master lease company (Note 2)		AEON Mall Co., Ltd.
PM company		Nomura Real Estate Retail Properties Co., Ltd.
PML Value		—
Existence or non-existence of collateral		No
Appraisal value (Note 3) (As of appraisal date)		(Road portion) 0.7 million yen (March 1, 2021)
Appraisal firm		Japan Real Estate Institute
Tenant details (Note 4)		
	Number of tenants	1
	Annual contracted rents	¥1,526 million
	Leasehold/Security deposits	¥768 million
	Total leased area	105,230.88 m ²
	Total rentable floor area	105,230.88 m ²
	Capacity utilization rate	100.0%
Special notes		Not applicable.

(Notes)

1. For the land, details of overall AEON MALL Yamatokoriyama are stated. The site area includes leased land portions (157,377.19 m²).
2. The Investment Corporation will enter into an amendment agreement of the building lease agreement with AEON MALL Co., Ltd., the tenant of the property, mainly for the purpose of excluding the Asset to be Disposed Of from the properties covered by the lease agreement.
3. For the parking portion, an appraisal value is not acquired.
4. "Tenant details" comprises details of the overall AEON MALL Yamatokoriyama.
5. The table above summarizes the overview of the Asset to be Disposed Of individually. Unless otherwise noted, all information included in the tables is as of January 31, 2021.

4. Overview of the purchasers

The purchasers are Nara Prefectural Land Development Corporation for the parking portion and AEON MALL Co., Ltd. for the road portion. The road portion will be acquired by AEON MALL Co., Ltd. from the land owners, including the Investment Corporation, and will eventually belong to the national government of Japan according to the city planning by being disposed of to the national government in a lump.

5. Overview of brokerage

There is no brokerage in the transaction of the Disposition.

6. Schedule of the disposition

Property number	Property name	Date of determination of disposition	Scheduled date of execution of the disposition agreement	Scheduled date of payment	Scheduled date of disposition
RSC-21	AEON MALL Yamatokoriyama (Parking portion)	March 24, 2021	March 24, 2021	To be determined	To be determined
	AEON MALL Yamatokoriyama (Road portion)			Same day as the date of disposition	To be determined

7. Transactions with Interested Parties

(1) Procedures for the disposition of asset, etc. to interested parties, etc.

In the Disposition, the road portion will be disposed of to AEON MALL Co., Ltd. and eventually belong to the national government of Japan according to the city planning. Because AEON MALL Co., Ltd. (master lessee) is a subsidiary, etc. of AEON CO., LTD., the parent company of the Asset Manager, and falls under an interested person as defined in Article 201 of the Investment Trust Act and Article 123 of the 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, the Asset Manager has undergone the decision-making process prescribed by the Rule for Interested Party Transactions when passing a resolution on the Disposition.

(2) Real estate lease agreement (master lease agreement)

The Investment Corporation entered into a master lease agreement with AEON MALL Co., Ltd. for AEON MALL Yamatokoriyama through the trustee, and the Asset to be Disposed Of will be excluded from the properties (sites) covered by the master lease agreement due to the Disposition. Therefore, the Investment Corporation will enter into an amendment agreement of the building lease agreement with AEON MALL Co., Ltd. Because AEON MALL Co., Ltd. is a subsidiary, etc. of AEON CO., LTD., the parent company of the Asset Manager, and falls under an interested person as defined in Article 201 of the Investment Trust Act and Article 123 of the 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, the Asset Manager has undergone the decision-making process prescribed by the Rule for Interested Party Transactions when entering into the amendment agreement of the building lease agreement.

Overview of lessee's master lease agreement

(RSC-21) AEON MALL Yamatokoriyama

Name	AEON Mall Co., Ltd.
Address	1-5-1, Nakase, Mihama-ku, Chiba-shi, Chiba
Name and title of the company representative	Yasutsugu Iwamura, President & CEO
Business	Mall Business (Developer Business)
Paid-in capital	42,364 million yen (as of August 31, 2020)
Establishment date	November 12, 1911
Net assets	383,372 million yen (as of August 31, 2020)
Total assets	1,318,485 million yen (as of August 31, 2020)
Shareholders and equity position	AEON Co., Ltd. 56.84% (as of August 31, 2020)
Relationship with the Investment Corporation and the Asset Manager	
Capital	Not applicable.
Human resources	Not applicable.
Transactions	Transactions with the Investment Corporation: Total rent income ¥7,514 million (August 1, 2020 to January 31, 2021) Total land rent paid, etc. ¥908 million (August 1, 2020 to January 31, 2021) Transaction 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 an Interested Party defined by the Investment Trust Act.
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8. Future outlook

The impact of the disposition of the Asset to be Disposed Of on our performance will be minor, and the expected performance for the Fiscal Period Ending July 31, 2021 (February 1, 2021 to July 31, 2021) published in the “Financial Report for the Fiscal Period Ended January 31, 2021” released on March 17, 2021, will remain unchanged.

9. Appraisal summary

Property name	AEON MALL Yamatokoriyama (part of land, road portion)
Appraisal value	¥762,000
Appraiser	Japan Real Estate Institute
As of appraisal date	March 1, 2021

Calculated based on the sales comparison approach

(1) Land price (yen) (Note)	(2) Co-ownership right ratio (%)	(3) Adjustment factor (%)	(4) Appraisal value (yen) (1) x (2) x (3)
1,190,000	80	80	762,000

Additional considerations made in the reconciliation of evaluation	Not applicable.
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(Note) The land price is estimated by multiplying a value obtained by multiplying the standard price per 1 m² (95,000 yen/m²) in neighboring areas by an adjustment rate for individual disparity (15%) by the quantity (83.51 m²).

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

Attachments

Reference: Portfolio after the Disposition of the Asset to Be Disposed Of

Reference Material Portfolio after the Disposition of the Asset to Be Disposed Of

Property number (Note 1)	Property name	Address	Acquisition price (scheduled) (millions of yen) (Note 2)	Investment ratio (%) (Note 3)	Seller
SRSC-1	AEON LakeTown mori	Koshigaya City, Saitama Pref.	21,190	5.3	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze	Koshigaya City, Saitama Pref.	6,730	1.7	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	5,340	1.3	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	Ishinomaki, Miyagi Pref.	6,680	1.7	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara (Note 4)	Mito City, Ibaraki Pref.	16,565	4.2	AEON Mall Co., Ltd. and Mito Shi, Ibaraki
RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	6,860	1.7	Tokyo Century Corporation
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	10,220	2.6	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	4,950	1.2	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	9,660	2.4	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	3,290	0.8	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	7,230	1.8	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	7,780	2.0	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	Kurashiki City Okayama Pref.	17,890	4.5	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	Ayauta County, Kagawa Pref.	8,740	2.2	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	12,546	3.2	Tokyo Century Corporation AEON Mall Co., Ltd. Not disclosed
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	21,470	5.4	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	5,900	1.5	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	1,780	0.4	Forester Special Purpose Company
RSC-18	AEON MALL Rifu	Miyagi County Miyagi Pref.	2,560	0.6	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata-Minami	Yamagata City Yamagata Pref.	1,350	0.3	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City Mie Pref.	2,210	0.6	Forester Special Purpose Company
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara Pref.	14,453 (Note 5)	3.6	AEON Mall Co., Ltd.
RSC-22	AEON MALL Chiba Newtown (Mall building, cinema and sports building)	Inzai City, Chiba Pref.	12,190	3.1	Tokyo Century Corporation
RSC-23	AEON MALL Kofu Showa (Note 6)	Nakakoma Country, Yamanashi Pref.	15,489	3.9	AEON Mall Co., Ltd. and Showa-cho Jyoei Land Readjustment Association
RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido	7,840	2.0	Mevius Gamma Special Purpose Company
RSC-25	AEON MALL Oyama	Oyama City, Tochigi Pref.	6,280	1.6	AEON Retail Co., Ltd.
RSC-26	AEON MALL Itamikoya	Itami City, Hyogo Pref.	16,860	4.2	AEON Retail Co., Ltd.

RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima Pref.	13,400	3.4	AEON Retail Co., Ltd.
RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki Pref.	12,030	3.0	AEON Retail Co., Ltd.
RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa Pref.	9,940	2.5	AEON Retail Co., Ltd.
RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki Pref.	9,552	2.4	Godo Kaisha Double O2
RSC-31	AEON MALL Kyoto Gojyo	Kyoto City, Kyoto Pref.	13,333	3.4	Godo Kaisha Double O3
RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka Pref.	18,040	4.5	Not disclosed
RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	9,667	2.4	Not disclosed
CSC-1	AEON Chigasaki Chuo Shopping Center	Chigasaki City, Kanagawa Pref.	6,410	1.6	Sumitomo Mitsui Finance & Leasing Co., Ltd.
CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba Pref.	3,748	0.9	AEON Retail Co., Ltd.
CSC-3	AEON Kireuriwari Shopping Center	Osaka City, Osaka Pref.	4,394	1.1	Godo Kaisha Double O2
CSC-4	AEON Ueda Shopping Center	Ueda City, Nagano Pref.	5,350	1.3	Godo Kaisha Double O5
L-1	Daiei Kawasaki Process Center	Kawasaki City, Kanagawa Pref.	14,280	3.6	Tokyo Century Corporation
L-2	AEON Minami Osaka RDC	Sakai City, Osaka Pref.	9,870	2.5	Tokyo Century Corporation
L-3	Daiei Ibaraki Process Center	Ibaraki City, Osaka Pref.	6,810	1.7	Tokyo Century Corporation
M-1	AEON Taman Universiti Shopping Centre	Johor, Malaysia	658 (RM 20 million) (Note 7)	0.2	AEON Malaysia
M-2	AEON MALL SEREMBAN 2	Negeri Sembilan, Malaysia	5,252 (RM 215 million) (Note 8)	1.3	Swiss Advanced Technology Institute (M) Sdn. Bhd.
Total		—	396,789	100.0	—

(Notes)

- Property number indicates a numbered classification of properties based on types such as retail properties: SRSC (super regional shopping center), RSC (regional shopping center), CSC (community shopping center), NSC (neighborhood shopping center) and SM (supermarket). A “shopping center” means 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, location, scale and type of each shopping center conforms 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.
- Acquisition price (scheduled) 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, and the amount is rounded down to the nearest million yen).
- Investment ratio represents the proportion of an acquisition price (scheduled) of each trust beneficiary interest to the total of acquisition prices (scheduled) and each ratio is rounded to one decimal place.
- AEON MALL Mitouchihara includes adjacent lands acquired on April 28, 2015, other than currently held real estate trust beneficiary interests.
- The acquisition price (scheduled) and the investment ratio of AEON MALL Yamatokoriyama are the price and the figure reflecting the Disposition.
- Acquisition price and Investment ratio of AEON MALL Kofu Showa includes the price and number of the Extended Building which the Investment Corporation acquired as of September 3, 2018.
- Acquisition price of AEON Taman Universiti Shopping Centre represents the total yen amount of the considerations actually paid by the Investment Corporation to AEON CO. (M) BHD. over several times (the sale and purchase price, etc., shown in the sale and purchase agreement, etc.), excluding expenses incurred on the acquisition of the property (broker’s commissions and 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.
- Acquisition price of AEON MALL SEREMBAN 2 represents the purchase price (the sale and purchase price, etc., shown in the sale and purchase agreement), excluding expenses incurred on the acquisition of the property (broker’s 15 commissions and taxes and dues, etc.), paid by the Investment Corporation acquired to Swiss Advanced Technology Institute (M) Sdn. Bhd. through JAMBATAN MANSEIBASHI (M) Sdn. Bhd. (overseas real estate holding corporation (means the corporation stipulated in Article 221-2, Item 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations) which we have established in Malaysia). The exchange rate is ¥24.43 to 1 RM dated on September 30, 2016, at the time of acquisition (rounded down to the second decimal place).