

38th

Investor Presentation

February 2021 (38th) Period (September 1, 2020 - February 28, 2021)

JMF
JAPAN METROPOLITAN FUND

Japan Metropolitan Fund Investment Corporation

<https://www.jmf-reit.com/english>

Welcome to this video presentation of Japan Metropolitan Fund Investment Corporation's operating results for the February 2021 38th period, the six months from September 1, 2020 to February 28, 2021.

Effective March 1, 2021, Japan Retail Fund Investment Corporation, or JRF, completed its merger with MCUBS MidCity Investment Corporation, or MMI, changing its name to Japan Metropolitan Fund Investment Corporation, or JMF.

In this video, I will first provide a brief summary of key highlights of this investor presentation. I will then elaborate on the merger, before passing the microphone to Mr. Araki, Head of the Asset Management Company's Metropolitan Business Division, who will comment on operating and financial results for JRF and MMI before moving on to forecasts for JMF.

Executive Summary

Successful Completion of Merger with MCUBS MidCity Investment Corporation (MMI)

- Establishment of Japan Metropolitan Fund Investment Corporation (JMF), one of the largest diversified J-REITs, as of Mar. 1, 2021
- Acquisition of AA rating from Japan Credit Rating Agency, Ltd. upon merger
- Steep rise in investment unit prices that generated goodwill of approx. 16.0 bn yen, instead of estimated negative goodwill of approx. 27.2 bn yen

Started steadily implementing short- to mid-term strategy after merger

- Asset replacement in the portfolio through acquisition and disposition of two properties, respectively (to earn disposition gains of 3.2 bn yen)
- Launch of initiatives under a new scheme of acquisition

Continued stable distributions with consistent DPU despite the COVID-19 outbreak

- Distributions as forecasted by JRF and larger-than-forecasted payment upon the merger by MMI for the fiscal period ended Feb. 28, 2021
- Estimated DPU of 2,286 yen as originally forecasted for the fiscal period ending Aug. 31, 2021
- Estimated DPU of 2,250 yen, conservatively considering downtime with tenant exit for the fiscal period ending Feb. 28, 2022

Future Objective

- **Secure the minimum EPU level of 2,250 yen through lease-up ability**
- **Aim to further improve EPU/DPU through new acquisitions and initiatives**

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Looking at the Executive Summary here on page 1, this investor presentation is distinguished by three key highlights.

First, JRF and MMI, two real estate investment trusts that are managed by the same asset management company with the latter investing primarily in office properties, successfully completed their merger on March 1, 2021. Through this initiative, JRF has transitioned from a fund that specializes in retail properties into one of Japan's largest diversified REITs with an asset size of approximately 1.2 trillion yen. Recognized for its sound credit standing, the renamed entity, JMF, received a double-A rating from Japan Credit Rating Agency, Ltd. on the same day as the merger. As far as intangible assets associated with the merger are concerned, goodwill came in at around 16 billion yen as a result of the steep rise in investment unit prices following the merger announcement on August 28, 2020.

Second, positive steps have been taken to steadily implement short- and medium-term strategies subsequent to the merger. JMF has positioned the replacement of assets as a core pillar of its strategies going forward. Up to the date of today's presentation, JMF has already announced details of the replacement of two assets through the acquisition and disposition of properties. As a result of this replacement, the Investment Corporation is expected to post a disposition gain of approximately 3.2 billion yen to achieve external growth despite the impact of COVID-19. In conjunction with this asset replacement strategy, JMF will work to diversify its external growth by also adopting a new acquisition scheme.

The third highlight is the continued stable payment of distributions. In the February 2021

period, JRF's distribution per unit, or DPU, came in at 4,500 yen, in line with initial plans. In the case of MMI, the payment per investment unit upon the merger totaled 3,046 yen, which was in excess of initial forecasts. Looking ahead to the August 2021 period, DPU is projected to come in at 2,286 yen unchanged from the originally announced forecast. As far as new announcements for the February 2022 period are concerned, we have adopted a conservative approach toward the downtime associated with tenants vacating certain properties. As a result, we anticipate DPU will amount to 2,250 yen in the 40th period. Moving forward, JMF will work swiftly to mitigate this downtime by drawing on its strengths as a diversified REIT while focusing on leasing up activities. Every effort will be made to further improve earnings per unit, or EPU, and DPU. In specific terms, the Investment Corporation will target an EPU of 2,250 yen or higher while promoting external growth through the acquisition of properties and other new initiatives.

Directing your attention to page 4, I would now like to elaborate on the results of the merger and our future management policy.

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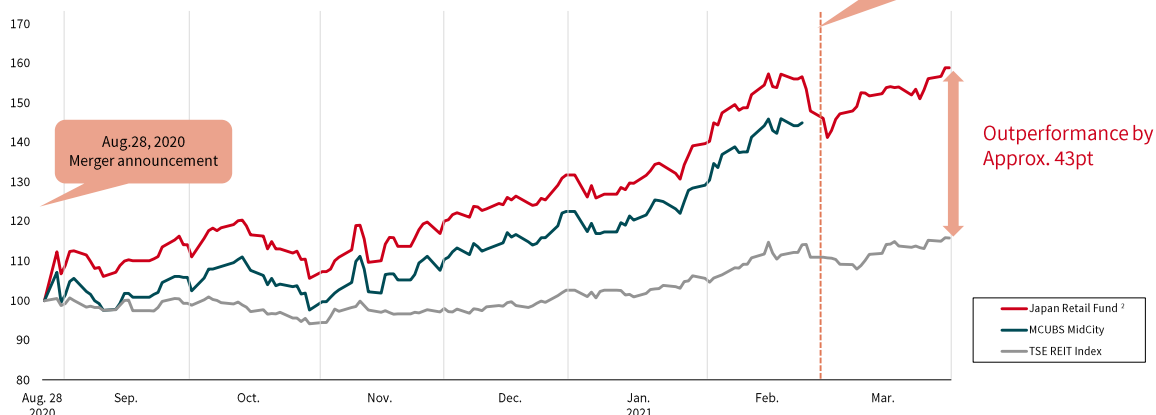
01

New Investment Corporation



The highest performance in J-REIT after the merger announcement

Trend of investment unit prices¹(Aug. 28, 2020 – Mar. 31, 2021)



1. Indexed with the closing price of the investment unit as of August 28, 2020, the announcement date of the merger, as 100.
2. Since March 1, 2021, JMF's investment unit price which is reflecting the unit price split executed on March 1, 2021, is used.

Japan Metropolitan Fund Investment Corporation

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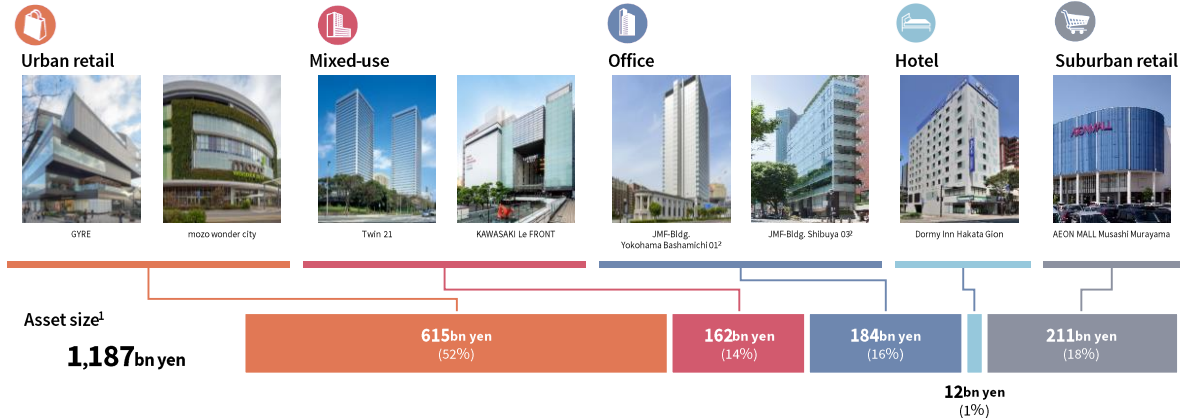
The merger in this instance has been positively received by investors as indicated by investment unit price trends.

As you can see from the graph on this page, the investment unit prices of both funds have continued to improve since the announcement of the merger on August 28, 2020, outperforming the Tokyo Stock Exchange REIT Index. This trend has remained unchanged since the merger was completed, exceeding the TSE REIT Index by roughly 43 points as of March 31, 2021. Moreover, the rates of investment unit price increase for both funds surpassed all other J-REITs over this period.

<div>New Investment Corporation</div> <div>Establishment of Japan Metropolitan Fund Investment Corporation (JMF), one of the largest diversified J-REITs</div>				
Asset				
1,187 ^{bn} yen Asset size ¹	127 ^{properties} No. of properties ¹	165 ^{bn} yen Unrealized gain or loss ¹	4.6% NOI yield ¹	3.5% NOI yield after depreciation ¹
Debt		Equity		
43.5% LTV ²	AA (JCR) Credit rating	726 ^{bn} yen Market capitalization ³	110,800 ^{yen} NAV per unit ¹	
<div> <div>1. Calculated based on the properties owned as of the date of this document and the properties scheduled to be acquired that have been announced.</div> <div>2. This value is obtained by dividing the assumed total interest-bearing debt at the end of the fiscal period ending August 2021 (39th fiscal period) by the estimated total assets at the end of the fiscal period ending August 2021 (39th fiscal period).</div> <div>3. As of the end of Mar. 2021</div> </div> <div>Japan Metropolitan Fund Investment Corporation 5</div>				

As I mentioned earlier in this presentation, JMF has transitioned into a diversified REIT with an asset size of approximately 1.2 trillion yen following the merger. The Fund is especially distinguished by its strength and stability with unrealized gains totaling roughly 165 billion yen and JMF receiving a double-A credit rating.

Invest in real estate related to the metropolitan life (live, work and consume) in Japan



1. Calculated based on the acquisition price of properties owned as of the date of this document and anticipated acquisitions to be made publicly announced.

2. The property name was changed for some properties on April 16, 2021. For more details, please see Appendix "Portfolio List".

Drawing your attention to page 6, we provide a breakdown of the portfolio.

Following the merger, 52% of JMF's portfolio comprised urban retail properties, with 14% mixed-use properties, 16% office buildings, 1% hotels, and 18% suburban retail properties. The Investment Corporation will continue to invest in real estate that forms the backbone of metropolitan life in Japan based on the concepts of living, working, and consuming. Plans are therefore in place to also include residential assets in the future.

Dual-track efforts to pursue both increase in stability and accelerated growth

Investment in “locations where people gather” that can create rental needs over the medium- to long-term

- Focus on support metropolitan life in terms of “live, work and consume”
- Analysis of the trend of rental needs beyond the framework of specific purposes of properties

More portfolio diversification

- Expanded investment universe to enable acquisition of mixed-use and residential properties
- Rebalancing of asset type composition through asset replacement, etc.

Build-up of mixed-use properties in the portfolio

- Proactive stance toward operation of mixed-use properties by area or by asset level
- Establishment of leasing know-how in a combination of multiple asset types

Establishment of strong balance sheet

- Continued efforts for refinancing to shift into longer-term fixed borrowings
- Maintenance of AA rating

Increase in Stability

Sustainable external growth in accordance with environment changes

- Flexible changes in asset types according to changes in operational environment
- Active participation in large-scale transactions, including bulk sale of multiple type assets
- Further of multiple types of use of sponsor support

Internal growth in pursuit of most effective use of portfolio properties

- Pursuit of use that meets rental needs to improve real estate value
- Revenue increase through renewal and conversion works
- Verification of effects of on-book reconstruction and redevelopment projects

Execution of various growth investments

- Consideration of equity investment or mezzanine loan investment
- Utilization of IT
- Seeking for M&A opportunities

Accelerated Growth

Here on page 7, I would like to comment briefly on JMF’s asset management policy going forward. In terms of stability, a major Fund strength, the Investment Corporation will rebalance its asset mix through the bold replacement of assets. In addition to promoting portfolio diversification, JMF will also work diligently to build an increasingly strong financial condition.

As far as growth potential is concerned, JMF will pursue external growth by expanding its investment universe. Steps will also be taken to promote internal growth by increasing property values through optimal leasing activities, irrespective of asset type and use, and such initiatives as the redevelopment of existing properties. Over and above the aforementioned, the Investment Corporation will actively undertake a variety of other growth investments.

Through these endeavors, JMF will strive to improve stability while at the same time accelerating the pace of growth.

This then concludes my portion of the presentation. I would now like to hand the microphone to Mr. Araki, Head of the Asset Management Company’s Metropolitan Business Division.

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Financial Highlights (Fiscal period ended February 28, 2021)



Thank you, Mr. Okamoto. In my capacity as Head of the Asset Management Company's Metropolitan Business Division, I would first like to comment on financial highlights of the fiscal period ended February 28, 2021, the final fiscal period for both JRF and MMI prior to the merger.

Significant increase in net income thanks to upwardly-revised NOI from the previous forecast and gain on sales of property

	Feb. 2021 Period (38th) Previous forecast	Feb. 2021 Period (38th) Actual	Change		Comments
Operating revenue	29,857 mn yen	30,518 mn yen	+661 mn yen	+2.2 %	<ul style="list-style-type: none"> Gain on sales of AEON MALL Yamato (50% quasi-co-ownership interest) Decrease in rent revenues due to the impact of COVID-19, etc.
Operating income	12,363 mn yen	13,505 mn yen	+1,142 mn yen	+9.2 %	<ul style="list-style-type: none"> Decrease in rent expenses (repair expense, utility charge, etc.)
Net income	10,742 mn yen	11,896 mn yen	+1,154 mn yen	+10.7 %	<ul style="list-style-type: none"> Decrease in interest payments
Allocation to reserve	-	318 mn yen	+318 mn yen	-	
Reversal of reserve	969 mn yen	133 mn yen	-836 mn yen	-86.3 %	
Total distribution	11,711 mn yen	11,711 mn yen	-	-	
Distribution per unit (DPU)	4,500 yen	4,500 yen	-	-	
[Reference]					
Rent NOI: excl. gain or loss on sales of property	20,946 mn yen	20,948 mn yen	+2 mn yen	+0.0 %	
Gain or loss on sales of property	-	1,126 mn yen	+1,126 mn yen	-	

Looking first at JRF and highlights of the Fund's final February 2021 38th period outlined on page 9, rental revenues decreased due mainly to the impact of COVID-19. Despite this decrease, operating revenue increased 2.2% compared with the previous forecast. This largely reflected the gain on sale of 1 billion 126 million yen posted following the disposition of a 50% quasi-co-ownership interest in AEON MALL Yamato in December last year. Moreover, net income grew substantially climbing 10.7% to 11 billion 896 million yen. This was due to a variety of factors including the drop in such rent expenses as repairs and utility charges. In response to a tax discrepancy, JRF undertook a reversal and allocation to reserves of 133 million yen and 318 million yen, respectively. As a result, DPU came in at 4,500 yen in line with the previous announcement.

Larger-than-forecasted payment upon the merger per unit despite COVID-19 outbreak

	Feb. 2021 Period (29th) Forecast	Feb. 2021 Period (29th) Actual	Change		Comments
Operating revenue	12,233 mn yen	12,311 mn yen	+77 mn yen	+0.6 %	<ul style="list-style-type: none"> • Increase in rent revenues • Increase in gain on distribution of TK interest
Operating income	5,322 mn yen	5,438 mn yen	+116 mn yen	+2.2 %	<ul style="list-style-type: none"> • Decrease in rent expenses (utility charge, etc.) • Increase in general administration fees due to the exit of a hotel tenant
Net income	4,379 mn yen	4,435 mn yen	+56 mn yen	+1.3 %	<ul style="list-style-type: none"> • Increase in income taxes due to tax disagreement
Allocation to reserve	-	-	-	-	
Reversal of reserve	998 mn yen	998 mn yen	-	-	
Amount of payment upon the merger	5,377 mn yen	5,434 mn yen	+56 mn yen	+1.0 %	
Payment upon the merger per unit	3,014 yen	3,046 yen	+32 mn yen	+1.1 %	
[Reference]					
Rent NOI: excl. gain or loss on sales of property	8,162 mn yen	8,261 mn yen	+99 mn yen	+1.2 %	
Gain or loss on sales of property	-	-	-	-	

Here on page 10, we take a quick look at MMI.

In the Fund's final February 2021 29th period, MMI reported a decrease in revenue due to amortization of the portion of accrued rent not covered by security deposits. This followed the commencement of rehabilitation proceedings under the Civil Rehabilitation Law of Japan by the operator of Hotel Vista Premio Tokyo in March. Notwithstanding the aforementioned, operating revenue edged up 0.6% compared with the previous forecast. Even against the difficult COVID-19 environment, this largely reflected steady leasing activity progress which helped boost rent revenues. From a profit perspective, net income increased 1.3% compared with the previous forecast to 4 billion 435 million yen. This was mainly due to the decrease in such rent expenses as utility charges and the impact of rent receivable amortization in response to a tax discrepancy. After taking into account these factors and by reversing the entire amount of reserves totaling 998 million yen, MMI's payment per investment unit upon the merger totaled 3,046 yen, up 1.1% compared with announcements.

Moving on, I would like to report on the portfolio operations of JRF and MMI for each fiscal period under review.

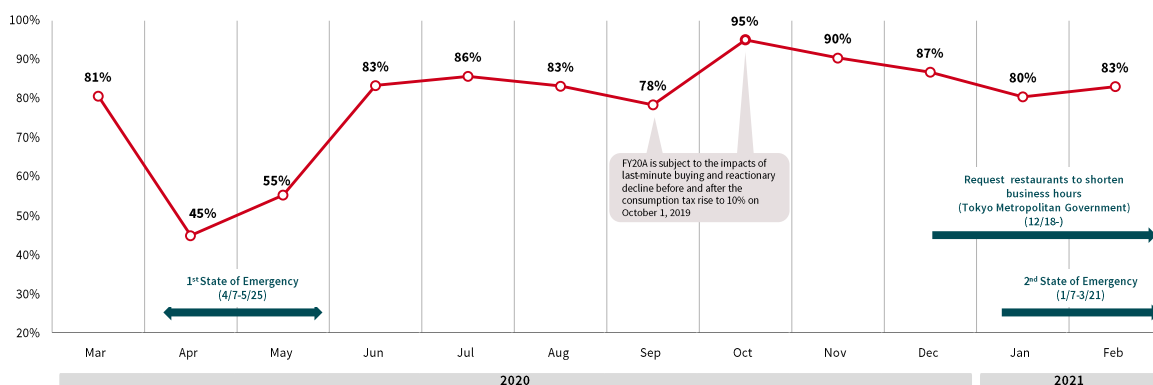
Portfolio Operation

(Japan Retail Fund)

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No greater impact of the 2nd State of Emergency (SoE) on sales of the entire portfolio than that of the 1st SoE

Sales performance of total portfolio¹(YoY)



1. Based on interview by asset management company. (excluding tax)

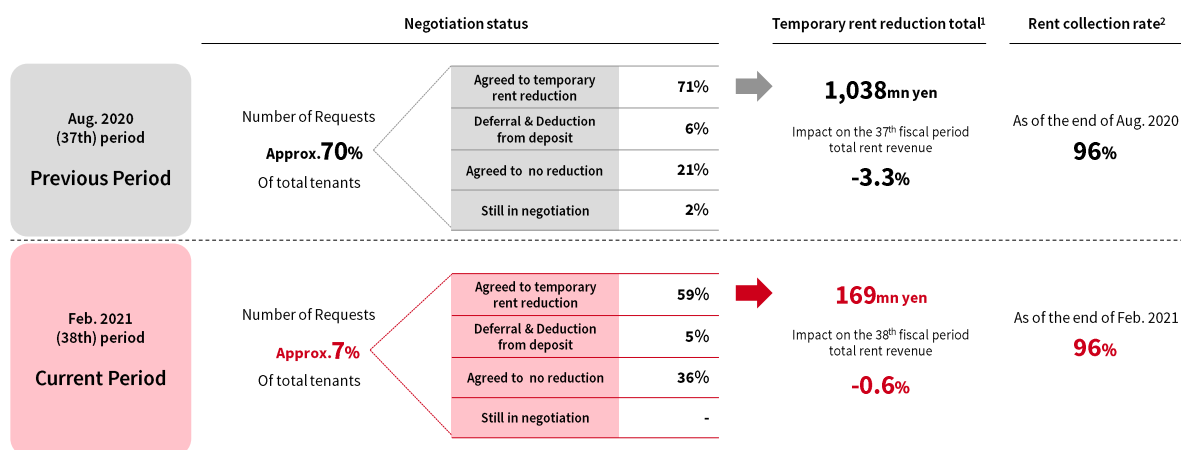
Japan Metropolitan Fund Investment Corporation

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The graph on page 12 plots trends in JRF's portfolio total sales from March 2020.

Overall portfolio sales fell dramatically owing to the government's decision to declare a state of emergency and the nationwide request to temporarily suspend operations across a wide array of industries from April and over May last year. Since then, sales have recovered rapidly to between 85 and 90% of the levels recorded during the previous year. While the government declared a second state of emergency over the January to March period this year, calling on restaurants and related businesses to shorten their operating hours, the depth of decline in sales in January and February was limited compared with the first state of emergency period.

Significant decrease in the number of negotiations and temporary rent reductions from the 37th period, with rent collection at near 100% maintained



1. Not including the decrease of revenue-based variable rent due to the decline of sales and the rent during the downtime due to the tenant replacement.
 2. The rent collection rate is calculated by dividing the amount receivable as of the end of the month by the accumulated amount of rent billings.

Japan Metropolitan Fund Investment Corporation

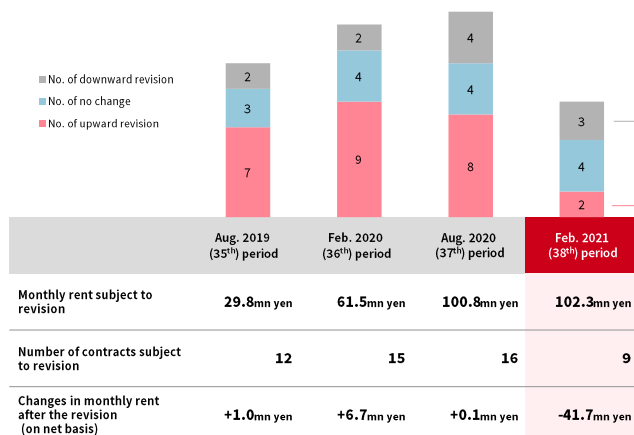
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Turning your attention to page 13, I would like to elaborate on the status of tenant negotiations at JRF in response to COVID-19 in the February 2021 38th period.

As we explained at the time of our last investor presentation, approximately 70% of all tenants put forward rent-related requests in the August 2020 37th period. Of this total, JRF agreed to a temporary rent reduction for 71%, a deferral and deduction from security deposits for 6%, and no reduction for 21%. In the February 2021 38th period, only about 7% of all tenants made rent-related requests. In the end, JRF agreed to a temporary rent reduction for roughly 59% of the total number of requests for a total temporary rent reduction of 169 million yen. This represented a 0.6% decline in total rent revenue and a significant improvement compared with the previous period. JRF also agreed to a deferral and deduction from security deposits or no reduction in rent for 41% of all tenants who made rent-related requests. As a result, the Investment Corporation was able to increase the number of instances where it successfully avoided any impact on profit and loss. Moreover, the rent collection rate remained high at 96% as of the end of February 2021.

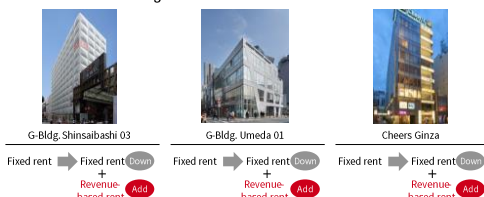
Introduction of revenue-based rent to some tenants to prevent their exit and secure the rent level prior to COVID-19

Summary of rent revisions¹



1. Among the contracts for properties that fall under the core assets (Prime and Terminal Station) in the portfolio classification of JRF, contracts that are renewed upon termination of the fixed-term building lease contract are eligible.

Rent revision combining fixed rent and revenue-based rent



Contract renewal with rent increase to the market level



G-Bldg. Jingumae 09

Rent growth +45.6%

Rent increase revisions with tenant replacement



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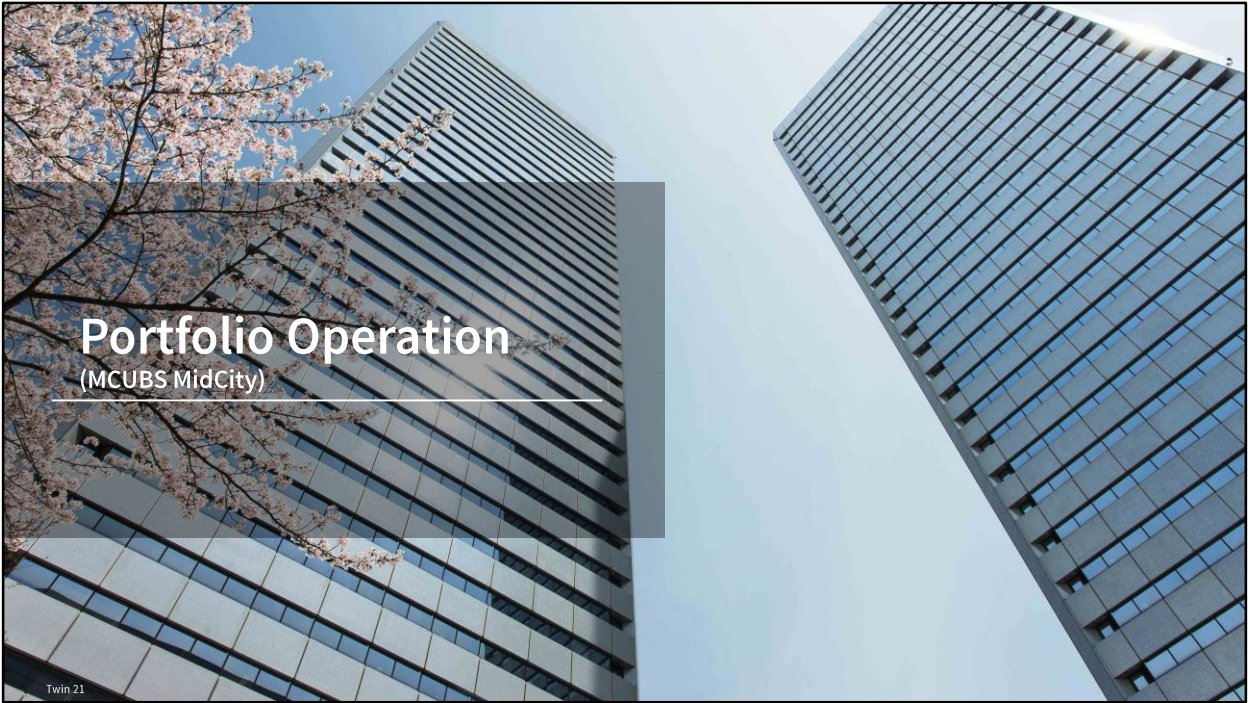
Rent growth +523.1%

Here on page 14, we take a quick look at the status of rent revisions at JRF in the 38th period.

The total number of contract renewals for properties in JRF's portfolio classified as core assets in the 38th period came to nine. Of this total, two resulted in an upward revision, four in no change in rent, and three in a downward revision. While the number of contract renewals that led to a downward revision in rent was held to three in this instance, negotiations resulted in a change in terms and conditions. In order to avoid tenants vacating space as a result of COVID-19, steps were taken to shift from fixed rent agreements to a combination of fixed and revenue-based rent.

In specific terms, the percentages of fixed and revenue-based rents have been set to ensure that the total amount of rent remains unchanged in the event that sales return to pre-COVID-19 levels should the pandemic dissipate. As a result, despite the short-term temporary downturn in sales of tenants who have newly adopted the revenue-based rent option, steps have been taken to address the negative 41.7 million yen recorded as changes in monthly rent after revision in the 38th period in the event that sales recover to pre-COVID-19 levels.

Next, I would like to touch briefly on portfolio operations during MMI's final February 2021 29th period.



Portfolio Operation

(MCUBS MidCity)

Twin 21

Rent reduction for some food service tenants and negotiation with the operator of Hotel Vista Premio Tokyo

Status of tenant negotiations (Feb. 2021 (29th) period)

Negotiation status		Feb. 2021 (29th) period Amount of the impact ¹ (per unit) ²
Office Bldg.	Office	• No answer to several requests for rent reduction -
	Shop	• Rent reduction for some food service tenants -3mn yen (-2yen)
Retail facility		• No answer to some requests for rent reduction -
Hotel		• The operator of Hotel Vista Premio Tokyo moved out at the end of March 2021 which is after MidCity's accounting fiscal period, and the accrued rent was amortized. • Negotiation with a potential new operator is in progress -42mn yen (-23yen)
		-45mn yen (-25yen)

1. Not including the decrease of revenue-based variable rent due to the decline of sales and the rent during the downtime due to the tenant replacement.

2. Calculated based on the amount of issued investment units of MCUBS MidCity as of the end of February 2021.

Japan Metropolitan Fund Investment Corporation

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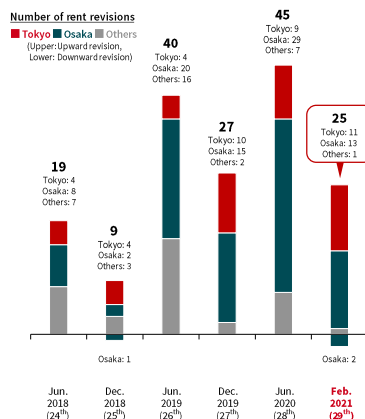
Here on this page, we provide an overview of tenant negotiations at MMI in response to COVID-19 during the February 2021 29th period. Despite receiving several requests for a reduction in rent from office tenants, in the end, the Investment Corporation refrained from providing an answer. While a temporary reduction in rent was permitted for certain office building food service tenants, the impact was limited to the extremely small amount of roughly 3 million yen.

Turning to its ownership of two retail facilities, MMI once again refrained from providing an answer to certain requests for a rent reduction. As a result, there was no impact on 29th period results.

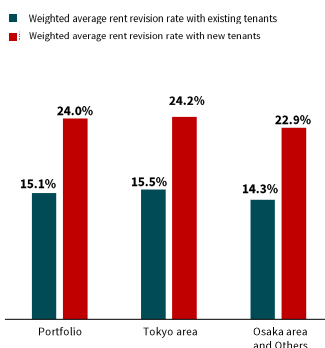
As far as the two hotels in MMI's portfolio are concerned, the operator of Hotel Vista Premio Tokyo filed an application to commence rehabilitation proceedings under the Civil Rehabilitation Law of Japan as reported in the press in March. This in turn led to an amortization of accrued rent totaling 42 million yen that could not be offset by security deposits in the 29th period. The operator vacated the property as of March 31 after ending its operations and is in the process of cancelling its contract. In addition, negotiations are already underway with a replacement tenant. Every efforts is being made to conclude an agreement as quickly as possible.

Consistent achievement of upward rent revisions despite COVID-19 outbreak

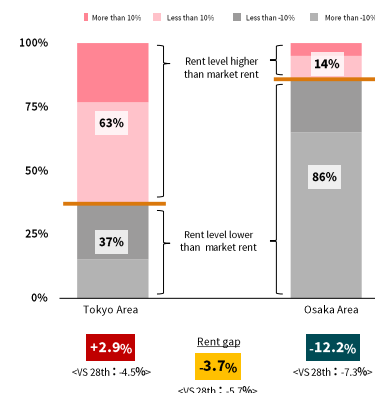
Rent Revisions for Leases¹



Rent Revision Rate (Feb. 2021 results)



Rent gaps² (contract rent-based)



1. Only fixed rent contracts that are subject to contract renewal due to the termination of ordinary building lease contracts and fixed-term building lease contracts are covered.
 2. Market rent refers to estimated contract rent of standard floor of each property assessed by CBRE K.K. as of December 2020. The rent equal to the market rent is included in "Less than 10%".

Looking at the status of rent revisions at MMI in the 29th period here in page 17, the Investment Corporation continued to secure steady increases in rent. As indicated in the graph at the left of the page, there were 25 instances of an increase in rent during the period under review. Despite the impact of COVID-19, decreases in rent were held to two instances. As you can see from the red bar graphs at the center of the page, the rent revision rate at the time of tenant replacement remains high, exceeding 20%.

As indicated by the red bar graph at the center of the page, the rent increase rate at the time of replacement by a new tenant continues to be high, exceeding 20%. Directing you to the graph at the right of the page, the rent gap partially closed on the back of the upward revision of rents in the 29th period. Taking into account the downward trend in market rents as a result of COVID-19, the rent gap has narrowed compared with the 28th period. Looking ahead, the Investment Corporation will adopt an increasingly cautious approach toward leasing.

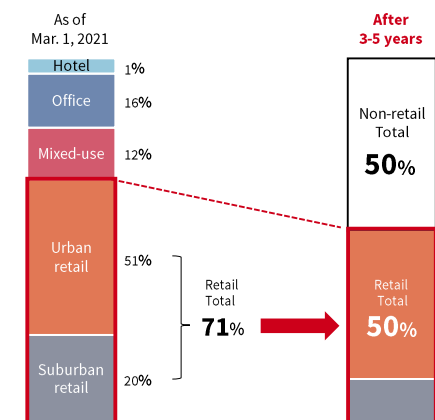
03

Growth Strategy after the Merger



Asset replacement of 200 billion yen to reduce the share of retail properties and improve NOI yield after depreciation

Target of portfolio allocation¹



Asset replacement

Assets to be Acquired

- | | |
|---------------------|---|
| Mixed-use | <ul style="list-style-type: none"> Office x Retail Office x Residence Residence x Retail 3 or more purposes |
| Office | <ul style="list-style-type: none"> Urban offices Commuter-town offices |
| Residence | <ul style="list-style-type: none"> Rental houses in urban areas |
| Urban Retail | <ul style="list-style-type: none"> Facing high street Urban retail properties Residential Station |
| Others | <ul style="list-style-type: none"> Hotels in urban areas New categories |

Assets to be Sold

- | | |
|------------------------|--|
| Suburban Retail | <ul style="list-style-type: none"> Properties with inferior location/profitability |
| Urban Retail | <ul style="list-style-type: none"> Properties with low profitability that are unlikely to improve in the future Properties that may be offered in exchange for other properties which requires replacement property to be proposed |





I would now like to comment on JMF's growth strategy after the merger.

JMF recognizes that the composition of its portfolio is fundamental to the Fund's management. Taking into consideration such factors as trends in Japan's demographic profile, an infrastructure society centered on rail transportation, future changes in people's living environments, and the nature of real estate, JMF will actively promote a strategy that emphasizes urbanization and the diversification of asset types in a bid to secure the Fund's stability and growth. Specifically, plans are in place to reduce the ratio of retail properties to approximately 50% in three to five years, with the remaining 50% to comprise non-retail properties. To this end, JMF will focus on the replacement of assets to the tune of 200 billion yen.

While not only disposing of suburban retail properties with inferior locations and profitability, the Investment Corporation will also dispose of certain urban retail properties with limited prospects of an improvement in profitability. Drawing on the proceeds procured through the disposition of these properties, JMF intends to build a well-balanced portfolio that includes such properties as office buildings, residences, and mixed-used facilities that are projected to develop in urban areas while also taking into account the market environment.

Through this replacement of assets, JMF will not only optimize the composition of its assets, but also achieve earnings growth by improving net operating income, or NOI, after depreciation.

Further diversification of asset types with two dispositions and two acquisitions

Disposition				Acquisition				Change of Portfolio allocation ⁶				
No. of properties	Disposition price (mn yen)	Appraisal value (mn yen)	Gain on sales of properties (mn yen)	No. of properties	Acquisition price (mn yen)	Appraisal value (mn yen)	VS Appraisal value		Mar. 1 2021	After asset replacement	Change	
2	28,154	28,000	3,228	2	29,935	35,300	84.8%					
AEON MALL Yamato Suburban retail				JMF-Bldg. Ichigaya 01 Mixed-use					Urban retail	51.5%	51.9%	+0.3%
									Suburban retail	19.7%	17.8%	-1.9%
Disposition price 17,200mn yen				Acquisition price (Scheduled) 20,935mn yen					Mixed-use	12.0%	13.7%	+1.7%
Appraisal value ¹ 17,100mn yen				Appraisal value ⁵ 22,100mn yen								
Book value ² 14,786mn yen				VS Appraisal value 94.7%								
Gain on sale of property ³ 2,241mn yen				NOI yield after depreciation 3.3%								
AEON Takatsuki Suburban retail				G-Bldg. Shinsaibashi 05 Urban retail					Office	15.7%	15.6%	-0.1%
									Hotel	1.1%	1.0%	-0.0%
Disposition price 10,954mn yen				Acquisition price (Scheduled) 9,000mn yen								
Appraisal value ¹ 10,900mn yen				Appraisal value ⁵ 13,200mn yen								
Book value ² 9,715mn yen				VS Appraisal value 68.2%								
Gain on sale of property ³ 987mn yen				NOI yield after depreciation 4.9%								

* Please refer to page 37 for the notes to this page.

Japan Metropolitan Fund Investment Corporation

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I would now like to touch briefly on the progress of JMF's asset replacement strategy.

The Investment Corporation has made steady progress in replacing assets despite the impact of COVID-19.

From a disposition perspective, JMF has recently undertaken and completed the disposition of two suburban retail properties, AEON MALL Yamato and AEON Takatsuki. Carried out over the 38th and 39th periods, the disposition of AEON MALL Yamato will generate a gain on sale of 2 billion 241 million yen. Completed in March, the disposition of AEON Takatsuki realized a gain on sale of 987 million yen.

While unable to disclose purchaser details at this time, each property was acquired by a fund backed by domestic investors. In addition to clearly indicating the willingness of certain buyers to actively acquire retail properties despite the COVID-19 environment, each transaction also demonstrates the Asset Management Company's ability to fully harness its disposition expertise.

At the same time, and as recently announced through the issue of a press release on April 14, JMF undertook the acquisition of two properties from different bridge special purpose companies, or SPCs, on April 30.

As the first mixed-use property that includes a residential component purchased under the JMF name, floors one to nine of JMF-Bldg. Ichigaya 01 are for office building use and floors 10

and 11 comprise residences.

Located in an office area with excellent access, just one-minute's walk from Ichigaya Station in Chiyoda Ward, Tokyo, the property enjoys considerable competitive advantage thanks to the high level of leasing demand.

Through G-Bldg. Shinsaibashi 05, JMF has acquired an urban retail property that is located in an area within the Kansai region of the utmost importance to the Investment Corporation. With a Shinsaibashi-suji Street address, G-Bldg. Shinsaibashi 05 is situated in one of the busiest shopping and entertainment districts in Osaka.

While classified as urban retail, G-Bldg. Shinsaibashi 05, which boasts an excellent location within the highly competitive Shinsaibashi area, was an opportunity to acquire a property at an attractive price level in light of the current and future impact of COVID-19. In addition to these factors, the decision to acquire G-Bldg. Shinsaibashi 05 took into account the property's NOI yield after depreciation of 4.9%, which is well above the portfolio average of 3.5%.

Plenty of acquisition opportunities, and JMF's own acquisition scheme is under construction

01 Approach by property acquisition

Projects consider acquisition	
Mixed-use	Approx. 150bn yen
Office	Approx. 190bn yen
Urban retail	Approx. 90bn yen
Residence	Approx. 20bn yen
Total	Approx. 450bn yen

▶ Plenty of opportunities to acquire properties as investment targets expanded

02 Approach by new scheme of acquisition



Considering collaboration with a private residential REIT

Considering to acquire large-scale residential exposure through continuous acquisition of investment units



Conclude a basic agreement on mezzanine loan bond investment

Collaborate with a company that manages one of the largest mezzanine funds in Japan to invest in mezzanine loan bonds as one of the external growth measures



Utilizing creditworthiness and network against the backdrop of Japan's largest asset scale

As you can see here on page 21, JMF has an abundance of external growth opportunities going forward.

From a normal property acquisition perspective, the transition to a diversified REIT has expanded the scope of investment targets. As of the date of this presentation, the amount of projects under consideration totaled approximately 450 billion yen.

Turning to the right side of the page, JMF has drawn on its credit standing and external network as a J-REIT that enjoys one of Japan's largest asset size to initiate acquisition activities based on a new proprietary method that is separate from its regular real estate acquisition activities.

One part of this new proprietary method entails the continuous acquisition of the investment units of a private residential REIT. This initiative is geared toward expanding assets through the acquisition of new residential exposure while working to secure additional benefits including further improvements in residential management knowledge and enhanced profitability.

Moreover, JMF is preparing to undertake mezzanine investments with the aim of expanding real estate acquisition opportunities as and when the market evolves. In March, the Investment Corporation concluded a basic agreement with one of Japan's leading mezzanine fund managers. Having put in place an investment structure, JMF is considering several investment projects in detail.

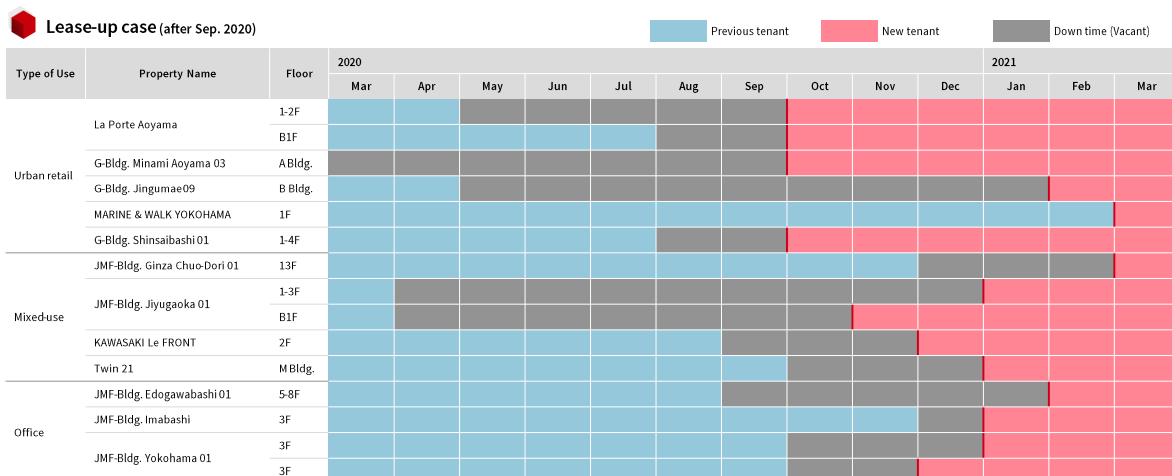
Pre-emptive approaches ahead of the trend of mixed-use by area and by property

Approach for Mixed-use Properties	Track Record	Future Prospects
01 Acquisition of mixed-use properties	<ul style="list-style-type: none"> Acquisition of JMF Bldg. Osaka Fukushima 01, mixed-use of office and retail 	<ul style="list-style-type: none"> Acquisition of JMF Bldg. Ichigaya 01, mixed-use of office and residence Acquisition of preferential negotiation right on one property Further acquisition from the projects consider acquisition of approx. 150 billion yen
02 Shift to mixed-use at the opportunity of tenant replacement	<ul style="list-style-type: none"> Attraction of satellite office into KAWASAKI Le FRONT Attraction of satellite office into Oyama Yuen Harvest Walk Attraction of hotels into JMF Bldg. Shibuya 01 and JMF Bldg. Kyoto Kawaramachi 01 	<ul style="list-style-type: none"> Leasing activities intended for replacement with satellite offices, mainly at upper floors of urban retail properties
03 Tenant-led introduction of mixed-use	<ul style="list-style-type: none"> Additional occupation of another floor as office by the retail tenant, at JMF Bldg. Jingumae 01 	<ul style="list-style-type: none"> Needs for floor expansion into vacant spaces as office use, among tenants of urban retail properties near residential areas

While advancing an acquisition strategy that focuses on prime locations in urban areas, JMF also recognizes the trend toward increasingly diversified applications and the concentration of mixed-use real estate. As a result, the Investment Corporation will reform its portfolio to include a mixed-use category.

In addition to the previously mentioned acquisition of such mixed-use properties as JMF-Bldg. Ichigaya 01, JMF will introduce other use tenants that have a synergistic effect on a property as a whole when replacing tenants at properties already held, and encourage tenants when taking up space in a property to increase their floor area for additional use while promoting the partial conversion of space to other uses. As indicated here on page 22, the Investment Corporation will work diligently to increase the ratio of mixed-use properties through a combination of these methods.

Completed leasing of vacant spaces under COVID-19 outbreak by addressing tenants' needs



Changing tack, I would like to provide details of JMF's lease-up activities here on page 23.

One of JMF's major real estate management strengths is its ability to shorten downtime, increase rents, and optimize tenant composition by internalizing the leasing function and making the most of its leasing capabilities. In demonstrating its leasing capabilities, the Investment Corporation has made steady progress in its lease-up activities even in midst of COVID-19.

Due to restrictions on movements following, among other things, the government's decision to declare a state of emergency, JMF temporarily suspended its leasing activities for several months from March last year. Negotiations with tenants resumed around June, and since October, the number of lease agreements concluded with new tenants for each type of use has steadily increased with the period of downtime shortened to less than three months.

Conservatively-estimated downtime in some properties to be shortened with strengthened leasing activities

Type of Use	Property Name	Estimated Occupancy Rate (As of the end of Feb, 2022)	Current leasing situation and future outlook	Estimated Downtime (mn yen)	
				Aug. 2021 (39 th) period	Feb. 2022 (40 th) period
Urban retail	G-Bldg. Midosuji 01	68.6%	<ul style="list-style-type: none"> Leasing activities are under way after the exit of one tenant in September 2020 Block division works are implemented at upper floors to attract office tenants 	162	148
	G-Bldg. Omotesando 02	91.9%	<ul style="list-style-type: none"> One tenant will exit at the end of October 2021 after the contract expiration Leasing activities are under way 	0	27
	mozo wonder city	89.6%	<ul style="list-style-type: none"> About 50 tenants, out of 170 tenants whose lease contracts will expire at the end of January 2022, are replaced Renewed tenants will open their stores in spring and summer 2022 	0	136
Mixed-use	JMF-Bldg. Ichigaya 01	80.9%	<ul style="list-style-type: none"> Leasing activities are under way after two blocks were vacated 	59	88
	JMF-Bldg. Osaka Fukushima 01	87.1%	<ul style="list-style-type: none"> Leasing activities are under way after one of the tenants decided to cancel the contract in April 2021 	25	32
Office	JMF-Bldg. Toyochō 01	74.3%	<ul style="list-style-type: none"> Leasing activities are under way after five blocks were vacated after converting the old data center blocks into the office blocks 	67	67
	JMF-Bldg. Shibuya 02	89.9%	<ul style="list-style-type: none"> Leasing activities are under way after the tenant that occupied the entire 2nd floor exited in November 2020 	34	34
	JMF-Bldg. Shibuya 03	61.4%	<ul style="list-style-type: none"> Leasing activities are under way after the tenant decided to cancel the contract for three floors in July 2021 	40	102
Hotel	Hotel Vista Premio Tokyo	4.5%	<ul style="list-style-type: none"> Operation by the incumbent operator ended as of the end of March 2021 Negotiations are under way with a leading Japanese hotel operator 	184	182
Total				573mn yen	820mn yen

1. Based on the contracted area occupied in the total leasable area of the property
 2. Based on the values obtained by multiplying the vacant area by the market rent or the values obtained by the difference between budget NOI and appraisal NOI

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The occupancy rate for the portfolio as a whole remained high at 99.3% as of the end of February 2021 with the accumulation of lease-up results.

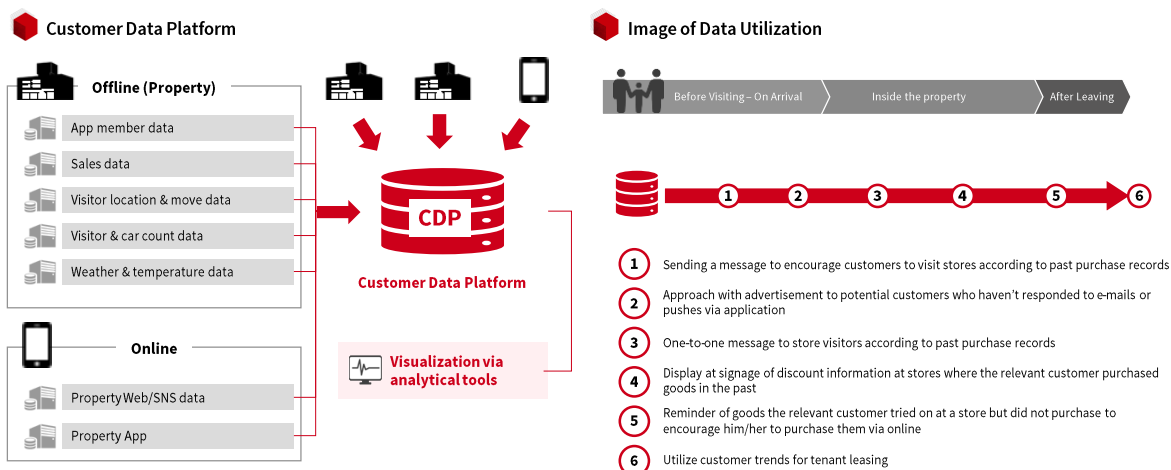
Drawing your attention to the list of nine properties here on page 24, we provide a conservative estimate of the downtime between tenants vacating space and the determination of replacement tenants for the next two periods after taking into account the impact of COVID-19.

Looking at specific examples, occupancy at G-Bldg. Midosuji 01 is down owing to the departure of one tenant. Based on its conservative approach, the occupancy rate at this property is estimated to come in at 68.6% as of the end of February 2022.

As I mentioned earlier in this presentation, the operator and tenant of Hotel Vista Premio Tokyo vacated the property in March 2021 after filing an application to commence rehabilitation proceedings under the Civil Rehabilitation Law of Japan. In this instance, a conservative estimate has the entire hotel vacant until the end of February 2022.

In light of the Investment Corporation's conservative approach, and forecast for long periods of downtime, JMF will make every effort to harness its strengths including its leasing capabilities to lease-up vacant space at the earliest opportunity.

Database Architecture to Integrate and Visualize Sales, Customers and Their Behavior



JMF recognizes that efforts to increase the efficiency of real estate operations will accelerate in the future. Building on behavioral information including data on retail consumers, workers in office buildings, and housing residents, the Investment Corporation is promoting the use of digital transformation, or DX, in its real estate management.

In 2020, JMF launched a proprietary facility app at the large multi-tenant facilities mozo wonder city and Kyoto Family. Through this initiative, the Investment Corporation has already commenced steps to capture and collate data on customer attributes and purchase history.

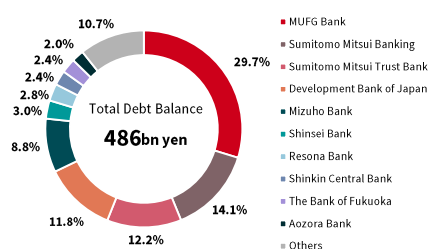
JMF is currently developing a customer data platform, or CDP, that consolidates traditional offline data accumulated by each retail facility with the newly established online tools including apps and property WEB data. Once this CDP is completed and in operation, it will be possible to consolidate and analyze data from multiple properties. JMF will be better placed to forward sales promotion and other useful information according to the attributes of individual consumers thereby stimulating visits as well as eventual purchases. Drawing on the platform, the opportunity also exists to improve leasing activities and to attract tenants that address consumers' needs.

Diversification of lender composition and maturity ladder and focus on longer-term borrowing, with strong balance sheet maintained

Post-merger Financial Indicators

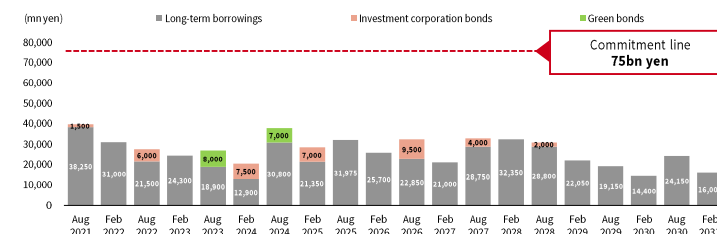
Credit ratings (JCR)	LTV ¹	Average debt cost ²	Average loan term remaining ³	Long-term borrowing ratio ⁴	Fixed-interest ratio
AA (Stable)	Book value : 43.5% Appraisal value: 38.4%	0.78%	4.6years	100.0%	92.8%

Diversification of Lenders (As of Mar. 1, 2021)



1. Please refer to page 37 for the notes to this page.

Debt Maturity ladder (As of Mar. 1, 2021)



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Turning our attention to another topic, I would like to comment on JMF's financial management here on page 26.

Once again, as we identified earlier in this presentation, JMF newly received a double-A rating from Japan Credit Rating Agency, Ltd. at the time of its merger, placing the Investment Corporation in the top tier among J-REITs. Moving forward, JMF will continue to maintain a strong balance sheet while diversifying its lender composition and maturity ladder and focusing on longer-term borrowings.

Continued efforts to reduce debt cost leveraging strong credit quality

Latest Credit Rating

AA
(Stable)

Acquisition of issuer credit rating from Japan Credit Rating Agency, Ltd. (JCR) on March 1, 2021

Latest Refinancing (Mar. 22, 2021 – Apr. 1, 2021)

	Amount (mn yen)	Avg. term (Years)	Avg. debt cost ¹ (%)
Before	16,500	7.6	0.98
After	16,500	8.1	0.53

Effect to
the DPU²

+5yen

Borrowings maturing within 5 periods (Long-term Fixed and Investment Corporation Bond Only)

	Amount (mn yen)	Avg. term (Years)	Avg. debt cost ¹ (%)
Aug. 2021 Period (39th)	16,250	6.0	0.89
Feb. 2022 Period (40th)	21,000	7.9	1.11
Aug. 2022 Period (41st)	25,000	8.0	1.09
Feb. 2023 Period (42nd)	14,500	8.4	1.06
Aug. 2023 Period (43rd)	26,900	7.4	0.90
Total/ Average	103,650	7.6	1.01

If refinanced at 0.7%, effect to the DPU² **+22yen**

1. This includes loan-related fees, etc.

2. Calculated by the difference of debt cost before refinancing and debt cost after refinancing converted to semi-annualized basis and divided it by the issued investment units as of this document.

As you can see here on page 27, JMF recently refinanced a total of 16.5 billion yen during March and April 2021. This refinance was completed at an average term of 8.1 years and an average debt cost of 0.53%, resulting in a positive DPU impact of 5 yen.

The amount subject to refinance over the next 5 fiscal periods comes to 103 billion 650 million yen. This total has an average term of 7.6 years and an average debt cost of 1.01%. In the event that these borrowings are refinanced at an average debt cost of 0.7%, the positive impact on DPU is projected to come in at 22 yen. Depending on the financial environment going forward, we believe there is significant room to reduce costs through refinancing.

Will try to utilize internal reserves to manage distributions so that no tax burden is incurred on the amount related to amortization of goodwill generated by the merger

Expected Goodwill

Market Valued B/S of MCUBS MidCity
as of the end of Feb. 2021

Assets Received (Market value)	Debt Assumed (Market value)
322,556mn yen	150,769mn yen
Goodwill	Merger Consideration
	187,868mn yen

Expected Goodwill¹
16,081mn yen

Treatment of Goodwill

- Goodwill will be recorded as intangible non-current assets on B/S
- In accounting, amortized over 20 years using the straight-line method
- The amortization of goodwill will be recorded as operating expenses on P/L

Amount related to
amortization of goodwill per period¹ **402mn yen**

1. Assumption based on the date of this document

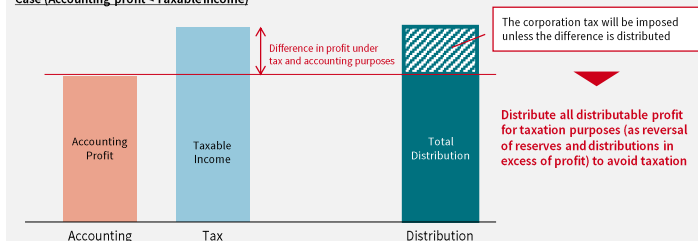
Distribution Management

Manage distributions so that no tax burden is incurred on any taxable profits due to the difference in tax and accounting recognition

Main causes for such temporary difference

- Difference in depreciation between tax purposes and accounting purposes (in JMF's case, taxable income < accounting profit)¹
- Amortization of positive goodwill in association with the merger with MCUBS MidCity (taxable profit > accounting profit)

Case (Accounting profit < Taxable income)



Looking at the data at the left of page 28, the merger generated goodwill of 16 billion and 81 million yen, which will be amortized in equal amounts over 20 years at 402 million yen each period.

While one factor behind this incidence of goodwill is the difference in depreciation recorded for tax and accounting purposes, JMF will implement measures including the reversal of reserves to avoid any tax burden attributable to the aforementioned difference.

As far as any reduction in revenue owing to such temporary expenses as renewal and conversion costs, demolition expenses and any loss on property disposal associated with rebuilding and related activities as well as downtime are concerned, JMF will undertake the payment of distributions after implementing distributions in excess of profit even in the event of reserve depletion.

Regardless of the balance of reserves, the Investment Corporation will therefore continue to proactively push forward a variety of internal growth investments in order to increase future distributions.

Slight decline in appraisal value, and almost flat cap rate

Portfolio Valuation¹

	Appraisal Value				Cap rates ³		
	Previous ² (mn yen)	As of Feb. 28, 2021 (mn yen)	Change		Previous ² (%)	As of Feb. 28, 2021 (%)	Change (%)
Urban retail	705,780	702,730	-3,050	-0.4	4.01	4.02	+0.01
Mixed-use	156,940	158,610	+1,670	+1.1	3.84	3.82	-0.02
Office	186,240	184,710	-1,530	-0.8	3.74	3.73	-0.01
Hotel	15,560	12,440	-3,120	-20.1	3.68	4.01	+0.33
Suburban retail	218,250	217,500	-750	-0.3	5.08	5.07	-0.01
Total / Average	1,282,770	1,275,990	-6,780	-0.5	4.14	4.13	-0.01

1. Excl. AEON MALL Yamato
2. The properties acquired from MCUBS MidCity Investment Corporation are as of the end of June 2020, and the other properties are as of the end of August 2020.
3. Weighted average of direct cap rates at appraisal value. (excluding properties to which the direct capitalization method is not applied)

On page 29, I would like to touch on appraisal values and cap rates.

Despite the impact of COVID-19, the decrease in JMF's entire portfolio appraisal value came in at a minor 0.5%. Due to trends at Hotel Vista Premio Tokyo, the hotel cap rate climbed 0.33 of a percentage point as of the end of the February 2021 period, while remaining essentially unchanged across all other asset types. There was also no movement in valuations of real estate in prime locations.

04 ESG



Strongly promote ESG as a front runner in the J-REIT industry

ESG Initiatives (Sep. 1, 2020 – Mar. 31, 2021)

Sustainability Promotion

- Setting medium- to long-term KPIs
- Established ESG Promotion Office under the direct control of management at Asset Manager
- Issued the ESG Report (March 2021 edition)

Environment

- Achieved 100% renewable energy use at 2 properties
- Newly acquired green building certifications for 9 properties
- Participated in the Ministry of Land, Infrastructure, Transport and Tourism "ESG-TCFD Practitioner Working Group in the Real Estate Field"

Social

- Addressing COVID-19 related issues
- Survey on tenant satisfaction
- Introduced Flextime system at Asset Manager
- Introduced Teleworking system from satellite offices at Asset Manager

Governance

- 100% participation in board of directors of Investment Corporation
- Compliance training at Asset Manager

1. As of the end of Mar. 2021
2. Excluding executives and temporary staff

ESG Highlights¹

GRESB Real Estate Assessment	4stars
CDP Climate Change Program	B-
MSCI ESG Rating	BBB
Percentage of green building certified Buildings ²	71.2%
Number of green building certified Buildings ²	65Buildings
Female employee ratio (Asset Manager)	36.7%

Here on page 31, I would like to comment briefly on JMF's efforts to address environmental, social, and governance, or ESG, concerns in the 38th period.

Since the early days of the Fund, JMF has actively engaged in ESG activities. In addition to repositioning the ESG Promotion Office under the direct control of the Chief Sustainability Officer in March, the Investment Corporation has continued to upgrade and expand its ESG promotion structure. From an environmental perspective, JMF has received green building certification for 9 properties with the intent to secure more. Conscious of its responsibilities as a retail facility operator, the Investment Corporation is implementing various support measures for tenants and is working meticulously to prevent infection from the COVID-19 pandemic at properties within its portfolio.

At the right side of the page, we provide a list of ESG highlights.

Promote “Visualization” of "S" initiatives on ESG by utilizing DX

Case: Introduction of circulation type hand washing stand "WOSH" (mozo wonder city)

Step 1

A sustainable mechanism by reusing water contributes to improve the public health level of facility users



Settled on 4th floor at mozo wonder city

Circulation type hand washing stand “WOSH”¹

- Can be installed in places without water supply
- Water quality in accordance with WHO drinking water guidelines and drinking water standards of each country
- Equipped with a deep UV irradiation function for smartphones

Step 2

Collect and analyze usage data to realize “Visualization” of the effects of efforts



Display data of smartphone sterilization count and hand wash count

Step 3

Quantify the effect of reducing water usage

Digitization process

- (1) Hand wash with WOSH : 30 seconds
- (2) Normal water usage for 30 seconds: about 6 liters
- (3) Number of hand washings : measured daily and monthly
- (4) Calculate the reduction effect by (2) × (3)

1. WOSH is a product developed by WOTA CORP.

On this next page, I would like to touch on an example of the Investment Corporation’s ESG efforts and in particular an initiative aimed at addressing social concerns implemented during the 38th period.

Directing your attention to the photo at the left of the page, JMF installed a circulation type hand washing stand referred to as “WOSH” at mozo wonder city, a large retail property. This stand can be installed in places without a water supply and provides a mechanism for reusing water. Since data on the number of users can be collected, WOSH makes it possible to improve sanitation levels, reduce water consumption, and quantify the effects of water usage reduction.

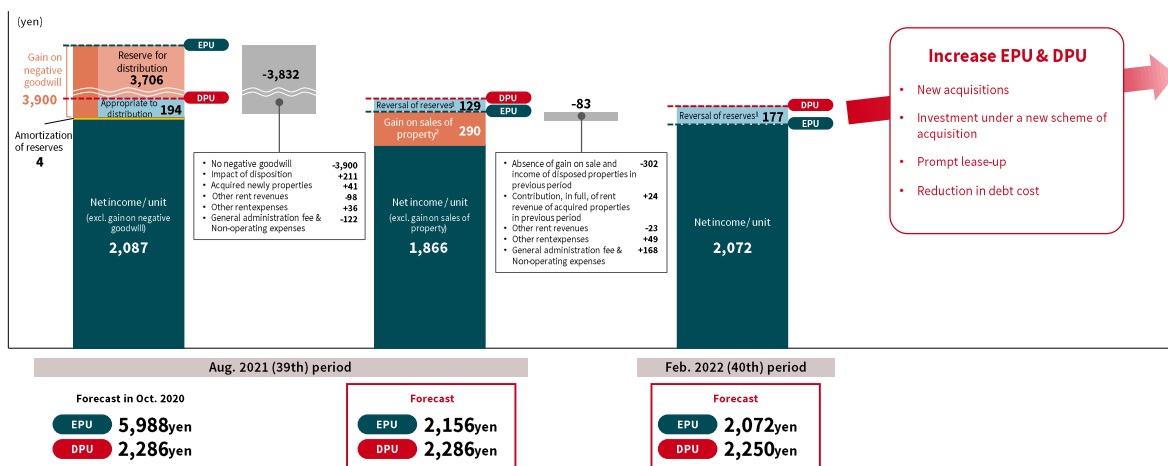
05

Financial Forecasts

(Fiscal period ending August 31, 2021 & Fiscal period ending February 28, 2022)



Aim to further raise the levels of EPU/DPU through lease-up and new acquisitions



1. Includes reversal of reserve for temporary difference adjustment to avoid additional tax burden due to tax association discrepancy
 2. After deducting gain nonrecoverable tax by disposition

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In closing, I would like to provide details of financial forecasts for the August 2021 39th and February 2022 40th periods as well as the direction of JMF's focus from an operating perspective.

As far as the revision of forecasts for the 39th period are concerned, the data prepared takes into account trends in the incidence of goodwill. While previous forecasts factored in an amount of negative goodwill totaling 27 billion 263 million yen, based on an investment unit price of 167,500 yen prior to the unit split on October 8, 2020, the investment unit price in fact climbed substantially to 210,600 yen as of the end of February 2021, up 26% compared with the October 8, 2020 level. In the final analysis, this led to the incidence of positive goodwill totaling 16 billion and 80 million yen.

Based on the aforementioned, I will now elaborate on the main changes from announced forecasts on a per unit basis.

First, the absence of negative goodwill is expected to push down extraordinary income by a per unit amount equivalent to 3,900 yen. Next, the gain on sale associated with the disposition of two suburban properties coupled with a partial decline in rent revenues is anticipated to have a positive impact of 211 yen. Referring to the previously mentioned conservative approach adopted when accounting for downtime at certain properties, trends in rent revenues are estimated to have a negative effect of 98 yen. General administration fees and non-operating expenses including the amortization of positive goodwill is estimated to have a positive impact of 122 yen. Accounting for each of these factors, EPU is forecast to

come in at 2,156 yen, a decrease of 3,832 yen from the previously announced 5,988 yen. After undertaking a reversal of reserves equivalent to 129 yen per investment unit, DPU is projected to total 2,286 yen.

Looking further ahead, I would now like to comment on major movements in newly announced forecasts for the 40th period compared with the 39th period.

As far as major movements are concerned, the absence of any gain on sale and income from properties disposed in the previous period is forecast to have a negative impact of 302 yen. The projected decrease in rent revenues attributable to conservative estimates of increased downtime is expected to also have a negative effect of 23 yen. Trends in other rent expenses including the decrease in restoration costs is anticipated to have a positive impact of 49 yen. Movements in general administration fees and non-operating expenses including merger fees and costs are estimated to have a positive impact of 168 yen. Based on the aforementioned, EPU in the 40th period is forecast to decline 83 yen from the previous period EPU of 2,156 yen, to 2,072 yen.

After factoring in the need to retain a certain amount of reserves for future contingencies and other considerations including the Fund's earnings capacity and taking into account efforts to address downtime incorporated into 40th period forecasts, JMF intends to once again undertake a reversal of reserves to the tune of 177 yen. On this basis, DPU is projected to come in at 2,250 yen.

Looking at financial forecasts over the next two periods, EPU is projected to temporarily decline. In adopting a conservative approach, the Investment Corporation has factored in a long period of downtime at certain properties within its portfolio.

Moving forward, JMF will first work to restore EPU to 2,250 yen by leveraging its leasing capabilities to swiftly lease up those properties where the Investment Corporation has conservatively factored in a long downtime. At the same time, JMF will endeavor to acquire new properties using the free cash procured through steady disposition activities, reduce debt costs through refinancing, and expand its asset size using new acquisition methods on the back of a sound credit standing and network. Through these means, JMF will engage in operations that will help achieve EPU and DPU in excess of 2,250 yen at the earliest possible opportunity. As we work toward achieving these goals, we ask for your continued support and understanding.

This then concludes the presentation. We thank you for your interest and attention.

Achievement of DPU as forecasted thanks to gain on sales of property and reversal of reserve, despite negative goodwill being extinguished

	Aug. 2021 Period (39th) Previous forecast	Aug. 2021 Period (39th) Revised forecast	Change		Comments
Operating revenue	39,633 mn yen	40,510 mn yen	+876 mn yen	+2.2 %	<ul style="list-style-type: none"> Gain on sales of property due to the disposition of AEON Takatsuki and AEON MALL Yamato (50% quasi-co-ownership interest) Decrease in rent revenues (excl. gain on sales of property)
Operating income	16,640 mn yen	17,122 mn yen	+481 mn yen	+2.9 %	<ul style="list-style-type: none"> Decrease in rent expenses Increase in general administration fees due to the depreciation of goodwill, etc.
Net income	41,855 mn yen	15,071 mn yen	-26,784 mn yen	-64.0 %	Decrease in extraordinary income due to extinguish gain on negative goodwill
Allocation to reserve	25,906 mn yen	-	-25,906 mn yen	-	
Reversal of reserve	31 mn yen	905 mn yen	+874 mn yen	+2,787.0 %	
Total distribution	15,977 mn yen	15,977 mn yen	-	-	
Distribution per unit (DPU)	2,286 yen	2,286 yen	-	-	
[Reference]					
Rent NOI: excl. gain or loss on sales of property	27,977 mn yen	26,958 mn yen	-1,019 mn yen	-3.6 %	
Gain or loss on sales of property	-	2,101 mn yen	+2,101 mn yen	-	
Amount related to depreciation of goodwill	-	402 mn yen	+402 mn yen	-	

Conservative forecast taking into account absence of gain on sales of properties and downtime caused by tenant exit

	Aug. 2021 Period (39th) Revised forecast	Feb. 2022 Period (40th) Forecast	Change		Comments
Operating revenue	40,510 mn yen	38,385 mn yen	-2,124 mn yen	-5.2 %	<ul style="list-style-type: none"> Absence of gain on sale and income of disposed properties in previous period Contribution, in full, of rent revenue of acquired properties in previous period Increase in rent revenues
Operating income	17,122 mn yen	16,504 mn yen	-617 mn yen	-3.6 %	<ul style="list-style-type: none"> Decrease in rent expenses Increase in general administration fees due to absence of merger fee and merger cost
Net income	15,071 mn yen	14,485 mn yen	-585 mn yen	-3.9 %	<ul style="list-style-type: none"> Decrease in interest payments
Allocation to reserve	-	-	-	-	
Reversal of reserve	905 mn yen	1,239 mn yen	+333 mn yen	+36.8 %	
Total distribution	15,977 mn yen	15,725 mn yen	-251 mn yen	-1.6 %	
Distribution per unit (DPU)	2,286 yen	2,250 yen	-36 yen	-1.6 %	
【Reference】					
Rent NOI: excl. gain or loss on sales of property	26,958 mn yen	27,332 mn yen	+374 mn yen	+1.4 %	
Gain or loss on sales of property	2,101 mn yen	-	-2,101 mn yen	-	
Amount related to depreciation of goodwill	402 mn yen	402 mn yen	-	-	

Note

P.20

1. Based on the appraisal report as of the end of August, 2020.
2. Calculated by adding up the book values as of the end of the fiscal period ended February 2021 (38th) of the 50% quasi-co-ownership disposed on December 21, 2020, and the assumed book values as of the end of the fiscal period ending August 2021 (39th) of the rest of 50% quasi-co-ownership disposed on March 30, 2021. Calculated by deducting the sum of the book value, the asset disposition fee, and other related costs from the disposition price.
3. Calculated by deducting the sum of the book value and the asset disposition fee from the disposition price.
4. Book Value assumed for the end of the August 2021 (39th) fiscal period.
5. Based on the appraisal report as of April 1, 2021.
6. Based on acquisition price

P.26

1. Book value-based LTV is calculated by dividing the estimated total interest-bearing debt as of the end of Aug. 2021 (39th) Period by the estimated total assets as of the end of the Aug. 2021 (39th). Market value-based LTV is calculated by dividing the total interest-bearing debt as of the end of Aug. 2021 (39th) Period by the sum of the unrealized gain or loss stated in Page 5 and the estimated total assets as of the end of Aug. 2021 (39th) Period.
2. It is calculated by dividing the annual total of interest for debt and investment corporation bonds, loan-related expenses, expenses for issuance and redemption of investment corporation bonds and custodial fees of investment corporation bonds as of Mar. 1, 2021, by the total interest-bearing as of Mar. 1, 2021.
3. The figure is a weighted average of remaining loan terms based on the amount of interest-bearing as of Mar. 1, 2021.
4. Long-term loans and investment corporation bonds that become due within one year are included in the long-term borrowing.

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Asset Management Company : Mitsubishi Corp.- UBS Realty Inc.

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403, Member of The Investment Trusts Association, Japan)