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October 18, 2021

For Immediate Release

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Notice Concerning Debt Financing (Determination of Details of Debt Financing) and Establishment of Interest Rate Swaps

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that details of the Debt Financing announced in the “Notice Concerning Debt Financing (Refinancing of Existing Loans)” on September 30, 2021, have been finalized as described below. The Investment Corporation also announces that it has decided to set up interest rate swaps.

I. Debt Financing:

1. Details of the Debt Financing

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note 5)	Borrowing date	Financing method	Maturity	Repayment Method (Note 8)	Security and guarantee
Long term (1)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 1)	6.5	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.37% (Note 6) (Note 7)	October 20, 2021	Debt Financing based on individual term loan agreements entered into on October 18, 2021, with the lenders mentioned in financial institutions	October 20, 2026	Bullet repayment	Unsecured and unguaranteed
Long term (2)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 2)	6.6	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.53% (Note 6) (Note 7)	October 20, 2021	Debt Financing based on individual term loan agreements entered into on October 18, 2021, with the lenders mentioned in financial institutions	October 20, 2028	Bullet repayment	Unsecured and unguaranteed
Long term (3)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 3)	3.5	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.63% (Note 6) (Note 7)	October 20, 2021	Debt Financing based on individual term loan agreements entered into on October 18, 2021, with the lenders mentioned in financial institutions	October 22, 2029	Bullet repayment	Unsecured and unguaranteed

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Long term (4)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 4)	2.5	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.82% (Note 6) (Note 7)	October 20, 2021	Debt Financing based on individual term loan agreements entered into on October 18, 2021, with the lenders mentioned in financial institutions	October 20, 2031	Bullet repayment	Unsecured and unguaranteed
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- (Note 1) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited., MUFG Bank, Ltd., Mizuho Trust & Banking Co., Ltd., AEON Bank, Ltd., The Hyakugo Bank, Ltd., Hiroshima Bank, Ltd., The Gunma Bank, Ltd., Kansai Mirai Bank, Ltd. and THE NISHI-NIPPON CITY BANK, LTD.
- (Note 2) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc., San ju San Bank, Ltd., The 77 Bank, Ltd., THE YAMAGUCHI BANK, LTD., Kansai Mirai Bank, Ltd. and THE NISHI-NIPPON CITY BANK, LTD.
- (Note 3) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd. and Development Bank of Japan Inc.
- (Note 4) The lending syndicate will be composed of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation. and Sumitomo Mitsui Trust Bank, Limited.
- (Note 5) Financing fees to be paid to the lenders are not included.
- (Note 6) Interest rates payable are substantively fixed by separately concluding interest rate swap agreements. For details, refer to “II. Establishment of interest rate swaps” below.
- (Note 7) The first interest payment date will be due on January 20, 2022, and subsequent interest payment dates will be due on the 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 (Tokyo Interbank Offered published by JBA TIBOR Administration (“JBATA”), General Incorporated Association, two business days prior to the commencement date of each interest period. The base rate will be reviewed on every payment date; provided, however, that when an indication corresponding to each calculation period does not exist or is not published, 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 JBA Japanese Yen TIBOR, which is the base rate, refer to the JBATA website (<https://www.jbatibor.or.jp/english/rate/>).
- (Note 8) 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 Debt Financing

The borrowing will be used for the fund for refinancing of borrowings of 19.1 billion yen ^(Note) that will become due on October 20, 2021.

(Note) The relevant borrowing was announced in the “Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements on February 25, 2015,” “Notice Concerning Debt Financing (Determination of borrowing amount and interest rate)” on February 23, 2016, and “Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements” on March 24, 2017, and “Notice Concerning Debt Financing (Determination of Interest Rate) and Conclusion of Interest Rate Swap Agreements” on October 18, 2018.

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

(1) Total amount to be procured

19.1 billion yen

(2) Specific use of proceeds

The borrowing will be used for the fund for refinancing of the borrowings stated in 2. above.

(3) Anticipated disbursement date

October 20, 2021

4. Status of borrowings, etc., after the debt financing

(in millions of yen)

	Before the debt financing	After the debt financing	Increase and decrease
Short-term borrowings ^(Note 1)	—	—	—
Long-term borrowings ^(Note 2)	128,100	128,100	—
Total borrowings	128,100	128,100	—
Investment corporation bonds	51,000	51,000	—
Total interest-bearing debt	179,100	179,100	—

(Note 1) Short-term borrowings are borrowings with maturity periods of one year or less.

(Note 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.

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II. Establishment of interest rate swaps

1. Reason for establishment

Interest rate swaps are set up to hedge the risk of rising interest rates by fixing interest rates payable for borrowings based on individual term loan agreements concluded on October 18, 2021, stated in “I. Debt Financing: 1. Details of the Debt Financing” above.

2. Details of establishment

Interest rate swap agreements for the long term (1)

(1) Counterparty	NomuraSecurities Co.,Ltd
(2) Notional principal	6.5 billion yen
(3) Interest rates	Fixed interest rate payable: 0.090% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2021
(5) End date	October 20, 2026
(6) Interest payment date	The first interest payment date will be due on January 20, 2022, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end 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) As a result of concluding the interest rate swap agreements, interest rates for the long term (1) will be substantively fixed at 0.46%.

Interest rate swap agreements for the long term (2)

(1) Counterparty	NomuraSecurities Co.,Ltd.
(2) Notional principal	6.6 billion yen
(3) Interest rates	Fixed interest rate payable: 0.119% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2021
(5) End date	October 20, 2028
(6) Interest payment date	The first interest payment date will be due on January 20, 2022, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end 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) As a result of concluding the interest rate swap agreements, interest rates for long term (2) will be substantively fixed at 0.649%.

Interest rate swap agreements for the long term (3)

(1) Counterparty	Daiwa Securities Co.,Ltd.
(2) Notional principal	3.5 billion yen
(3) Interest rates	Fixed interest rate payable: 0.139% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2021
(5) End date	October 22, 2029
(6) Interest payment date	The first interest payment date will be due on January 20, 2022, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end 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) As a result of concluding the interest rate swap agreements, interest rates for long term (3) will be substantively fixed at 0.769%.

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Interest rate swap agreements for the long term (4)

(1) Counterparty	Daiwa Securities Co.,Ltd.
(2) Notional principal	2.5 billion yen
(3) Interest rates	Fixed interest rate payable: 0.177% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	October 20, 2021
(5) End date	October 20, 2031
(6) Interest payment date	The first interest payment date will be due on January 20, 2022, and subsequent interest payment dates will be due on the 20th day of January, April, July and October every year until the end date and the end 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) As a result of concluding the interest rate swap agreements, interest rates for long term (4) will be substantively fixed at 0.997%.

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

Regarding the risks concerning repayment, etc., of the Debt Financing, there are no material changes from the details described in “Section 2. Matters for reference / 2. Supplementary information for reference materials / 5. Investment risks” mentioned in the securities report submitted on August 2, 2021.

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