

(Note) This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original,
the original shall prevail.



June 23, 2016

For Immediate Release

Investment Corporation:
AEON REIT Investment Corporation
1-2-1, Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Representative: Yasuo Shiozaki, Executive Director
(Securities code: 3292)

Asset Manager:
AEON Reit Management Co., Ltd.
Representative: Yasuo Shiozaki, Representative Director and
President
Inquiries: Keiji Tsukahara, Senior Managing Director and
General Manager of the Finance and Planning
Department
(TEL: +81-3-5283-6360)

Notice Concerning the Impact of the 2016 Kumamoto Earthquake (Fourth report), Revisions
to the Forecasts of Performance and Distributions for the Fiscal Period Ending July 31, 2016
and the Fiscal Period Ending January 31, 2017

AEON REIT Investment Corporation (“we” or the “Investment Corporation”) and AEON Reit Management Co., Ltd. (the “Asset Manager”) to which the Investment Corporation entrusts the management of its assets, deeply express condolence to all the victims from the 2016 Kumamoto Earthquake (the “Earthquake”) disaster.

We announce as of 08:00am on Thursday, June 23, 2016 the confirmed status and forecast about the effects of the Earthquake on our properties as follows:

Regarding net income and DPU (exclusive of distribution in excess of earnings) in the forecast of performance for the fiscal period ending July 31, 2016 as well as DPU (exclusive of distribution in excess of earnings) in the forecast of performance for the fiscal period ending January 31, 2017 which were announced in the “Financial Report (REIT) for the fiscal period ended January 31, 2016” as of March 15, 2016, since it is difficult to calculate as of now these are yet to be determined as follows:

However, please note that the forecasts shall be our assumption as of today which actual result might not follow as mentioned below.

1. Status of AEON MALL Kumamoto:

As AEON MALL Kumamoto (the “property”) is closed to the epicenters of the Earthquake, extensive damages have been reported. The Asset Manager requested Takenaka Corporation (the “Constructor”) after the Earthquake to verify the condition of the damages in detail and assess restoration action which constructed the buildings of the property, and it has been still under verification and assessment by the Constructor as of today.

With the on-site investigation made immediately after the Earthquake, the Asset Manager has been working in order to restore the property getting support from AEON MALL Co., Ltd. which is a master lease company and provides us and the Asset Manager with shopping center management.

As of now, the conditions of the buildings, stores and forecast to resume operation are given in the following chart which were reported by the Constructor.

The 1st floor of AEON Kumamoto already resumed operation which is an anchor store and the 2nd floor of

AEON Kumamoto and East Mall are to be resumed by July 20, 2016. For AEON Kumamoto are to be renewed to “AEON style” which will be the first model in Kyushu area.

As it has been 10 years since the establishments of the property, regarding West Mall and Sub-Anchor Zone we reached an agreement with AEON Mall Co., Ltd. and AEON Kyushu Co., Ltd which are the sponsor group to consider a drastic renewal including partial reconstruction so that we can improve the asset value and revive it to more attractive, safer and most-advanced mall in the restoration. Accordingly we are also expecting to improve income.

We will continuously work to confirm details of restoration work and complete it in order to resume operation in the whole property at the early stage.

	Sub-Anchor Zone	West Mall	East Mall	Anchor Store (AEON Kumamoto)
Summary of Damage Status	Subsidence of foundation by liquefaction. Fall of ceiling. Collapse of partition wall. Damage on floor tile etc.	Subsidence of foundation by liquefaction. Fall of wall and ceiling. Damage on floor tile. Fall of facilities etc.	Fall of ceiling. Damage on floor tile etc.	Fall of ceiling. Fall of facilities. Damage on exterior wall etc.
Current Status	Under assessment for the details of the damages.	Under assessment for the details of the damages.	Under restoration work expecting to resume operation by July 20, 2016.	1 st Floor : Resumed on April 20, 2016. 2 nd Floor : Under restoration work expecting to resume operation by July 20, 2016.

The schematic map of AEON MALL Kumamoto:



Please refer to the following websites for more details of operating status.

*AEON Kyushu Co., Ltd.: <http://aeon-kyushu.info/>

*AEON MALL Kumamoto: <http://kumamoto-aeonmall.com/>

2. Forecast of Business Result:

As mentioned in 1. above, verification and assessment by the Constructor have been continued and restoration cost details of the property is now under assessment. There is a high possibility to recognize a large amount of repair cost and capital expenditure in future for restoring the property and also there is a possibility to revise as net loss (a drastic downward revision) in terms of our forecast of performance for the fiscal period ending July 31, 2016 which was announced in the “Financial Report (REIT) for the fiscal period ended January 31, 2016” as of March 15, 2016. In addition, we found that there is a possibility to make a drastic downward revision for DPU as well.

Furthermore, regarding the fiscal period ending January 31, 2017, we have also found that there is a possibility to make a drastic downward revision for DPU (exclusive of distribution in excess of earnings) depending on loss amount carried forward incurred in the preceding fiscal period.

However, as it is difficult to make accurate calculation of the effect amount as of now, forecasted net income and DPU (exclusive of distribution in excess of earnings) for the fiscal period ending July 31, 2016 as well as forecasted DPU (exclusive of distribution in excess of earnings) for the fiscal period ending January 31, 2017 are yet to be determined as follows: Still, we will take every measures not to carry over loss for the fiscal period ending July 31, 2016 to the next fiscal period. Even though forecasted DPU (exclusive of distribution in excess of earnings) for the fiscal period ending January 31, 2017 is yet to be determined as said above, we are expecting to distribute profits.

We will continuously work on assessment and consideration on the effects to performance and forecast of restoring the property, and we are expecting to announce once details are confirmed. Considering more effects of the damages by the Earthquake and distributions especially, we will take various consideration in parallel including distribution in excess of earnings.

Forecast of performance for the fiscal period ending July 31, 2016:
(From February 1, 2016 to July 31, 2016)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	DPU (Exclusive of Distribution in Excess of Earnings)	Distribution in Excess of Earnings per Unit
Previous Forecast (A)	11,190 Millions of yen	4,185 Millions of yen	3,542 Millions of yen	3,534 Millions of yen	2,695 Yen	— Yen
Revised Forecast (B)	11,190 Millions of yen	4,185 Millions of yen	3,542 Millions of yen	To be determined	To be determined	To be determined
Change (B-A)	— Millions of yen	— Millions of yen	— Millions of yen	— Millions of yen	— Yen	— Yen
Change (%)	— %	— %	— %	— %	— %	— %

(Note)

Forecasted number of issued investment units at the end of the fiscal period ending July 31, 2016: 1,309,467 units

Forecast of performance for the fiscal period ending January 31, 2017:
(From August 1, 2016 to January 31, 2017)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	DPU (Exclusive of Distribution in Excess of Earnings)	Distribution in Excess of Earnings per Unit
Previous Forecast (A)	11,708 Millions of yen	4,477 Millions of yen	3,803 Millions of yen	3,794 Millions of yen	2,895 Yen	— Yen
Revised Forecast (B)	11,708 Millions of yen	4,477 Millions of yen	3,803 Millions of yen	3,794 Millions of yen	To be determined	To be determined
Change (B-A)	— Millions of yen	— Millions of yen	— Millions of yen	— Millions of yen	— Yen	— Yen
Change (%)	— %	— %	— %	— %	— %	— %

(Note)

Forecasted number of issued investment units at the end of the fiscal period ending January 31, 2017: 1,309,467 units

3. Coming Press Release:

We are planning to make a press release in the middle of July, 2016.

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