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November 13, 2020

For Immediate Release

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Notice Concerning Issuance of Investment Corporation Bonds (Sustainability Bonds)

AEON REIT Investment Corporation (the “Investment Corporation”) hereby announces that today it has decided to issue investment corporation bonds, based on the comprehensive resolution on bond issuance at the Investment Corporation’s Board of Directors’ Meeting held on October 27, 2020. Details are provided below.

1. Outline of the Investment Corporation Bonds

- | | |
|--|---|
| (1) Name of the Investment Corporation Bonds | : 7th Series Unsecured Investment Corporation Bond of AEON REIT Investment Corporation (ranking pari passu only among investment corporation bonds) (Sustainability Bonds) (nickname : Daikansha-sai of AEON REIT) (The aforementioned investment corporation bonds shall hereafter be referred to as “the Investment Corporation Bonds.”) |
| (2) Total issue amount | : Total amount : ¥18 billion |
| (3) Form of bond certificate | : Under the Act on Book-Entry of Company Bonds, Shares, etc., bond certificates for the Investment Corporation Bonds will not be issued. |
| (4) Issue price | : ¥100 per value of ¥100 of each bond |
| (5) Redemption price | : ¥100 per value of ¥100 of each bond |
| (6) Interest rate | : 0.992% per annum |
| (7) Amount of each bond | : ¥1 million |
| (8) Offering method | : Public offering |
| (9) Subscription date | : from November 16, 2020 to December 3, 2020 |
| (10) Payment date | : December 4, 2020 |
| (11) Collateral / Guarantee | : There is no collateral or guarantee on the Investment Corporation Bonds. There are no assets reserved as security for the Investment Corporation Bonds. |
| (12) Redemption method and date | : December 4, 2030 The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case of business regulations and other rules that the statutory or depository institution otherwise stipulates. |
| (13) Interest payment date | : The first payment date is June 4, 2021. Thereafter, the 4th day of June and December of each year. (However, when interest is paid for a period less than half a year, interest is calculated on a per diem basis for the said half a year.) (If the date of interest payment falls on a bank holiday, the said payment is moved up to the preceding bank |

- business day. In addition, if the said date is moved up, interest will not be reduced.)
- (14) Financial covenant : The provisions for restriction on provision of security and the provision for the change to secured bonds are included.
- (15) Rating : AA- (Japan Credit Rating Agency, Ltd.)
- (16) Manager of investment corporation bonds : Mizuho Bank, Ltd.
- (17) Issuing agent and paying agent : Mizuho Bank, Ltd.
- (18) Underwriters : SMBC Nikko Securities Inc.
(Sustainability Bond Structuring Agent)(Note1)
Daiwa Securities Co., Ltd.
Mizuho Securities Co., Ltd.
Okasan Securities Co., Ltd.
- (19) Benefit : Those who purchase these investment corporation bonds will be presented the gift certificates (worth 1,000 yen for each one million yen of these investment corporation bonds) which can be used at the stores of the AEON Group around Japan. (Note2)

Homepage address for the list of stores at which those gift certificates can be used:

<https://www.aeonretail.jp/campaign/shohinken/> (Japanese Only)

(note) The gift certificates cannot be used at some stores. For details, please ask the store near you.

The Investment Corporation has acquired “SU1(F)” of “JCR Sustainability Finance Framework Evaluation (Note 3)” from Japan Credit Rating Agency, Ltd. (JCR) which is the highest evaluation in terms of a third-party evaluation.

(Note 1) A Sustainability Bond Structuring Agent refers to a party who supports the issuance of a Sustainability Bond mainly through the formation of a Sustainability Finance framework and the provision of advice on the acquisition of a second-party opinion.

(Note 2) The card may not be used at some stores. Confirm the details with stores at your locality.

(Note 3) For the JCR Green Bond Evaluation, refer to the following.

Japan Credit Rating Agency (JCR) Web site :

<https://www.jcr.co.jp/greenfinance/>

2. Reason for Issuance

The Investment Corporation has decided to make a repayment of its outstanding borrowings by fund procured through issuance of bonds in order to diversify and extend the debt maturity date and diversify the financing methods.

With respect to AEON MALL Ishinomaki and AEON MALL Mitouchihara, which are facilities that satisfy the criteria for Sustainability Qualified Assets referred to in 3. (2), the Investment Corporation has acquired the DBJ Green Building Certification, evaluated the environmental performance of buildings and consideration for the environment and society.

3. Total Amount to be Procured, Use of Funds and Scheduled Expenditure Date

- (1) Total amount to be procured (approximate net amount to be obtained)
¥17,820million

- (2) Particulars of use of funds and the scheduled expenditure date

The Investment Corporation plans to use all the funds by the end of December 2020 to refinance the borrowings used for the acquisition of AEON MALL Ishinomaki and AEON MALL Mitouchihara, which are specified assets (according to paragraph 1 of Article 2 in the Act on Investment Trusts and Investment Corporations) that satisfy criteria for Sustainability Qualified Assets (Note).

(Note) Sustainability Qualified Assets refer to properties that meet criteria (1) or (2) as specified below.

- (1) Sustainability eligibility criteria 1

Relevant properties have obtained or are expected to obtain any certification that falls under the following.

- a. Three, four or five stars in the DBJ Green Building Certification;
- b. B+, A or S ranking in the CASBEE Real Estate Certification;
- c. Three, four or five stars in the BELS Evaluation;
- d. Silver, Gold or Platinum in the LEED certification; and
- e. Any third-party certificate, other than the said certifications, whose ratings are equivalent to such respective ratings.

- (2) Sustainability eligibility criteria 2

Projects that contribute to either (a) or (b) below. In addition, of the projects in (i) through (v) below, those that meet two or more items and can be deemed to contribute to local communities and to fulfilling the lives of people as life infrastructure assets of local communities are considered to be projects that meet the eligible criteria.

- (a) Socioeconomic improvement and empowerment

- (i) Facilities that are sufficiently creating local employment

- (b) Access to essential services

- (ii) Facilities that are able to supply necessary resources and evacuation space at the time of disaster by concluding a disaster prevention agreement with a local government

- (iii) Facilities that contribute to healthy and cultural lives of local people with childcare facilities or medical facilities moving in as a tenant

- (iv) Facilities that will become basic infrastructure for the daily lives of local people by having public tenants such as a post office

- (v) Facilities where barrier-free or gender-free equipment is provided

4. Status of borrowings, etc., after issuance of the Investment Corporation Bonds

(Unit: millions of yen)

| | Before issuance of the Investment Corporation Bonds | After issuance of the Investment Corporation Bonds | Increase (Decrease) |
|---|--|---|------------------------|
| Short-term borrowings (Note 1) | 18,000 | 18,000 | — |
| Long-term borrowings (Note 2) | 108,800 | 108,800 | — |
| Total borrowings | 126,800 | 126,800 | — |
| Investment corporation bonds | 33,000 | 51,000 | 18,000 |
| Total of borrowings and investment corporation bonds | 159,800 | 177,800 | 18,000 |
| Other interest-bearing debts | — | — | — |
| Total interest-bearing debts | 159,800 | 177,800 | 18,000 |

(Notes)

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

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

As for risks regarding issuance, redemption, etc. of the Investment Corporation Bonds, there are no material changes from the “Investment risks” mentioned in the semiannual securities report for the 15th fiscal period (submitted on October 27, 2020).

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