

————— JCR Green Bond Evaluation by Japan Credit Rating Agency, Ltd. —————

Japan Credit Rating Agency, Ltd. (JCR) announces the following preliminary Green Bond Evaluation Results.

JCR Assigned Preliminary Green 1 to the Bonds of AEON REIT Investment Corporation

Subject	:	AEON REIT Investment Corporation 6th Unsecured Investment Corporation Bond (with limited inter-bond pari passu clause) (Green Bonds)
Type	:	Investment Corporation Bonds
Issue Amount	:	JPY 12 Billion
Interest Rate	:	To Be Determined
Date of Issuance	:	December 6, 2019
Redemption Date	:	December 6, 2029
Method of Redemption	:	Bullet
Use of Proceeds	:	Refinancing of funds to acquire assets

<Green Bond Preliminary Evaluation Results>

Overall Evaluation	Green 1
Greenness Evaluation (Use of Proceeds)	g1
Management, Operation and Transparency Evaluation	m1

Chapter 1: Evaluation Overview

AEON REIT Investment Corporation (the "Investment Corporation") is a J-REIT that specializes in retail properties sponsored by AEON CO., LTD. The Investment Corporation was established in November 2012 and listed on the Tokyo Stock Exchange (real estate investment trust securities market) in November 2012. AEON REIT Management Co., Ltd. (the "Asset Management Company") is responsible for the asset management business of the Investment Corporation. AEON Co., Ltd. holds a 100% stake of the Asset Management Company. The current portfolio consists of a total of 41 properties (39 in Japan and 2 overseas), with an asset size of JPY380.5 billion (based on acquisition prices).

The Investment Corporation's philosophy is to contribute to local communities and to enrich people's lives through investment in retail facilities. The Investment Corporation considers commercial facilities to be its main investment

target as "livelihood infrastructure assets that underpin prosperous lifestyles in local communities," which are indispensable for their daily lives. By building a portfolio centered on large-scale commercial facilities developed and operated by the sponsor group, the Investment Corporation aims to ensure stable earnings over the medium to long term and steadily grow its investment assets.

The Investment Corporation, together with the Asset Management Company, engages in CSR activities as a member of the AEON Group. AEON Sustainability Principle calls for the realization of a decarbonized society, and works to contribute to the environment with the aim to AEON Decarbonization Vision 2050.

The Investment Corporation is promoting sustainable management by setting priority issues and responding to each issue based on AEON Sustainability Principle, which is the policy of the entire AEON Group for the development of the sustainable society. The Asset Management Company formulates and implements the "Sustainability Policy" based on the idea that consideration for ESG in the overall business and collaboration with stakeholders are important for realizing its philosophies and goals.

The bonds subject to evaluation is the Investment Corporation Bonds (the "Bonds") issued by the Investment Corporation. The Bonds shall be used to refinance funds for the acquisition of existing commercial facilities.

The Asset Management Company defines "Eligible Criteria" in the Green Finance Framework of the Investment Corporation as properties that have acquired or are expected to acquire any of three stars or more of DBJ Green Building Certification, B+ Rank or higher of CASBEE Real Estate Certification, or three stars or more of BELS Certification. In addition, AEON MALL Kagoshima and AEON MALL Kofu Showa, both of which are eligible for the use of the proceeds, have received S-rank in CASBEE Real Estate, and therefore meet the eligible criteria specified by the Investment Corporation. JCR confirmed that they had high environmental improvement effects.

JCR evaluates that the management and administration system of the Investment Corporation has been established and is highly transparent, since the green projects are selected by the approval of the management and an appropriate system has been established, and cash management is carried out under clear rules from the time of issuance of the Bonds to the time of redemption.

Based on JCR Green Finance Evaluation Methodology, JCR assigns "g1" for the preliminary evaluation of the "Greenness Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of the "Management, Operating and Transparency Evaluation." As a result, JCR assigns "Green 1" for overall "JCR Green Bond Preliminary Evaluation." The evaluation results are described in detail in the next chapter.

The Bonds are considered to meet the standards for items required by the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.¹²

¹ ICMA(International Capital Market Association) Green Bond Principles 2018 Edition
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Green-Bond-Principles---June-2018-140618-WEB.pdf>

² Ministry of the Environment Green Bond Guidelines 2017
http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf

Chapter 2: Current Status of the Project on Each Evaluation Factor and JCR's Evaluations

Evaluation Phase 1: Greenness Evaluation

Based on the current status described below and JCR's evaluation of the subject, JCR evaluated 100% of the use of proceeds are for green projects, and assigned "g1", the highest rank for Phase 1: Greenness Evaluation.

(1) JCR's Key Consideration in This Factor

In this section, JCR confirms whether the proceeds are used for green projects that have clear environmental improvement effects. Next, JCR confirms whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility use of proceeds has negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

(2) Current Status of Evaluation Targets and JCR's Evaluation

Overview of the use of proceeds

a. On the environmental improvement effects of the project

- i. 100% of the proceeds are used for refinancing of existing green buildings, which can be expected to have the environmental improving effects.

<Green Finance Framework of the Investment Corporation (excerpt)>

Proceeds from Green Bonds or Green Loans (Green Bonds, etc.) will be used to finance the acquisition, renovation, and refinancing of Green Buildings that meet the following criteria.

- **Eligible Criteria 1**

Properties for which either third-party certification entities (1) to (5) have been acquired or are scheduled to be acquired in the future

- (1) Three stars, four stars, or five stars in DBJ Green Building certification
- (2) B+ Rank, A Rank, or S Rank in CASBEE certification
- (3) Three stars, four stars, or five stars in BELS certification
- (4) Silver, Gold or Platinum in LEED certification
- (5) Evaluation of third-party certification other than the above-mentioned certification at the same level

- **Eligible Criteria 2**

Equipment repair work for the real estate which manages to improve the efficiency of energy consumption, water consumption performance, and other environmental benefits (in principle, a 10% reduction in usage to convention.)

The use of the proceeds of the Bonds is to refinance funds for acquiring existing green eligible assets as defined in the Green Finance Framework above. The Eligible Criteria for green buildings require that the assets have been or will be certified under third-party environmental certification above a certain level. The funds raised through the Bonds will be allocated for refinancing the funds for acquisition of AEON MALL Kagoshima and AEON MALL Kofu Showa as shown below. JCR confirms that the both facilities have obtained S-rank in CASBEE-Real Estate certification. JCR assigned "Green 1(F)" to the Green Finance Framework of the Investment Corporation.

<Property 1>

Property Name	AEON MALL Kagoshima
Location	Kagoshima City, Kagoshima
Principal Uses	Commercial Building
Site Area	109,318.52m ²
Total Floor Area	132,291.35 m ²
Number of Stories	5 floors
Completion	September, 2007 November, 2013 Extension
Environmental Certification	S Rank in CASBEE Real Estate Certification (2018)
Features and Environmental Performance	<ul style="list-style-type: none"> • This is the largest shopping mall in the region located in Kagoshima City, which has a population of approximately 600,000 people. It is a wide-area commercial facility with 200 stores and 4,000 parking lots. • Located in the coastal area about 8km south of the JR "Kagoshima Chuo" Station, the national roads, which are the main roads that penetrate vertically through Kagoshima City, run together in the neighborhood, and have high transportation convenience. • The facility received S-rank in CASBEE real estate by the energy conservation efforts in cooperation with tenants, the biodiversity conservation efforts by introducing various plants, and the high natural lighting rate.

<Property 2>

Property Name	AEON MALL Kofu Showa
Location	Nakakoma-Gun, Yamanashi
Principal Uses	Commercial Building
Site Area	119,064.22m ²
Total Floor Area	99,680.71m ²
Number of Stories	4 floors
Completion	March, 2011 November, 2017 Extension
Environmental Certification	S Rank in CASBEE Real Estate Certification (2018)
Features and Environmental Performance	<ul style="list-style-type: none"> • It is the area's only full-scale mall-type shopping center covering the Kofu commercial area, and is composed of about 180 specialty shops centered on AEON Style Kofu Showa. In 2017, renovation with floor expansion was carried out. • The main roads such as the Showa IC of Chuo Motor Kofu and Kofu Bypass are located within 2 km and surrounded by the approach roads in the four directions, and the accessibility is good. • The facility received S-ranking in CASBEE Real Estate by the efforts to conserve energy in collaboration with tenants, the introduction of many

	recycled materials for non-structural materials, and the installation of high side lights.
--	--

ii. The use of proceeds falls under the category of green projects defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficiency" or "green buildings which meet regional, national or internationally recognized standards or certifications."

b. Negative impact on the environment

The Asset Management Company verifies the negative impact on the environment by acquiring engineering reports and conducting on-site due diligence by a specialized department when acquiring the properties.

JCR confirmed that negative environmental impacts of the green projects for which the Bonds are to be used are appropriately avoided.

c. Consistency with SDGs goals and targets

The projects are categorized into energy conservation and regional/national or internationally recognized standards and certification green buildings. With reference to ICMA's SDGs mappings, JCR assessed that the projects contribute to the following SDGs goals and targets:



Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

Target 7.3. By 2030, double the global rate of improvement in energy efficiency.



Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

(Reference) Certification System for Each Green Building

1. DBJ Green Building Certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society." DBJ Green Building evaluates three major categories: Ecology (Environment), Amenity (Comfort) and Risk Management (Crime Prevention and Disaster Prevention) and Community (Region and Landscape) and Partnership (Cooperation with Stakeholders). Result is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), or one star (satisfactory). Although it is not an environmental performance-specific evaluation, it is highly recognized in Japan and has a certain evaluation item regarding environmental performance. Therefore, JCR evaluated this certification as equivalent to "Green buildings which meet regional,

national or internationally recognised standards or certifications" in the category of green projects as defined in Green Bond Principle. However, since the certification is not limited to environmental performance, JCR considers that it is desirable to confirm the evaluation of environmental performance individually.

2. CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

CASBEE is a method to evaluate and rate the environmental performance of buildings by referring to the building environmental performance assessment system. In April 2001, with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, the Comprehensive Environmental Evaluation Research Committee for Buildings was established as a joint project between industry, government, and academia, and since then it has been continuously conducting development and maintenance. In addition to CASBEE for Buildings and CASBEE for Urban Development, assessment tools include CASBEE for Real Estate developed to provide easy-to-understand environmental performance to the real estate market. Some municipalities are obligated to submit environmental plans when constructing buildings of a certain size, using CASBEE.

The CASBEE's assessment results are divided into five grades: S rank (excellent), A rank (very good), B+ rank (good), B-rank (slightly poor), and C-rank (poor). CASBEE for real estate is classified into four grades: S rank (excellent), A rank (very good), B+ rank (good), and B rank (satisfying essential items).

3. BELS (Building-housing Energy-efficiency Labeling System)

BELS is a building energy efficiency performance indicator system under which third-party assessment bodies evaluate and accredit the energy efficiency performance of new and existing buildings. The outer skin performance (performance standards and specification standards) and primary energy consumption (performance standards and specification standards) are subject to evaluation, and the evaluation results are expressed in stars according to the achievement values of the energy efficiency standards. High evaluation requires excellent energy-efficiency performance. In BELS, this ranking is based on BEI (Building Energy Index). The number of stars is divided from one to five by BEI.

4. LEED (Leadership in Energy and Environment Design)

LEED is the Environmental Performance Assessment System for Construction and Urban Environments, development and operation by the U.S. Green Building Council (USGBC), a non-profit organization. As of 2019, there are buildings certifications in over 160 countries or territories.

"LEED" is an acronym for Leadership in Energy and Environment Design. The draft was published in 1996 and is updated once every few years.

There are five types of certification: BD+C (Architectural Design and Construction), ID+C (Interior Design and Construction), O+M (Operation and Maintenance of Existing Buildings), ND (Neighborhood Development), and HOMES (Home).

The authentication level is represented by the sum of the points acquire for each item and is from above Platinum (80 points or more), Gold (60-79 points), Silver (50-59 points), and Certified (40-49 points).

Evaluation Phase 2: Management, Operation and Transparency Evaluation

Based on the current situation described below and JCR's evaluation of the subject, JCR evaluated that the management and operational system had been well developed, that transparency was very high, and that it was fully expected that the project would be implemented as planned and that the proceeds would be adequately allocated. In Phase 2, JCR evaluated "m1" as the highest level in terms of management, operation and transparency.

1. Appropriateness and Transparency Concerning Selection Standard and Processes of the Use of Proceeds

(1) JCR's Key Consideration in This Factor

In this section JCR confirms that the objectives to be achieved through the green bonds, the criteria for selecting green projects, the appropriateness of the process, and the series of processes are appropriately disclosed to investors.

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Goal

The Investment Corporation has set the following objectives in the Green Finance Framework to implement Green Finance.

The basic Principle of AEON REIT Investment Corporation (The "Investment Corporation") is "to contribute to the realization of affluent lifestyles and local communities through investments in retail facilities." The Investment Corporation aims to secure stable earnings over the medium to long term through investments in the living infrastructure assets of local communities. AEON REIT Management Co., Ltd. (the "Asset Management Company"), which is responsible for the asset management business of the Investment Corporation, has formulated and implemented the "Sustainability Policy" based on the belief that in order to realize its philosophies and targets, it is important to give consideration to ESG in all businesses and to collaborate with stakeholders in order to achieve them. The Investment Corporation will formulate Green Finance Framework to realize its philosophies and targets, expand financing methods by expanding the investor base that is proactive in ESG investment, and develop green finance, including the investment corporation bonds and green bonds markets.

Sustainability Policy (excerpt)

- In order to realize a low-carbon society, we will strive to reduce greenhouse gas emissions through continuous improvement of energy efficiency at commercial facilities and other facilities, which are assets under management, and the utilization of renewable energy.
- Considering the conservation of ecosystems, we will promote harmony with nature through the management of real estate, such as tree-planting activities at commercial facilities, which are the target assets of management.
- We are committed to conserving resources and recycling resources by promoting water conservation at commercial facilities, which are assets under management, and the reduction, reuse and recycling (3R) of resources for the purpose of sustainable resource utilization.
- We comply with environmental laws and regulations and strive to prevent environmental pollution.

(Source: AEON REIT Investment Corporation website)

The use of the proceeds of the Bonds will be the refinancing of the acquisition funds of AEON MALL Kagoshima and AEON MALL Kofu Showa, which will contribute to underlined initiatives in the policy on sustainability.

b. Selection Criteria

The eligibility criteria of the Framework are set out in Evaluation Phase 1 of this report.

The use of proceeds is evaluated by the Financial and Planning Department of the Asset Management Company for compliance with the eligible criteria.

JCR evaluates the selection criteria for green projects as appropriate.

c. Processes

AEON MALL Kagoshima and AEON MALL Kofu Showa were drafted by the Financial Planning Department of the Asset Management Company and were determined as subjects for the use of proceeds by the Investment Committee and the board of directors of the Investment Corporation. JCR evaluates that the process regarding the Bonds is appropriate.

The Investment Corporation expects to disclose its green finance targets, selection criteria, and processes in this evaluation report. JCR evaluated that transparency for investors is ensured.

2.Appropriateness and Transparency of Management of the Proceeds

(1) JCR's Key Consideration in This Factor

The management of the proceeds is usually assumed to be diverse by issuers. JCR assesses whether the proceeds firmly allocated to the green project, the project have internal systems to easily track the allocation of the proceeds and the money funded by the Bonds will be allocated to the green project at once. JCR also considers the evaluation of asset management of unallocated funds.

JCR also attaches importance to evaluating the management and operation of the unallocated funds, as well as to confirming that the funds procured from the Bonds will be allocated to the green projects at an early stage.

(2) Current Status of Evaluation Targets and JCR's Evaluation

The proceeds of the Bonds will be fully appropriated to the refinancing of the acquisition funds for the two commercial establishments described in Phase 1 of this evaluation report and will not be appropriated for any other purpose.

The Financial Planning Department of the Asset Management Company shall manage the funds relating to the Bonds and the Accounting Department shall give remittance instructions to the trust bank, which is the trustee of the Administrative Agency.

The Financial Planning Department plans to track and manage the allocation of funds procured through Green Finance and to manage the upper limit of Green Finance Procurement set forth in the Framework by using a confirmation sheet. Documents related to transactions are to be properly retained until the repayment of the Bonds. The Compliance Department conducts audits on these administrative functions related to cash management, so sufficient internal control is ensured.

Until all green finance including the Bonds is redeemed, the outstanding balance of green finance is managed so as not to exceed the upper limit of Green Finance Procurement (the amount calculated by multiplying the total amount of assets satisfying Eligible Criteria 1 and 2 by the total asset LTV).

From the above, JCR evaluates that the cash management at the Investment Corporation is reasonable and highly transparent.

3.Reporting

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the disclosure system for investors, etc. before and after the issuance of green bonds is planned in a detailed and effective manner at the time of the issuance of green bonds

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Reporting of the proceeds allocations

As stated in the preceding clause, the funds raised by the Bonds shall be fully appropriated by the following day for the refinancing of the funds for acquisition of AEON MALL Kagoshima and AEON MALL Kofu Showa. For this reason, reporting during the period for unallocated funds is not currently anticipated, and disclosure of fund allocation is expected on the Investment Corporation's website. JCR confirmed through hearings with the Asset Management Company that disclosure will be made on the Investment Corporation's website even in the event of a major change in circumstances, such as when the use of the proceeds of the Bonds is no longer eligible due to sell or other reasons.

JCR evaluates the appropriateness of reporting on fund allocation.

b. Reporting on environmental improvement effects

In the Green Finance Framework, the Investment Corporation intends to disclose the following indicators on its website once a year as reporting items for environmental improvement effects.

- List of Certification Properties of Third-Party Certification Organizations
- Energy (electricity and gas) Consumption and Energy Consumption Per Unit of Sales
- Greenhouse Gas Consumption and Greenhouse Gas Consumption per Unit of Sales
- Details and Assumed Reduction Rates for Construction Selected under Eligible Criteria 2 (Including Eligible Criteria 2 of the Green Finance Procurement Amount)

JCR evaluates these disclosures and their frequency as appropriate in light of the ICMA's Green Building Impact Reporting Standards.

4.Environmental Initiatives of the Organization

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the management of the issuer considers environmental issues to be a high priority issue for management, whether the green bond issuance policy, process, and green project selection criteria are clearly positioned through the establishment of a department specializing in environmental issues or cooperation with external organizations, etc.

(2) Current Status of Evaluation Targets and JCR's Evaluation

The Investment Corporation has built a portfolio centered on large-scale commercial facilities rooted in the regions development and operated by the sponsor, AEON Group. The Investment Corporation aims to build win-win relationships with the AEON Group and maximize investment value. The Investment Corporation follows the policies of its parent company, AEON.

a. AEON's environmental activities

AEON, which the Investment Corporation belongs to, has been developing a system for systematically implementing CSR activities since the late 1980s. In 1989, AEON established the AEON Group 1% Club (now AEON One Percent Club) and established the JUSCO Committee and the AEON Group Environmental Foundation (now AEON Environmental Foundation) to address environmental and social issues. In the 28 years since its establishment in 1990, AEON Environmental Foundation has contributed a total of 2,948 organizations, totaling about JPY 2.7 billion for the conservation and sustainable use of biodiversity.

In September 2018, AEON revised its "AEON Sustainability Policy" and revised the "Big Challenge 2020" set in 2014 to further advance sustainable management. In particular, the company has set medium-to long-term Objectives for three key environmental challenges: AEON Decarbonization Vision 2050, AEON Sustainable Procurement Policy and 2020 Targets, and the AEON Group Food Waste Reduction Targets (2025).

AEON Sustainability Policy

<Key Environmental Issues>

- 1) To realize a decarbonization society
- 2) To conserve biodiversity
- 3) To promote resource recycling

<Key Social Issues>

- 1) To create products and stores that meet society's expectations
 - 2) To conduct business activities with respect for human rights
 - 3) To collaborate with communities
-

The purpose of this vision is to reduce emissions from stores to zero by 2050 and to contribute to the realization of decarbonization through efforts to reduce greenhouse gas emissions from the three perspectives of "Stores," "Products and Logistics," and "Working with Customers." Since 2012, the AEON Eco Project has been working to reduce energy consumption and CO₂ emissions. In order to achieve stronger commitments, the AEON Group has formulated specific plans for its activities in all directions, indicating that the AEON Group is responding to environmental issues with a strong awareness.

In March 2018, AEON became the first major Japanese retailer to participate in RE100 (Renewable Energy 100, the initiative which the Climate Group, an international environmental NGO began in 2014. As of

August 20 2019, 191 companies had joined it). AEON is stepping up its efforts with the goal of "business management with 100% renewable energy."

b. Environmental Initiatives of AEON REIT Investment Corporation

The Investment Corporation promotes sustainable management by setting priority issues and responding to various issues under the AEON Group Basic Policy on Sustainability, which is the policy of the entire AEON Group for the development of a sustainable society. The Asset Management Company formulates and implements the "Sustainability Policy" based on the recognition that consideration for ESG in all businesses and collaboration with stakeholders are important. In order to implement its Sustainability Policy, the Investment Corporation formulated Energy Conservation Policy and Greenhouse Gas Emission Reduction Policy. It is working to improve energy efficiency in its real estate portfolios and continuously reduce energy consumption and CO₂ emissions.

As a specific activity of the AEON Group, the Asset Management Company conducts discussions on sustainability with tenants such as AEON Mall and AEON Retail, as well as joint energy conservation efforts. These efforts have also been evaluated and verified through various third-party certifications related to green buildings, and have been highly rated for being ranked as S, the highest in CASBEE-real estate evaluations at AEON MALL Kofu Showa, AEON MALL Kagoshima, and AEON MALL Yamato Koriyama.

The Asset Management Company has established the Sustainability Promotion Committee, which discusses concrete measures to realize sustainability policies and targets. The chairman of the Committee (President and CEO), who has the final decision-making authority, discusses the achievement status of targets and measures for the current fiscal year, as well as the targets and measures for the following fiscal year. The Sustainability Promotion Committee comprises a wide range of members, from the president, who is the chairman of the Committee, to the people in charge of the sustainability issues. The Investment Corporation has put in place a system for addressing environmental issues throughout the organization.

The Asset Management Department of the Asset Management Company is a specialized department that undertakes initiatives to obtain third-party certification and evaluations, such as CASBEE certification. The Asset Management Department is clearly involved in the Investment Corporation's green finance by cooperating with the Investment Corporation in creating the Framework by utilizing expertise, and sharing materials with the Finance Planning Department when selecting green projects. The Investment Corporation also receives certification from outside experts and advice on the design of websites and ESG initiatives, and actively utilizes expertise from outside the company.

Based on the above, JCR evaluated that AEON and the Investment Corporation's management regard environmental issues as an important management priority, and that departments with specialized knowledge are clearly involved in green bond procurement policies and processes and the selection of green projects.

■ Evaluation result

Based on JCR Green Finance Evaluation Methodology, JCR assigns "g1" for the preliminary evaluation of the "Greenness Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of the "Management, Operating and Transparency Evaluation." As a result, JCR assigns "Green 1" for overall "JCR Green Bond Preliminary Evaluation." The Bonds are considered to meet the standards for the items required by the Green Bond Principles and the Green Bond Guideline.

[JCR Green Bond Evaluation Matrix]

		Management, Operation, and Transparency Evaluation				
		m1	m2	m3	m4	m5
Greenness Evaluation	g1	Green 1	Green 2	Green 3	Green 4	Green 5
	g2	Green 2	Green 2	Green 3	Green 4	Green 5
	g3	Green 3	Green 3	Green 4	Green 5	Not qualified
	g4	Green 4	Green 4	Green 5	Not qualified	Not qualified
	g5	Green 5	Green 5	Not qualified	Not qualified	Not qualified

■ Scope of Subject

Issuer: AEON REIT Investment Corporation (Security Code: 3292)

[Assignment]

Subject	Issue Amount	Issue Date	Redemption Date	Interest Rate	Preliminary Evaluation
6th Unsecured Investment Corporation Bond (with limited inter-bond pari passu clause) (Green Bonds)	JPY 12 Billion	December 6, 2019	December 6, 2029	To be determined	JCR Green Bond Evaluation: Green 1 Greenness Evaluation : g1 Management, Operation and Transparency Evaluation : m1

(Responsible analysts for this evaluation) Rieko Kikuchi and Hiroya Kakiuchi

Important explanation of the Green Bond Evaluation

1. Assumptions, Significance, and Limitations of JCR Green Bond Evaluation

JCR Green Bond Evaluation, which is assigned and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the proceeds of green bonds, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation, and transparency of the use of green bonds are ensured. This does not perfectly disclose all the efforts taken by the issuer/borrower to ensure the use of proceeds, administration, management of the proceeds and the transparency.

JCR Green Bond Evaluation is to evaluate the plan or status of the proceeds to green projects at the time of issuing green bonds or planning to issue, and does not guarantee the future actual allocation of the proceeds. JCR does not guarantee the positive environmental effects of green bonds nor is liable for their expected impacts. JCR confirms that the environmental impacts, which will be realized by the allocated proceeds, are calculated quantitatively and qualitatively by the issuer or by a third party requested by the issuer, but in principle JCR does not calculate them by itself.

2. Methodologies used in the conduct of this evaluation

The methodology used in this evaluation are listed on JCR website (Sustainable Finance & ESG in <https://www.jcr.co.jp/en>) as JCR Green Finance Evaluation Methodology.

3. Relationship with Acts Related to Credit Rating Business

JCR Green Bond Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

4. Relationship with Credit Ratings

The Evaluation differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

5. Third-party character of JCR

There is no conflict of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

■Disclaimers

The information contained in this document has been obtained by JCR from the Issuer and from accurate and reliable sources. Provided, however, that such information may be erroneous due to human, mechanical or other reasons. Accordingly, JCR makes no representation or warranty, express or implied, as to the accuracy, results, accuracy, timeliness, completeness, marketability, or fitness for a particular purpose of such information, and JCR assumes no responsibility for any error, omission, or result of using such information. In no event shall JCR be liable for any special, indirect, incidental or consequential damages of any kind, including opportunity loss, monetary loss, which may arise from any use of such information, whether contractual, tort, negligence or other cause of liability, and whether or not such damages are foreseeable or unforeseeable. JCR Green Bond Evaluation does not express any opinion on the various risks (credit risk, price fluctuation risk, market liquidity risk, etc.) associated with the green bond, which is the subject to the evaluation. JCR Green Bond Evaluation is a comprehensive statement of opinion at the present time of JCR and is not a statement of fact and does not make any recommendations regarding risk judgment or the decision to purchase, sell or hold individual bonds, commercial paper, etc. JCR Green Bond Evaluations may be changed, suspended, or withdrawn due to changes in information, lack of information, or other reasons. All rights to this document, including data from JCR Green Bond Evaluation, are held by JCR. Reproduction, adaptation, modification or alteration of this document, in whole or in part, including data from JCR Green Bond Evaluation, without the permission of JCR is prohibited.

■Glossary

JCR Green Bond Evaluation: JCR Green Bond Evaluation evaluates the extent to which the funds procured from the Green bond are allocated to the Green Project as defined by JCR, and the extent to which the management, operation, and transparency of the Green Bond are ensured. Evaluations are graded on a scale of 5, beginning with the top, using the Green1, Green2, Green3, Green4, and Green5 symbols.

■Status of registration as an external reviewer of green finance

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)
- Climate Bonds Initiative Approved Verifier

■Status of registration as a credit rating agency. etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO(Nationally Recognized Statistical Rating Organization). (1)Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

■ For further information, contact

Information Service Dept. TEL: 03-3544-7013 FAX: 03-3544-7026

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Copyright © Japan Credit Rating Agency, Ltd. All rights reserved.