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March 18, 2024

Financial Report for the Fiscal Period Ended January 31, 2024 (August 1, 2023 – January 31, 2024)

AEON REIT Investment Corporation

Listing: Tokyo Stock Exchange
 Securities code: 3292
 URL: <https://www.aeon-jreit.co.jp/en/index.html>
 Representative: Nobuaki Seki, Executive Director

Asset management company: AEON Reit Management Co., Ltd.
 Representative: Nobuaki Seki, Representative Director and President
 Contact: Taro Nakamura, General Manager of Finance and Planning Department
 Phone: +81-3-5283-6360

Scheduled date to file securities report: April 25, 2024
 Scheduled date to commence distribution payments: April 19, 2024

Preparation of supplementary material on financial report: Yes
 Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Summary of financial results for the fiscal period ended January 31, 2024 (August 1, 2023 – January 31, 2024)

(1) Operating results (Percentages show changes from the previous period)

Fiscal period ended	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2024	21,054	0.2	8,048	1.0	7,073	0.4	6,990	(0.8)
July 31, 2023	21,008	5.1	7,970	4.6	7,048	5.0	7,047	4.8

Fiscal period ended	Net income per unit	Return on equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenue
	Yen	%	%	%
January 31, 2024	3,291	2.8	1.6	33.6
July 31, 2023	3,318	2.9	1.6	33.5

(2) Distributions

Fiscal period ended	Distribution per unit (excluding distributions in excess of retained earnings)	Total cash distributions (excluding distributions in excess of retained earnings)	Distribution in excess of retained earnings per unit	Total cash distributions in excess of retained earnings	Payout ratio	Cash distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
January 31, 2024	3,350	7,115	0	0	101.8	2.9
July 31, 2023	3,350	7,115	0	0	101.0	2.9

(Note 1) Distribution per unit for the fiscal period ended January 31, 2024, is calculated by dividing the amount, which is obtained by adding the amount of reversal of distribution reserve of ¥125 million to unappropriated retained earnings of ¥6,990 million, by the total number of investment units issued and outstanding.

(Note 2) Distribution per unit for the fiscal period ended July 31, 2023, is calculated by dividing the amount, which is obtained by adding the amount of reversal of distribution reserve of ¥65 million to unappropriated retained earnings of ¥7,049 million, by the total number of investment units issued and outstanding.

(Note 3) Payout ratio for the fiscal period ended July 31, 2023, is calculated by using the following formula due to issuance of new investment units during the period:

$$\text{Payout ratio} = \text{Total cash distributions (excluding distributions in excess of retained earnings)} / \text{Net income} \times 100$$

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2024	454,258	247,267	54.4	116,418
July 31, 2023	452,485	247,392	54.7	116,477

(Reference) Equity As of January 31, 2024: ¥247,267 million As of July 31, 2023: ¥247,392 million

(4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2024	14,700	(2,335)	(7,114)	38,311
July 31, 2023	11,454	(24,226)	12,973	33,060

2. Forecasts of performance for the fiscal periods ending July 31, 2024 (February 1, 2024 – July 31, 2024) and January 31, 2025 (August 1, 2024 – January 31, 2025)

(Percentages show changes from the previous period)

Fiscal period ending	Operating revenue		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Distributions per unit (including distributions in excess of retained earnings)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
July 31, 2024	21,009	(0.2)	7,705	(4.3)	6,706	(5.2)	6,705	(4.1)	3,274	61	3,335
January 31, 2025	21,017	0.0	7,948	3.1	6,894	2.8	6,894	2.8	3,245	90	3,335

(Reference) Forecasted net income per unit (Forecasted net income / Forecasted total number of investment units issued and outstanding at end of period)

For the fiscal period ending July 31, 2024: ¥3,157

For the fiscal period ending January 31, 2025: ¥3,246

(Note) Distribution per unit is calculated on the assumption that the entire amount of distribution reserve will be reversed and distributed in the fiscal period ending July 2024.

*Other

(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to reasons other than a. above: None
- Changes in accounting estimates: None
- Retrospective restatement: None

(2) Total number of investment units issued and outstanding

- Total number of investment units issued and outstanding at end of period (including treasury investment units)
 - As of January 31, 2024 2,123,952 units
 - As of July 31, 2023 2,123,952 units
- Number of treasury investment units at end of period
 - As of January 31, 2024 0 units
 - As of July 31, 2023 0 units

(Note) Please refer to “Per Unit Information” on page 31 for the number of investment units used as the basis for calculating net income per unit.

* Status of audit procedures

This financial report is not subject to audit procedures by public accountants or audit corporations.

* Special notes

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to AEON REIT and on certain assumptions AEON REIT deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. Furthermore, these forecasts shall not be construed as a guarantee of the distribution amount. Please refer to “Assumptions for Forecasts of Performance for the Fiscal Periods Ending July 2024 (February 1, 2024 – July 31, 2024) and January 2025 (August 1, 2024 – January 31, 2025)” on page 7 for information on assumptions for the forecasts of operating results.

1. Status of Asset Management

(1) Status of Asset Management

i) Summary of results for the current fiscal period

(A) Overview of AEON REIT

AEON REIT Investment Corporation (hereinafter, “AEON REIT”) invests primarily in retail and related properties which, as an integral part of the communities in which they are located, form the backbone of communities and their retail business infrastructure. Through said investment, we aim to ensure stable earnings over the medium to long term and achieve steady portfolio growth.

AEON REIT was established on November 30, 2012, in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trusts Act”), with AEON Reit Management Co., Ltd. (hereinafter, the “Asset Manager”) serving as the organizer. AEON REIT was listed on the Real Estate Investment Trust Securities Market (J-REIT market) of the Tokyo Stock Exchange (securities code: 3292) on November 22, 2013.

The real estate held by AEON REIT as of January 31, 2024, totaled 49 properties in Japan and overseas, including AEON MALL SEREMBAN 2 it owns through an overseas real estate holding corporation established in Malaysia (hereinafter, the “Overseas SPC”), with a total acquisition price of ¥468,332 million. Total leasable area is 4,241,745.30 m² and the occupancy rate of the entire portfolio is 100.0% as of the same date.

(B) Operating environment and performance

(a) Operating environment

In the fiscal period under review (the 22nd fiscal period), the Japanese economy saw the real GDP growth rate (first preliminary estimates) for October through December 2023 decrease by 0.1% quarter on quarter, recording negative growth, although only slightly, for the second consecutive quarter. This was impacted by the fact that consumer spending and capital investment, which are the pillars of domestic demand, were sluggish due to factors such as the increasing thriftiness resulting from price hikes, stagnant sales of seasonal products due to the mild winter, and delayed construction investments caused by high resource prices and labor shortages, while foreign demand such as consumption by inbound tourists (foreign visitors to Japan) increased. In Malaysia, the real GDP for the fourth quarter of 2023 rose 3.0% year on year. The Malaysian economy grew solidly due to improvements in the employment and income environments and weakening of inflationary pressures.

In the real estate investment market, market participants remained highly willing to acquire properties due to the favorable financing environment, the difference in interest rates with overseas markets, and the weakening of the yen, although the willingness of some investors to make investments is declining due to a sense of caution about the change in the monetary policy of the Bank of Japan (BOJ). Although the market is witnessing varying degrees of overheating based asset type and area, it should become ever more important going forward to discern the profitability of individual properties and timeliness of transactions in consideration of interest trends, etc.

In the J-REIT market, the Tokyo Stock Exchange (TSE) REIT Index recovered from 1,877.19 points, the closing price at the end of the previous fiscal period (end of July 2023), to the 1,900-point level based on closing price in September. Subsequently, given the persistently high U.S. long-term interest rates and the increasing upward pressure on domestic long-term interest rates conscious of the speculation that the BOJ’s negative interest rate policy would be lifted, the TSE REIT Index stood at 1,798.71 points based on closing price at the end of the 22nd fiscal period.

(b) Performance

In the 22nd fiscal period, AEON REIT re-installed the ceiling and flooring at AEON Ueda Shopping Center for the purpose of improving the property’s image and functionality as an act of revitalization work based on the basic agreement on revitalization work concluded at the time of property acquisition in October 2020. In addition, AEON REIT realized rent increase by implementing construction work including the renovation of the food court to enhance competitiveness. At AEON MALL Ota, AEON REIT conducted expansion work of air-conditioning equipment associated with the replacement of end-tenants through the renovation of the existing building. At AEON MALL Yokkaichi-Kita, it conducted installation of fireproof shutters associated with the expanded sections, achieving a rent increase.

As such, in coordination with the tenants (master lessees), AEON REIT is promoting investments aimed at reinforcing competitiveness as well as maintaining and enhancing the functions of its properties.

(C) Financing

In the fiscal period under review, AEON REIT conducted debt financing of ¥29,700 million in total to fund the refinancing of borrowings of ¥20,400 million maturing on October 20, 2023, and early repayment of short-term borrowings of ¥9,300 million borrowed on February 1, 2023. Of the debt financing, the loan of ¥9,300 million is for repayment of borrowings that were used to acquire AEON MALL Wakayama, an eligible green asset based on the sustainability finance framework prepared by AEON REIT, and were procured in the form of green loans.

As of January 31, 2024, AEON REIT had a balance of interest-bearing debt totaling ¥188,400 million, with the LTV ratio (the ratio of the balance of interest-bearing debt plus tenant leasehold and security deposits and tenant leasehold and security deposits in trust to total assets held by AEON REIT) standing at 44.6%.

The ratio of long-term interest-bearing debt (the ratio of long-term interest-bearing debt (including the current portion of long-term loans payable) to total interest-bearing debt) was 100.0% as of January 31, 2024. The ratio of fixed-rate debt (the ratio of interest-bearing debt with fixed interest payment (including interest-bearing debt with interest fixed through swaps) to total interest-bearing debt) was 97.8% as of the same date. Together with the abovementioned LTV, these figures indicate that AEON REIT has maintained a sound and conservative financial structure. AEON REIT has worked to diversify repayment dates and extend maturities of interest-bearing debt with an aim to further reinforce its financial base.

Furthermore, as of January 31, 2024, AEON REIT had the following credit rating.

<Credit rating>

Credit rating agency	Rating type	Credit rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA	Stable

(D) Initiatives on sustainability

AEON REIT is making endeavors for Environment, Social, and Governance (ESG) awareness. It works to reduce environmental burden and coordinate and cooperate with its stakeholders in pursuit of realizing a sustainable society as its corporate social responsibility. In December 2021, AEON Reit Management Co., Ltd. that conducts asset management for AEON REIT identified its materiality (important agendas) and expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with an aim to clarify its policy and structure for addressing ESG issues and promote enhanced disclosure of what it is doing in the endeavor. In the 22nd fiscal period, AEON REIT set new key performance indicators (KPIs) for the priority issues on materiality with an aim to implement more effective initiatives in September 2023 as well as issued “Sustainability Report 2023,” which summarizes the basic information on AEON REIT, the idea on sustainability, and ESG initiatives, in November.

A variety of initiatives have been recognized by external institutions, as exemplified by AEON REIT obtaining “Five Star” in the GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment, which grants rating in five stages based on global ranking of total scores, in October 2023, marking the fourth consecutive year with the rating. AEON REIT also received the “Green Star” rating for the eighth consecutive year, evaluated as an excellent participant in both of the Management Component, which measures the entity’s policy and organizational structure for promoting ESG, and the Performance Component, which measures the environmental performance of the entity’s portfolio properties and joint initiatives with tenants, etc. It also received the highest “A Level” for the third consecutive years for the GRESB Public Disclosure, which assess the breadth of ESG disclosure.

As for assessment for properties, AEON REIT re-obtained DBJ Green Building Certification for 5 properties in total in the 22nd fiscal period.

As of the end of the 22nd fiscal period (January 31, 2024), AEON REIT has obtained third-party certifications for 86.8% of its portfolio properties (based on total leasable area), with DBJ Green Building Certification for 31 properties, BELS certification for 1 property, and CASBEE Certification for Real Estate for 4 properties.

Other than the above, the Asset Manager was certified under the CERTIFIED 2024 Health & Productivity Management Outstanding Organizations Recognition Program (for SMEs) in March 2024, marking the fifth consecutive year with the certification. Both AEON REIT and the Asset Manager will continue to pursue initiatives on ESG issues in a proactive manner.

(E) Results and cash distribution

As a result of the above operations, AEON REIT posted operating revenue of ¥21,054 million, operating income of ¥8,048 million, ordinary income of ¥7,073 million, and net income of ¥6,990 million for the 22nd fiscal period ended January 31, 2024. Furthermore, AEON REIT posted a total of ¥95 million of construction cost pertaining to the damage caused by Typhoon Lan that occurred in August 2023 as extraordinary loss and a total of ¥12 million in insurance income for such damage as extraordinary income.

As for cash distribution for the 22nd fiscal period, distribution per unit came to ¥3,350 as a result of adding ¥125 million in reversal of distribution reserve (the amount obtained by deducting unappropriated retained earnings from the amount obtained by multiplying the forecast cash distribution per unit for the 22nd fiscal period, as disclosed in the earnings forecast made in the previous fiscal period, by the total number of investment units issued and outstanding as of the end of the fiscal period) to ¥6,990 million in unappropriated retained earnings.

Furthermore, AEON REIT shall distribute cash in excess of earnings for each fiscal period as a rule pursuant to the policy for cash distribution in excess of earnings as stipulated in Article 35-2 of its Articles of Incorporation. For the 22nd fiscal period, however, with ¥374 million in distribution reserve it has provided for securing stable distributions, AEON REIT will not distribute cash in excess of earnings in accordance with Article 136 in the Act on Investment Trusts and Investment Corporations.

ii) Outlook for the next fiscal period

(A) Outlook for overall performance

Looking ahead, the Japanese and Malaysian economies are expected to head for a gradual recovery due to such factors as improvements in the employment and income environments centering on rising wages and an increase in demand from foreign tourists. However, attention must be paid to the risk in which a downturn in overseas economies puts downward pressure on the economy, such as the impact of global monetary tightening and concerns about the outlook of the Chinese economy. In addition, it is necessary to pay close attention to the impact of such factors as rising general prices, the situation in the Middle East, and fluctuations in the financial and capital markets.

Under such circumstances, AEON REIT will endeavor to secure stable rental income on a continuous basis by taking advantage of lease agreements with fixed rents that it employs based on master lease agreements with the AEON Group companies, in which entire individual buildings are leased to them as lessees (master lessees).

On top of this, AEON REIT believes that it is even more necessary to effectively utilize cash on hand in response to changes in the external environment by taking advantage of the capacity to generate cash flows, one of its characteristics, on top of seeking to secure stable earnings over the medium to long term and maintain and enhance its asset value by continuously utilizing the comprehensive strengths of the AEON Group to acquire and manage community infrastructure assets that continue to be supported by local communities.

(B) Future investment policy

(a) Basic policy

AEON REIT aims to secure stable income as well as maintain and enhance asset value over the medium to long term by endeavoring to sustain and improve rent revenue, conduct adequate management and repairs and maintenance measures, and optimize and streamline management costs.

(b) Investment policy and growth strategy

The AEON Group has the comprehensive strength of being able to consistently develop and operate large-scale retail properties and other retail properties of various types. In implementing its growth strategy, AEON REIT seeks for growth of its portfolio over the medium to long term by fully utilizing the comprehensive strengths of the AEON Group.

AEON REIT believes that it can expand its portfolio size, improve the stability of investments, and enhance its financing capabilities by acquiring retail and related properties developed by the AEON Group from the Group based on the Sponsor Support Agreements, Pipeline Support Agreements and Memorandum of Understanding on Investments in Properties in Malaysia. Moreover, by improving financing capabilities, it works to acquire more properties, thereby expanding its portfolio size. From the viewpoint of the AEON Group, selling its retail and related properties to AEON REIT allows the Group to use the obtained funds to execute investments for growth (such as development of new stores). Executing such investment for growth should contribute to increased revenue and higher corporate value of the AEON Group, which in turn supports further growth of AEON REIT. By building a mutually beneficial relationship with the AEON Group that creates a virtuous cycle for both entities, as discussed above, AEON REIT aims to maximize unitholder value.

(c) Financial strategy

AEON REIT will maintain a strong financial base while working to control the debt ratio in a conservative manner. In conducting financial operations, it has set the upper limit of its LTV ratio at 60% and works to keep the ratio at around 50% as a rule. To mitigate refinance risk and interest rate fluctuation risk, AEON REIT will consider extending loan maturities and fixing interest rates in an effort to ensure appropriate operations.

iii) Significant events after balance sheet date

Not applicable.

**Assumptions for Forecasts of Performance for the Fiscal Periods Ending
July 2024 (February 1, 2024 – July 31, 2024) and January 2025 (August 1, 2024 – January 31, 2025)**

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending July 31, 2024 (182 days from February 1, 2024, to July 31, 2024, the 23rd fiscal period) Fiscal period ending January 31, 2025 (184 days from August 1, 2024, to January 31, 2025, the 24th fiscal period)
Portfolio	<ul style="list-style-type: none"> The number of investment assets is assumed to be 49 (including AEON MALL SEREMBAN 2 that AEON REIT owns through the Overseas SPC) AEON REIT owns as of March 18, 2024 (hereinafter, the “assets currently held”). For the forecasts of performance, it is assumed that, through the end of the 24th fiscal period ending January 2025, there will be no change (acquisition of new properties or sale of the assets currently held, etc.) in the number of investment assets. The actual figure may vary due to acquisition of new properties or disposal of owned properties, etc. not assumed above.
Operating revenue	<ul style="list-style-type: none"> Rent revenue – real estate from the assets currently held has been calculated by taking into account such factors as the relevant lease agreements effective as of March 18, 2024, and market trends. Dividends from the Overseas SPC have been calculated based on the assumption that dividends will be received during the fiscal periods ending July 31, 2024 (23rd fiscal period), and ending January 31, 2025 (24th fiscal period), respectively. Furthermore, the exchange rate of Malaysia is assumed to be Malaysian Ringgit 1 = JPY 29.00. It is assumed that there is no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> Operating expenses mainly comprise expenses related to rent business. Those expenses, excluding depreciation expenses, are calculated on the basis of historical data and by reflecting variable factors of expenses for the assets currently held. Generally, fixed asset taxes, city planning taxes and depreciable asset taxes for the acquired properties are prorated based on the period of ownership with the previous owners and settled. The amount equivalent to such settlement is included in the acquisition costs and therefore not recognized as expenses for the fiscal period in which the acquisition takes place. As for fixed asset taxes, city planning taxes and depreciable asset taxes for the assets currently held, AEON REIT assumes to record ¥2,410 million for the 23rd fiscal period and ¥2,410 million for the 24th fiscal period as expenses. For repairs and maintenance expenses for buildings, amounts assumed to be required in each fiscal period is recorded as expenses, based on the medium- to long-term repair and maintenance plan formulated by the asset management company (AEON Reit Management Co., Ltd.). However, actual repairs and maintenance expenses in each fiscal period may differ substantially from the forecasts, as (i) there is no denying the possibility of repairs and maintenance expenses being incurred urgently due to damages to buildings caused by unforeseeable factors, (ii) generally, incurred expenses differ substantially from one fiscal period to another, and (iii) expenses are not incurred on a regular basis, among other reasons. Depreciation of property and equipment is computed by the straight-line method, including related expenses, and is assumed to be ¥5,227 million for the 23rd fiscal period and ¥5,249 million for the 24th fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing-related expenses are assumed to be ¥983 million for the 23rd fiscal period and ¥1,047 million for the 24th fiscal period.
Borrowings	<ul style="list-style-type: none"> As of March 18, 2024, AEON REIT has interest-bearing debt totaling ¥188,400 million. It is assumed that AEON REIT will refinance ¥19,500 million in borrowings that will mature in the 24th fiscal period (repayment date: October 21, 2024) for the same amount. LTV ratio is anticipated to be approximately 45% as of the end of the 23rd fiscal period (July 31, 2024) and approximately 45% as of the end of the 24th fiscal period (January 31, 2025). LTV is calculated by using the following formula: LTV = Total interest-bearing debt plus tenant leasehold and security deposits (including tenant leasehold and security deposits in trust) / Total assets × 100

Item	Assumptions
Investment units	<ul style="list-style-type: none"> ● Distribution per unit for the 23rd and 24th fiscal periods is calculated based on the assumption that the total number of investment units issued and outstanding will be 2,123,952 units as of March 18, 2024. Furthermore, it is assumed that there will be no issuance of new investment units through the end of the 24th fiscal period, without any change in the number of investment units.
Distribution per unit (excluding distribution in excess of retained earnings)	<ul style="list-style-type: none"> ● Distribution per unit (excluding distribution in excess of retained earnings) has been calculated based on the cash distribution policy prescribed in the Articles of Incorporation of AEON REIT. ● Fluctuations in rent revenue due to changes in the portfolio and tenants, unforeseeable repairs and maintenance incurred and other various factors may lead to changes in the amount of distribution per unit (excluding distribution in excess of retained earnings).
Distribution in excess of retained earnings per unit (allowance for temporary difference adjustments)	<ul style="list-style-type: none"> ● Cash distribution in excess of retained earnings (inconsistency between profits for accounting purposes and tax purposes) for the 23rd fiscal period and the 24th fiscal period is estimated as follows. ● Expenses of amortization of fixed-term leasehold rights and asset retirement obligations (hereinafter, “amortization of leasehold rights, etc.”) of the assets currently held is assumed to be ¥80 million for the 23rd fiscal period and ¥80 million for the 24th fiscal period. ● It is assumed that distribution in excess of retained earnings (allowance for temporary difference adjustments) of ¥37 per unit will be made in the 23rd fiscal period and distribution in excess of retained earnings (allowance for temporary difference adjustments) of ¥37 per unit in the 24th fiscal period. ● Furthermore, with regard to amortization of leasehold rights, etc., the impact of the amortization of leasehold rights, etc. will become larger due to the acquisition of AEON MALL Shinkomatsu. Accordingly, AEON REIT started recording amortization of leasehold rights, etc. from the 18th fiscal period ended January 2022.
Distribution in excess of retained earnings per unit (distribution with decrease of investment capital under tax laws)	<ul style="list-style-type: none"> ● Cash distribution in excess of retained earnings (return of capital to unitholders) has been calculated in accordance with the cash distribution policy prescribed in the Articles of Incorporation of AEON REIT and operational guidelines and the implementation policy on cash distribution in excess of retained earnings, which are internal rules of the Asset Manager. ● In order to enable stable payment of distributions, AEON REIT adopts a policy of continuously making cash distribution in excess of retained earnings (return of capital to unitholders) every fiscal period, in addition to cash distribution based on earnings. While AEON REIT has recorded a certain amount of distribution reserve, it had not implemented cash distribution in excess of retained earnings (return of capital to unitholders) since it is stipulated under the applicable accounting principles that when the relevant distribution reserve is recorded, cash distribution in excess of retained earnings (return of capital to unitholders) cannot be made until all such reserve is reversed. However, it is assumed that the entire amount of such reserve will be reversed in the 23rd fiscal period. ● Therefore, AEON REIT plans to continuously make cash distribution in excess of retained earnings (return of capital to unitholders) every fiscal period, up to 60% of the depreciation for the relevant fiscal period, after taking into account the trends in the economic environment, the real estate market and the rental market, etc., conditions of assets currently held, financial conditions and other factors. ● However, regardless of the abovementioned policy, if the implementation of cash distribution in excess of retained earnings (return of capital to unitholders) is deemed inappropriate based on the trends in the economic environment, the real estate market and the rental market, etc., conditions of assets currently held, financial conditions and other factors, AEON REIT may not implement cash distribution in excess of retained earnings (return of capital to unitholders). ● It is assumed that distribution in excess of retained earnings (distribution with decrease of investment capital under tax laws) of ¥24 per unit will be made in the 23rd fiscal period and distribution in excess of retained earnings (distribution with decrease of investment capital under tax laws) of ¥53 per unit in the 24th fiscal period.
Others	<ul style="list-style-type: none"> ● It is assumed that no revisions that may impact the abovementioned projections will be made to laws and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others. ● It is assumed that no unforeseeable significant changes will occur in general economic trends or conditions in the real estate market, etc. ● The damage caused by the 2024 Noto Peninsula Earthquake is under investigation and has not been included in the performance forecast.

2. Financial Statements

(1) Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal period (As of July 31, 2023)	Current fiscal period (As of January 31, 2024)
Assets		
Current assets		
Cash and deposits	23,939,480	28,558,720
Cash and deposits in trust	9,121,487	9,752,689
Prepaid expenses	501,357	856,621
Income taxes receivable	23	23
Consumption taxes receivable	728,225	—
Other	7,433	7,380
Total current assets	34,298,007	39,175,435
Non-current assets		
Property and equipment		
Land	108,463	108,463
Buildings in trust	262,286,229	264,424,721
Accumulated depreciation	(75,454,775)	(80,693,384)
Buildings in trust, net	186,831,453	183,731,337
Structures in trust	2,144,674	2,201,889
Accumulated depreciation	(1,411,557)	(1,481,473)
Structures in trust, net	733,117	720,416
Tools, furniture and fixtures in trust	41,408	41,408
Accumulated depreciation	(22,411)	(25,920)
Tools, furniture and fixtures in trust, net	18,996	15,488
Land in trust	148,996,928	148,996,928
Total property and equipment	336,688,959	333,572,634
Intangible assets		
Leasehold interests in trust	74,469,416	74,397,089
Total intangible assets	74,469,416	74,397,089
Investments and other assets		
Shares of subsidiaries and associates	6,078,453	6,078,453
Long-term prepaid expenses	656,645	775,451
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	6,745,099	6,863,905
Total non-current assets	417,903,475	414,833,628
Deferred assets		
Investment unit issuance expenses	48,408	32,983
Investment corporation bond issuance costs	235,763	216,302
Total deferred assets	284,172	249,285
Total assets	452,485,655	454,258,350

(Unit: Thousands of yen)

	Previous fiscal period (As of July 31, 2023)	Current fiscal period (As of January 31, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	1,009,143	1,458,354
Short-term loans payable	9,300,000	—
Current portion of long-term loans payable	20,400,000	19,500,000
Accounts payable - other	499,196	489,036
Accrued expenses	108,934	107,493
Income taxes payable	605	605
Accrued consumption taxes	—	1,375,221
Provision for loss on disaster	—	84,919
Other	196,145	194,022
Total current liabilities	31,514,025	23,209,651
Non-current liabilities		
Investment corporation bond	51,000,000	51,000,000
Long-term loans payable	107,700,000	117,900,000
Tenant leasehold and security deposits	2,628	2,628
Tenant leasehold and security deposits in trust	14,320,296	14,320,296
Asset retirement obligations	555,835	558,113
Total non-current liabilities	173,578,760	183,781,038
Total liabilities	205,092,785	206,990,690
Net assets		
Unitholders' equity		
Unitholders' capital	243,428,896	243,428,896
Deduction from unitholders' capital		
Other deduction from unitholders' capital	(3,525,697)	(3,525,697)
Total deduction from unitholders' capital	(3,525,697)	(3,525,697)
Unitholders' capital, net	239,903,198	239,903,198
Surplus		
Voluntary reserve		
Distribution reserve	440,101	374,431
Total voluntary reserve	440,101	374,431
Unappropriated retained earnings (undisposed loss)	7,049,570	6,990,029
Total surplus	7,489,671	7,364,461
Total unitholders' equity	247,392,870	247,267,660
Total net assets	*1 247,392,870	*1 247,267,660
Total liabilities and net assets	452,485,655	454,258,350

(2) Statements of Income

	(Unit: Thousands of yen)			
	Previous fiscal period (From February 1, 2023, to July 31, 2023)		Current fiscal period (From August 1, 2023, to January 31, 2024)	
Operating revenue				
Rent revenue - real estate	*1	20,844,445	*1	20,887,803
Dividends received	*2	163,870	*2	166,959
Total operating revenue		21,008,316		21,054,762
Operating expenses				
Expenses related to rent business	*1	11,870,427	*1	11,798,293
Asset management fee		938,765		971,454
Asset custody fee		23,053		23,035
Administrative service fees		64,543		68,436
Directors' compensation		5,400		4,500
Taxes and dues		6,270		8,194
Other operating expenses		128,994		132,320
Total operating expenses		13,037,455		13,006,233
Operating income		7,970,860		8,048,528
Non-operating income				
Interest income		152		155
Refund of unpaid distributions		878		1,710
Interest on tax refund		—		2,166
Foreign exchange gains		120		—
Total non-operating income		1,151		4,031
Non-operating expenses				
Interest expenses		515,866		566,009
Interest expenses on investment corporation bonds		215,139		216,531
Amortization of investment unit issuance expenses		15,425		15,425
Amortization of investment corporation bond issuance costs		19,461		19,461
Borrowing related expenses		157,944		161,330
Foreign exchange loss		—		87
Total non-operating expenses		923,837		978,846
Ordinary income		7,048,174		7,073,713
Extraordinary income				
Insurance income		—	*3	12,208
Total extraordinary income		—		12,208
Extraordinary losses				
Loss on disaster		—	*4	10,368
Provision for loss on disaster		—	*4	84,919
Total extraordinary losses		—		95,288
Income (loss) before income taxes		7,048,174		6,990,634
Income taxes - current		605		605
Total income taxes		605		605
Net income (loss)		7,047,569		6,990,029
Retained earnings brought forward		2,000		—
Unappropriated retained earnings (undisposed loss)		7,049,570		6,990,029

(3) Statements of Unitholders' Equity

Previous fiscal period (From February 1, 2023, to July 31, 2023)

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Surplus	
		Other deduction from unitholders' capital	Total deduction from unitholders' capital		Voluntary reserve	
					Distribution reserve	Total voluntary reserve
Balance at beginning of current period	233,010,081	(3,525,697)	(3,525,697)	229,484,384	429,190	429,190
Changes of items during period						
Issuance of new investment units	10,418,814			10,418,814		
Provision of distribution reserve					10,910	10,910
Dividends of surplus						
Net income						
Total changes of items during period	10,418,814	—	—	10,418,814	10,910	10,910
Balance at end of current period	*1 243,428,896	(3,525,697)	(3,525,697)	239,903,198	440,101	440,101

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	6,724,896	7,154,087	236,638,471	236,638,471
Changes of items during period				
Issuance of new investment units			10,418,814	10,418,814
Provision of distribution reserve	(10,910)			
Dividends of surplus	(6,711,985)	(6,711,985)	(6,711,985)	(6,711,985)
Net income	7,047,569	7,047,569	7,047,569	7,047,569
Total changes of items during period	324,673	335,584	10,754,398	10,754,398
Balance at end of current period	7,049,570	7,489,671	247,392,870	247,392,870

Current fiscal period (From August 1, 2023, to January 31, 2024)

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Surplus	
		Other deduction from unitholders' capital	Total deduction from unitholders' capital		Voluntary reserve	
					Distribution reserve	Total voluntary reserve
Balance at beginning of current period	243,428,896	(3,525,697)	(3,525,697)	239,903,198	440,101	440,101
Changes of items during period						
Reversal of distribution reserve					(65,669)	(65,669)
Dividends of surplus						
Net income						
Total changes of items during period	—	—	—	—	(65,669)	(65,669)
Balance at end of current period	*1 243,428,896	(3,525,697)	(3,525,697)	239,903,198	374,431	374,431

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	7,049,570	7,489,671	247,392,870	247,392,870
Changes of items during period				
Reversal of distribution reserve	65,669			
Dividends of surplus	(7,115,239)	(7,115,239)	(7,115,239)	(7,115,239)
Net income	6,990,029	6,990,029	6,990,029	6,990,029
Total changes of items during period	(59,540)	(125,209)	(125,209)	(125,209)
Balance at end of current period	6,990,029	7,364,461	247,267,660	247,267,660

(4) Statements of Cash Distributions

(Unit: Yen)

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
I Unappropriated retained earnings (undisposed loss)	7,049,570,000	6,990,029,271
II Reversal of voluntary reserve		
Reversal of distribution reserve	65,669,200	125,209,929
III Total cash distributions	7,115,239,200	7,115,239,200
[Distribution per unit]	[3,350]	[3,350]
IV Retained earnings brought forward	–	–
Calculation method for distributions	<p>Pursuant to the policy for cash distribution set forth in Article 35, paragraph 1 of the Articles of Incorporation of AEON REIT, distributions shall be limited to the amount within profits, and also the amount of earnings in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, AEON REIT will pay distributions of profits at the total amount of ¥7,115,239,200, which is obtained by adding ¥65,669,200 in reversal of distribution reserve to ¥7,049,570,000 in unappropriated retained earnings and which is the amount that does not exceed this calculated amount and is the greatest value among integral multiples of 2,123,952, which is the total number of investment units issued and outstanding. Furthermore, AEON REIT shall distribute cash in excess of earnings for each fiscal period as a rule pursuant to the policy for cash distribution in excess of earnings as stipulated in Article 35-2 of its Articles of Incorporation. For the 21st fiscal period, however, with ¥440,101,162 in distribution reserve it has provided for securing stable distributions, AEON REIT will not distribute cash in excess of earnings in accordance with Article 136 in the Act on Investment Trusts and Investment Corporations.</p>	<p>Pursuant to the policy for cash distribution set forth in Article 35, paragraph 1 of the Articles of Incorporation of AEON REIT, distributions shall be limited to the amount within profits, and also the amount of earnings in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, AEON REIT will pay distributions of profits at the total amount of ¥7,115,239,200, which is obtained by adding ¥125,209,929 in reversal of distribution reserve to ¥6,990,029,271 in unappropriated retained earnings and which is the amount that does not exceed this calculated amount and is the greatest value among integral multiples of 2,123,952, which is the total number of investment units issued and outstanding. Furthermore, AEON REIT shall distribute cash in excess of earnings for each fiscal period as a rule pursuant to the policy for cash distribution in excess of earnings as stipulated in Article 35-2 of its Articles of Incorporation. For the 22nd fiscal period, however, with ¥374,431,962 in distribution reserve it has provided for securing stable distributions, AEON REIT will not distribute cash in excess of earnings in accordance with Article 136 in the Act on Investment Trusts and Investment Corporations.</p>

(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Cash flows from operating activities		
Income before income taxes	7,048,174	6,990,634
Depreciation	5,502,443	5,386,639
Amortization of investment corporation bond issuance costs	19,461	19,461
Amortization of investment unit issuance expenses	15,425	15,425
Interest income	(152)	(155)
Interest expenses	731,006	782,541
Insurance income	—	(12,208)
Loss on disaster	—	10,368
(Decrease) increase in provision for loss on disaster	(48,032)	84,919
(Increase) decrease in consumption taxes receivable	(728,225)	728,225
(Decrease) increase in accrued consumption taxes	(608,287)	1,375,221
Decrease (increase) in prepaid expenses	306,257	(355,264)
(Decrease) increase in operating accounts payable	(277,482)	580,399
Increase (decrease) in accounts payable - other	24,946	(10,160)
Decrease (increase) in long-term prepaid expenses	130,734	(118,806)
Other, net	19,934	(2,585)
Subtotal	12,136,204	15,474,655
Interest income received	152	155
Interest expenses paid	(731,311)	(783,981)
Proceeds from insurance income	63,137	12,208
Payments for loss on disaster	(12,942)	(2,159)
Income taxes paid	(608)	(605)
Net cash provided by operating activities	11,454,632	14,700,272
Cash flows from investing activities		
Purchase of property and equipment in trust	(23,175,373)	(2,335,105)
Purchase of intangible assets in trust	(1,051,009)	—
Net cash used in investing activities	(24,226,382)	(2,335,105)
Cash flows from financing activities		
Proceeds from short-term loans payable	9,300,000	—
Repayments of short-term loans payable	—	(9,300,000)
Proceeds from long-term loans payable	—	29,700,000
Repayments of long-term loans payable	—	(20,400,000)
Proceeds from issuance of investment units	10,383,699	—
Dividends paid	(6,710,442)	(7,114,806)
Net cash provided by (used in) financing activities	12,973,257	(7,114,806)
Effect of exchange rate change on cash and cash equivalents	(121)	82
Net increase in cash and cash equivalents	201,385	5,250,442
Cash and cash equivalents at beginning of period	32,859,581	33,060,967
Cash and cash equivalents at end of period	*1 33,060,967	*1 38,311,409

<p>6. Recognition of revenue and expenses</p>	<p>(1) Standards for revenue recognition</p> <p>The details of main performance obligations concerning revenue generated from contracts between AEON REIT and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.</p> <p>Utilities income</p> <p>AEON REIT recognizes utilities income in accordance with the supply of water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it. Of the utilities income, in the case that AEON REIT deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for water, etc. supplied by the said other parties is recognized as revenue.</p> <p>(2) Property-related taxes</p> <p>For fixed asset tax, city planning tax, depreciable asset tax, etc., for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to rent business.</p> <p>The amount equivalent to property-related taxes to be paid by AEON REIT in the first year for acquisition of real properties or trust beneficiary rights in real estate is not recorded as expenses but included in the acquisition costs for the related properties.</p> <p>In the current fiscal period, there was no amount equivalent to property-related taxes included in the acquisition costs for the related real properties, and in the previous fiscal period, the amount equivalent to property-related taxes included in the acquisition costs for the related real properties was ¥272,587 thousand.</p>
<p>7. Method of hedge accounting</p>	<p>(1) Method of hedge accounting</p> <p>Special treatment is applied for interest rate swaps.</p> <p>(2) Hedging instruments and hedged items</p> <p>Hedging instruments: Interest rate swap transactions</p> <p>Hedged items: Interest on borrowings</p> <p>(3) Hedging policy</p> <p>AEON REIT conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of AEON REIT pursuant to the regulations that stipulate the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness</p> <p>The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.</p>
<p>8. Scope of cash and cash equivalents in the statement of cash flows</p>	<p>Cash and cash equivalents in the statement of cash flows consist of cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.</p>

9. Other significant matters that serve as the basis for preparation of financial statements	<p>(1) Accounting policy for trust beneficiary rights in real estate, etc.</p> <p>With regard to trust beneficiary rights in real estate, etc., all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheets and statements of income.</p> <p>Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheets:</p> <ul style="list-style-type: none"> i) Cash and deposits in trust ii) Buildings in trust, structures in trust, tools, furniture and fixtures in trust, and land in trust iii) Leasehold interests in trust iv) Tenant leasehold and security deposits in trust <p>(2) Accounting policy for non-deductible consumption taxes</p> <p>National and local consumption taxes are accounted for by the tax-exclusion method.</p>
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(8) Notes on Significant Accounting Estimates

Previous fiscal period (From February 1, 2023, to July 31, 2023)

Impairment Losses of Non-Current Assets

1. Balance of subject assets

	(Unit: Thousands of yen)
Impairment losses	Not applicable
Property and equipment	336,688,959
Intangible assets	74,469,416

2. Information on the nature of significant accounting estimates for identified items

In accordance with Accounting Standard for Impairment of Fixed Assets, AEON REIT has adopted the accounting treatment to reduce the book value of non-current assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to decline in profitability.

In adopting the accounting treatment, each property owned by AEON REIT is regarded as a single asset group, and AEON REIT determines whether it is required to recognize impairment losses when indications of impairment for the group are deemed to exist due to continued operating losses, significant declines in the market prices, and significant deterioration of business environment, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount that is based on real estate appraisal value, etc. prepared by third-parties, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, such items as rent, vacancy period, occupancy rate, expenses related to rent business, property ownership period, capital expenditures and discount rate for estimating the recoverable amount are determined by comprehensively considering the market trends and transaction cases of similar properties, etc. in reference to information from outside experts, including figures set forth in real estate appraisal.

The performance and the market price of each property may be affected by the trends in the real estate rental market and real estate transaction market. Accordingly, any change in the assumptions used for the estimates may affect AEON REIT's assets and profit and loss in the following fiscal period.

Current fiscal period (From August 1, 2023, to January 31, 2024)

Impairment Losses of Non-Current Assets

1. Balance of subject assets

	(Unit: Thousands of yen)
Impairment losses	Not applicable
Property and equipment	333,572,634
Intangible assets	74,397,089

2. Information on the nature of significant accounting estimates for identified items

In accordance with Accounting Standard for Impairment of Fixed Assets, AEON REIT has adopted the accounting treatment to reduce the book value of non-current assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to decline in profitability.

In adopting the accounting treatment, each property owned by AEON REIT is regarded as a single asset group, and AEON REIT determines whether it is required to recognize impairment losses when indications of impairment for the group are deemed to exist due to continued operating losses, significant declines in the market prices, and significant deterioration of business environment, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount that is based on real estate appraisal value, etc. prepared by third-parties, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, such items as rent, vacancy period, occupancy rate, expenses related to rent business, property ownership period, capital expenditures and discount rate for estimating the recoverable amount are determined by comprehensively considering the market trends and transaction cases of similar properties, etc. in reference to information from outside experts, including figures set forth in real estate appraisal.

The performance and the market price of each property may be affected by the trends in the real estate rental market and real estate transaction market. Accordingly, any change in the assumptions used for the estimates may affect AEON REIT's assets and profit and loss in the following fiscal period.

(9) Notes to Financial Statements

Notes to Balance Sheets

		(Unit: Thousands of yen)	
Previous fiscal period (As of July 31, 2023)		Current fiscal period (As of January 31, 2024)	
*1.	Minimum net assets as provided in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations	50,000	
*1.	Minimum net assets as provided in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations	50,000	

Notes to Statements of Income

*1. Breakdown of revenues and expenses related to real estate leasing business

Previous fiscal period (From February 1, 2023, to July 31, 2023)		(Unit: Thousands of yen)
<hr/>		
A.	Revenues related to real estate leasing business	
	Rent revenue - real estate	
	Rent	20,768,288
	Other rent revenue - real estate	76,156
	Total revenues related to real estate leasing business	20,844,445
<hr/>		
B.	Expenses related to real estate leasing business	
	Expenses related to rent business	
	Property and facility management fees	51,139
	Repairs and maintenance expenses	931,978
	Insurance expenses	309,562
	Trust fees	25,271
	Land rent paid	2,740,708
	Taxes and dues	2,262,558
	Depreciation	5,502,443
	Water charges	37,876
	Other expenses related to rent business	8,888
	Total expenses related to real estate leasing business	11,870,427
<hr/>		
C.	Operating income from real estate leasing business (A – B)	8,974,017
<hr/>		
Current fiscal period (From August 1, 2023, to January 31, 2024)		(Unit: Thousands of yen)
<hr/>		
A.	Revenues related to real estate leasing business	
	Rent revenue - real estate	
	Rent	20,768,752
	Other rent revenue - real estate	119,051
	Total revenues related to real estate leasing business	20,887,803
<hr/>		
B.	Expenses related to real estate leasing business	
	Expenses related to rent business	
	Property and facility management fees	51,143
	Repairs and maintenance expenses	963,173
	Insurance expenses	321,898
	Trust fees	32,294
	Land rent paid	2,741,088
	Taxes and dues	2,248,968
	Depreciation	5,386,639
	Water charges	45,568
	Other expenses related to rent business	7,519
	Total expenses related to real estate leasing business	11,798,293
<hr/>		
C.	Operating income from real estate leasing business (A – B)	9,089,510
<hr/>		

*2. Breakdown of dividends received

Previous fiscal period (From February 1, 2023, to July 31, 2023)

The entire amount of the maximum distributable amount (RM 5,479,843 (¥163,870 thousand) based on the results of the fiscal period ended January 2023 of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. was paid to AEON REIT as dividends (Note 3), which were calculated on the following basis.

Items of statements of income of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. and the basis of calculating dividends (from August 1, 2022, to January 31, 2023)

		(Unit: RM (Thousands of yen))	
Revenues related to real estate leasing business		8,008,432	(246,739)
Expenses related to real estate leasing business		640,893	(19,745)
Other expenses		103,869	(3,200)
Unrealized gain from valuation of investment properties		4,000,000	(123,240)
Net income before income taxes		11,263,670	(347,033)
Net income before income taxes after deducting unrealized gain		7,263,670	(223,793)
Corporate income taxes on net income before income taxes after deducting unrealized gain		1,783,827	(54,959)
Maximum distributable amount (Note 3)		5,479,843	(163,870)
Dividends (Note 3)		5,479,843	(163,870)

(Note 1) The table above is based on the accounting standards of Malaysia (equivalent to IFRS), although disclosure is not based on the Malaysian standards.

(Note 2) For the exchange rate, the period-average exchange rate (RM 1 = JPY 30.81 (rounded down to the second decimal place)) is used.

(Note 3) Maximum distributable amount and dividends are converted to the yen value by using the forward exchange rate on June 1, 2023, of RM 1 = JPY 29.90 (rounded down to the second decimal place).

Current fiscal period (From August 1, 2023, to January 31, 2024)

The entire amount of the maximum distributable amount (RM 5,327,664 (¥166,959 thousand) based on the results of the fiscal period ended July 2023 of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. was paid to AEON REIT as dividends (Note 3), which were calculated on the following basis.

Items of statements of income of JAMBATAN MANSEIBASHI (M) Sdn. Bhd. and the basis of calculating dividends (from February 1, 2023, to July 31, 2023)

		(Unit: RM (Thousands of yen))	
Revenues related to real estate leasing business		8,133,401	(247,092)
Expenses related to real estate leasing business		638,621	(19,401)
Other expenses		356,787	(10,839)
Unrealized gain from valuation of investment properties		—	(—)
Net income before income taxes		7,137,993	(216,852)
Net income before income taxes after deducting unrealized gain		7,137,993	(216,852)
Corporate income taxes on net income before income taxes after deducting unrealized gain		1,810,329	(54,997)
Maximum distributable amount (Note 3)		5,327,664	(166,959)
Dividends (Note 3)		5,327,664	(166,959)

(Note 1) The table above is based on the accounting standards of Malaysia (equivalent to IFRS), although disclosure is not based on the Malaysian standards.

(Note 2) For the exchange rate, the period-average exchange rate (RM 1 = JPY 30.38 (rounded down to the second decimal place)) is used.

(Note 3) Maximum distributable amount and dividends are converted to the yen value by using the forward exchange rate on December 1, 2023, of RM 1 = JPY 31.33 (rounded down to the second decimal place).

*3. Breakdown of extraordinary income

Previous fiscal period (From February 1, 2023, to July 31, 2023)

Not applicable.

Current fiscal period (From August 1, 2023, to January 31, 2024)

AEON REIT recorded ¥12,208 thousand in insurance income for the assets damaged by Typhoon Lan.

*4. Breakdown of extraordinary losses

Previous fiscal period (From February 1, 2023, to July 31, 2023)

Not applicable.

Current fiscal period (From August 1, 2023, to January 31, 2024)

1) Loss on disaster

Losses related to the assets damaged by Typhoon Lan (expenses for restoration work) were recognized as loss on disaster (¥10,368 thousand).

2) Provision for loss on disaster

With regard to the assets damaged by Typhoon Lan, expenses for restoration work that were reasonably estimated as of the end of the fiscal period ended January 31, 2024 (¥84,919 thousand), were recorded as provision of allowance for loss on disaster.

Notes to Statements of Unitholders' Equity

*1. Total number of authorized investment units and total number of investment units issued and outstanding

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,123,952 units	2,123,952 units

Notes to Statements of Cash Flows

*1. Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheets

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Cash and deposits	23,939,480	28,558,720
Cash and deposits in trust	9,121,487	9,752,689
Cash and cash equivalents	33,060,967	38,311,409

Financial Instruments

1. Matters regarding financial instruments

(1) Policy for financial instruments

AEON REIT seeks as its basic policy to execute a stable, flexible and efficient financial strategy, and procures funds by borrowing, issuing investment corporation bonds (including short-term investment corporation bonds; the same shall apply hereafter), or issuing investment units for purposes including portfolio growth through property acquisitions.

Derivative transactions are carried out only to hedge the risk of fluctuations in interest rates associated with borrowings, exchange rate fluctuation risks associated with operating receivables or obligations in foreign currency, and other risks.

(2) Content and risks of financial instruments and risk management system

Proceeds from loans payable and investment corporation bonds are used mainly for the purpose of acquiring real estate and trust beneficiary rights in real estate.

Tenant leasehold and security deposits in trust are deposits provided by tenants under lease agreements.

Loans payable with floating interest rates are exposed to the risk of fluctuations in interest rates. However, by appropriately managing the debt ratio, etc., it is possible to limit the impact of a rise in market interest rates on the operations of AEON REIT. Furthermore, these risks are managed through derivative transactions (interest rate swaps) as hedging instruments in certain floating-rate loans payable in order to fix interest rate payments and hedge the risk of fluctuations in interest rates. The hedge effectiveness of the interest rate swaps is assessed, by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items and based on the respective amount of changes; provided, however, that the assessment of hedge effectiveness be omitted for those interest rate swaps that meet the criteria for exceptional treatment.

Derivative transactions are conducted and managed in accordance with the internal regulations that specify the basic policy for risk management.

Loans payable, investment corporation bonds and tenant leasehold and security deposits in trust are exposed to liquidity risks. However, AEON REIT manages these risks through preparing monthly financing plans, maintaining liquidity on hand, and other means by the Asset Manager.

Operating receivables denominated in foreign currencies associated with the acquisition of overseas properties are exposed to the risk of fluctuations in exchange rates. However, since the percentage of these receivables to total assets is low, they are handled under a system in which the Asset Manager monitors the risk and examines the necessity of hedging it with the use of derivative transactions such as forward foreign exchange contract transactions.

AEON REIT may be engaged in foreign currency denominated transactions in connection with investments in overseas real estate, etc. Such transactions carry the risk of fluctuations in exchange rates, and exchange rate fluctuations may negatively affect AEON REIT's earnings. If the yen is increasingly appreciated against other currencies, the yen-value of foreign currency denominated transactions that arise in connection with investments in overseas real estate, etc. may be diminished to negatively impact AEON REIT's net income for the relevant fiscal period.

Moreover, if there are foreign denominated assets and liabilities in connection with investments in overseas real estate, etc., certain accounts of these assets and liabilities will be converted into yen at the exchange rates prevailing on the closing date for the preparation of financial statements. Due to exchange rate fluctuations, these accounts may negatively affect AEON REIT's net income.

(3) Supplementary explanations on fair value, etc. of financial instruments

The fair values of financial instruments include values based on market prices or, for shares, etc. for which there are no market prices available, reasonably calculated values. As certain assumptions are used in calculating these values, if different assumptions, etc., are used, these values could vary.

2. Matters regarding fair value, etc. of financial instruments

Balance sheet carrying amounts, fair values, and the difference between the two values are as shown below. Stocks, etc. with no market price are not included in the table below ^(Note 2). Notes on “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are omitted as they are cash and short-term settlements and their fair values approximate their carrying amounts. Notes on “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are also omitted due to immateriality.

Previous fiscal period (as of July 31, 2023)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	20,400,000	20,429,930	29,930
(2) Investment corporation bonds	51,000,000	49,478,700	(1,521,300)
(3) Long-term loans payable	107,700,000	107,798,535	98,535
Total liabilities	179,100,000	177,707,165	(1,392,834)
(4) Derivative transactions	–	–	–

Current fiscal period (as of January 31, 2024)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	19,500,000	19,610,607	110,607
(2) Investment corporation bonds	51,000,000	49,497,800	(1,502,200)
(3) Long-term loans payable	117,900,000	117,612,704	(287,295)
Total liabilities	188,400,000	186,721,112	(1,678,887)
(4) Derivative transactions	–	–	–

(Note 1) Measurement of fair values of financial instruments

(1) Current portion of long-term loans payable, (3) Long-term loans payable

Because the interest rates of long-term loans payable with floating interest rates are to be revised periodically and thus their fair value is almost the same as the book value, the book value is used as the fair value of these liabilities. The fair value of long-term loans payable carrying fixed interest rates is calculated by discounting the total of principal and interest at the rate assumed when a new, similar loan corresponding to the remaining period is made. The fair value for interest rate swaps, to which special treatment is applied, is included in the fair value of long-term loans payable, a hedged item.

(2) Investment corporation bonds

The fair value of investment corporation bonds is based on the reference price disclosed by the Japan Securities Dealers Association.

(4) Derivative transactions

Please refer to “Derivative Transactions” described later.

(Note 2) Financial instruments for which there are no market prices

(Unit: Thousands of yen)

	Previous fiscal period (as of July 31, 2023)	Current fiscal period (as of January 31, 2024)
Shares of subsidiaries and associates	6,078,453	6,078,453

Shares of subsidiaries and associates are not subject to fair value disclosure pursuant to Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments.

(Note 3) Expected amount of repayments of investment corporation bonds and loans payable after balance sheet date

Previous fiscal period (as of July 31, 2023)

(Unit: Thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	20,400,000	–	–	–	–	–
Investment corporation bonds	–	–	2,000,000	1,000,000	2,000,000	46,000,000
Long-term loans payable	–	19,500,000	22,200,000	20,400,000	20,300,000	25,300,000
Total	20,400,000	19,500,000	24,200,000	21,400,000	22,300,000	71,300,000

Current fiscal period (as of January 31, 2024)

(Unit: Thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	19,500,000	–	–	–	–	–
Investment corporation bonds	–	2,000,000	1,000,000	2,000,000	15,000,000	31,000,000
Long-term loans payable	–	22,200,000	24,300,000	24,800,000	11,100,000	35,500,000
Total	19,500,000	24,200,000	25,300,000	26,800,000	26,100,000	66,500,000

Derivative Transactions

1. Derivative transactions not applying hedge accounting

Previous fiscal period (as of July 31, 2023)

Not applicable.

Current fiscal period (as of January 31, 2024)

Not applicable.

2. Derivative transactions applying hedge accounting

The following table shows the contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

Previous fiscal period (as of July 31, 2023)

(Unit: Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged item	Contract amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Exceptional treatment for hedge accounting of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	123,200,000	103,500,000	(Note)	–

(Note) Fair value of interest rate swap with the exceptional treatment is included in fair value of “(3) Long-term loans payable” in “Financial Instruments, 2. Matters regarding fair value, etc., of financial instruments” described above, as it is processed as a single unit with the hedged long-term loans payable.

Current fiscal period (as of January 31, 2024)

(Unit: Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Major hedged item	Contract amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Exceptional treatment for hedge accounting of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	133,200,000	117,900,000	(Note)	–

(Note) Fair value of interest rate swap with the exceptional treatment is included in fair value of “(3) Long-term loans payable” in “Financial Instruments, 2. Matters regarding fair value, etc., of financial instruments” described above, as it is processed as a single unit with the hedged long-term loans payable.

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

	(Unit: Thousands of yen)	
	Previous fiscal period (As of July 31, 2023)	Current fiscal period (As of January 31, 2024)
Deferred tax assets		
Asset retirement obligations	174,865	175,582
Amortization of leasehold interests	99,092	121,846
Tax loss carried forward (Note)	137,363	137,363
Subtotal of deferred tax assets	411,321	434,792
Valuation reserve	(253,673)	(279,027)
Total deferred tax assets	157,648	155,764
Deferred tax liabilities		
Property and equipment corresponding to the asset retirement obligations	(157,648)	(155,764)
Total deferred tax liabilities	(157,648)	(155,764)
Net deferred tax assets	-	-

(Note) For the tax loss carried forward and the amount of the deferred tax assets by carry-forward period, please refer to “3. Tax loss carried forward and amount of deferred tax assets by carry-forward period.”

2. Reconciliation of significant difference between the normal effective statutory tax rate and the actual effective tax rate after application of tax effect accounting

	(Unit: %)	
	Previous fiscal period (As of July 31, 2023)	Current fiscal period (As of January 31, 2024)
Normal effective statutory tax rate	31.46	31.46
(Adjustments)		
Distributions paid included in deductibles	(31.76)	(32.02)
Reversal of distribution reserve	0.29	0.56
Other	0.01	0.01
Effective tax rate after application of tax effect accounting	0.01	0.01

3. Tax loss carried forward and amount of deferred tax assets by carry-forward period

Previous fiscal period (as of July 31, 2023)

	(Unit: Thousands of yen)						
	1 year or less	1 year through 2 years	2 years through 3 years	3 years through 4 years	4 years through 5 years	5 years or more	Total
Tax loss carried forward (Note)	-	-	137,363	-	-	-	137,363
Valuation reserve	-	-	(137,363)	-	-	-	(137,363)
Total deferred tax assets	-	-	-	-	-	-	-

(Note) Tax loss carried forward represents the amount multiplied by the effective statutory tax rate.

Current fiscal period (as of January 31, 2024)

(Unit: Thousands of yen)

	1 year or less	1 year through 2 years	2 years through 3 years	3 years through 4 years	4 years through 5 years	5 years or more	Total
Tax loss carried forward (Note)	–	137,363	–	–	–	–	137,363
Valuation reserve	–	(137,363)	–	–	–	–	(137,363)
Total deferred tax assets	–	–	–	–	–	–	–

(Note) Tax loss carried forward represents the amount multiplied by the effective statutory tax rate.

Asset Retirement Obligations

Asset retirement obligations recorded on the balance sheets

1. Overview of the asset retirement obligations

Asset retirement obligations have been recorded as AEON REIT has obligations to restore the sites to their original conditions based on the fixed-term land lease agreements for some of its assets.

2. Calculation method of the amount of the asset retirement obligations

The amount of the asset retirement obligations is calculated by estimating the expected use period of the relevant assets to be the remaining period of the relevant fixed-term land lease agreements (38 to 46 years) and using the discount rates of 0.797% - 0.906%.

3. Change in the total amount of the asset retirement obligations

(Unit: Thousands of yen)

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Balance at beginning of current period	457,977	555,835
Increase due to purchase of property and equipment	95,587	–
Adjustment due to passage of time	2,269	2,278
Balance at end of current period	555,835	558,113

Investment and Rental Properties

AEON REIT holds retail properties. The balance sheet carrying amounts, changes during the fiscal period, and fair values of these rental properties are as follows. Amounts do not include AEON Mall Seremban 2 held through the overseas SPC. The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income.”

(Unit: Thousands of yen)

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Balance sheet carrying amount		
Balance at beginning of period	392,472,134	411,158,376
Changes during period	18,686,241	(3,188,652)
Balance at end of period	411,158,376	407,969,723
Fair value at end of period	492,123,910	492,576,888

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) Of the changes during the previous fiscal period, the increase is mainly due to acquisition of two properties (AEON MALL Wakayama and AEON MALL Miyakonojo Ekimae) with an acquisition price of ¥21,705,284 thousand, capital expenditures at existing properties amounting to ¥2,385,542 thousand and recording of asset retirement obligations amounting to ¥95,587 thousand, while the decrease is principally attributable to depreciation amounting to ¥5,502,443 thousand. Of the changes during the current fiscal period, the increase is mainly due to capital expenditures at existing properties amounting to ¥2,195,707 thousand, while the decrease is principally attributable to depreciation amounting to ¥5,384,360 thousand.

(Note 3) The fair value at end of the current fiscal period is the appraisal value or survey price provided by an independent real estate appraiser.

Revenue Recognition

Previous fiscal period (From February 1, 2023, to July 31, 2023)

1. Breakdown information on revenue from contracts with customers

For the breakdown information on revenue from contracts with customers, refer to “*1. Breakdown of revenues and expenses related to real estate leasing business” in Notes to Statements of Income.

Note that “*1. Breakdown of revenues and expenses related to real estate leasing business” includes revenue in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No.13). Furthermore, revenue from contracts with customers mainly represents utilities income (¥37,876 thousand) that is included in Other rent revenue - real estate.

2. Basic information for understanding revenue from contracts with customers

The information is as described in Notes on Significant Accounting Policies.

3. Information on relationship between fulfillment of performance obligations based on contracts with customers and cash flow generated from said contracts, and on amount and period of revenues expected to be recognized in the following accounting period or thereafter from contracts with customers existing at the end of the current accounting period

Not applicable.

Current fiscal period (From August 1, 2023, to January 31, 2024)

1. Breakdown information on revenue from contracts with customers

For the breakdown information on revenue from contracts with customers, refer to “*1. Breakdown of revenues and expenses related to real estate leasing business” in Notes to Statements of Income.

Note that “*1. Breakdown of revenues and expenses related to real estate leasing business” includes revenue in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No.13). Furthermore, revenue from contracts with customers mainly represents utilities income (¥45,568 thousand) that is included in Other rent revenue - real estate.

2. Basic information for understanding revenue from contracts with customers

The information is as described in Notes on Significant Accounting Policies.

3. Information on relationship between fulfillment of performance obligations based on contracts with customers and cash flow generated from said contracts, and on amount and period of revenues expected to be recognized in the following accounting period or thereafter from contracts with customers existing at the end of the current accounting period

Not applicable.

Segment Information, Etc.

1. Segment information

Disclosure is omitted as AEON REIT is comprised of a single reportable segment engaged in the real estate leasing business.

2. Related information

Previous fiscal period (From February 1, 2023, to July 31, 2023)

(1) Information about products and services

Disclosure is omitted since operating revenue from external customers of products and services within a single segment exceeds 90% of operating revenue on the statement of income.

(2) Information about geographical area

i) Operating revenue

Disclosure is omitted since operating revenue from external customers in Japan exceeds 90% of operating revenue on the statement of income.

ii) Property and equipment

Disclosure is omitted since the amount of property and equipment located in Japan exceeds 90% of property and equipment on the balance sheet.

(3) Information about major customers

(Unit: Thousands of yen)

Name	Operating revenue	Related segment
AEON Mall Co., Ltd.	10,711,381	Real estate leasing business
AEON Retail Co., Ltd.	6,750,686	Real estate leasing business
AEON Hokkaido Corporation	1,021,738	Real estate leasing business
AEON KYUSHU Co., Ltd.	764,641	Real estate leasing business
The Daiei, Inc.	626,386	Real estate leasing business
AEON TOHOKU Co., Ltd.	511,859	Real estate leasing business
AEON Global SCM Co., Ltd.	289,620	Real estate leasing business
AEON CO. (M) BHD. (Note)	25,528	Real estate leasing business

(Note) *Operating revenue* is converted into yen using the foreign exchange rate prevailing at the time the transaction occurred (monthly average spot exchange rate for the month directly preceding the month in which the transaction took place).

Current fiscal period (From August 1, 2023, to January 31, 2024)

(1) Information about products and services

Disclosure is omitted since operating revenue from external customers of products and services within a single segment exceeds 90% of operating revenue on the statement of income.

(2) Information about geographical area

i) Operating revenue

Disclosure is omitted since operating revenue from external customers in Japan exceeds 90% of operating revenue on the statement of income.

ii) Property and equipment

Disclosure is omitted since the amount of property and equipment located in Japan exceeds 90% of property and equipment on the balance sheet.

(3) Information about major customers

(Unit: Thousands of yen)

Name	Operating revenue	Related segment
AEON Mall Co., Ltd.	10,704,257	Real estate leasing business
AEON Retail Co., Ltd.	6,757,622	Real estate leasing business
AEON Hokkaido Corporation	1,021,901	Real estate leasing business
AEON KYUSHU Co., Ltd.	764,466	Real estate leasing business
The Daiei, Inc.	634,082	Real estate leasing business
AEON TOHOKU Co., Ltd.	511,832	Real estate leasing business
AEON Global SCM Co., Ltd.	289,620	Real estate leasing business
AEON CO. (M) BHD. (Note)	26,219	Real estate leasing business

(Note) *Operating revenue* is converted into yen using the foreign exchange rate prevailing at the time the transaction occurred (monthly average spot exchange rate for the month directly preceding the month in which the transaction took place).

Per Unit Information

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Net assets per unit	¥116,477	¥116,418
Net income per unit	¥3,318	¥3,291

(Note 1) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period. Fully diluted net income per investment unit is not presented, as there is no potential investment unit.

(Note 2) The basis for calculating net income per unit is as follows:

	Previous fiscal period (From February 1, 2023, to July 31, 2023)	Current fiscal period (From August 1, 2023, to January 31, 2024)
Net income (Thousands of yen)	7,047,569	6,990,029
Amount not attributable to common unitholders (Thousands of yen)	–	–
Net income attributable to common investment units (Thousands of yen)	7,047,569	6,990,029
Average number of investment units for the period (Units)	2,123,533	2,123,952

Significant Subsequent Events

Not applicable.

Omission of Disclosure

AEON REIT omits the disclosure of notes to lease transactions, securities, retirement benefits, share of profit or loss of entities accounted for using equity method and related-party transactions as it does not find substantial need for disclosure in the Financial Report.

(10) Changes in Total Number of Investment Units Issued

Changes in the total number of investment units issued and the total unitholders' capital of AEON REIT in the last five years are as follows:

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Millions of yen) (Note 1)		Remarks
		Change	Balance	Change	Balance	
September 3, 2019	Capital increase through public offering	91,400	1,868,747	11,805	203,977	(Note 2)
October 1, 2019	Capital increase through third-party allotment	4,570	1,873,317	590	204,568	(Note 3)
August 17, 2021	Capital increase through public offering	163,000	2,036,317	23,729	228,297	(Note 4)
September 14, 2021	Capital increase through third-party allotment	8,150	2,044,467	1,186	229,484	(Note 5)
February 1, 2023	Capital increase through public offering	75,700	2,120,167	9,922	239,407	(Note 6)
February 21, 2023	Capital increase through third-party allotment	3,785	2,123,952	496	239,903	(Note 7)

(Note 1) Difference between unitholders' capital and the amount of deduction from unitholders' capital is indicated.

(Note 2) New investment units were issued through public offering with an issue price per unit of ¥133,477 (issue value: ¥129,164), for the purpose of procuring funds to acquire new properties.

(Note 3) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥129,164.

(Note 4) New investment units were issued through public offering with an issue price per unit of ¥150,442 (issue value: ¥145,581), for the purpose of procuring funds to repay borrowings used to fund acquisition of new properties.

(Note 5) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥145,581.

(Note 6) New investment units were issued through public offering with an issue price per unit of ¥135,456 (issue value: ¥131,079), for the purpose of procuring funds to acquire new properties.

(Note 7) In conjunction with the capital increase through public offering, new investment units were issued through third-party allotment with an issue value per unit of ¥131,079.

3. Reference Information

(1) Status of Investment

i) Composition of assets

Type of assets	Property type	Region (Note 1)	Previous fiscal period (As of July 31, 2023)					Current fiscal period (As of January 31, 2024)				
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%)	Holding assets denominated in foreign currency (Millions of yen)			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%)	Holding assets denominated in foreign currency (Millions of yen)		
					Unrealized gain (loss) on valuation of foreign currency (Millions of yen) (Note 3)	Percentage to total assets (%)				Unrealized gain (loss) on valuation of foreign currency (Millions of yen) (Note 4)	Percentage to total assets (%)	
Trust beneficiary rights in real estate	Retail properties, etc.	Hokkaido and Tohoku	28,429	6.3	–	–	–	28,313	6.2	–	–	–
		Kanto (Note 5)	148,195	32.8	–	–	–	147,354	32.4	–	–	–
		Tokai, Hokuriku and Chubu	58,459	12.9	–	–	–	58,212	12.8	–	–	–
		Kinki	100,446	22.2	–	–	–	99,440	21.9	–	–	–
		Chugoku and Shikoku	27,988	6.2	–	–	–	27,482	6.0	–	–	–
		Kyushu and Okinawa	47,042	10.4	–	–	–	46,578	10.3	–	–	–
		Malaysia	595	0.1	595	(30)	0.1	588	0.1	588	(26)	0.1
Total			411,158	90.9	595	(30)	0.1	407,969	89.8	588	(26)	0.1
Shares of subsidiaries and associates (Note 6)			6,078	1.3	6,078	1,372	1.3	6,078	1.3	6,078	1,420	1.3
Deposits and other assets			35,248	7.8	6	–	0.0	40,210	8.9	20	–	0.0
Total assets			452,485	100.0	6,679	1,341	1.5	454,258	100.0	6,687	1,393	1.5

	Previous fiscal period (As of July 31, 2023)		Current fiscal period (As of January 31, 2024)	
	Amount (Millions of yen)	Percentage to total assets (%)	Amount (Millions of yen)	Percentage to total assets (%)
Total liabilities	205,092	45.3	206,990	45.6
Total net assets	247,392	54.7	247,267	54.4

(Note 1) Details of the constituents of *Region* categories are shown below.

Hokkaido and Tohoku:	Hokkaido, Aomori, Akita, Iwate, Yamagata, Miyagi, and Fukushima prefectures
Kanto:	Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, and Gunma prefectures
Tokai, Hokuriku and Chubu:	Aichi, Shizuoka, Mie, Niigata, Toyama, Ishikawa, Fukui, Nagano, Yamanashi, and Gifu prefectures
Kinki:	Osaka, Kyoto, Nara, Shiga, Wakayama, and Hyogo prefectures
Chugoku and Shikoku:	Tottori, Okayama, Shimane, Hiroshima, Yamaguchi, Kagawa, Tokushima, Ehime, and Kochi prefectures
Kyushu and Okinawa:	Fukuoka, Kumamoto, Saga, Nagasaki, Oita, Miyazaki, Kagoshima, and Okinawa prefectures
Malaysia:	The whole land of Malaysia is presented as one category.

(Note 2) *Total amount held* represents the balance sheet carrying amount (for real estate and trust beneficiary rights in real estate, book value less depreciation expenses) as of the end of the fiscal period.

(Note 3) *Unrealized gain (loss) on valuation of foreign currency* as of July 31, 2023, represents the amount obtained by subtracting the book value at end of period that is evaluated and converted to Japanese yen based on the exchange rate at the time of the acquisition from the book value at end of period which has been converted to Japanese yen based on the exchange rate as of the end of the fiscal period (July 31, 2023). The applied exchange rate on the closing date (July 31, 2023) is RM 1 = ¥31.02 (rounded down to the second decimal place). As there is no official foreign exchange rate for the RM, the reference exchange rate of Mizuho Bank, Ltd. is adopted for conversion to the yen. The same shall apply hereafter.

(Note 4) *Unrealized gain (loss) on valuation of foreign currency* as of January 31, 2024, represents the amount obtained by subtracting the book value at end of period that is evaluated and converted to Japanese yen based on the exchange rate at the time of the acquisition from the book value at end of period which has been converted to Japanese yen based on the exchange rate as of the end of the fiscal period (January 31, 2024). The applied exchange rate on the closing date (January 31, 2024) is RM 1 = ¥31.22 (rounded down to the second decimal place).

(Note 5) “AEON MALL Mitouchihara,” located in “Kanto,” includes, in addition to the trust beneficiary rights in real estate portion, a real estate portion (adjacent land portion that was additionally acquired on April 28, 2015; the balance sheet carrying amount is ¥108 million).

(Note 6) *Shares of subsidiaries and associates* represents stocks issued by overseas real estate holding corporations defined in Article 221-2, Paragraph 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations.

ii) Major investment securities

Investment securities held by AEON REIT as of the end of the current period are as follows.

Security name	Type of assets	Business type	Quantity (shares)	Book value		Estimated value (Note)		As a percentage of total assets (%)
				Unit value (yen)	Amount (Thousands of yen)	Unit value (yen)	Amount (Thousands of yen)	
JAMBATAN MANSEIBASHI (M) Sdn. Bhd.	Shares of affiliate company	Overseas real estate holding corporation	239,110,002	25.42 (RM 1)	6,078,453 (RM 240,185,002)	25.42 (RM 1)	6,078,453 (RM 240,185,002)	1.3

(Note) The *Estimated value* of the stocks of the affiliate in question represents the acquisition value since it was no market prices.

Investment ratio by asset type and business type

Type	Region	Business type	As a percentage of total assets (%)
Shares of affiliate company	Malaysia	Overseas real estate holding corporation	1.3
Total			1.3

iii) Investment properties

A summary of the properties held by AEON REIT is provided for the convenience of readers in “iv) Other main investment assets” below.

iv) Other main investment assets

(A) Summary of real estate and trust beneficiary rights in real estate

The summary of real estate, etc., held by AEON REIT as of January 31, 2024 (the end of the 22nd fiscal period) (including real estate AEON REIT owns through the Overseas SPC) is shown below.

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	Book value at end of period (Millions of yen)	Assessed value at end of period (Millions of yen) (Note 2)	Investment percentage (%) (Note 3)	Seller
SRSC-1	AEON LakeTown mori (Note 4)	21,190	17,264	24,800	4.5	AEON Retail Co., Ltd.
SRSC-2	AEON LakeTown kaze (Note 4)	6,730	5,223	8,090	1.4	AEON Retail Co., Ltd.
RSC-1	AEON MALL Morioka	5,340	4,986	6,210	1.1	AEON Mall Co., Ltd.
RSC-2	AEON MALL Ishinomaki	6,680	5,390	7,190	1.4	AEON Retail Co., Ltd.
RSC-3	AEON MALL Mitouchihara (Note 5)	16,565	12,763	17,020	3.5	AEON Mall Co., Ltd. Mito City, Ibaraki Pref.
RSC-4	AEON MALL Ota	6,860	6,285	8,230	1.5	Tokyo Century Corporation
RSC-5	AEON Sagamihara Shopping Center	10,220	9,190	10,400	2.2	AEON Retail Co., Ltd.
RSC-6	AEON MALL Ogaki	4,950	3,055	4,640	1.1	AEON Retail Co., Ltd.
RSC-7	AEON MALL Suzuka	9,660	8,769	11,000	2.1	AEON Mall Co., Ltd.
RSC-8	AEON MALL Meiwa	3,290	3,085	3,650	0.7	AEON Retail Co., Ltd.
RSC-9	AEON MALL Kasai-Hojo	7,230	5,313	7,670	1.5	AEON Retail Co., Ltd.
RSC-10	AEON MALL Hiezu	7,780	5,759	7,470	1.7	AEON Retail Co., Ltd.
RSC-11	AEON MALL Kurashiki	17,890	16,454	19,000	3.8	AEON Mall Co., Ltd.
RSC-12	AEON MALL Ayagawa	8,740	5,268	8,070	1.9	AEON Retail Co., Ltd.
RSC-13	AEON MALL Nogata (Note 6)	12,546	10,164	14,600	2.7	Tokyo Century Corporation AEON Mall Co., Ltd.
RSC-15	AEON MALL KYOTO	21,470	18,553	22,700	4.6	AEON Mall Co., Ltd.
RSC-16	AEON MALL Sapporo-Hiraoka	5,900	4,849	6,310	1.3	Forester Special Purpose Company
RSC-17	AEON MALL Kushiro-Showa	1,780	1,822	1,910	0.4	Forester Special Purpose Company
RSC-18	AEON MALL Shinrifu North Wing	2,560	3,254	2,310	0.5	Forester Special Purpose Company
RSC-19	AEON MALL Yamagata-Minami	1,350	1,169	1,500	0.3	Forester Special Purpose Company
RSC-20	AEON MALL Yokkaichi-Kita	2,210	2,149	2,540	0.5	Forester Special Purpose Company
RSC-21	AEON MALL Yamatokoriyama (Note 7)	14,452	11,929	14,900	3.1	AEON Mall Co., Ltd.
RSC-22	AEON MALL Chiba Newtown (mall, and cinema and sports complex) (Note 8)	12,198	10,913	12,100	2.6	Tokyo Century Corporation
RSC-23	AEON MALL Kofu Showa (Note 9)	15,489	13,153	17,200	3.3	AEON Mall Co., Ltd. Showa-cho Joei Land Readjustment Association
RSC-24	AEON MALL Tomakomai	7,840	6,840	8,310	1.7	Meivius Gamma Special Purpose Company
RSC-25	AEON MALL Oyama	6,280	5,197	6,310	1.3	AEON Retail Co., Ltd.
RSC-26	AEON MALL Itamikoya	16,860	14,504	17,600	3.6	AEON Retail Co., Ltd.
RSC-27	AEON MALL Kagoshima	13,400	11,533	13,800	2.9	AEON Retail Co., Ltd.
RSC-28	AEON MALL Tsuchiura	12,030	10,009	12,100	2.6	AEON Retail Co., Ltd.
RSC-29	AEON MALL Kahoku (Note 10)	9,940	7,658	10,600	2.1	AEON Retail Co., Ltd.
RSC-30	AEON MALL Shimotsuma	9,552	8,412	10,600	2.0	Godo Kaisha Double O2
RSC-31	AEON MALL Kyoto Gojo	13,333	12,632	13,000	2.8	Godo Kaisha Double O3
RSC-32	AEON MALL Fukutsu	18,040	16,877	18,900	3.9	Undisclosed (Note 11)
RSC-33	AEON MALL Tamadaira woods	9,667	9,073	10,400	2.1	Undisclosed (Note 11)
RSC-34	AEON MALL Takasaki	17,164	16,367	17,800	3.7	Undisclosed (Note 11)
RSC-35	AEON MALL Narita	14,001	14,003	14,500	3.0	Godo Kaisha Double O6
RSC-36	AEON MALL Shinkomatsu (Note 10)	15,350	14,394	15,500	3.3	ASM2 Godo Kaisha
RSC-37	AEON MALL Sagayamato	3,720	3,532	3,890	0.8	Undisclosed (Note 11)
RSC-38	AEON MALL Wakayama	16,840	16,696	16,800	3.6	Godo Kaisha Double O7
RSC-39	AEON MALL Miyakonojo Ekimae	4,460	4,470	4,510	1.0	Godo Kaisha Double O7
CSC-1	AEON Chigasaki-Chuo Shopping Center	6,410	6,472	6,680	1.4	Sumitomo Mitsui Finance & Leasing Co., Ltd.
CSC-2	AEON STYLE Kemigawahama	3,748	3,151	3,770	0.8	AEON Retail Co., Ltd.
CSC-3	AEON Kireuriwari Shopping Center	4,394	4,053	4,840	0.9	Godo Kaisha Double O2
CSC-4	AEON Ueda Shopping Center	5,350	5,946	6,640	1.1	Godo Kaisha Double O5
L-1	Daiei-Kawasaki Process Center	14,280	13,025	16,200	3.0	Tokyo Century Corporation

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	Book value at end of period (Millions of yen)	Assessed value at end of period (Millions of yen) (Note 2)	Investment percentage (%) (Note 3)	Seller
L-2	AEON Minami-Osaka RDC	9,870	9,050	11,700	2.1	Tokyo Century Corporation
L-3	Daiei Ibaraki Process Center	6,810	6,705	7,980	1.5	Tokyo Century Corporation
M-1	AEON Taman Universiti Shopping Centre (Note 12)	658 [RM 20 million]	588 [RM 18 million]	636 [RM 20 million]	0.1	AEON CO. (M) BHD.
M-2	AEON MALL SEREMBAN 2 (Note 13)	5,252 [RM 215 million]	–	7,524 [RM 241 million]	1.1	Swiss Advanced Technology Institute(M) Sdn. Bhd.
	Total	468,332	407,969 (Note 14)	500,100	100.0	

(Note 1) *Acquisition price* represents the amount (the sale and purchase price, etc., shown on the sale and purchase agreement, etc.) excluding expenses incurred on the acquisition of each property (commission, taxes and dues, etc.).

(Note 2) *Assessed value at end of period* represents the appraisal value shown on the appraisal report of property as of the valuation date of January 31, 2024, or survey price shown on a survey report of property. For the summary of appraisal, please refer to “Summary of real estate appraisal” described below.

(Note 3) *Investment percentage* is calculated by dividing the acquisition price of each property by the total of the acquisition price, and is rounded to the first decimal place.

(Note 4) AEON REIT holds 40% of each trust beneficiary right in real estate of “AEON LakeTown mori” and “AEON LakeTown kaze” as a quasi-co-ownership interest (*jun kyōyū-mochibun*). *Assessed value at end of period* describes the amount representing AEON REIT’s pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the trust beneficiary rights in real estate (40% for each property).

(Note 5) This property includes, in addition to the trust beneficiary rights in real estate portion, a real estate portion (adjacent land portion that was additionally acquired on April 28, 2015; the acquisition price is ¥105 million, the book value at the end of the period is ¥108 million, and the assessed value at the end of the period is ¥120 million).

(Note 6) For this property *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the amounts and figures that reflect the land AEON REIT additionally acquired as of February 25, 2021.

(Note 7) For this property *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the amounts and figures that reflect the sale of part of its land as announced in “Notice of Disposition of Part of Land of Domestic Property (AEON MALL Yamatokoriyama)” dated March 24, 2021.

(Note 8) For this property *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the amounts and figures that reflect the land AEON REIT additionally acquired as of October 27, 2022.

(Note 9) For this property *Acquisition price*, *Book value at end of period*, *Assessed value at end of period* and *Investment percentage* represent the amounts and figures that include the “Extended Building” AEON REIT additionally acquired as of September 3, 2018.

(Note 10) For AEON MALL Kahoku and AEON MALL Shinkomatsu, since the detailed survey on the impact of the 2024 Noto Peninsula Earthquake has not been completed as of January 31, 2024, and documents on repairs and maintenance necessary to determine the impact on price are unavailable, *Assessed value at end of period* represents the survey price that does not take into consideration such factors.

(Note 11) The seller is not disclosed due to inevitable reasons, as AEON REIT has not obtained consent for disclosure from the seller.

(Note 12) *Acquisition price* represents the total yen amount of the considerations actually paid by AEON REIT to AEON CO. (M) BHD. over several times, and is the amount (the sale and purchase price, etc., shown on the sale and purchase agreement, etc.) excluding expenses incurred on the acquisition of the property (commission, taxes and dues, etc.). The weighted average exchange rate calculated from the exchange rates applied at each payment was ¥32.92 to RM 1, rounded down to the second decimal place.

Book value at end of period represents the amount obtained by subtracting the accumulated depreciation amount at the end of the fiscal period from the sum of the amount presented in the *Acquisition price*, expenses incurred on the acquisition of the property (related expenses) and capital expenditures. For related expenses and capital expenditures paid in Japanese yen, the paid amount has been added to the *Acquisition price*, while for related expenses and capital expenditures paid in RM, the amount obtained after converting it to Japanese yen using the exchange rate at the time of the transaction (the average spot exchange rate of the month preceding the month in which the transaction was carried out) has been added to the *Acquisition price*.

AEON REIT holds the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate of AEON Taman Universiti Shopping Centre (rights to the trust for part of AEON Taman Universiti Shopping Centre located in Johor, Malaysia; the same shall apply hereinafter). *Assessed value at end of period* describes the amount for the appraisal value shown on the appraisal report of property as of the valuation date of January 31, 2024, or survey price shown on a survey report of property, equivalent to AEON REIT’s pro-rata portion of the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate. The amount of *Assessed value at end of period* has been converted to the yen using the exchange rate (RM 1 = ¥31.22; rounded down to the second decimal place) of the closing date (January 31, 2024).

(Note 13) The amount of *Acquisition price* indicates the value at which AEON REIT acquired AEON MALL SEREMBAN 2 from the seller through the Overseas SPC (the sale price, etc. stated in the sale agreement, etc., excluding the expenses (brokerage commissions, taxes and dues, etc.) that were required for the acquisition of AEON MALL SEREMBAN 2). The exchange rate used at the time of acquisition on September 30, 2016 (RM 1 = ¥24.43; rounded down to the second decimal place) is applied for the conversion from RM to Japanese yen.

Book value at end of period is not indicated as AEON REIT does not directly own the property. The amount of *Assessed value at end of period* has been converted to the yen using the exchange rate (RM 1 = ¥31.22; rounded down to the second decimal place) of the closing date (January 31, 2024).

(Note 14) The total amount excludes AEON MALL SEREMBAN 2 that AEON REIT owns through the Overseas SPC.

(B) Overview of lease

The overview of lease (annual contracted rent, leasehold and security deposits, total leasable area, total leased area, and occupancy rate as of January 31, 2024) of real estate, etc., held by AEON REIT as of the end of the current fiscal period (January 31, 2024) is shown below.

Property type	Property number	Property name	Location	Date of construction	Annual contracted rent (Millions of yen)	Leasehold and security deposits (Millions of yen)	Total leasable area (m ²) (Note 1)	Total leased area (m ²)	Occupancy rate (%)
Retail properties, etc.	SRSC-1	AEON LakeTown mori (Note 2)	Koshigaya City, Saitama Pref.	September 9, 2008	678	685	205,711.70	205,711.70	100.0
	SRSC-2	AEON LakeTown kaze (Note 2)	Koshigaya City, Saitama Pref.	September 9, 2008	336	330	127,183.81	127,183.81	100.0
	RSC-1	AEON MALL Morioka	Morioka City, Iwate Pref.	July 23, 2003	369	338	98,968.59	98,968.59	100.0
	RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi Pref.	March 2, 2007	387	354	60,682.20	60,682.20	100.0
	RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki Pref.	November 8, 2005	720 (Note 3)	726 (Note 3)	159,997.49	159,997.49	100.0
	RSC-4	AEON MALL Ota	Ota City, Gunma Pref.	November 17, 2003	481	476	93,165.27	93,165.27	100.0
	RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa Pref.	August 9, 1993	418	420	75,056.62	75,056.62	100.0
	RSC-6	AEON MALL Ogaki	Ogaki City, Gifu Pref.	March 29, 2007	323	330	64,246.26	64,246.26	100.0
	RSC-7	AEON MALL Suzuka	Suzuka City, Mie Pref.	November 12, 1996	458	446	125,253.74	125,253.74	100.0
	RSC-8	AEON MALL Meiwa	Taki County, Mie Pref.	August 6, 2001	215	214	44,193.80	44,193.80	100.0
	RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo Pref.	October 3, 2008	324	328	48,229.25	48,229.25	100.0
	RSC-10	AEON MALL Hiezu	Saihaku County, Tottori Pref.	March 8, 1999	428	426	102,045.24	102,045.24	100.0
	RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama Pref.	September 15, 1999	746	741	157,274.78	157,274.78	100.0
	RSC-12	AEON MALL Ayagawa	Ayauta County, Kagawa Pref.	July 18, 2008	453	460	113,149.07	113,149.07	100.0
	RSC-13	AEON MALL Nogata	Nogata City, Fukuoka Pref.	April 4, 2005	546	545	151,969.51	151,969.51	100.0
	RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto Pref.	January 7, 2010	710	698	136,468.45	136,468.45	100.0
	RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	November 10, 2000	448	-	78,360.81	78,360.81	100.0
	RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	September 13, 2000	230	-	51,763.05	51,763.05	100.0
	RSC-18	AEON MALL Shinrifu North Wing	Miyagi County, Miyagi Pref.	April 18, 2000	236	-	66,478.91	66,478.91	100.0
	RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata Pref.	November 17, 2000	160	-	53,502.94	53,502.94	100.0
	RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie Pref.	January 23, 2001	232	-	41,447.33	41,447.33	100.0
	RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara Pref.	February 16, 2010	764	768	105,230.88	105,230.88	100.0
	RSC-22	AEON MALL Chiba Newtown (mall, and cinema and sports complex)	Inzai City, Chiba Pref.	April 17, 2006	401	403	107,425.97	107,425.97	100.0
	RSC-23	AEON MALL Kofu Showa (Note 4)	Nakakoma County, Yamanashi Pref.	March 11, 2011	671	643	99,772.38	99,772.38	100.0
	RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido Pref.	April 8, 2005	343	-	71,308.33	71,308.33	100.0
	RSC-25	AEON MALL Oyama	Oyama City, Tochigi Pref.	April 18, 1997	275	279	47,872.33	47,872.33	100.0
RSC-26	AEON MALL Itamikoya	Itami City, Hyogo Pref.	February 2, 2011	845	851	122,944.71	122,944.71	100.0	

Property type	Property number	Property name	Location	Date of construction	Annual contracted rent (Millions of yen)	Leasehold and security deposits (Millions of yen)	Total leasable area (m ²) (Note 1)	Total leased area (m ²)	Occupancy rate (%)
Retail properties, etc.	RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima Pref.	September 12, 2007	590	–	132,341.35	132,341.35	100.0
	RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki Pref.	May 19, 2009	530	536	86,848.51	86,848.51	100.0
	RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa Pref.	September 30, 2008	489	492	70,948.14	70,948.14	100.0
	RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki Pref.	November 17, 1997	398	–	58,402.66	58,402.66	100.0
	RSC-31	AEON MALL Kyoto Gojo	Kyoto City, Kyoto Pref.	January 21, 2004	430	–	87,311.56	87,311.56	100.0
	RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka Pref.	April 20, 2012	622	628	100,020.87	100,020.87	100.0
	RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	November 17, 2014	577	284	66,575.54	66,575.54	100.0
	RSC-34	AEON MALL Takasaki	Takasaki City, Gunma Pref.	October 16, 2006	730	722	126,403.58	126,403.58	100.0
	RSC-35	AEON MALL Narita	Narita City, Chiba Pref.	March 15, 2000	567	–	122,785.62	122,785.62	100.0
	RSC-36	AEON MALL Shinkomatsu	Komatsu City, Ishikawa Pref.	February 27, 2017	715	–	79,509.27	79,509.27	100.0
	RSC-37	AEON MALL Sagayamato	Saga City, Saga Pref.	September 1, 2000	176	105	68,942.36	68,942.36	100.0
	RSC-38	AEON MALL Wakayama	Wakayama City, Wakayama Pref.	February 13, 2014	772	–	123,318.13	123,318.13	100.0
	RSC-39	AEON MALL Miyakonojo Ekimae	Miyakonojo City, Miyazaki Pref.	November 27, 2008	207	–	62,324.49	62,324.49	100.0
	CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa Pref.	October 13, 2000	229	223	63,158.24	63,158.24	100.0
	CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba Pref.	November 20, 1991	174	177	29,947.62	29,947.62	100.0
	CSC-3	AEON Kireuriwari Shopping Center	Osaka City, Osaka Pref.	November 21, 2005	173	–	27,603.46	27,603.46	100.0
	CSC-4	AEON Ueda Shopping Center	Ueda City, Nagano Pref.	June 30, 2004	233	–	61,349.07	61,349.07	100.0
	L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa Pref.	April 22, 1997	488	269	59,265.77	59,265.77	100.0
	L-2	AEON Minami-Osaka RDC	Sakai City, Osaka Pref.	April 25, 1995	289	144	50,197.06	50,197.06	100.0
	L-3	Daiei Ibaraki Process Center	Ibaraki City, Osaka Pref.	June 14, 1977	251	263	50,783.58	50,783.58	100.0
M-1	AEON Taman Universiti Shopping Centre (Note 5)	Johor, Malaysia	2002	26 [RM 835 thousand]	–	22,870.00	22,870.00	100.0	
M-2	AEON MALL SEREMBAN 2 (Note 6)	Negeri Sembilan, Malaysia	2005	256 [RM 8,139 thousand]	–	81,135.00	81,135.00	100.0	
Total					21,143 (Note 7)	14,322	4,241,745.30	4,241,745.30	100.0

(Note 1) Total leasable area represents gross leasable space based on the lease agreement or floor plan for buildings in each acquired property. Total leasable area includes the area of attached buildings.

(Note 2) AEON REIT holds 40% of each trust beneficiary right in real estate of “AEON LakeTown mori” and “AEON LakeTown kaze” as a quasi-co-ownership interest (*jun kyōyū-mochibun*). Annual contracted rent and Leasehold and security deposits represent the amounts equivalent to AEON REIT’s pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the trust beneficiary rights in real estate (40% for each property).

(Note 3) Annual contracted rent and Leasehold and security deposits of “AEON MALL Mitouchihara” include an amount based on the lease agreement for land of AEON MALL Mitouchihara that was additionally acquired on April 28, 2015.

(Note 4) Annual contracted rent, Leasehold and security deposits, Total leasable area, Total leased area and Occupancy rate of AEON MALL Kofu Showa represent the amounts and figures that include those of the “Extended Building” AEON REIT additionally acquired as of September 3, 2018. Furthermore, the date of construction of the “Extended Building” is November 20, 2017.

- (Note 5) *Date of construction* represents the completion year noted in the Building Status Report prepared by Takenaka Corporation. AEON REIT holds the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate of AEON Taman Universiti Shopping Centre. *Annual contracted rent* describes the figure equivalent to AEON REIT's pro-rata portion of the rights (18.18%) similar to the co-ownership interest (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate. *Annual contracted rent* represents the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out). *Total leasable area* and *Total leased area* represent the building floor area as indicated in the Building Status Report prepared by Takenaka Corporation or the building floor area as indicated in the real estate appraisal report prepared by the Japan Real Estate Institute.
- (Note 6) AEON REIT owns the property through the Overseas SPC. For annual contracted rent, the figure has been converted to Japanese yen based on the period-average exchange rate (RM 1 = ¥31.46; rounded down to the second decimal place).
- (Note 7) The total amount of annual contracted rent is calculated by including AEON MALL SEREMBAN 2 that AEON REIT owns through the Overseas SPC. Accordingly, the total amount of annual contracted rent in the above table does not match the rent revenue - real estate of AEON REIT.

(C) Summary of real estate appraisal

The summary of real estate appraisal (appraisal value; income approach value and capitalization rate based on direct capitalization method; income approach value based on DCF method; discount rate, terminal capitalization rate and NOI) for the already acquired properties (including real estate AEON REIT owns through the Overseas SPC) as of the end of the 22nd fiscal period (January 31, 2024) is shown below.

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Income approach value					NOI (Millions of yen) (Note 2)
				Price based on direct capitalization method (Millions of yen)	Capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
SRSC-1	AEON LakeTown mori (Note 3)	The Tanizawa Sōgō Appraisal Co., Ltd.	24,800	25,200	4.5	24,600	4.5 4.6 (Note 4)	4.7	1,152
SRSC-2	AEON LakeTown kaze (Note 3)	The Tanizawa Sōgō Appraisal Co., Ltd.	8,090	8,310	4.9	8,000	4.8 4.9 (Note 4)	5.2	422
RSC-1	AEON MALL Morioka	Daiwa Real Estate Appraisal Co., Ltd.	6,210	6,310	6.3	6,170	6.1	6.5	526
RSC-2	AEON MALL Ishinomaki	Daiwa Real Estate Appraisal Co., Ltd.	7,190	7,290	6.1	7,140	5.9	6.3	465
RSC-3	AEON MALL Mitouchihara (Trust beneficiary rights in real estate) (Note 5)	Daiwa Real Estate Appraisal Co., Ltd.	16,900	17,200	5.7	16,700	5.5	5.9	1,090
	AEON MALL Mitouchihara (Land) (Note 5)	Daiwa Real Estate Appraisal Co., Ltd.	120	—	—	119	4.8	—	—
RSC-4	AEON MALL Ota	Japan Real Estate Institute	8,230	8,290	6.3	8,170	5.8	6.5	590
RSC-5	AEON Sagamihara Shopping Center	Japan Real Estate Institute	10,400	10,500	5.2	10,300	4.9	5.4	661
RSC-6	AEON MALL Ogaki	Japan Real Estate Institute	4,640	4,640	7.2	4,640	6.1	8.0	373
RSC-7	AEON MALL Suzuka	Daiwa Real Estate Appraisal Co., Ltd.	11,000	11,100	5.9	10,900	5.7	6.1	789
RSC-8	AEON MALL Meiwa	Daiwa Real Estate Appraisal Co., Ltd.	3,650	3,730	6.3	3,610	6.1	6.5	286
RSC-9	AEON MALL Kasai-Hojo	Daiwa Real Estate Appraisal Co., Ltd.	7,670	7,730	6.6	7,640	6.4	6.8	534
RSC-10	AEON MALL Hiezu	Japan Real Estate Institute	7,470	7,520	6.7	7,410	6.3	7.0	593
RSC-11	AEON MALL Kurashiki	Japan Real Estate Institute	19,000	19,100	5.9	18,900	5.6	6.1	1,273
RSC-12	AEON MALL Ayagawa	Daiwa Real Estate Appraisal Co., Ltd.	8,070	8,200	6.2	8,020	6.0	6.4	593
RSC-13	AEON MALL Nogata (Note 6)	Daiwa Real Estate Appraisal Co., Ltd.	14,600	14,800	5.9	14,500	5.7	6.1	949
RSC-15	AEON MALL KYOTO	Japan Real Estate Institute	22,700	22,900	4.6	22,400	4.3	4.8	1,087
RSC-16	AEON MALL Sapporo-Hiraoka	The Tanizawa Sōgō Appraisal Co., Ltd.	6,310	6,520	6.0	6,220	6.0 6.1 (Note 4)	6.3	444
RSC-17	AEON MALL Kushiro-Showa	The Tanizawa Sōgō Appraisal Co., Ltd.	1,910	1,990	6.6	1,880	6.6 6.7 (Note 4)	6.9	180
RSC-18	AEON MALL Shinrifu North Wing	The Tanizawa Sōgō Appraisal Co., Ltd.	2,310	2,400	6.2	2,270	6.2 6.3 (Note 4)	6.5	219

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Income approach value					NOI (Millions of yen) (Note 2)
				Price based on direct capitalization method (Millions of yen)	Capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
RSC-19	AEON MALL Yamagata-Minami	The Tanizawa Sōgō Appraisal Co., Ltd.	1,500	1,560	6.4	1,480	6.4 6.5 (Note 4)	6.7	140
RSC-20	AEON MALL Yokkaichi-Kita	The Tanizawa Sōgō Appraisal Co., Ltd.	2,540	2,640	5.9	2,490	5.9 6.0 (Note 4)	6.2	216
RSC-21	AEON MALL Yamatokoriyama (Note 7)	Japan Real Estate Institute	14,900	15,100	5.5	14,700	5.0	5.7	883
RSC-22	AEON MALL Chiba Newtown (mall, and cinema and sports complex) (Note 8)	Japan Real Estate Institute	12,100	12,200	4.7	12,000	4.4	4.9	626
RSC-23	AEON MALL Kofu Showa (Note 9)	Japan Real Estate Institute	17,200	17,300	5.6	17,100	5.1	5.8	989
RSC-24	AEON MALL Tomakomai	The Tanizawa Sōgō Appraisal Co., Ltd.	8,310	8,440	5.7	8,250	5.7 5.8 (Note 4)	5.9	529
RSC-25	AEON MALL Oyama	Japan Real Estate Institute	6,310	6,340	6.5	6,270	6.2	6.7	452
RSC-26	AEON MALL Itamikoya	Japan Real Estate Institute	17,600	17,800	5.5	17,300	5.0	5.7	1,022
RSC-27	AEON MALL Kagoshima	The Tanizawa Sōgō Appraisal Co., Ltd.	13,800	14,100	5.7	13,700	5.7 5.8 (Note 4)	6.0	878
RSC-28	AEON MALL Tsuchiura	Japan Real Estate Institute	12,100	12,200	6.1	12,000	5.6	6.3	800
RSC-29	AEON MALL Kahoku (Note 10)	Japan Real Estate Institute	10,600	10,600	6.7	10,600	6.2	6.9	755
RSC-30	AEON MALL Shimotsuma	Japan Real Estate Institute	10,600	10,600	6.2	10,500	5.8	6.4	657
RSC-31	AEON MALL Kyoto Gojo	The Tanizawa Sōgō Appraisal Co., Ltd.	13,000	13,300	4.7	12,900	4.7 4.8 (Note 4)	4.9	720
RSC-32	AEON MALL Fukutsu	The Tanizawa Sōgō Appraisal Co., Ltd.	18,900	19,300	5.2	18,700	5.2 5.3 (Note 4)	5.4	1,021
RSC-33	AEON MALL Tamadaira woods	The Tanizawa Sōgō Appraisal Co., Ltd.	10,400	10,900	4.8	10,200	4.8 4.9 (Note 4)	5.1	538
RSC-34	AEON MALL Takasaki	Daiwa Real Estate Appraisal Co., Ltd.	17,800	18,100	5.2	17,600	4.8	5.5	990
RSC-35	AEON MALL Narita	Daiwa Real Estate Appraisal Co., Ltd.	14,500	15,000	4.6	14,300	4.4	4.8	788
RSC-36	AEON MALL Shinkomatsu (Note 11)	The Tanizawa Sōgō Appraisal Co., Ltd.	15,500	15,900	—	15,300	6.3 6.4 (Note 4)	—	1,056
RSC-37	AEON MALL Sagayamato	The Tanizawa Sōgō Appraisal Co., Ltd.	3,890	4,020	6.1	3,830	6.1 6.2 (Note 4)	6.4	244
RSC-38	AEON MALL Wakayama (Note 12)	The Tanizawa Sōgō Appraisal Co., Ltd.	16,800	17,300	—	16,600	5.0 5.1 (Note 4)	—	1,009
RSC-39	AEON MALL Miyakonojo Ekimae	The Tanizawa Sōgō Appraisal Co., Ltd.	4,510	4,580	5.7	4,480	5.7 5.8 (Note 4)	5.9	316
CSC-1	AEON Chigasaki-Chuo Shopping Center	Japan Real Estate Institute	6,680	6,720	4.9	6,630	4.6	5.1	355
CSC-2	AEON STYLE Kemigawahama	Japan Real Estate Institute	3,770	3,810	6.0	3,730	5.5	6.2	277

Property number	Property name	Appraisal agency	Appraisal value (Millions of yen) (Note 1)	Income approach value					NOI (Millions of yen) (Note 2)
				Price based on direct capitalization method (Millions of yen)	Capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
CSC-3	AEON Kireuriwari Shopping Center	The Tanizawa Sōgō Appraisal Co., Ltd.	4,840	5,000	5.0	4,770	5.0 5.1 (Note 4)	5.3	250
CSC-4	AEON Ueda Shopping Center	Japan Real Estate Institute	6,640	6,670	6.6	6,600	6.3	6.8	439
L-1	Daiei-Kawasaki Process Center	Japan Real Estate Institute	16,200	16,400	4.4	15,900	3.8	4.8	765
L-2	AEON Minami-Osaka RDC	Japan Real Estate Institute	11,700	11,800	4.3	11,500	3.9	4.6	520
L-3	Daiei Ibaraki Process Center	Japan Real Estate Institute	7,980	8,050	4.4	7,910	4.1	4.6	409
M-1	AEON Taman Universiti Shopping Centre (Note 13)	Japan Real Estate Institute	636 [RM 20 million]	–	–	635 [RM 20 million]	6.8	7.8	49 [RM 1 million]
M-2	AEON MALL SEREMBAN 2 (Note 13) (Note 14)	Japan Real Estate Institute	7,524 [RM 241 million]	–	–	7,524 [RM 241 million]	6.3	6.5	472 [RM 15 million]
Total			500,100	–	–	495,088	–	–	–

(Note 1) *Appraisal value* represents the appraisal value indicated in the appraisal report with the valuation date of January 31, 2024, or the survey value indicated in the real estate survey report.

(Note 2) *NOI* (Net Operating Income) is defined as operating revenue less operating expenses contained in the relevant appraisal report, which is before depreciation. This is different from NCF (Net Cash Flow) calculated by subtracting the gain on investment of leasehold deposit, etc., and capital expenditures from NOI. *NOI* shown above is assumed with the direct capitalization method. Amounts of *NOI* are rounded down to the nearest million yen.

(Note 3) For AEON LakeTown mori and AEON LakeTown kaze, their *appraisal value*, *price based on direct capitalization method*, *price based on DCF method*, and *NOI* describe AEON REIT's pro-rata portion of the quasi-co-ownership interest (*jun kyōyū-mochibun*) in the trust beneficiary rights in real estate (40% for each property).

(Note 4) Discount rates for AEON LakeTown mori are 4.5% during the initial ten years and 4.6% from the eleventh year.
Discount rates for AEON LakeTown kaze are 4.8% during the initial ten years and 4.9% from the eleventh year.
Discount rates for AEON MALL Sapporo-Hiraoka are 6.0% during the initial two years and 6.1% from the third year.
Discount rates for AEON MALL Kushiro-Showa are 6.6% during the initial year and 6.7% from the second year.
Discount rates for AEON MALL Shinrifu North Wing are 6.2% during the initial three years and 6.3% from the fourth year.
Discount rates for AEON MALL Yamagata-Minami are 6.4% during the initial two years and 6.5% from the third year.
Discount rates for AEON MALL Yokkaichi-Kita are 5.9% during the initial year and 6.0% from the second year.
Discount rates for AEON MALL Tomakomai are 5.7% during the initial six years and 5.8% from the seventh year.
Discount rates for AEON MALL Kagoshima are 5.7% during the initial two years and 5.8% from the third year.
Discount rates for AEON MALL Kyoto Gojo are 4.7% during the initial year and 4.8% from the second year.
Discount rates for AEON MALL Fukutsu are 5.2% during the initial three years and 5.3% from the fourth year.
Discount rates for AEON MALL Tamadaira woods are 4.8% during the initial year and 4.9% from the second year.
Discount rates for AEON MALL Shinkomatsu are 6.3% during the initial five years and 6.4% from the sixth year.
Discount rates for AEON MALL Sagayamato are 6.1% during the initial eight years and 6.2% from the ninth year.
Discount rates for AEON MALL Wakayama are 5.0% during the initial nine years and 5.1% from the tenth year.
Discount rates for AEON MALL Miyakonojo Ekimae are 5.7% during the initial five years and 5.8% from the sixth year.
Discount rates for AEON Kireuriwari Shopping Center are 5.0% during the initial four years and 5.1% from the fifth year.

(Note 5) For AEON MALL Mitouchihara, there exist both a portion of trust beneficiary rights in real estate and a real estate portion, and as AEON REIT has obtained separate appraisal report for each, these have been entered separately.

(Note 6) For AEON MALL Nogata, AEON REIT additionally acquired land as of February 25, 2021.

(Note 7) For AEON MALL Yamatokoriyama, the amounts and figures are indicated by reflecting the sale of part of its land as announced in "Notice of Disposition of Part of Land of Domestic Property (AEON MALL Yamatokoriyama)" dated March 24, 2021.

(Note 8) For AEON MALL Chiba Newtown, AEON REIT additionally acquired land as of October 27, 2022.

(Note 9) For AEON MALL Kofu Showa, the amounts and figures are indicated combined with those of the Extended Building AEON REIT additionally acquired on September 3, 2018.

(Note 10) For AEON MALL Kahoku, since detailed survey on the impact of the 2024 Noto Peninsula Earthquake has not been completed as of January 31, 2024, and documents on repairs and maintenance necessary to determine the impact on price are unavailable, *Appraisal value* represents the survey price that does not take into consideration such factors.

- (Note 11) For AEON MALL Shinkomatsu, the price based on direct capitalization method is estimated by the capitalization method over a definite term (revised Inwood method), in consideration of such facts that the right of use of the land is fixed-term sub-leasehold interest for business purposes and thus its profit-earning period is limited. Moreover, since detailed survey on the impact of the 2024 Noto Peninsula Earthquake has not been completed as of January 31, 2024, and documents on repairs and maintenance necessary to determine the impact on price are unavailable, *Appraisal value* represents the survey price that does not take into consideration such factors.
- (Note 12) For AEON MALL Wakayama, the price based on direct capitalization method is estimated by the capitalization method over a definite term (revised Inwood method), in consideration of such facts that the right of use of part of the land is fixed-term sub-leasehold interest for business purposes and thus its profit-earning period is limited.
- (Note 13) Pursuant to the local appraisal methodology, the evaluation of the appraisal value of AEON Taman Universiti Shopping Centre and AEON MALL SEREMBAN 2 has been entrusted to Japan Real Estate Institute. *Appraisal value* of AEON Taman Universiti Shopping Centre is based on the appraisal value as indicated on the appraisal report as of the valuation date of January 31, 2024, and shows the amount equivalent to the rights (18.18%) similar to the co-ownership right (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate in Malaysia for AEON Taman Universiti Shopping Centre. The prices and NOI in *Income approach value* are based on the value, etc. calculated by the standard income approach applied in Malaysia to real estate for investment (the investment method), and shows the amounts equivalent to the rights (18.18%) similar to the co-ownership right (*kyōyū-mochibun*) of the trust property pertaining to the trust beneficiary rights in real estate for AEON Taman Universiti Shopping Centre. *Appraisal value* of AEON MALL SEREMBAN 2 shows the appraisal value as indicated on the appraisal report as of the valuation date of January 31, 2024. The amounts indicated in yen in *Appraisal value* and the prices and NOI in *Income approach value* have been converted to the yen using the exchange rate (RM 1 = ¥31.22; rounded down to the second decimal place) of the closing date (January 31, 2024).
- (Note 14) The property is owned by AEON REIT through the Overseas SPC.

(D) Statements of income of individual properties

22nd fiscal period (From August 1, 2023, to January 31, 2024)

(Unit: Thousands of yen)

Property number	SRSC-1	SRSC-2	RSC-1	RSC-2	RSC-3
Property name	AEON LakeTown mori	AEON LakeTown kaze	AEON MALL Morioka	AEON MALL Ishinomaki	AEON MALL Mitouchihara
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	678,816	336,486	369,593	387,245	720,139
Rent revenue—real estate	678,816	336,486	369,593	387,245	720,139
(B) Expenses related to real estate leasing business	139,251	140,536	127,358	156,406	199,024
Property and facility management fees (Note 1)	1,826	1,284	2,320	2,290	1,900
Taxes and dues	79,143	30,928	41,849	45,742	71,233
Insurance expenses	9,885	7,059	6,504	4,696	11,313
Repairs and maintenance expenses	48,395	21,894	26,886	48,200	39,435
Land rent paid	—	78,952	49,748	54,704	75,121
Utilities	—	—	—	—	—
Other expenses related to rent business	—	417	49	773	21
(C) NOI (A – B)	539,565	195,949	242,234	230,838	521,114
(D) Depreciation	159,507	78,086	92,009	56,735	127,481
(E) Income from leasing business (C – D)	380,058	117,862	150,225	174,103	393,633
(F) Capital expenditures	91,489	5,365	68,296	10,335	41,304
(G) NCF (C – F)	448,075	190,583	173,938	220,502	479,810

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-4	RSC-5	RSC-6	RSC-7	RSC-8
Property name	AEON MALL Ota	AEON Sagamihara Shopping Center	AEON MALL Ogaki	AEON MALL Suzuka	AEON MALL Meiwa
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	481,007	418,088	323,977	458,723	215,424
Rent revenue—real estate	481,007	418,088	323,977	458,723	215,424
(B) Expenses related to real estate leasing business	217,224	104,097	144,029	104,718	65,406
Property and facility management fees (Note 1)	1,900	1,900	2,260	2,350	2,350
Taxes and dues	37,262	73,995	31,260	52,249	18,458
Insurance expenses	5,942	9,705	4,150	8,647	2,659
Repairs and maintenance expenses	39,488	18,476	12,146	36,315	4,334
Land rent paid	132,591	—	94,212	—	37,567
Utilities	—	—	—	—	—
Other expenses related to rent business	39	20	—	5,156	36
(C) NOI (A – B)	263,782	313,990	179,947	354,004	150,017
(D) Depreciation	103,344	97,939	61,548	141,041	44,598
(E) Income from leasing business (C – D)	160,438	216,051	118,398	212,962	105,419
(F) Capital expenditures	347,416	—	23,941	2,539	15,953
(G) NCF (C – F)	(83,633)	313,990	156,006	351,465	134,064

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-9	RSC-10	RSC-11	RSC-12	RSC-13
Property name	AEON MALL Kasai-Hojo	AEON MALL Hiezu	AEON MALL Kurashiki	AEON MALL Ayagawa	AEON MALL Nogata
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	324,081	428,179	746,226	453,676	546,516
Rent revenue—real estate	324,081	428,179	746,226	453,676	546,516
(B) Expenses related to real estate leasing business	59,295	147,391	143,490	156,699	114,147
Property and facility management fees (Note 1)	2,350	2,350	2,350	2,350	2,850
Taxes and dues	39,640	40,226	92,062	51,088	59,554
Insurance expenses	2,901	8,237	12,061	7,075	13,800
Repairs and maintenance expenses	4,721	24,485	36,912	11,217	37,928
Land rent paid	9,677	72,092	—	84,915	—
Utilities	—	—	—	—	—
Other expenses related to rent business	4	—	103	53	14
(C) NOI (A – B)	264,786	280,788	602,736	296,977	432,369
(D) Depreciation	69,335	154,192	256,882	133,430	177,771
(E) Income from leasing business (C – D)	195,450	126,595	345,854	163,546	254,597
(F) Capital expenditures	—	11,094	20,204	7,076	113,488
(G) NCF (C – F)	264,786	269,693	582,531	289,901	318,880

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-15	RSC-16	RSC-17	RSC-18	RSC-19
Property name	AEON MALL KYOTO	AEON MALL Sapporo-Hiraoka	AEON MALL Kushiro-Showa	AEON MALL Shinrifu North Wing	AEON MALL Yamagata-Minami
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	710,944	448,325	230,440	236,347	160,739
Rent revenue—real estate	710,944	448,325	230,440	236,347	160,739
(B) Expenses related to real estate leasing business	178,639	238,941	158,107	131,784	93,819
Property and facility management fees (Note 1)	1,562	2,180	2,180	1,760	1,820
Taxes and dues	136,571	43,182	30,227	21,080	17,696
Insurance expenses	11,944	6,236	4,006	4,812	3,996
Repairs and maintenance expenses	28,547	21,866	24,960	38,192	5,766
Land rent paid	—	165,475	96,733	65,915	64,541
Utilities	—	—	—	—	—
Other expenses related to rent business	14	—	—	22	—
(C) NOI (A – B)	532,304	209,384	72,332	104,562	66,919
(D) Depreciation	191,592	77,389	35,278	73,438	23,992
(E) Income from leasing business (C – D)	340,712	131,995	37,054	31,123	42,927
(F) Capital expenditures	53,145	28,684	114,443	70,714	19,776
(G) NCF (C – F)	479,158	180,700	(42,110)	33,848	47,143

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-20	RSC-21	RSC-22	RSC-23	RSC-24
Property name	AEON MALL Yokkaichi-Kita	AEON MALL Yamatokoriyama	AEON MALL Chiba Newtown (mall, and cinema and sports complex)	AEON MALL Kofu Showa	AEON MALL Tomakomai
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	232,701	764,758	401,809	671,056	343,135
Rent revenue–real estate	232,701	764,758	401,809	671,056	343,135
(B) Expenses related to real estate leasing business	122,245	327,199	97,502	177,614	74,517
Property and facility management fees (Note 1)	1,760	1,760	1,670	1,820	1,850
Taxes and dues	20,813	58,618	70,688	60,908	59,549
Insurance expenses	3,030	9,224	7,482	7,922	5,626
Repairs and maintenance expenses	5,126	11,790	17,639	13,968	7,490
Land rent paid	91,469	245,786	–	92,995	–
Utilities	–	–	–	–	–
Other expenses related to rent business	45	19	22	–	–
(C) NOI (A – B)	110,456	437,558	304,307	493,442	268,618
(D) Depreciation	40,213	180,962	78,134	263,837	75,549
(E) Income from leasing business (C – D)	70,242	256,596	226,172	229,604	193,068
(F) Capital expenditures	17,406	–	25,851	–	5,614
(G) NCF (C – F)	93,049	437,558	278,456	493,442	263,004

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-25	RSC-26	RSC-27	RSC-28	RSC-29
Property name	AEON MALL Oyama	AEON MALL Itamikoya	AEON MALL Kagoshima	AEON MALL Tsuchiura	AEON MALL Kahoku
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	275,931	845,321	590,535	530,827	489,189
Rent revenue–real estate	275,931	845,321	590,535	530,827	489,189
(B) Expenses related to real estate leasing business	56,529	338,838	154,122	137,515	119,790
Property and facility management fees (Note 1)	1,400	1,376	1,688	1,334	1,580
Taxes and dues	30,916	91,799	93,248	51,914	39,380
Insurance expenses	4,034	11,009	10,284	6,981	6,140
Repairs and maintenance expenses	20,173	11,425	16,109	12,355	14,241
Land rent paid	–	223,227	32,792	64,912	58,428
Utilities	–	–	–	–	–
Other expenses related to rent business	5	–	–	18	20
(C) NOI (A – B)	219,401	506,483	436,413	393,311	369,399
(D) Depreciation	90,558	185,403	172,541	154,746	168,222
(E) Income from leasing business (C – D)	128,842	321,079	263,871	238,564	201,176
(F) Capital expenditures	8,642	5,843	5,335	–	21,884
(G) NCF (C – F)	210,758	500,639	431,077	393,311	347,515

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-30	RSC-31	RSC-32	RSC-33	RSC-34
Property name	AEON MALL Shimotsuma	AEON MALL Kyoto Gojo	AEON MALL Fukutsu	AEON MALL Tamadaira woods	AEON MALL Takasaki
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	398,990	430,450	622,758	577,574	730,881
Rent revenue—real estate	398,990	430,450	622,758	577,574	730,881
(B) Expenses related to real estate leasing business	74,161	91,511	124,631	315,305	229,581
Property and facility management fees (Note 1)	1,610	1,412	1,580	1,340	1,340
Taxes and dues	27,482	57,676	77,860	52,813	79,208
Insurance expenses	4,672	5,650	8,363	5,773	9,991
Repairs and maintenance expenses	—	26,773	18,766	11,166	13,070
Land rent paid	40,378	—	18,042	244,190	125,951
Utilities	—	—	—	—	—
Other expenses related to rent business	19	—	19	20	20
(C) NOI (A – B)	324,828	338,939	498,127	262,268	501,299
(D) Depreciation	121,388	74,501	142,789	94,665	210,438
(E) Income from leasing business (C – D)	203,440	264,437	355,338	167,603	290,860
(F) Capital expenditures	—	4,337	12,846	1,488	—
(G) NCF (C – F)	324,828	334,601	485,280	260,779	501,299

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	RSC-35	RSC-36	RSC-37	RSC-38	RSC-39
Property name	AEON MALL Narita	AEON MALL Shinkomatsu	AEON MALL Sagayamato	AEON MALL Wakayama	AEON MALL Miyakonojo Ekimae
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	567,505	715,653	176,150	772,840	207,865
Rent revenue—real estate	567,505	715,653	176,150	772,840	207,865
(B) Expenses related to real estate leasing business	194,107	181,636	57,816	167,747	10,826
Property and facility management fees (Note 1)	1,340	1,520	1,520	1,220	1,520
Taxes and dues	54,666	72,115	19,251	—	—
Insurance expenses	8,322	6,349	5,240	11,659	5,215
Repairs and maintenance expenses	22,287	3,832	—	10,763	4,072
Land rent paid	107,469	97,800	31,627	144,085	—
Utilities	—	—	—	—	—
Other expenses related to rent business	20	18	177	18	18
(C) NOI (A – B)	373,397	534,016	118,333	605,093	197,039
(D) Depreciation	97,525	290,164	53,464	273,091	50,358
(E) Income from leasing business (C – D)	275,872	243,852	64,869	332,001	146,680
(F) Capital expenditures	231,284	—	—	9,229	972
(G) NCF (C – F)	142,113	534,016	118,333	595,863	196,066

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	CSC-1	CSC-2	CSC-3	CSC-4	L-1
Property name	AEON Chigasaki-Chuo Shopping Center	AEON STYLE Kemigawahama	AEON Kireuriwari Shopping Center	AEON Ueda Shopping Center	Daiei-Kawasaki Process Center
Number of operating days	184	184	184	184	184
(A) Revenues related to real estate leasing business	229,548	174,774	173,052	233,683	488,789
Rent revenue—real estate	229,548	174,774	173,052	233,683	488,789
(B) Expenses related to real estate leasing business	47,272	38,553	50,599	196,686	114,364
Property and facility management fees (Note 1)	1,400	1,298	1,406	1,400	1,580
Taxes and dues	34,911	16,154	21,302	30,842	47,805
Insurance expenses	4,080	2,313	3,248	4,840	8,604
Repairs and maintenance expenses	6,862	3,712	—	159,603	10,574
Land rent paid	—	15,056	24,625	—	—
Utilities	—	—	—	—	45,568
Other expenses related to rent business	17	19	17	—	232
(C) NOI (A – B)	182,275	136,221	122,452	36,997	374,424
(D) Depreciation	61,936	55,173	28,589	75,643	95,524
(E) Income from leasing business (C – D)	120,339	81,047	93,863	(38,646)	278,900
(F) Capital expenditures	—	25,573	—	755,210	6,272
(G) NCF (C – F)	182,275	110,647	122,452	(718,212)	368,152

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(Unit: Thousands of yen)

Property number	L-2	L-3	M-1	
Property name	AEON Minami-Osaka RDC	Daiei Ibaraki Process Center	AEON Taman Universiti Shopping Centre (Note 2)	Total
Number of operating days	184	184	184	—
(A) Revenues related to real estate leasing business	289,620	251,197	26,219	20,887,803
Rent revenue—real estate	289,620	251,197	26,219	20,887,803
(B) Expenses related to real estate leasing business	33,509	55,452	1,642	6,411,654
Property and facility management fees (Note 1)	1,370	1,700	511	83,438
Taxes and dues	25,224	39,355	1,011	2,248,968
Insurance expenses	4,777	5,296	118	321,898
Repairs and maintenance expenses	2,117	9,078	—	963,173
Land rent paid	—	—	—	2,741,088
Utilities	—	—	—	45,568
Other expenses related to rent business	19	21	0	7,519
(C) NOI (A – B)	256,110	195,744	24,577	14,476,149
(D) Depreciation	67,546	21,409	6,659	5,386,639
(E) Income from leasing business (C – D)	188,564	174,335	17,917	9,089,510
(F) Capital expenditures	8,830	3,813	—	2,195,707
(G) NCF (C – F)	247,279	191,931	24,577	12,280,441

(Note 1) *Property and facility management fees* include trust fees.(Note 2) *Revenues related to real estate leasing business* and *Expenses related to real estate leasing business* represent the amount after the conversion to Japanese yen based on the exchange rate at the time of the transaction (based on the average spot exchange rate of the month preceding the month in which the transaction was carried out).

(2) Capital expenditures for properties held

(A) Schedule of capital expenditures

The following table shows major estimated capital expenditure for renovation work, etc. (mainly those exceeding ¥30 million per work) that AEON REIT plans to conduct for properties held as of January 31, 2024.

The estimated construction cost below includes the portion expensed for accounting purposes.

Property name (Location)	Purpose	Scheduled period	Estimated cost of construction works (Millions of yen)		
			Total amount	Payment for the period	Total amount already paid
AEON LakeTown mori (Koshigaya City, Saitama Pref.)	Work on exterior renewal	From April 2024 to July 2024	41	—	—
	Work on exterior renewal	From April 2024 to July 2024	30	—	—
	Revitalization	From May 2024 to July 2024	92	—	—
	Revitalization	From August 2024 to October 2024	102	—	—
AEON MALL Morioka (Morioka City, Iwate Pref.)	Renewal of electrical facilities	From February 2024 to April 2024	60	—	—
	Renewal of air-conditioning units	From September 2024 to December 2024	472	—	—
AEON MALL Mitouchihara (Mito City, Ibaraki Pref.)	Work on exterior renewal	From March 2024 to April 2024	77	—	—
	Renewal of air-conditioning units	From September 2024 to November 2024	51	—	—
AEON MALL Ota (Ota City, Gunma Pref.)	Exterior wall painting	From January 2023 to March 2024	587	—	—
	Renewal of air-conditioning units	From March 2024 to May 2024	88	—	—
	Renewal of disaster prevention facilities	From August 2023 to October 2024	318	—	—
	Renewal of air-conditioning units	From September 2024 to December 2024	143	—	—
AEON Sagamihara Shopping Center (Sagamihara City, Kanagawa Pref.)	Renewal of air-conditioning units	From June 2024 to November 2024	45	—	—
	Renewal of disaster prevention facilities	From July 2024 to December 2024	36	—	—
	Renewal of sanitary facilities	From October 2024 to December 2024	41	—	—
AEON MALL Suzuka (Suzuka City, Mie Pref.)	Replacement of flooring at common passage	From December 2023 to February 2024	32	—	—
	Renewal of hot/cold water generators	From January 2024 to February 2024	119	—	—
	Work on exterior fittings	From September 2023 to February 2024	79	—	—
	Revitalization	From January 2024 to May 2024	199	—	—
	Revitalization	From January 2024 to June 2024	50	—	—
	Renewal of hot/cold water generators	From October 2024 to January 2025	81	—	—
	Renewal of elevators	From October 2024 to January 2025	81	—	—
AEON MALL Hiezu (Saihaku County, Tottori Pref.)	Renewal of air-conditioning units	From March 2024 to March 2024	30	—	—
	Rooftop renovation	From March 2024 to June 2024	30	—	—
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Renewal of air-conditioning units	From March 2024 to May 2024	30	—	—
	Renewal of air-conditioning units	From March 2024 to May 2024	65	—	—
	Renewal of elevators	From July 2024 to August 2024	108	—	—

Property name (Location)	Purpose	Scheduled period	Estimated cost of construction works (Millions of yen)		
			Total amount	Payment for the period	Total amount already paid
AEON MALL Kurashiki (Kurashiki City, Okayama Pref.)	Renewal of air-conditioning units	From October 2024 to December 2024	51	—	—
AEON MALL Kushiro-Showa (Kushiro City, Hokkaido Pref.)	Work on exterior renewal	From August 2024 to August 2024	22	—	—
	Renewal of air-conditioning units	From September 2024 to December 2024	143	—	—
	Work on exterior renewal	From October 2024 to December 2024	32	—	—
AEON MALL Shinrifu North Wing (Miyagi County, Miyagi Pref.)	Building renovation	From April 2024 to August 2024	36	—	—
	Renewal of elevator parts	From October 2024 To November 2024	45	—	—
AEON MALL Yamagata-Minami (Yamagata City, Yamagata Pref.)	Renewal of air-conditioning units	From March 2024 to April 2024	35	—	—
AEON MALL Yamatokoriyama (Yamatokoriyama City, Nara Pref.)	Renewal of central monitoring boards	From May 2024 to June 2024	33	—	—
AEON MALL Chiba Newtown (mall, and cinema and sports complex) (Inzai City, Chiba Pref.)	Rooftop waterproofing	From April 2024 to July 2024	68	—	—
	Renewal of disaster prevention facilities	From November 2024 to December 2024	58	—	—
	Revitalization	From October 2024 to December 2024	183	—	—
AEON MALL Tomakomai (Tomakomai City, Hokkaido Pref.)	Renewal of air-conditioning units	From April 2024 to June 2024	45	—	—
	Rooftop waterproofing	From May 2024 to June 2024	30	—	—
	Renewal of air-conditioning units	From May 2024 to August 2024	45	—	—
AEON MALL Oyama (Oyama City, Tochigi Pref.)	Work for waterproofing	From March 2024 to June 2024	41	—	—
	Renewal of air-conditioning units	From November 2024 to December 2024	41	—	—
AEON MALL Kahoku (Kahoku City, Ishikawa Pref.)	Renewal of air-conditioning units	From February 2024 to February 2024	30	—	—
	Renewal of air-conditioning units	From May 2024 to August 2024	40	—	—
AEON MALL Narita (Narita City, Chiba Pref.)	Renewal of air-conditioning units	From April 2024 to May 2024	56	—	—
	Work on exterior renewal	From November 2024 to December 2024	30	—	—
	Revitalization	From October 2024 to December 2024	91	—	—
AEON MALL Miyakonojo Ekimae (Miyakonojo City, Miyazaki Pref.)	Renewal of disaster prevention facilities	From May 2024 to November 2024	30	—	—
AEON Chigasaki-Chuo Shopping Center (Chigasaki City, Kanagawa Pref.)	Renewal of sanitary facilities	From August 2024 to November 2024	46	—	—
AEON STYLE Kemigawahama (Chiba City, Chiba Pref.)	Renewal of elevators	From July 2024 to August 2024	43	—	—

(B) Capital expenditures during the period

For properties held by AEON REIT as of January 31, 2024, the major construction works that fall under capital expenditure (those exceeding ¥30 million per work) conducted by AEON REIT during the current fiscal period are shown in the table below. The capital expenditure for the current period amounted to ¥2,195 million. Combined with ¥963 million in repairs and maintenance that was classified as expenses as well as ¥10 million in loss on disaster (expenses for restoration work) from Typhoon Lan, AEON REIT conducted construction works totaling ¥3,169 million in the current fiscal period.

Property name (Location)	Purpose	Period	Cost of construction works (Millions of yen)
AEON MALL Kushiro-Showa (Kushiro City, Hokkaido Pref.)	Renewal of air-conditioning units	From September 2023 to December 2023	114
AEON MALL Morioka (Morioka City, Iwate Prefecture)	Renewal of air-conditioning units	From October 2023 to December 2023	47
AEON MALL Shinrifu North Wing (Miyagi County, Miyagi Pref.)	Renewal of heat pumps	From September 2023 to October 2023	37
	Renewal of disaster prevention monitoring boards	From November 2023 to January 2024	32
AEON MALL Mitouchihara (Mito City, Ibaraki Pref.)	Renewal of overpass at parking lot	From September 2023 to November 2023	37
AEON MALL Ota (Ota City, Gunma Pref.)	Renewal of air-conditioning units	From September 2023 to December 2023	163
	Renewal of central monitoring boards	From February 2023 to August 2023	59
	Renewal of disaster prevention receiving boards	From July 2023 to September 2023	56
AEON LakeTown mori (Koshigaya City, Saitama Pref.)	Renewal of entrance eaves	From July 2023 to December 2023	50
	Renewal of central monitoring boards	From May 2023 to January 2024	34
AEON MALL Narita (Narita City, Chiba Pref.)	Renewal of central monitoring facilities	From May 2023 to January 2024	79
	Renewal of air-conditioning units	From September 2023 to December 2023	46
	Renewal of parking lot for the disabled	From December 2023 to January 2024	56
AEON Ueda Shopping Center (Ueda City, Nagano Pref.)	Revitalization	From August 2023 to November 2023	733
AEON MALL KYOTO (Kyoto City, Kyoto Pref.)	Renewal of management devices	From May 2023 to August 2023	46
AEON MALL Nogata (Nogata City, Fukuoka Pref.)	Renewal of central monitoring boards	From December 2023 to January 2024	80