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For Immediate Release

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Notice Concerning Revision to the Forecasts for Performance and Distributions for the Fiscal Period Ending July 31, 2023 and the Forecasts for Performance and Distributions for the Fiscal Period Ending January 31, 2024

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 July 31, 2023 (from February 1, 2023 to July 31, 2023), which were originally published in “Financial Report for the Fiscal Period Ended July 31, 2022 (REIT)” dated September 14, 2022 as detailed below.

In addition, we hereby announce our forecasts for performance and distributions for the fiscal period ending January 31, 2024 (from August 1, 2023 to January 31, 2024).

1. Revision to the forecasts for performance

(1) Revision to the forecasts for performance and distributions for the fiscal period ending July 31, 2023

	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 retained earnings) (in yen)	Distributions in excess of retained earnings per unit (in yen)
Previous forecasts (A)	19,976	7,579	6,627	6,627	3,270	0
Revised forecasts (B)	20,959	7,945	7,019	7,019	3,350	0
Amount of change (B - A)	983	365	392	392	80	0
Rate of change (B - A) / (A)	4.9%	4.8%	5.9%	5.9%	2.4%	—

Disclaimer: This press release has been prepared for the public disclosure of the revision to the forecasts for performance and distributions for the fiscal period ending July 31, 2023 and the forecasts for performance and distributions for the fiscal period ending January 31, 2024 of AEON REIT Investment Corporation and has not been prepared for the purpose of soliciting investment. Any investment decision should be based on an investor’s own responsibility and judgment after reading the prospectus for the new investment units and secondary offering of investment units, as well as any revisions thereto prepared by us.

(2) The forecasts for performance and distributions for the fiscal period ending January 31, 2024

	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 retained earnings) (in yen)	Distributions in excess of retained earnings per unit (in yen)
Forecasts	20,957	7,998	7,020	7,020	3,350	0

(Reference)

Fiscal period ending July 31, 2023:

Anticipated number of investment units outstanding at the end of the period: 2,123,952 units (2,044,467 units assumed at previous announcement)

Fiscal period ending January 31, 2024:

Anticipated number of investment units outstanding at the end of the period: 2,123,952 units

(Notes)

1. The above forecast figures represent current calculations based on the assumptions described in the Attachment to this press release, “Assumptions Underlying the Forecasts for the Fiscal Periods Ending July 31 2023 and January 31, 2024.” Actual operating revenues, operating income, ordinary income, net income and , distributions per unit (excluding distributions in excess of retained earnings) and distributions in excess of retained earnings per unit 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, the actual number and issue price of newly issued investment units, 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 July 31, 2023 released on September 14, 2022 have changed due to the anticipated acquisition of properties and the issuance of new investment units, which we announced in “Notice Concerning Acquisition and Leases of Domestic Properties” and “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today. For this reason, the forecasts for the performance and distributions for the fiscal period ending July 31, 2023 have been revised.
- At the same time, we announce the forecasts for the performance and distributions for the fiscal period ending January 31, 2024 based on the same assumptions.
- Furthermore, no changes will be made to the forecasts for the fiscal period ending January 31, 2023 (from August 1, 2022 to January 31, 2023) that was announced on September 14, 2022.

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

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【Attachment 1】

Assumptions Underlying the Forecasts
for the Fiscal Periods Ending July 31, 2023 and January 31, 2024

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending July 31, 2023 (181 days from February 1, 2023 to July 31, 2023, the 21st Period) • Fiscal period ending January 31, 2024 (184 days from August 1, 2023 to January 31, 2024, the 22nd Period)
Portfolio	<ul style="list-style-type: none"> • We assume a total of 49 properties, with respect to which we currently hold 47 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 2 new properties on February 1, 2023 (the “New Properties”). For the details of the acquisition of the New Properties, see “Notice Concerning Acquisition and Leases of Domestic Properties” announced today. • With respect to forecasted performance, we assumed that the New Properties will be acquired according to the above timeline, and that there will be no change in assets under management (acquisition of new assets or sales of the Current Properties, etc.) through the fiscal period ending January 31, 2024 (the 22nd 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 July 31, 2023 (the 21st Period) and interim dividends in the fiscal period ending January 31, 2024 (the 22nd Period). The exchange rate is assumed 28.00 yen to 1 RM. Revenues from the leasing of the New Properties are calculated based on information acquired from the current owner of each New Property, the current lease contract that is effective as of the scheduled date of acquisition of each New 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"> • With respect to Current Properties, of the expenses for the leasing business that are principal operating expenses, expenses other than depreciation are calculated based on actual historical expenses reflecting variable factors. Expenses for the New Properties are calculated by reflecting fluctuating factors, based on amounts in the appraisal reports, taking into account information acquired from the current owner of each New Property. • Although property taxes, city planning taxes and depreciable property taxes on the acquired assets are generally calculated on a pro-rata basis and settled at the time of acquisition with the current owners, 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 depreciable property taxes on the Current Properties to be expensed in the fiscal period ending July 31, 2023 (the 21st Period) and the fiscal period ending January 31, 2024 (the 22nd Period) will be 2,259 million yen and 2,259 million yen respectively. The property taxes, city planning taxes and depreciable property taxes for fiscal year 2024 in relation to New Properties will be expensed from the fiscal period ending July 31, 2024 (the 23rd 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 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

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	<p>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 using the straight-line method. The forecast assumes 5,526 million yen in the fiscal period ending in the fiscal period ending July 31, 2023 (the 21st Period) and 5,413 million yen in the fiscal period ending January 31, 2024 (the 22nd Period).
Non-operating expenses	<ul style="list-style-type: none"> • For interest expenses and other borrowing costs, 908 million yen in the fiscal period ending July 31, 2023 (the 21st Period) and 960 million yen in the fiscal period ending January 31, 2024 (the 22nd Period) are projected.
Borrowings	<ul style="list-style-type: none"> • The Investment Corporation's balance of interest-bearing debt totals 179,100 million yen as of today. It is assumed that we will draw short term loans totaling 9,300 million yen on February 1, 2023 to partly finance the acquisition of the New Properties and related expenses. It is assumed that all of the short term loan will be refinanced on October 20, 2023. • It is assumed that we will refinance 20,400 million yen in borrowings that will mature in the fiscal period ending January 31, 2024 (the 22nd Period) (repayment date: October 20, 2023) for the same amount. • LTV at the end of the fiscal period ending July 31, 2023 (the 21st Period) and the fiscal period ending January 31, 2024 (the 22nd Period) is expected to be around 45% and 45%, respectively. • To calculate LTV, the following formula is used: $\text{LTV} = (\text{Total interest-bearing debt plus tenant leasehold and guarantee deposits received (including tenant leasehold and guarantee deposits received in trust)} / \text{Total assets}) \times 100$ • LTV may be subject to change, depending on the issue price of new investment units to be issued this time and a third-party allotment.
Investment units	<ul style="list-style-type: none"> • In addition to the 2,044,467 investment units currently outstanding as of today, we assumed a total of 79,485 investment units to be newly and fully issued through an offering of new investment units (75,700 investment units) and a third-party allotment (up to 3,785 investment units). Such amounts were determined at the board of directors meeting held today. For details on the Investment Unit issuance, see "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today. • Except for the above, we have assumed that the number of investment units will remain unchanged, without any further issuance of new investment units through the fiscal period ending January 31, 2024 (the 22nd Period). • Distributions per unit for the fiscal period ending July 31, 2023 (the 21st Period) and the fiscal period ending January 31, 2024 (the 22nd Period) are calculated based on the number of investment units outstanding, 2,123,952, for each respective period.
Distributions per unit (excluding distributions in excess of retained earnings)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of retained 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. • Distribution reserves are planned to be allocated towards the depreciation of fixed term land lease right and the depreciation due to recording of asset retirement obligations of properties under fixed term leases ("the depreciation of fixed term land lease right"). Furthermore, of the New Properties, distribution reserves are planned to be allocated towards the depreciation of fixed term land lease right for AEON MALL Wakayama. These expenses are based on the assumption of the reversal of distribution reserve of 96 million yen for the fiscal period ending July 31, 2023 (the 21st Period) and 96 million yen for the fiscal period ending January 31, 2024 (the 22nd Period).

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Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> • There are no plans at this time to distribute cash in excess of retained earnings (distributions in excess of retained earnings per unit).
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.

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