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For Immediate Release

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Notice Concerning Revision to Forecasts for Performance and Distributions for the
Fiscal Period Ending January 31, 2021 and July 31, 2021

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) hereby announces revisions to its forecasts for performance and distributions (forecast figures) for the fiscal period ending January 31, 2021 (from August 1, 2020 to January 31, 2021) and July 31, 2021 (from February 1, 2021 to July 31, 2021), which were originally published in Financial Report for the Fiscal Period Ended July 31, 2020” dated September 14, 2020 as detailed below

1. Revision to the forecasts for performance

(1) Revision to the forecasts for performance and distributions for the fiscal period ending January 31, 2021

	Operating revenues (in millions of yen)	Operating income (in millions of yen)	Ordinary income (in millions of yen)	Net income (in millions of yen)	Distributions per unit (excluding distributions in excess of earnings) (in yen)	Distributions in excess of earnings per unit (in yen)
Previous forecasts (A)	17,549	6,730	5,871	5,871	3,130	0
Revised forecasts (B)	17,677	6,810	5,951	5,951	3,175	0
Amount of change (B - A)	128	79	79	79	45	0
Rate of change (B - A) / (A)	0.7%	1.2%	1.4%	1.4%	1.4%	-

(2) Revision to the forecasts for performance and distributions for the fiscal period ending July 31, 2021

	Operating revenues (in millions of yen)	Operating income (in millions of yen)	Ordinary income (in millions of yen)	Net income (in millions of yen)	Distributions per unit (excluding distributions in excess of earnings) (in yen)	Distributions in excess of earnings per unit (in yen)
Previous forecasts (A)	17,549	6,688	5,872	5,871	3,130	0
Revised forecasts (B)	17,766	6,799	5,983	5,982	3,190	0
Amount of change (B - A)	216	111	111	111	60	0
Rate of change (B - A) / (A)	1.2%	1.7%	1.9%	1.9%	1.9%	-

(Reference)

Fiscal period ending January 31, 2021:

Anticipated number of investment units outstanding at the end of the period: 1,873,317 units

Fiscal period ending July 31, 2021:

Anticipated number of investment units outstanding at the end of the period: 1,873,317 units

(Notes)

1. The above forecast figures represent current calculations based on the assumptions shown in Attachment, "Assumptions Underlying the Forecasts for the Fiscal Periods Ending January 31, 2021 and July 31, 2021." Actual operating revenues, operating income, ordinary income, net income and distributions per unit (excluding distributions in excess of earnings) may differ from these forecasts due to factors in the future such as additional acquisitions or sales of properties, or other assets, changes in the real estate market, trends in interest rates and other changes in circumstances affecting us. In addition, these forecasts are not a guarantee of distribution amounts.
2. We may revise the above forecasts in the event that the difference between the above forecasts and actual results are anticipated to be over a certain threshold.
3. The values are truncated to the unit, and percentages are rounded to the first decimal place. The same applies below.

2. Reasons for revision and announcement

The assumptions for the forecasts for the fiscal period ending January 31, 2021 and July 31, 2021 released on September 14, 2020 have changed due to the anticipated acquisition of property, which we announced in "Notice Concerning Acquisition and Lease of Domestic Property" dated today. For this reason, the forecasts for the performance and distributions for the fiscal period ending January 31, 2021 and July 31, 2021 have been revised.

* AEON REIT Investment Corporation's website: <https://www.aeon-jreit.co.jp/en/index.html>

【Attachment】

Assumptions Underlying the Forecasts
for the Fiscal Periods Ending January 31, 2021 and July 31, 2021

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending January 31, 2021 (184 days from August 1, 2020 to January 31, 2021, the 16th Period) • Fiscal period ending July 31, 2021 (181 days from February 1, 2021 to July 31, 2021, the 17th Period)
Portfolio	<ul style="list-style-type: none"> • We assume a total of 43 properties, for which we currently hold 42 properties (the “Current Properties” (including AEON MALL SEREMBAN 2 which we own through the acquisition of all of the issued and outstanding shares of overseas special purpose company (the “Overseas SPC”) which holds the property)) and intend to acquire 1 additional property on October 15, 2020(the “Anticipated Property”). For the details of the acquisition of the Anticipated Property, see “Notice Concerning Acquisition and Lease of Domestic Property” announced today. • With respect to forecast performance, we assumed that the Anticipated Property would be acquired within the above timeline, and that there would be no change in assets under management (acquisition of new assets or sales of the Current Properties, etc.) until the fiscal period ending July 31, 2021 (the 17th Period). • However, changes in actual results may occur on account of changes in assets under management other than as detailed above.
Operating revenues	<ul style="list-style-type: none"> • Revenues from the leasing of the Current Properties are calculated based on currently effective lease contracts and market fluctuations. Dividend income received from the Overseas SPC is calculated based on receiving term-end dividends in the fiscal period ending January 31, 2021 (the 16th Period) and interim dividends in the fiscal period ending July 31, 2021 (the 17th Period). The exchange rate is assumed ¥24.00 to 1 RM. Revenues from the leasing of the Anticipated Property are calculated based on information acquired from the current owner of each Anticipated Property, the current lease contract that is effective as of the scheduled date of acquisition of each Anticipated Property, market movement and other factors. • Operating revenues are based on the assumption that tenants will pay rent without delinquency.
Operating expenses	<ul style="list-style-type: none"> • Of the expenses in the leasing business that are principal operating expenses, for the Current Properties, expenses other than depreciation are calculated reflecting variable expense factors based on the actual historical expenses. Expenses for the Anticipated Property is calculated by reflecting fluctuating factors, based on the amount in the appraisal report, taking into account information acquired from the current owner of each Anticipated Property. • Although property taxes, city planning taxes and depreciable property taxes on the acquired assets are generally calculated on a pro-rata basis with the current owners and settled at the time of acquisition, an amount equivalent to such tax is not expensed in the period when the assets are acquired, as it is included in the acquisition price. The total amount of property taxes, city planning taxes and other taxes on the Anticipated Property that is included in the acquisition cost is assumed to be 13 million yen. Property taxes, city planning taxes and depreciable property taxes on the Current Properties to be expensed in the fiscal period ending January 31, 2021 (the 16th Period) and the fiscal period ending July 31, 2021 (the 17th Period) will be 1,979 million yen and 2,066 million yen respectively. The property taxes, city planning taxes and depreciable property taxes for fiscal year 2021 in relation to “AEON Ueda Shopping Center” will be expensed from the fiscal period ending July 31, 2021 (the 17th Period). • Building repair expenses are accounted for as expenses required for every business period according to the mid-to-long term building repair plan developed by the asset manager (AEON Reit Management Co. Ltd.). However, repair and maintenance

	<p>expenses in each business period may differ largely from the expected amount for reasons such as: damage to buildings from certain unexpected factors and other repair expenses that do not occur regularly. In general, the amount of repair expenses varies considerably from year to year.</p> <ul style="list-style-type: none"> • Depreciation expenses including ancillary costs are calculated by the straight-line method. The forecast assumes 4,676 million yen in the fiscal period ending January 31, 2021 (the 16th Period) and 4,699 million yen in the fiscal period ending July 31, 2021 (the 17th Period).
Non-operating expenses	<ul style="list-style-type: none"> • For interest expenses and other borrowing costs, 850 million yen in the fiscal period ending January 31, 2021 (the 16th Period) and 809 million yen in the fiscal period ending July 31, 2021 (the 17th Period) are projected.
Borrowings	<ul style="list-style-type: none"> • As of October 14, 2020, AEON REIT has interest-bearing debt totaling ¥159,800 million. • It is assumed that AEON REIT will refinance ¥31,800 million in borrowings that will mature in the 16th fiscal period (repayment date: October 20, 2020) for the same amount. • LTV ratio is anticipated to be approximately 44.9% as of the end of the 16th fiscal period (January 31, 2021) and approximately 44.9% as of the end of the 17th fiscal period (July 31, 2021). • LTV is calculated by using the following formula: $\text{LTV} = \frac{\text{Total interest-bearing debt plus tenant leasehold and security deposits (including tenant leasehold and security deposits in trust)}}{\text{Total assets}} \times 100$
Investment units	<ul style="list-style-type: none"> • Distribution per unit for the 16th and 17th fiscal periods is calculated based on the assumption that the total number of investment units issued and outstanding will be 1,873,317 units as of October 14, 2020. Furthermore, it is assumed that there will be no issuance of new investment units through the end of the 17th fiscal period, without any change in the number of investment units.
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of earnings) are calculated based on the fund distribution policy provided in our Articles of Incorporation. • Distributions per unit may change due to various factors including changes in rent revenues attributable to changes in the assets under management and changes in tenants, as well as the occurrence of unexpected repairs and maintenance.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • The Investment Corporation currently does not intend to pay distributions in excess of earnings per unit in the periods covered by the forecasts.
Others	<ul style="list-style-type: none"> • It is assumed that no revision that would have an impact on the forecast values above will be made in the laws, tax systems, accounting standards, listing rules, the rules of the Investment Trusts Association, Japan, or other applicable rules and regulations. • It is assumed that no unexpected significant change will occur with respect to general economic behavior, real estate market conditions and other similar conditions. • It is assumed that the negative impact from the spread of COVID-19 will neither prolong nor further expand. Please note that the above forecasts do not take into account the negative impact on the operating results in case COVID-19 should linger or further expand.