

# 22nd FP (Jan. 2024) Financial Results Presentation Material

(the Asset Manager)

**AEON Reit Management Co., Ltd.**

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



AEON MALL Ota

# Table of contents (1/2)

## I. 22nd FP Financial Result / Forecast for 23rd FP and 24th FP

1. Highlights of financial results for 22nd FP (Jan. 2024) .....	P.5
2. 22nd FP (Jan. 2024) financial summary .....	P.6
3. 22nd FP (Jan. 2024) FP ~ Actual vs Forecast analysis ~ .....	P.7
4. Internal growth ~ AEON Ueda Shopping Center ~ .....	P.8
5. Finance ~ 22nd FP results and future financing policy ~ .....	P.9
6. Sustainability ~ Main topics of the 22nd FP ~ .....	P.10-11
7. Summary as of 22nd FP (Jan. 2024) .....	P.12
8. Current environment and correspondence ~ Summary ~ .....	P.13
9. Expansion of external growth opportunity .....	P.14
10. Dealing with property development .....	P.15-16
11. Environment surrounding commercial facility management ....	P.17
12. Correspondence based on the rise in construction costs ....	P.18
13. Details of Distribution in excess of earnings .....	P.19
14. 23rd FP (Jul. 2024), 24th FP (Jan. 2025) forecast .....	P.20
15. Approach to the stabilized DPU target .....	P.21
16. Progress towards Mid-term target (Reference data) .....	P.22
17. Notes ( I ) .....	P.23-24

## II. AEON REIT's Strengths

1. AEON REIT's Strengths .....	P.26
2. "Community Infrastructure Asset" localized successfully .....	P.27
3. Points of the "Community Infrastructure Asset" .....	P.28
4. Stability of "Community Infrastructure Asset" and its rent ...	P.29
5. External growth ~ Selective investments backed by Pipeline Support ~ ..	P.30
6. External growth ~ Further growth backed by Pipeline Support ~ ....	P.31
7. Internal growth ~ Enhancing values of properties ~ .....	P.32
8. Financial policy ~ Stable funding ~ .....	P.33
9. Financial policy ~ Financial management ~ .....	P.34
10. Financial policy ~ LTV & Cost trends ~ .....	P.35
11. Risk management ~ Resilient to natural disasters ~ .....	P.36
12. High ability of generating cash-on-hand .....	P.37
13. Sustainability Initiatives .....	P.38-44
14. Management message .....	P.45
15. Notes ( II ) .....	P.46-47

# Table of contents (2/2)

## III. Appendix 1 Features of AEON REIT Investment Corporation

1. Corporate philosophy and policy .....	P.49
2. Portfolio development policy .....	P.50
3. Summary of portfolio (as of Jan. 31, 2024) .....	P.51
4. Properties owned by AEON REIT (as of Jan. 31, 2024) .....	P.52
5. Expansion of asset size since listing .....	P.53
6. Growth of DPU and NAV per unit .....	P.54
7. Transition of Property Tax Benefit from asset acquisition .....	P.55
8. Overview of overseas properties .....	P.56
9. Schemes for acquisition of overseas properties .....	P.57
10. Overview of logistics facilities .....	P.58
11. About AEON Group (1/3) ~ Pipeline support ~ .....	P.59
12. About AEON Group (2/3) ~ Overview of the group ~ .....	P.60
13. About AEON Group (3/3) ~ Major large-scale retail properties ~ .....	P.61
14. Notes (III) .....	P.62

## IV. Appendix 2 Numeric data

1. Balance Sheet of 22nd FP (as of Jan. 31, 2024) .....	P.64
2. Statements of income of 22nd FP .....	P.65
3. Portfolio list .....	P.66-67
4. Appraisal value .....	P.68-69
5. Major revitalization investments with rent increase .....	P.70
6. Revitalization investment cases .....	P.71
7. Performance trends of stores in the portfolio .....	P.72-73
8. Average cap rate .....	P.74
9. Status of debts .....	P.75-76
10. Unit price chart .....	P.77
11. Composition of unitholders .....	P.78
12. Notes (IV) .....	P.79-80
13. Disclaimer .....	P.81

22nd FP (Jan. 2024) Financial Results Presentation Material

# I. 22nd FP Financial Result / Forecast for 23rd FP and 24th FP

# Highlights of financial results for 22nd FP (Jan. 2024)

1

## Achieved DPU of 3,350 yen (in line with forecast of 3,350 yen)

Impact from 2024 earthquake in Noto Peninsula is still being assessed, and therefore not reflected in 22nd FP results, as well as the forecasts for 23rd and 24th FP

- ▶ All construction work that was planned at the time of acquiring AEON Ueda SC has been completed, and in some of other properties owned, achieved rent growth through revitalization investments
- ▶ Used joint money trust to refinance part of 29.7bn yen, to control funding cost while securing long-term and fixed interest funding

2

## For the 23rd and 24th FPs, distribution in excess of earnings will be paid to maintain DPU stability

- ▶ Combine various methods of acquisition to enhance unitholders' value, and aim for DPU growth
- ▶ With the rise in repair & maintenance costs due to multiple reasons including changes in the environment, consider solutions to improve portfolio profitability

3

## Mid-term targets will be kept unchanged

- ▶ No changes to top priority and other priority targets
- ▶ AEON REIT will continue to aim to achieve its stabilized DPU target, the top priority target, using external growth as the driver

# 22nd FP (Jan. 2024) financial summary

Achieved forecast DPU, despite damage from typhoon, using insurance and distribution reserve

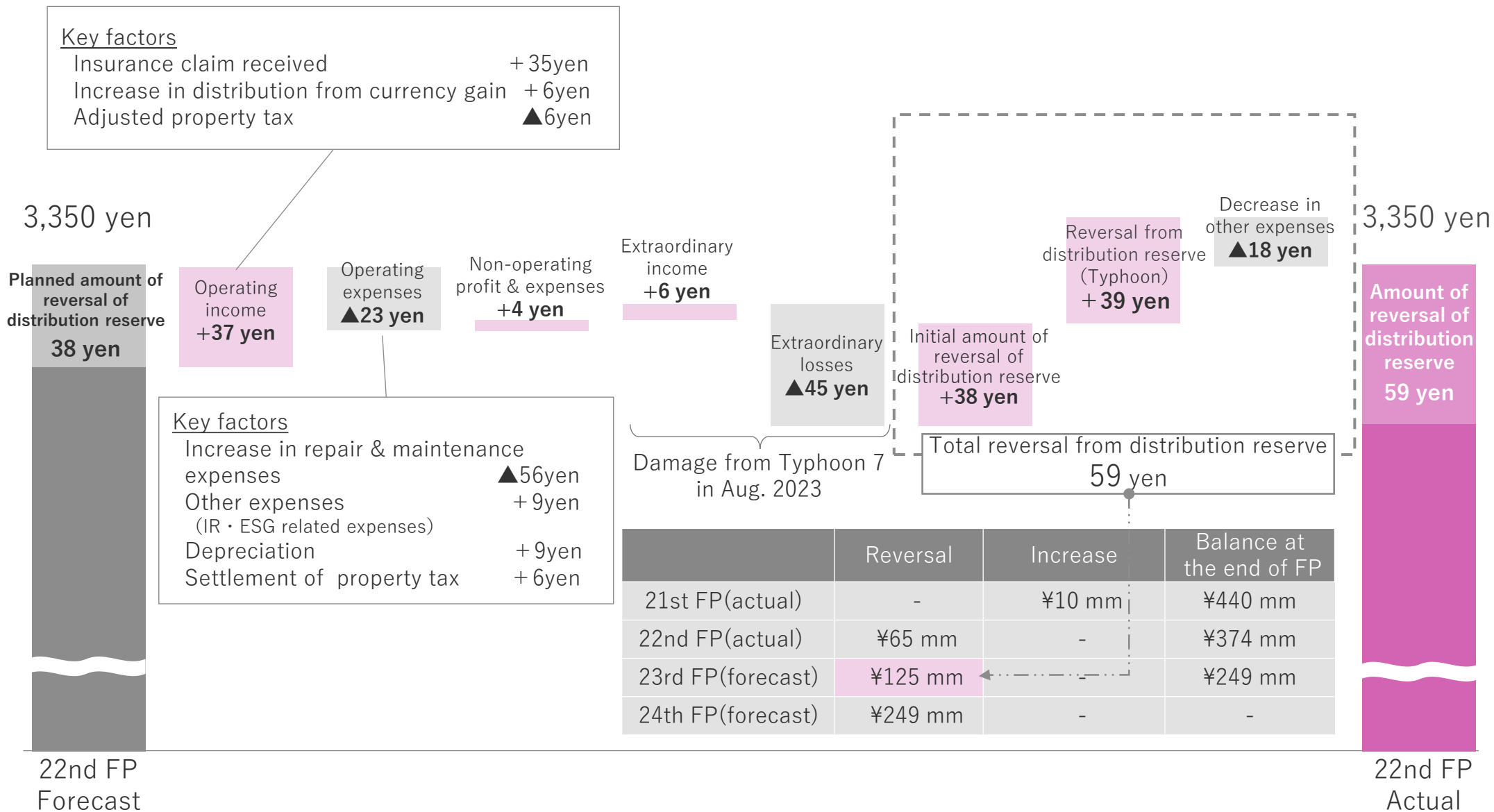
(Unit : million yen)

	22nd FP Ended Jan. 2024				21st FP Ended Jul. 2023		
	Results	Initial Forecast	Differences	Key Factors	Results	Differences	Key Factors
Operating revenues	21,054	20,976	+77	<u>Operating revenues</u> • Insurance claim received +72	21,008	+46	<u>Operating revenues</u> • Insurance claim received, etc. +35
Operating expenses	13,006	12,956	+49	• Currency gain +11	13,037	▲ 31	<u>Leasing business expenses</u>
Leasing business expenses	11,798	11,712	+86	<u>Leasing business expenses</u> • Increase in repair	11,870	▲ 72	• Decrease in depreciation ▲115 • Increase in repair
Other operating expenses	1,207	1,244	▲ 36	& maintenance expenses +111 • Decrease in depreciation ▲18	1,167	+40	& maintenance expense +31 • Increase in insurance expenses +12
Operating income	8,048	8,019	+28	<u>Other operating expenses, etc.</u>	7,970	+77	<u>Other operating expenses, etc.</u>
Non-operating income	4	-	+4	• Decrease in other expenses ▲18 (IR/ESG related expenses, etc.)	1	+2	• Increase in asset management fee +32
Non-operating expenses	978	982	▲ 4	• Decrease in commission expenses ▲9	923	+55	<u>Non-operating expenses</u> • Increase in borrowing cost +55
Ordinary income	7,073	7,036	+36		7,048	+25	
Extraordinary income	12	-	+12	<u>Extraordinary income</u> • Insurance claim received for damage	-	+12	
Extraordinary losses	95	-	+95	from Typhoon in Aug. 2023	-	+95	
Net income	6,990	7,036	▲ 46	<u>Extraordinary losses</u> • Damage from Typhoon in Aug. 2023	7,047	▲ 57	
NOI	14,476	14,514	▲ 37		14,476	▲ 0	
Net income per unit (yen)	3,291	3,313	▲ 22	<u>Reversal of distribution reserve</u>	3,318	▲ 27	
Reversal of distribution reserve per unit (yen)	59	38	+21	• Reversal of portion to cover damage from typhoon in Aug. 2023 +39 yen	31	+28	
Distribution per unit (yen)	3,350	3,350	-	• Decrease in other expenses ▲18 yen	3,350	-	

Number of investment units issued in the 21st FP and 22nd FP : 2,123,952 units

\*Impact from 2024 earthquake in Noto Peninsula is not reflected in 22nd FP results

# 22nd FP (Jan. 2024) DPU ~ Actual vs Forecast analysis ~



Number of investment units issued in the 22nd FP: 2,123,952 units  
 \*Amounts may not add up due to rounding of decimals



# Internal growth ~ AEON Ueda Shopping Center ~

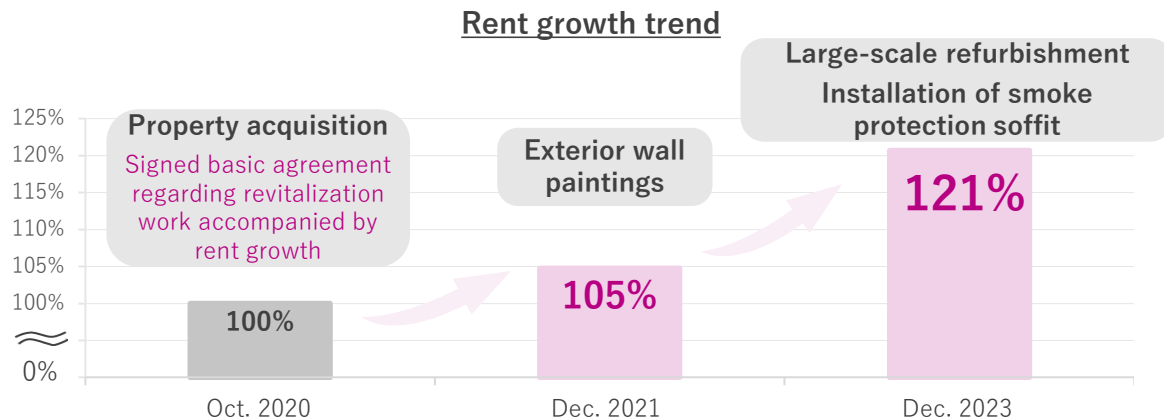
Completed series of revitalization construction, based on agreement at time of acquisition, and achieved rent growth of approx. 20% from initial rent

## Rent growth through revitalization construction

Completion	Overview of construction	Investment amount	Rent growth VS investment (annual)
18th FP	Exterior wall painting	271 mm yen	+6.5%
22nd FP	Large-scale refurbishment	892 mm yen	+6.5%
	Installation of smoke protection soffit	22 mm yen	+3.0%
Total		1,185 mm yen	

## Trend of rent growth, and details of revitalization work

- ▶ AEON REIT replaced ceilings and floors, installed lighting, added play area and gathering space, renovated food court and toilets, etc., to create a mall environment that various types of customers feel comfortable in
- ▶ Master lessee changed the zoning of sales floors, and replaced tenants



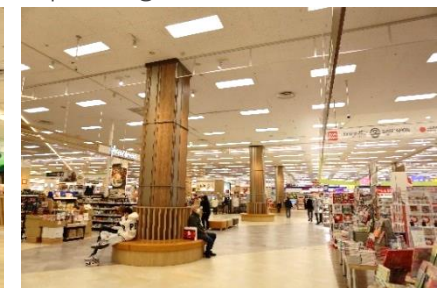
## Images of revitalization works



Exterior wall painting



Food court renovation



Gathering place installation

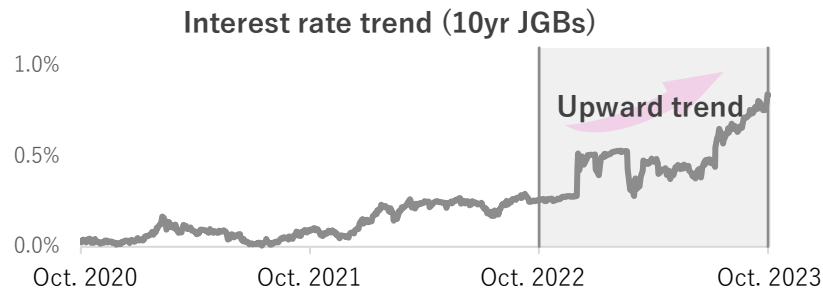


# Finance ~ 22nd FP results and future financing policy ~

## Refinancing in Oct 2023

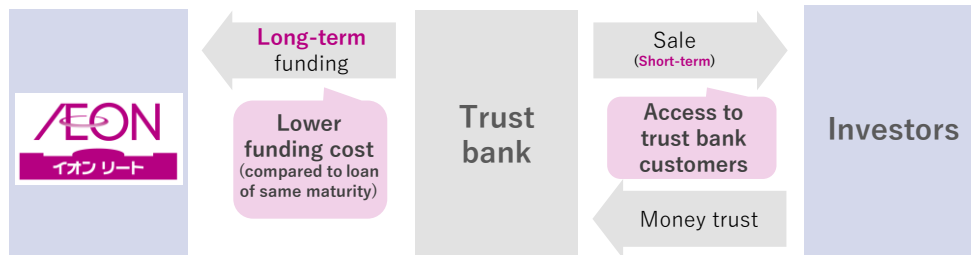
- ▶ Controlled costs using creative funding methods, and succeeded in long-term and fixed-interest refinancing of 29.7 bn yen

	End of 21st FP	▶	End of 22nd FP
<b>Funding cost</b> <small>(Note 1)</small>	<b>0.78%</b>		<b>0.86%</b>
<b>Average debt maturity</b>	<b>7.4yrs</b>		<b>7.5yrs</b>
<b>Fixed-interest debt ratio</b>	<b>92.8%</b>		<b>97.8%</b>



## Use of joint money trusts

Achieved both expansion of debt investor base, and lower funding cost

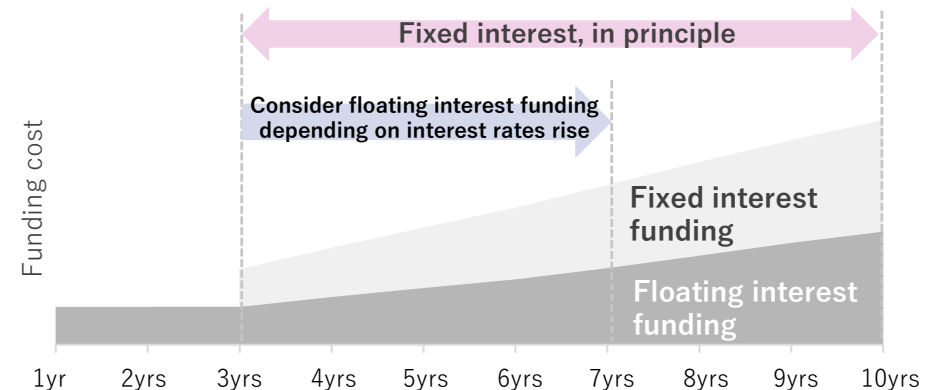


## Future financing policy

- ▶ Establish a stable financing base, by maintaining basic policy, while also preparing for changes in the environment

	Basic policy	Future initiatives
<b>Diversification and enhancement of sources and methods of funding</b>	Mainly use borrowings from financial institutions, while also using investment corporation bonds	Add new banks to lender formation, and consider new funding methods
<b>Stabilize funding cost</b>	Aim for long-term, low-cost borrowings	<b>Consider introducing floating interest funding</b> , to control the rise in funding cost
<b>LTV control</b>	Use 43~47% as the benchmark, and maintain ability to acquire properties	—
<b>Diversification of maturities</b>	Use funding period of 5~7 years as the benchmark, and seek long-term, fixed-interest funding	<b>Consider shortening average funding period</b> , to lower the cost of funding

## Policy regarding fixed interest rates (Note 2)



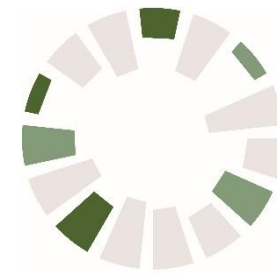
# Sustainability ~ Main topics of the 22nd FP (1/2) ~

## Adoption of KPIs

- ▶ Set KPIs for the eight priorities among materialities.

Materiality	KPI
Environment	<b>Opportunities in green buildings</b> •GRESB Real Estate Assessment (Achieve 5 Stars each year) •Ratio of owned properties with third-party certification (3 stars or higher: 80% or more, 4 stars or higher: 80% or more, with a medium-term target of 80% or more) •Installation of equipment with enhanced energy efficiency (introduction of energy-saving equipment such as inverter boards in 50% or more of the store portfolio, with a medium-term target of 80% or more) •Introduction of renewable energy and energy-saving equipment in stores within our owned properties (Three stores per year, with a medium-term target of 50% or more of the portfolio)
	<b>Climate change</b> •Reduction of total GHG emissions (Average of 1% per year in terms of consumption intensity) (Medium-term target: 50% of electricity/energy consumption to be renewable, 50% reduction of CO <sub>2</sub> emissions (Scope 2), Long-term target: Net zero) •Water consumption (Medium-term target: Do not increase consumption intensity) •Waste (Medium-term target: Store recycling rate of 80%) •Promotion of green finance (Medium-term target: 50% or more of interest-bearing debt) •MSCI ESG rating (Medium-term target: 'A' or above)
	<b>Biodiversity and land use</b> •Association for Business Innovation in Harmony with Nature and Community (ABINC) certification (efforts to create biodiversity-friendly green areas) for owned properties (One property or more per year) (Medium-term target: 30% or more of the portfolio, Long-term target: 30% or more)
Social	<b>Local community engagement and sustainable development</b> •Number of customers visiting owned properties (Medium-term and long-term targets: Maintain or increase year on year on average across the portfolio) •Number of stores saving as disaster relief hubs (Medium-term target: 50% or more of the portfolio, Long-term target: 100%)
	<b>Safety and security of owned properties</b> •Acquisition/status assessment of engineering reports (ER) for owned properties (Aim for reacquisition within 5 years) (Medium-term target: 80% or more of the portfolio, Long-term target: 100%)
	<b>Human capital development</b> •Average length of service (5 years or more) •Training hours per employee (20 or more per year) •Ratio of female officers (50% or more, with a medium-term target of 30% or more in the ratio of female managers)
Governance	<b>Corporate governance</b> •Meeting attendance (90% or more per year) •Effective evaluation of committees (Annual)
	<b>Compliance and risk management</b> •Risk Management Committee meetings (Biannual) •Compliance and information security training (Monthly, with a participation rate of 100%)

## GRESB Real Estate Assessment (Note)



G R E S B  
★★★★★ 2023

4 consecutive years

8 consecutive years

3 consecutive years

5 Stars

Green Star

Public disclosure A

## Examples of KPIs

- ▶ Set quantitative targets or action targets for ESG.

Environment <b>E</b>	Reduction of GHG emission	Energy efficient equipment implementation
	Set ratio of female executives above a certain level	Utilization rate of skills and career development programs
Social <b>S</b>	Evaluation of effectiveness of boards	Implementation and participation in compliance and infosec training

\*For more details, please refer to "Sustainability ~ KPI ~" on page 40.

## Sustainability Report 2023

- ▶ Disclosed Sustainability Report 2023 in Nov. 2023.
- ▶ Continually promoting enhancement of information disclosure.



# Sustainability ~ Main topics of the 22nd FP (2/2) ~

## Third party certification

- ▶ 5 properties have been recertified.
- ▶ Maintained ratio for both 3 stars or higher and 4 stars or higher above the mid-term target (Note 1).
- ▶ Will continue promoting various initiatives to maintain the ratio.

### List of certified properties in the 22nd FP (All recertified)

Certification	Property name	Rank
DBJ Green Building	AEON MALL KYOTO	2023★★★★★
	AEON MALL Mitouchihara	2023★★★★
	AEON MALL Ogaki	2023★★★★
	AEON MALL Chiba-Newtown (The shopping mall building and The cinema and sports building)	2023★★★★
	AEON Sagamihara Shopping Center	2023★★★



AEON MALL KYOTO



AEON MALL Chiba-Newtown  
(The shopping mall building and The cinema and sports building)

### Ratio of certified properties (Note 2)

(Based on total leasable area/as of Jan. 2024)

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

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

## Environmental initiatives ~ Inverter installation work ~

- ▶ Conducted Inverter installation work at AEON MALL Sapporo-Hiraoka in Feb. 2023, following AEON MALL Tomakomai.
- ▶ **Electricity usage for air conditioners was reduced** in both properties.
- ▶ Continue to consider introducing same work to other properties and other measures to reduce environmental impact.



AEON MALL Sapporo-Hiraoka

Reduced electricity usage by  
**67.8%** (Note 3)  
**after introducing inverter boards**  
 (Total consumption for Feb-Dec 2023 vs same period last year)

## Tree planting activity for Ishinomaki 2023

- ▶ In Sep. 2023, more than half of the employees of ARM participated in tree-planting activities at the Ishinomaki Minamihama Tsunami Memorial Park for its reconstruction held by AEON Environment Foundation.



# Summary as of 22nd FP (Jan. 2024)

Asset size of 49 properties (Note 1)

**468.3** bn yen

Portfolio NOI yield

**6.2%**

NOI yield after depreciation

**3.8%**

Unrealized gain (Note 2・3)

**+ 84.6** bn yen

(+3.6 bn yen from  
the end of 21st FP)

Distribution per unit

**3,350** yen

(Forecast 3,350 yen)

NAV per unit

**152,786** yen

(+1,715 yen from  
the end of 21st FP)

LTV (excluding deposits)

**41.5%**

LTV (including deposits)

**44.6%**

# Current environment and correspondence ~ Summary ~

## Current environment

- ① **Slowdown in growth by property acquisition**
  - ▶ Rising interest rates and increasing difficulty in equity financing
  - ▶ Increase of buildings with fixed-term leasehold for business purpose
- ② **Diversification of facility development by the group companies**
- ③ **Increase in necessary investments and construction costs for maintaining “Community infrastructure assets”**
  - ▶ Rise in construction cost due to inflation etc.
  - ▶ Increase in repair & maintenance expense per property, due to aging of the properties
  - ▶ Shift from hygiene investments during COVID, to investments to attract visitors

## Correspondence

### External growth

#### Expansion of external growth opportunities

- ▶ Acquisition of large-scale commercial facilities (Ownership, ordinary land lease, fixed-term leasehold for business purpose)
- ▶ Diversification in property acquisition
- ▶ Dealing with property development

### Internal growth

#### Consider taking measures to reduce costs while making necessary investments for “Community infrastructure assets”

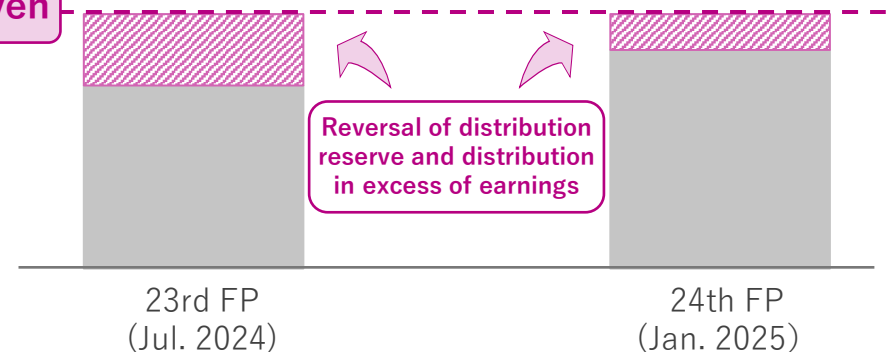
- ▶ Negotiation of cost burden that affects profit and loss
- ▶ Be more selective in investments, based on property characteristics
- ▶ Consideration of existing property disposition

## Distribution plan in 23rd FP and 24th FP

### Maintain DPU 3,335 yen

with utilizing reversal of distribution reserve and distribution in excess of earnings if a factor that lowers the forecasted DPU occurs

3,335 yen





# Current environment and correspondence ①

~ Expansion of external growth opportunities ~

In light of environmental changes, expand external growth opportunities and aim to advance stabilized DPU

Method	Acquisition environment	Significance of acquisition
<p><b>Acquisition of large-scale commercial facilities</b></p> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Domestic large-scale commercial facility development is on the decline</li> </ul> <p><b>Significance</b></p> <ul style="list-style-type: none"> <li>Easier for stable income (due to the number of tenants, wide commercial area, etc.)</li> <li>High investment efficiency in terms of acquisition costs and practices.</li> </ul>	<p><b>1 Ownership, ordinary land lease</b></p> <ul style="list-style-type: none"> <li>It used to be the main choice of development, however due to the revision of the Land and Building Lease act in 2008, the situation has changed and acquisition opportunities will decrease.</li> </ul> <hr/> <p><b>2 Fixed-term leasehold for business purpose</b></p> <ul style="list-style-type: none"> <li>Due to the legal revision, increased with newly built facilities</li> <li><b>Acquisition opportunities will increase</b></li> </ul>	<ul style="list-style-type: none"> <li>Relatively more opportunities for acquisition in the past as many facilities had been built with these type of lands</li> </ul> <hr/> <ul style="list-style-type: none"> <li><b>Generates more cash as the facilities are relatively new</b></li> <li>Compared to ①, NOI yield tends to be relatively high</li> <li>As the lease period is relatively long, easier to plan for having the return from the investment</li> </ul> <p><b>Issues and responses</b></p> <p>Amortization of leasehold, etc may occur</p> <p><b>Utilize distribution in excess of earnings</b> (Distributions of allowance for temporary difference adjustments)</p>
<p><b>3 Diversification in property acquisition</b></p>	<p><b>Small and medium-sized properties, logistics facilities, etc.</b></p> <ul style="list-style-type: none"> <li><b>Increased possibility of acquisition</b> by expanding support contracts</li> </ul>	<ul style="list-style-type: none"> <li><b>Diversifying portfolio</b></li> <li>Relatively more properties that are easier to acquire flexibly with small amount</li> </ul>
<p><b>4 Dealing with property development</b></p> <p>Recent specific examples from the next pages</p>	<p><b>Construction of expansion building, rebuilding, etc</b></p> <ul style="list-style-type: none"> <li>AEON Group promotes the use of unused space within the premises to improve the profitability of existing properties</li> <li>Redevelopment of aged properties will be considered</li> <li><b>Acquisition opportunities will increase</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Can expect stronger competitiveness of the entire property</b></li> <li>The lease period including existing building will be extended and will contribute to stable income</li> <li><b>Create investment opportunities including existing building</b></li> <li>Generates cash from depreciation expense as the expansion building is newly built</li> </ul> <p><b>Issues and responses</b></p> <p>Possibility of temporary costs</p> <p><b>Utilize distribution in excess of earnings</b> (Distribution with decrease of investment capital under tax laws)</p>

# Dealing with property development

## ~ AEON MALL Ota refurbishment ① ~

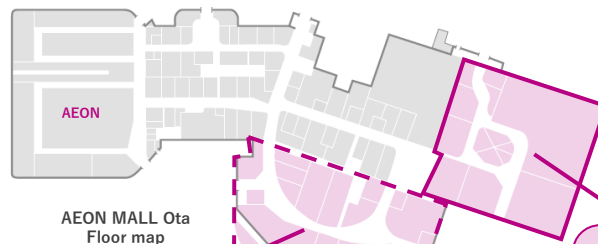
Evolved into a property with overwhelming competitiveness, following the refurbishment as part of developing the expansion building

### Enhanced competitiveness of property through large-scale refurbishment



#### Existing building: Tenant replacement

Plan to refurbish stores that account for more than 30% of the facility. Tenants will be mainly lifestyle stores that address everyday needs, as well as numerous tenants that will open their first stores in Gunma Prefecture



#### Expansion building: Construction

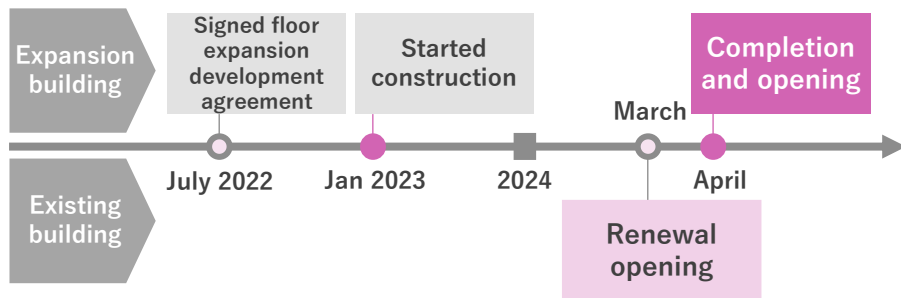
Scheduled to open on April 19. Lifestyle specialty store and specialty store that offers learning experiences to open on 1F, and one of the largest food courts in the prefecture is to open on 2F

#### South Mall: Revitalization

Reopened first following its refurbishment, on March 1. Replaced tenants, as well as conducting revitalization such as work on the hallways and refurbishments, to improve the flow of customers in the entire facility

### Overall schedule

- ▶ Existing building to reopen in March 2024, and expansion building in April 2024



### Growth in size following expansion development

	Existing building	Existing + Expansion buildings
Site area	146,106m <sup>2</sup>	No change
Gross floor area	93,165m <sup>2</sup>	Expected to grow to approx. <b>1.2 times</b>
No. of specialty stores	Approx. 150	Approx. <b>185 stores</b> (Refurbished 93 stores)

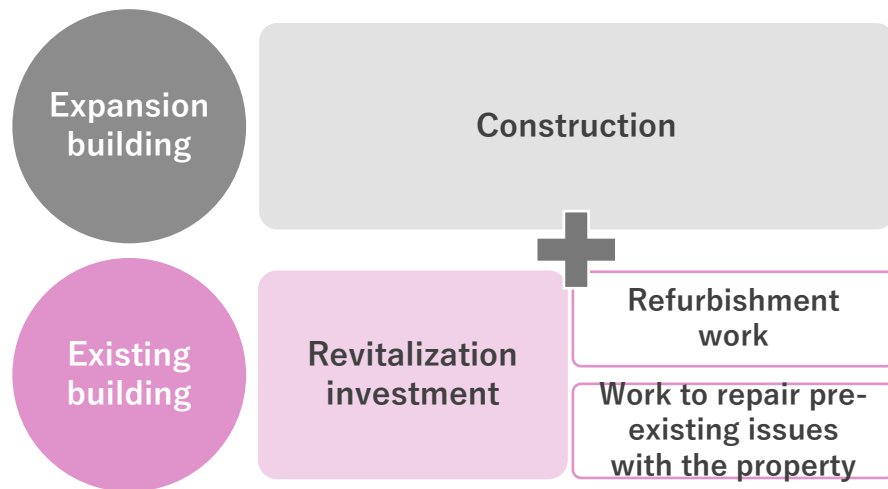


# Dealing with property development

~ AEON MALL Ota refurbishment ② ~

## Creation of investment opportunities starting with the construction of expansion building

- ▶ Considered investment opportunities in existing building starting with the construction of expansion building
- ▶ Implemented refurbishment work and work to repair pre-existing issues for the existing building and realized an investment improving the value of AEON MALL Ota as a whole



### Overview of revitalization investment on existing building

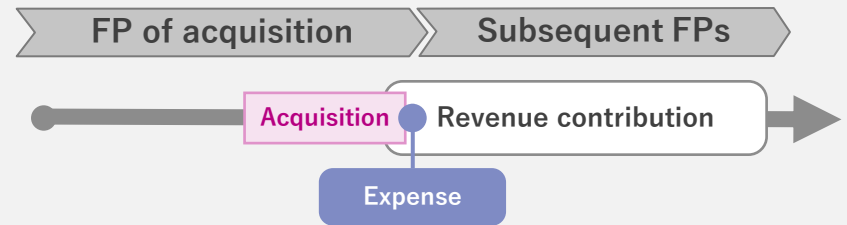
- ▶ Achieved rent growth through revitalization of existing building

Construction	Investment	Rent growth VS investment (annual)
Installing additional air-conditioning equipment	24 mm yen	+7.8%
Repair of pre-existing issues with shutter doors	318 mm yen	+6.3%

## Succession of previous party's position in the construction agreement of expansion building (Note)

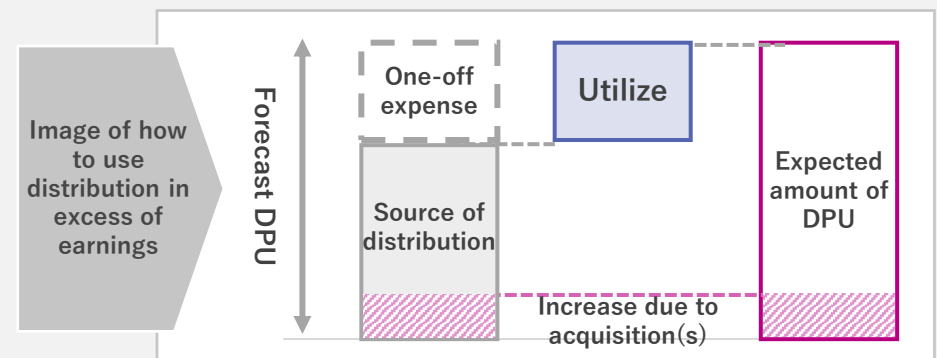
### Image of proceeding the succession

- ▶ Additional expense of approx. 150-350mm yen is expected
- ▶ Meanwhile, because it is an acquisition of a newly-completed building, long-term stable revenue can be expected, as well as strong cashflow that comes from depreciation



### Addressing the expense

- ▶ When AEON REIT chooses to succeed the previous party's position in the construction agreement, our policy is to pay distribution in excess of earnings, to cover the one-off expenses during the acquisition period, in order to maintain forecast DPU



# Current environment and correspondence ②

## ~ Environment surrounding commercial facility management ~

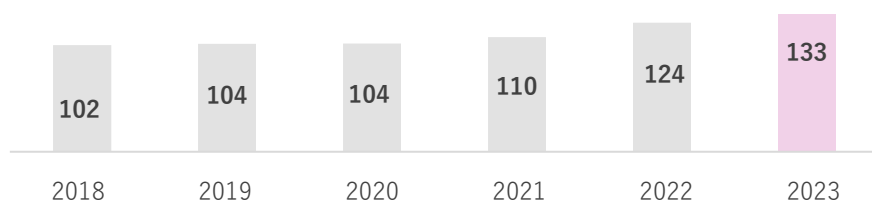
Due to multiple factors, assuming repair & maintenance cost to increase

### Increase of costs of necessary investments

#### 1 Rise in construction cost due to inflation etc.

- ▶ Construction material prices up 29% in the past 35 months (Note 1)
- ▶ Rise in labor cost makes it hard to secure skilled construction workers (Note 1)

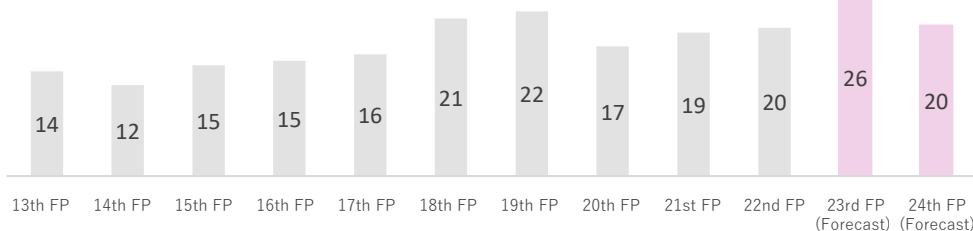
Price index of construction materials (Note 2)  
(year 2015 = 100)



#### 2 Increase in repair & maintenance expense per property, due to aging of the properties

- ▶ Repair & maintenance expense per property is on the rise, due to aging of the properties owned

Repair & maintenance expense per property owned by AEON REIT (Unit: mm yen)



#### 3 Shift from hygiene investments during COVID, to investments to attract visitors

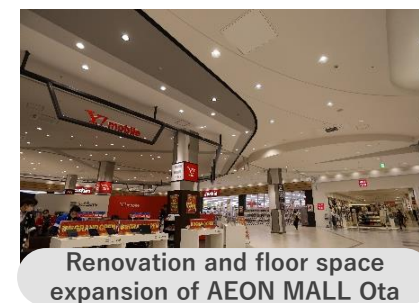
##### Hygiene investments

- ▶ Group-wide hygiene investments increased during COVID, leading to a decline in investments to attract visitors



##### Investments to attract visitors

- ▶ Post-COVID, investments to attract visitors are on the rise, including large-scale renovations



# Current environment and correspondence ②

~ Correspondences based on the rise in construction costs ~

Consider effective measures based on the following correspondences and maintain forecast DPU

## Use of distribution in excess of earnings

- ▶ If the necessary investments lowers the forecast DPU, AEON REIT will pay distribution in excess of earnings

### Policy of paying distribution in excess of earnings

- ▶ Natural disasters, and related unexpected events
- ▶ Decline in revenue due to currency fluctuations
- ▶ Dilution of distribution following issuance of new investment units
- ▶ Losses from asset retirement, disposal loss or impairment
- ▶ Other one-off/temporary expenses due to contingencies
- ▶ Expenses from amortization etc. of fixed-term land leaseholds or asset retirement obligations
- ▶ **Temporary increases in repair & maintenance expenses, which lead to improving the competitiveness of a property, or contributing to maintaining and strengthening its functions**

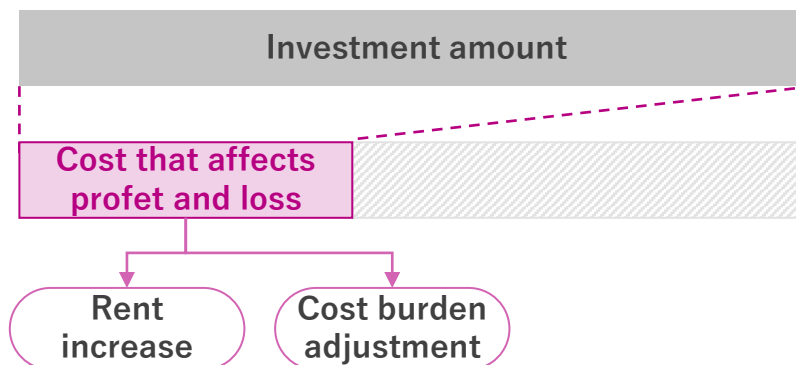
### Construction work examples

- ▶ Work of existing building related to the construction of expansion building of AEON MALL Ota
- ▶ Rent increase work to strengthen property competitiveness
- ▶ Equipment function maintenance work to reduce the risk of disrupting store operations

## Future initiatives

### 1 Negotiation of cost burden that affects profit and loss

- ▶ For costs that affect profit and loss of the investment amount, negotiate with the master lessee regarding rent increases and cost burden adjustments



### 2 Be more selective in investments, based on property characteristics

- ▶ Consider property characteristics, and be more selective and prioritize investments

### 3 Consideration of existing property disposition

- ▶ Consider disposals as one option, with the aim of maintaining the high quality of the portfolio

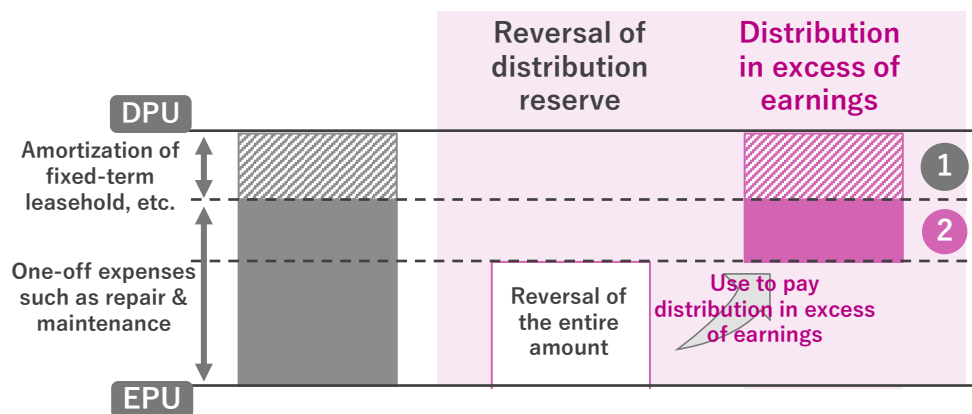
# Details of Distribution in excess of earnings

## Supplementary explanation on distribution in excess of earnings

Distribution in excess of earnings	
<b>Category</b>	<p><b>1</b> <b>Distributions of allowance for temporary difference adjustments</b> Distribution in excess of earnings that does not lower capital</p> <p><b>2</b> <b>Distribution with decrease of investment capital under tax laws</b> Distribution in excess of earnings that comes with a reduction in capital</p>
<b>Details</b>	<p>Distribution to reduce (avoid) tax burden from discrepancy in tax profit and accounting profit</p> <p>Distribution that uses depreciation etc. as its source to meet forecast DPU</p>
<b>Examples</b>	<p>Amortization of fixed-term leasehold, amortization following the booking of asset retirement obligations, etc.</p> <p>If source of distribution is temporarily reduced due to reasons other than those outlined in <b>1</b> <b>Example :</b></p> <ul style="list-style-type: none"> <li>▶ One-off expenses that strengthen the competitiveness of properties, or lead to maintaining / enhancing its functions</li> <li>▶ Natural disasters and other unexpected contingencies</li> </ul>

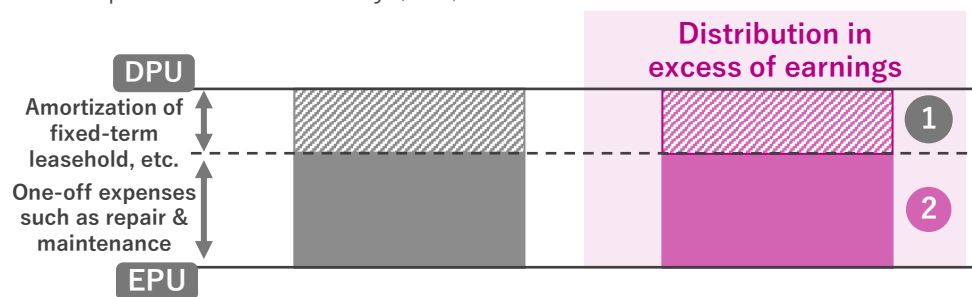
### Image of use in 23rd FP

- ▶ Draw down the entire distribution reserve, and use it to pay distribution in excess of earnings
- ▶ Pay out both ① ② as distribution in excess of earnings (Note)



### Image of use in 24th FP onwards

- ▶ Will only use distribution in excess of earnings in FP24 onwards
- ▶ Distribution ① will be paid out every FP, distribution ② will be paid out if necessary (Note)



# 23rd FP(Jul. 2024), 24th FP (Jan. 2025) forecast

Despite impact from rising management costs, maintain DPU using measures including paying distribution in excess of earnings

(Unit : mm yen)

	23rd FP Ended Jul. 31, 2024				24th FP Ended Jan. 31, 2025		
	Forecast (announced on Mar 18, 2024)	Forecast (announced on Sep 13, 2023)	Differences	Key factors	Forecast (announced on Mar 18, 2024)	Differences	Key factors
Operating Revenues	21,009	20,997	+12		21,017	+7	
Operating expenses	13,304	12,983	+320	<u>Leasing business expenses</u> · Increase in repair & maintenance expenses +368	13,069	▲234	<u>Leasing business expenses</u> · Decrease in repair & maintenance expenses ▲302
Leasing business expenses	12,118	11,774	+344	· Decrease in depreciation ▲37	11,844	▲274	· Increase in depreciation +22
Other operating expenses	1,185	1,209	▲24	· Increase in property insurance +13 <u>Other operating expenses</u> · Decrease in asset management fee ▲20	1,224	+39	· Increase in property insurance +8 <u>Other operating expenses</u> · Increase in asset management fee +23
Operating income	7,705	8,013	▲308		7,948	+242	
Non-operating expenses	999	1,008	▲9		1,053	+54	<u>Non-operating expenses</u> · Increase in borrowing cost in Oct 2024,etc
Ordinary income	6,706	7,004	▲298		6,894	+188	
Net income	6,705	7,004	▲298		6,894	+188	
Net income per unit (yen)	3,157	3,297	▲140		3,245	+88	
Reversal of distribution reserve per unit (yen)	117	37	+80	<u>Distribution reserve</u> · Reversal of portion to cover increase in repair & maintenance expenses ¥117	-	▲117	<u>Distribution reserve</u> · Termination of distribution reserve
Distribution in excess of earnings (portion that does not lower capital) (yen)	37	-	+37	<u>Distribution in excess of earnings</u> (portion that does not lower capital) · Reversal of portion to cover amortization of fixed-term leasehold etc. ¥37	37	-	<u>Distribution in excess of earnings</u> (portion that comes with a reduction in capital) · Reversal of portion to cover increase in repair & maintenance expenses ¥53
Distribution in excess of earnings (portion that comes with a reduction in capital) (yen)	24	-	+24	<u>Distribution in excess of earnings</u> (portion that comes with a reduction in capital) · Reversal of portion to cover increase in repair & maintenance expenses ¥24	53	+29	
Distribution per unit (yen)	3,335	3,335	-		3,335	-	

Precondition: Currency rate used for the forecast of 23rd FP and 24th FP : 1RM = 29.00 JPY, Number of investment units issued in the 23rd FP and 24th FP : 2,123,952 units

# Approach to the stabilized DPU target

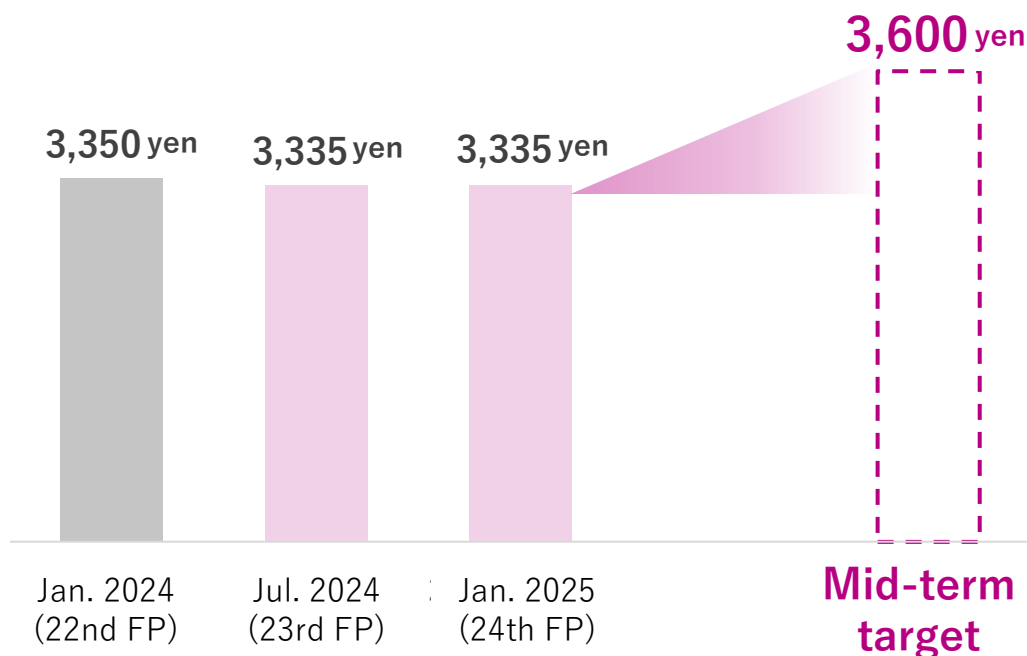
Achieve stabilized DPU target with external growth as the main driver

**Stabilized DPU target**  
(Note 1)

**3,600 円**

(Including paying distribution in excess of earnings)

Aim to achieve target, with external growth as the main driver, while maintaining the stability of DPU



## Strengths in external growth

### Abundant Pipeline

Total pipeline (Note 2) **¥ 290.0 bn**

Selective investment from the pipeline that contribute to DPU growth

### High ability of generating cash-on-hand

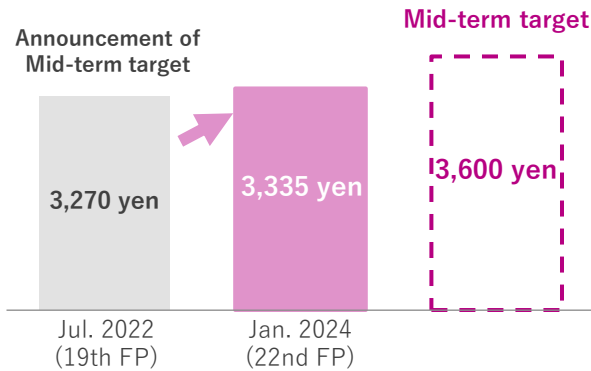
Annual depreciation (Note 3) **¥ 10.4 bn**

Flexibly utilize cash-on-hand generated from depreciation

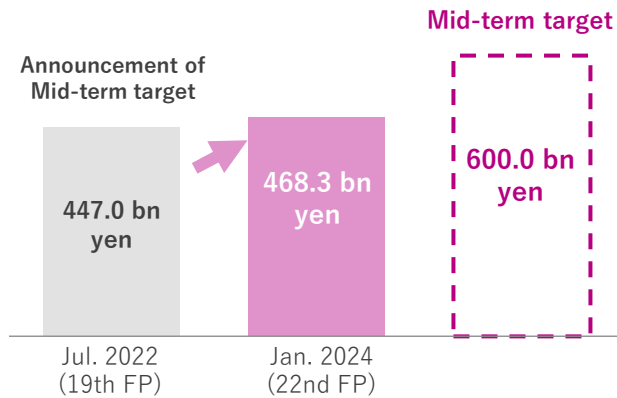
# Progress towards Mid-term target (Reference data)

## Stabilized DPU ~ Top Priority ~

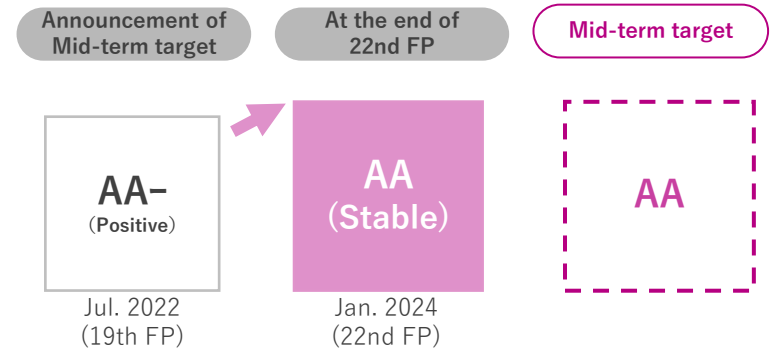
(Note 1)



## Asset size ~ Priorities ~

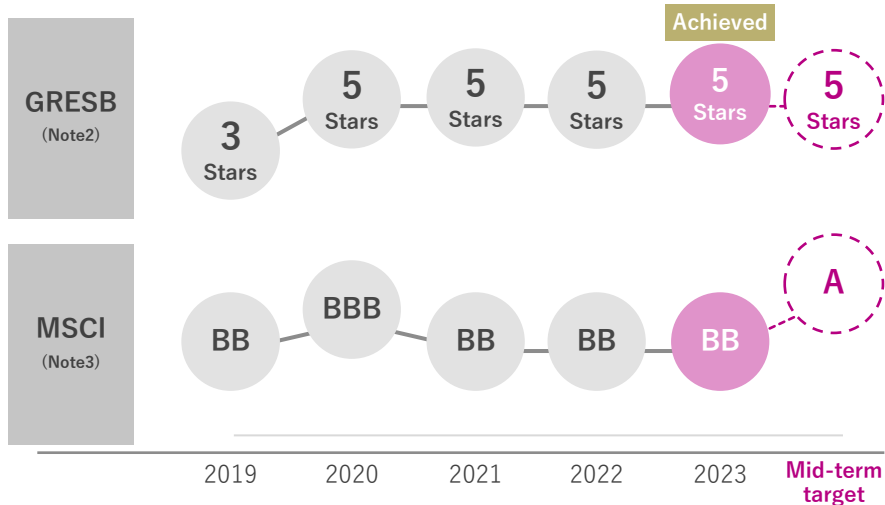


## Long term issuer rating (JCR) ~ Priorities ~

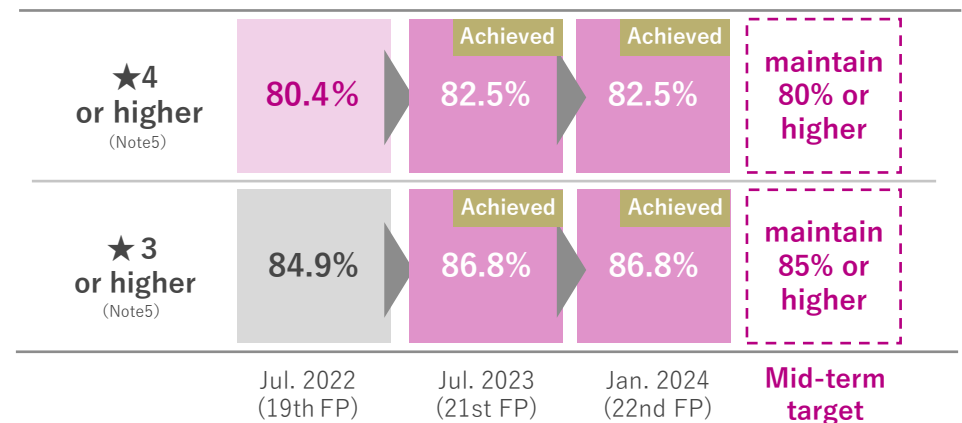


## Sustainability ~ Priorities ~

### External evaluation (GRESB Rating and MSCI ESG Ratings)



### Ratio of third-party certification (Note 4)





# Notes ( I )

## P.9 Finance ~ 22nd FP results and future financing policy ~

(Note 1) Weighted average of interest rates of interest-bearing debt as of the end of the fiscal period

(Note 2) Image of future funding cost, calculated by asset management company, based on economic terms of the Oct 2023 refinancing

## P.10 Sustainability ~ Main topics of the 22nd FP (1/2) ~

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

## P.11 Sustainability ~ Main topics of the 22nd FP (2/2) ~

(Note 1) ★4 or higher refers to “4 or 5 stars in the DBJ Green Building certification”, “Rank A or S in the CASBEE Real Estate Evaluation”, “4 or 5 stars in BELS”. ★3 or higher refers to “3, 4 or 5 stars in the DBJ Green Building certification”, “Rank B+, A or S in the CASBEE Real Estate Evaluation”, “3, 4 or 5 stars in BELS” (as of the end of Jan 2024).

(Note 2) The ratio of properties with third party certifications is calculated by dividing the total rentable floor area of certified properties by that of all properties owned in Japan. Third party certification refers to the DBJ Green Building certification, CASBEE certification and BELS certification, etc.

(Note 3) Since the amount of electricity used by air conditioning equipment before the installation of the inverter boards is not recorded, the comparison of electricity consumption is based on the estimated value calculated with the shaft power. Electricity usage is compared with the estimated value for the same period last year.

## P.12 Summary as of 22nd FP (Jan. 2024)

(Note 1) Total acquisition price excluding expenses incurred when acquiring subject real estate etc. (brokerage fee, tax, etc.).

(Note 2) Unrealized gain is calculated by deducting the book value as of the end of the 22nd FP from the appraisal value as of the end of the 22nd FP.

(Note 3) The “real estate appraisal value” of “AEON MALL Kahoku” and “AEON MALL Shinkomatsu” does not include the survey value reflecting the effects of the 2024 earthquake in Noto Peninsula as a detailed investigation to determine the impact on the property has not been completed as of the end of January 2024.

## P.16 Dealing with property development ~ AEON MALL Ota refurbishment ② ~

(Note) The Investment Corporation has not made the decision to succeed the previous party’s position in the construction agreement for the construction of the extension building, and there is no guarantee that the succession will be conducted.

## P.17 Current environment and correspondence ② ~ Environment surrounding commercial facility management ~

(Note 1) Excerpt from the report “Current situation of soaring construction material prices and rising labor costs, etc.” issued by the “Japan Federation of Construction Contractors”

(Note 2) Created by the Asset Management Company based on the data “Yearly sectoral index for recent 6 years and monthly sectoral index for the most recent 13 months for 10 major cities and national average (among sectors of general construction, architecture, building repair and civil engineering)” written in “Construction material price index (2015 base)” disclosed by Construction Research Institute.

## P.19 Details of Distribution in excess of earnings

(Note) The upper limit of Distribution in excess of earnings ② (distributions with decrease of investment capital under tax law) is 60% of the depreciation expense for the relevant fiscal period. In addition, if it is determined that it is inappropriate to implement Distribution in excess of earnings ② (distributions with decrease of investment capital under tax law) based on the economic environment, trends in the real estate market and leasing market, etc., the status of owned assets, financial status, etc., there is a possibility that Distribution in excess of earnings ② (distributions with decrease of investment capital under tax law) will not be made.

# Note ( I )

## P.21 Approach to the stabilized DPU target

- (Note 1) Stabilized DPU is the estimated amount of distribution per unit, calculated assuming that the accounting treatment of taxes and public dues of property tax, city planning tax, and other taxes (the “Taxes and Public Dues” in this Note) were recorded as rental business expenses from the time of acquisition of each assets (when the Taxes and Public Dues are not yet determined yet).
- (Note 2) “Total pipeline” refers to the total amount of properties owned by the AEON Group and third parties, for which the Investment Corporation has submitted letter of intention to purchase in the past, and whose expiration date has not yet passed. The amount of the properties are based on the Investment Corporation’s desired purchase amount.
- (Note 3) Shows the total estimated depreciation expenses for the fiscal period ending Jul. 31, 2024 (23rd FP) and the fiscal period ending Jan. 31, 2025 (24th FP).

## P.22 Progress towards Mid-term target (Reference data)

- (Note 1) Stabilized DPU is the estimated amount of distribution per unit, calculated assuming that the accounting treatment of taxes and public dues of property tax, city planning tax, and other taxes (the “Taxes and Public Dues” in this Note) were recorded as rental business expenses from the time of acquisition of each assets (when the Taxes and Public Dues are not yet determined yet).
- (Note 2) GRESB refers to the annual benchmark certifications that measure ESG considerations of real estate companies and funds, as well as the organization operating the certifications. The GRESB Real Estate Certification is a 5 level rating based on the global ranking of the total score.
- (Note 3) MSCI is a financial services provider based in New York, USA. MSCI provides various tools to assist in investment decision making to institutional investors around the world, including asset managers, hedge funds and pension funds. The MSCI ESG rating analyzes how well companies are managing risks related to the Environment, Social and Governance, and its 7 ratings range from the highest AAA to the lowest CCC.
- (Note 4) The ratio of properties with third party certifications is calculated by dividing the total rentable floor area of certified properties by that of all properties owned in Japan. Third party certification refers to the DBJ Green Building certification, CASBEE certification and BELS certification, etc.
- (Note 5) ★ 4 or higher refers to “4 or 5 stars in the DBJ Green Building certification”, “Rank A or S in the CASBEE Real Estate Evaluation”, “4 or 5 stars in BELS”. ★3 or higher refers to “3, 4 or 5 stars in the DBJ Green Building certification”, “Rank B+, A or S in the CASBEE Real Estate Evaluation”, “3, 4 or 5 stars in BELS” (as of the end of Jan 2024).

22nd FP (Jan. 2024) Financial Results Presentation Material

## II. AEON REIT's Strengths

# AEON REIT's Strengths

## External growth

### ▶ Investment in “Community Infrastructure Assets”

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

### ▶ Pipeline support

Advantages of acquisition from abundant pipelines.

## Internal growth

### ▶ Strong master lease agreement

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

### ▶ Effective floor expansion and revitalization

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

## Financial strategy

### ▶ Funding stability

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

## Risk management

### ▶ Distribution stability

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

## Strategic cash management

### ▶ Cash-on-hand generation capability

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

### ▶ Flexible use of cash-on-hand

Choosing the best option based on the situation.

## Sustainability

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

# “Community Infrastructure Asset” localized successfully

## Community Infrastructure Assets defined by AEON REIT

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

### Environmentally friendly facility



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



### Tenants visited by consumers on a daily basis



Specialty stores that meet a wide range of needs to support the affluent lifestyles of residents.

### Drive-thru pick-up service



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

### Tenants providing public services



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

### Services matching with people's lifestyle

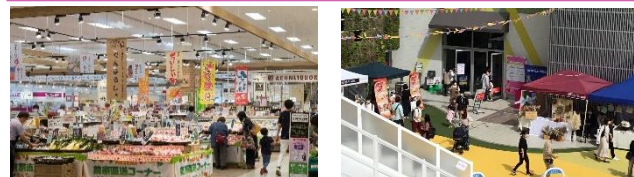


“Regi-go”: The shopping style without face-to-face communication and waiting at cash register.



Smooth checkout and point management through the iAEON app

### Place for local exchanges and community activities



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

### Used as a disaster control base



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



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



# Points of the “Community Infrastructure Asset”

## Location

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



Strength of trade area

Ex.

### Trade Area

Trading area  
population (Note 1)

approx.  
**440,000**  
(10km area)

### Traffic access

Road Traffic (Note 2)  
(AEON MALL Fukutsu)

approx.  
**43,000**  
( Hachioji Interchange on the  
Chuo Expressway  
Approx. 31,000 )

## Building Facility

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



Robustness, Convenience

Ex.

### Parking lot

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

over **3,000**

### Disaster prevention base

Comprehensive  
cooperation agreement  
with local government

**100%**  
(Commercial facilities in Japan)

## Operation

Customer attraction /  
Operating performance /  
Leasing / Public features



Various incentives to visit

Ex.

### Occupancy rate

Occupancy rate  
of end tenants (Note 4)

approx.  
**98%**

### Leasing

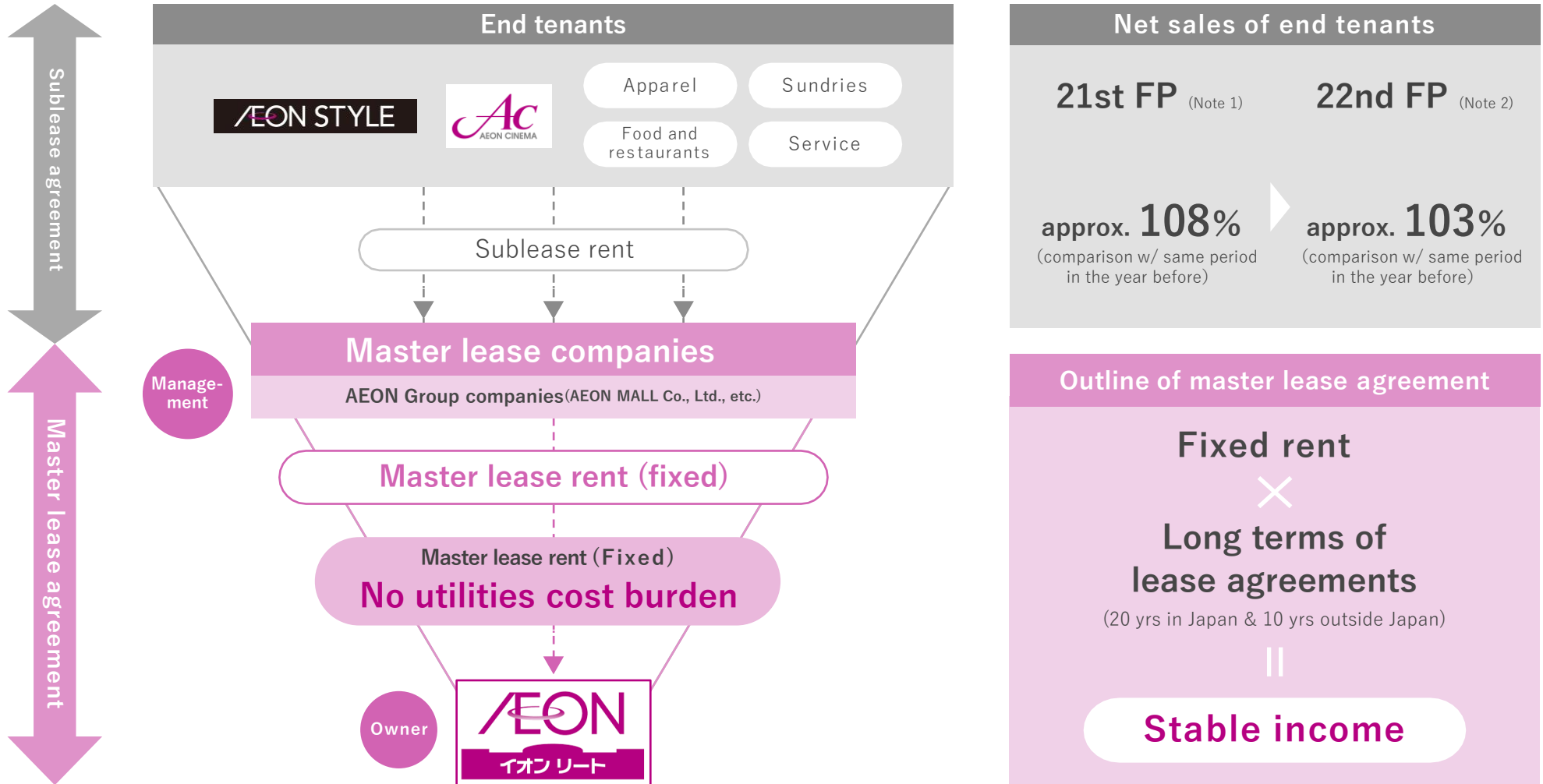
Total number of  
commercial  
facilities owned in  
Japan

approx.  
**5,800**  
tenants

# Stability of “Community Infrastructure Asset” and its rent

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

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





# External growth ~ Selective investments backed by Pipeline Support ~

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

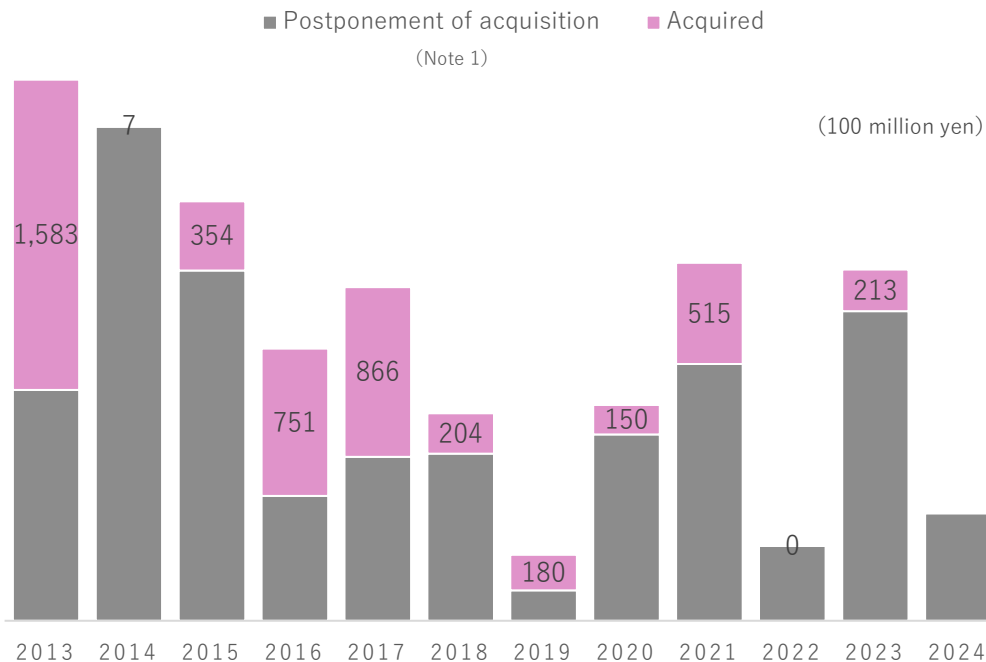
## Track record of selective investments ~Quality of portfolio~

AEON REIT acquires only  
**approx. 30%**  
of properties considered

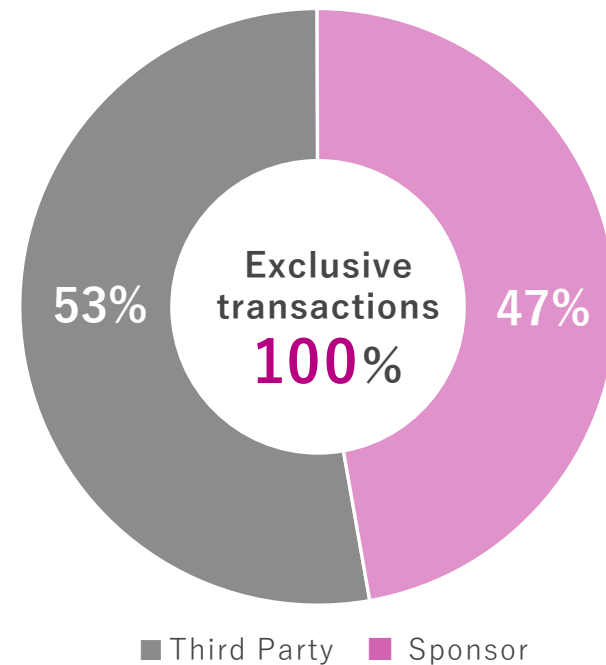
## Track record of selective investments ~Adequate terms~

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

### Ratio of acquisitions and no. of opportunities looked at



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



# External growth ~ Further growth backed by Pipeline Support ~

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

## The advantages of Pipeline Support

Opportunities provided from  
AEON Group

×

Preferential  
negotiation rights

×

Utilization of warehousing  
function

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

Japan	AEON MALL Co., Ltd.	167 sc
	AEON TOWN Co., Ltd.	155 sc
	AEON RETAIL Co., Ltd., AEON RYUKYU Co., Ltd. AEON Hokkaido Co., Ltd., The Daiei, Inc. AEON KYUSHU Co., Ltd. AEON TOHOKU Co., Ltd. United Super Markets Holdings Inc.	1,680 stores <small>(Note 4)</small> <small>(GMS · SM · DS · HC · SuC)</small>
	AEON GLOBAL SCM CO., LTD. AEON Food Supply CO., Ltd.	83 facilities
Overseas	AEON MALL Co., Ltd.	36 sc
	AEON CO. (M) BHD. AEON BIG (M) SDN. BHD.	63 stores <small>(GMS · SM · DS only)</small>



Total pipeline (Note 5)

¥290.0 bn

# Internal growth ~ Enhancing values of properties ~

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

Strengthen property competitiveness

## Large-scale renewal

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

## Floor expanding

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

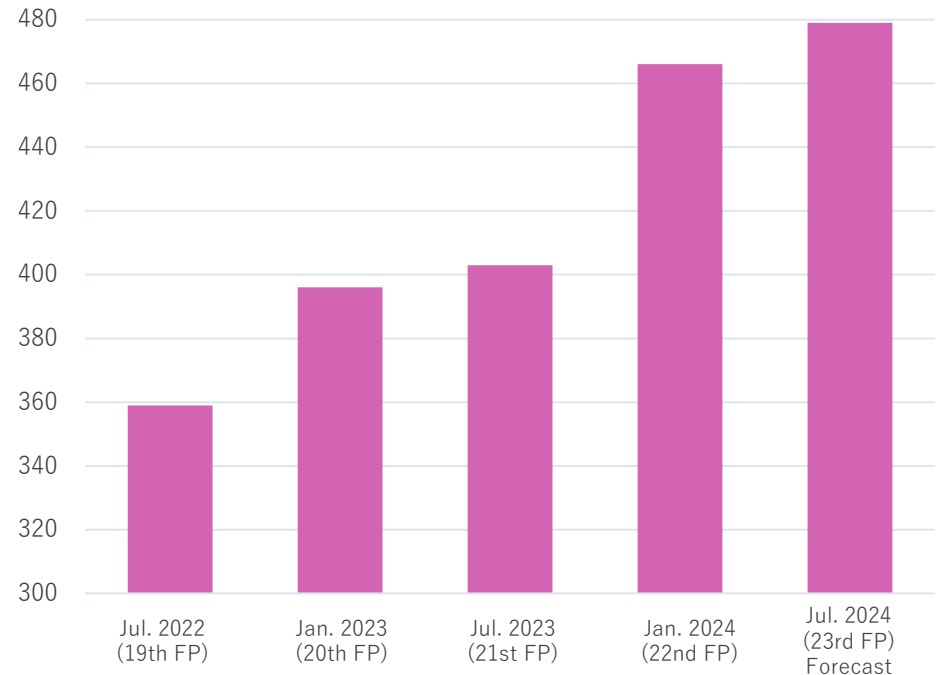


## Cumulative amount of revitalization investment with rent increase (Note 1)

**¥7.1 bn** (as of Jan. 31, 2024)

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

(Unit: mm yen)



Maintain and improve property functions

## Equipment renewal work

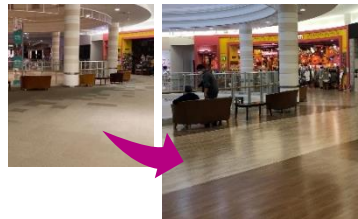
- Energy efficiency improvement by introducing the latest equipment
- Improvement of customer comfort

## Exterior wall construction

- Improvement of property image through exterior renewal

## Disaster prevention / mitigation work

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



Floor replacement work

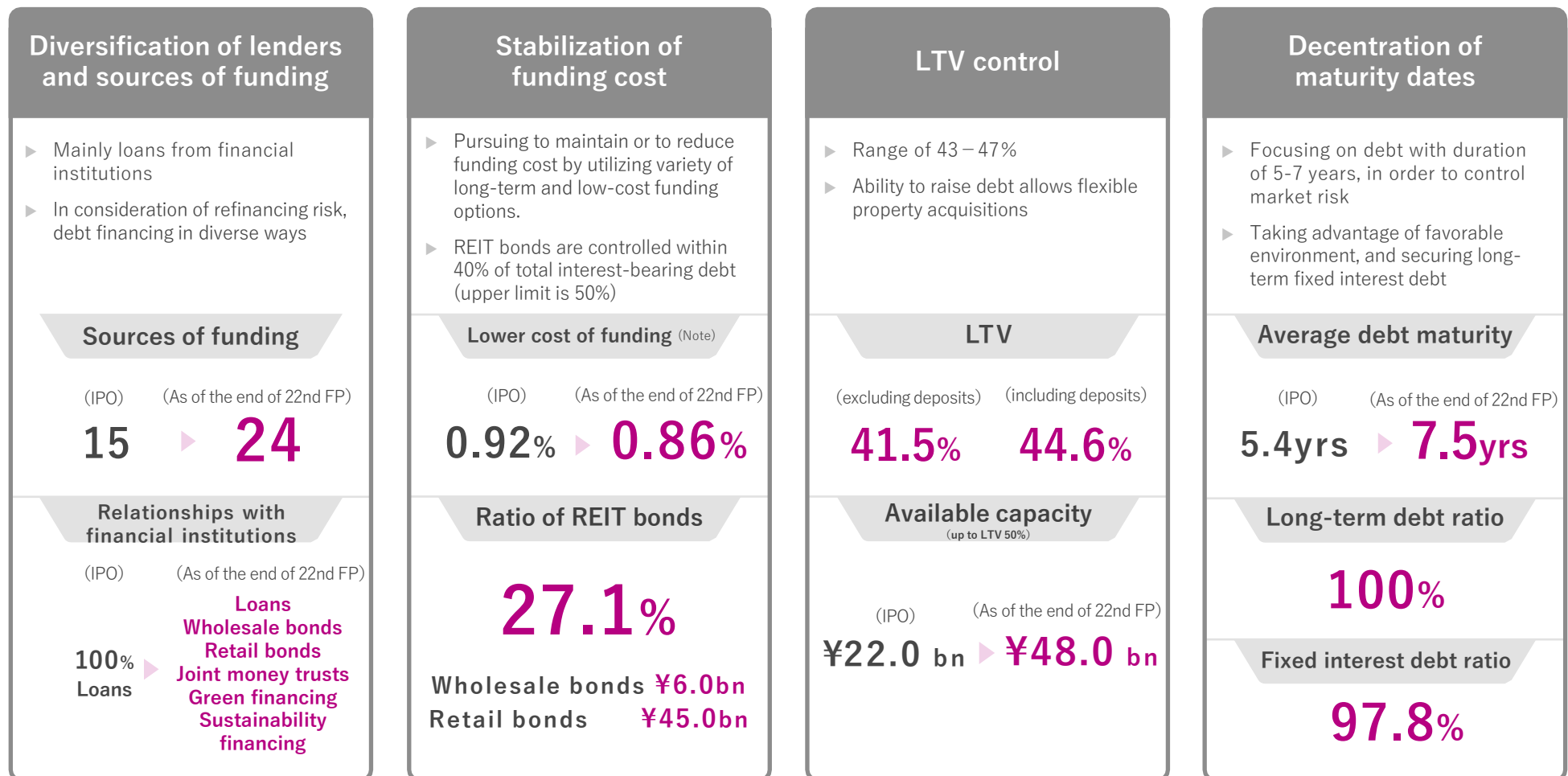


Exterior wall painting

# Financial policy ~ Stable funding ~

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

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



# Financial policy ~ Financial managing ~

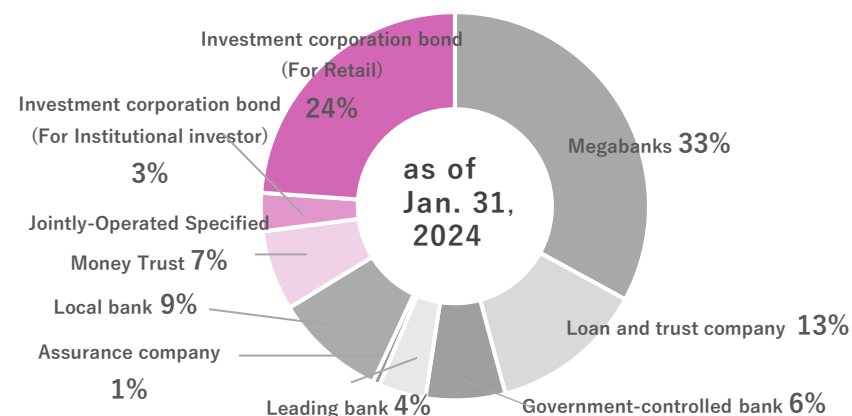
## Financial management

	21st FP (Ended Jul. 2023)	22nd FP (Ended Jan. 2024)
<b>New borrowing amount</b> (Note1)	9.3billion	<b>29.7billion</b>
<b>Interest-bearing debt balance</b>	188.4billion	<b>188.4billion</b>
of which, investment corporation bonds	51.0billion	<b>51.0billion</b>
<b>Average debt maturity</b>	7.4yrs	<b>7.5yrs</b>
<b>Avg. number of years remaining</b>	3.7yrs	<b>4.1yrs</b>
<b>Funding cost</b> (Note2)	0.78%	<b>0.86%</b>
<b>Long-term debt ratio</b>	95.1%	<b>100%</b>
<b>Fixed interest rate ratio</b>	92.8%	<b>97.8%</b>
<b>LTV (including deposits)</b>	44.8 %	<b>44.6%</b>
<b>Available capacity (up to 50%)</b>	Approx. ¥ 47.0 billion	<b>Approx. ¥ 48.0 billion</b>

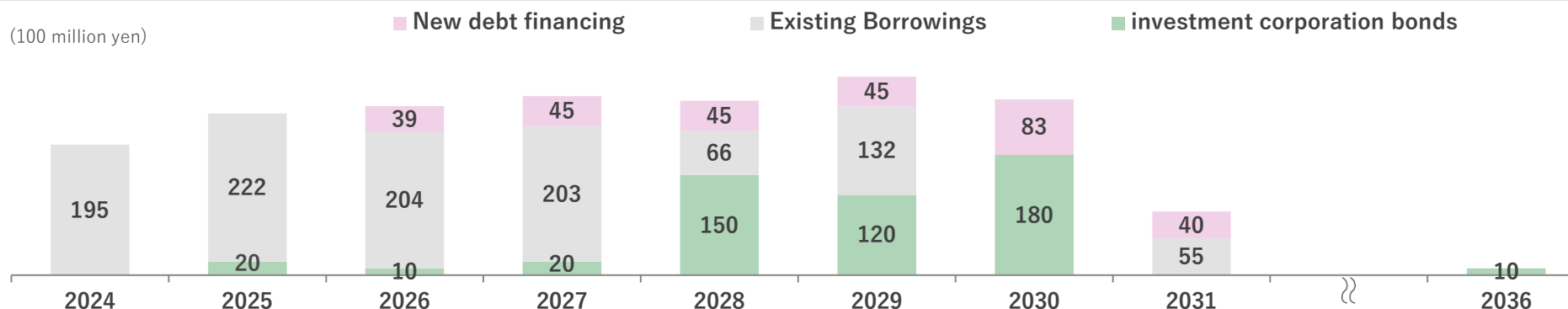
## Rating

Credit rating agency	Rating target	Rating	Outlook
Japan Credit Rating Agency	Long-term issuer rating	<b>AA</b>	<b>Stable</b>

## Breakdown of interest-bearing debt

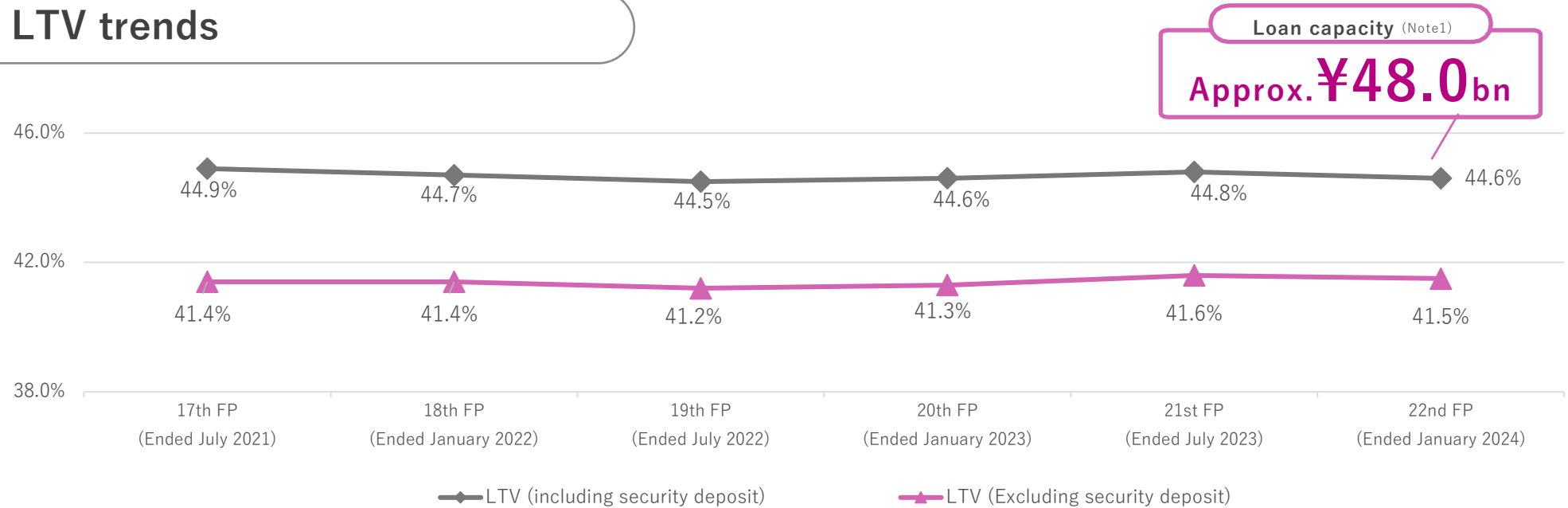


## Decentration of maturity dates (as of Jan. 31, 2024(22nd FP))

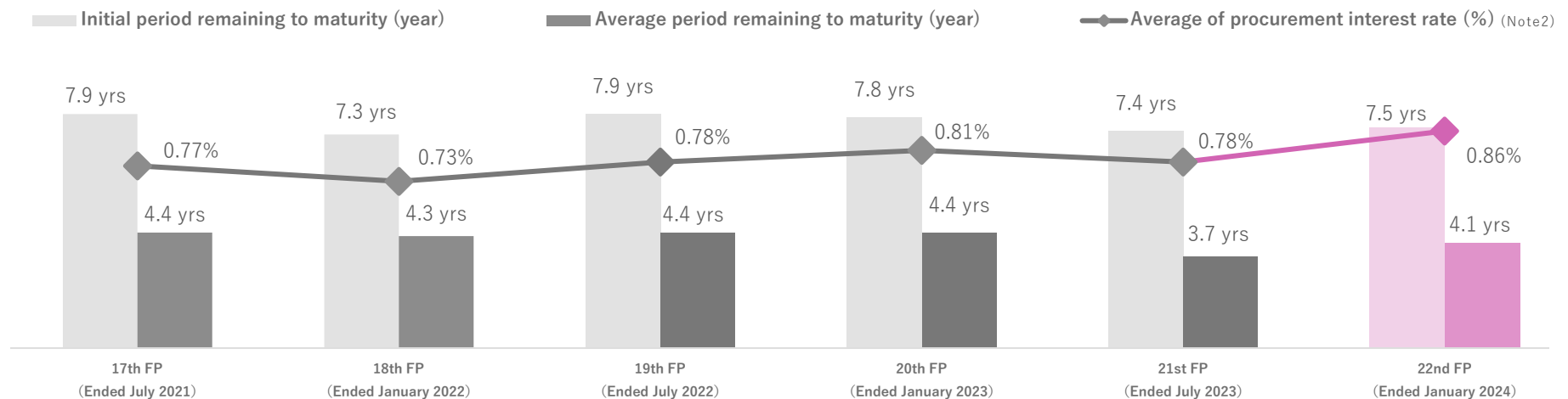


# Financial policy ~ LTV & Cost trends ~

## LTV trends



## Interest-bearing debt average financing period and cost trends



# Risk management ~ Resilient to natural disasters ~

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

## Diversified investment

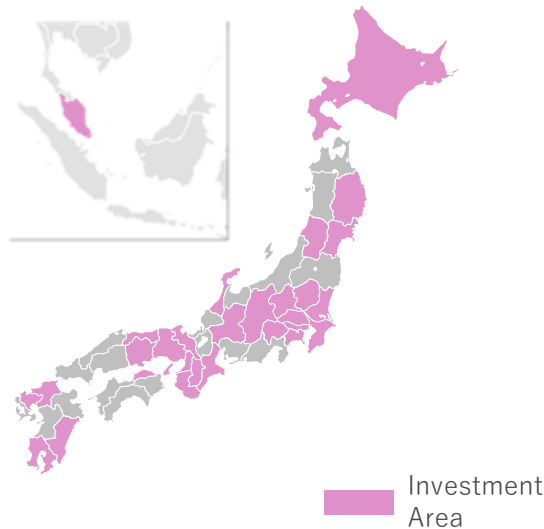
- ▶ Diversification of investment area and acquisition price per property

28 Prefectures

+

Malaysia

(As of Jan. 31, 2024)



## Fire insurance and earthquake insurance coverage

- ▶ Guarantee earthquake insurance (content updated in 2023) for domestic portfolio
- ▶ Amount of insurance for earthquake insurance : **¥2.0 bn** (immunity of ¥50 mm <sup>(Note 2)</sup>)
- ▶ Fire insurance also covers wind and flood damage from typhoons and heavy rains
- ▶ Facility liability insurance also covers business indemnity

(As of Jan. 31, 2024)

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

<earthquake risk status>	
<b>Target property / Domestic owned properties</b>	<b>47 properties</b>
<b>Limit of payment</b> (immunity of ¥50mm <sup>(Note 2)</sup> )	<b>¥2.0 bn</b>
<b>Insurance premium</b> (annually)	<b>¥440 mm</b>

## Abundant cash flow

- ▶ approx. **¥10.4** bn per year <sup>(Note 1)</sup> of cash-on-hand generated by depreciation expense can be utilized for natural disasters, etc.

## Distribution reserve

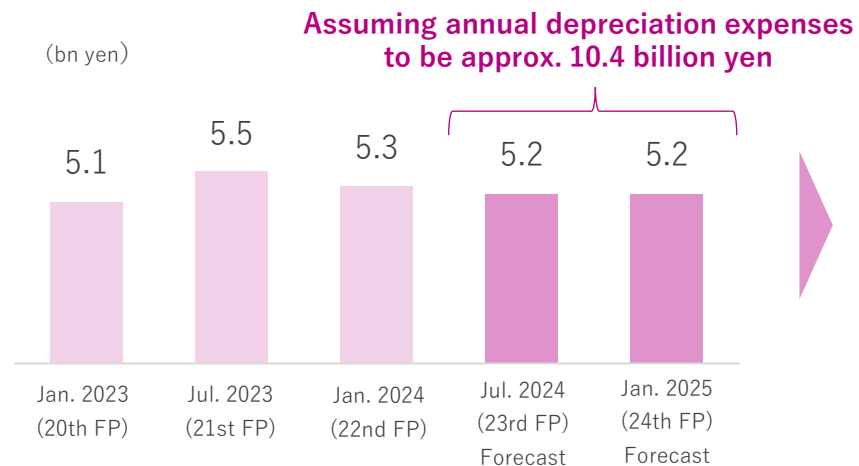
- ▶ Balance of distribution reserves at the end of 23rd FP : **¥249** mm (forecast)
- ▶ Planned to be utilized to maintain the stability of distributions when revenues decrease temporarily due to natural disasters and other causes



# High ability of generating cash-on-hand

Realizing investments with abundant cash-on-hand generated from depreciation expenses.

## Transition of depreciation expenses



## Cash-on-hand utilization simulation

(Calculated with 5.0 bn yen) (Note 1)

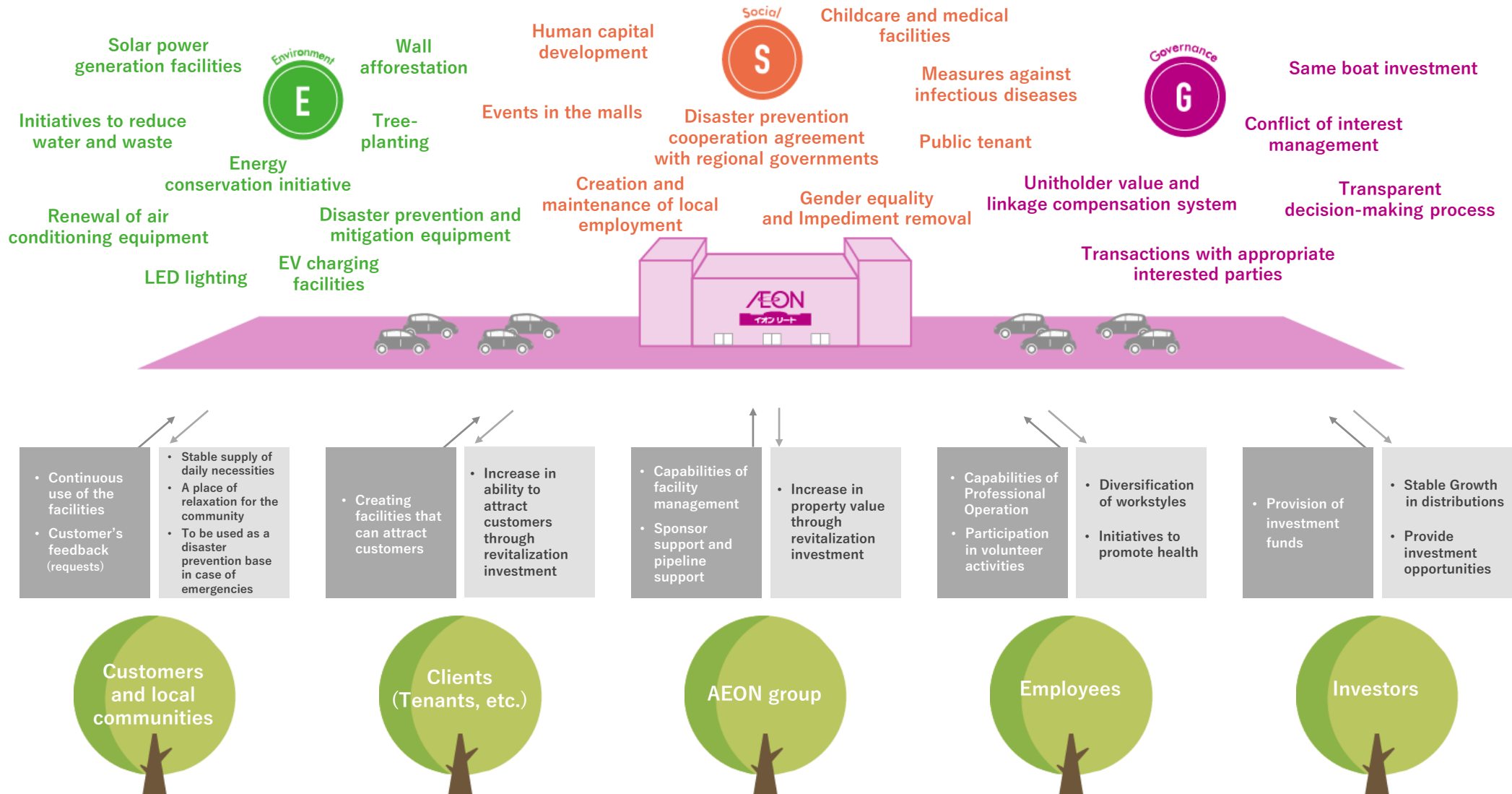
	DPU	LTV	FCF
<b>Improve profitability</b> Property acquisition, etc.	Approx. 44 yen increase	No change	0.1 bn yen increase
<b>Stabilize financial base</b> LTV control, etc.	Approx. 10 yen increase	Approx. 0.6 % decrease	No change
<b>Capital policy</b> (Note 2・3) Share buyback, etc.	Approx. 40 yen increase	No change	No change

## Examples of utilization of cash-on-hand



# Sustainability Initiatives ~ AEON REIT ~

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

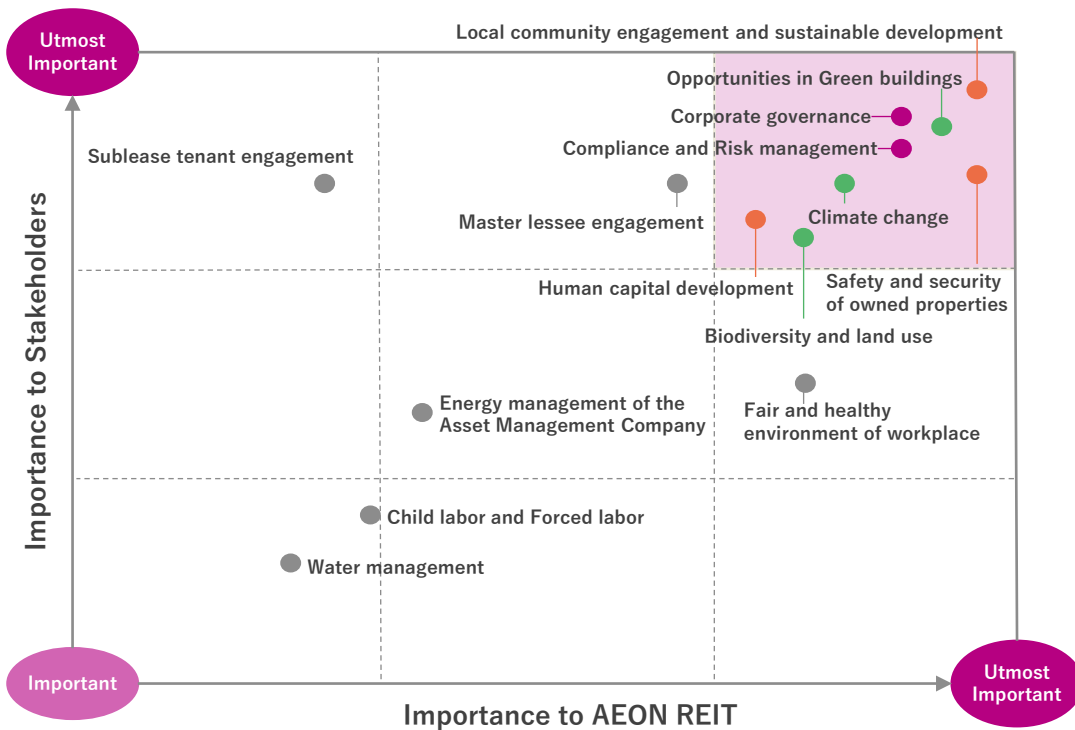


# Sustainability Initiatives ~ Materiality ~

## Materiality (Note 1) setting

- ▶ AEON REIT set **14** topics as its **Materiality** from sustainability issues and selected **8** as its **priorities**.
- ▶ AEON REIT keep focusing on 8 priorities and promoting specific measures toward achieving KPI.

## Materiality Matrix (Note 2)



## Priorities



# Sustainability Initiatives ~ KPI ~

Priorities	KPI	Target
<b>E</b> <small>Environment</small> <b>Opportunities in Green buildings</b>	GRESB Real Estate Assessment	Achieve 5 Stars each year
	Ratio of properties with third-party certification	3 stars or higher: 85% or more, 4 stars or higher: 80% or more, (Medium-term target) 90% or more
	Installation of equipment with enhanced energy efficiency	Introduction of energy-saving equipment such as inverter boards in 50% or more of the store portfolio, (Medium-term target) 80% or more
	Introduction of renewable energy and energy-creating equipment in owned commercial properties	Three stores per year, (Medium-term target) 50% or more of the portfolio
<b>Climate change</b>	Reduction of total GHG emissions	Average of 1% per year in terms of consumption intensity, (Medium-term targets) 50% of electricity/ energy consumption to be renewable, 50% reduction of CO2 emissions (Scope 3), (Long-term target) Net zero
	Water consumption	(Medium-term target) Do not increase consumption intensity
	Waste	(Medium-term target) Store recycling rate of 80%
	Promotion of green finance	(Medium-term target) 50% or more of interest-bearing debt
<b>Biodiversity and land use</b>	MSCI ESG rating	(Medium-term target) "A" or above
	Association for Business Innovation in harmony with Nature and Community (ABINC) certification	One property or more per year, (Medium-term target) 20% or more of the portfolio, (Long-term target) 30% or more
<b>S</b> <small>Social</small> <b>Local community engagement and sustainable development</b>	Number of customers visiting owned properties	(Medium-term and long-term targets) Maintain or increase year on year on average across the portfolio)
	Number of stores serving as disaster relief hubs	(Medium-term target) 50% or more of the portfolio, (Long-term target) 100%
	Donations to public interest foundations engaged in social contribution activities	Implement annually
	Tree-planting and other volunteer activities	40 or more participants per year
	Activities promoting J-REITs and increasing awareness of AEON REIT	Two or more per year
<b>Safety and security of owned properties</b>	Acquisition/status assessment of engineering reports (ERs) for owned properties	Aim for reacquisition within 5 years (Medium-term target) 80% or more of the portfolio, (Long-term target) 100%
	Implementation of planned repairs	At a rate of 80% or more per year
	Earthquake insurance coverage	Implement annually
<b>G</b> <small>Governance</small> <b>Human capital development</b>	Average length of service	5 years or more
	Training hours per employee	20 or more per year
	Ratio of female officers	50% or more, (Medium-term target) 30% or more in the ratio of female managers
	Ratio of career development interviews conducted	100% per year
	Utilization of skills and career development programs	50% per year, (Medium-term and long-term targets) 100% per year
<b>Corporate governance</b>	Meeting attendance	90% or more per year
	Effective evaluation of committees	Annual
<b>Compliance and Risk management</b>	Risk Management Committee meetings	Biannual
	Compliance and information security training	Monthly, with a participation rate of 100%
	BCP training and committee meetings	Biannual
	Cybersecurity training	Annual



# Sustainability Initiatives ~ Environment ~

Environment

E

## Investment to reduce environmental impact

Promoting investments to reduce environmental impact

### Examples :

- ▶ Air conditioner inverter boards installation work
- ▶ LED conversion work
- ▶ Asphalt parking lot paving work using waste PET bottles

**AEON MALL  
Suzuka**  
Parking lot  
paving work



Paved with asphalt made from approximately 46,000 waste PET bottles

Environment

E

## Examples of initiatives for energy efficiency

### AEON MALL Kurashiki

Attracting customers and conserving the environment at the same time



Solar panel



Tree planting



Wall afforestation



Garden mist

Environment

E

## Property certification

**86.8%** : Ratio of properties with  
Third-party certification (Note)  
(Based on total leasable area/as of Jan. 2024)

### DBJ Green Building Certification



DBJ Green Building

**31 properties**



Jan. 2024  
**AEON MALL KYOTO**  
★★★★★ Reacquisition

### CASBEE Certification of real estate appraisal



**S rank**  
**4 properties**  
(highest rating)



Mar. 2023  
**AEON MALL Kagoshima**

### BELS Certification



**★★★ 1 property**



Feb. 2020  
**AEON Minami-Osaka RDC**

# Sustainability Initiatives ~ Social ~

Social

S

## Initiatives at owned properties

### Employment retention



Contributed to maintaining employment in the region

### Offering disaster prevention bases



Offering facilities as evacuation and supply base in case of emergencies

### Public tenants



Including public tenants, such as administration office.

### Diversity



Installed restrooms for everyone (Genderless)

### Creating a place for local community



Various events such as mall walks and festivals are held.



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

Social

S

## Initiatives of the asset manager

### Creating a comfortable working environment



In 2024, the asset management company was acknowledged by the government (Ministry of the Economy) as a company focused on health and productivity

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

### Human Resource Development

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

Type of training	NO.	qualification name	holders
Compliance	11 times	Real Estate Transaction Agent	17 people
Business	9 times	ARES Master	13 people
Safety and Health	9 times	Certified Real Estate Consulting Master	3 people
System and Others	19 times		
Total	48 times		

(As of the end of Feb. 2024)

( from Mar. 2023 to Feb. 2024)

### Community contribution activities

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



# Sustainability Initiatives ~ Governance and Others ~



## Governance

### Transparent decision-making process

- ▶ 3 executive in total were selected on Oct. 29, 2023.
- ▶ Attendance and approval of outside committee members is required to pass resolutions.



Investment committee



Compliance committee

### Investment remuneration system linked to investor value

Investment remuneration I

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



Investment remuneration II

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

### Same boat investment by AEON Group

AEON Group's stake in AEON REIT:  
**approx.17.3%**  
 (as of Jan. 2024)

## Sustainable finance

### Sustainability finance

"The highest"

**SU1** acquisition (JCR)

Sustainability bonds (Retail)

¥18.0 billion

Sustainability loan (including Sustainability Derivatives)

¥5.1 billion

### Green finance

"The highest"

**Green1** acquisition (JCR)

Green bonds (Retail)

¥12.0 billion

Green trust loan

¥12.6 billion

## Impact report FY2022

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

	Classification			Electricity (kWh, kWh/m <sup>2</sup> )	Gas (m <sup>3</sup> , m <sup>3</sup> /m <sup>2</sup> )	Greenhouse gas (t-CO <sub>2</sub> , t-CO <sub>2</sub> /m <sup>2</sup> )
	properties		total			
Qualified assets		33		492,528,415	1,844,195	212,102
	%	70.2%	intensity	147	0.5	0.0632
Non-qualified assets		14		106,182,204	2,329,673	48,857
	%	29.8%	intensity	136	3.0	0.0625

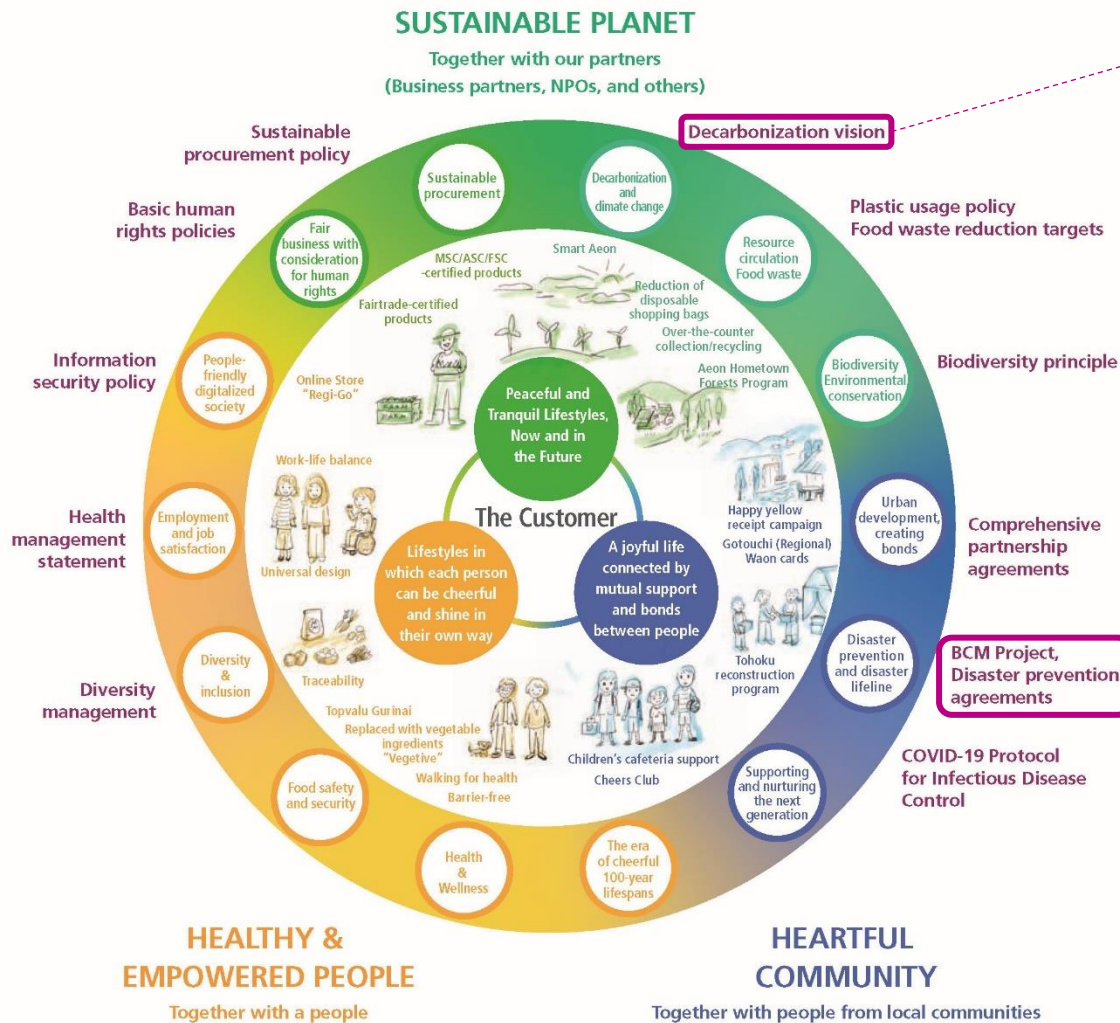
2. Name of properties applicable for sustainability finance and social projects

Applicable properties	Social projects applicable for finance	①(a) Total no. of employees	②(b) Disaster prevention agreement
AEON MALL Ishinomaki	①(a) Facilities that are sufficiently creating local employments	Approx. 1,480	Concluded
AEON MALL Mitouchihara	②(b) Facilities that are able to supply necessary resources and evacuation space at the time of disaster by concluding a disaster prevention agreement with a local government	Approx. 3,500	Concluded
AEON MALL Shinkomatsu		Approx. 2,550	Concluded

# Sustainability Initiatives ~ AEON GROUP ~

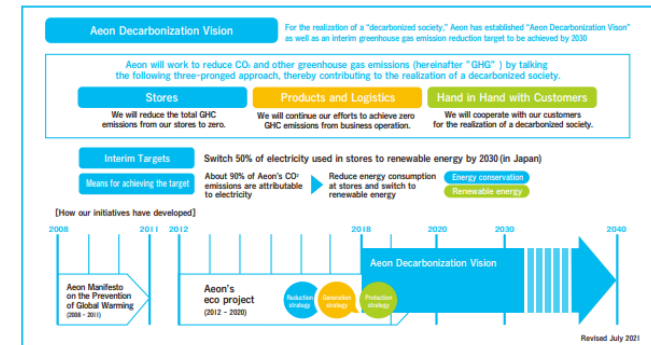
Aeon strives to ensure Group growth while helping to realize a sustainable society in accordance with the basic principle of pursuing peace, respecting humanity, and contributing to local communities, always with the consumer's point of view as its core.

## Sustainability compass



## AEON Decarbonization vision

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



## BCM

- ▶ In cooperation with **the Japan's Self Defense Force** and **Japan Air Line**
- ▶ Registered **65 disaster prevention bases** as of the end of February 2022



# Management message

## MANAGEMENT MESSAGE

President and Representative Director  
**Nobuaki Seki**



In September 2022, AEON REIT had announced our new medium-term target with setting Stabilized DPU growth as the most important goal. We aim to achieve the target by leveraging its strengths of extensive pipeline and utilization of cash on hand.

While progress toward the goal is steadily made by acquiring properties of approx. 20 billion yen in Feb. 2023, the surrounding environment has become even more challenging since the announcement of our targets, mainly due to inflation and further increases in interest rates.

In this situation, DPU of 22nd FP landed at 3,350 yen as forecasted, by proceeding initiatives, such as increasing rent of AEON Ueda Shopping Center by completing renewal which had been undertaken since the acquisition, reducing financing costs with a joint money trust scheme (green loan) for a portion of the refinancing of 29.7 billion yen, and utilizing insurance for covering damage caused by natural disasters and the reserve for distribution.

Looking ahead, our plan of achieving our medium-term targets remains unchanged. Aiming to enhance unitholders value over the medium to long term, we will continue our management with responding to the issues arising from various changes in the environment. We look forward to your continued support.

### Carrer

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

### Career



Director  
**Akifumi Togawa**

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

### Career



Director  
**Yoshiki Kashimura**

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

### Career



Director  
**Itaru Toyoshima**

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

# Notes (II)

## P.28 Points of the “Community Infrastructure Asset”

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

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

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

(Note 4) “End tenant occupancy” is the ratio of the total leased area (sublease) among the total leasable area (master lease) of domestic retail properties owned by the Investment Corporation as of the end of Nov. 2023 (44 properties) (rounded to the first decimal place). Total leased area is calculated by deducting vacant floor from total leasable area.

## P.29 Stability of “Community Infrastructure Asset” and its rent

(Note 1) Net sales of end tenants (21st FP) represents the comparison rate (with same months in the year before) of the total amount of end-tenant sales from Feb. 2023 to Jul. 2023 at domestic commercial facilities owned by the Investment Corporation as of the end of Jan. 2024.

(Note 2) Net sales of end tenants (22nd FP) represents the comparison rate (with same months in the year before) of the total amount of end-tenant sales from Aug. 2023 to Jan. 2024 at domestic commercial facilities owned by the Investment Corporation as of the end of Jan. 2024. Net sales of end tenants of Dec. 2023 and Jan. 2024 are calculated based on preliminary figures received through interviews with each master lessee.

## P.30 External growth ~ Selective investments backed by Pipeline Support ~

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

(Note 2) Calculated based on the number of transactions related to assets acquired by the end of Jan. 2024.

## P.31 External growth ~ Further growth backed by Pipeline Support ~

(Note 1) Excerpts from the supplements to the financial results of AEON Co., Ltd. for the fiscal period ended Feb. 2023 (excluding AEON MALL Co., Ltd., AEON TOWN Co., Ltd., AEON GLOBAL SCM Co., Ltd., AEON Food Supply LTD and United Super Markets Holdings Inc.), corporate websites (AEON MALL Co., Ltd., AEON TOWN Co., Ltd., AEON Food Supply LTD and United Super Markets Holdings Inc.), and data provided by AEON GLOBAL SCM Co., Ltd. (for the fiscal period ended Jan. 2024).

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

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

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

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

## P.32 Internal growth ~ Enhancing values of properties ~

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

(Note 2) Calculated based on the information of the assets held at the end of Jan. 2024 (22nd FP).

## P.33 Financial strategy ~ Stable funding ~

(Note) Weighted average interest rate on all the interest-bearing debt at the end of each financial period.

## P.34 Financial strategy ~ Financial management ~

(Note1) Includes refinancing (excluding bridge loans) and debt procurement related to acquisition of new properties.

(Note2) Weighted average interest rate on all the interest-bearing debt at the end of each financial period.



# Notes ( II )

## P.35 Financial strategy ~ LTV&Cost trends ~

(Note1) "Loan capacity" is the approximate amount which can be borrowed if LTV (including security deposit) is raised to 50%. The said amount does not guarantee or promise that the Investment Corporation will actually be able to procure the said amount of funds.

(Note2) Weighted average interest rate on all the interest-bearing debt at the end of each financial period.

## P.36 Risk management ~ Resilient to natural disasters ~

(Note 1) Shows the total estimated depreciation expenses for the fiscal period ending Jul. 31, 2024 (23rd FP) and the fiscal period ending Jan. 31, 2025 (24th FP).

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

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

## P.37 High ability of generating cash-on-hand

(Note1) DPU, LTV, and FCF shown in the "Cash-on-hand utilization simulation" are estimated based on the following conditions.

"Improve profitability" assumes the acquisition of properties with NOI yield of 6.2%, NOI yield after depreciation of 3.8%

"Stabilize financial base" assumes repayment of debt with an average interest rate of 0.9%

"Capital Policy" assumes acquisition and cancellation of treasure units at the price of 122,000 yen. Borrowing is to be repaid at the same time in order to maintain the LTV.

(Note2) Assuming an investment unit price level of 0.8 times the NAV per unit of ¥152,786 at the end of the 22nd FP, rounded down to the nearest thousand yen.

(Note3) Estimated based on approximately ¥2.2 bn in loan repayments and approximately ¥2.7 bn in purchases and cancellations of own investment units.

## P.39 Sustainability Initiatives ~ Materiality ~

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

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

## P.41 Sustainability Initiatives ~ Environment ~

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

## P.42 Sustainability Initiatives ~ Social ~

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

## P.41 Sustainability Initiatives ~ Environment ~

## P.42 Sustainability Initiatives ~ Social ~

## P.44 Sustainability Initiatives ~ AEON Group ~

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

22nd FP (Jan. 2024) Financial Results Presentation Material

# III. Appendix 1

## Features of AEON REIT Investment Corporation



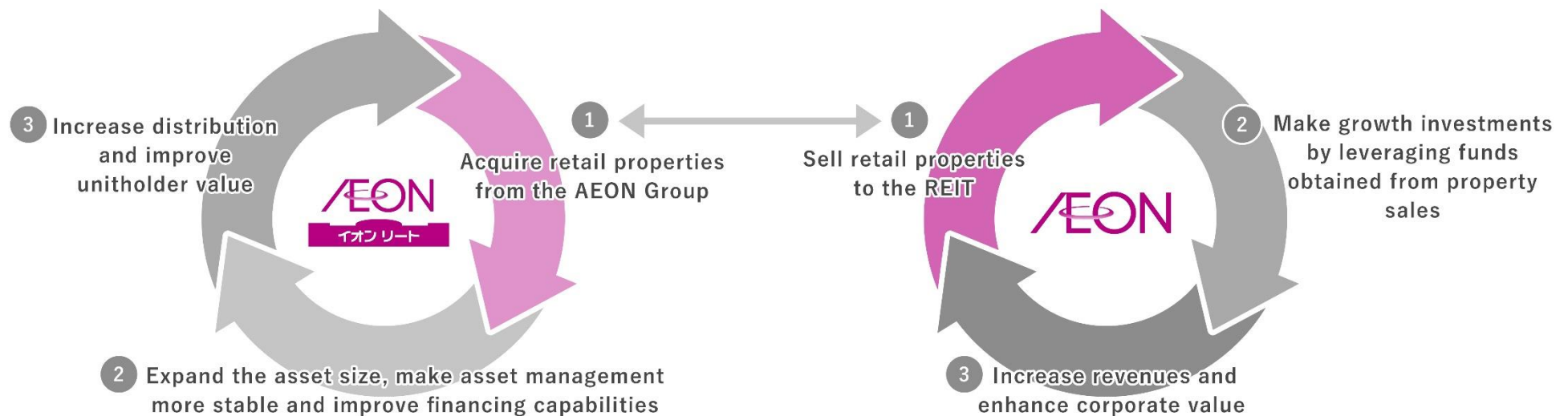
# Corporate philosophy and policy

## Corporate philosophy

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

## Corporate policy

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



# Portfolio development policy

## Investment ratio by type of properties

Type of properties		Investment ratio <small>(Note 1)</small>
Large-scale retail property	<ol style="list-style-type: none"> <li><b>Super regional shopping center (SRSC)</b> : More than one anchor tenant with over 200 specialty stores</li> <li><b>Regional shopping center (RSC)</b> : A large GMS with over 50 specialty stores</li> <li><b>Community shopping center (CSC)</b> : A GMS, discount store and large grocery store with 20 to 50 specialty stores</li> </ol>	<b>80% or more</b>
Other retail property <small>(small- and medium-scale)</small>	<b>Neighborhood shopping center (NSC)</b> : A grocery store with 10 to 30 specialty stores <b>Supermarket (SM)</b> : A grocery supermarket with a focus on the selling of high purchase frequency commodities, such as food and household good	<b>No more than 20%</b>
Logistics facility	Logistics facilities that support a supply chain, an integral part of the retail business	<b>No more than 10%</b>

## Investment ratio by region



Domestic

Ratio :

**85% or more**

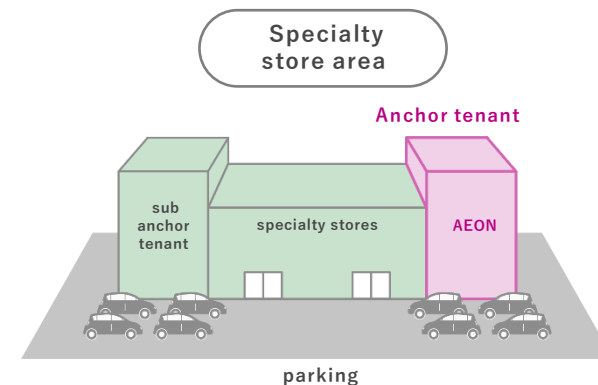


Overseas

Ratio :

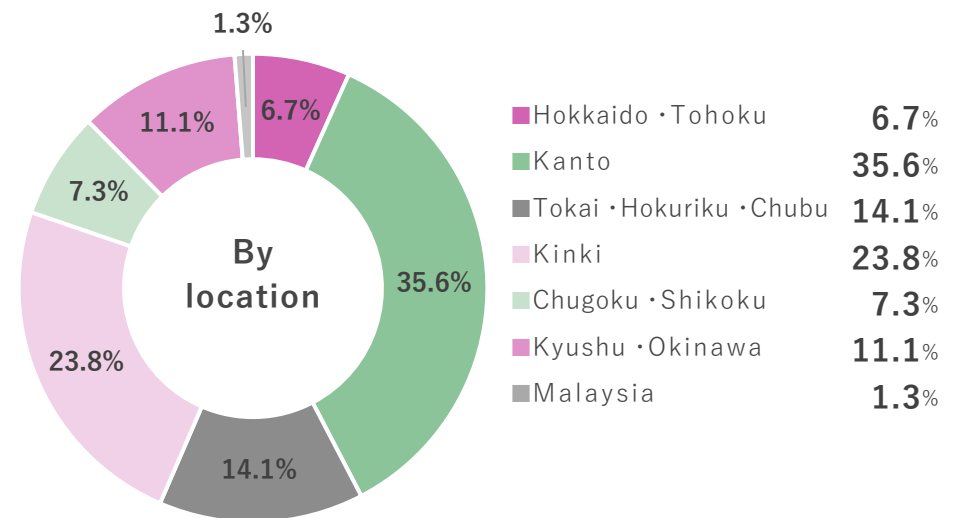
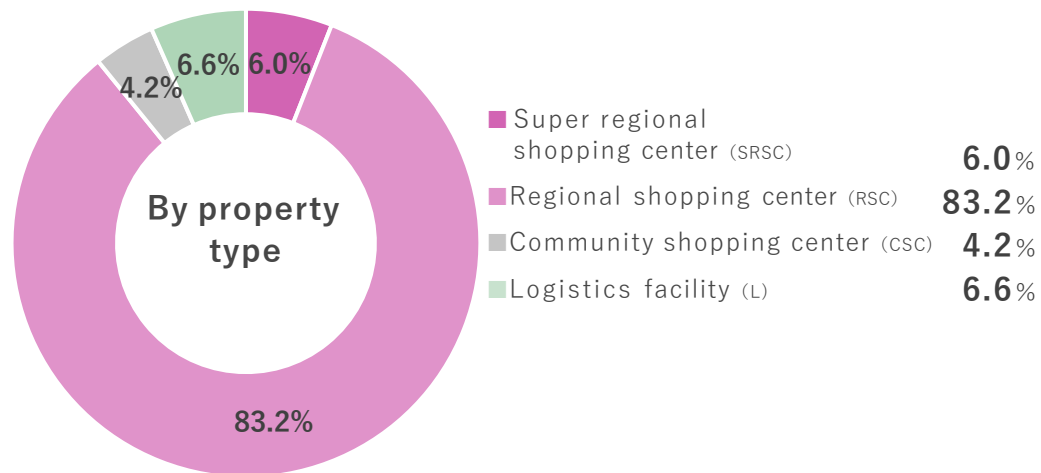
**No more than 15%**

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



# Summary of portfolio (as of Jan. 31, 2024)

## Portfolio data



## Summary of portfolio

Number of properties	49 (Domestic 47, Overseas 2)
Total acquisition price	¥468.3bn
Portfolio NOI yield	6.2%
Portfolio NOI yield after depreciation	3.8%
Average remaining lease term	12.8 yrs
Average building age	18.5 yrs

# Properties owned by AEON REIT (as of Jan. 31, 2024)

## Tokai, Chubu and Hokuriku **8** properties

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

## Kyushu and Okinawa **5** properties

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



## Malaysia **2** properties

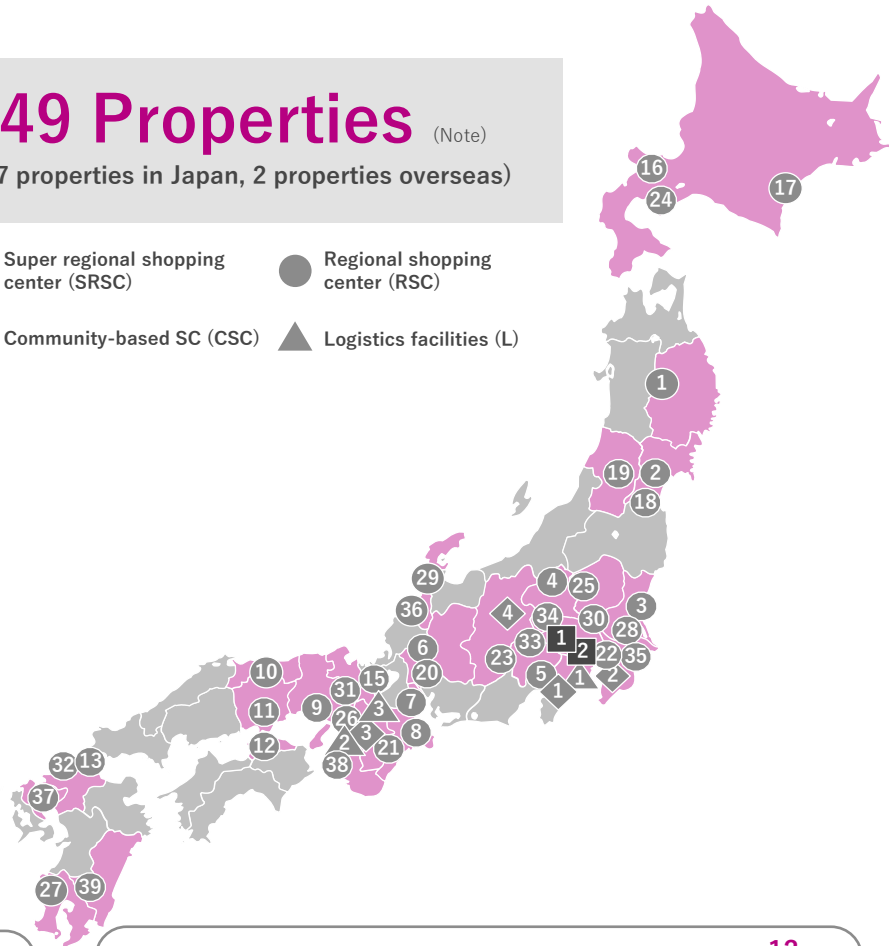


- M-1 AEON Taman Universiti Shopping centre (Johor, Malaysia)
- M-2 AEON MALL Seremban 2 (Negeri Sembilan, Malaysia)

# 49 Properties (Note)

(47 properties in Japan, 2 properties overseas)

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



## Hokkaido and Tohoku **7** properties

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

## Kanto **15** properties

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

## Kinki, Chugoku and Shikoku **12** properties

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



# Expansion of asset size since listing

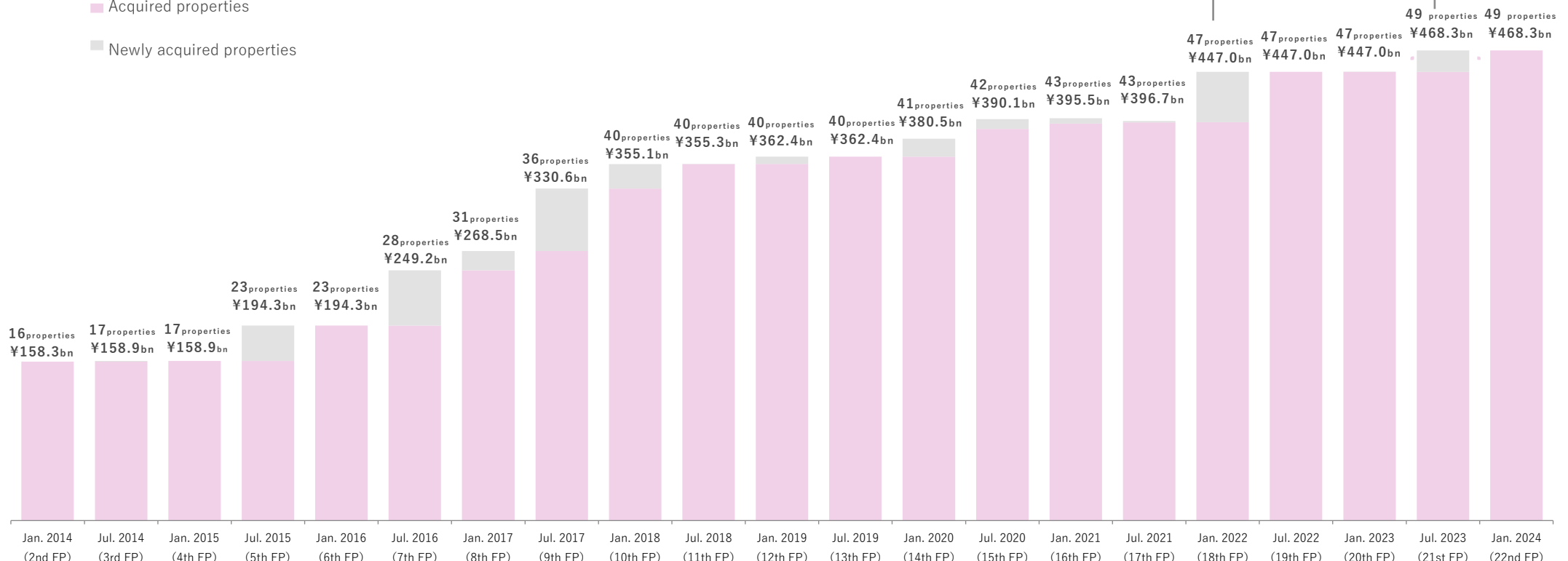
the 6th follow-on offering



the 7th follow-on offering

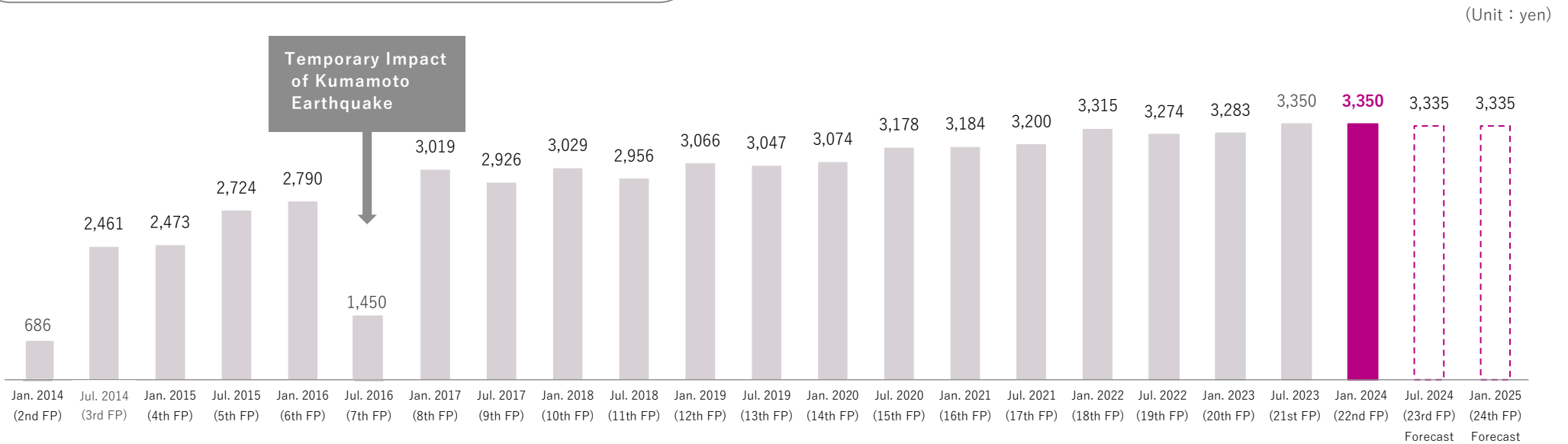


■ Acquired properties  
 ■ Newly acquired properties

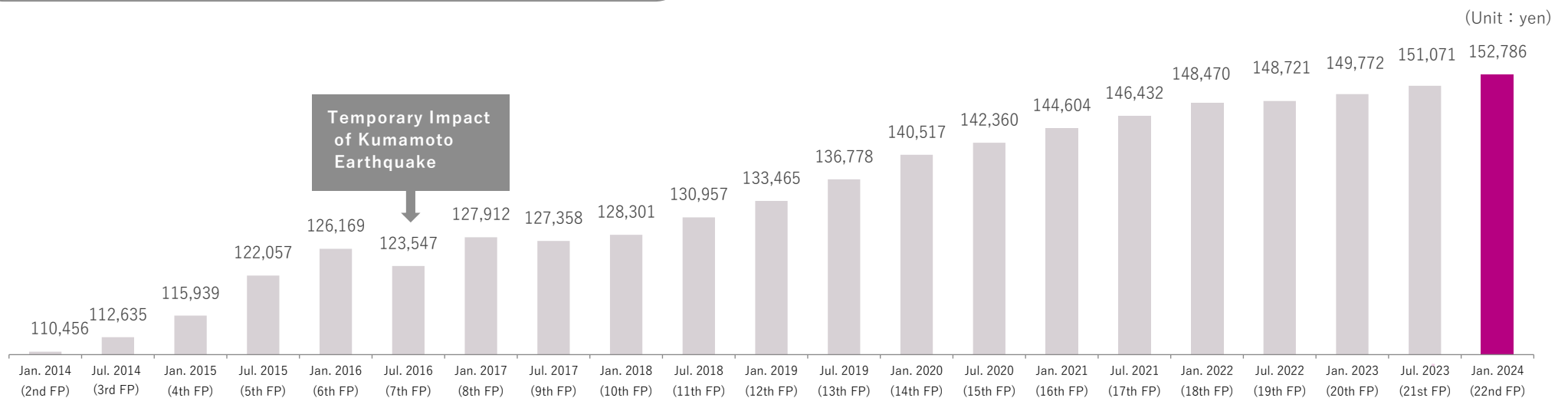


# Growth of DPU and NAV per unit

## Changes in DPU

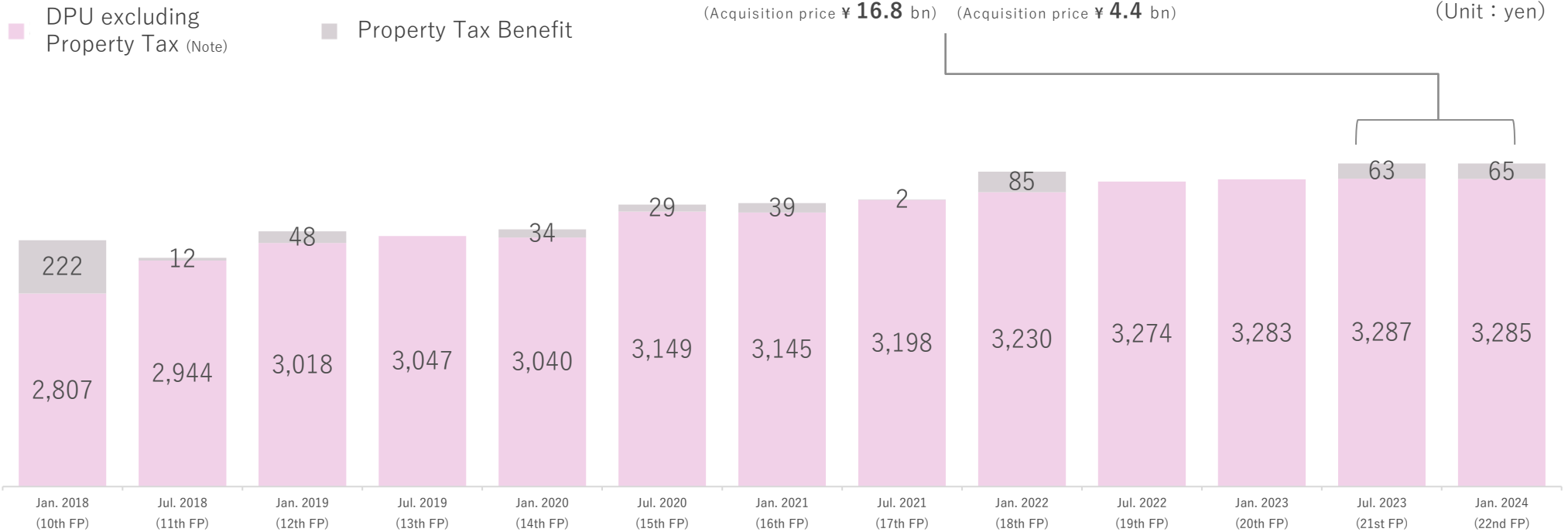


## Changes in NAV per unit





# Transition of Property Tax Benefit from asset acquisition



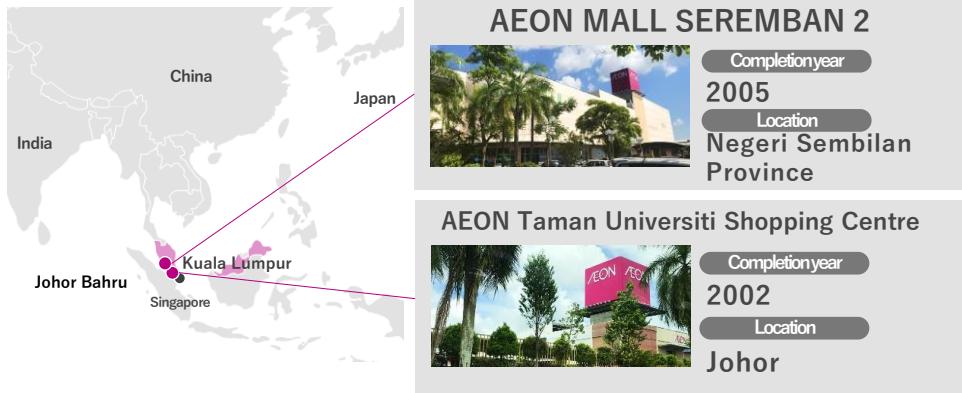
## “Property Tax Benefit”

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

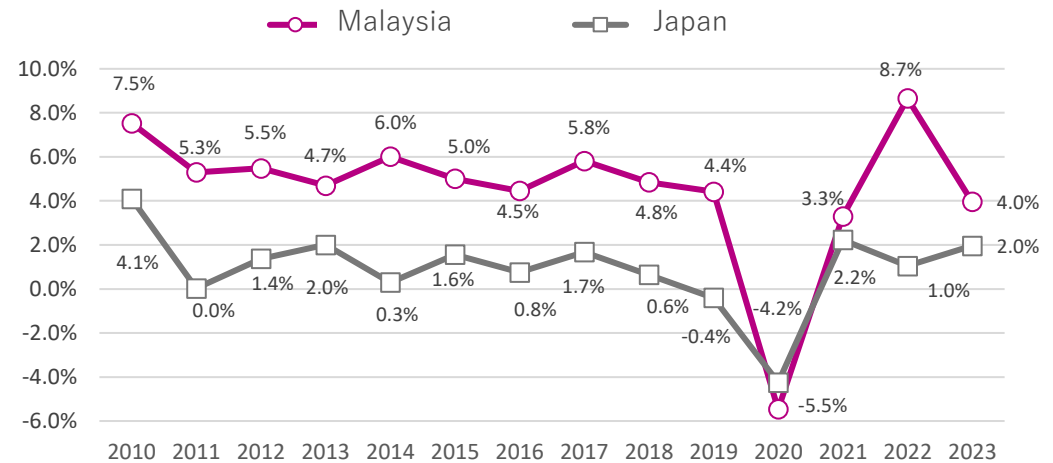
# Overview of overseas properties

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

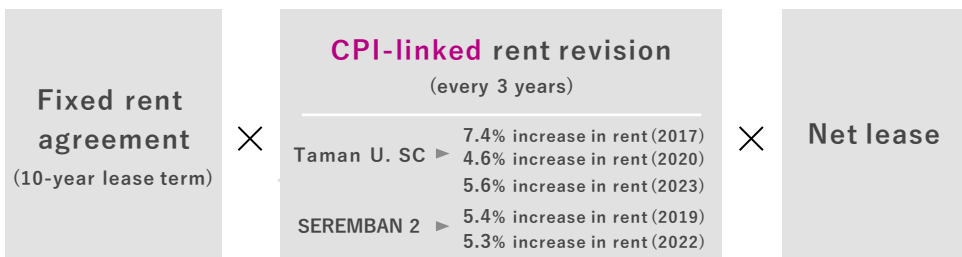
## About the properties



## GDP growth rate of Japan and Malaysia (Note 2)



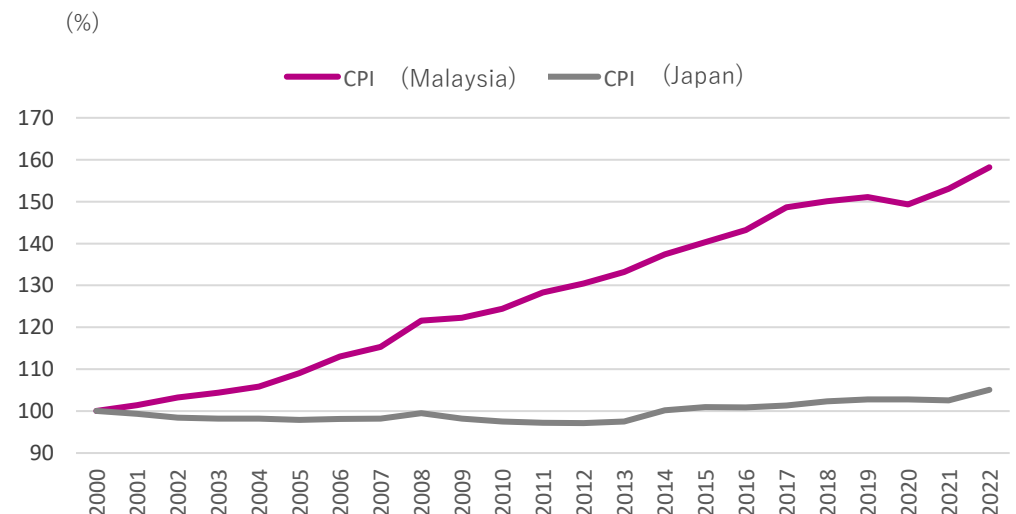
## Details of the master lease agreement



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

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

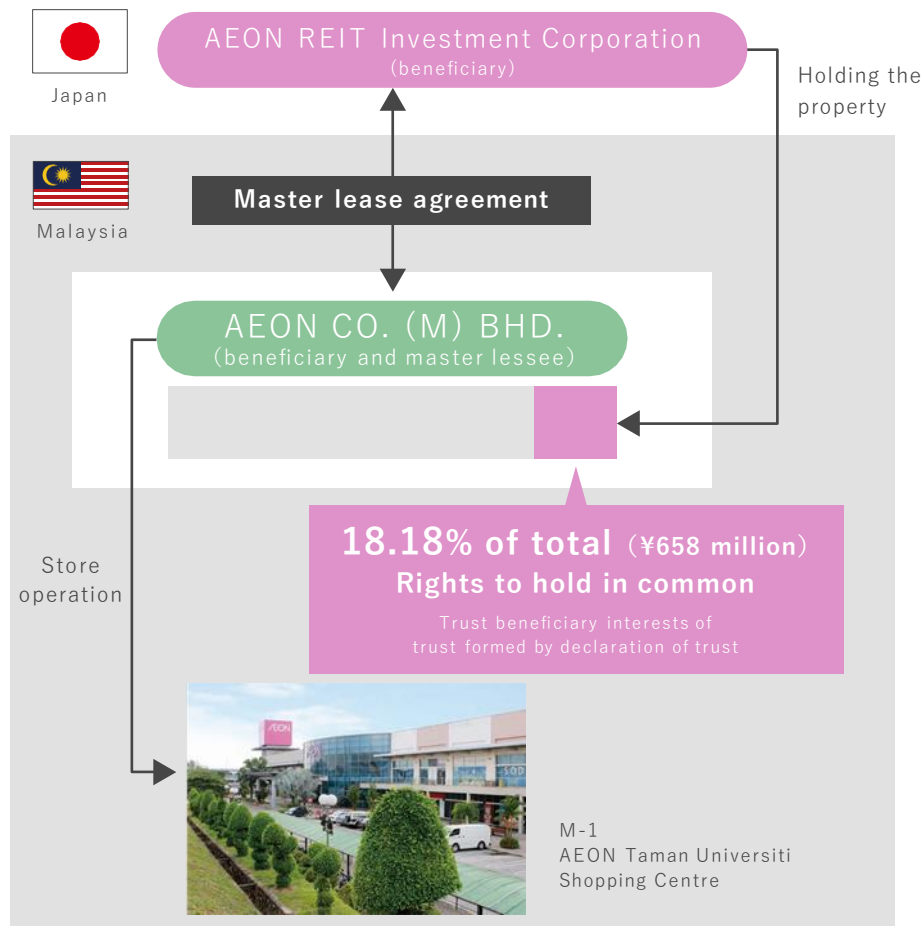
## Changes in CPI in Malaysia and Japan (Note 3)



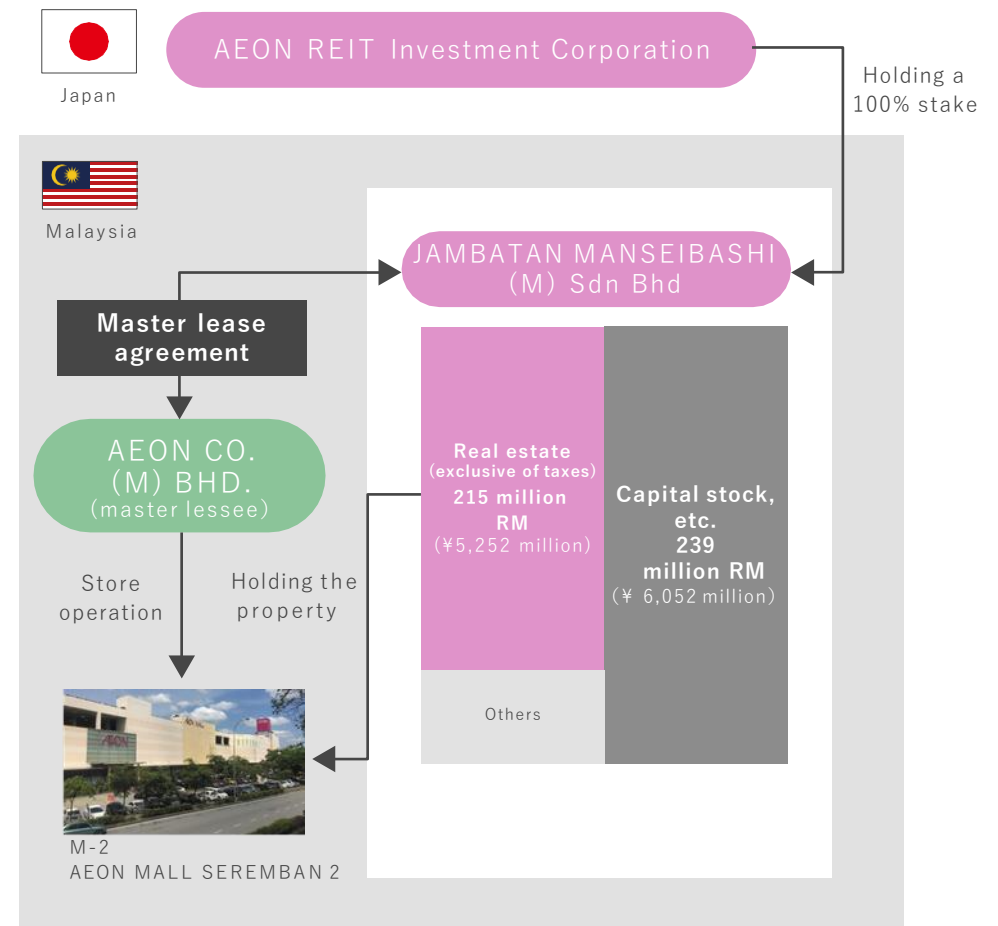
# Schemes for acquisition of overseas properties

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

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

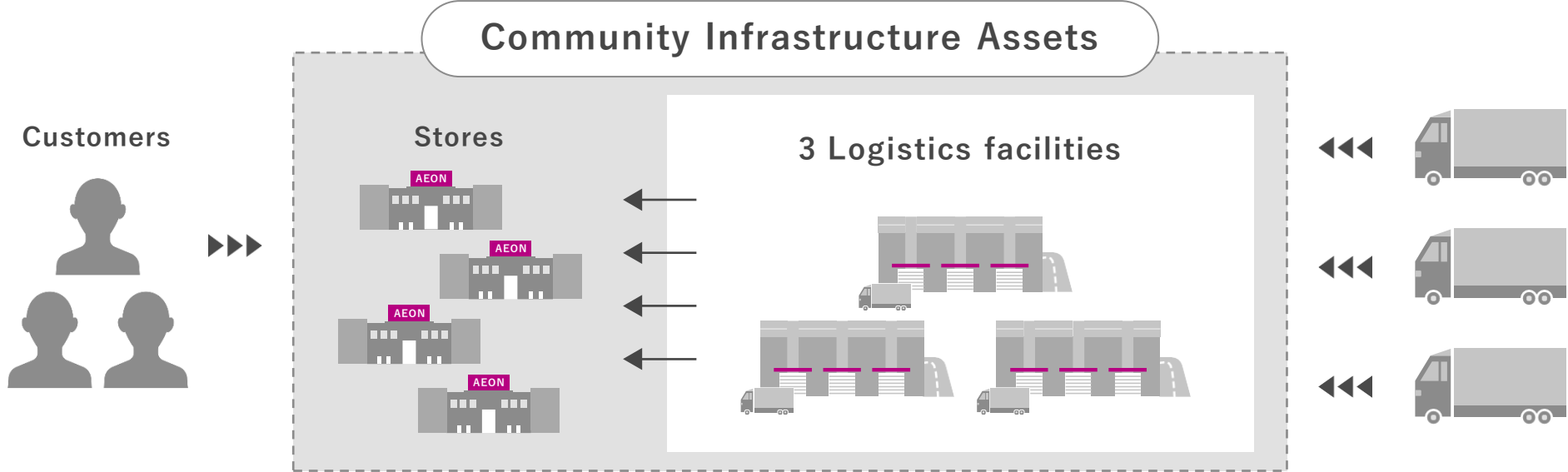





## Overseas SPC scheme (acquired in September 2016)



# Overview of logistics facilities

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



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

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

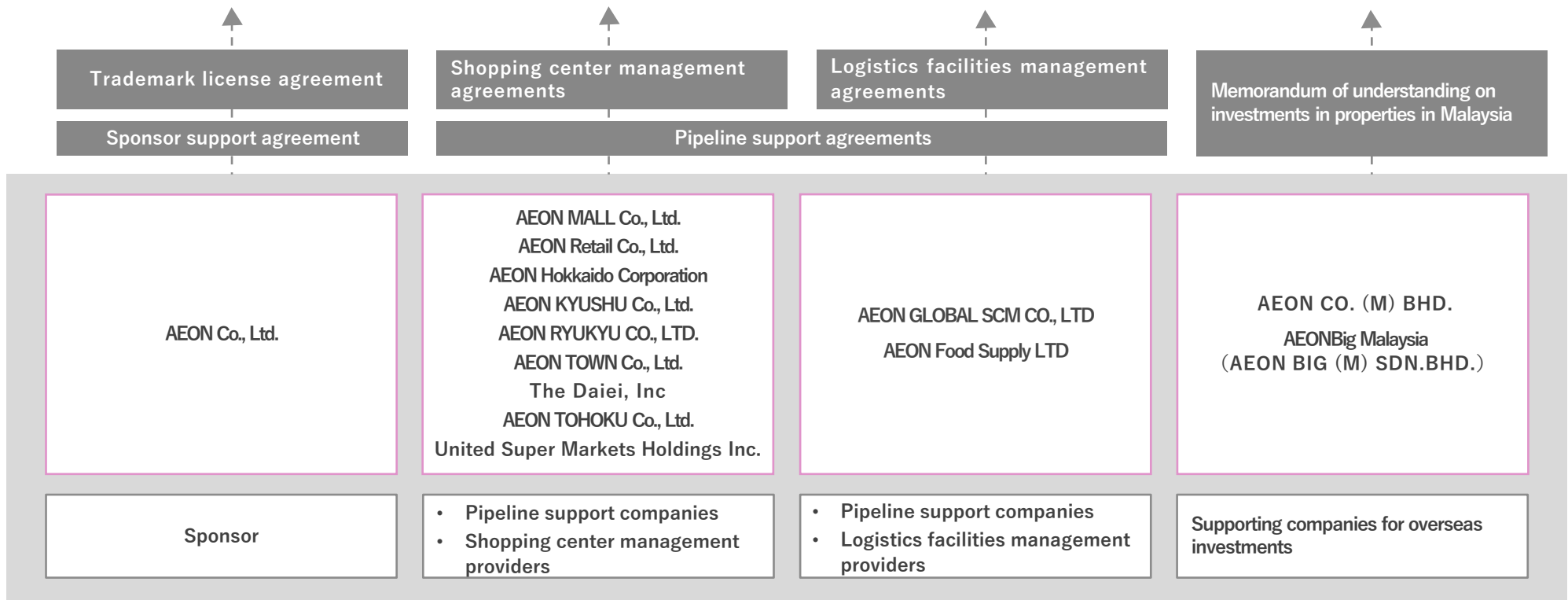
Supported by 14 companies from AEON Group and fully utilizing the Group synergy.

## Major supports to be provided

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

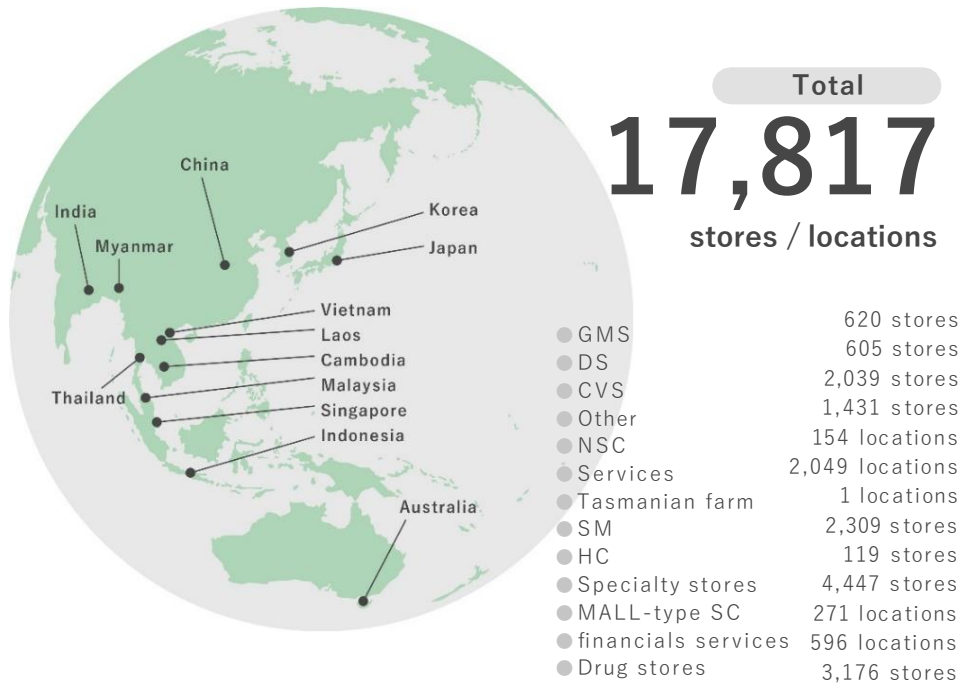


AEON REIT Investment Corporation / AEON Reit Management Co., Ltd



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

## Numerical data (Note1)



Consolidated operating revenue **9.1 tn yen**

Group employees **570,000**

AEON Finance Service  
Number of consolidated card members

**48.2 million**

## Businesses fields



## Market positioning (Note 3)

(Unit: USD million)

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



# About AEON Group (3/3)

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

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

## Chugoku and Shikoku

- AEON MALL Tottorikita Tottori City, Tottori
- AEON Matsue Shopping Center Matsue City, Shimane
- AEON MALL Izumo Izumo City, Shimane
- AEON MALL Okayama Okayama City, Okayama
- AEON MALL Hiroshima Fuchu Aki County, Hiroshima
- AEON MALL Hiroshima Gion Hiroshima City, Hiroshima
- THE OUTLETS HIROSHIMA Hiroshima City, Hiroshima
- AEON TOWN Houfu Hofu City, Yamaguchi
- AEON MALL Tokushima Tokushima City, Tokushima
- AEON MALL Takamatsu Takamatsu City, Kagawa
- AEON MALL Niihama Niihama City, Ehime
- AEON MALL Imabarishintoshi Imabari City, Ehime
- AEON MALL Kochi Kochi City, Kochi

## Kinki

- AEON MALL Kusatsu Kusatsu City, Shiga
- AEON MALL Kyoto Katsuragawa Kyoto City/Mukou City, Kyoto
- AEON MALL Rinkusennan Sennan City, Osaka
- AEON MALL Dainichi Moriguchi City, Osaka
- AEON MALL Osaka Dome City Osaka City, Osaka
- AEON MALL Shijonawate Shijonawate City/Neyagawa City, Osaka
- AEON MALL Sakaitoppoucho Sakai City, Osaka
- AEON MALL Fujiidera SC Fujiidera City, Osaka
- AEON MALL Kobeminami Kobe City, Hyogo
- AEON MALL Kashihara Kashihara City, Nara

## Kyushu and Okinawa

- THE OUTLETS KITAKYUSHU Kitakyushu City, Fukuoka
- AEON MALL Fukuokaaito Fukuoka City, Fukuoka
- AEON MALL Yahatahigashi Kitakyushu City, Fukuoka
- AEON Daito Shopping Center Sasebo City, Nagasaki
- AEON Yatsushiro Shopping Center Yatsushiro City, Kumamoto
- AEON MALL Sankoh Nakatsu City, Oita
- AEON MALL Miyazaki Miyazaki City, Miyazaki
- AEON MALL Okinawa Rycom Nakagami County, Okinawa

## Tokai and Hokuriku

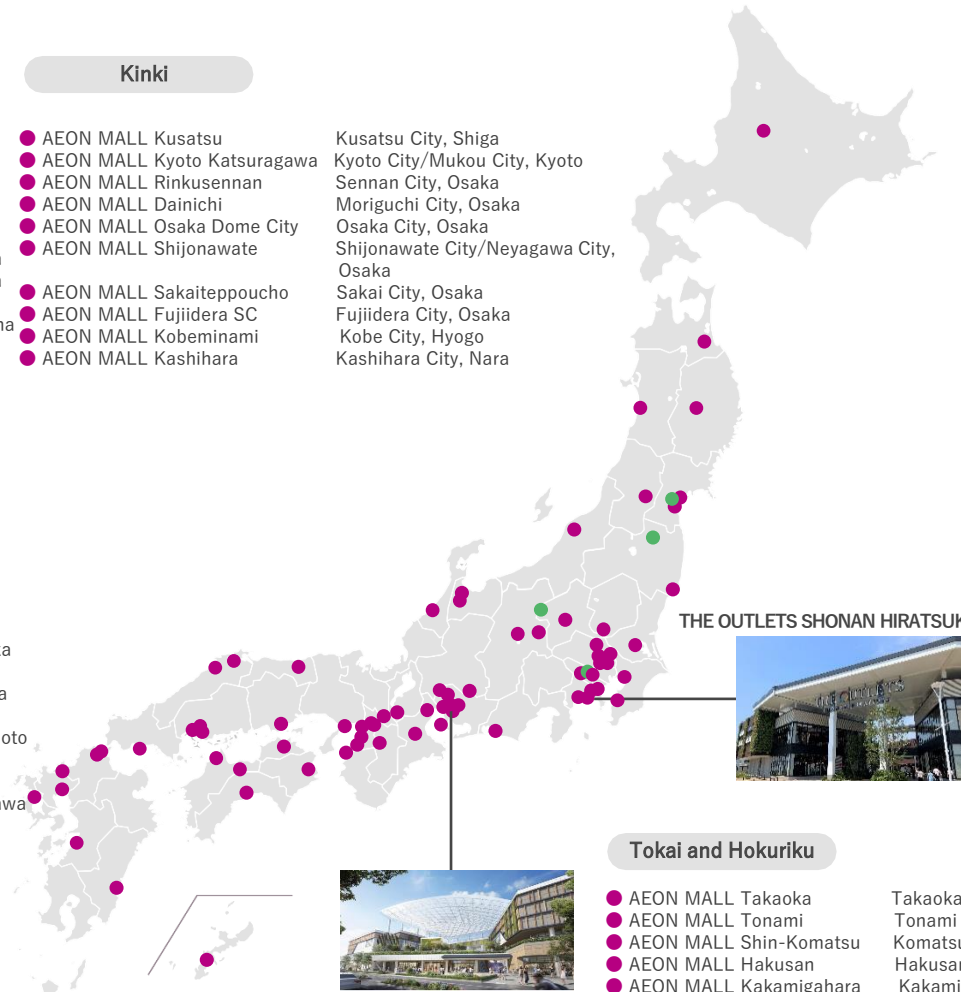
- AEON MALL Takaoka Takaoka City, Toyama
- AEON MALL Tonami Tonami City, Toyama
- AEON MALL Shin-Komatsu Komatsu City, Ishikawa
- AEON MALL Hakusan Hakusan City, Ishikawa
- AEON MALL Kakamigahara Kakamigahara City, Gifu
- AEON MALL Toki Toki City, Gifu
- AEON MALL Hamamatsuichino Hamamatsu City, Shizuoka
- AEON MALL Toyokawa Toyokawa City, Aichi
- AEON MALL Odaka Nagoya City, Aichi
- AEON MALL Nagoya Chaya Nagoya City, Aichi
- AEON MALL Nagoya Noritake Garden Nagoya City, Aichi
- AEON MALL Fuso Niwa County, Aichi
- AEON MALL Tokoname Tokoname City, Aichi
- AEON MALL Nagakute Nagakute City, Aichi
- AEON MALL Toin Inabe County, Mie
- AEON MALL Tsu minami Tsu City, Mie

## Hokkaido and Tohoku

- AEON MALL Around Asahikawa Station Asahikawa City, Hokkaido
- AEON MALL Shimoda Kamikita County, Aomori
- AEON MALL Moriokaminami Morioka City, Iwate
- AEON MALL Natori Natori City, Miyagi
- AEON MALL Shinrifu South Wing Rifu-cho, Miyagi
- (tentative name) AEON MALL Sendai Amamiya Sendai City, Miyagi
- AEON MALL Akita Akita City, Akita
- AEON MALL Tendo Tendo City, Yamagata
- AEON MALL Iwakionahama Iwaki City, Fukushima
- (tentative name) AEON MALL Kita Fukushima Date City, Fukushima

## Kanto and Koushinetsu

- AEON MALL Tsukuba Tsukuba City, Ibaraki
- AEON MALL Sanoshintoshi Sano City, Tochigi
- AEON MALL Urawamisono Saitama City, Saitama
- AEON MALL Hanyu Hanyu City, Saitama
- AEON MALL Kasukabe Kasukabe City, Saitama
- AEON MALL Yono Saitama City, Saitama
- AEON MALL Ageo Ageo City, Saitama
- AEON MALL Kawaguchi Kawaguchi City, Saitama
- AEON MALL Makuhari New City Chiba City, Chiba
- AEON MALL Kisarazu Kisarazu City, Chiba
- (tentative name) Hachioji North Interchange Hachioji City, Tokyo
- AEON MALL Hinode Nishitama County, Tokyo
- JIYUGAOKA de aone Meguro Ward, Tokyo
- AEON Hadano Shopping Center Hadano City, Kanagawa
- AEON MALL Zama Zama City, Kanagawa
- THE OUTLETS SHONAN HIRATSUKA Hiratsuka City, Kanagawa
- CeeU Yokohama Yokohama City, Kanagawa
- AEON MALL Niigataminami Niigata City, Niigata
- AEON MALL Sakudaira Saku City, Nagano
- AEON MALL Matsumoto Matsumoto City, Nagano
- (tentative name) AEON MALL Suzaka Suzaka City, Nagano



AEON MALL Toyokawa

# Notes (III)

## P.49 Corporate philosophy and policy

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

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

## P.50 Portfolio policy

(Note 1) Calculated based on acquisition prices.

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

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

## P.52 Properties owned by AEON REIT (as of Jan. 31, 2024)

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

## P.55 Transition of Property Tax Benefit from asset acquisition

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

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

## P.56 Overview of overseas properties

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

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

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

## P.60 About AEON Group (2/3) ~Overview of the AEON Group~

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

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

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

## P.61 About AEON Group (3/3) ~ Major large-scale retail properties(including facilities under development) ~

(Note 1) Prepared by the Asset Management Company based on the information provided by AEON CO., LTD. and AEON MALL Co., Ltd. (as of Jan. 2024).

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

22nd FP (Jan. 2024) Financial Results Presentation Material

# IV. Appendix 2

## Numeric data

# Balance Sheet of 22nd FP (as of Jan. 31, 2024)

	21st FP ( as of Jul. 31, 2023)		22nd FP ( as of Jan. 31, 2024)			21st FP ( as of Jul. 31, 2023)		22nd FP ( as of Jan. 31, 2024)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage		Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
<b>Assets</b>					<b>Liabilities</b>				
<b>I Current assets</b>	<b>34,298,007</b>	<b>7.6%</b>	<b>39,175,435</b>	<b>8.6%</b>	<b>I Current liabilities</b>	<b>31,514,025</b>	<b>7.0%</b>	<b>23,209,651</b>	<b>5.1%</b>
Cash and deposits	23,939,480	5.3%	28,558,720	6.3%	Operating accounts payable	1,009,143	0.2%	1,458,354	0.3%
Cash and deposits in trust	9,121,487	2.0%	9,752,689	2.1%	Short-term debt	9,300,000	2.1%	-	-
Prepaid expenses	501,357	0.1%	856,621	0.2%	Current portion of long-term loan payable	20,400,000	4.5%	19,500,000	4.3%
Income taxes receivable	23	0.0%	23	0.0%	Account payable - other	499,196	0.1%	489,036	0.1%
Consumption taxes receivable	728,225	0.2%	-	-	Accrued expense	108,934	0.0%	107,493	0.0%
Other	7,433	0.0%	7,380	0.0%	Income taxes payable	605	0.0%	605	0.0%
					Accrued consumption taxes	-	-	1,375,221	0.3%
<b>II Non-current assets</b>	<b>417,903,475</b>	<b>92.4%</b>	<b>414,833,628</b>	<b>91.3%</b>	Provision for loss on disaster	-	-	84,919	0.0%
Property and equipment	336,688,959	74.4%	333,572,634	73.4%	Other	196,145	0.0%	194,022	0.0%
Land	108,463	0.0%	108,463	0.0%	<b>II Non-current liabilities</b>	<b>173,578,760</b>	<b>38.4%</b>	<b>183,781,038</b>	<b>40.5%</b>
Buildings in trust, net	186,831,453	41.3%	183,731,337	40.4%	Investment corporation bond	51,000,000	11.3%	51,000,000	11.2%
Structures in trust, net	733,117	0.2%	720,416	0.2%	Long-term loans payable	107,700,000	23.8%	117,900,000	26.0%
Tools, furniture and fixtures in trust, net	18,996	0.0%	15,488	0.0%	Tenants leasehold and security deposits	2,628	0.0%	2,628	0.0%
Land in trust	148,996,928	32.9%	148,996,928	32.8%	Tenants leasehold and security deposits in trust	14,320,296	3.2%	14,320,296	3.2%
Construction in progress in trust	-	-	-	-	Asset retirement obligation	555,835	0.1%	558,113	0.1%
Intangible assets	74,469,416	16.5%	74,397,089	16.4%	<b>Total liabilities</b>	<b>205,092,785</b>	<b>45.3%</b>	<b>206,990,690</b>	<b>45.6%</b>
Leasehold rights in trust	74,469,416	16.5%	74,397,089	16.4%	<b>Net assets</b>				
Investments and other assets	6,745,099	1.5%	6,863,905	1.5%	<b>I Unitholders' equity</b>	<b>247,392,870</b>	<b>54.7%</b>	<b>247,267,660</b>	<b>54.4%</b>
Shares of subsidiaries and associates	6,078,453	1.3%	6,078,453	1.3%	Unitholders' capital, net	239,903,198	53.0%	239,903,198	52.8%
Long-term prepaid expenses	656,645	0.1%	775,451	0.2%	Unitholders' capital	243,428,896	53.8%	243,428,896	53.6%
Leases and guarantee deposits	10,000	0.0%	10,000	0.0%	Other deduction from unitholders' capital	▲ 3,525,697	▲0.8%	▲ 3,525,697	▲0.8%
					Surplus	7,489,671	1.7%	7,364,461	1.6%
<b>III</b>	<b>284,172</b>	<b>0.1%</b>	<b>249,285</b>	<b>0.1%</b>	Distribution reserve	440,101	0.1%	374,431	0.1%
Investment unit issuance expenses	48,408	0.0%	32,983	0.0%	Unappropriated retained earnings	7,049,570	1.6%	6,990,029	1.5%
Investment corporation bond issuance costs	235,763	0.1%	216,302	0.0%	<b>Total net assets</b>	<b>247,392,870</b>	<b>54.7%</b>	<b>247,267,660</b>	<b>54.4%</b>
<b>Total assets</b>	<b>452,485,655</b>	<b>100.0%</b>	<b>454,258,350</b>	<b>100.0%</b>	<b>Total liabilities and net assets</b>	<b>452,485,655</b>	<b>100.0%</b>	<b>454,258,350</b>	<b>100.0%</b>

# Statements of income of 22nd FP

## (Statements of Income)

	21st FP (From Feb. 1, 2023 to Jul. 31, 2023)		22nd FP (From Aug. 1, 2023 to Jan. 31, 2024)	
	Amount(thousands of yen)	Percentage	Amount(thousands of yen)	Percentage
<b>Operating revenue</b>	<b>21,008,316</b>	<b>100.0%</b>	<b>21,054,762</b>	<b>100.0%</b>
Rent revenue - real estate	20,844,445	99.2%	20,887,803	99.2%
Dividends received	163,870	0.8%	166,959	0.8%
<b>Operating expenses</b>	<b>13,037,455</b>	<b>62.1%</b>	<b>13,006,233</b>	<b>61.8%</b>
Expenses related to rent business	11,870,427	56.5%	11,798,293	56.0%
(Depreciation)	(5,502,443)	(26.2%)	(5,386,639)	(25.6%)
Asset management fee	938,765	4.5%	971,454	4.6%
Asset custody fee	23,053	0.1%	23,035	0.1%
Administrative service fees	64,543	0.3%	68,436	0.3%
Director's compensation	5,400	0.0%	4,500	0.0%
Taxes and dues	6,270	0.0%	8,194	0.0%
Other operating expenses	128,994	0.6%	132,320	0.6%
<b>I Operating income</b>	<b>7,970,860</b>	<b>37.9%</b>	<b>8,048,528</b>	<b>38.2%</b>
<b>Non-operating income</b>	<b>1,151</b>	<b>0.0%</b>	<b>4,031</b>	<b>0.0%</b>
Interest income	152	0.0%	155	0.0%
Refund of unpaid distributions	878	0.0%	1,710	0.0%
Other	120	0.0%	2,166	0.0%
<b>Non-operating expenses</b>	<b>923,837</b>	<b>4.4%</b>	<b>978,846</b>	<b>4.6%</b>
Interest expenses	515,866	2.5%	566,009	2.7%
Interest expenses on investment corporation bonds	215,139	1.0%	216,531	1.0%
Amortization of investment unit issuance expenses	15,425	0.1%	15,425	0.1%
Amortization of investment corporation bond issuance expenses	19,461	0.1%	19,461	0.1%
Borrowing related expenses	157,944	0.8%	161,330	0.8%
	-	-	87	0.0%
<b>II Ordinary income</b>	<b>7,048,174</b>	<b>33.5%</b>	<b>7,073,713</b>	<b>33.6%</b>
<b>III Extraordinary income</b>	<b>-</b>	<b>-</b>	<b>12,208</b>	<b>0.1%</b>
Insurance income	-	-	12,208	0.1%
<b>III Extraordinary loss</b>	<b>-</b>	<b>-</b>	<b>95,288</b>	<b>0.5%</b>
Loss on disaster	-	-	10,368	0.0%
Provision for loss on disaster	-	-	84,919	0.4%
<b>IV Income (loss) before taxes</b>	<b>7,048,174</b>	<b>33.5%</b>	<b>6,990,634</b>	<b>33.2%</b>
Income taxes - current	605	0.0%	605	0.0%
<b>V Net income (loss)</b>	<b>7,047,569</b>	<b>33.5%</b>	<b>6,990,029</b>	<b>33.2%</b>
Retained earnings brought forward	2,000	0.0%	-	-
<b>VI Unappropriated retained earnings (undisposed loss)</b>	<b>7,049,570</b>	<b>33.6%</b>	<b>6,990,029</b>	<b>33.2%</b>

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

	21st FP (From Feb. 1, 2023 to Jul. 31, 2023)		22nd FP (From Aug. 1, 2023 to Jan. 31, 2024)	
	Amount (thousands of yen)	Percentage	Amount (thousands of yen)	Percentage
<b>Rent revenue - real estate</b>	<b>20,844,445</b>	<b>100.0%</b>	<b>20,887,803</b>	<b>100.0%</b>
Rent revenue	20,768,288	99.6%	20,768,752	99.4%
Other rent revenue - real estate	76,156	0.4%	119,051	0.6%
<b>Expenses related to real estate leasing business</b>	<b>11,870,427</b>	<b>56.9%</b>	<b>11,798,293</b>	<b>56.5%</b>
Property and facility management fees	51,139	0.2%	51,143	0.2%
Repairs and maintenance expenses	931,978	4.5%	963,173	4.6%
Insurance expenses	309,562	1.5%	321,898	1.5%
Trust fees	25,271	0.1%	32,294	0.2%
Land rent paid	2,740,708	13.1%	2,741,088	13.1%
Taxes and dues	2,262,558	10.9%	2,248,968	10.8%
Depreciation	5,502,443	26.4%	5,386,639	25.8%
Water charges	37,876	0.2%	45,568	0.2%
Other expenses related to rent business	8,888	0.0%	7,519	0.0%
<b>NOI</b>	<b>14,476,461</b>	<b>-</b>	<b>14,476,149</b>	<b>-</b>
Rent revenue - real estate (+)	20,844,445	-	20,887,803	-
Expenses related to real	▲ 11,870,427	-	▲ 11,798,293	-
Depreciation (+)	5,502,443	-	5,386,639	-

# Portfolio list (1/2)

Property number	Property name	Location	Acquisition date	Age of building	Total leasable area (square meters)	Acquisition price (mm yen)	PML (%) (Note 1)
SRSC-1	AEON LakeTown mori (40% stake) (Note 2)	Koshigaya City, Saitama	November 2013	15.4 years	205,711.70	21,190	2.0
SRSC-2	AEON LakeTown kaze (40% stake) (Note 2)	Koshigaya City, Saitama	November 2013	15.4 years	127,183.81	6,730	1.7
RSC-1	AEON MALL Morioka	Morioka City, Iwate	November 2013	20.5 years	98,968.59	5,340	11.1
RSC-2	AEON MALL Ishinomaki	Ishinomaki City, Miyagi	November 2013	16.9 years	60,682.20	6,680	3.9
RSC-3	AEON MALL Mitouchihara	Mito City, Ibaraki	November 2013	18.2 years	159,997.49	16,565	0.7
RSC-4	AEON MALL Ota	Ota City, Gunma	November 2013	20.2 years	93,165.27	6,860	4.8
RSC-5	AEON Sagamihara Shopping Center	Sagamihara City, Kanagawa	November 2013	30.5 years	75,056.62	10,220	13.4
RSC-6	AEON MALL Ogaki	Ogaki City, Gifu	November 2013	16.9 years	64,246.26	4,950	9.2
RSC-7	AEON MALL Suzuka	Suzuka City, Mie	November 2013	27.2 years	125,253.74	9,660	7.5
RSC-8	AEON MALL Meiwa	Taki County, Mie	November 2013	22.5 years	44,193.80	3,290	4.6
RSC-9	AEON MALL Kasai-Hojo	Kasai City, Hyogo	November 2013	15.3 years	48,229.25	7,230	10.7
RSC-10	AEON MALL Hiezu	Saihaku County, Tottori	November 2013	24.9 years	102,045.24	7,780	8.0
RSC-11	AEON MALL Kurashiki	Kurashiki City, Okayama	November 2013	24.4 years	157,274.78	17,890	0.5
RSC-12	AEON MALL Ayagawa	Ayaka County, Kagawa	November 2013	15.6 years	113,149.07	8,740	0.6
RSC-13	AEON MALL Nogata	Nogata City, Fukuoka	November 2013	18.8 years	151,969.51	12,546	0.1
RSC-15	AEON MALL KYOTO	Kyoto City, Kyoto	February 2015	14.1 years	136,468.45	21,470	13.5
RSC-16	AEON MALL Sapporo-Hiraoka	Sapporo City, Hokkaido	February 2015	23.2 years	78,360.81	5,900	3.5
RSC-17	AEON MALL Kushiro-Showa	Kushiro City, Hokkaido	February 2015	23.4 years	51,763.05	1,780	7.0
RSC-18	AEON MALL Shinrifu North Wing	Miyagi County, Miyagi	February 2015	23.8 years	66,478.91	2,560	6.9
RSC-19	AEON MALL Yamagata-Minami	Yamagata City, Yamagata	February 2015	23.2 years	53,502.94	1,350	6.2
RSC-20	AEON MALL Yokkaichi-Kita	Yokkaichi City, Mie	February 2015	23.0 years	41,447.33	2,210	6.0
RSC-21	AEON MALL Yamatokoriyama	Yamatokoriyama City, Nara	February 2016	14.0 years	105,230.88	14,452	12.0
RSC-22	AEON MALL Chiba-Newtown (Mall Building, Cinema and Sports Building) (Note 3)	Inzai City, Chiba	March 2016	17.8 years	107,425.97	12,198	2.7
RSC-23	AEON MALL Kofu Showa (Note 4)	Nakakoma County, Yamanashi	February 2016	12.9 years/6.2 years	99,772.38	15,489	2.5/3.1
RSC-24	AEON MALL Tomakomai	Tomakomai City, Hokkaido	September 2016	18.8 years	71,308.33	7,840	2.9



# Portfolio list (2/2)

Property number	Property name	Location	Acquisition date	Age of building	Total leasable area (square meters)	Acquisition price (mm yen)	PML (%) (Note 1)
RSC-25	AEON MALL Oyama	Oyama City, Tochigi	August 2016	26.8 years	47,872.33	6,280	4.5
RSC-26	AEON MALL Itamikoya	Itami City, Hyogo	February 2017	13.0 years	122,944.71	16,860	1.8
RSC-27	AEON MALL Kagoshima	Kagoshima City, Kagoshima	February 2017	16.4 years	132,341.35	13,400	6.1
RSC-28	AEON MALL Tsuchiura	Tsuchiura City, Ibaraki	February 2017	14.7 years	86,848.51	12,030	1.0
RSC-29	AEON MALL Kahoku	Kahoku City, Ishikawa	February 2017	15.3 years	70,948.14	9,940	11.4
RSC-30	AEON MALL Shimotsuma	Shimotsuma City, Ibaraki	September 2017	26.2 years	58,402.66	9,552	2.7
RSC-31	AEON MALL Kyoto Gojo	Kyoto City, Kyoto	July 2018	20.0 years	87,311.56	13,333	11.6
RSC-32	AEON MALL Fukutsu	Fukutsu City, Fukuoka	September 2019	11.8 years	100,020.87	18,040	1.5
RSC-33	AEON MALL Tamadaira woods	Hino City, Tokyo	February 2020	9.2 years	66,575.54	9,667	7.0
RSC-34	AEON MALL Takasaki	Takasaki City, Gunma	August 2021	17.3 years	126,403.58	17,164	4.0
RSC-35	AEON MALL Narita	Narita City, Chiba	August 2021	23.9 years	122,785.62	14,001	5.0
RSC-36	AEON MALL Shinkomatsu	Komatsu City, Ishikawa	August 2021	6.9 years	79,509.27	15,350	6.7
RSC-37	AEON MALL Sagayamato	Saga City, Saga	August 2021	23.4 years	68,942.36	3,720	8.6
RSC-38	AEON MALL Wakayama	Wakayama City, Wakayama Pref.	February 2023	10.0 years	123,318.13	16,840	11.5
RSC-39	AEON MALL Miyakonojo Ekimae	Miyakonojo City, Miyazaki Pref.	February 2023	15.2 years	62,324.49	4,460	5.2
CSC-1	AEON Chigasaki-Chuo Shopping Center	Chigasaki City, Kanagawa	May 2016	23.3 years	63,158.24	6,410	14.8
CSC-2	AEON STYLE Kemigawahama	Chiba City, Chiba	November 2017	32.2 years	29,947.62	3,748	2.6
CSC-3	AEON Kireuiwari Shopping Center	Osaka City, Osaka	September 2017	18.2 years	27,603.46	4,394	9.3
CSC-4	AEON Ueda Shopping Center	Ueda City, Nagano	October 2020	19.6 years	61,349.07	5,350	9.0
L-1	Daiei-Kawasaki Process Center	Kawasaki City, Kanagawa	February 2016	26.8 years	59,265.77	14,280	3.7
L-2	AEON Minami-Osaka RDC	Sakai City, Osaka	February 2017	28.8 years	50,197.06	9,870	12.5
L-3	Daiei-Ibaraki Process Center	Ibaraki City, Osaka	October 2017	46.7 years	50,783.58	6,810	12.6
M-1	AEON Taman Universiti Shopping Centre (Note 5)	Malaysia Johor	June 2014	21.7 years	22,870.00	658 (RM20 million)	0.8
M-2	AEON MALL SEREMBAN 2	Malaysia Negeri Sembilan Province	September 2016	19.1 years	81,135.00	5,252 (RM215 million)	4.0
<b>Total (49 properties as of Jan. 31, 2024)</b>				<b>18.5 years</b>	<b>4,241,745.30</b>	<b>468,332</b>	<b>1.3</b>

# Appraisal value (1/2)

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	FPTerminal book value (Millions of yen) (Note 1)	Unrealized gain (Millions of yen) (Note 2)	Appraisal value (Millions of yen)			Capitalization Rate based on direct capitalization method(%)		
					21st FP ( Jul. 31, 2023)	22nd FP ( Jan. 31, 2024)	Difference	21st FP ( Jul. 31, 2023)	22nd FP ( Jan. 31, 2024)	Difference
SRSC-1	AEON LakeTown mori (Note 3)	21,190	17,264	7,535	24,200	24,800	600	4.6	4.5	▲0.1
SRSC-2	AEON LakeTown kaze (Note 3)	6,730	5,223	2,866	7,950	8,090	140	5.0	4.9	▲0.1
RSC-1	AEON MALL Morioka	5,340	4,986	1,223	7,060	6,210	▲850	6.4	6.3	▲0.1
RSC-2	AEON MALL Ishinomaki	6,680	5,390	1,799	7,070	7,190	120	6.2	6.1	▲0.1
RSC-3	AEON MALL Mitouchihara	16,460	12,655	4,244	17,700	16,900	▲800	5.8	5.7	▲0.1
	AEON MALL Mitouchihara(land)	105	108	11	118	120	2	-	-	-
RSC-4	AEON MALL Ota	6,860	6,285	1,944	8,210	8,230	20	6.3	6.3	-
RSC-5	AEON Sagamihara Shopping Center	10,220	9,190	1,209	10,400	10,400	-	5.2	5.2	-
RSC-6	AEON MALL Ogaki	4,950	3,055	1,584	4,640	4,640	-	7.2	7.2	-
RSC-7	AEON MALL Suzuka	9,660	8,769	2,230	10,700	11,000	300	6.0	5.9	▲0.1
RSC-8	AEON MALL Meiwa	3,290	3,085	564	3,660	3,650	▲10	6.3	6.3	-
RSC-9	AEON MALL Kasai-Hojo	7,230	5,313	2,356	7,710	7,670	▲40	6.6	6.6	-
RSC-10	AEON MALL Hiezu	7,780	5,759	1,710	7,470	7,470	-	6.7	6.7	-
RSC-11	AEON MALL Kurashiki	17,890	16,454	2,545	19,000	19,000	-	5.9	5.9	-
RSC-12	AEON MALL Ayagawa	8,740	5,268	2,801	8,950	8,070	▲880	6.3	6.2	▲0.1
RSC-13	AEON MALL Nogata	12,546	10,164	4,435	14,400	14,600	200	6.0	5.9	▲0.1
RSC-15	AEON MALL KYOTO	21,470	18,553	4,146	22,700	22,700	-	4.6	4.6	-
RSC-16	AEON MALL Sapporo-Hiraoka	5,900	4,849	1,460	6,220	6,310	90	6.1	6.0	▲0.1
RSC-17	AEON MALL Kushiro-Showa	1,780	1,822	87	1,890	1,910	20	6.7	6.6	▲0.1
RSC-18	AEON MALL Shinrifu North Wing	2,560	3,254	▲944	2,280	2,310	30	6.3	6.2	▲0.1
RSC-19	AEON MALL Yamagata-Minami	1,350	1,169	330	1,480	1,500	20	6.5	6.4	▲0.1
RSC-20	AEON MALL Yokkaichi-Kita	2,210	2,149	390	2,500	2,540	40	6.0	5.9	▲0.1
RSC-21	AEON MALL Yamatokoriyama	14,452	11,929	2,970	14,900	14,900	-	5.5	5.5	-
RSC-22	AEON MALL Chiba-Newtown (Mall Building, Cinema and Sports Building) (Note 4)	12,198	10,913	1,186	12,100	12,100	-	4.7	4.7	-
RSC-23	AEON MALL Kofu Showa (Note 5)	15,489	13,153	4,046	17,200	17,200	-	5.6	5.6	-
RSC-24	AEON MALL Tomakomai	7,840	6,840	1,469	8,180	8,310	130	5.8	5.7	▲0.1

# Appraisal value (2/2)

Property number	Property name	Acquisition price (Millions of yen) (Note 1)	FPTerminal book value (Millions of yen) (Note 1)	Unrealized gain (Millions of yen) (Note 2)	Real estate appraisal value ( mm)			Capitalization rate based on direct capitalization method (%)		
					21st FP ( Jul. 31, 2023)	22nd FP ( Jan. 31, 2024)	Difference	21st FP ( Jul. 31, 2023)	22nd FP ( Jan. 31, 2024)	Difference
RSC-25	AEON MALL Oyama	6,280	5,197	1,112	6,310	6,310	-	6.5	6.5	-
RSC-26	AEON MALL Itamikoya	16,860	14,504	3,095	17,600	17,600	-	5.5	5.5	-
RSC-27	AEON MALL Kagoshima	13,400	11,533	2,266	13,600	13,800	200	5.8	5.7	▲0.1
RSC-28	AEON MALL Tsuchiura	12,030	10,009	2,090	12,100	12,100	-	6.1	6.1	-
RSC-29	AEON MALL Kahoku (Note 6)	9,940	7,658	2,941	10,600	10,600	-	6.7	6.7	-
RSC-30	AEON MALL Shimotsuma	9,552	8,412	2,187	10,600	10,600	-	6.2	6.2	-
RSC-31	AEON MALL Kyoto Gojo	13,333	12,632	367	13,900	13,000	▲900	4.8	4.7	▲0.1
RSC-32	AEON MALL Fukutsu	18,040	16,877	2,022	18,600	18,900	300	5.3	5.2	▲0.1
RSC-33	AEON Mall Tamadaira Woods	9,667	9,073	1,326	10,200	10,400	200	4.9	4.8	▲0.1
RSC-34	AEON MALL Takasaki	17,164	16,367	1,432	17,500	17,800	300	5.3	5.2	▲0.1
RSC-35	AEON MALL Narita	14,001	14,003	496	14,200	14,500	300	4.7	4.6	▲0.1
RSC-36	AEON MALL Shinkomatsu (Note 6)	15,350	14,394	1,105	15,500	15,500	-	-	-	-
RSC-37	AEON MALL Sagayamato	3,720	3,532	357	3,830	3,890	60	6.2	6.1	▲0.1
RSC-38	AEON MALL Wakayama	16,840	16,696	103	16,800	16,800	-	-	-	-
RSC-39	AEON MALL Miyakonojo Ekimae	4,460	4,470	39	4,510	4,510	-	5.7	5.7	-
CSC-1	AEON Chigasaki-Chuo Shopping Center	6,410	6,472	207	6,690	6,680	▲10	4.9	4.9	-
CSC-2	AEON STYLE Kemigawahama	3,748	3,151	618	3,770	3,770	-	6.0	6.0	-
CSC-3	AEON Kireuriwari Shopping Center	4,394	4,053	786	4,750	4,840	90	5.1	5.0	▲0.1
CSC-4	AEON Ueda Shopping Center	5,350	5,946	693	5,840	6,640	800	6.5	6.6	0.1
L-1	Daiei-Kawasaki Process Center	14,280	13,025	3,174	16,200	16,200	-	4.4	4.4	-
L-2	AEON Minami-Osaka RDC	9,870	9,050	2,649	11,700	11,700	-	4.3	4.3	-
L-3	Daiei-Ibaraki Process Center	6,810	6,705	1,274	8,000	7,980	▲20	4.4	4.4	-
M-1	AEON Taman Universiti Shopping Centre (Note 7,8)	658 (RM20 million)	588 (RM18million)	48 (RM2million)	635 (RM20.5million)	636 (RM20.4million)	-	-	-	-
M-2	AEON MALL SEREMBAM 2 (Note 8)	5,252 (RM215 million)	-	-	7,475 (RM241million)	7,524 (RM241million)	-	-	-	-
<b>Total (As of the end of the Jan. 2024)</b>		<b>468,332</b>	<b>-</b>	<b>84,607</b>	<b>499,599</b>	<b>500,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Major revitalization investments with rent increase (Results and Planned)

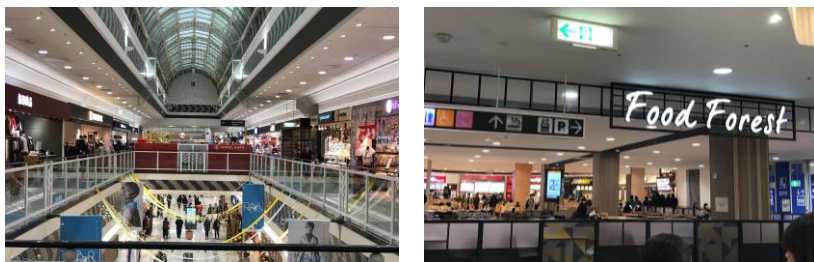
Result / Planned <sup>6</sup>	Property name	Rent revision timing	Contents	Revitalization investment Amount (yen) (Note1・2)	Effect of revitalization investment (annualized)	
					Rent increase(yen)	Return on investment
Result	AEON MALL Nogata	Mar. 2014	Exterior wall repair work	109 mm	8 mm	7.4%
Result	AEON MALL Hiezu	Apr. 2015	Large-scale renewal	105 mm	8 mm	7.7%
Result	AEON LakeTown kaze	Apr. 2015	Large-scale renewal	312 mm	21 mm	6.8%
Result	AEON MALL Morioka	Apr. 2016	Expansion of floor space	790 mm	57 mm	7.3%
Result	AEON MALL Yokkaichi-Kita	Jul. 2017	Food court renewal	113 mm	9 mm	8.5%
Result	AEON MALL Ota	Jul. 2017	New escalator installation	199 mm	14 mm	7.3%
Result	AEON MALL Tomakomai (note3)	Aug. 2017	Exterior wall painting	226 mm	5 mm	2.2%
Result	AEON MALL Suzuka	Nov. 2017	Large-scale renewal	296 mm	22 mm	7.7%
Result	AEON MALL Kurashiki	Dec. 2017	Large-scale renewal	132 mm	9 mm	7.5%
Result	AEON Kireuriwari SC	Mar. 2018	Exterior wall painting	129 mm	6 mm	5.1%
Result	AEON MALL Kofu Showa	Sep. 2018	Construction of existing building due to extension	781 mm	50 mm	6.5%
Result	AEON MALL Meiwa	Nov. 2019	Large-scale renewal	162 mm	13 mm	8.3%
Result	AEON Ueda SC	Dec. 2021	Exterior wall painting	271 mm	17 mm	6.5%
Result	AEON MALL Shimotsuma	Dec. 2022	Exterior wall painting	360 mm	23 mm	6.5%
Result	AEON MALL Yokkaichi-Kita	Sep. 2023	Fireproof shutters	9 mm	0.8 mm	9.3%
Result	AEON MALL Morioka	Dec. 2023	Drainage facility reinforcement work	20 mm	1 mm	8.2%
Result	AEON Ueda SC	Dec. 2023	Large-scale renewal	892 mm	57 mm	6.5%
Result	AEON Ueda SC	Dec. 2023	Smoke-proof hanging wall installation	22 mm	0.6 mm	3.0%
Result	AEON MALL KYOTO	Dec. 2023	LED construction	0.9 mm	50,000	5.4%
Result	AEON MALL Ota	Dec. 2023	AC facility expansion work	24 mm	1 mm	7.8%
<b>Planned</b>	AEON MALL Meiwa	Feb. 2024	LED construction	6 mm	0.5 mm	8.4%
<b>Planned</b>	AEON MALL Narita	Feb. 2024	Handicapped parking renewal	62 mm	3 mm	6.1%
<b>Planned</b>	AEON MALL Suzuka	Mar. 2024	Floor replacement work	31 mm	2 mm	7.9%
<b>Planned</b>	AEON LakeTown mori	Mar. 2024	Renewal work around entrance area	92 mm	5 mm	5.4%
<b>Planned</b>	AEON LakeTown kaze	Apr. 2024	Windbreak room installation	21 mm	1 mm	6.0%
<b>Planned</b>	AEON MALL Ota	Dec.2024	Existing nonconforming correction work for shutter	318mm	20 mm	6.3%

# Revitalization investment cases

## AEON MALL Suzuka - Revitalization work

(Nov. 2017)

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



## AEON Kireuriwari SC - Exterior wall painting

(Mar. 2018)

Exterior wall painting for improving property value



## AEON MALL Kofu Showa - Expansion of floor space

(extended Nov. 2017,acquired Sep. 2018)

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



## AEON MALL Meiwa - Revitalization work

(Nov. 2019)

Food court renewal for improving user's convenience



## AEON Ueda - Exterior wall painting

(Dec. 2021)

Exterior wall painting for improving property value



## AEON MALL Kurashiki - Revitalization work

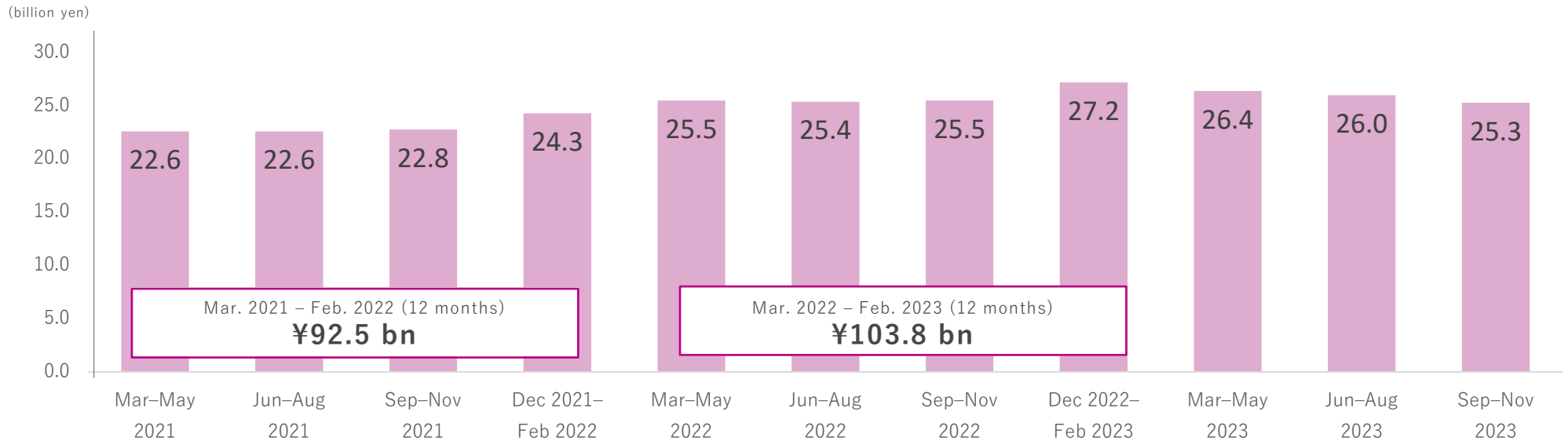
(Oct. 2022)

Revitalization for reopening in Oct. 2022



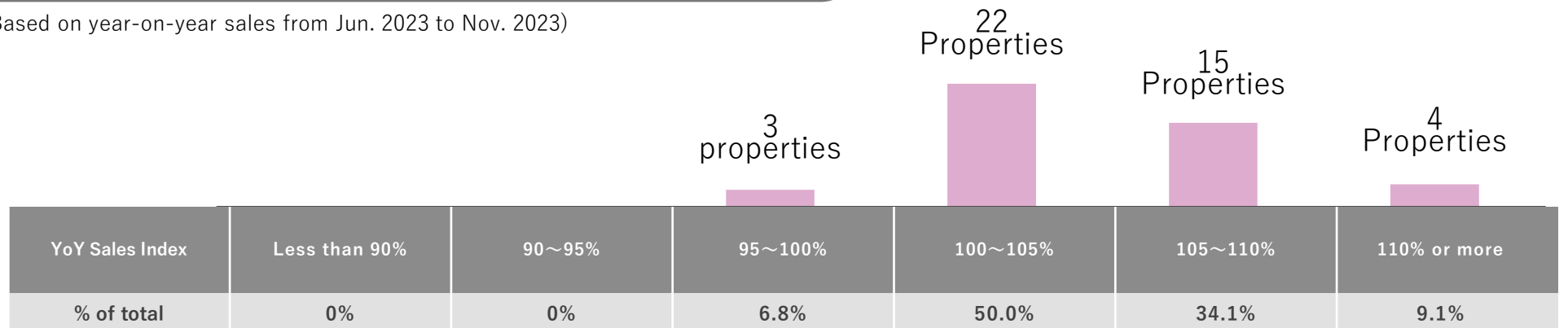
# Performance trends of stores in the portfolio (1/2)

## Master lease company operating revenue (Note 1)



## Sales trends of individual properties (Note 2,3)

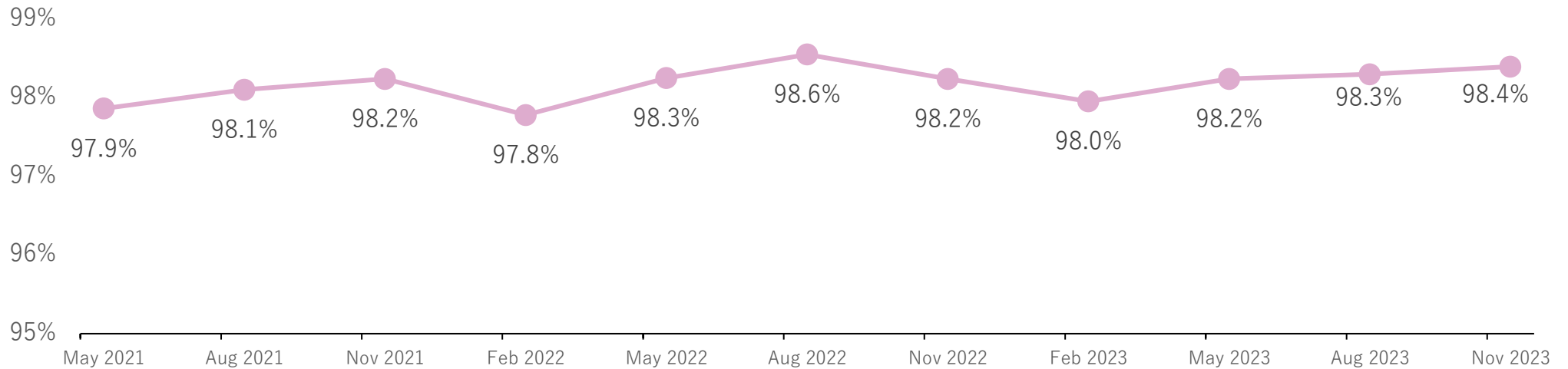
(Based on year-on-year sales from Jun. 2023 to Nov. 2023)



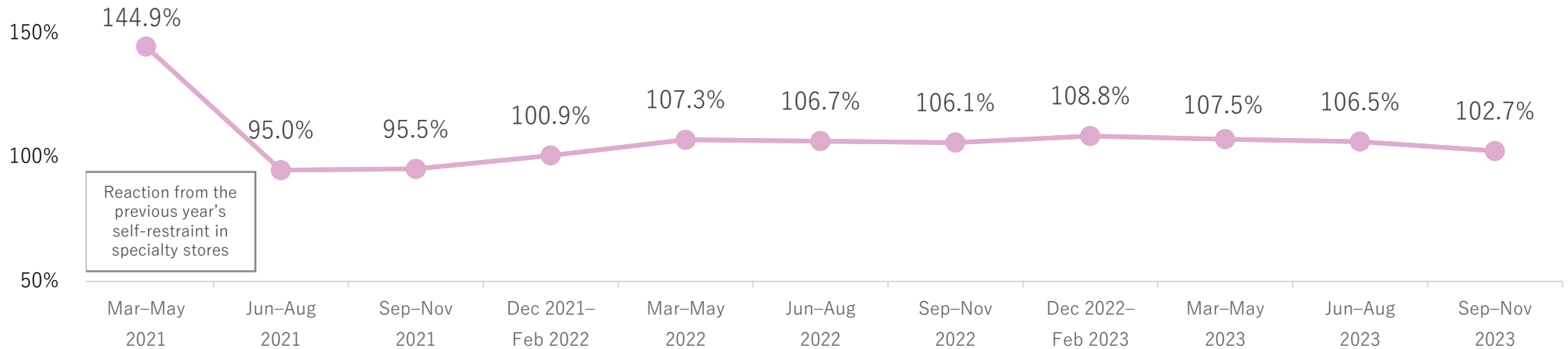


# Performance trends of stores in the portfolio (2/2)

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

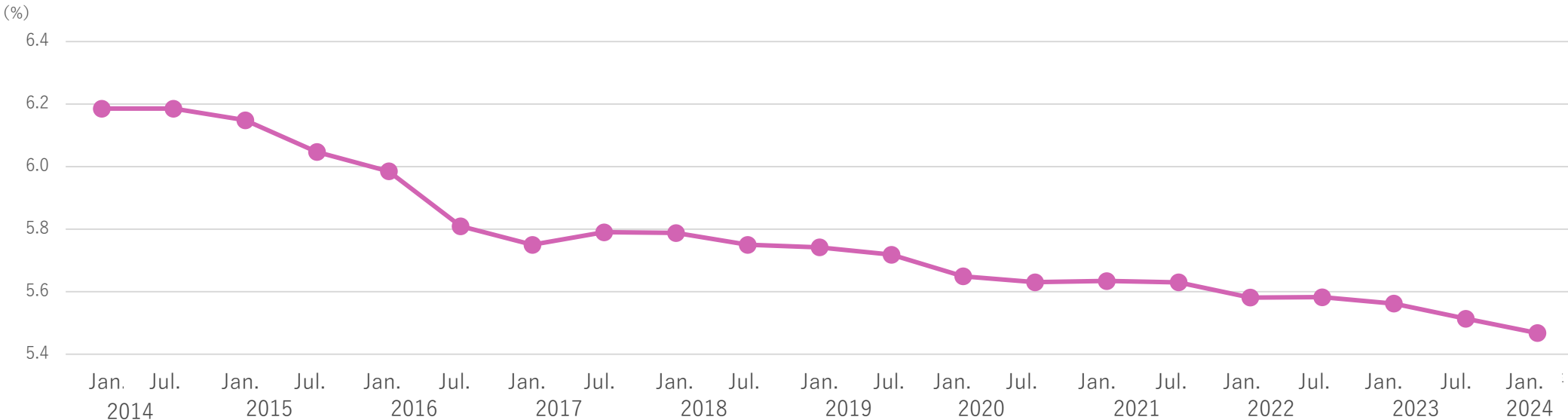


Sales status of end tenants (every 3 months sales compared to the same period of the previous year) (Note 2)

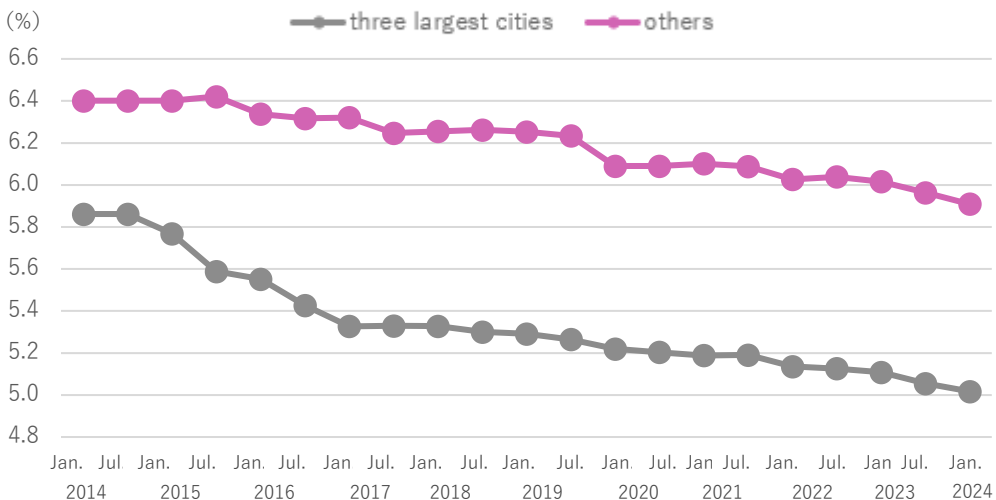


# Average cap rate

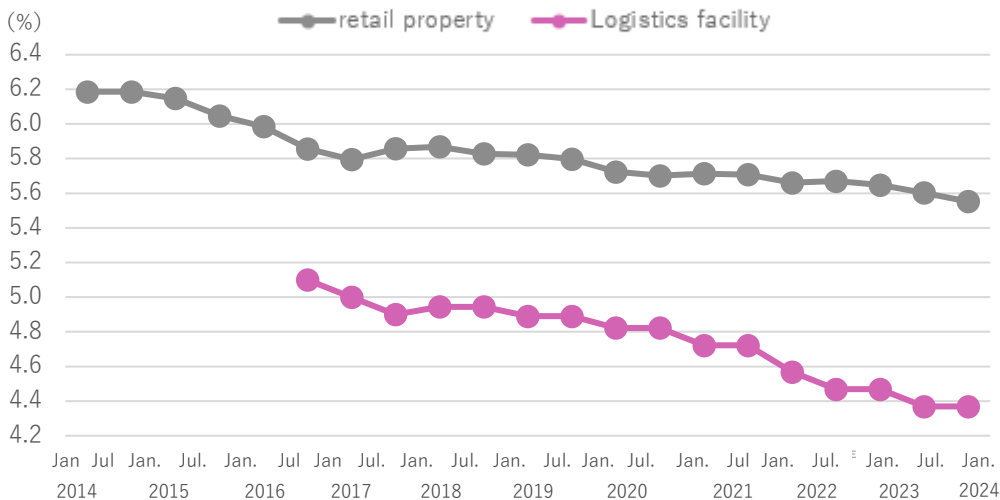
## Entire portfolio (Note 1)



## By area (Note 1,2)



## By facility type (Note 1)



# Status of debts (1/2)

## Borrowing details

Division	Borrowing Amount	Borrowing Date	Maturity	Floating rate/ Fixed rate (Note 1)	Interest rate (Note 2)
Long-term	¥4.5bn	February 27, 2015	October 21, 2024	Effective fixed rate	1.40390%
Long-term	¥6.6bn	May 31, 2016	October 20, 2025	Effective fixed rate	0.99100%
Long-term	¥1.0bn	February 29, 2016	October 20, 2027	Effective fixed rate	1.40730%
Long-term	¥2.7bn	October 20, 2016	October 20, 2025	Effective fixed rate	0.87250%
Long-term	¥4.1bn	October 20, 2016	October 20, 2026	Effective fixed rate	1.00300%
Long-term	¥6.8bn	March 28, 2017	October 21, 2024	Effective fixed rate	0.83800%
Long-term	¥5.0bn	March 28, 2017	October 20, 2026	Effective fixed rate	1.09710%
Long-term	¥4.0bn	November 22, 2018	October 20, 2025	Effective fixed rate	0.85100%
Long-term	¥4.0bn	October 20, 2020	October 21, 2024	Effective fixed rate	0.35900%
Long-term	¥4.8bn	October 20, 2020	October 20, 2026	Effective fixed rate	0.51400%
Long-term	¥5.0bn	October 20, 2020	October 20, 2027	Effective fixed rate	0.61400%
Long-term	¥6.5bn	October 20, 2021	October 20, 2026	Effective fixed rate	0.46000%
Long-term	¥6.6bn	October 20, 2021	October 20, 2028	Effective fixed rate	0.64900%
Long-term	¥3.5bn	October 20, 2021	October 22, 2029	Effective fixed rate	0.76900%
Long-term	¥2.5bn	October 20, 2021	October 20, 2031	Effective fixed rate	0.99700%
Long-term	¥2.6bn	March 22, 2022	October 20, 2025	Effective fixed rate	0.42150%
Long-term	¥8.6bn	March 22, 2022	October 20, 2027	Effective fixed rate	0.62050%
Long-term	¥5.1bn	March 22, 2022	October 22, 2029	Effective fixed rate	0.89600%
Long-term	¥3.0bn	March 22, 2022	October 20, 2031	Effective fixed rate	1.13010%
Long-term	¥4.2bn	October 20, 2022	October 21, 2024	Floating	base interest rate +0.22000%
Long-term	¥3.0bn	October 20, 2022	October 20, 2025	Effective fixed rate	0.52750%
Long-term	¥5.7bn	October 20, 2022	October 20, 2027	Effective fixed rate	0.80750%
Long-term	¥4.6bn	October 20, 2022	October 22, 2029	Effective fixed rate	1.10300%
Long-term	¥3.3bn	October 20, 2022	October 20, 2025	Effective fixed rate	0.52750%
Long-term	¥3.9bn	October 20, 2023	October 20, 2026	Effective fixed rate	0.69160%
Long-term	¥4.5bn	October 20, 2023	October 20, 2027	Effective fixed rate	0.88130%
Long-term	¥4.5bn	October 20, 2023	October 20, 2028	Effective fixed rate	1.05400%
Long-term	¥4.5bn	October 20, 2023	October 22, 2029	Effective fixed rate	1.25600%
Long-term	¥3.0bn	October 20, 2023	October 21, 2030	Effective fixed rate	1.44200%
Long-term	¥5.3bn	October 20, 2023	October 21, 2030	Effective fixed rate	1.42200%
Long-term	¥4.0bn	October 20, 2023	October 20, 2031	Effective fixed rate	1.60000%
<b>Total</b>	<b>¥137.4bn</b>				

## List of lenders

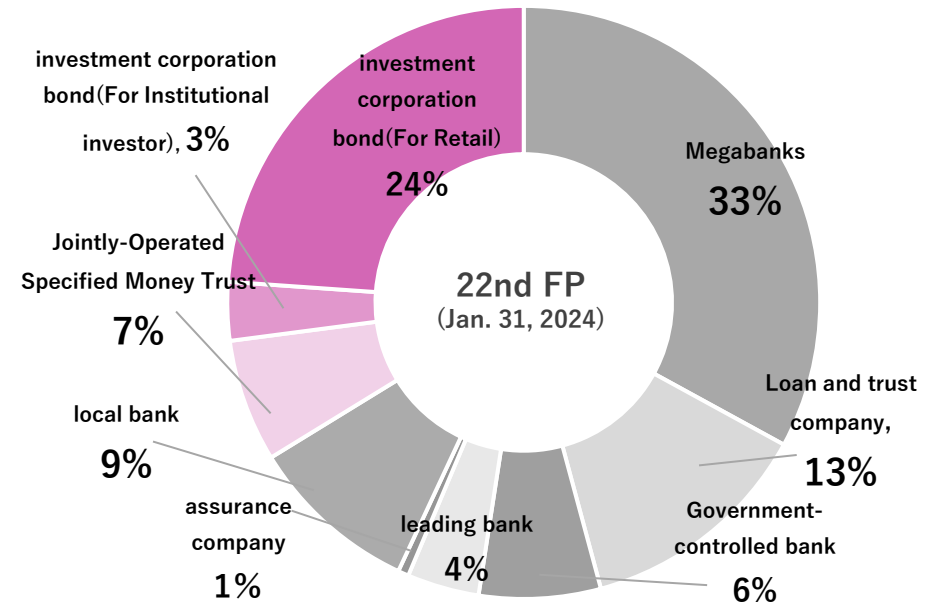
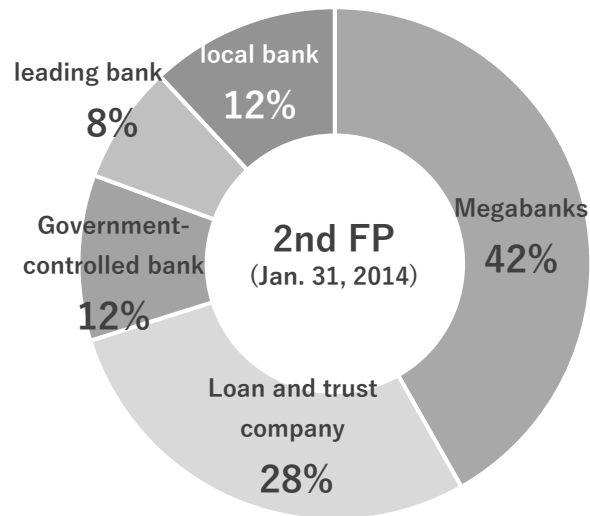
Numbers of Lenders 24 (compared to previous period▲2)		
Mizuho Bank	¥23.2bn	16.9%
Sumitomo Mitsui Banking	¥18.9bn	13.8%
Sumitomo Mitsui Trust Bank	¥17.4bn	12.7%
Bank of Tokyo-Mitsubishi UFJ	¥20.0bn	14.6%
Norinchukin Bank	¥8.0bn	5.8%
Mizuho Trust & Banking	¥6.3bn	4.6%
Mitsubishi UFJ Trust and Banking (Note 3)	¥0.5bn	0.4%
Resona Bank	¥1.2bn	0.9%
AEON BANK	¥3.9bn	2.8%
Development Bank of Japan	¥4.5bn	3.3%
Hyakugo Bank	¥2.1bn	1.5%
Hiroshima Bank	¥2.0bn	1.5%
San ju San Bank (Note 4)	¥4.6bn	3.3%
77 Bank	¥1.0bn	0.7%
Chiba Bank	¥0.3bn	0.2%
Nippon Life Insurance	¥0.3bn	0.2%
Meiji Yasuda Life Insurance	¥0.8bn	0.6%
SBI Shinsei Bank	¥2.3bn	1.7%
The Gunma Bank	¥1.5bn	1.1%
The Yamaguchi Bank	¥1.7bn	1.2%
Kansai Mirai Bank	¥0.8bn	0.6%
The Nishi-Nippon City Bank	¥0.9bn	0.7%
Daiwa Next Bank	¥1.9bn	1.4%
Kiyo Bank	¥0.7bn	0.5%
Sumitomo Mitsui Trust Bank (trust account)	¥3.3bn	2.4%
Sumitomo Mitsui Trust Bank (trust account)	¥9.3bn	6.8%
<b>Total</b>	<b>¥137.4bn</b>	<b>100.0%</b>

# Status of debts (2/2)

## Investment corporation bonds

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

## Breakdown of interest-bearing debts



# Unit price chart



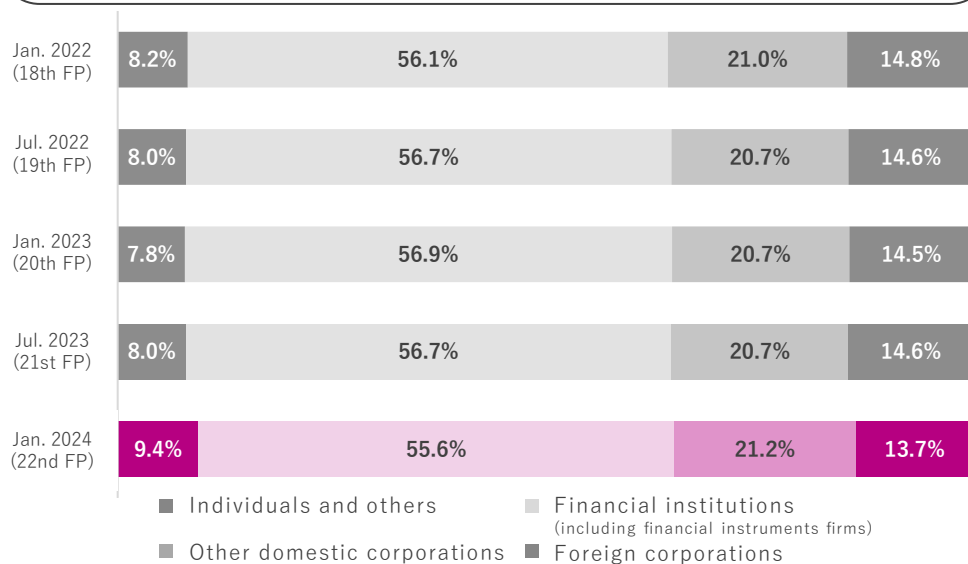
	2019/ Jan (12th FP)	2019/ Jul (13th FP)	2020/ Jan (14th FP)	2020/ Jul (15th FP)	2021/ Jan (16th FP)	2021/ Jul (17th FP)	2022/ Jan (18th FP)	2022/ Jul (19th FP)	2023/Jan (20th FP)	2023/Jul (21st FP)	2024/Jan (22nd FP)
<b>DPU</b>	3,066 yen	3,047 yen	3,074 yen	3,178 yen	3,184 yen	3,200yen	3,315yen	3,274yen	3,283yen	3,350yen	3,350yen
<b>NAV per unit</b>	133,465 yen	136,778 yen	140,517 yen	142,360 yen	144,604 yen	146,432yen	148,470yen	148,721yen	149,772yen	151,071yen	152,786yen
<b>Net assets per unit</b>	111,413 yen	111,437 yen	112,528 yen	112,632 yen	112,638 yen	112,588yen	115,675yen	115,730yen	115,7455yen	116,477yen	116,418yen
<b>Depreciation</b>	4.4 billion yen	4.4 billion yen	4.5 billion yen	4.6 billion yen	4.6 billion yen	4.6 billion yen	5.2billion yen	5.1billion yen	5.1billion yen	5.5billion yen	5.3billion yen

# Composition of unitholders

## Number of unitholders and Investment Units by unitholder type

	Number of Units				Number of Unitholders			
	21st Period (July 31, 2023)		22nd Period (January 31, 2024)		21st Period (July 31, 2023)		22nd Period (January 31, 2024)	
	Number of Investment Units	% of total	Number of Investment Units	% of total	Number of Unitholders	% of total	Number of Investment Units	% of total
Individuals and others	168,866	8.0%	200,653	9.4%	23,979	96.3%	26,513	96.5%
Financial institutions (including financial instruments firms)	1,205,013	56.7%	1,180,715	55.6%	180	0.7%	176	0.6%
Other domestic corporations	439,920	20.7%	450,774	21.2%	405	1.6%	427	1.6%
Foreign corporations	310,153	14.6%	291,810	13.7%	341	1.4%	366	1.3%
Total	2,123,952	100.0%	2,123,952	100.0%	24,905	100.0%	27,482	100.0%

## Investment unit ownership ratio by unitholder type



## Major unitholders (As of Jan. 31, 2024)

	Unitholder Name	Number of Units	% of Total
1	Custody Bank of Japan, Ltd.(trust account)	395,989	18.6%
2	AEON Co., Ltd.	368,169	17.3%
3	The Master Trust Bank of Japan, Ltd. (trust account)	315,282	14.8%
4	The Nomura Trust & Banking Co., Ltd. (trust account)	89,856	4.2%
5	SMBC Nikko Securities Inc.	46,987	2.2%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	28,434	1.3%
7	Sumitomo Mitsui Trust Bank, Limited	27,150	1.3%
8	JP MORGAN CHASE BANK385781	24,557	1.2%
9	The Shinkumi Federation Bank	22,797	1.1%
10	Mizuho Bank, Ltd.	20,000	0.9%
	<b>Total</b>	<b>1,339,221</b>	<b>63.1%</b>



# Notes (IV)

## P.66-67 Portfolio list

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

## P.68-69 Appraisal value

- (Note 1) Listed acquisition price, FP Terminal book value, real estate appraisal value is the figure as of Jan. 31, 2024.
- (Note 2) Unrealized gains / losses are calculated as appraisal value minus book value at the end of the period.
- (Note 3) For AEON LakeTown mori and AEON LakeTown kaze, their appraisal values, price based on direct capitalization method, price based on DCF method, and NOI describe the Investment Corporation’s pro-rata portion of the quasi-coownership interest (jun kyōyū-mochibun) in the beneficially rights of real estate in trust (40% for each property).
- (Note 4) The acquisition price, book value, appraisal value and unrealized gain / loss of “AEON MALL Chiba-Newtown (The shopping mall building and The cinema and sports building)” include the amount of additional acquisition of the land acquired on Oct. 27, 2022.
- (Note 5) AEON MALL Kofu Showa has acquired ¥7,100 mm of the extension building on Sep. 3, 2018, and the above appraisal value refers to the integrated figure of the existing and the extension building.
- (Note 6) As of January 31, 2024, a detailed survey on the impact of the 2024 Noto Peninsula Earthquake for AEON MALL Kahoku and AEON MALL Shin-Komatsu has not been completed, and the necessary data on repairs, etc. to determine the impact on the appraisal value has not been obtained. Therefore, the "Real Estate Appraisal Value" for those 2 properties above is calculated without considering such factors.
- (Note 7) The real estate appraisal value indicates the amount equivalent to the right similar to the co-ownership interest in the trust related to the trust beneficiary interest in real estate(18.18%).
- (Note 8) The following conversion of the Malaysian ringgit into yen is used for each period: rate as of Jul. 31, 2023 for 21st FP (1 RM= ¥31.02 (rounded down to the third digit))and Jan. 31, 2024 for 22nd FP (1 RM= ¥31.22 (rounded down to the third digit)).

## P.70 Major revitalization investments with rent increase (Results and Planned)

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

# Notes (IV)

## P.72 Performance trends of stores in the portfolio (1/2)

- (Note 1) The graph shows the income and the incidental income from the end tenants of the master lease company of domestic retail properties owned by the Investment Corporation as of the end of Jan. 2024 (44 properties).
- (Note 2) The graph shows the index compared to the same period of the previous year of the sales from Jun. 2023 to Nov. 2023 of the 44 domestic retail properties owned by the Investment Corporation as of the end of Jan. 2024 (compared to Jun. 2022 to Nov. 2022).
- (Note 3) The composition ratio is rounded off to the first decimal place. Therefore, the total value may not be 100.0%

## P.73 Performance trends of stores in the portfolio (2/2)

- (Note 1) The graph shows substantial occupancy rate of the total leased area (master lease) deducting vacant floor area of domestic retail properties owned by the Investment Corporation as of the end of Jan. 2024 (44 properties) (rounded to the first decimal place).
- (Note 2) The graph shows the index of the three months end tenant sales compared to the same period of the previous year of domestic retail properties owned by the Investment Corporation as of the end of Jan. 2024 (44 properties).

## P.74 Average cap rate

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

## P.75 Status of debts (1/2)

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

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Asset Manager : AEON Reit Management Co., Ltd.

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

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