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For Immediate Release

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Notice Concerning Debt Financing (Determination of Interest Rate) and
Conclusion of Interest Rate Swap Agreements

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces that it determined details of the debt financing (the “Debt Financing”) announced in the “Notice Concerning Debt Financing (Refinancing of the Existing Loans)” as of September 27, 2016 and also concluded the Interest Rate Swap Agreements as mentioned below.

The Debt Financing will be conducted additionally including Nippon Life Insurance Company and Meiji Yasuda Life Insurance Company as new lenders in order to further enhance our lender formation.

I. Debt Financing:

1. Summary of the Debt Financing

Term	Financial institutions (lenders)	Borrowing amount (in billions of yen)	Interest rate (Note 8)	Borrowing date	Financing method	Maturity	Repayment Method (Note 13)	Security and guarantee
Short term	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 1)	1.5	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.22% (Note 9) (Note 10)		Debt financing based on individual term loan agreements entered into on October 18, 2016 with the lenders mentioned in “Financial institutions”	October 20, 2017	Bullet repayment	Unsecured and unguaranteed
Long term (a)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 2)	3.9	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.22% (Note 9) (Note 11)	October 20, 2016		October 21, 2019		
Long term (b)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 3)	4.8	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.44% (Note 9) (Note 11)			October 20, 2022		

Long term (c)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 4)	1.2	0.55% (fixed interest rate) (Note 12)	October 20, 2016	Debt financing based on individual term loan agreements entered into on October 18, 2016 with the lenders mentioned in "Financial institutions"	Bullet repayment	Unsecured and unguaranteed	October 20, 2022
Long term (d)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 5)	6.7	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.53% (Note 9) (Note 11)					October 20, 2023
Long term (e)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 6)	2.7	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.73% (Note 9) (Note 11)					October 20, 2025
Long term (f)	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited (Note 7)	4.1	Base rate (JBA three-month Japanese Yen TIBOR) plus 0.82% (Note 9) (Note 11)					October 20, 2026
Total		24.9	—					

(Notes)

1. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation.
2. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited and the Chiba Bank, Ltd.
3. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited, AEON BANK, LTD. and The Hyakugo Bank, Ltd.
4. Syndicated lenders consist of The Hiroshima Bank, Ltd., Nippon Life Insurance Company and Meiji Yasuda Life Insurance Company.
5. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited, Development Bank of Japan Inc. and AEON BANK, LTD.
6. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
7. Syndicated lenders consist of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., AEON BANK, LTD. and The Mie Bank, Ltd.
8. Loan fees and other charges to be paid to the lenders are not included.
9. The base rate applicable to the period for calculation of the interest payable on an interest payment date is the three-month Japanese Yen Tokyo Interbank Offered Rate (TIBOR) published by Japanese Bankers Association ("JBA") TIBOR Administration ("JBATA"), General Incorporated Association, two business days prior to the interest payment date. For changes in the JBA Japanese Yen TIBOR, which is the base rate, please refer to the JBATA's website (<http://www.jbatibor.or.jp/english/rate/>).
10. The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day). The base rate applicable to the period for calculation of the interest payable on an interest payment date is the three-month Japanese Yen TIBOR published by JBATA, General Incorporated Association two business days prior to the interest payment

date. The base rate will be reviewed on every payment date; provided, however, that when the calculation period is less than three months, the base rate will be the base rate corresponding to the period calculated based on the method provided in the agreements.

11. Interest rates for payment are practically fixed based on the Interest Rate Swap Agreements concluded separately. For more details, please refer to “II. Conclusion of the Interest Rate Swap Agreements” mentioned as below.
12. The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day).
13. If certain requirements including our advance written notice are met during the period between the date of executions of the Debt Financing and the repayment dates indicated above, each of the borrowings is repayable either in whole or in part prior to the maturity date.

2. Reason for conducting the Debt Financing

The proceeds from the Debt Financing will be used to fund part of refinancing.

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

(1) Total amount to be procured

¥24.9 billion in total

(2) Specific use of proceeds

The proceeds from (i) the Debt Financing of ¥24.9 billion, (ii) total amount of investment corporation bonds issued of ¥2 billion (announced in the “Notice Concerning Issuance of Investment Corporation Bonds” as of October 13, 2016) and (iii) hand reserves will be used to fund of refinancing for (i) the existing debt financing of ¥9 billion (maturity date: October 20, 2016, announced in the “Notice Concerning Debt Financing and Conclusion of Interest Rate Swap Agreements” as of November 25, 2013 and the “Notice Concerning Partial Early Repayment of Debt Financing” as of December 18, 2013), (ii) ¥15.4 billion (maturity date: October 20, 2017, announced in the “Notice Concerning Debt Financing” as of August 25, 2016) and (iii) ¥3 billion (maturity date: October 20, 2017, announced in the “Notice Concerning Debt Financing (For Acquisition of Shares etc., Issued by Overseas Real Estate Holding Corporation)” as of September 27, 2016).

(3) Anticipated disbursement date

October 20, 2016

4. Status of balance of borrowings and other interest-bearing debts after the Debt Financing

(Units: in millions of yen)

	Before the Debt Financing	After the Debt Financing	Change
Short-term borrowings (Note 1)	—	1,500	1,500
Long-term borrowings (Note 2)	115,300	113,300	(2,000)
Total borrowings	115,300	114,800	(500)
Investment corporation bonds	4,000	4,000	—
Total of borrowings and investment corporation bonds	119,300	118,800	(500)
Other interest-bearing debts	—	—	—
Total interest-bearing debts	119,300	118,800	(500)

(Notes)

1. Short-term borrowings are borrowings with a maturity of one year or less.
2. Long-term borrowings are borrowings with a maturity of more than one year and include long-term borrowings due for repayment within one year.

II. Conclusion of Interest Rate Swap Agreements:

1. Reason for concluding the Interest Rate Swap Agreements

The Interest Rate Swap Agreements are made in order to fix interest rate payments and hedge the potential risk of rising interest rates for the part of borrowings under individual term loan agreements entered into on October 18, 2016, as mentioned in “I. Debt Financing – 1. Summary of the Debt Financing”.

2. Summary of the Interest Rate Swap Agreements

(1) The Interest Rate Swap Agreements of the Debt Financing (a)

Counterparty	Nomura Securities Co., Ltd.
Notional principal	¥3.9 billion
Interest rate	Fixed interest rate for payment: 0.017% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 20, 2016
Termination date	October 21, 2019
Interest payment date	The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (a) will be effectively fixed at 0.237% with the conclusion of the Interest Rate Swap Agreement.

(2) The Interest Rate Swap Agreements of the Debt Financing (b)

Counterparty	Nomura Securities Co., Ltd.
Notional principal	¥4.8 billion
Interest rate	Fixed interest rate for payment: 0.0475% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 20, 2016
Termination date	October 20, 2022
Interest payment date	The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment

	will be made on the immediately preceding business day)
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(Note) The interest rate for the Debt Financing (b) will be effectively fixed at 0.4875% with the conclusion of the Interest Rate Swap Agreement.

(3) The Interest Rate Swap Agreements of the Debt Financing (d)

Counterparty	Nomura Securities Co., Ltd.
Notional principal	¥6.7 billion
Interest rate	Fixed interest rate for payment: 0.08375% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 20, 2016
Termination date	October 20, 2023
Interest payment date	The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (d) will be effectively fixed at 0.61375% with the conclusion of the Interest Rate Swap Agreement.

(4) The Interest Rate Swap Agreements of the Debt Financing (e)

Counterparty	Nomura Securities Co., Ltd.
Notional principal	¥2.7 billion
Interest rate	Fixed interest rate for payment: 0.1425% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 20, 2016
Termination date	October 20, 2025
Interest payment date	The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (e) will be effectively fixed at 0.8725% with the conclusion of the Interest Rate Swap Agreement.

(5) The Interest Rate Swap Agreements of the Debt Financing (f)

Counterparty	Nomura Securities Co., Ltd.
Notional principal	¥4.1 billion
Interest rate	Fixed interest rate for payment: 0.183% Variable interest rate for receipt: JBA three-month Japanese Yen TIBOR
Commencement date	October 20, 2016
Termination date	October 20, 2026
Interest payment date	The first interest payment date will be due on January 20, 2017, and subsequent interest payment dates will be due on 20 th day of January, April, July and October every year and the principal repayment date (if a payment day is not a business day, then payment will be made on the next business day; provided, however, that if such payment day is included in the next month, then payment will be made on the immediately preceding business day)

(Note) The interest rate for the Debt Financing (f) will be effectively fixed at 1.003% with the conclusion of the Interest Rate Swap Agreement.

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

Regarding investment risks concerning repayment and other risks associated with the Debt Financing, there are no significant changes to the disclosure in the “Annual Securities Report for the 6th Fiscal Period Ended January 31, 2016” submitted by us on April 26, 2016.

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