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For Immediate Release

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

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that details of the Debt Financing announced in the “Notice Concerning Debt Financing and Early Repayment of Debt Financing” on February 28, 2022, have been finalized as described below. The Investment Corporation also announces that it has decided to Establish of Interest Rate Swaps and Sustainability Derivative.

Of this amount, the following "Long-term (iii)" based on the individual term loan agreement entered into on March 17, 2022 as described in "I.1 Details of the Debt Financing", will be financed by Sustainability Loan and Sustainability Derivative.

“The Sustainability Derivative” is derivative agreement associated with the Sustainability Loan.

This is the first case in the world of an agreement linked to a sustainability loan based on a sustainability finance framework evaluated by a third party.

The Investment Corporation has acquired “SU1” of “JCR Sustainability Finance Framework Evaluation” (Note) from Japan Credit Rating Agency, Ltd. (JCR) as a third-party evaluation on its debt financing “Long term (3) referred to in I.1 Details of the Debt Financing” and sustainability derivative.

(Note)For details of “JCR Sustainability Finance Framework Evaluation,” please refer to the website of Japan Credit Rating Agency, Ltd. (JCR) (<https://www.jcr.co.jp/en/greenfinance/sustainability/>)

And, because of the recent external environment, we do not plan to issue the investment corporation bonds (Sustainability Bonds) announced in "Notice Concerning Comprehensive Resolution on Issuance of Investment Corporation Bonds" on February 28, 2022.

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)	2.6	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.27% (Note 6) (Note 7)	March 22, 2022	Debt Financing based on individual term loan agreements entered into on March 17, 2022, with the lenders mentioned in financial institutions	October 20, 2025	Bullet repayment	Unsecured and unguaranteed

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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 (2)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 2)	8.6	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.41% (Note 6) (Note 7)	March 22, 2022	Debt Financing based on individual term loan agreements entered into on March 17, 2022, with the lenders mentioned in financial institutions	October 20, 2027	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)	5.1	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.60% (Note 6) (Note 7)	March 22, 2022	Debt Financing based on individual term loan agreements entered into on March 17, 2022, with the lenders mentioned in financial institutions	October 22, 2029	Bullet repayment	Unsecured and unguaranteed
Long term (4)	Lending syndicate with Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited as arrangers (Note 4)	3.0	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.79% (Note 6) (Note 7)	March 22, 2022	Debt Financing based on individual term loan agreements entered into on March 17, 2022, with the lenders mentioned in financial institutions	October 20, 2031	Bullet repayment	Unsecured and unguaranteed

(Note 1) The lending syndicate will be composed of Mizuho Bank, Ltd., MUFG Bank, Ltd., The Hyakugo Bank, Ltd. and Daiwa Next 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., AEON Bank, Ltd., San ju San Bank, Ltd., The Hiroshima Bank, Ltd., Shinsei Bank, Limited, The Gunma Bank, Ltd., The Yamaguchi Bank, Ltd., Kansai Mirai Bank, Limited. and Daiwa Next 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., Development Bank of Japan Inc, The 77 Bank, Ltd., Shinsei Bank, Limited. and The Yamaguchi Bank, Ltd.

(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 or sustainability derivative agreement. For details, refer to "II. Establishment of interest rate swaps and sustainability derivative" below.

(Note 7) The first interest payment date will be due on April 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.

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2. Reason for conducting Debt Financing

The borrowing will be used for the fund for refinancing of early repayment of of 19.3 billion yen ^(Note) that we conducted debt financing on August 4, 2021. We aim to diversify and extend the debt maturity date and diversify.

With respect to AEON MALL Shinkomatsu, which is facility that satisfy the criteria for Sustainability Qualified Assets referred to in 3. (1), the Investment Corporation has acquired the DBJ Green Building Certification, evaluated the environmental performance of buildings and consideration for the environment and society.

(Note) The relevant borrowing was announced in the “Notice Concerning Debt Financing” on August 2, 2021.

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

(1) Total amount to be procured

19.3 billion yen

【Long term (3)】

The Investment Corporation plans to use all the funds on March 22, 2022. to early repayment of debt financing used for the acquisition of AEON MALL Shinkomatsu, 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).



<Reference : AEON MALL Shinkomatsu>

Acquisition of DBJ Green Building Certification
2021★★★★★(highest ranking)

Points recognized in certification (Examples)

Advancement of energy and resource saving by taking in natural light at its restaurant corridor and installing motion sensors in the backyard, LED lighting in common areas, water-saving faucets and toilet bowls, etc.

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

① Sustainability Qualification criteria 1 (Green Projects)

Any of the effective certifications listed in a through e below has already been or will be acquired.

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

② Sustainability Qualification criteria 2 (Social Projects)

Social 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 qualified criteria.

- a. Socioeconomic improvement and empowerment
 - i. Facilities that are sufficiently creating local employment
 - ii. Access to essential services
 - iii. 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
 - iv. Facilities that contribute to healthy and cultural lives of local people with childcare facilities or medical facilities moving in as a tenant
 - v. 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

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(2) Specific use of proceeds

The proceeds from the Debt Financing will be used for early repayment of Long-term borrowings, we conducted debt financing on August 4, 2021.

(3) Anticipated disbursement date

March 22, 2022

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.

II. Establishment of interest rate swaps and sustainability derivative

1. Reason for establishment

【Long term (1),(2) and (4)】

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 March 17, 2022, stated in “I. Debt Financing: 1. Details of the Debt Financing” above.

【Long term (3)】

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 March 17, 2022, stated in “I. Debt Financing: 1. Details of the Debt Financing” above.

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2. Details of establishment

Interest rate swap agreements for the long term (1)

(1) Counterparty	Nomura Securities Co.,Ltd.
(2) Notional principal	2.6 billion yen
(3) Interest rates	Fixed interest rate payable: 0.1515% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	March 22, 2022
(5) End date	October 20, 2025
(6) Interest payment date	The first interest payment date will be due on April 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 0.4215%.

Interest rate swap agreements for the long term (2)

(1) Counterparty	Nomura Securities Co.,Ltd.
(2) Notional principal	8.6 billion yen
(3) Interest rates	Fixed interest rate payable: 0.2105% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	March 22, 2022
(5) End date	October 20, 2027
(6) Interest payment date	The first interest payment date will be due on April 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 0.6205%.

Sustainability derivative agreement for the long term (3)

(1) Counterparty	Nomura Securities Co.,Ltd.
(2) Notional principal	5.1 billion yen
(3) Interest rates	Fixed interest rate payable: 0.2960% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	March 22, 2022
(5) End date	October 22, 2029
(6) Interest payment date	The first interest payment date will be due on April 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 0.896%.

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Interest rate swap agreements for the long term (4)

(1) Counterparty	Daiwa Securities Co. Ltd.
(2) Notional principal	3.0 billion yen
(3) Interest rates	Fixed interest rate payable: 0.3401% Floating interest rate receivable: Three month Japanese Yen TIBOR published by JBA TIBOR Administration
(4) Commencement date	March 22, 2022
(5) End date	October 20, 2031
(6) Interest payment date	The first interest payment date will be due on April 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 1.1301%.

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 “Investment Risks” stated in the 17th Japanese language Securities Report submitted on October 26, 2021 (including reissued report submitted thereafter).

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