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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 January 31, 2019, and the Forecasts for Performance and Distributions for the Fiscal Period Ending July 31, 2019

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, 2019 (from August 1, 2018 to January 31, 2019), which were originally published in “Notice Concerning Revision to Forecasts for Performance and Distributions for the Fiscal Period Ending July 31, 2018 and January 31, 2019” dated June 28, 2018 as detailed below.

In addition, Invest Corporation announces the forecasts for performance and distributions for the fiscal period ending July 31, 2019 (from February 1, 2019 to July 31, 2019) 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, 2019

	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)	16,061	6,181	5,289	5,284	2,970	0
Revised forecasts (B)	16,283	6,269	5,362	5,357	3,010	0
Amount of change (B-A)	222	88	72	72	40	0
Rate of change (B-A)/ (A)	1.4%	1.4%	1.4%	1.4%	1.3%	-

(2) The forecasts for performance and distributions for the fiscal period ending July 31, 2019

	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)
Forecasts	16,331	6,181	5,318	5,313	2,985	0

(Reference)

Fiscal period ending January 31, 2019:

Anticipated number of investment units outstanding at the end of the period: 1,777,347 units

Fiscal period ending July 31, 2019:

Anticipated number of investment units outstanding at the end of the period: 1,777,347 units

(Notes)

1. The above forecast figures represent current calculations based on the assumptions shown in the attachment, "Assumptions Underlying the Forecasts for the fiscal periods ending January 31, 2019 and July 31, 2019." 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 to forecasts

The assumptions for the forecasts for the fiscal period ending January 31, 2019 released on June 28, 2018 have changed due to the acquisition of beneficiary rights of domestic real estate in trust announced in the release, "Notice Concerning Acquisition (Additional Acquisition of the Extended Building) and Lease of Domestic Property" dated today. For this reason, we revised the forecasts for the performance and distributions for the fiscal period ending January 31, 2019. In addition, we announce the forecasts for performance and distributions for the fiscal period ending July 31, 2019 (from February 1, 2019 to July 31, 2019).

Furthermore, the actual operating results and distribution for the fiscal period ended July 31, 2018 (from February 1, 2018 to July 31, 2018) are scheduled to be announced in Financial Report for the 11th Fiscal Period Ended July 31, 2018 to be announced in mid-September 2018.

End

* Distribution of this material: This material is distributed to "Kabuto Club" (a media correspondents' club at the Tokyo Stock Exchange, Inc.), the press club at the Ministry of Land, Infrastructure, Transport and Tourism and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

* 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, 2019 and July 31, 2019

Item	Assumptions
Calculation period	- Fiscal period ending January 31, 2019 (184 days from August 1, 2018 to January 31, 2019, the 12th period) - Fiscal period ending July 31, 2019 (181 days from February 1, 2019 to July 31, 2019, the 13th period)
Portfolio	- We assume a total of 40 properties (the “Current Properties”) after adding one property scheduled to be acquired on September 3, 2018, (the “Asset to be Acquired”) to 40 properties held as of today (including AEON MALL SEREMBAN 2 owned through an overseas SPC). See the release, “Notice Concerning Acquisition (Additional Acquisition of the Extended Building) and Leases of Domestic Properties” dated today for the details of the Asset to be Acquired. - When forecasting investment performance, we assumed that the Asset to be Acquired had been acquired and that there would be no change in assets under management (acquisition of new assets, sale of Current Properties, etc.) until the end of the fiscal period ending July 31, 2019 (the 13th period). - However, changes in actual results may occur on account of changes in assets under management other than as detailed above.
Operating revenues	- Revenues from the leasing of the Current Properties are calculated based on currently effective lease contracts and market fluctuations. Dividend income received from the Malaysian SPC is calculated based on receiving interim dividends will be received during the fiscal period ending January 31, 2019 (12th fiscal period) and period-end dividends will be received during the fiscal period ending July 31, 2019 (13th fiscal period). The exchange rate is assumed ¥24.50 to 1 RM. Revenues from the leasing of the Asset to be Acquired are calculated based on information acquired from the current owner of the Asset to be Acquired, the lease contract that will become effective on the date of acquisition of the Asset to be Acquired, market trends, and other factors. - Operating revenue is based on the assumption that tenants will pay rent without delinquency.
Operating expenses	- 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 Properties are 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 and city planning taxes on the Anticipated Properties 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 Properties that are included in the acquisition cost is assumed to be 15 million yen. Property taxes, city planning taxes, and other taxes on the Current Properties to be expensed in the fiscal period ending January 31, 2019 (the 12th period) and the fiscal Period ending July 31, 2019 (the 13th period) will be 1,817 million yen and 1,906 million yen respectively. The property taxes, city planning taxes and other taxes for fiscal year 2019 in relation to the Anticipated Properties will be expensed from the period ending July 31, 2019 (the 13th 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 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: that

	the possibility of unexpected repair expenses incurred due to damage to buildings, etc. based on factors that are difficult to predict cannot be denied, that the amount of repair expenses generally varies considerably from year to year, and that such a payment does not occur regularly. Depreciation expenses including ancillary costs are calculated by the straight-line method. The forecast assumes 4,431 million yen in the fiscal period ending January 31, 2019 (the 12th period) and 4,453 million yen in the fiscal period ending July 31, 2019 (the 13th period).
Non-operating expenses	For interest expenses and other borrowing costs, 838 million yen in the fiscal period ending January 31, 2019 (the 12th period) and 821 million yen in the fiscal period ending July 31, 2019 (the 13th period) are projected.
Borrowings	- The Investment Corporation's balance of interest-bearing debt totals 150,000 million yen as of today. - It is assumed that we will refinance 27,000 million yen in borrowings that will mature in the fiscal period ending January 31, 2019 (the 12th period) (repayment date: October 22, 2018) for the same amount. - LTV at the end of the fiscal period ending January 31, 2019 (the 12th period) and the fiscal period ending July 31, 2019 (the 13th period) is expected to be around 44.9% and 44.9%, respectively. - To calculate LTV, the following formula is used: $\text{LTV} = (\text{Total interest-bearing debt plus tenant leasehold and guarantee deposits received (including tenant leasehold and guarantee deposits received in trust)} / \text{Total assets}) \times 100$
Investment units	Distributions per unit for the fiscal period ending January 31, 2019, (the 12th period) and the fiscal period ending July 31, 2019, (the 13th period) have been calculated based on the number of investment units outstanding, 1,777,347 as of today. The calculation assumes that no new investment units will be issued and the number of investment units will not change until the end of the fiscal period ending July 31, 2019 (the 13th period).
Distributions per unit (excluding distributions in excess of earnings)	- Distributions per unit (excluding distribution 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. - It is assumed that no reversal of the reserve for dividends will be made for the fiscal period ending January 31, 2019 (the 12th period) and the fiscal period ending July 31, 2019 (the 13th period).
Distributions in excess of earnings per unit	The Investment Corporation currently does not intend to pay distributions in excess of earnings per unit in the periods covered by the forecasts.
Others	- 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.