

21st FP (Jul. 2023) Financial Results Presentation Material

(the Asset Manager)
AEON Reit Management Co., Ltd.

Stock code : 3292 <https://www.aeon-jreit.co.jp/en/index.html>



AEON Chigasaki-Chuo Shopping Center

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21st FP (Jul. 2023) Financial Results Presentation Material

I. 21st FP Financial Result / Forecast for 22nd FP and 23rd FP

Executive Summary

1 Continuing stable operations, achieving DPU growth towards mid-term target

21st FP
actual
(Jul. 2023)

3,350 yen
20th FP actual : 3,283 yen

22nd FP
forecast
(Jan. 2024)

3,350 yen

23rd FP
forecast
(Jul. 2024)

3,335 yen
Stabilized DPU (Note 1)

- ▶ DPU in the 21st FP was 3,350 yen, outperforming the previous period
- ▶ Forecasting 3,335 yen for the 23rd FP (decline is in relation to the removal of property tax effect)
- ▶ End tenant occupancy as of the end of 21st FP was 97.8%, End tenant sales robust at 108.2% year on year (Note 2)

2 Highlights

- ▶ **External growth** : Acquired 2 properties: AEON MALL Wakayama and AEON MALL Miyakonojo Ekimae
Signed pipeline support contract with United Super Markets Holdings Inc. (U.S.M.H)
- ▶ **Internal growth** : Increased rents through refurbishments and property expansions that enhance competitiveness of properties
- ▶ **Finance** : Achieved upgrade of long-term issuer rating, due to expansion of asset size and stable cashflow
 - ✓ Japan Credit Rating Agency, Ltd. (JCR) : AA – (Positive) ⇒ AA (Stable)
- ▶ **Sustainability** : Achieved target for ratio of third-party certified properties
Progressing with construction work to reduce electricity usage by air-conditioning systems, to lower the environmental footprint

21st FP (Jul. 2023) financial summary

The addition of newly acquired properties contributed to DPU growth, leading to the 67 yen period-on-period increase

(Unit : million yen)

	21st FP Ended Jul. 31, 2023			20th FP Ended Jan. 31, 2023	
	Result	Initial Forecast	Differences	Result	Differences
	A	B	A-B	C	A-C
Operating Revenues	21,008	20,959	① +48	19,987	④ +1,020
Operating Expenses	13,037	13,014	② +23	12,367	⑤ +670
Operating Income	7,970	7,945	+25	7,620	+350
Ordinary Income	7,048	7,019	+28	6,713	⑥ +334
Extraordinary Income	-	-	-	76	⑦ ▲ 76
Extraordinary Loss	-	-	-	65	⑧ ▲ 65
Net Income	7,047	7,019	+28	6,724	+323
Reversal of dividend reserves	+65	+96	③ ▲ 31	▲ 10	+76
NOI	14,476	14,533	▲ 56	13,777	+698
Distributions per Unit (yen)(Note)	3,350	3,350	-	3,283	+67

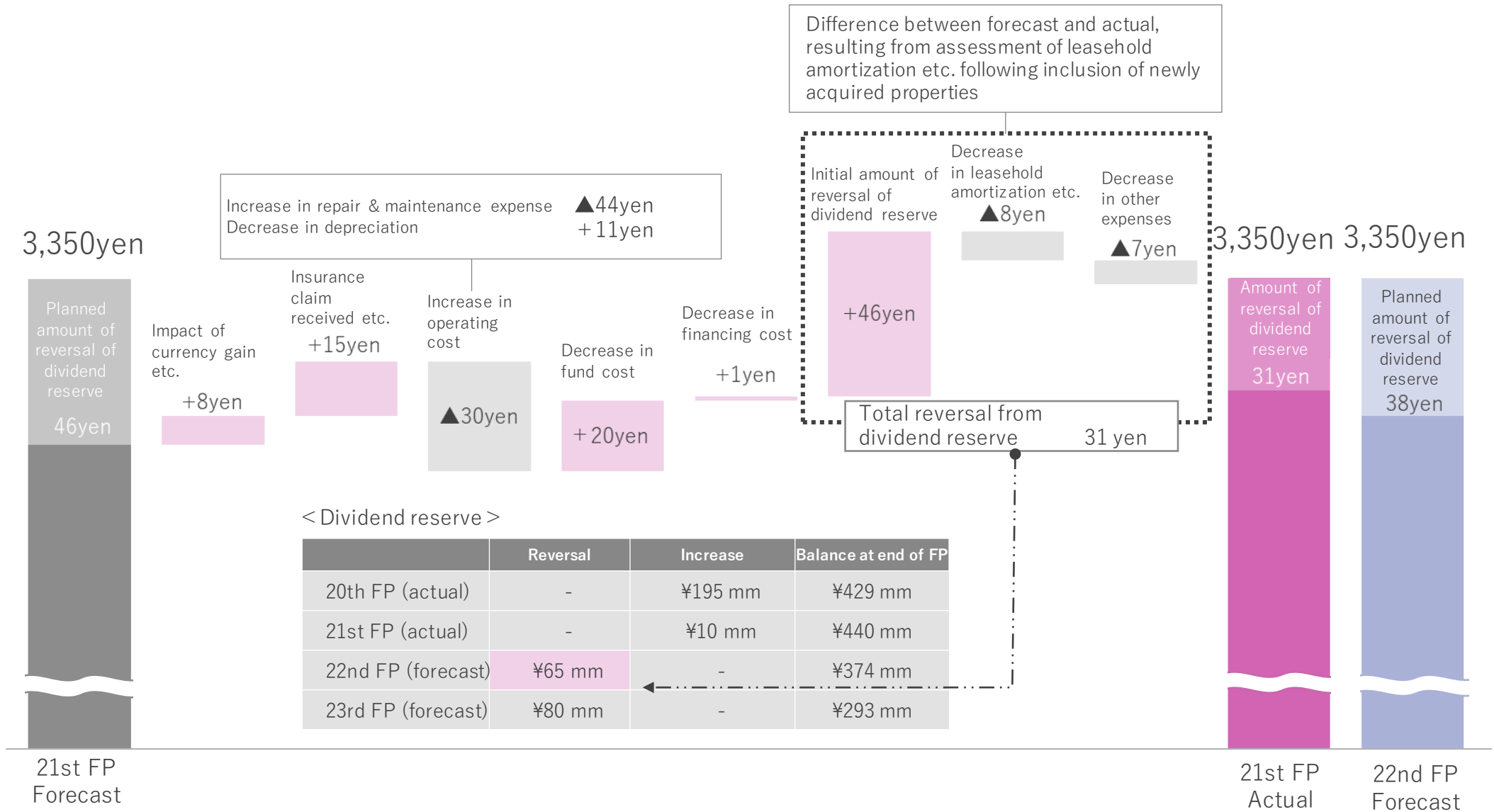
Difference from forecast (A-B)

Item no.	Item	Amount (mm yen)
①	Increase in distribution from rent growth and currency gain	+16
	Increase in insurance claims received	+21
②	Increase in repair & maintenance expense	+92
	Decrease in fund cost	▲39
	Decrease in depreciation	▲24
③	Decrease in leasehold amortization etc. for newly acquired properties	▲16
	Decrease in other expenses	▲15

Period-on-period difference (A-C)

Item no.	Item	Amount (mm yen)
④	Increase in operating revenue from the addition of newly acquired properties	+992
⑤	Increase in operating cost from the addition of newly acquired properties	+494
	Increase in repair & maintenance expense	+115
	Increase in insurance premium	+33
	Increase in fund cost	+17
⑥	Increase in financing cost	▲16
⑦	Decrease in relation to the insurance claim for Typhoon 14 in Sep. 2022, received in the previous period	▲76
⑧	Decrease in losses related to Typhoon 14 in Sep. 2022	▲65

21st FP (Jul. 2023) DPU ~ Actual vs Forecast analysis ~



(Note 1) Amounts may not add up due to rounding of decimals

(Note 2) The number of investment units issued in the 21st FP: 2,123,952 units

22nd FP (Jan. 2024), 23rd FP (Jul. 2024) forecast

Aiming for steady growth towards mid-term target of stabilized DPU of 3,600 yen

(Unit : mm yen)

	22nd FP Ended Jan. 31, 2024			23rd FP Ended Jul. 31, 2024		
	Forecast Announced on Sep. 13, 2023	Forecast Announced on Mar. 17, 2023	Differences	Forecast Announced on Sep. 13, 2023	Differences	
	A	B	A-B	C	C-A	
Operating Revenues	20,976	20,957	① +19	20,997	④ +20	
Operating Expenses	12,956	12,959	▲2	12,983	⑤ +26	
Operating Income	8,019	7,998	+21	8,013	▲6	
Ordinary Income	7,036	7,020	② +16	7,004	⑥ ▲32	
Net Income	7,036	7,020	+16	7,004	▲32	
Reversal of dividend reserves	80	96	③ ▲16	80	+0	
Distributions per Unit (¥)	3,350	3,350	-	3,335	▲15	

Present 22nd FP forecast VS previous forecast (A-B)

Item no.	Item	Amount (mm yen)
①	Increase in rental revenue and dividends received	+21
②	Increase in financing cost	▲5
③	Decrease in leasehold amortization etc. for newly acquired properties	▲16

Precondition: Currency rate used for the forecast of 22nd FP and 23rd FP : 1RM = 28.00 JPY
Number of investment units issued in the 22nd FP and 23rd FP : 2,123,952 units

23rd FP forecast VS 22nd FP forecast (C-A)

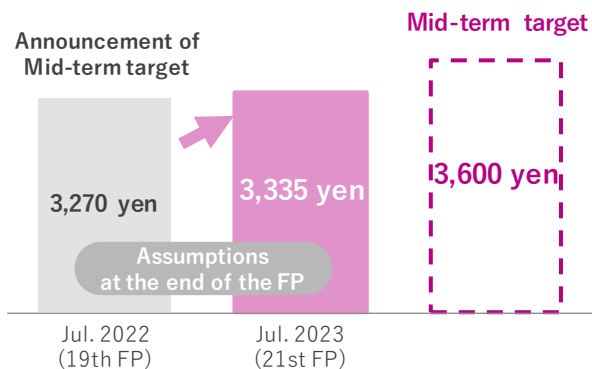
Item no.	Item	Amount (mm yen)
④	Increase in rental revenue	+19
⑤	Start booking property tax expenses for properties acquired in 2023	+147
	Decrease in depreciation	▲139
	Increase in repair & maintenance expense	+62
	Decrease in fund cost	▲35
⑥	Increase in financing cost	▲25

Progress towards Mid-term target

Stabilized DPU ~ Top Priority ~

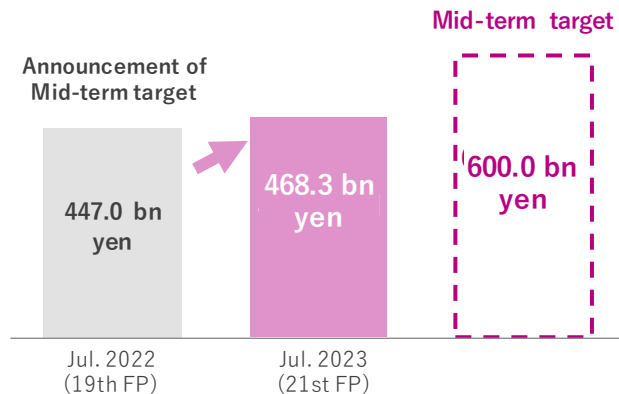
(Note 1)

- ▶ Steady growth through property acquisitions



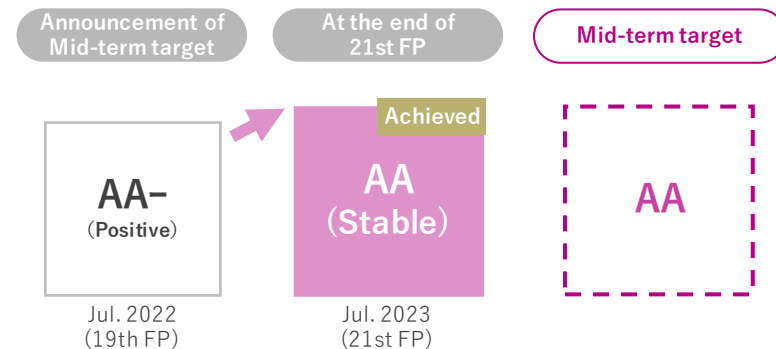
Asset size ~ Priorities ~

- ▶ 21.3bn yen growth since announcement of mid-term target



Long term issuer rating (JCR) ~ Priorities ~

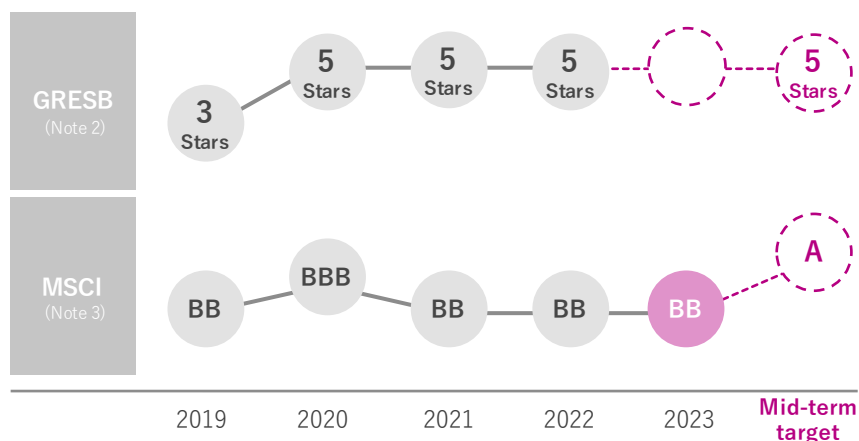
- ▶ Upgraded to AA by JCR in June 2023
- ▶ Achieved rating set in mid-term target



Sustainability ~ Priorities ~

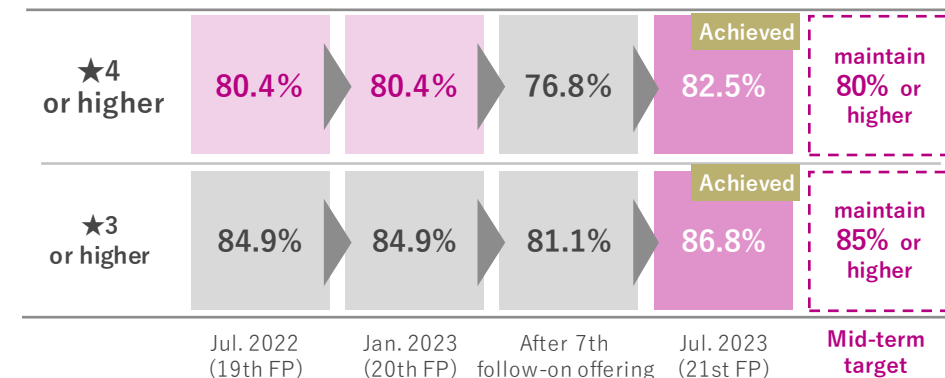
External evaluation (GRESB Rating and MSCI ESG Ratings)

- ▶ Aim to maintain and further improve evaluation



Ratio of third-party certification (Note 4)

- ▶ Achieved the mid-term target ratio of certified properties, for both “★4 or higher” and “★3 or higher” (Note 5)
- ▶ Aim to maintain ratio of certified properties and evaluations



External growth (1/3) ~ Growth utilizing the comprehensive strength of AEON Group ~

Securing and expanding pipeline from support partners

Progress
in 21st FP

Acquired 2 properties (total of 21.3 bn yen) from total pipeline (Note)

Approx. 20bn yen expansion of total pipeline

Total pipeline

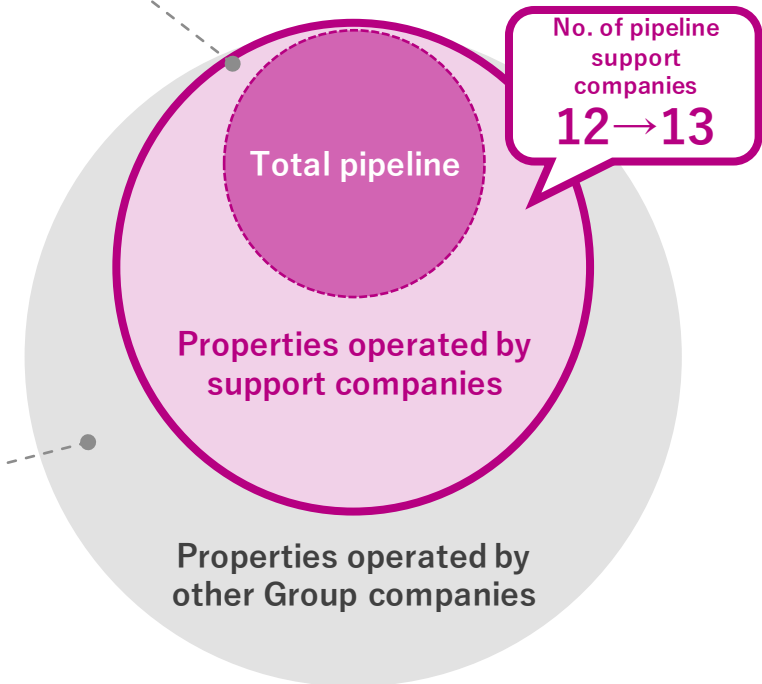
260.0 bn yen (as of the end of Jul. 2023)

Addition of a support partner

Progress
in 21st FP

Signed pipeline support contract with U.S.M.H

- ▶ Steadily expanding the number of pipeline support partners
- ▶ Will continue to add pipeline support partners, to establish a structure in which AEON REIT can constantly receive information on high-quality acquisition opportunities



External growth (2/3) ~ Introduction of initiatives ~

Enhance property acquisitions and add support partners, towards achieving the mid-term target

Property acquisition from pipeline

AEON MALL Wakayama



Location	Wakayama city, Wakayama
Acquisition price	16.8 bn yen
Appraisal NOI yield	6.0%

Largest shopping mall in the prefecture, which consisting of five floors and located in a continuously growing new town

AEON MALL Miyakonojo Ekimae



Location	Miyakonojo city, Miyazaki
Acquisition price	4.4 bn yen
Appraisal NOI yield	7.1%

Community-focused mall responding to diverse needs

New pipeline support contract with U.S.M.H

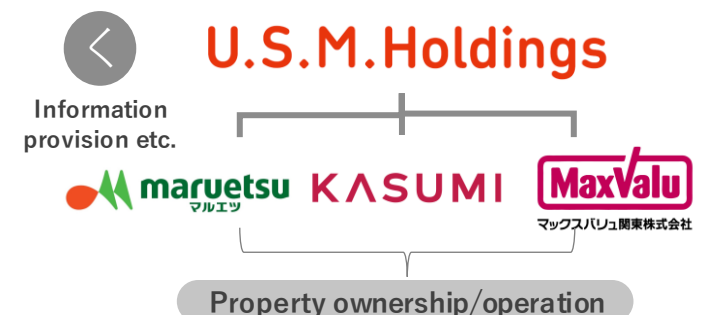
Overview of U.S.M.H

- ▶ A joint holding company of The Maruetsu, Inc, KASUMI CO., LTD. And MaxValu Kanto Co.,Ltd. engaged in the supermarket business in the greater Tokyo area
- ▶ Consolidated sales of approx. 690bn yen (Note)
- ▶ The Group operates 529 stores (Note)



Significance of the initiative

- ▶ U.S.M.H will aggregate needs within the Group for property disposals
- ▶ Expand scope of properties other than large-scale retails facilities



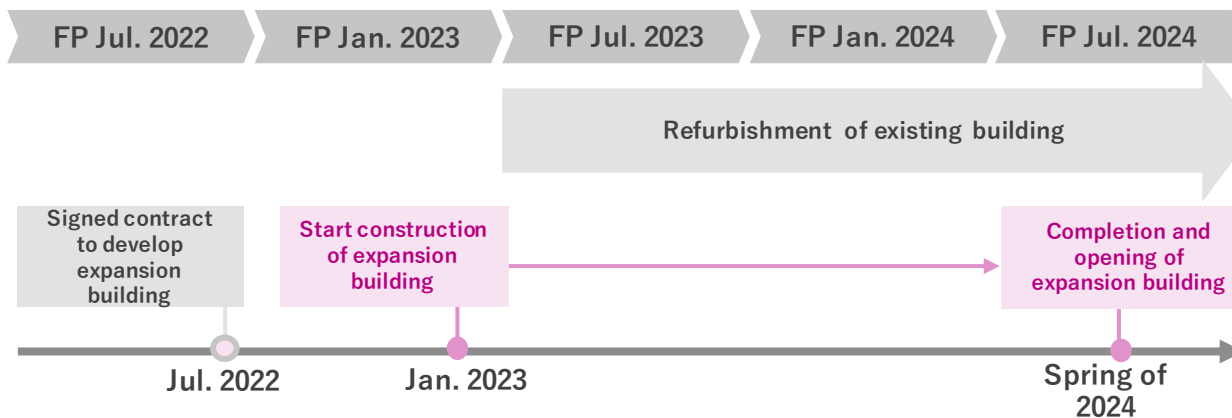
External growth (3/3) ~ Development status of AEON MALL Ota expansion building ~

Construction of the expansion building is progressing according to schedule, towards the opening next spring

Development of expansion building of AEON MALL Ota

- ▶ Including the owned existing buildings, expecting for **stable income over the medium to long term and asset value improvement.**

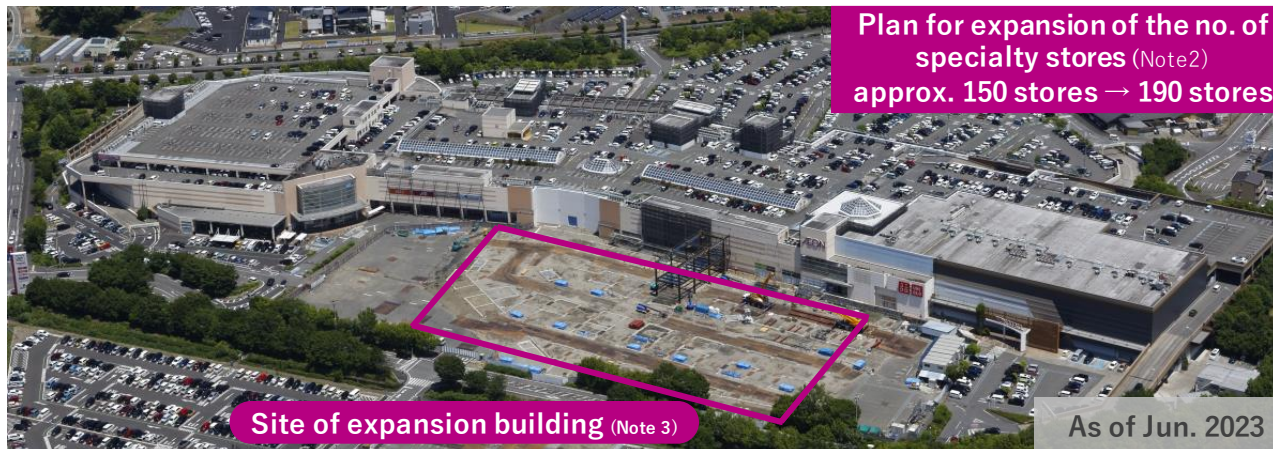
Anticipated schedule



Notes regarding the development

- ▶ By concluding expansion development agreement with AEON MALL Co., Ltd., AEON REIT will have the preferential negotiation rights (Note 1) regarding the transfer of title, rights and obligations under the contract for the construction of the extension building
- ▶ In the event that expenses are incurred due to the development of the extension building, DPU will be leveled by reversal of dividend reserve, etc.

(AEON MALL Ota)



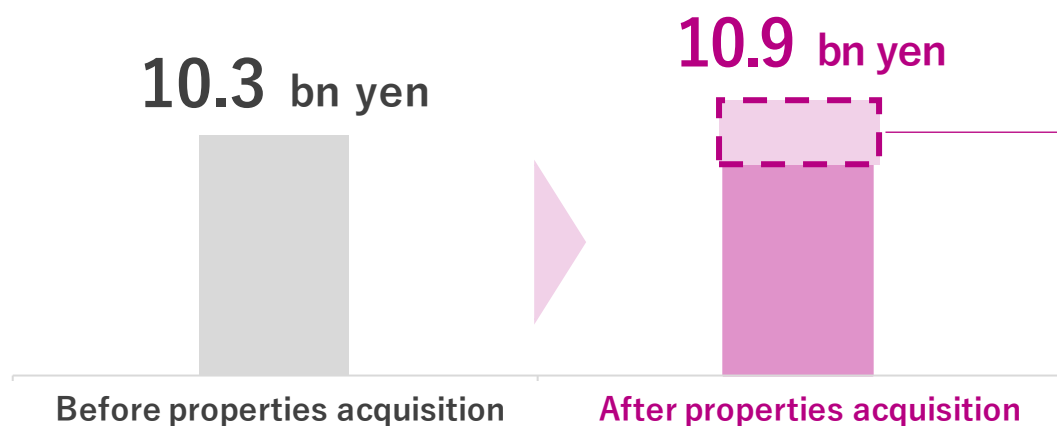
Expansion building (image)



Utilization of abundant cash-on-hand

Flexibly utilize abundant cash-on-hand generated from depreciation expenses according to the environment

Depreciation expenses (Before and after of new properties acquisition) (Note 1)



Increase in depreciation, due to property acquisitions etc., which generates cash-on-hand



AEON MALL
Wakayama



AEON MALL
Miyakonojo Ekimae

Cash-on-hand utilization simulation (Calculated with 5.0 bn yen)

		DPU	LTV	FCF
Improve profitability	Property acquisition Assumes the acquisition of properties with NOI yield of 6.2%, NOI yield after depreciation of 3.9%	Approx. 45 yen increase	No change	Approx. 0.1 bn yen increase
	Revitalization investment			
Stabilize financial base	LTV control Assumes repayment of debt with an average interest rate of 0.8%	Approx. 8 yen increase	Approx. 0.6% decrease	No change
	Resilience			
Promotion of capital policy <small>(Note 2・3)</small>	Paying dividends in excess of earnings Assumes acquisition and cancellation of treasure units at the price of 120,000 yen.	Approx. 39 yen increase	No change	No change
	Share buyback Borrowing is to be repaid at the same time in order to maintain the LTV.			

Internal growth (1/3) ~ Main topics of 21st FP ~

Engaged in revitalization investment to capture needs of family customers, to further enhance property competitiveness

Rent growth through revitalization investment ~ AEON Chigasaki-Chuo SC ~

Property	Overview of construction	Investment amount	Rent growth vs investment (annual)
AEON Chigasaki-Chuo SC	Floor replacement work	11 mm yen	+6.0%

Construction work to enhance functionality

- ▶ Master lessee refurbished the entrance and food court. AEON REIT was in charge of replacing the floor
- ▶ Able to provide a cleaner and more comfortable interior environment by replacing the floors with durable and easy-to-maintain floors



Entrance



Food court

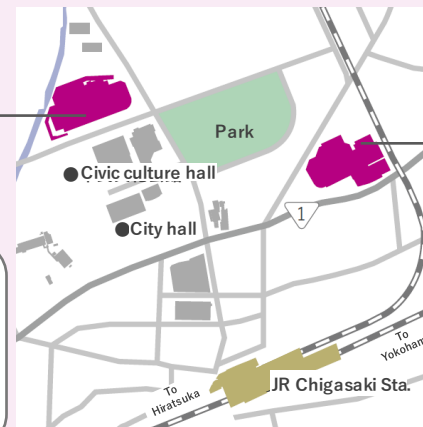
Cater to various needs of the local community, through 2 AEON facilities that are based on different concepts

- ▶ Within 10-minute walking distance from AEON Chigasaki-Chuo SC is Soyora Shonan Chigasaki, operated by AEON Group
- ▶ Cater to a wide range of needs from the local community, by differentiating tenants and merchandise, leveraging on the features of each facility



Features of AEON Chigasaki-Chuo SC

- Has one of the largest kids' floors in the Shonan area, to accommodate family needs
- Strengthened the home fashion offering, by enhancing the bedding area, and introducing a popular interior brand



Features of Soyora Shonan Chigasaki

- Attractive line-up of specialty stores, including large home center, household items shop, outdoor item shop, etc.
- Covers various services necessary for everyday life, including hospital, gym, beauty salon, cinema

Internal growth (2/3) ~ Main topics of 21st FP ~

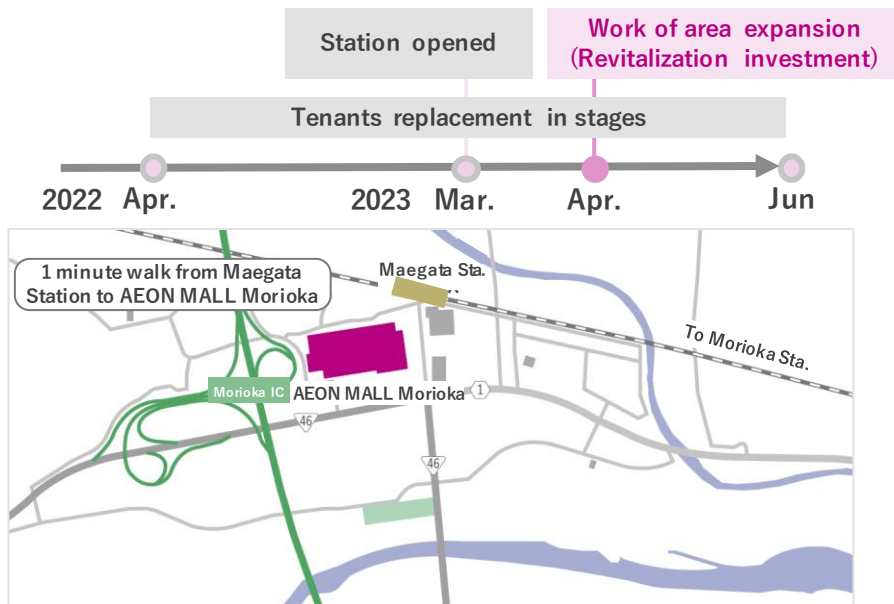
Engaged in revitalization investment in accordance with changes in local environment, contributing to the development of a sustainable local community

Rent growth through revitalization investment ~ AEON MALL Morioka ~

Property	Overview of construction	Investment amount	Rent growth vs investment (annual)
AEON MALL Morioka	Shutter installation work due to area expansion	38 mm yen	+8.2%

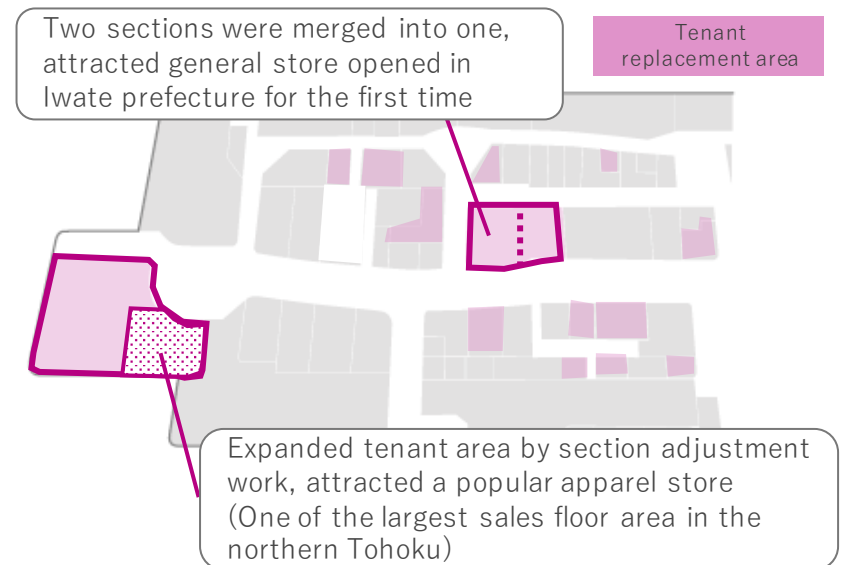
Renewal in line with the opening of the new station

- ▶ The closest station to AEON MALL Morioka, JR Tazawako Line Maegata Station newly opened in Mar. 2023
- ▶ Refurbishments were carried out in stages starting about a year ago in conjunction with the opening of the new station



Overview of the renewal

- ▶ About 20% of the tenants were replaced by Master lessee
- ▶ Installation work for fireproof shutters necessary to attract tenants was carried out by AEON REIT



Internal growth (3/3) ~ Future plans ~

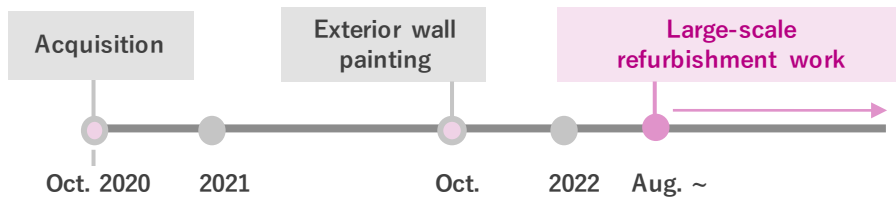
Aim to maintain and enhance property value, and raise rents, through continuous revitalization investments

Rent growth through revitalization investment ~ AEON Ueda SC ~

Property		Completion of construction	Overview of construction	Investment amount	Rent growth vs investment (annual)
AEON Ueda SC	Actual	18th FP	Exterior wall painting	271 mm yen	+6.5%
	Plan	22nd FP	Large-scale refurbishment	892 mm yen	+6.5%
Total				1,163 mm yen	

Plan for revitalization work

- ▶ Started revitalization work, based on agreement at the time of acquisition. Completion expected in the 22nd FP



Signed Basic Agreement regarding revitalization work with subsequent rent increase

(To be conducted by Feb. 2025)

(Example) Change floor layout to enhance circulation of customers / Tenant leasing to make specialty store zone more attractive / Renewal of food court, etc.

Plan for revitalization work

- ▶ Changed zoning of GMS sales floor area and changed floor, etc., to improve circulation of customers when shopping
- ▶ Newly introduced gathering space, and play area with wooden toys, to create a mall environment that is comfortable for everyone



Introduced play area with wooden toys



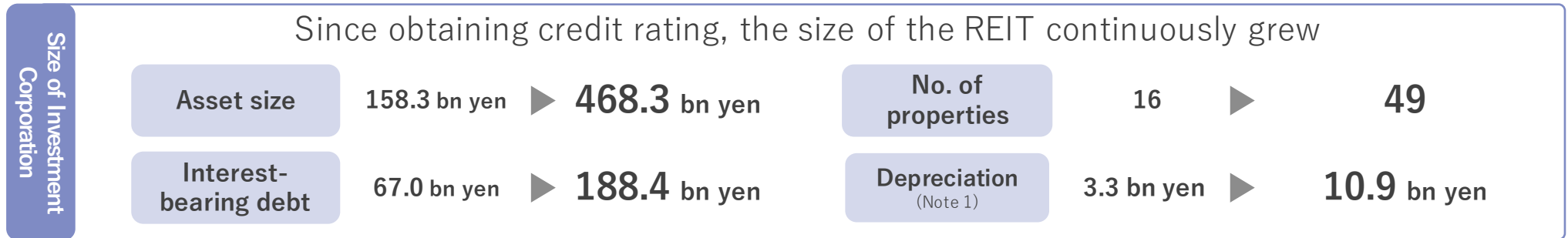
Changed floor with good visual effects

Finance ~ Upgrade of external credit rating ~

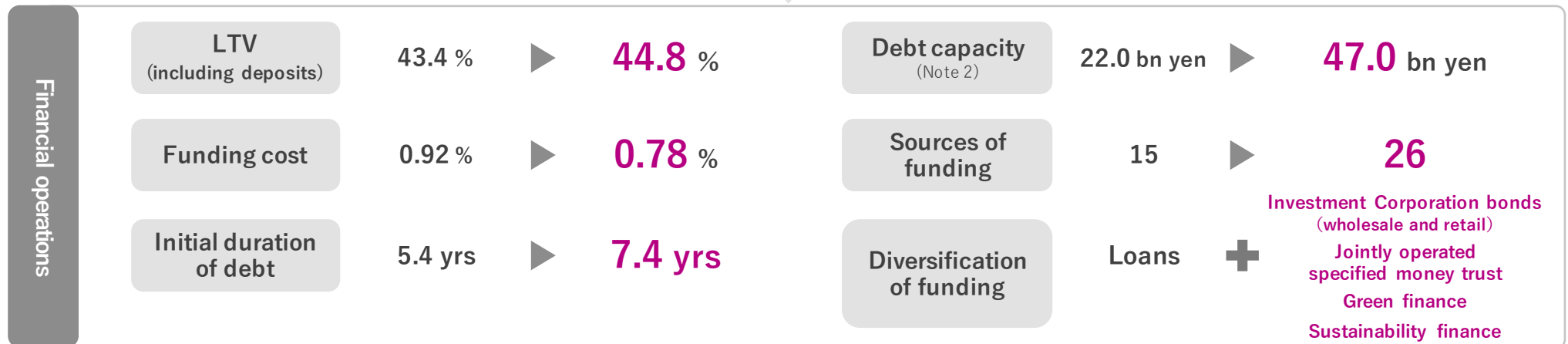
Continuing to adequately control financial metrics, while continuing to grow, with the aim of maintaining and improving ratings. With the recent upgrade, AEON REIT will consider maintaining and lowering the funding cost, as well as further diversifying the sources of funding.

Improvement of long-term issuer rating

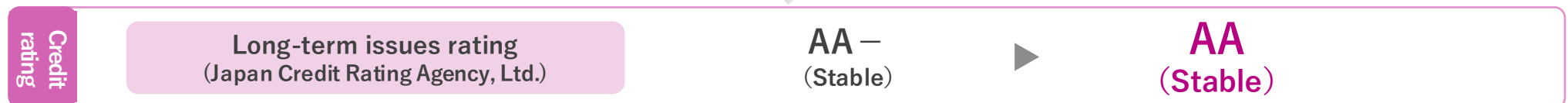
(*the numbers below are: As of when the REIT obtained the rating (as of the end of the 2nd FP) ▶ The end of the 21st FP)



Adequately controlled financial metrics, while growing asset size



Credit rating was upgraded, thanks to our initiatives since the IPO



Sustainability ~ Main topics of the 21st FP ~

Third-party certification

- ▶ Acquired 3 new certifications and 4 recertifications.
- ▶ AEON MALL Tsuchiura and AEON MALL Fukutsu have increased its rating by one from the previous certification
- ▶ Achieved the target ratio set in the mid-term target for both 3 stars or higher and 4 stars or higher (Note 1)
- ▶ Will focus onto maintaining the ratio by promoting initiatives

List of certified properties in the 21st FP

Certification	New/ Recertified	Property name	Rank
DBJ Green Building	New	AEON MALL Wakayama	2023★★★★★
		AEON MALL Miyakonojo Ekimae	2023★★★★★
		AEON MALL Kasai-Hojo	2023★★★★★
	Recertified	AEON MALL Tsuchiura	2022★★★★★
		AEON MALL Fukutsu	2022★★★★★
		AEON MALL Kahoku	2022★★★★★
CASBEE	Recertified	AEON MALL Kagoshima	S Rank ★★★★★★

Ratio of certified properties (Note 2) (Based on total leasable area/as of Jul. 2023)

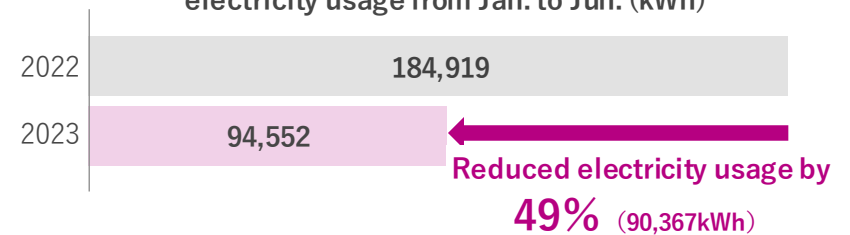
Mid-term target: 80% or higher
4 stars or higher
82.5% (Note 1)

Mid-term target: 85% or higher
3 stars or higher
86.8% (Note 1)

Environmental initiatives ~ Inverter installation work ~

- ▶ Conducted Inverter installation work at AEON MALL Tomakomai in Dec. 2022 and realized 49% reduction in electricity usage for air conditioners (Jan. to Jun. 2023).
- ▶ Conducted same work at AEON MALL Sapporo-Hiraoka.
- ▶ Will consider to implement same work to other properties

AEON MALL Tomakomai total air conditioner electricity usage from Jan. to Jun. (kWh)



ESG ratings/certification

The investment corporation

- ▶ MSCI ESG Ratings (Note 3) in 2023*:
BB as same as previous year

MSCI
ESG RATINGS



CCC B **BB** BBB A AA AAA

The asset management company

- ▶ Certified as a Health and Productivity Management Organization (Small and Medium Enterprise Category) for 4 consecutive years from FY2020



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Summary as of 21st FP (Jul. 2023)

Asset size of 49 properties (Note 1)

468.3 bn yen

(+21.3 bn yen from
the end of 20th FP)

Portfolio NOI yield

6.2%

NOI yield after depreciation

3.9%

Unrealized gain (Note 2)

+ **80.9** bn yen

(+4.2 bn yen from
the end of 20th FP)

Distribution per unit

3,350 yen

(Forecast 3,350 yen)

NAV per unit

151,071 yen

(+1,299 yen from
the end of 20th FP)

LTV (excluding deposits)

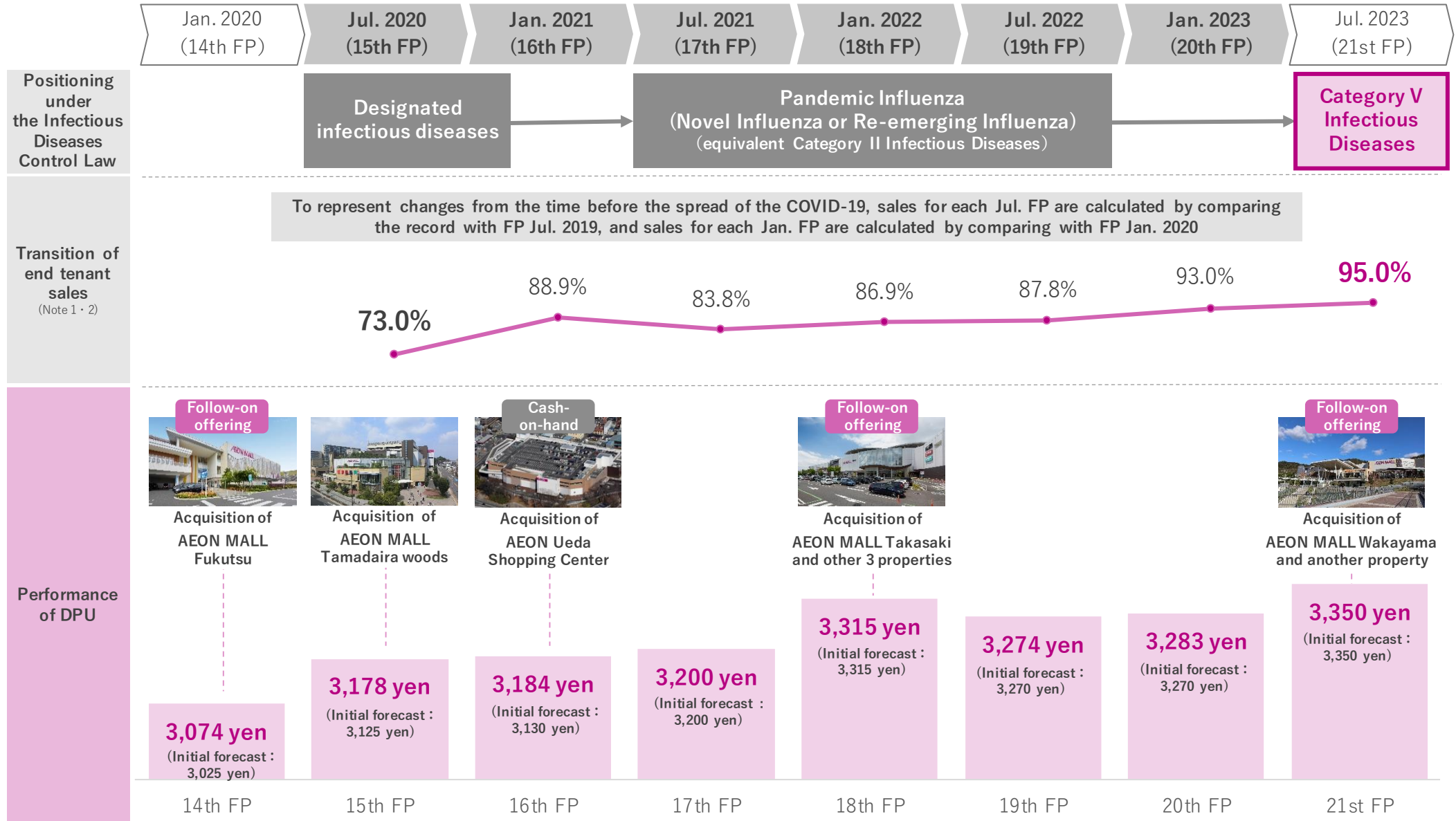
41.6%

LTV (including deposits)

44.8%

Stable growth during the pandemic of COVID-19

Achieving both stability and growth even in harsh environments



Achieve stabilized DPU target with stability and growth potential

Operational concerns arising from changes in the environment

- ▶ Higher operating costs due to inflation and the rise in energy prices
- ▶ Higher funding cost due to the rise in market interest rates
- ▶ Equity financing becoming more difficult

Strengths of AEON REIT

Stability

Growth potential

Master lease rent scheme (fixed rent)

- ▶ **Secure stable rent** through master lease contracts based on long-term fixed rent contracts with AEON Group companies
- ▶ Based on the above contract scheme, AEON REIT **does not bear operation costs such as utilities and water expenses**

Flexible change of financing method

- ▶ Adapt flexibly to changes in the environment, while maintaining our current policy of long-term fixed interest funding
- ▶ **Control funding cost** by temporarily using shorter term and variable funding

Utilization of reversal of dividend reserve, and paying dividends in excess of earnings

- ▶ Utilize reversal of dividend reserve, as well as dividends in excess of earnings, to stabilize DPU
- ▶ **Maintain stability of DPU**, even when there is a temporary large expense

Utilizing the comprehensive strength of AEON Group

- ▶ Utilize comprehensive strength of the Group companies to **secure future pipeline**
- ▶ Maintain high level of end tenant occupancy and sales

Using cash-on-hand to achieve DPU growth

- ▶ **Generate abundant cash-on-hand** through depreciation
- ▶ Utilize funds flexibly, depending on the environment

Utilize AEON REIT's strengths, and maintain stability while continuing to grow

Aim for the mid-term target of 3,600 yen stabilized DPU

Notes (I)

P.5 Executive Summary

- (Note 1) Stabilized DPU is the estimated amount of distribution per unit, calculated assuming that the accounting treatment of taxes and public dues of property tax, city planning tax, and other taxes (the “Taxes and Public Dues” in this Note) were recorded as rental business expenses from the time of acquisition of each assets (when the Taxes and Public Dues are not yet determined yet). The future Stabilized DPU are forecast figure anticipated by AEON REIT Investment Corporation as of the publication date of this document, which is not an indicator specified by generally accepted corporate accounting standards, nor has it been audited by an accounting auditor.
- (Note 2) “End tenant occupancy” is the ratio of the actual leased area (sublease area), which deducted vacant floor area from total leasable area, to the total leasable area (master lease area) for the domestic retail facilities owned by the Investment Corporation (in total 44 facilities) calculated based on the preliminary figures provided by each master lessee (as of the end of Jul. 2023). “End tenant sales” shows the comparison of end tenant sales for the 21st FP (Feb 1, 2023 to Jul.31, 2023) with that of the same FP of the previous year. Net sales of end tenants of Jun. 2023 and Jul. 2023 are calculated based on preliminary figures received through interviews with each master lessee.

P.6 21st FP (Jul. 2023) financial summary

- (Note) No. of investment units outstanding in the 20th FP : 2,044,467, in the 21st FP : 2,123,952

P.9 Progress toward Mid-term target

- (Note 1) Stabilized DPU is the estimated amount of distribution per unit, calculated assuming that the accounting treatment of taxes and public dues of property tax, city planning tax, and other taxes (the “Taxes and Public Dues” in this Note) were recorded as rental business expenses from the time of acquisition of each assets (when the Taxes and Public Dues are not yet determined yet).
- (Note 2) GRESB refers to the annual benchmark certifications that measure ESG considerations of real estate companies and funds, as well as the organization operating the certifications. The GRESB Real Estate Certification is a 5 level rating based on the global ranking of the total score.
- (Note 3) MSCI is a financial services provider based in New York, USA. MSCI provides various tools to assist in investment decision making to institutional investors around the world, including asset managers, hedge funds and pension funds. The MSCI ESG rating analyzes how well companies are managing risks related to the Environment, Social and Governance, and its 7 ratings range from the highest AAA to the lowest CCC.
- (Note 4) The ratio of properties with third party certifications is calculated by dividing the total rentable floor area of certified properties by that of all properties owned in Japan. Third party certification refers to the DBJ Green Building certification, CASBEE certification and BELS certification, etc.
- (Note 5) ★4 or higher refers to “4 or 5 stars in the DBJ Green Building certification”, “Rank A or S in the CASBEE Real Estate Evaluation”, “4 or 5 stars in BELS”. ★3 or higher refers to “3, 4 or 5 stars in the DBJ Green Building certification”, “Rank B+, A or S in the CASBEE Real Estate Evaluation”, “3, 4 or 5 stars in BELS” (as of the end of Jul 2023).

P.10 External growth (1/3) ~ Growth utilizing the comprehensive strength of AEON Group ~

- (Note) “Total pipeline” refers to the total amount of properties owned by the AEON Group and third parties, for which the Investment Corporation has submitted letter of intention to purchase in the past, and whose expiration date has not yet passed. The amount of the properties are based on the Investment Corporation’s desired purchase amount.

P.11 External growth (2/3) ~ Introduction of initiatives ~

- (Note) Based on securities report issued by United Super Markets Holdings Inc. dated May 22, 2023.

Notes (I)

P.12 External growth (3/3) ~ Development status of AEON MALL Ota expansion building ~

- (Note 1) The transfer of title, rights and obligation under the contract for the construction of the extension building to the Investment Corporation has not been determined and there is no guarantee that the acquirement will be carried out by the Investment Corporation. In addition, this preferential negotiation right is a right held by the Investment Corporation based on the floor expansion development agreement, and the Investment Corporation is not obligated to transfer the status or rights and obligations under the contract for the construction of the expanded building
- (Note 2) Based on press release issued by AEON MALL CO., Ltd. dated July 29, 2022.
- (Note 3) “Site of expansion building” is an image only and does not accurately represent the area or shape of the actual building.

P.13 Utilization of abundant cash-on-hand

- (Note 1) Depreciation amount for “Before properties acquisition” shows the sum of the expenses for the 19th FP actual and 20th FP actual, which is before the acquisition carried out on Feb. 1, 2023, and “After properties acquisition” shows the sum of the expenses for the 21st FP actual and 22nd FP forecast.
- (Note 2) Assumes an investment unit price 0.8 times the NAV per unit of 151,071 yen as of the end of the 21st FP.
- (Note 3) Calculated using approx. 2.2 bn yen of loan repayment, and approx. 2.7 bn yen of own investment unit acquisition and cancellation.

P.17 Finance ~ Upgrade of external credit rating ~

- (Note 1) Depreciation shows the sum of the expenses for the 2nd FP actual and 3rd FP actual, and the sum of the expenses for the 21st FP actual and the 22nd FP forecast respectively.
- (Note 2) “Loan capacity” is the approximate amount which can be borrowed if LTV (including security deposit) is raised to 50%. The said amount does not guarantee or promise that the Investment Corporation will actually be able to procure the said amount of funds.

P.18 Sustainability ~ Main topics of the 21st FP ~

- (Note 1) ★4 or higher refers to “4 or 5 stars in the DBJ Green Building certification”, “Rank A or S in the CASBEE Real Estate Evaluation”, “4 or 5 stars in BELS”. ★3 or higher refers to “3, 4 or 5 stars in the DBJ Green Building certification”, “Rank B+, A or S in the CASBEE Real Estate Evaluation”, “3, 4 or 5 stars in BELS” (as of the end of Jul 2023).
- (Note 2) The ratio of properties with third party certifications is calculated by dividing the total rentable floor area of certified properties by that of all properties owned in Japan. Third party certification refers to the DBJ Green Building certification, CASBEE certification and BELS certification, etc.
- (Note 3) MSCI is a financial services provider based in New York, USA. MSCI provides various tools to assist in investment decision making to institutional investors around the world, including asset managers, hedge funds and pension funds. The MSCI ESG rating analyzes how well companies are managing risks related to the Environment, Social and Governance, and its 7 ratings range from the highest AAA to the lowest CCC.

P.19 Summary as of 21st FP (Jul. 2023)

- (Note 1) Total acquisition price excluding expenses incurred when acquiring subject real estate etc. (brokerage fee, tax, etc.).
- (Note 2) Unrealized gain is calculated by deducting the book value as of the end of the 21st FP from the appraisal value as of the end of the 21st FP.

P.20 Stable growth during the pandemic of COVID-19

- (Note 1) “Transition of end tenant sales” represents the comparison rate of sales at domestic commercial facilities owned by the Investment Corporation as of the end of Jan. 2023 and the sales rate for each Jul. FP are calculated by comparing the record with FP Jul. 2019, and rate for each Jan. FP are calculated by comparing with FP Jan..
- (Note 2) Net sales of end tenants of Jun. 2023 and Jul. 2023 are calculated based on preliminary figures received through interviews with each master lessee.

II . AEON REIT's Strengths

AEON REIT's Strengths

External growth

▶ Investment in “Community Infrastructure Assets”

Investing in facilities responding to social changes and being supported by communities for a long time going forward.

▶ Pipeline support

Advantages of acquisition from abundant pipelines.

Internal growth

▶ Strong master lease agreement

Stable rent income based on Long-term and fixed master lease.

▶ Effective floor expansion and revitalization

Various measures aiming for strengthening competitiveness and maintaining and improving functions.

Financial strategy

▶ Funding stability

Realization of various procurement methods such as retail bonds and green finances.

Risk management

▶ Distribution stability

Improving resilience to natural disasters by utilizing earthquake insurance and reserve funds.

Strategic cash management

▶ Cash-on-hand generation capability

Promotion of investment making use of abundant cash-on-hand generated from depreciation.

▶ Flexible use of cash-on-hand

Choosing the best option based on the situation.

Sustainability

- ▶ **Aiming to achieve sustainable society and secure stable profits for AEON REIT from mid- to long-term perspective**

“Community Infrastructure Asset” localized successfully

Community Infrastructure Assets defined by AEON REIT

- ▶ A community platform offering a range of tenants that is visited by people on a daily basis.
- ▶ A facility that responds flexibly to changes in the needs for daily life and environment which enables continuous operation for a long time going forward.
- ▶ A facility essential to communities that offers a place for community development.

Environmentally friendly facility



Solar panels installed on the rooftop and walls help reduce the environmental burden.

Drive through and pick-up



Prepared a lane for drivers who want to pick up items ordered on the web.



Tenants visited by consumers on a daily basis



Meeting wide-ranging consumer needs such as a cinemas and food courts.

Tenants providing public services



Post office, nursery school, clinic, and other tenants providing public services.

Services matching with people's lifestyle



“Regi-go”: The shopping style without face-to-face communication and waiting at cash register.



Smooth checkout through the app "iAEON".

Place for local exchanges and community activities



Sale of locally produced products, events for local residents, workshops, MALL walking and various other events are held.



Used as a disaster control base



Signed disaster-relief cooperation agreement with Ground Self-defense Force and Japan Airlines.



Balloon shelter that becomes an evacuation space in the event of a disaster.

Points of the “Community Infrastructure Asset”

Location

Demographic change /
Trade area / Traffic access /
Competitive environment /
Development plan



Strength of trade area

Ex.

Trade Area

Trading area
population (Note 1)

approx.
440,000
(10km area)

Traffic access

Road Traffic (Note 2)
(AEON MALL Fukutsu)

approx.
43,000
(Hachioji Interchange on the
Chuo Expressway
Approx. 30,000)

Building Facility

Parking lot / Traffic line /
Equipment friendly
to Human and Environment /
Disaster prevention base



Robustness, Convenience

Ex.

Parking lot

Average number of
parking lots owned
by one commercial
facility (Note 3)

over **3,000**

Disaster prevention base

Comprehensive
cooperation agreement
with local government

100%
(Commercial facilities in Japan)

Operation

Customer attraction /
Operating performance /
Leasing / Public features



Various incentives to visit

Ex.

Occupancy rate

Occupancy rate
of end tenants (Note 4)

approx.
98%

Leasing

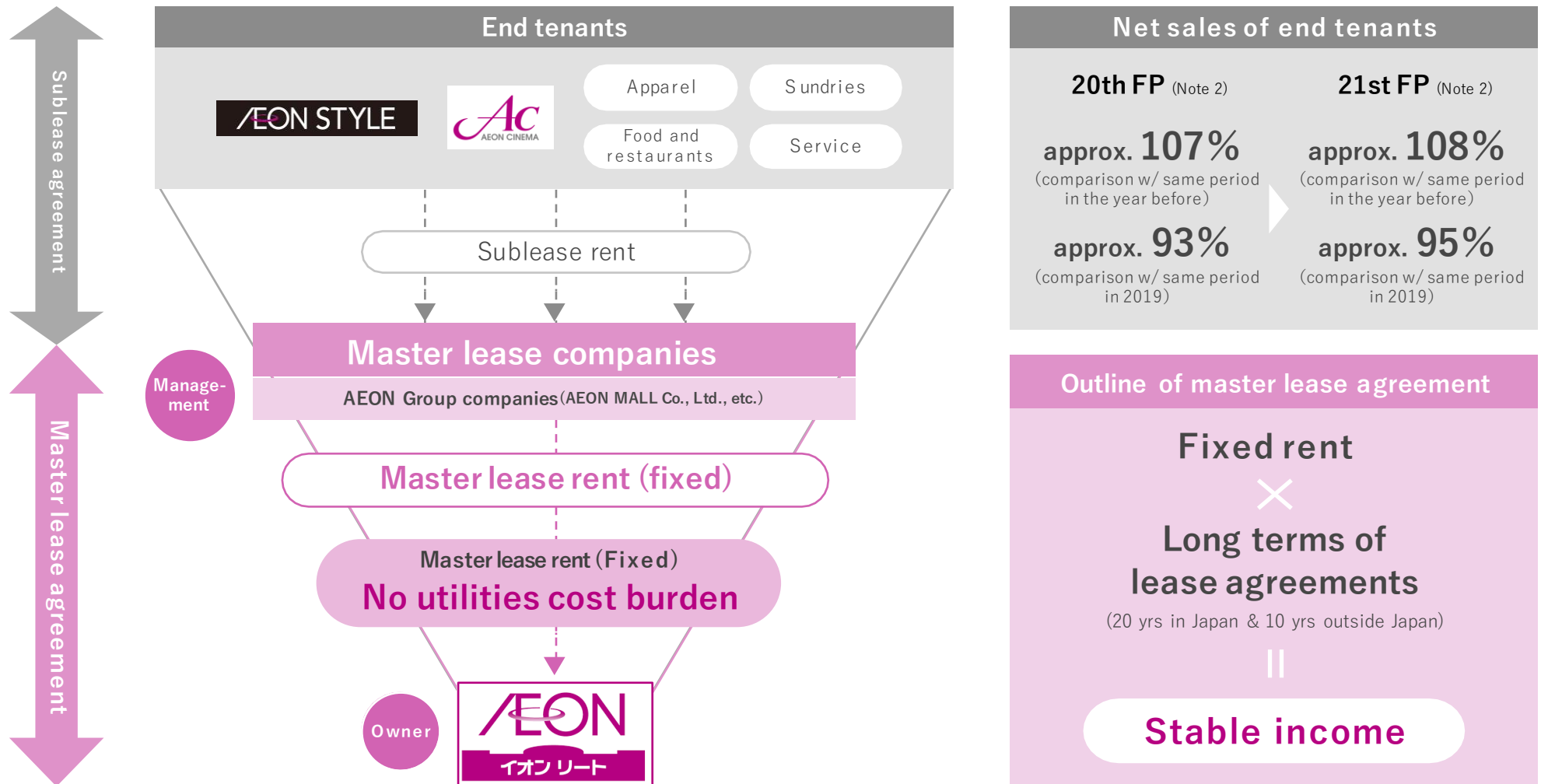
Total number of
commercial
facilities owned in
Japan

approx.
5,800 tenants

Stability of “Community Infrastructure Asset” and its rent

Acquiring top-class stores in each region, which are capable for responding to environmental changes, stable profit can be expected and have abundant neighborhood markets.

Stable rents are secured through master lease agreements based on fixed rents with AEON Group companies.



External growth ~Selective investments backed by Pipeline Support~

Through selective investments backed by Pipeline Support, AEON REIT acquires properties at adequate terms while maintaining the quality of the portfolio.

Track record of selective investments ~Quality of portfolio~

AEON REIT acquires only
approx. 30%
of properties considered

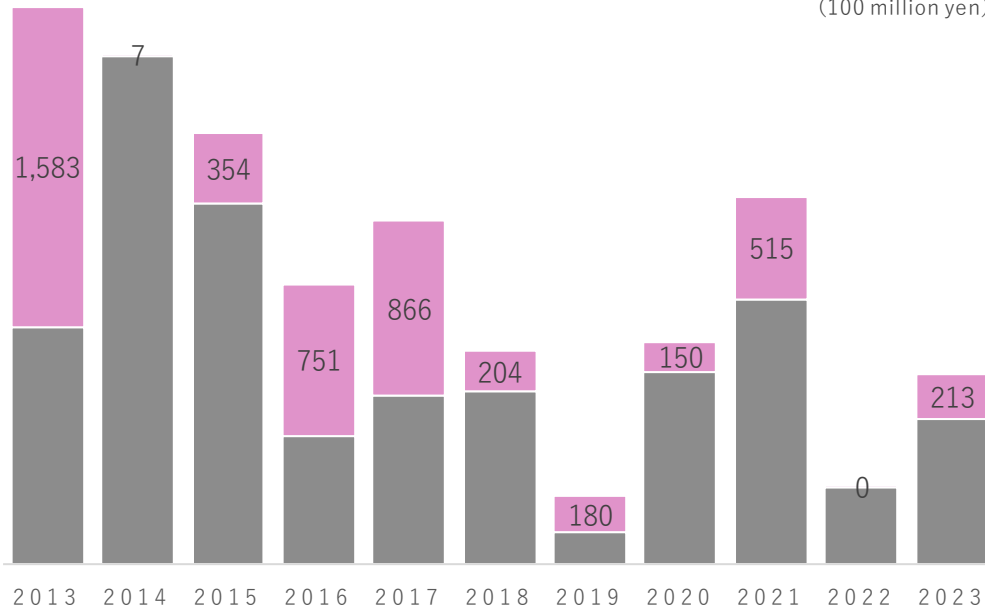
Track record of selective investments ~Adequate terms~

Ratio of one-on-one (exclusive) property acquisitions
100%

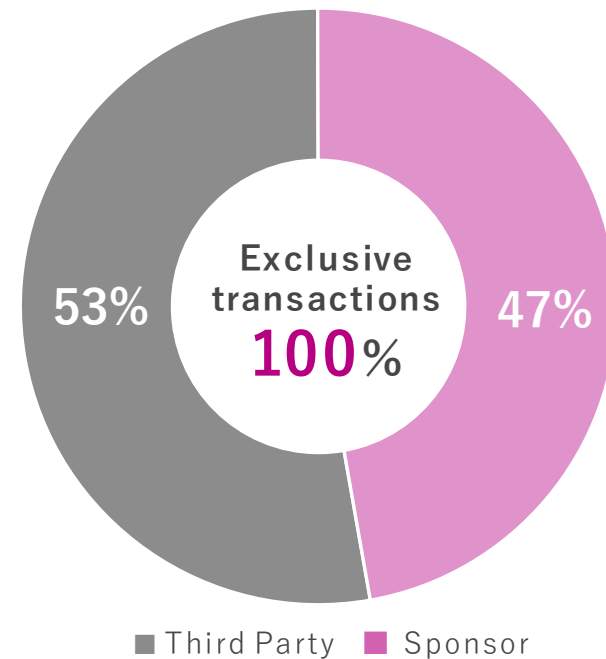
Ratio of acquisitions and no. of opportunities looked at

■ Postponement of acquisition ■ Acquired
(Note 1)

(100 million yen)



Acquisitions through one-on-one (exclusive) transactions (Note 2)



External growth ~Further growth backed by Pipeline Support~

AEON REIT can continuously acquire AEON Group's numerous properties.

The advantages of Pipeline Support

Opportunities provided from
AEON Group

×

Preferential
negotiation rights

×

Utilization of warehousing
function

Properties operated by Pipeline Support companies (Note 1, 2, 3)

Japan	AEON MALL Co., Ltd.	166 sc
	AEON TOWN Co., Ltd.	155 sc
	AEON RETAIL Co., Ltd., AEON RYUKYU Co., Ltd. AEON Hokkaido Co., Ltd., The Daiei, Inc. NEW AEON KYUSHU Co., Ltd. AEON TOHOKU Co., Ltd. United Super Markets Holdings Inc.	1,679 stores <small>(Note 4)</small> <small>(GMS · SM · DS · HC · SuC)</small>
	AEON GLOBAL SCM CO., LTD. AEON Food Supply CO., Ltd.	83 facilities
Overseas	AEON MALL Co., Ltd.	34 sc
	AEON CO. (M) BHD. AEON BIG (M) SDN. BHD.	63 stores <small>(GMS · SM · DS only)</small>



Total pipeline (Note 5)

¥260.0 bn

Internal growth ~Enhancing values of properties~

Achieving asset value improvement and increased rent by continuous value-up investments.

Strengthen property competitiveness

Large-scale renewal

- Major replacement of tenants in response to changes in the trade area

Floor expanding

- Enhancing motivation to visit the store by increasing number of tenants

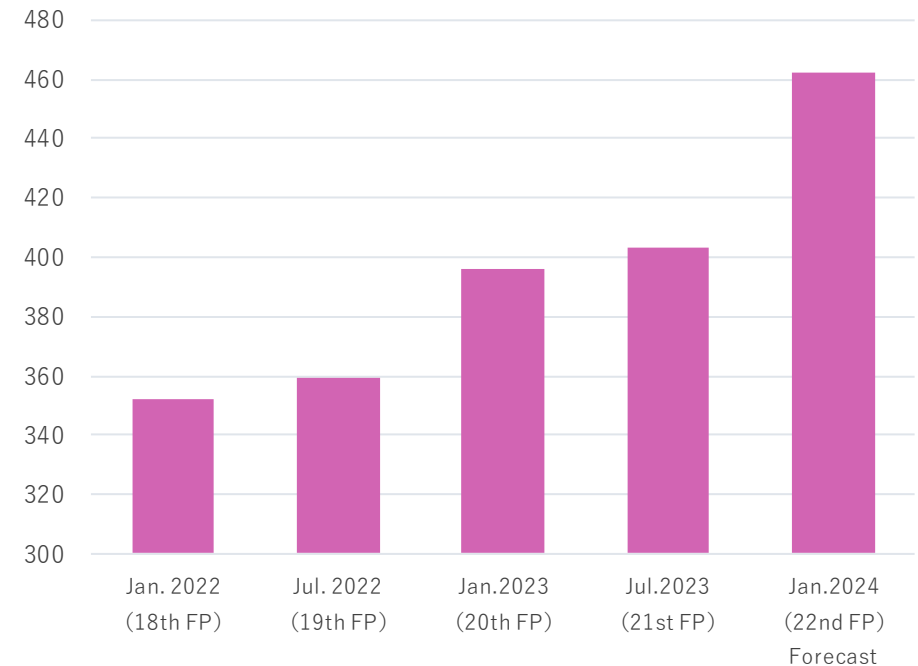


Cumulative amount of revitalization investment with rent increase (Note 1)

¥6.2 bn (as of Jul. 31, 2023)

Cumulative amount of annual rent increased by revitalization investments (Note 2)

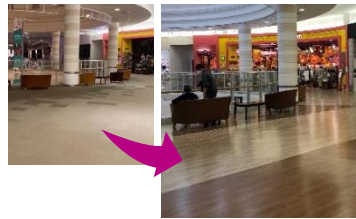
(Unit: mm yen)



Maintain and improve property functions

Equipment renewal work

- Energy efficiency improvement by introducing the latest equipment
- Improvement of customer comfort



Floor replacement work

Exterior wall construction

- Improvement of property image through exterior renewal



Exterior wall painting

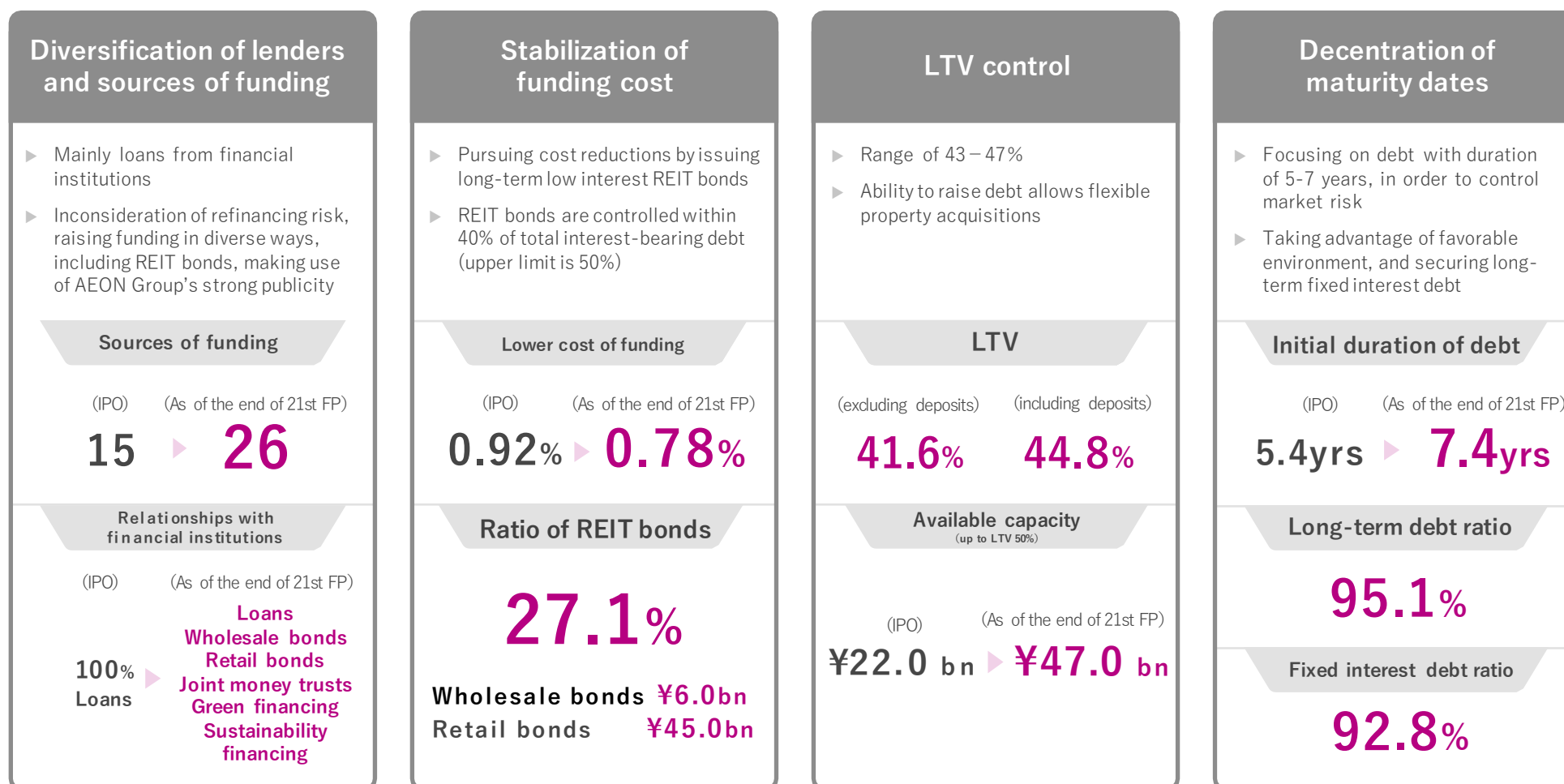
Disaster prevention / mitigation work

- Suppression and minimization of damage caused by earthquakes
- Early restoration of sales

Financial policy ~Stable funding~

Steadily working on securing stable funding in preparation for potential changes in the surrounding environment.

The 4 pillars of our stable funding (=A structure that enable us to receive funding at any time)



Financial strategy ~Financial management~

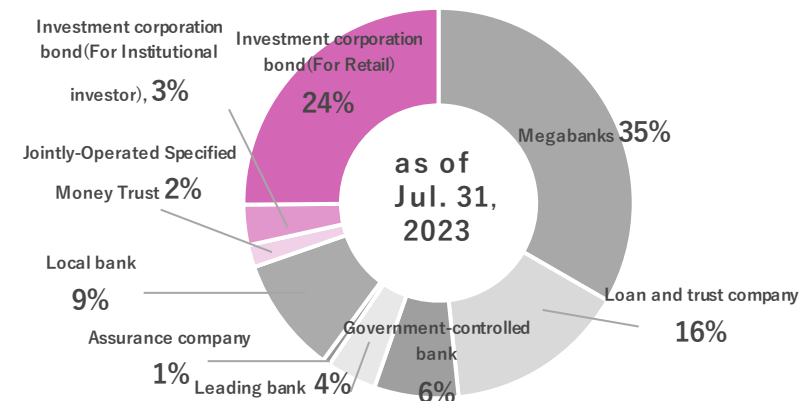
Financial management

	20th FP (Ended Jan. 2023)	21st FP (Ended Jul. 2023)
New borrowing amount (Note)	20.8billion	9.3billion
Interest-bearing debt balance	179.1billion	188.4billion
of which, investment corporation bonds	51.0billion	51.0billion
Initial period remaining	7.8yrs	7.4yrs
Avg. number of years remaining	4.4yrs	3.7yrs
Avg. cost of interest bearing debts	0.81%	0.78%
Ratio of long-term and short-term Debts	100.0%	95.1%
Fixed interest rate ratio	97.7%	92.8%
LTV (including deposits)	44.6%	44.8%
Available capacity (up to 50%)	Approx. ¥ 46.0 billion	Approx. ¥ 47.0 billion

Rating

Credit rating agency	Rating target	Rating	Outlook
Japan Credit Rating Agency	Long-term issuer rating	AA	Stable

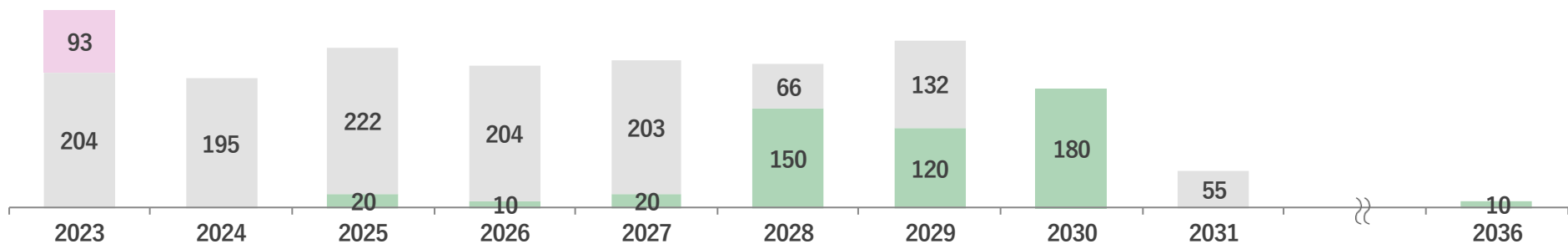
Breakdown of interest-bearing debt



Decentration of maturity dates (as of Jul. 31, 2023(21st FP))

(100 million yen)

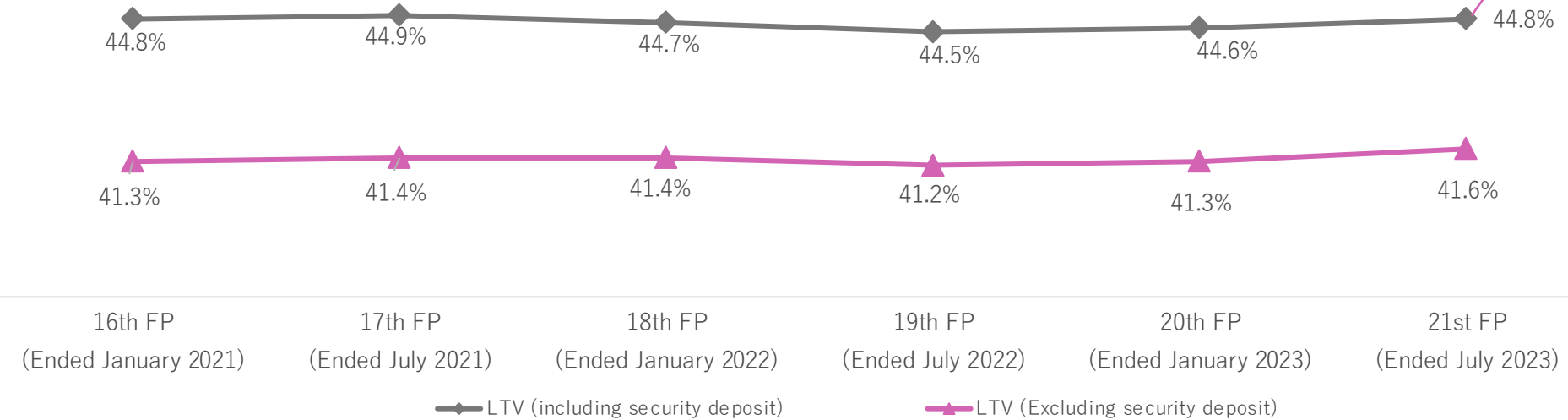
■ New debt financing ■ Existing Borrowings ■ investment corporation bonds



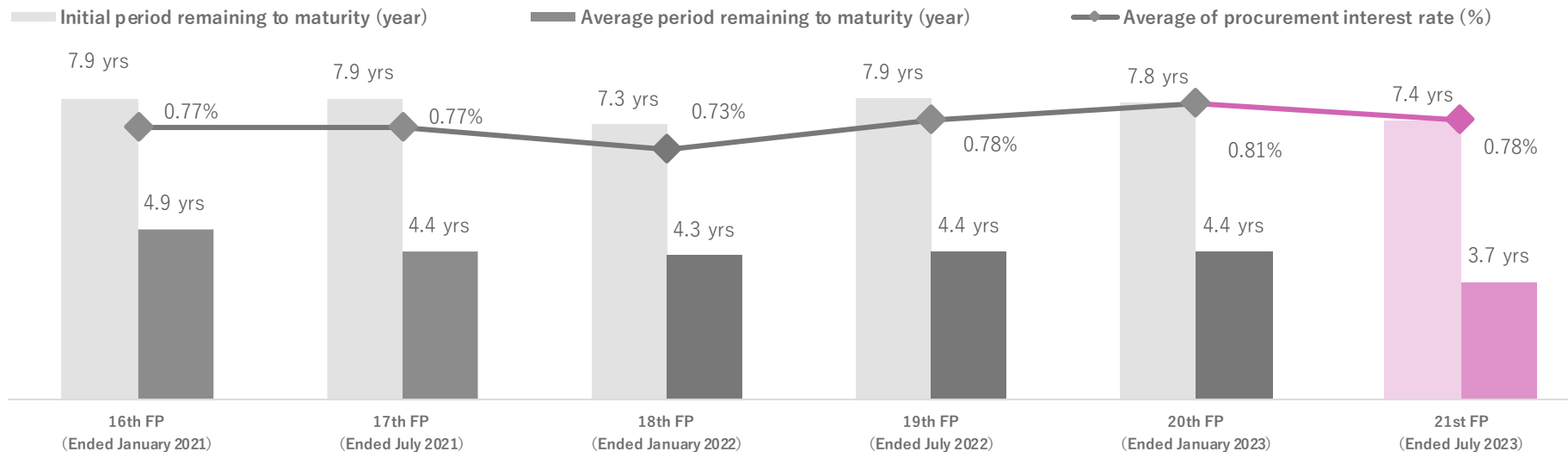
Financial strategy ~LTV&Cost trends~

LTV trends

Loan capacity (Note)
Approx. ¥47.0bn



Interest-bearing debt average financing period and cost trends



Risk management ~Resilient to natural disasters~

Growing into a REIT that is highly resistant to sudden disasters.

Diversified investment

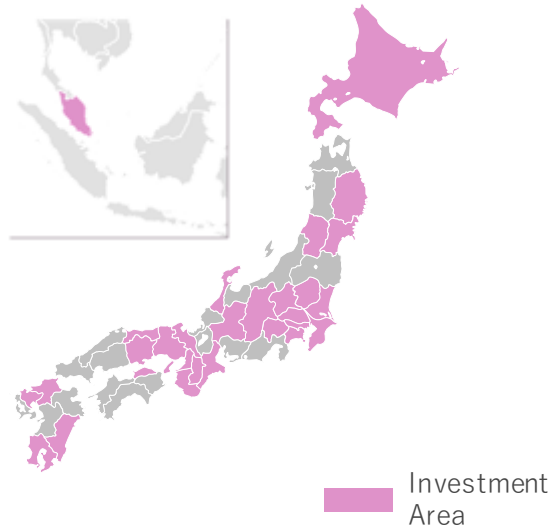
- ▶ Diversification of investment area and acquisition price per property

28 Prefectures

+

Malaysia

(As of Jul. 31, 2023)



Fire insurance and earthquake insurance coverage

- ▶ Guarantee earthquake insurance (content updated in 2022) for domestic portfolio
- ▶ Amount of insurance for earthquake insurance : **¥2.0** bn (immunity of **¥50** mm (Note 2))
- ▶ Fire insurance also covers wind and flood damage from typhoons and heavy rains
- ▶ Facility liability insurance also covers business indemnity

(As of Jul. 31, 2023)

<earthquake risk status>	PML (%)	Expected maximum loss
Domestic Portfolio PML (Note 3)	1.3%	approx. ¥5.2 bn

<earthquake risk status>	
Target property / Domestic owned properties	47 properties
Limit of payment (immunity of ¥50mm (Note 2))	¥2.0 bn
Insurance premium (annually)	¥436 mm

Abundant cash flow

- ▶ approx. **¥10.9** bn per year (Note 1) of cash-on-hand generated by depreciation expense can be utilized for natural disasters, etc.

Additions to reserve for dividends

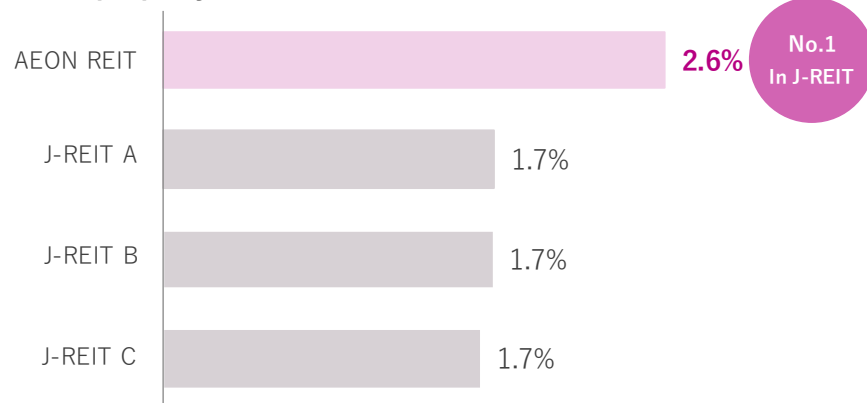
- ▶ Balance of distribution reserves at the end of 22nd FP : **¥374** mm (forecast)
- ▶ Planned to be utilized to maintain the stability of distributions when revenues decrease temporarily due to natural disasters and other causes

High ability of generating cash-on-hand

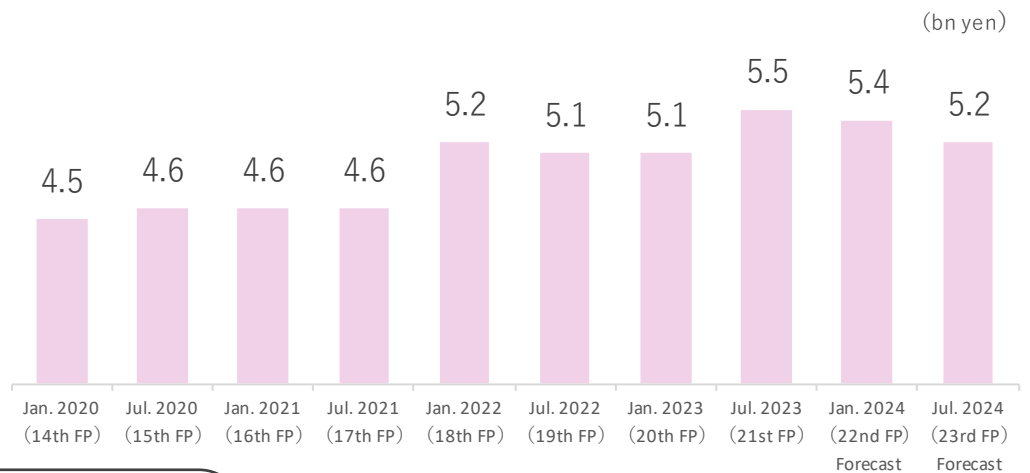
Realizing growth with abundant cash-on-hand generated by high depreciation rate among J-REIT

Depreciation expenses that is the source of cash-on-hand

Percentage of depreciation expense ratio to property book value (Note)



Transition of depreciation expenses



Source: Created by the Asset Management Company based on disclosure materials of listed J-REITs as of the end of July 2023.

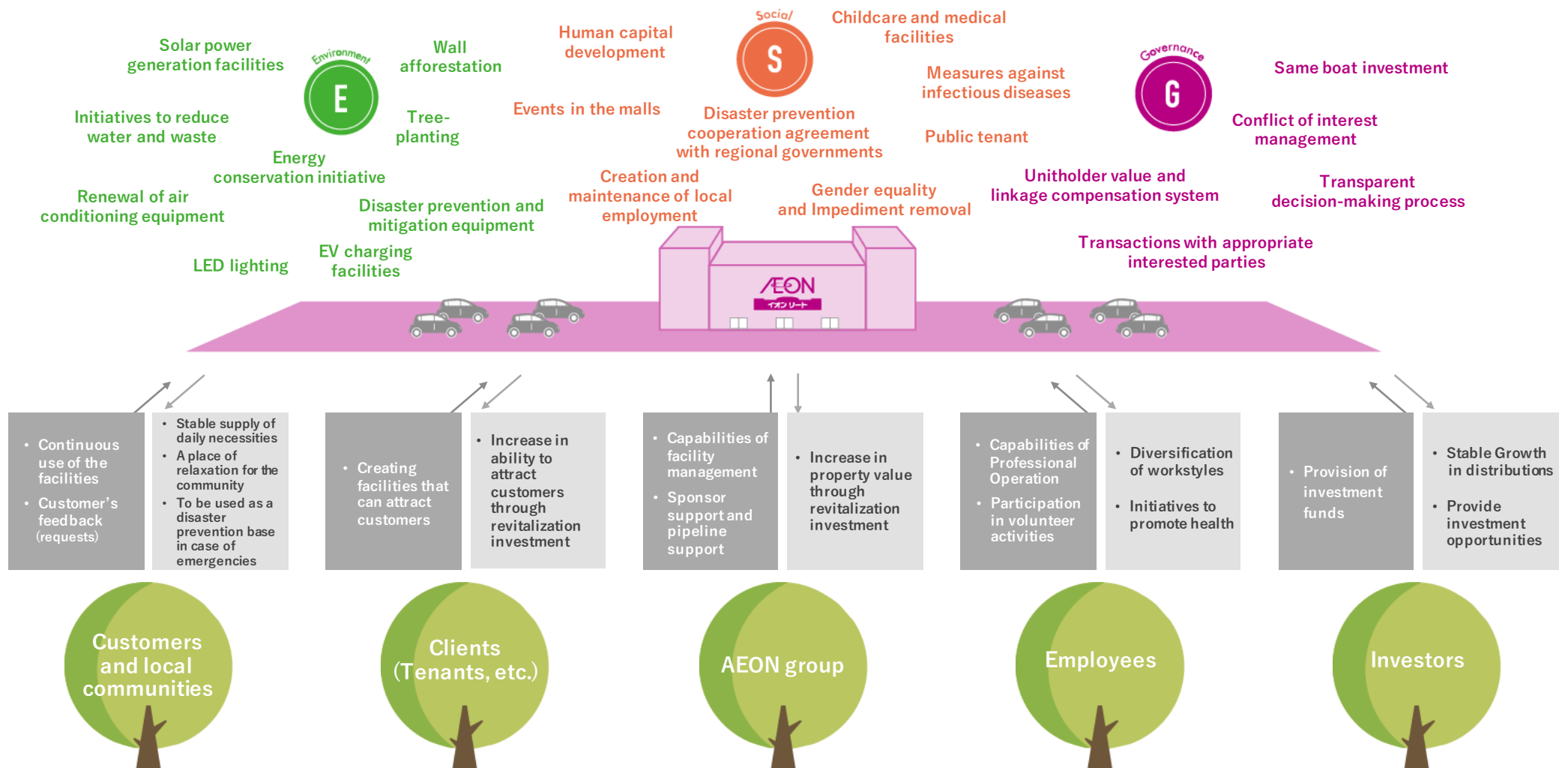
Examples of utilization of cash-on-hand



Sustainability Initiatives ~ AEON REIT ~

AEON REIT is promoting sustainable management by cooperating and enhancing each other with the stakeholders.

Received **5 Stars** (the highest rating) in the GRESB Real Estate Assessment 2022 (Note)

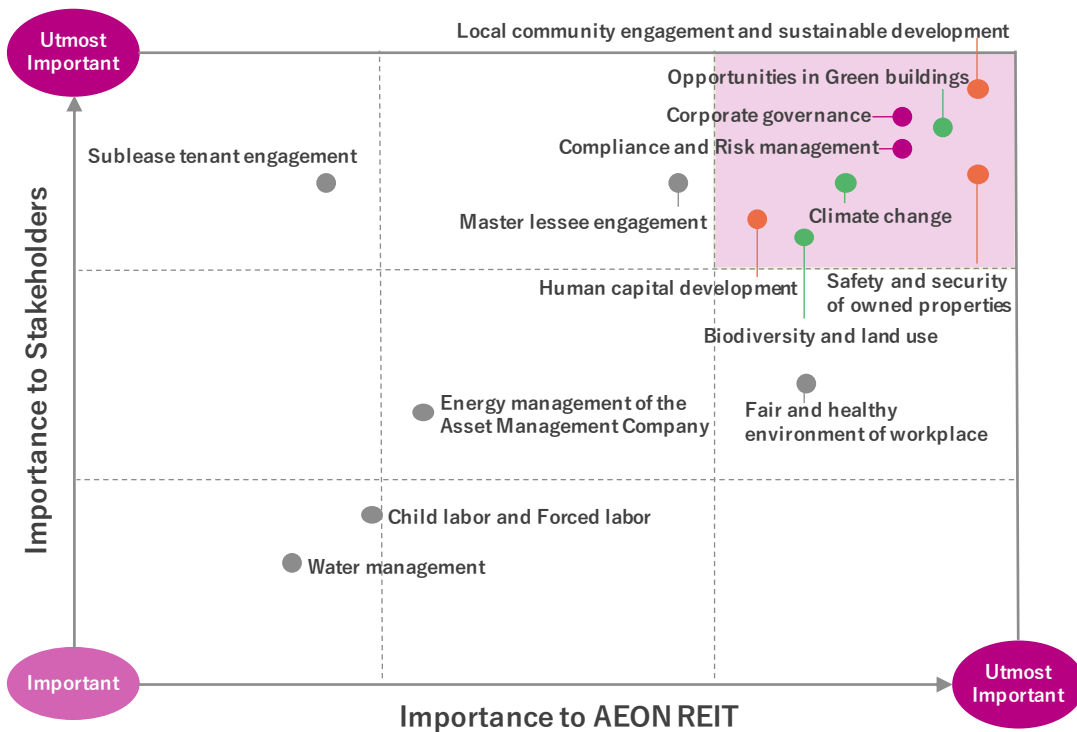


Sustainability Initiatives ~ Materiality ~

Materiality (Note 1) setting

- ▶ AEON REIT set **14** topics as its **Materiality** from sustainability issues and selected **8** as its **priorities**.
- ▶ AEON REIT will focus on 8 priorities for a while and consider specific measures and KPI for each topic.

Materiality Matrix (Note 2)



Priorities



Sustainability Initiatives ~ Environment ~

Environment

E

Reduction targets for energy consumption and CO2 emissions

AEON REIT aims to reduce the annual average of 1% of its energy consumption intensity and CO2 emission intensity in the medium and long term in the entire portfolio and individual property. As a target for FY 2019, AEON REIT aims to reduce 5% of energy consumption and CO2 emission for the five years from FY 2020 to 2024, compared to the figure of FY 2019.

Environment

E

Examples of initiatives for energy efficiency

AEON MALL Kurashiki

Attracting customers and conserving the environment at the same time



solar panel



tree-planting



wall afforestation



garden mist

Environment

E

Property certification

86.8% : Ratio of properties with
Third-party certification (Note)
(Based on total leasable area/as of Jul. 2023)

DBJ Green Building Certification



DBJ Green Building

31 properties



Jun. 2023

AEON MALL Wakayama
★★★★★ Acquisition

CASBEE Certification of real estate appraisal



S rank
4 properties
(highest rating)



Mar. 2023

AEON MALL Kagoshima
(Other 3 properties)

BELS Certification



★★★★ 1 property



Feb. 2020

AEON Minami-Osaka RDC

Sustainability Initiatives ~ Social ~

Social

S

Initiatives at owned properties

Employment retention



Continued operations despite COVID-19 pandemic and contributed to maintaining employment in the region

Offering disaster prevention bases



Offering facilities as evacuation and supply base in case of emergencies

Public tenants



Including public tenants, such as administration office.

diversity



Installed restrooms for everyone (Genderless)

Creating a place for local community



Various events such as mall walks and festivals are held.



Providing multipurpose hall "AEON Hall", which is used by local governments and various regional groups

Social

S

Initiatives of the asset manager

Creating a comfortable working environment



In 2022, the asset management company was acknowledged by the government (Ministry of the Economy) as a company focused on health and productivity

- ▶ Various initiatives for health promotion (Food and nutrition/Sleep seminar, etc.)
- ▶ Conducting employee satisfaction survey
- ▶ Conducting walking events
- ▶ Stress checks and arranging mental health training course
- ▶ Lessening overtime by complying thoroughly to the law
- ▶ Installation of Whistle blowing system
- ▶ Promotion of telework and off-peak commuting

Human Resource Development

- ▶ Utilizing Approx. 1% of the annual operating revenue of the Asset Management Company for human resource development
- ▶ Introduced skill and career development support system
- ▶ Providing variety of training courses for every employees

Type of training	NO.	qualification name	holders
Compliance	9 times	Real Estate Transaction Agent	17 people
Business	6 times	ARES Master	12 people
Safety and Health	7 times	Certified Real Estate Consulting Master	3 people
System and Others	18 times		
Total	40 times		

(As of the end of Jul. 2023)

(from Mar. 2022 to Feb. 2023)

Community contribution activities

- ▶ Conducting local cleanup programs for revitalization of local communities
- ▶ In addition to participating in various fundraising activities of the Aeon Group, donating to "AEON 1% Club Foundation" (Note) (FY2023 donation results: 13.5 mm yen)

Sustainability Initiatives ~ Governance and Others ~



Governance

Transparent decision-making process

- ▶ Added 1 executive to the Investment Corporation from Oct. 29, 2021. (4 in total)
- ▶ Attendance and approval of outside committee members is required to pass resolutions.



Investment committee



Compliance committee

Investment remuneration system linked to investor value

Investment remuneration I

Total assets x 0.3% (max. rate, yearly)



Investment remuneration II

Before deduction DPU x NOI x 0.001% (max. rate)

Same boat investment by AEON Group

AEON Group's stake in AEON REIT:
approx.17.3%
 (as of Jul. 2023)

Sustainable finance

Sustainability finance

“The highest”
SU1 acquisition (JCR)

Sustainability bonds (Retail) **¥18.0** billion

Sustainability loan (including Sustainability Derivatives) **¥5.1** billion

Green finance

“The highest”
Green1 acquisition (JCR)

Green bonds (Retail) **¥ 12.0** billion

Green trust loan **¥ 3.3** billion

Impact report FY2020

1. Energy consumption (electricity, gas) and Green house gas emission rate

	Classification			Electricity (kWh, kWh/m ²)	Gas (m ³ , m ³ /m ²)	Greenhouse gas (t-CO ₂ , t-CO ₂ /m ²)
	properties		total			
Qualified assets	properties	29	total	447,966,601	1,716,276	189,191
	%	72.5%	intensity	151	0.6	0.0639
Non-qualified assets	properties	11	total	102,520,051	2,363,400	49,346
	%	27.5%	intensity	194	4.5	0.0936

2. Name of properties applicable for sustainability finance and social projects

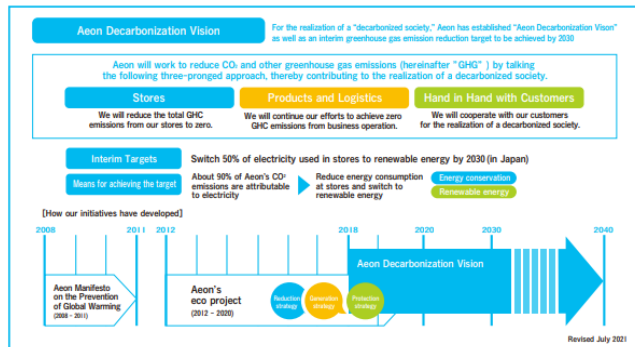
Applicable properties	Social projects applicable for finance	①(a) Total no. of employees	②(b) Disaster prevention agreement
AEON MALL Ishinomaki	①(a) Facilities that are sufficiently creating local employments	Approx. 1,400	Concluded
AEON MALL Mitouchihara	②(b) Facilities that are able to supply necessary resources and evacuation space at the time of disaster by concluding a disaster prevention agreement with a local government	Approx. 3,490	Concluded
AEON MALL Shinkomatsu		Approx. 2,300	Concluded

Sustainability Initiatives ~ AEON GROUP ~

Aeon strives to ensure Group growth while helping to realize a sustainable society in accordance with the basic principle of pursuing peace, respecting humanity, and contributing to local communities, always with the consumer's point of view as its core.

AEON Decarbonization vision

Switching **50%** of the electricity used in stores in Japan to renewable energy **by 2030**



Clear policies for each field

Established basic group policies for each field based on social demands.

- Sustainable Procurement Policy
- Plastic Usage Policy
- Aeon Basic Policy
- Human Rights Policy
- Biodiversity Principle
- Information Security Policy
- Comprehensive partnership agreements
- Health management statement
- AEON COVID-19 Protocol for Infectious Disease Control
- Food waste reduction targets

BCM

- ▶ In cooperation with **the Japan's Self Defense Force** and **Japan Air Line**
- ▶ Target: **100** temporary local shelters (65 locations as of the end of Feb. 2022)



Diversity

2025 Target **Female managers ratio 50%**
(26.2% as of the end of Feb. 2023)



Management message

MANAGEMENT MESSAGE

President and Representative Director
Nobuaki Seki



AEON REIT Investment Corporation has reached its 21st FP leveraging its strength of “Stable DPU” and “Growth potential utilizing comprehensive strength of AEON group” although the environment surrounding not only rising interest rate, but also various operating costs is changing.

Toward the Mid-term target announced in Sep. 2022, the Investment Corporation made one step ahead with the target of Stabilized DPU and Asset size by acquiring 2 new properties “AEON MALL Wakayama” and “AEON MALL Miyakonojo Ekimae” in 2023.

In addition, with regards to the long-term issuer rating target issued by Japan Credit Rating Agency has been improved from AA- (positive) to AA (stable) in recognition of our past performance. The Investment Corporation also achieved its third-party certification acquisition rate target set as sustainability target.

We will continue to promote initiatives and show steady progresses toward Mid-term target to meet your expectations and to be evaluated.

Thank you for your continuous support.

Carrer

Joined Jusco Co., Ltd. (currently, AEON Co. Ltd.) in 1988. He was seconded to JAYA JUSCO STORES (currently, AEON Malaysia) in 1995. Since 2000, Mr. Seki engaged in the management of the Group's overseas companies and assignments related to Asian businesses and developer business strategies. He became deeply involved in the establishment of AEON Reit as an Auditor and a Director of the Company in 2012 and 2013, respectively. After gaining his career as an Executive Officer of AEON Retail Co., Ltd. while concurrently serving as the General Manager of Developer Department and General Manager of President's Office, he was appointed Director of the Company in 2018. Representative Director of AEON Reit Management Co., Ltd. and Executive Director of AEON REIT Investment Corporation since 2019.

Career



Director
Akifumi Togawa

1996 Joined AEON Co., Ltd. (formerly JUSCO Co., Ltd.) .
2012 Started overseeing the overall financial affairs from the time before listing as the Manager of the Finance Group,
2018 General Manager of the Finance and Planning Department of AEON Reit Management Co., Ltd.
2019 Director of AEON Reit Management Co., Ltd.
2021 May Director in charge of Investment Management and Asset Management

Career



Director
Yoshiki Kashimura

1989 Joined The Dai-Ichi Kangyo Bank, Ltd. (the current MizuhoBank, Ltd.)
2003 Joined risk management department
2018 Appointed as Deputy General manager, Risk Management Department, in Mizuho Financial Group.
2019 Joined AEON Reit Management Co., Ltd. as Compliance officer and Compliance manager
2021 May Director of AEON Reit Management Co., Ltd.

Career



Director
Itaru Toyoshima

1997 Joined Nomura Securities
2014 Joined AEON Reit Management Co., Ld.
2015 Manager of IR and Planning Group, Finance and Planning Department
2018 General Manager of the Business Administration Department
2020 Seconded to the Strategy Department of AEON Co., Ltd.
2021 Secretary and Communications
2022 Secretary and External relations
May 2023 Director in charge of Finance and Accounting at AEON Reit Management Co., Ltd.

Notes (II)

P.27 Points of the “Community Infrastructure Asset”

(Note 1) Estimated with 36 properties listed in marketing report out of 40 domestically owned SRSC and RSC.

(Note 2) Excerpted from the daytime 12hour motor vehicle traffic amount mentioned in “the 2021 National Road and Street Traffic Conditions Survey and Market Report”.

(Note 3) Estimated with 40 domestically owned properties including SRSC and RSC.

(Note 4) “End tenant occupancy” is the ratio of the actual leased area(sublease area), which deducted vacant floor area from total leasable area, to the total leasable area (mater lease area) for the domestic retail facilities owned by the Invest Corporation (in total 44 facilities) calculated based on the preliminary figures provided by each mater lessee (as of the end of Jul. 2023).

P.28 Stability of “Community Infrastructure Asset” and its rent

(Note 1) Net sales of end tenants (20th FP) represents the comparison rate (with same months in the year before and in 2019) of the total amount of end-tenant sales from Aug. 2022 to Jan. 2023 at domestic commercial facilities owned by the Investment Corporation as of the end of Jan. 2023.

(Note 2) Net sales of end tenants (21st FP) represents the comparison rate (with same months in the year before and in 2019) of the total amount of end-tenant sales from Feb. 2023 to Jul. 2023 at domestic commercial facilities owned by the Investment Corporation as of the end of Jan. 2023. Net sales of end tenants of Jun. 2023 and Jul. 2023 are calculated based on preliminary figures received through interviews with each master lessee.

P.29 External growth ~Selective investments backed by Pipeline Support~

(Note 1) “Not acquired” refers to the properties which AEON REIT ended up not acquiring in the period, due to various reasons such as pricing, economic terms and conditions, timing of financing after consideration and discussion with the seller.

(Note 2) Calculated based on the number of transactions related to assets acquired by the end of Jul. 2023.

P.30 External growth ~Further growth backed by Pipeline Support~

(Note 1) Excerpts from the supplements to the financial results of AEON Co., Ltd. for the fiscal period ended Feb. 2023 (excluding AEON MALL Co., Ltd., AEON TOWN Co., Ltd., AEON GLOBAL SCM Co., Ltd., AEON Food Supply LTD and United Super Markets Holdings Inc.), corporate websites (AEON MALL Co., Ltd., AEON TOWN Co., Ltd., AEON Food Supply LTD and United Super Markets Holdings Inc.), and data provided by AEON GLOBAL SCM Co., Ltd. (for the fiscal period ended Jul. 2023).

(Note 2) SC, GMS, SM, DS, HC and SuC stand for “Shopping Center”, “General merchandise store”, “Supermarket”, “Discount store”, “Home center”, and “Supercenter”, respectively.

(Note 3) This does not imply that AEON REIT is currently considering the acquisition of these properties.

(Note 4) Some of these stores are operating as tenants in the shopping centers managed by AEON MALL or AEON TOWN.

(Note 5) “Total pipeline” refers to the total amount of properties owned by the AEON Group and third parties, for which the Investment Corporation has submitted letter of intention to purchase in the past, and whose expiration date has not yet passed. The amount of the properties are based on the Investment Corporation’s desired purchase amount.

P.31 Internal growth ~Enhancing values of properties~

(Note 1) “Revitalization investment” refers to construction work for improving the value of properties.

(Note 2) Calculated based on the information of the assets held at the end of Jul. 2023 (21st FP).

P.33 Financial strategy ~Financial management~

(Note) Includes refinancing (excluding bridge loans) and debt procurement related to acquisition of new properties.

P.34 Financial strategy ~LTV&Cost trends~

(Note) “Loan capacity” is the approximate amount which can be borrowed if LTV (including security deposit) is raised to 50%. The said amount does not guarantee or promise that the Investment Corporation will actually be able to procure the said amount of funds.

Notes (II)

P.35 Risk management ~Resilient to natural disasters~

(Note 1) Shows the total estimated depreciation expenses for the fiscal period ending Jul. 31, 2023 (21st FP) and the fiscal period ending Jan. 31, 2024 (22nd FP).

(Note 2) Immunity of AEON Lake Town mori and AEON Lake Town kaze is set as ¥30 mm.

(Note 3) PML values are based on the "48 Property Building Earthquake Risk Research Portfolio Analysis Report" prepared by Tokio Marine dR CO., Ltd. In Dec. 2022.

P.36 High ability of generating cash-on-hand

(Note) The top 4 J-REITs high ratio (annualized) of actual depreciation expenses divided by intangible fixed assets + tangible fixed assets are listed. Investment corporation with total assets of 100 billion yen or more in the most recent fiscal year announced by the end of Jul. 2023 are filtered when making the graph, and also amount of expenses used for calculations are quoted from the latest FP of each corporations.

P.37 Sustainability Initiatives ~AEON REIT~

(Note) GRESB refers to the annual benchmark certifications that measure ESG considerations of real estate companies and funds, as well as the organization operating the certifications. The GRESB Real Estate Certification is a 5 level rating based on the global ranking of the total score. The same shall apply hereinafter.

P.38 Sustainability Initiatives ~Materiality~

(Note 1) Materiality refers to key issues that may cause huge impact to the activities of the corporation.

(Note 2) Materiality Matrix refers to the prioritization matrix which shows "how important the corporation recognize the issue".

P.39 Sustainability Initiatives ~Environment~

(Note) The ratio of properties with third party certifications is calculated by dividing the total rentable floor area of certified properties by that of all properties owned in Japan. Third party certification refers to the DBJ Green Building certification, CASBEE certification and BELS certification, etc.

P.40 Sustainability Initiatives ~Social~

(Note) AEON 1% Club Foundation is a foundation in which major Aeon Group companies contribute 1% of their pre-tax profits for the healthy upbringing of young people who will lead the next generation, the promotion of friendship with other countries, and the promotion of sustainable development of local communities.

P.39 Sustainability Initiatives ~Environment~

P.40 Sustainability Initiatives ~Social~

P.42 Sustainability Initiatives ~AEON Group~

(Note) Information listed on above pages collectively describes the ESG initiatives of the Investment Corporation, the AssetManagement Company and AEON Group, and includes those not directly related to the Investment Corporation or the Asset Management Company.

21st FP (Jul. 2023) Financial Results Presentation Material

III. Appendix 1

Features of AEON REIT Investment Corporation

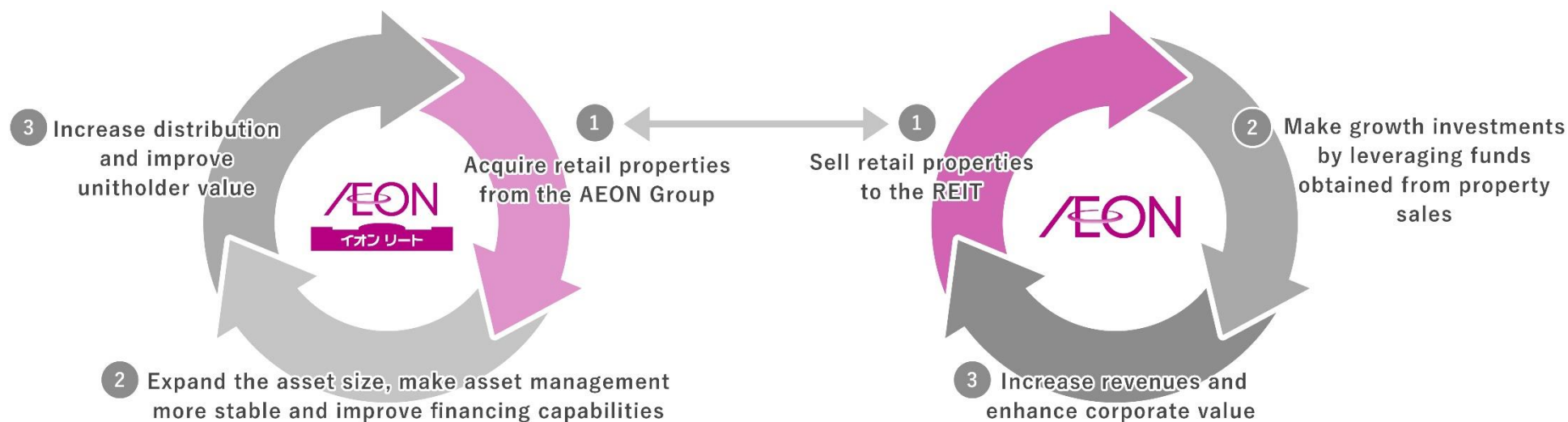
Corporate philosophy and policy

Corporate philosophy

- ▶ AEON REIT positions retail properties (Note 1) as **the Community Infrastructure Assets** of local communities and invests in those properties to support the rich life of people living there.
- ▶ AEON REIT aims to create **a rich life for people** and **contribute to local communities** through investment activities and implements stable asset management on a medium- to long-term basis.

Corporate policy

- ▶ AEON REIT carries out a growth strategy based on the policy of maintaining a mutually beneficial relationship with the AEON Group (Note 2), thereby aiming to maximize value for unitholders.



Portfolio development policy

Investment ratio by type of properties

Type of properties		Investment ratio <small>(Note 1)</small>
Large-scale retail property	1 Super regional shopping center (SRSC) : More than one anchor tenant with over 200 specialty stores	80% or more
	2 Regional shopping center (RSC) : A large GMS with over 50 specialty stores	
	3 Community shopping center (CSC) : A GMS, discount store and large grocery store with 20 to 50 specialty stores	
Other retail property <small>(small- and medium-scale)</small>	Neighborhood shopping center (NSC) : A grocery store with 10 to 30 specialty stores Supermarket (SM) : A grocery supermarket with a focus on the selling of high purchase frequency commodities, such as food and household good	No more than 20%
Logistics facility	Logistics facilities that support a supply chain, an integral part of the retail business	No more than 10%

Investment ratio by region

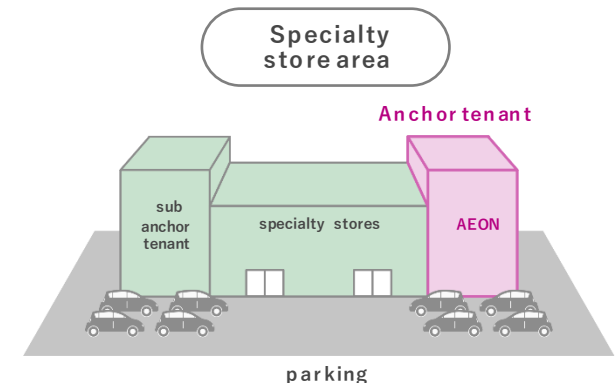
Domestic

Ratio :
**85%
or more**

Overseas

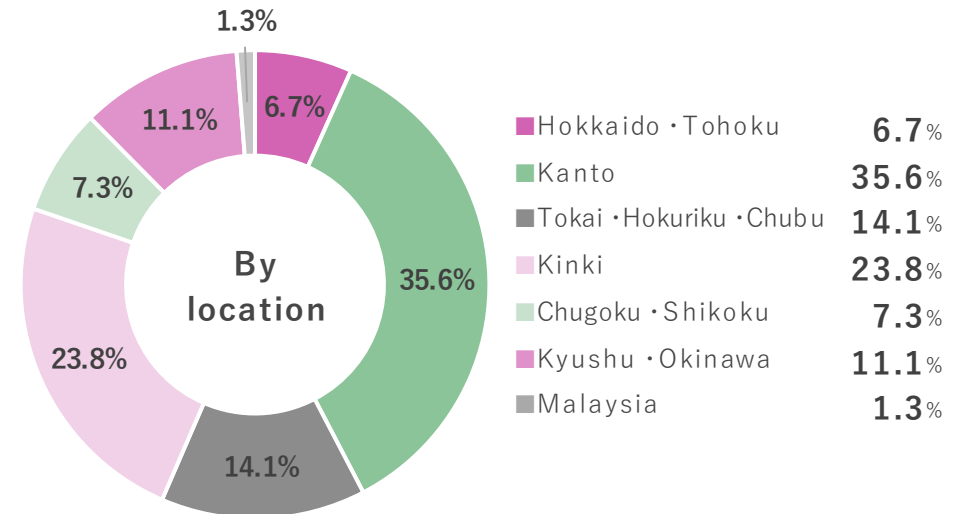
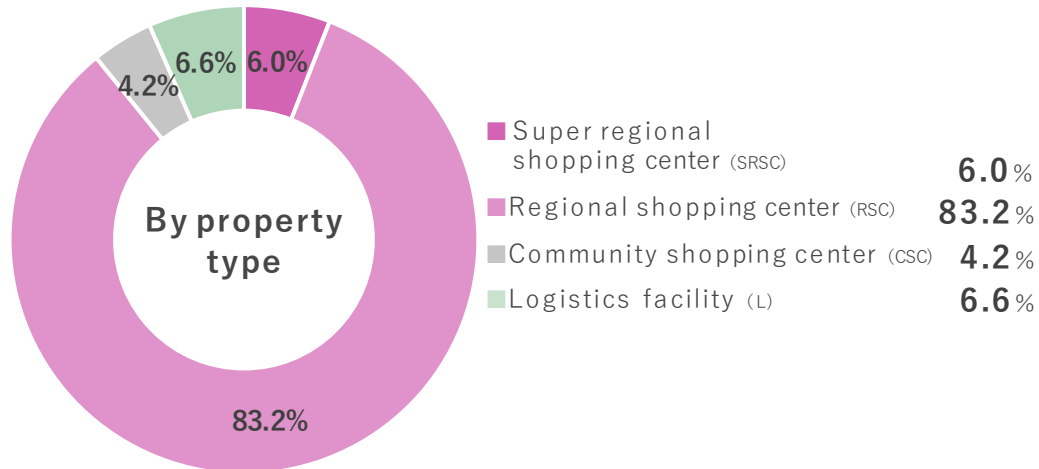
Ratio :
**No more than
15%**

(Countries and regions with strong economic growth prospects in the medium to long term (Note 2, 3))



Summary of portfolio (as of Jul. 31, 2023)

Portfolio data



Summary of portfolio

Number of properties	49 (Domestic 47, Overseas 2)
Total acquisition price	¥468.3bn
Portfolio appraisal NOI yield	6.2%
Portfolio appraisal NOI yield after depreciation	3.9%
Average remaining lease term	13.1 yrs
Average building age	18.0 yrs

Properties owned by AEON REIT (As of Jul. 31, 2023)

Tokai, Chubu and Hokuriku **8** properties

- 6 AEON MALL Ogaki (Ogaki City, Gifu)
- 7 AEON MALL Suzuka (Suzuka City, Mie)
- 8 AEON MALL Meiwa (Taki County, Mie)
- 20 AEON MALL Yokkaichi-Kita (Yokkaichi City, Mie)
- 23 AEON MALL Kofu Showa (Nakakoma County, Yamanashi)
- 29 AEON MALL Kahoku (Kahoku City, Ishikawa)
- 4 AEON Ueda Shopping Center (Ueda City, Nagano)
- 36 AEON MALL Shinkomatsu (Komatsu City, Ishikawa)

Kyushu and Okinawa **5** properties

- 13 AEON MALL Nogata (Nogata City, Fukuoka)
- 27 AEON MALL Kagoshima (Kagoshima City, Kagoshima)
- 32 AEON MALL Fukutsu (Fukutsu City, Fukuoka)
- 37 AEON MALL Sagayamato (Saga City, Saga)
- 39 AEON MALL Miyakonojo Ekimae (Miyakonojo City, Miyazaki)



Malaysia **2** properties

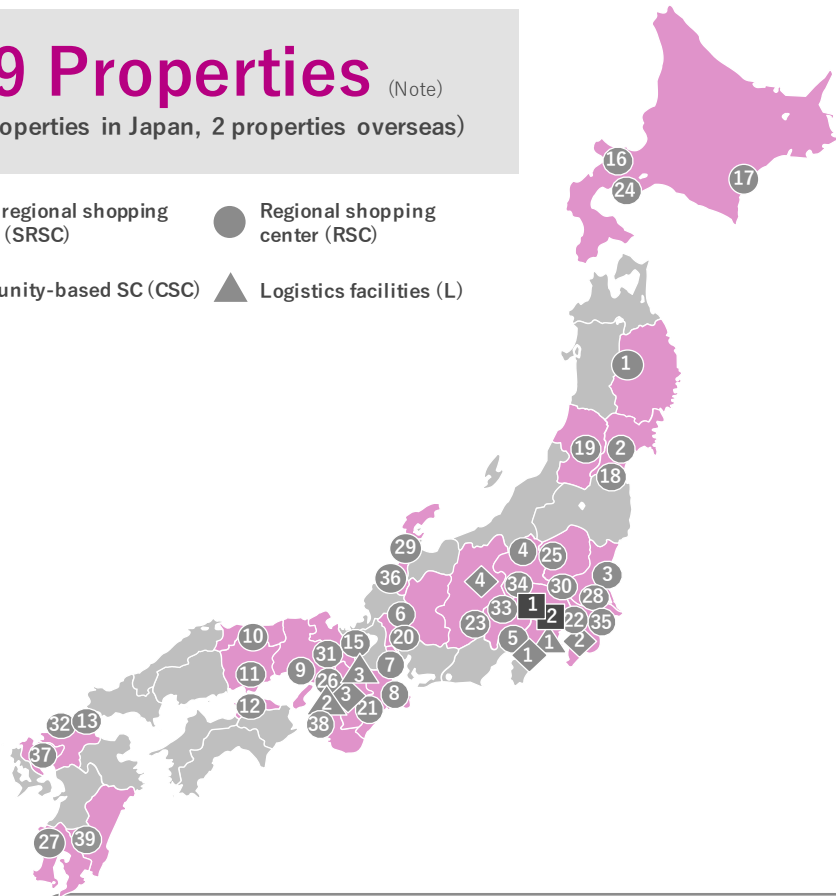


- M-1 AEON Taman Universiti Shopping centre (Johor, Malaysia)
- M-2 AEON MALL Seremban 2 (Negeri Sembilan, Malaysia)

49 Properties

(47 properties in Japan, 2 properties overseas)

- Super regional shopping center (SRSC)
- Regional shopping center (RSC)
- ◆ Community-based SC (CSC)
- ▲ Logistics facilities (L)



Hokkaido and Tohoku **7** properties

- 1 AEON MALL Morioka (Morioka City, Iwate)
- 2 AEON MALL Ishinomaki (Ishinomaki City, Miyagi)
- 16 AEON MALL Sapporo-Hiraoka (Sapporo City, Hokkaido)
- 17 AEON MALL Kushiro-Showa (Kushiro City, Hokkaido)
- 18 AEON MALL Shinrifu North Wing (Miyagi County, Miyagi)
- 19 AEON MALL Yamagata-Minami (Yamagata City, Yamagata)
- 24 AEON MALL Tomakomai (Tomakomai City, Hokkaido)

Kanto **15** properties

- 1 Aeon Lake Town mori (Koshigaya City, Saitama)
- 2 Aeon Lake Town kaze (Koshigaya City, Saitama)
- 3 AEON MALL Mitouchihara (Mito City, Ibaraki)
- 4 AEON MALL Ota (Ota City, Gunma)
- 5 AEONSagamihara Shopping Center (Sagamihara City, Kanagawa)
- 22 AEON MALL Chiba-Newtown (The shopping mall building and The cinema and sports building) (Inzai City, Chiba)
- 25 AEON MALL Oyama (Oyama City, Tochigi)
- 28 AEON MALL Tsuchiura (Tsuchiura City, Ibaraki)
- 30 AEON MALL Shimotsuma (Shimotsuma City, Ibaraki)
- 33 AEON MALL Tamadaira woods (Hino City, Tokyo)
- 1 AEON Chigasaki-Chuo Shopping Center (Chigasaki City, Kanagawa)
- 2 AEON STYLE Kemigawahama (Chiba City, Chiba)
- 1 Daiei-Kawasaki Process Center (Kawasaki City, Kanagawa)
- 34 AEON MALL Takasaki (Takasaki City, Gunma)
- 35 AEON MALL Narita (Narita City, Chiba)

Kinki, Chugoku and Shikoku **12** properties

- 9 AEON MALL Kasai-Hojo (Kasai City, Hyogo)
- 10 AEON MALL Hiezu (Saihaku County, Tottori)
- 11 AEON MALL Kurashiki (Kurashiki City, Okayama)
- 12 AEON MALL Ayagawa (Ayauta County, Kagawa)
- 15 AEON MALL KYOTO (Kyoto City, Kyoto)
- 21 AEON MALL Yamatokoriyama (Yamatokoriyama City, Nara)
- 26 AEON MALL Itamikoya (Itami City, Hyogo)
- 31 AEON MALL Kyoto Gojo (Kyoto City, Kyoto)
- 3 AEON Kireuriwari Shopping Center (Osaka City, Osaka)
- 2 AEON Minami-Osaka RDC (Sakai City, Osaka)
- 3 Daiei Ibaraki Process Center (Ibaraki City, Osaka)
- 38 AEON MALL Wakayama (Wakayama City, Wakayama)



Expansion of asset size since listing

the 6th follow-on offering



AEON MALL Takasaki
(¥17.1bn)



AEON MALL Narita
(¥14.0bn)



AEON MALL Shinkomatsu
(¥15.3bn)



AEON MALL Sagayamato
(¥3.7bn)

the 7th follow-on offering

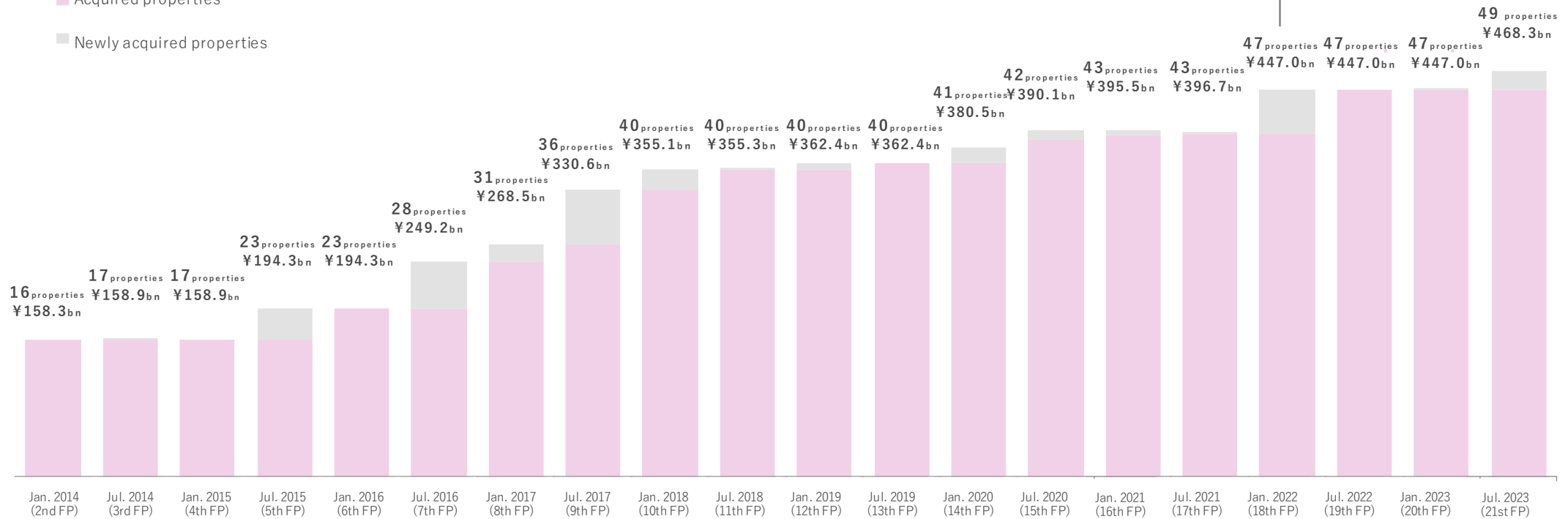


AEON MALL Wakayama
(¥16.8bn)



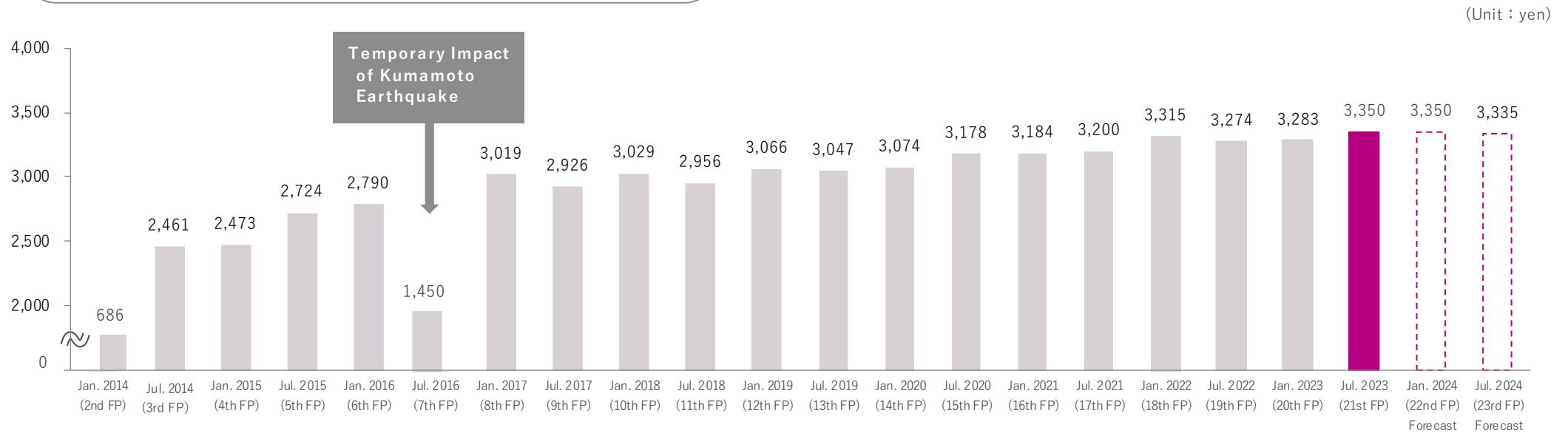
AEON MALL Miyakonojo Ekimae
(¥4.4bn)

- Acquired properties
- Newly acquired properties

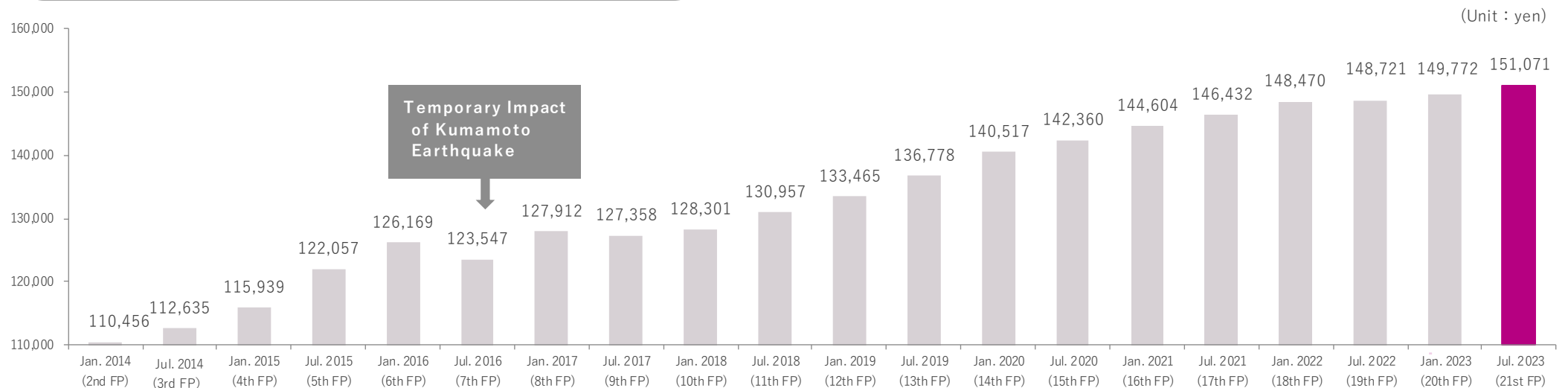


Growth of DPU and NAV per unit

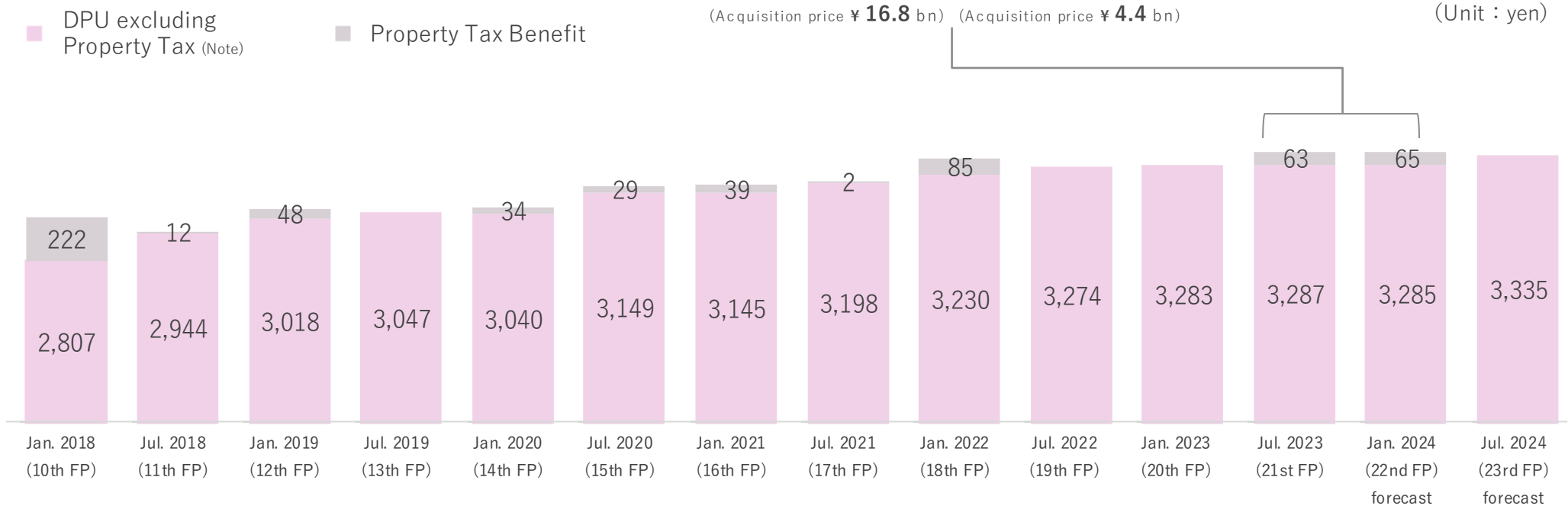
Changes in DPU



Changes in NAV per unit



Transition of Property Tax Benefit from asset acquisition



“Property Tax Benefit”

- ▶ Fixed asset and city planning taxes that are imposed on owners of real estate as of January 1st each year. Paid by both the seller and buyer of real estate according to the period of hold during the year in which the selling and buying transaction is conducted.
- ▶ Distribution increases in the year of transaction because the tax paid by the buyer is capitalized and not booked as expenses for the year. The expenses are posted from the payment period in the following year.

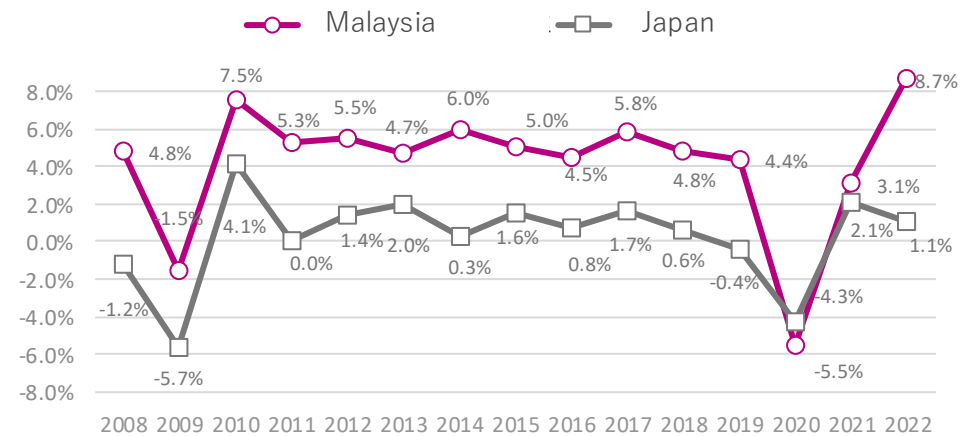
Overview of overseas properties

Acquired properties from AEON Malaysia, which has been operating locally for about 40 years. Rents are CPI-linked and reflecting Malaysia's growth potential.

About the properties



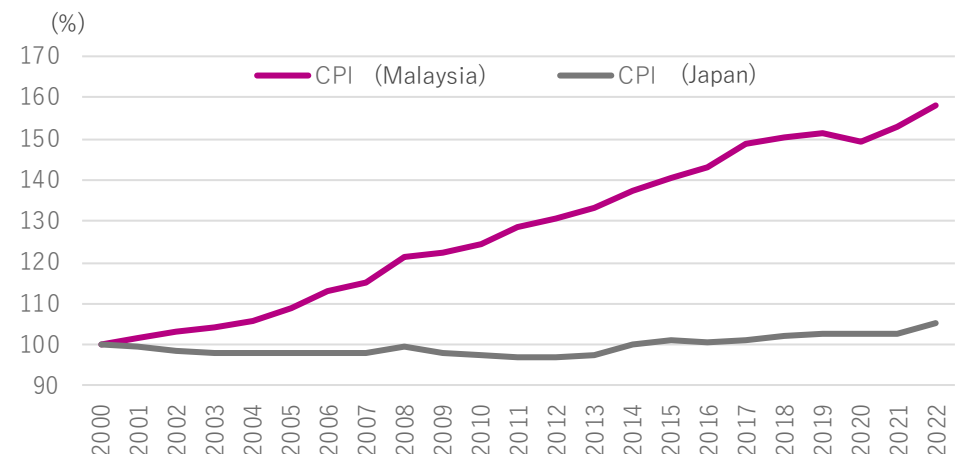
GDP growth rate of Japan and Malaysia (Note 2)



Details of the master lease agreement



Changes in CPI in Malaysia and Japan (Note 3)



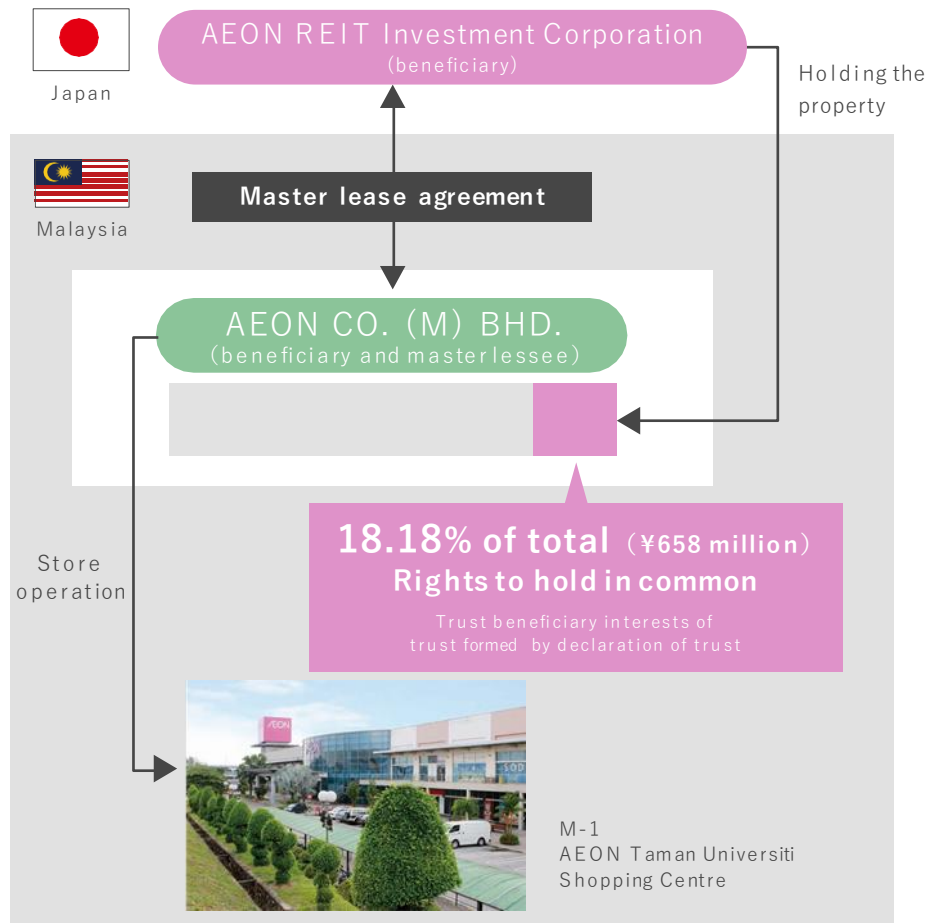
About AEON Malaysia (AEON Co. (M) BHD)

- ▶ Founded in 1984 and has been operating in Malaysia for about **40 years**.
- ▶ **Have been listed** on the Kuala Lumpur Stock Exchange **since 1996**.
- ▶ **Operates 28 malls, generating operating income 4,141 million RM.** (¥114.2 bn at 27.59 yen to 1 RM) (Note 1)

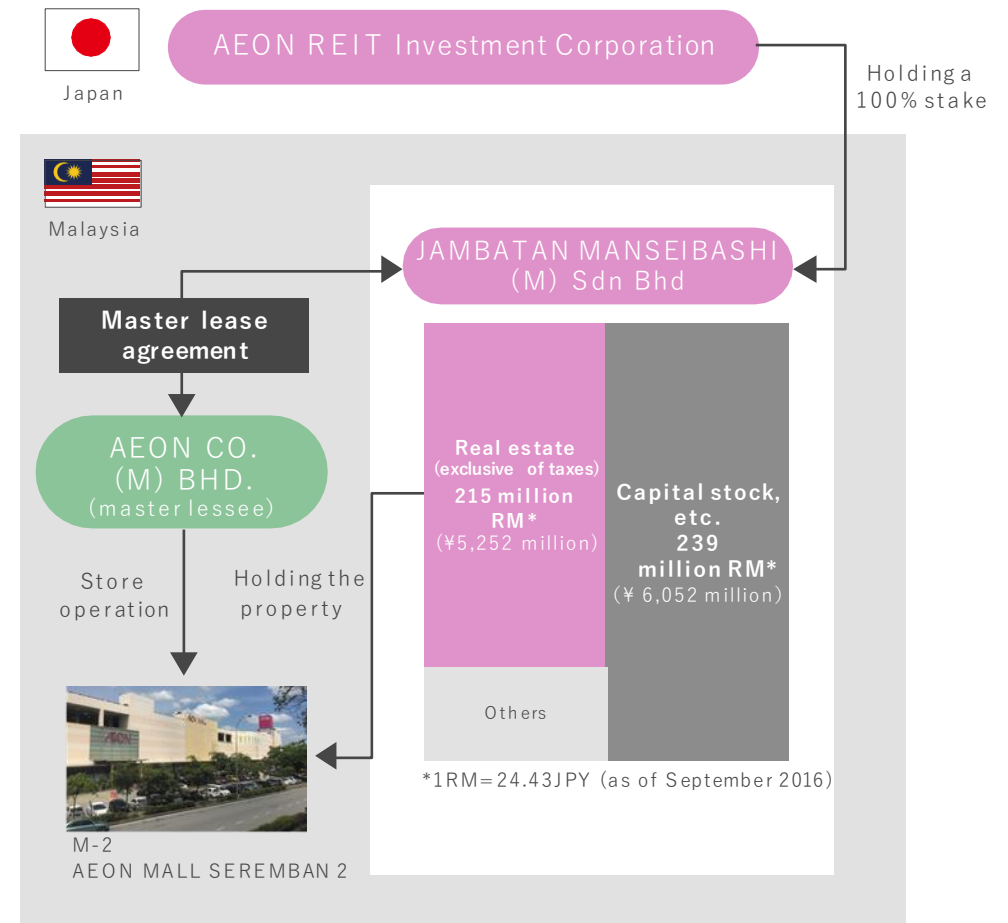
Schemes for acquisition of overseas properties

“Declaration-of-trust scheme” was utilized in the J-REIT’s first overseas investment case in Jun. 2014. “Overseas SPC scheme” was also utilized as second case for AEON REIT in Sep.2016.

Declaration-of-trust scheme (acquired in June 2014)

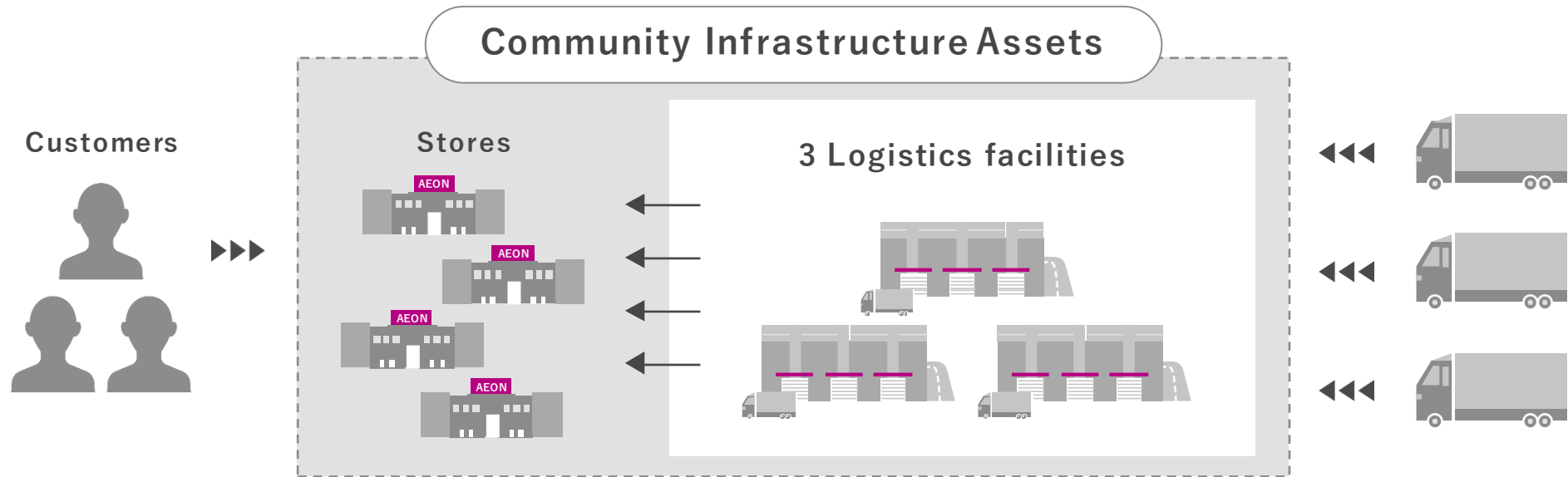





Overseas SPC scheme (acquired in September 2016)



Overview of logistics facilities

Invested in logistics facilities, supporting commercial distribution. Currently own 3 properties. Seek to incorporate growth potential and profitability in AEON Group's overall supply chain.



Type of facility	merchandise	Function	Kanto region	Kansai region
Process Center(PC)	Fresh food	<p>■ Fresh food processing center</p> <p>Producing and processing fresh food on behalf of each store and supplying raw materials for cooking at each store.</p>	 <p>Daiei-Kawasaki Process Center</p>	 <p>Daiei-Ibaraki Process Center</p>
Regional Distribution Center(RDC)	High rotation products	<p>■ Inventory storage base</p> <p>Mainly used as an ordinary temperature facility, responsible for temporary storage and supply of goods frequently replenished at each store.</p>		 <p>AEON Minami-Osaka RDC</p>

About AEON Group (1/3) ~ Pipeline support ~

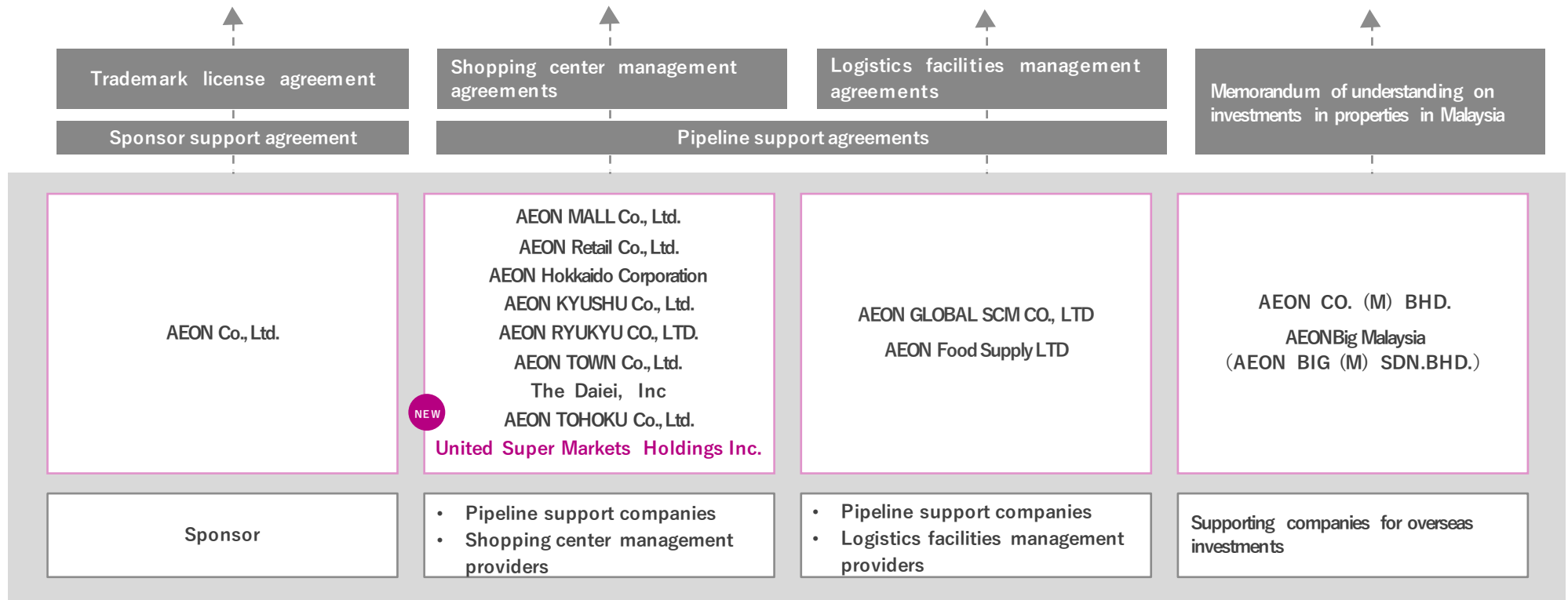
Supported by 14 companies from AEON Group and fully utilizing the Group synergy.

Major supports to be provided

- ▶ Provision of information on properties owned by AEON REIT.
- ▶ Grant of preferential negotiation rights on the retail properties operated by AEON Group.
- ▶ Provision of information on potential sales of properties owned by third parties.



AEON REIT Investment Corporation / AEON REIT Management Co., Ltd



About AEON Group (2/3) ~ Overview of the group ~

Numerical data

(Note1)



Total
17,817
stores / locations

- GMS 620 stores
- DS 605 stores
- CVS 2,039 stores
- Other 1,431 stores
- NSC 154 locations
- Services 2,049 locations
- Tasmanian farm 1 locations
- SM 2,309 stores
- HC 119 stores
- Specialty stores 4,447 stores
- MALL-type SC 271 locations
- financials services 596 locations
- Drug stores 3,176 stores

Consolidated operating revenue

9.1 tn yen

Group employees

570,000

AEON Finance Service
Number of consolidated card members

48.2 million

Businesses fields



Market positioning (Note 3)

(Unit: USD million)

Ranking	Company name	Head office	Amount of sales
1	Walmart Stores	United States	572,754
2	Amazon.com	United States	469,822
3	CVS health	United States	292,111
4	Costco	United States	195,929
5	Schwarz Group	Germany	156,209
17	AEON	Japan	78,155
18	LVMH Moët Hennessy-Louis Vuitton S.A.	France	75,920

About AEON Group (3/3)

~ Major large-scale retail properties (including facilities under development) ~

- Major Shopping Centers developed by AEON Group
- Major Shopping Centers currently under development

Chugoku and Shikoku

- AEON MALL Tottorikita
- AEON Matsue Shopping Center
- AEON MALL Izumo
- AEON MALL Okayama
- AEON MALL Hiroshima Fuchu
- AEON MALL Hiroshima Gion
- THE OUTLETS HIROSHIMA
- AEON TOWN Houfu
- AEON MALL Tokushima
- AEON MALL Takamatsu
- AEON MALL Niihama
- AEON MALL Imabarishintoshi
- AEON MALL Kochi

- Tottori City, Tottori
- Matsue City, Shimane
- Izumo City, Shimane
- Okayama City, Okayama
- Aki County, Hiroshima
- Hiroshima City, Hiroshima
- Hiroshima City, Hiroshima
- Hofu City, Yamaguchi
- Tokushima City, Tokushima
- Takamatsu City, Kagawa
- Niihama City, Ehime
- Imabari City, Ehime
- Kochi City, Kochi

Kinki

- AEON MALL Kusatsu
- AEON MALL Kyoto Katsuragawa
- AEON MALL Rinkusennan
- AEON MALL Dainichi
- AEON MALL Osaka Dome City
- AEON MALL Shijonawate
- AEON MALL Sakaiteppoucho
- AEON MALL Fujiidera SC
- AEON MALL Kobeminami
- AEON MALL Kashihara

- Kusatsu City, Shiga
- Kyoto City/Mukou City, Kyoto
- Sennan City, Osaka
- Moriguchi City, Osaka
- Osaka City, Osaka
- Shijonawate City/Neyagawa City, Osaka
- Sakai City, Osaka
- Fujiidera City, Osaka
- Kobe City, Hyogo
- Kashihara City, Nara

Kyushu and Okinawa

- THE OUTLETS KITAKYUSHU
- AEON MALL Fukuoka
- AEON MALL Yahatahigashi
- AEON Daito Shopping Center
- AEON Yatsushiro Shopping Center
- AEON MALL Sankoh
- AEON MALL Miyazaki
- AEON MALL Okinawa Rycom

- Kitakyushu City, Fukuoka
- Fukuoka City, Fukuoka
- Kitakyushu City, Fukuoka
- Sasebo City, Nagasaki
- Yatsushiro City, Kumamoto
- Nakatsu City, Oita
- Miyazaki City, Miyazaki
- Nakagami County, Okinawa

To kai and Hokuriku

- AEON MALL Takaoka
- AEON MALL Tonami
- AEON MALL Shin-Komatsu
- AEON MALL Hakusan
- AEON MALL Kakamigahara
- AEON MALL Toki
- AEON MALL Hamamatsuichino
- AEON MALL Toyokawa

- Takaoka City, Toyama
- Tonami City, Toyama
- Komatsu City, Ishikawa
- Hakusan City, Ishikawa
- Kakamigahara City, Gifu
- Toki City, Gifu
- Hamamatsu City, Shizuoka
- Toyokawa City, Aichi

- AEON MALL Odaka
- AEON MALL Nagoya Chaya
- AEON MALL Nagoya Noritake Garden
- AEON MALL Fuso
- AEON MALL Tokoname
- AEON MALL Nagakute
- AEON MALL Toin
- AEON MALL Tsu minami

- Nagoya City, Aichi
- Nagoya City, Aichi
- Nagoya City, Aichi
- Niwa County, Aichi
- Tokoname City, Aichi
- Nagakute City, Aichi
- Inabe County, Mie
- Tsu City, Mie

Hokkaido and Tohoku

- AEON MALL Around Asahikawa Station
- AEON MALL Shimoda
- AEON MALL Moriokaminami
- AEON MALL Natori
- AEON MALL Shinrifu South Wing
- AEON MALL Akita
- AEON MALL Tendo
- AEON MALL Iwakionahama
- (tentative name) AEON MALL Kita Fukushima

- Kamikita County, Aomori
- Morioka City, Iwate
- Natori City, Miyagi
- Rifu-cho, Miyagi
- Akita City, Akita
- Tendo City, Yamagata
- Iwaki City, Fukushima
- Date City, Fukushima

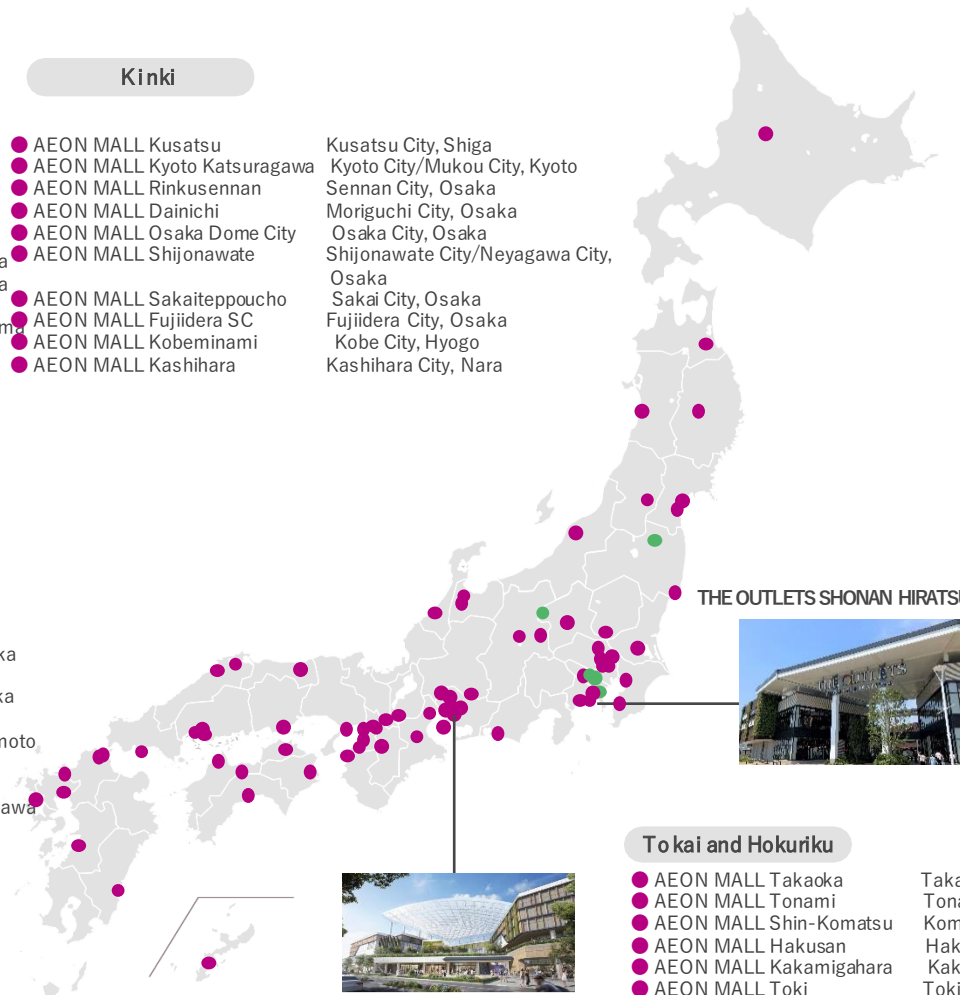
Kanto and Koushinetsu

- AEON MALL Tsukuba
- AEON MALL Sanoshintoshi
- AEON MALL Urawamisono
- AEON MALL Hanyu
- AEON MALL Kasukabe
- AEON MALL Yono
- AEON MALL Ageo
- AEON MALL Kawaguchi
- AEON MALL Makuhari New City
- AEON MALL Kisarazu
- (tentative name)

- Tsukuba City, Ibaraki
- Sano City, Tochigi
- Saitama City, Saitama
- Hanyu City, Saitama
- Kasukabe City, Saitama
- Saitama City, Saitama
- Ageo City, Saitama
- Kawaguchi City, Saitama
- Chiba City, Chiba
- Kisarazu City, Chiba

- Hachioji North Interchange
- AEON MALL Hinode
- JIYUGAOKA de aone
- AEON Hadano Shopping Center
- AEON MALL Zama
- THE OUTLETS SHONAN HIRATSUKA
- (tentative name) AEON MALL Yokohama Nishiguchi
- AEON MALL Niigataminami
- AEON MALL Sakudaira
- AEON MALL Matsumoto
- (tentative name)
- AEON MALL Suzaka

- Hachioji City, Tokyo
- Nishitama County, Tokyo
- Meguro Ward, Tokyo
- Hadano City, Kanagawa
- Zama City, Kanagawa
- Hiratsuka City, Kanagawa
- Yokohama City, Kanagawa
- Niigata City, Niigata
- Saku City, Nagano
- Matsumoto City, Nagano
- Suzaka City, Nagano



AEON MALL Toyokawa

Notes (III)

P.47 Corporate philosophy and policy

(Note 1) Refers to retail properties, logistics facilities and related facilities. Retail properties refer to facilities containing retail businesses and other merchandising businesses, entertainment and amusement facilities and other facilities that attract customers (including parking lots and equipment and systems for logistics). Logistics facilities refer to warehouses and other storage facilities for the distribution and transport of merchandise and other goods.

(Note 2) Refers to the group comprised of the holding company AEON CO., LTD. And its 301 consolidated subsidiaries and 27 equity-method associates (as of Feb. 28, 2023).

P.48 Portfolio policy

(Note 1) Calculated based on acquisition prices.

(Note 2) Indicates such as Malaysia in the ASEAN region and China.

(Note 3) ASEAN indicates Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia.

P.50 Properties owned by AEON REIT (As of Jul. 31, 2023)

(Note) The number of properties is calculated including AEON MALL SEREMBAN 2, which AEON REIT owns through the Overseas SPC..

P.53 Transition of Property Tax Benefit from asset acquisition

(Note) The “DPU excluding Property Tax Benefit” is a figure excluding the amount of “Property Tax Benefit” from actual DPU and partly include dividend reserve.

The “ DPU excluding Property Tax Benefit ” for the period ending July 31, 2023 (21st FP) and January 31, 2024 (22nd FP) are the amount deducting the figure calculated by dividing Property Tax Benefit by the number of investment units outstanding from actual DPU.

“DPU excluding Property Tax Benefit” is forecast figure anticipated by AEON REIT Investment Corporation as of the publication date of this document, which is not an indicator specified by generally accepted corporate accounting standards, nor has it been audited by an accounting auditor. The estimated amount should not be considered as a substitute for other indicators presented in accordance with generally accepted accounting principles. AEON REIT Investment Corporation does not guarantee or promise its achievement.

P.54 Overview of overseas properties

(Note 1) Created by the Asset Management Company based on the information listed in “Annual Report 2022” issued by AEON Malaysia.

(Note 2) Created by the Asset Management Company based on the information listed in “World Economic Outlook Databases” issued by IMF.

(Note 3) Created by the Asset Management Company based on the information listed in “World Economic Outlook Databases” issued by IMF. (The data in 2000 is set as 100.)

P.58 About AEON Group (2/3) ~Overview of the AEON Group~

(Note 1) Created by the Asset Management Company based on information on "AEON 2023-2024" uploaded on websites of AEON Co., Ltd

(Note 2) Mentioned based on the securities report dated May 29, 2023 of AEON Co., Ltd.

(Note 3) Created by the Asset Management Company based on the sales data of each company in 2021.

P.59 About AEON Group (3/3) ~ Major large-scale retail properties(including facilities under development) ~

(Note 1) Prepared by the Asset Management Company based on the information provided by AEON CO., LTD. and AEON MALL Co., Ltd. (as of Jul. 2023).

(Note 2) AEON REIT neither owns nor plans to acquire any of these properties as of now.

21st FP (Jul. 2023) Financial Results Presentation Material

IV. Appendix 2

Numeric data

Balance Sheet of 21st FP (as of Jul. 31, 2023)

	20th FP (as of Jan. 31, 2023)		21st FP (as of Jul. 31, 2023)			20th FP (as of Jan. 31, 2023)		21st FP (as of Jul. 31, 2023)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage		Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Assets					Liabilities				
I Current assets	33,763,079	7.8%	34,298,007	7.6%	I Current liabilities	23,276,535	5.4%	31,514,025	7.0%
Cash and deposits	23,912,320	5.5%	23,939,480	5.3%	Operating accounts payable	1,436,040	0.3%	1,009,143	0.2%
Cash and deposits in trust	8,947,261	2.1%	9,121,487	2.0%	Short-term debt	–	–	9,300,000	2.1%
Prepaid expenses	807,615	0.2%	501,357	0.1%	Current portion of long-term loan payable	20,400,000	4.7%	20,400,000	4.5%
Income taxes receivable	20	0.0%	23	0.0%	Account payable - other	474,250	0.1%	499,196	0.1%
Consumption taxes receivable	–	–	728,225	0.2%	Accrued expense	109,239	0.0%	108,934	0.0%
Other	95,861	0.0%	7,433	0.0%	Income taxes payable	605	0.0%	605	0.0%
					Accrued consumption taxes	608,287	0.1%	–	–
II Non-current assets	399,348,886	92.1%	417,903,475	92.4%	Provision for loss on disaster	48,032	0.0%	–	–
Property and equipment	318,982,318	73.6%	336,688,959	74.4%	Other	200,080	0.0%	196,145	0.0%
Land	108,463	0.0%	108,463	0.0%	II Non-current liabilities	173,480,903	40.0%	173,578,760	38.4%
Buildings in trust, net	176,947,701	40.8%	186,831,453	41.3%	Investment corporation bond	51,000,000	11.8%	51,000,000	11.3%
Structures in trust, net	802,009	0.2%	733,117	0.2%	Long-term loans payable	107,700,000	24.9%	107,700,000	23.8%
Tools, furniture and fixtures in trust, net	22,721	0.0%	18,996	0.0%	Tenants leasehold and security deposits	2,628	0.0%	2,628	0.0%
Land in trust	141,100,504	32.6%	148,996,928	32.9%	Tenants leasehold and security deposits in trust	14,320,296	3.3%	14,320,296	3.2%
Construction in progress in trust	917	0.0%	–	–	Asset retirement obligation	457,977	0.1%	555,835	0.1%
Intangible assets	73,490,733	17.0%	74,469,416	16.5%	Total liabilities	196,757,438	45.4%	205,092,785	45.3%
Leasehold rights in trust	73,490,733	17.0%	74,469,416	16.5%	Net assets				
Investments and other assets	6,875,833	1.6%	6,745,099	1.5%	I Unitholders' equity	236,638,471	54.6%	247,392,870	54.7%
Shares of subsidiaries and associates	6,078,453	1.4%	6,078,453	1.3%	Unitholders' capital, net	229,484,384	53.0%	239,903,198	53.0%
Long-term prepaid expenses	787,379	0.2%	656,645	0.1%	Unitholders' capital	233,010,081	53.8%	243,428,896	53.8%
Leases and guarantee deposits	10,000	0.0%	10,000	0.0%	Other deduction from unitholders' capital	▲ 3,525,697	▲ 0.8%	▲ 3,525,697	▲ 0.8%
					Surplus	7,154,087	1.7%	7,489,671	1.7%
III	283,945	0.1%	284,172	0.1%	Distribution reserve	429,190	0.1%	440,101	0.1%
Investment unit issuance expenses	28,719	0.0%	48,408	0.0%	Unappropriated retained earnings	6,724,896	1.6%	7,049,570	1.6%
Investment corporation bond issuance costs	255,225	0.1%	235,763	0.1%	Total net assets	236,638,471	54.6%	247,392,870	54.7%
Total assets	433,395,910	100.0%	452,485,655	100.0%	Total liabilities and net assets	433,395,910	100.0%	452,485,655	100.0%

Statements of income of 21st FP (as of Jul. 31, 2023)

(Statements of Income)

	20th FP (From Aug. 1, 2022 to Jan. 31, 2023)		21st FP (From Feb. 1, 2023 to Jul. 31, 2023)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Operating revenue	19,987,482	100.0%	21,008,316	100.0%
Rent revenue - real estate	19,826,986	99.2%	20,844,445	99.2%
Dividends received	160,496	0.8%	163,870	0.8%
Operating expenses	12,367,105	61.9%	13,037,455	62.1%
Expenses related to rent business	11,217,082	56.1%	11,870,427	56.5%
(Depreciation)	(5,167,847)	(25.9%)	(5,502,443)	(26.2%)
Asset management fee	928,873	4.6%	938,765	4.5%
Asset custody fee	22,176	0.1%	23,053	0.1%
Administrative service fees	62,358	0.3%	64,543	0.3%
Director's compensation	5,400	0.0%	5,400	0.0%
Taxes and dues	8,754	0.0%	6,270	0.0%
Other operating expenses	122,460	0.6%	128,994	0.6%
I Operating income	7,620,377	38.1%	7,970,860	37.9%
Non-operating income	1,168	0.0%	1,151	0.0%
Interest income	132	0.0%	152	0.0%
Refund of unpaid distributions	1,035	0.0%	878	0.0%
Other	-	-	120	0.0%
Non-operating expenses	907,693	4.5%	923,837	4.4%
Interest expenses	500,535	2.5%	515,866	2.5%
Interest expenses on investment corporation bonds	217,999	1.1%	215,139	1.0%
Amortization of investment unit issuance expenses	10,625	0.1%	15,425	0.1%
Amortization of investment corporation bond issuance expenses	19,461	0.1%	19,461	0.1%
Borrowing related expenses	158,491	0.8%	157,944	0.8%
	580	0.0%	-	-
II Ordinary income	6,713,852	33.6%	7,048,174	33.5%
III Extraordinary income	76,335	0.4%	-	-
Insurance income	76,335	0.4%	-	-
III Extraordinary loss	65,424	0.3%	-	-
Loss on disaster	23,879	0.1%	-	-
Provision for loss on disaster	41,545	0.2%	-	-
IV Income (loss) before taxes	6,724,762	33.6%	7,048,174	33.5%
Income taxes - current	605	0.0%	605	0.0%
V Net income (loss)	6,724,157	33.6%	7,047,569	33.5%
Retained earnings brought forward	738	0.0%	2,000	0.0%
VI Unappropriated retained earnings (undisposed loss)	6,724,896	33.6%	7,049,570	33.6%

(Breakdown of revenues and expenses related to real estate leasing business)

	20th FP (From Aug. 1, 2022 to Jan. 31, 2023)		21st FP (From Feb. 1, 2023 to Jul. 31, 2023)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
Rent revenue - real estate	19,826,986	100.0%	20,844,445	100.0%
Rent revenue	19,771,845	99.7%	20,768,288	99.6%
Other rent revenue - real estate	55,140	0.3%	76,156	0.4%
Expenses related to real estate leasing business	11,217,082	56.6%	11,870,427	56.9%
Property and facility management fees	49,401	0.2%	51,139	0.2%
Repairs and maintenance expenses	808,009	4.1%	931,978	4.5%
Insurance expenses	260,085	1.3%	309,562	1.5%
Trust fees	24,768	0.1%	25,271	0.1%
Land rent paid	2,596,579	13.1%	2,740,708	13.1%
Taxes and dues	2,259,425	11.4%	2,262,558	10.9%
Depreciation	5,167,847	26.1%	5,502,443	26.4%
Water charges	43,679	0.2%	37,876	0.2%
Other expenses related to rent business	7,285	0.0%	8,888	0.0%
NO I	13,777,751	-	14,476,461	-
Rent revenue - real estate (+)	19,826,986	-	20,844,445	-
Expenses related to real	▲ 11,217,082	-	▲ 11,870,427	-
Depreciation (+)	5,167,847	-	5,502,443	-

Portfolio list (1/2)

Property number	Property name	Location	Acquisition date	Age of building	Total leasable area (square meters)	Acquisition price (mm yen)	PML (%) (Note 1)
SRSC-1	Aeon Lake Town mori (40% stake) (Note 2)	Koshigaya City, Saitama	November 2013	14.9 years	205,711.70	21,190	2.0
SRSC-2	AEON Lake Town kaze (40% stake) (Note 2)	Koshigaya City, Saitama	November 2013	14.9 years	127,183.81	6,730	1.7
RSC-1	AEON MALL Morioka	Morioka City, Iwate	November 2013	20.0 years	98,968.59	5,340	11.1
RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi	November 2013	16.4 years	60,682.20	6,680	3.9
RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki	November 2013	17.7 years	159,997.49	16,565	0.7
RSC-4	AEON MALL Ota	Ota City, Gunma	November 2013	19.7 years	93,165.27	6,860	4.8
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa	November 2013	30.0 years	75,056.62	10,220	13.4
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu	November 2013	16.4 years	64,246.26	4,950	9.2
RSC-7	AEON MALL Suzuka	Suzuka City, Mie	November 2013	26.7 years	125,253.74	9,660	7.5
RSC-8	AEON MALL Meiwa	Taki County, Mie	November 2013	22.0 years	44,193.80	3,290	4.6
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo	November 2013	14.8 years	48,229.25	7,230	10.7
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori	November 2013	24.4 years	102,045.24	7,780	8.0
RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama	November 2013	23.9 years	157,274.78	17,890	0.5
RSC-12	AEON MALL Ayagawa	Ayaka County, Kagawa	November 2013	15.0 years	113,149.07	8,740	0.6
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka	November 2013	18.3 years	151,969.51	12,546	0.1
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto	February 2015	13.6 years	136,468.45	21,470	13.5
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	February 2015	22.7 years	78,360.81	5,900	3.5
RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	February 2015	22.9 years	51,763.05	1,780	7.0
RSC-18	AEON MALL Shinrifu North Wing	Miyagi County, Miyagi	February 2015	23.3 years	66,478.91	2,560	6.9
RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata	February 2015	22.7 years	53,502.94	1,350	6.2
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie	February 2015	22.5 years	41,447.33	2,210	6.0
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara	February 2016	13.5 years	105,230.88	14,452	12.0
RSC-22	AEON MALL Chiba-Newtown (Mall Building, Cinema and Sports Building) (Note 3)	Inzai City, Chiba	March 2016	17.3 years	107,425.97	12,198	2.7
RSC-23	AEON MALL Kofu Showa (Note 4)	Nakakoma County, Yamanashi	February 2016	12.4 years/5.7 years	99,772.38	15,489	2.5/3.1
RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido	September 2016	18.3 years	71,308.33	7,840	2.9

Portfolio list (2/2)

Property number	Property name	Location	Acquisition date	Age of building	Total leasable area (square meters)	Acquisition price (mm yen)	PML(%)
RSC-25	AEON MALL Oyama	Oyama City, Tochigi	August 2016	26.3 years	47,872.33	6,280	4.5
RSC-26	AEON MALL Itamikoya	Itami City, Hyogo	February 2017	12.5 years	122,944.71	16,860	1.8
RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima	February 2017	15.9 years	132,341.35	13,400	6.1
RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki	February 2017	14.2 years	86,848.51	12,030	1.0
RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa	February 2017	14.8 years	70,948.14	9,940	11.4
RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki	September 2017	25.7 years	58,402.66	9,552	2.7
RSC-31	AEON MALL Kyoto Gojo	Kyoto City, Kyoto	July 2018	19.5 years	87,311.56	13,333	11.6
RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka	September 2019	11.3 years	100,020.87	18,040	1.5
RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	February 2020	8.7 years	66,575.54	9,667	7.0
RSC-34	AEON MALL Takasaki	Takasaki City, Gunma	August 2021	16.8 years	126,403.58	17,164	4.0
RSC-35	AEON MALL Narita	Narita City, Chiba	August 2021	23.4 years	122,785.62	14,001	5.0
RSC-36	AEON MALL Shinkomatsu	Komatsu City, Ishikawa	August 2021	6.4 years	79,509.27	15,350	6.7
RSC-37	AEON MALL Sagayamato	Saga City, Saga	August 2021	22.9 years	68,942.36	3,720	8.6
RSC-38	AEON MALL Wakayama	Wakayama City, Wakayama	February 2023	9.5 years	123,318.13	16,840	11.5
RSC-39	AEON MALL Miyakonojo Ekimae	Miyakonojo City, Miyazaki	February 2023	14.7 years	62,324.49	4,460	5.2
CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa	May 2016	22.8 years	63,158.24	6,410	14.8
CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba	November 2017	31.7 years	29,947.62	3,748	2.6
CSC-3	AEON Kireuriwari Shopping Center	Osaka City, Osaka	September 2017	17.7 years	27,603.46	4,394	9.3
CSC-4	AEON Ueda Shopping Center	Ueda City, Nagano	October 2020	19.1 years	61,349.07	5,350	9.0
L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa	February 2016	26.3 years	59,265.77	14,280	3.7
L-2	AEON Minami-Osaka RDC	Sakai City, Osaka	February 2017	28.3 years	50,197.06	9,870	12.5
L-3	Daiei-Ibaraki Process Center	Ibaraki City, Osaka	October 2017	46.2 years	50,783.58	6,810	12.6
M-1	AEON Taman Universiti Shopping Centre (Note 5)	Malaysia Johor	June 2014	21.2 years	22,870.00	658 (RM20 million)	0.8
M-2	AEON MALL SEREMBAN 2	Malaysia Negeri Sembilan Province	September 2016	18.6 years	81,135.00	5,252 (RM215 million)	4.0
Total (49 properties as of Jul. 31, 2023)				18.0 years	4,241,745.30	468,332	1.3

Appraisal value (1/2)

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	FP Terminal book value (Millions of yen) (Note 1)	Unrealized gain (Millions of yen) (Note 2)	Appraisal value (Millions of yen)			Capitalization Rate based on direct capitalization method (%)		
					20th FP (Jan. 31, 2023)	21st FP (Jul. 31, 2023)	Difference	20th FP (Jan. 31, 2023)	21st FP (Jul. 31, 2023)	Difference
SRSC-1	AEON Lake town mori (Note 3)	21,190	17,332	6,867	24,200	24,200	-	4.6	4.6	-
SRSC-2	AEON Laketown kaze (Note 3)	6,730	5,295	2,654	7,940	7,950	10	5.0	5.0	-
RSC-1	AEON MALL Morioka	5,340	5,009	2,050	6,950	7,060	110	6.5	6.4	▲0.1
RSC-2	AEON MALL Ishinomaki	6,680	5,436	1,633	7,070	7,070	-	6.2	6.2	-
RSC-3	AEON MALL Mitouchihara	16,460	12,741	4,958	17,700	17,700	-	5.8	5.8	-
	AEON MALL Mitouchihara (land)	105	108	9	117	118	1	-	-	-
RSC-4	AEON MALL Ota	6,860	6,041	2,168	8,210	8,210	-	6.3	6.3	-
RSC-5	AEON Sagami-hara Shopping Center	10,220	9,288	1,111	10,400	10,400	-	5.2	5.2	-
RSC-6	AEON MALL Ogaki	4,950	3,092	1,547	4,840	4,640	▲200	7.2	7.2	-
RSC-7	AEON MALL Suzuka	9,660	8,908	1,791	10,700	10,700	-	6.0	6.0	-
RSC-8	AEON MALL Meiwa	3,290	3,114	545	3,660	3,660	-	6.3	6.3	-
RSC-9	AEON MALL Kasai-Hojo	7,230	5,383	2,326	7,720	7,710	▲10	6.7	6.6	▲0.1
RSC-10	AEON MALL Hiezu	7,780	5,902	1,567	7,480	7,470	▲10	6.7	6.7	-
RSC-11	AEON MALL Kurashiki	17,890	16,691	2,308	20,000	19,000	▲1,000	6.0	5.9	▲0.1
RSC-12	AEON MALL Ayagawa	8,740	5,395	3,554	8,850	8,950	100	6.4	6.3	▲0.1
RSC-13	AEON MALL Nogata	12,546	10,228	4,171	14,400	14,400	-	6.0	6.0	-
RSC-15	AEON MALL KYOTO	21,470	18,692	4,007	22,300	22,700	400	4.7	4.6	▲0.1
RSC-16	AEON MALL Sapporo-Hiraoka	5,900	4,898	1,321	6,220	6,220	-	6.1	6.1	-
RSC-17	AEON MALL Kushiro-Showa	1,780	1,742	147	1,890	1,890	-	6.7	6.7	-
RSC-18	AEON MALL Shinrifu North Wing	2,560	3,257	▲977	2,280	2,280	-	6.3	6.3	-
RSC-19	AEON MALL Yamagata-Minami	1,350	1,173	306	1,480	1,480	-	6.5	6.5	-
RSC-20	AEON MALL Yokkaichi-Kita	2,210	2,172	327	2,480	2,500	20	6.0	6.0	-
RSC-21	AEON MALL Yamatokoriyama	14,452	12,110	2,789	14,700	14,900	200	5.6	5.5	▲0.1
RSC-22	AEON MALL Chiba-Newtown (Mall Building, Cinema and Sports Building) (Note 4)	12,198	10,965	1,134	11,900	12,100	200	4.8	4.7	▲0.1
RSC-23	AEON MALL Kofu Showa (Note 5)	15,489	13,417	3,782	17,200	17,200	-	5.6	5.6	-
RSC-24	AEON MALL Tomakomai	7,840	6,910	1,269	8,180	8,180	-	5.8	5.8	-

Appraisal value (2/2)

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	FP Terminal book value (Millions of yen) (Note 1)	Unrealized gain (Millions of yen) (Note 2)	Real estate appraisal value (mm)			Capitalization rate based on direct capitalization method (%)		
					20th FP (Jan. 31, 2023)	21st FP (Jul. 31, 2023)	Difference	20th FP (Jan. 31, 2023)	21st FP (Jul. 31, 2023)	Difference
RSC-25	AEON MALL Oyama	6,280	5,279	1,030	6,210	6,310	100	6.6	6.5	▲0.1
RSC-26	AEON MALL Itamikoya	16,860	14,684	2,915	17,300	17,600	300	5.6	5.5	▲0.1
RSC-27	AEON MALL Kagoshima	13,400	11,700	1,899	13,400	13,600	200	5.9	5.8	▲0.1
RSC-28	AEON MALL Tsuchiura	12,030	10,164	1,935	11,900	12,100	200	6.2	6.1	▲0.1
RSC-29	AEON MALL Kahoku	9,940	7,805	2,794	10,500	10,600	100	6.8	6.7	▲0.1
RSC-30	AEON MALL Shimotsuma	9,552	8,533	2,066	10,400	10,600	200	6.3	6.2	▲0.1
RSC-31	AEON MALL Kyoto Gojo	13,333	12,702	1,197	13,900	13,900	-	4.8	4.8	-
RSC-32	AEON MALL Fukutsu	18,040	17,007	1,592	18,300	18,600	300	5.4	5.3	▲0.1
RSC-33	AEON Mall Tamadaira Woods	9,667	9,166	1,033	10,200	10,200	-	4.9	4.9	-
RSC-34	AEON MALL Takasaki	17,164	16,577	922	17,500	17,500	-	5.3	5.3	-
RSC-35	AEON MALL Narita	14,001	13,869	330	14,200	14,200	-	4.7	4.7	-
RSC-36	AEON MALL Shinkomatsu	15,350	14,683	816	15,500	15,500	-	-	-	-
RSC-37	AEON MALL Sagayamato	3,720	3,585	244	3,830	3,830	-	6.2	6.2	-
RSC-38	AEON MALL Wakayama	16,840	16,959	▲159	-	16,800	-	-	-	-
RSC-39	AEON MALL Miyakonojo Ekimae	4,460	4,519	▲9	-	4,510	-	-	5.7	-
CSC-1	AEON Chigasaki-Chuo Shopping Center	6,410	6,534	155	6,580	6,690	110	5.0	4.9	▲0.1
CSC-2	AEON STYLE Kemigawahama	3,748	3,181	588	3,920	3,770	▲150	6.1	6.0	▲0.1
CSC-3	AEON Kireuiwari Shopping Center	4,394	4,081	668	4,760	4,750	▲10	5.1	5.1	-
CSC-4	AEON Ueda Shopping Center	5,350	5,267	572	5,840	5,840	-	6.5	6.5	-
L-1	Daiei-Kawasaki Process Center	14,280	13,114	3,085	15,800	16,200	400	4.5	4.4	▲0.1
L-2	AEON Minami-OsakaRDC	9,870	9,109	2,590	11,500	11,700	200	4.4	4.3	▲0.1
L-3	Daiei-Ibaraki Process Center	6,810	6,722	1,277	8,150	8,000	▲150	4.5	4.4	▲0.1
M-1	AEON Taman Universiti Shopping Centre (Note 6,7)	658 (RM20 million)	595 (RM18million)	40 (RM2million)	636 (RM20.7million)	635 (RM20.5million)	-	-	-	-
M-2	AEON MALL SEREMBAM 2 (Note 7)	5,252 (RM215 million)	-	-	7,405 (RM241million)	7,475 (RM241million)	-	-	-	-
Total (As of the end of the Jul. 2023)		468,332	-	80,965	476,599	499,599	-	-	-	-

Major revitalization investments with rent increase (Results and Planned)

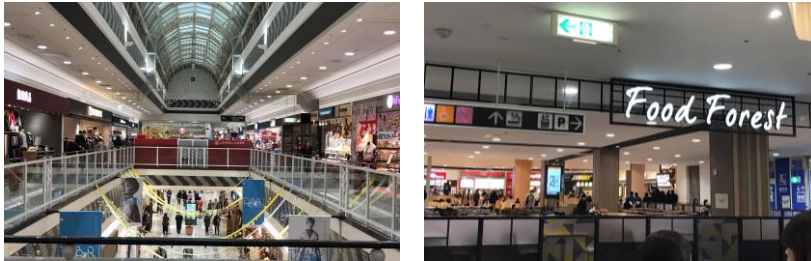
Result / Planned	Property name	Rent revision timing	Contents	Revitalization investment Amount (yen) (Note1・2)	Effect of revitalization investment (annualized)	
					Rent increase(yen)	Return on investment
Result	AEON MALL Nogata	Mar. 2014	Exterior wall repair work	109 mm	8 mm	7.4%
Result	AEON MALL Hiezu	Apr. 2015	Large-scale renewal	105 mm	8 mm	7.7%
Result	AEON LakeTown kaze	Apr. 2015	Large-scale renewal	312 mm	21 mm	6.8%
Result	AEON MALL Morioka	Apr. 2016	Expansion of floor space	790 mm	57 mm	7.3%
Result	AEON MALL Yokkaichi-Kita	Jul. 2017	Food court renewal	113 mm	9 mm	8.5%
Result	AEON MALL Ota	Jul. 2017	New escalator installation	199 mm	14 mm	7.3%
Result	AEON MALL Tomakomai (note3)	Aug. 2017	Exterior wall painting	226 mm	5 mm	2.2%
Result	AEON MALL Suzuka	Nov. 2017	Large-scale renewal	296 mm	22 mm	7.7%
Result	AEON MALL Kurashiki	Dec. 2017	Large-scale renewal	132 mm	9 mm	7.5%
Result	AEON Kireuriwari SC	Mar. 2018	Exterior wall painting	129 mm	6 mm	5.1%
Result	AEON MALL Kofu Showa	Sep. 2018	Construction of existing building due to extension	781 mm	50 mm	6.5%
Result	AEON MALL Meiwa	Nov. 2019	Large-scale renewal	162 mm	13 mm	8.3%
Result	AEON Ueda SC	Dec. 2021	Exterior wall painting	271 mm	17 mm	6.5%
Result	AEON MALL Shimotsuma	Dec. 2022	Exterior wall painting	360 mm	23 mm	6.5%
Result	AEON MALL Sapporo-Hiraoka	Feb. 2023	Inverter board installation	20 mm	1 mm	7.8%
Result	AEON MALL Shimotsuma	Mar. 2023	Floor replacement work	14 mm	1 mm	6.7%
Result	AEON Chigasaki-Chuo SC	Apr. 2023	Floor replacement work	11 mm	0.6 mm	6.0%
Result	AEON MALL Morioka	May, 2023	Fire shutter installation	38 mm	3 mm	8.2%
Planned	AEON MALL Yokkaichi-Kita	Oct. 2023	Partition wall repair work	9 mm	0.8 mm	9.3%
Planned	AEON MALL Morioka	Dec. 2023	Drainage facility reinforcement work	20 mm	1 mm	8.2%
Planned	AEON Ueda SC	Dec. 2023	Large-scale renewal	892 mm	57 mm	6.5%

Revitalization investment cases

AEON MALL Suzuka - Revitalization work

(Nov. 2017)

Revitalization for renewal opening for about **80 sections**



AEON Kireuriwari SC - Exterior wall painting

(Mar. 2018)

Exterior wall painting for improving property value



AEON MALL Kofu Showa - Expansion of floor space

(extended Nov. 2017, acquired Sep. 2018)

Large-scale extension building has been newly established and **existing building has been renewed**



AEON MALL Meiwa - Revitalization work

(Nov. 2019)

Food court renewal for improving user's convenience



AEON Ueda - Exterior wall painting

(Dec. 2021)

Exterior wall painting for improving property value



AEON MALL Kurashiki - Revitalization work

(Oct. 2022)

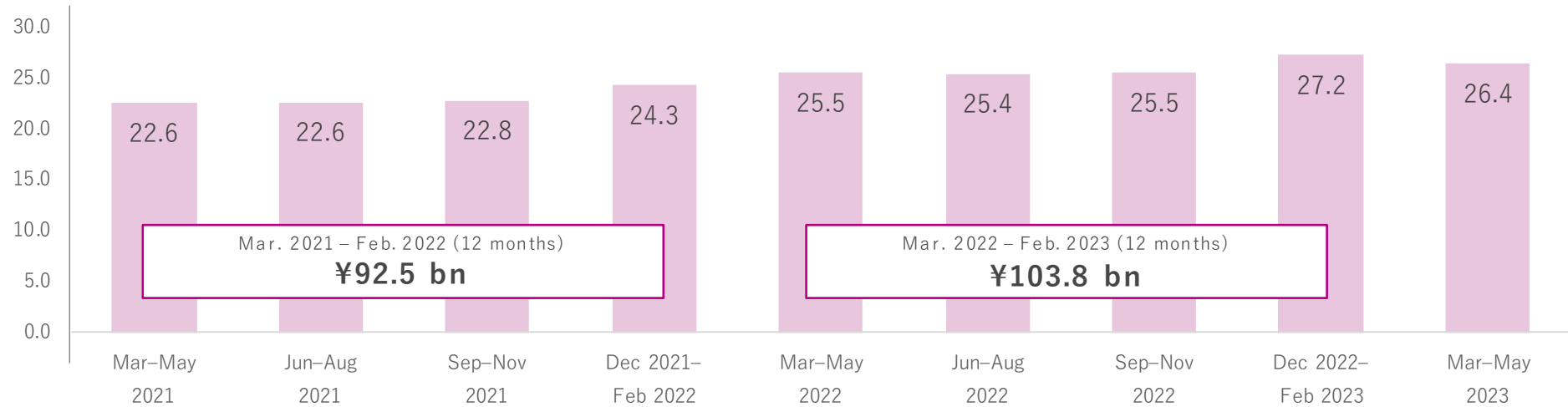
Revitalization for reopening in Oct. 2022



Performance trends of stores in the portfolio (1/2)

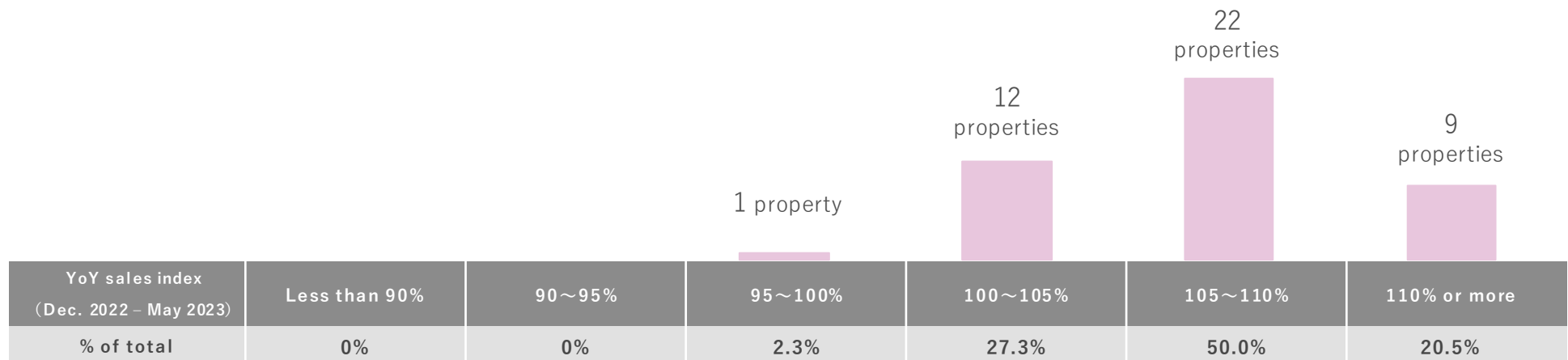
Master lease company operating revenue (Note 1)

(billion yen)



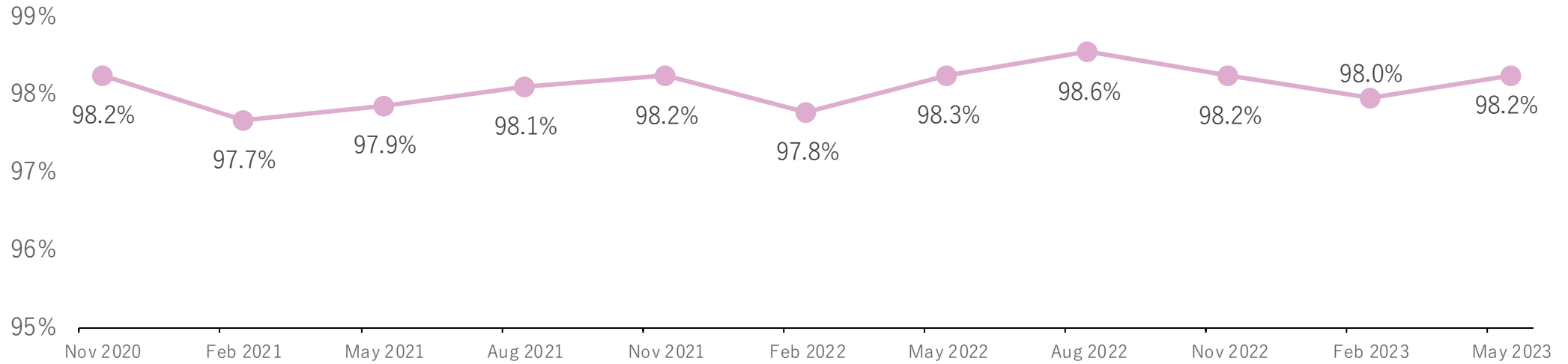
Sales trends of individual properties (Note 2,3)

(Based on year-on-year sales from Dec. 2022 to May. 2023)

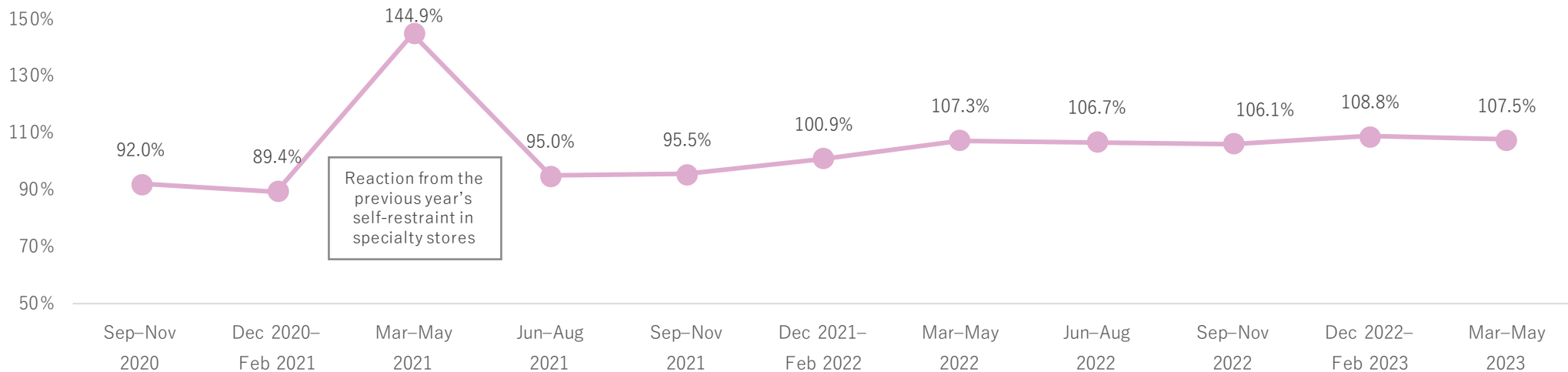


Performance trends of stores in the portfolio (2/2)

Performance trends of End tenants in the portfolio (Note 1)

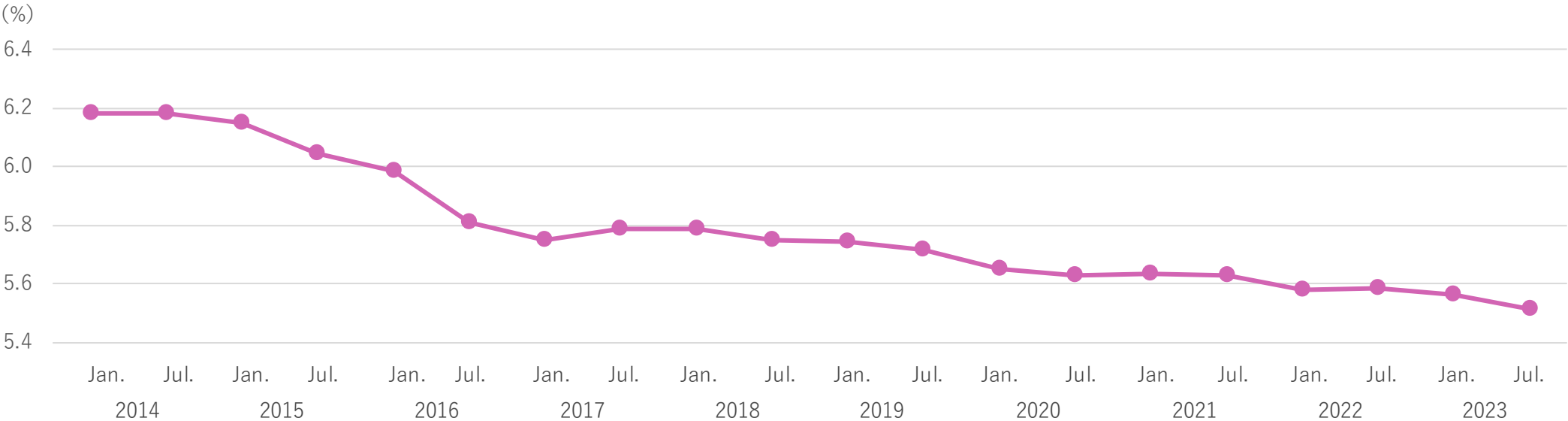


Sales status of end tenants (every 3 months sales compared to the same period of the previous year) (Note 2)

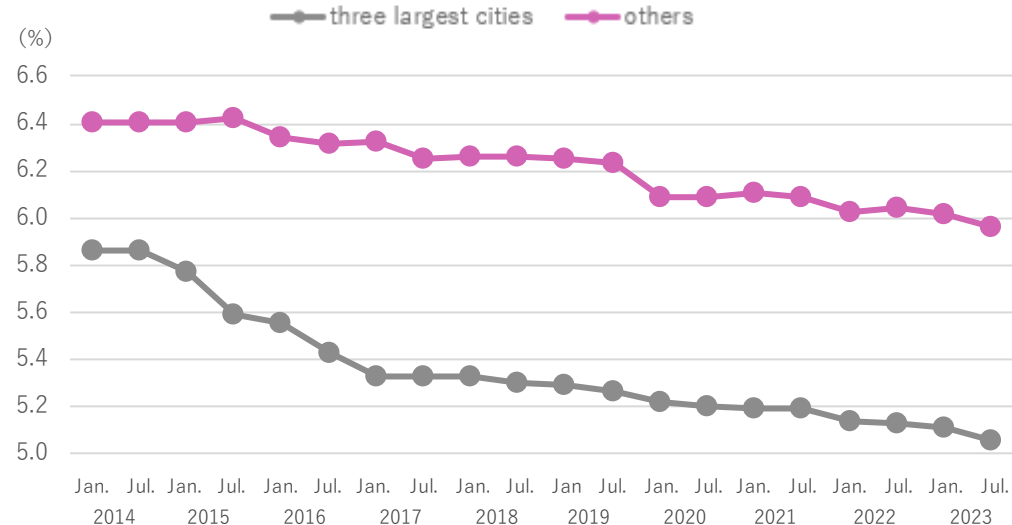


Average cap rate

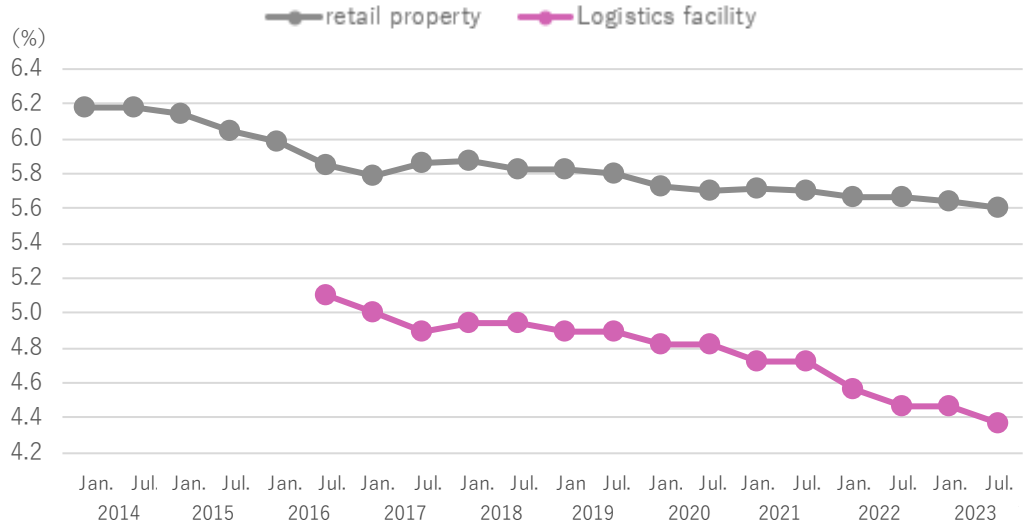
Entire portfolio (Note 1)



By area (Note 1,2)



By facility type (Note 1)



Status of debts (1/2)

Borrowing details

Division	Borrowing Amount	Borrowing Date	Maturity	Floating rate/ Fixed rate (Note 1)	Interest rate (Note 2)
Short-term	¥9.3bn	February 1, 2023	February 1, 2024	Floating rate	base interest rate +0.22000%
Total	¥9.3bn				
Long-term	¥5.0bn	November 25, 2013	October 20, 2023	Effective fixed rate	1.76375%
Long-term	¥4.5bn	February 27, 2015	October 21, 2024	Effective fixed rate	1.40390%
Long-term	¥6.6bn	May 31, 2016	October 20, 2025	Effective fixed rate	0.99100%
Long-term	¥1.0bn	February 29, 2016	October 20, 2027	Effective fixed rate	1.40730%
Long-term	¥6.7bn	October 20, 2016	October 20, 2023	Effective fixed rate	0.61375%
Long-term	¥2.7bn	October 20, 2016	October 20, 2025	Effective fixed rate	0.87250%
Long-term	¥4.1bn	October 20, 2016	October 20, 2026	Effective fixed rate	1.00300%
Long-term	¥6.8bn	March 28, 2017	October 21, 2024	Effective fixed rate	0.83800%
Long-term	¥5.0bn	March 28, 2017	October 20, 2026	Effective fixed rate	1.09710%
Long-term	¥3.4bn	December 27, 2017	October 20, 2023	Effective fixed rate	0.52270%
Long-term	¥0.3bn	December 27, 2017	October 20, 2023	Fixed Rate	0.60000%
Long-term	¥4.6bn	November 22, 2018	October 20, 2023	Effective fixed rate	0.59700%
Long-term	¥0.4bn	November 22, 2018	October 20, 2023	Fixed Rate	0.64000%
Long-term	¥4.0bn	November 22, 2018	October 20, 2025	Effective fixed rate	0.85100%
Long-term	¥4.0bn	October 20, 2020	October 21, 2024	Effective fixed rate	0.35900%
Long-term	¥4.8bn	October 20, 2020	October 20, 2026	Effective fixed rate	0.51400%
Long-term	¥5.0bn	October 20, 2020	October 20, 2027	Effective fixed rate	0.61400%
Long-term	¥6.5bn	October 20, 2021	October 20, 2026	Effective fixed rate	0.46000%
Long-term	¥6.6bn	October 20, 2021	October 20, 2028	Effective fixed rate	0.64900%
Long-term	¥3.5bn	October 20, 2021	October 22, 2029	Effective fixed rate	0.76900%
Long-term	¥2.5bn	October 20, 2021	October 20, 2031	Effective fixed rate	0.99700%
Long-term	¥2.6bn	March 22, 2022	October 20, 2025	Effective fixed rate	0.42150%
Long-term	¥8.6bn	March 22, 2022	October 20, 2027	Effective fixed rate	0.62050%
Long-term	¥5.1bn	March 22, 2022	October 22, 2029	Effective fixed rate	0.89600%
Long-term	¥3.0bn	March 22, 2022	October 20, 2031	Effective fixed rate	1.13010%
Long-term	¥4.2bn	October 20, 2022	October 21, 2024	Floating	base interest rate +0.22000%
Long-term	¥3.0bn	October 20, 2022	October 20, 2025	Effective fixed rate	0.52750%
Long-term	¥5.7bn	October 20, 2022	October 20, 2027	Effective fixed rate	0.80750%
Long-term	¥4.6bn	October 20, 2022	October 22, 2029	Effective fixed rate	1.10300%
Long-term	¥3.3bn	October 20, 2022	October 20, 2025	Effective fixed rate	0.52750%
Total	¥128.1bn				
Sum total	¥137.4bn				

List of lenders

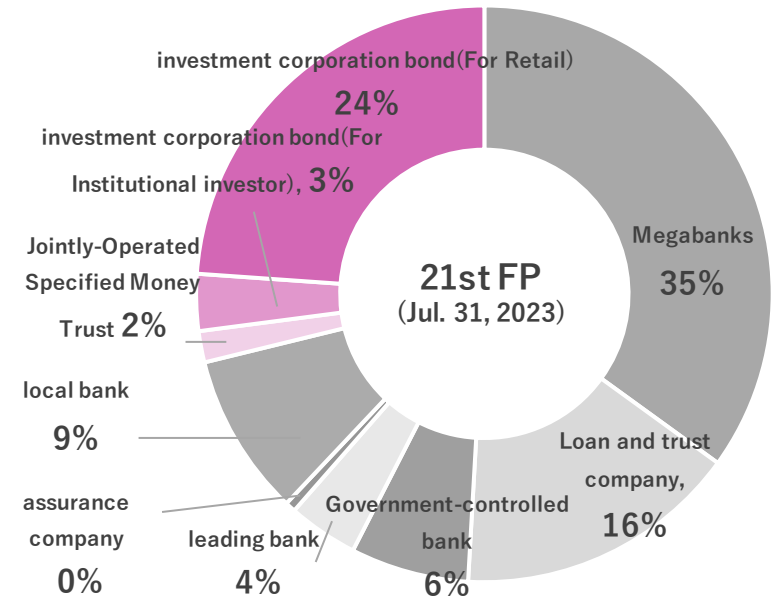
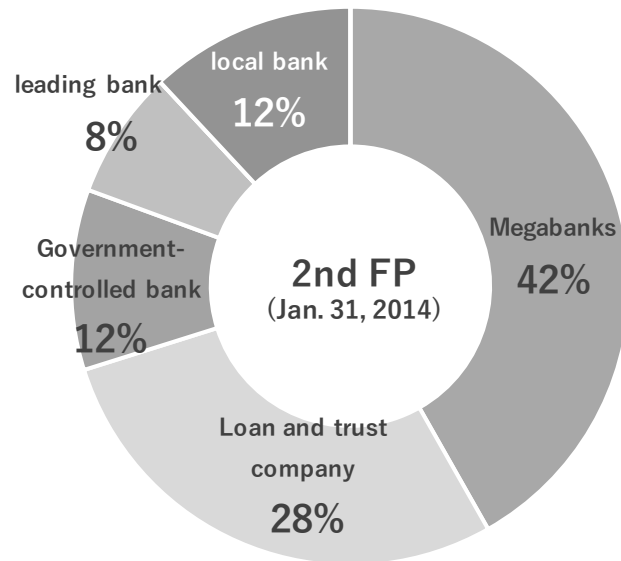
Numbers of Lenders 26 (compared to previous period ±0)		
Mizuho Bank	¥26.4bn	19.2%
Sumitomo Mitsui Banking	¥22.1bn	16.1%
Sumitomo Mitsui Trust Bank	¥20.6bn	15.0%
Bank of Tokyo-Mitsubishi UFJ	¥17.4bn	12.7%
Norinchukin Bank	¥8.0bn	5.8%
Mizuho Trust & Banking	¥6.3bn	4.6%
Mitsubishi UFJ Trust and Banking (Note 3)	¥3.1bn	2.3%
Resona Bank	¥1.2bn	0.9%
AEON BANK	¥3.9bn	2.8%
Development Bank of Japan	¥4.5bn	3.3%
Hyakugo Bank	¥2.1bn	1.5%
Hiroshima Bank	¥2.0bn	1.5%
San ju San Bank (Note 4)	¥4.6bn	3.3%
77 Bank	¥1.0bn	0.7%
Chiba Bank	¥0.3bn	0.2%
Nippon Life Insurance	¥0.3bn	0.2%
Meiji Yasuda Life Insurance	¥0.8bn	0.6%
SBI Shinsei Bank	¥2.3bn	1.7%
The Juroku Bank	¥0.3bn	0.2%
Momiji Bank	¥0.3bn	0.2%
The Gunma Bank	¥1.5bn	1.1%
The Yamaguchi Bank	¥1.4bn	1.0%
Kansai Mirai Bank	¥0.8bn	0.6%
The Nishi-Nippon City Bank	¥0.9bn	0.7%
Daiwa Next Bank	¥1.6bn	1.2%
Kiyo Bank	¥0.4bn	0.3%
Sumitomo Mitsui Trust Bank (trust account)	¥3.3bn	2.4%
Total	¥137.4bn	100.0%

Status of debts (2/2)

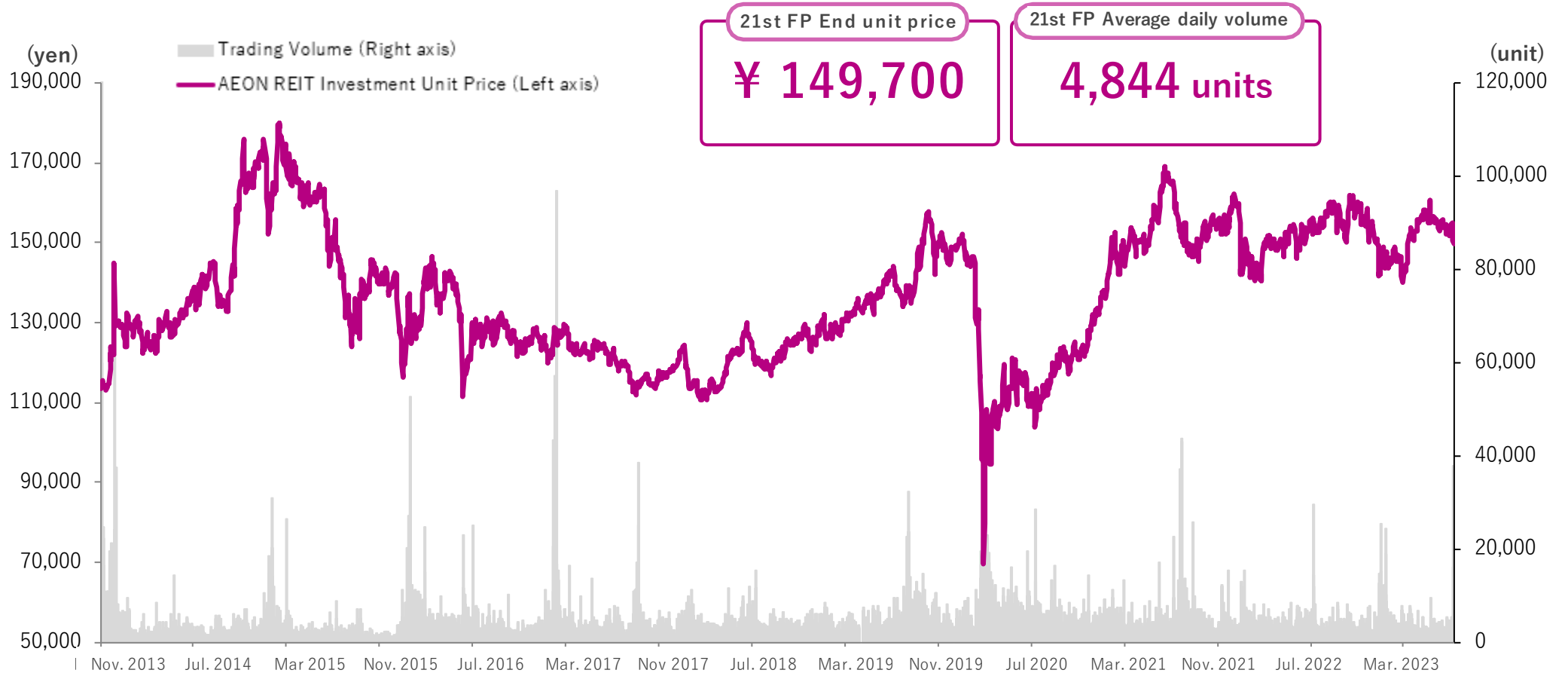
Investment corporation bonds

Serial Number	Amonunt Issued	Division	Interest rate	Date of Determining Conditions	Redemption date	Term	Description	Rating		Lead manager
								JCR	External authentication JCR	
1	¥2.0bn	For Institutional investor	0.961%	October 6, 2015	October 10, 2025	10 years	Without collateral or guarantee	AA-	—	Daiwa Securities Co.,Ltd./SMBC Nikko Securities Inc.
2	¥1.0bn	For Institutional investor	0.470%	October 13, 2016	October 20, 2026	10 years	Without collateral or guarantee	AA-	—	SMBC Nikko Securities Inc./Mizuho Securities Co.,Ltd Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd
3	¥1.0bn	For Institutional investor	1.200%	October 13, 2016	October 20, 2036	20 years	Without collateral or guarantee	AA-	—	SMBC Nikko Securities Inc./Mizuho Securities Co.,Ltd Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd
4	¥2.0bn	For Institutional investor	0.680%	November 28, 2017	December 8, 2027	10 years	Without collateral or guarantee	AA-	—	SMBC Nikko Securities Inc./Mizuho Securities Co.,Ltd Daiwa Securities Co.,Ltd
5	¥15.0bn	For retail	0.783%	November 16, 2018	December 7, 2028	10 years	Without collateral or guarantee	AA-	—	SMBC Nikko Securities Inc./Daiwa Securities Co.,Ltd Mizuho Securities Co.,Ltd
6	¥12.0bn	For retail	0.726%	November 15, 2019	December 6, 2029	10 years	Without collateral or guarantee	AA-	Green1	SMBC Nikko Securities Inc./Daiwa Securities Co.,Ltd Mizuho Securities Co.,Ltd
7	¥18.0bn	For retail	0.992%	November 13, 2020	December 4, 2030	10 years	Without collateral or guarantee	AA-	SU1	SMBC Nikko Securities Inc./Daiwa Securities Co.,Ltd Mizuho Securities Co.,Ltd/Okasan Securities Co.,Ltd
¥51.0bn										

Breakdown of interest-bearing debts



Unit price chart



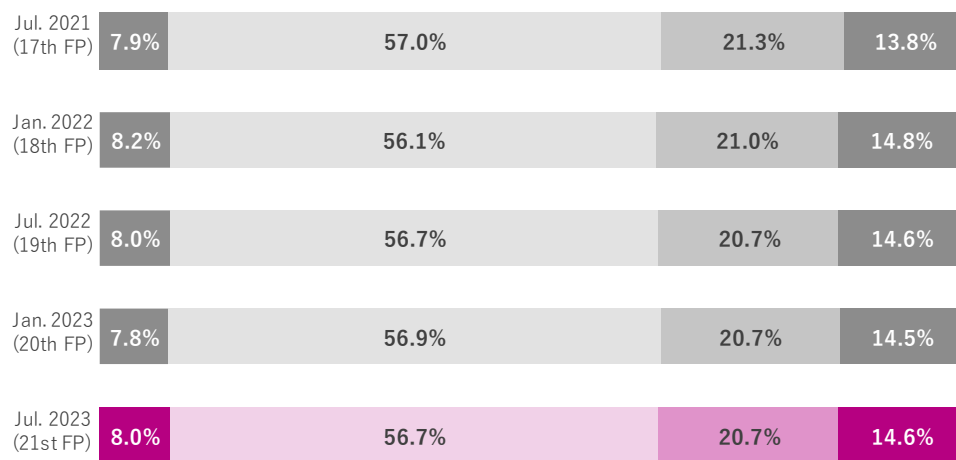
	Jul. 2018 (11th FP)	Jan. 2019 (12th FP)	Jul. 2019 (13th FP)	Jan. 2020 (14th FP)	Jul. 2020 (15th FP)	Jan. 2021 (16th FP)	Jul. 2021 (17th FP)	Jan. 2022 (18th FP)	Jul. 2022 (19th FP)	Jan. 2023 (20th FP)	Jul. 2023 (21st FP)
DPU	¥ 2,956	¥ 3,066	¥ 3,047	¥ 3,074	¥ 3,178	¥ 3,184	¥ 3,200	¥ 3,315	¥ 3,274	¥ 3,283	¥ 3,350
NAV per unit	¥ 130,957	¥ 133,465	¥ 136,778	¥ 140,517	¥ 142,360	¥ 144,604	¥ 146,432	¥ 148,470	¥ 148,721	¥ 149,772	¥ 151,071
Net assets per unit	¥ 111,372	¥ 111,413	¥ 111,437	¥ 112,528	¥ 112,632	¥ 112,638	¥ 112,588	¥ 115,675	¥ 115,730	¥ 115,745	¥ 116,477
Depreciation	¥ 4.3 bn	¥ 4.4 bn	¥ 4.4 bn	¥ 4.5 bn	¥ 4.6 bn	¥ 4.6 bn	¥ 4.6 bn	¥ 5.2 bn	¥ 5.1 bn	¥ 5.1 bn	¥ 5.5 bn

Composition of unitholders

Number of unitholders and Investment Units by unitholder type

	Number of Units				Number of Unitholders			
	20th Period (January 31, 2023)		21st Period (July 31, 2023)		20th Period (January 31, 2023)		21st Period (July 31, 2023)	
	Number of Investment Units	% of total	Number of Investment Units	% of total	Number of Unitholders	% of total	Number of Investment Units	% of total
Individuals and others	160,121	7.8%	168,866	8.0%	23,442	96.3%	23,979	96.3%
Financial institutions (including financial instruments firms)	1,164,319	56.9%	1,205,013	56.7%	172	0.7%	180	0.7%
Other domestic corporations	423,673	20.7%	439,920	20.7%	404	1.7%	405	1.6%
Foreign corporations	296,354	14.5%	310,153	14.6%	336	1.4%	341	1.4%
Total	2,044,467	100.0%	2,123,952	100.0%	24,354	100.0%	24,905	100.0%

Investment unit ownership ratio by unitholder type



Individuals and others
 Financial institutions
 (including financial instruments firms)
 Other domestic corporations
 Foreign corporations

Major unitholders (As of July. 31, 2023)

Unitholder Name		Number of Units	% of Total
1	Custody Bank of Japan, Ltd.(trust account)	419,876	19.8%
2	AEON Co., Ltd.	368,169	17.3%
3	The Master Trust Bank of Japan, Ltd. (trust account)	324,929	15.3%
4	The Nomura Trust & Banking Co., Ltd. (trust account)	81,633	3.8%
5	SMBC Nikko Securities Inc.	55,332	2.6%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	28,052	1.3%
7	Sumitomo Mitsui Trust Bank, Limited	27,150	1.3%
8	SSBTC CLIENT OMNIB US ACCOUNT	23,869	1.1%
9	STATE STREET BANK AND TRUST COMPANY 505103	23,687	1.1%
10	The Shinkumi Federation Bank	22,797	1.1%
Total		1,375,494	64.8%

Notes (IV)

P.64-65 Portfolio list

- (Note 1) The expected loss rate of the buildings for earthquake damage with a reproduction period of 475 years stated in the earthquake risk assessment report for each property is listed. The figure for “Total” is based on the “48 Property Building Earthquake Risk Survey Portfolio” as of Dec. 2022. “Total” is “PML value of the entire domestic portfolio” and not the average.
- (Note 2) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON LakeTown mori” and “AEON LakeTown kaze” correspond to the quasi co-ownership share of trust beneficiary money (40%).
- (Note 3) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON MALL Chiba-Newtown (The shopping mall building and The cinema and sports building)” include the amount of additional acquisition of the land acquired on Oct. 27, 2022.
- (Note 4) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON MALL Kofu Showa” include the amount of additional acquisition of the additional building acquired on Sep. 3, 2018. The PML value of “AEON MALL Kofu Showa” was calculated at the time of acquisition of the extension building, so the “existing building” is 2.5% and the “extension building” is 3.1%.
- (Note 5) The acquisition price, book value at the end of the period, appraisal value and unrealized gain / loss of “AEON Taman Universiti Shopping Center” are based on the co-ownership interest transferred from AEON Malaysia, which owns the entire property. The amount corresponding to the percentage of similar rights (18.18% of the total) is stated.

P.66-67 Appraisal value

- (Note 1) Listed acquisition price, FP Terminal book value, real estate appraisal value is the figure as of Jul. 31, 2023.
- (Note 2) Unrealized gains / losses are calculated as appraisal value minus book value at the end of the period.
- (Note 3) For AEON LakeTown mori and AEON LakeTown kaze, their appraisal values, price based on direct capitalization method, price based on DCF method, and NOI describe the Investment Corporation’s pro-rata portion of the quasi-coownership interest (jun kyōyū-mochibun) in the beneficially rights of real estate in trust (40% for each property).
- (Note 4) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON MALL Chiba-Newtown (The shopping mall building and The cinema and sports building)” include the amount of additional acquisition of the land acquired on Oct. 27, 2022.
- (Note 5) AEON MALL Kofu Showa has acquired ¥7,100 mm of the extension building on Sep. 3, 2018, and the above appraisal value refers to the integrated figure of the existing and the extension building.
- (Note 6) The real estate appraisal value indicates the amount equivalent to the right similar to the co-ownership interest in the trust related to the trust beneficiary interest in real estate(18.18%).
- (Note 7) The following conversion of the Malaysian ringgit into yen is used for each period: rate as of Jan. 31, 2023 for 20th FP (1 RM= ¥30.73 (rounded down to the third digit))and Jul. 31, 2023 for 21st FP (1 RM= ¥31.02 (rounded down to the third digit)).

P.68 Major revitalization investments with rent increase (Results and Planned)

- (Note 1) “Revitalization investment amount” refers to the amount mentioned in construction contracts for improving the value of the managed property.
- (Note 2) For the results in the above table(by Jan. 2023), revitalization investments took place since listing with an increase in rent of ¥100 mm or more are shown. For the results and plan after Feb, 2023, all of the revitalization investments with an increase in rent are shown.
- (Note 3) Rent increase period is 20 years.

Notes (IV)

P.70 Performance trends of stores in the portfolio (1/2)

- (Note 1) The above graph shows the income and the incidental income from the end tenants of the master lease company of domestic retail properties owned by the Investment Corporation as of the end of Jul. 2023 (44 properties).
- (Note 2) The graph above shows the index compared to the same period of the previous year of the sales from Dec. 2022 to May 2023 of the 44 domestic retail properties owned by the Investment Corporation as of the end of Jul. 2023 (compared to Dec. 2021 to May 2022).
- (Note 3) The composition ratio is rounded off to the first decimal place. Therefore, the total value may not be 100.0%

P.71 Performance trends of stores in the portfolio (2/2)

- (Note 1) The graph above shows substantial occupancy rate of the total leased area (master lease) deducting vacant floor area of domestic retail properties owned by the Investment Corporation as of the end of Jul. 2023 (44 properties) (rounded to the first decimal place).
- (Note 2) The graph above shows the index of the three months end tenant sales compared to the same period of the previous year of domestic retail properties owned by the Investment Corporation as of the end of Jul. 2023 (44 properties).

P.72 Average cap rate

- (Note 1) Average cap rate is calculated excluding Malaysian properties whose return yield by direct capitalization method is not calculated.
- (Note 2) “The three largest cities” indicates the Metropolitan, Chubu and Kinki areas, i.e. Metropolitan area covers Tokyo, Kanagawa, Saitama and Chiba pref., Chubu area covers Aichi, Gifu and Mie pref. and Kinki covers Osaka, Kyoto, Hyogo, Nara and Shiga pref. in each.

P.73 Status of debts (1/2)

- (Note 1) Floating interest rates on short-term borrowings are Japanese Yen Tibor published by the Japanese Bankers Association. However, if there is no corresponding period, the interest rate reasonably determined by the agent by the linear apportionment method.
- (Note 2) While funds are borrowed at floating rates, the interest rates are fixed in effect by entering into rate swap agreements to hedge interest rate fluctuation risk. The figures are the interest rates calculated after taking into consideration the effect of interest swaps.
- (Note 3) As of Apr. 16, 2018, Mitsubishi UFJ Trust and Banking Corporation’s lending operations were transferred to MUFG Bank, Ltd. through a company split. In accordance with this, the loan claims held by Mitsubishi UFJ Trust and Banking Corporation were succeeded to MUFG Bank, Ltd. as of the same date.
- (Note 4) On May 1, 2021, Mie Bank and Daisan Bank merged to form San ju San Bank, Ltd.

Disclaimer

Disclaimer

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Asset Manager : AEON Reit Management Co., Ltd.

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

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