

Think bold today for a brighter tomorrow.



Security code 8953

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>



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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01

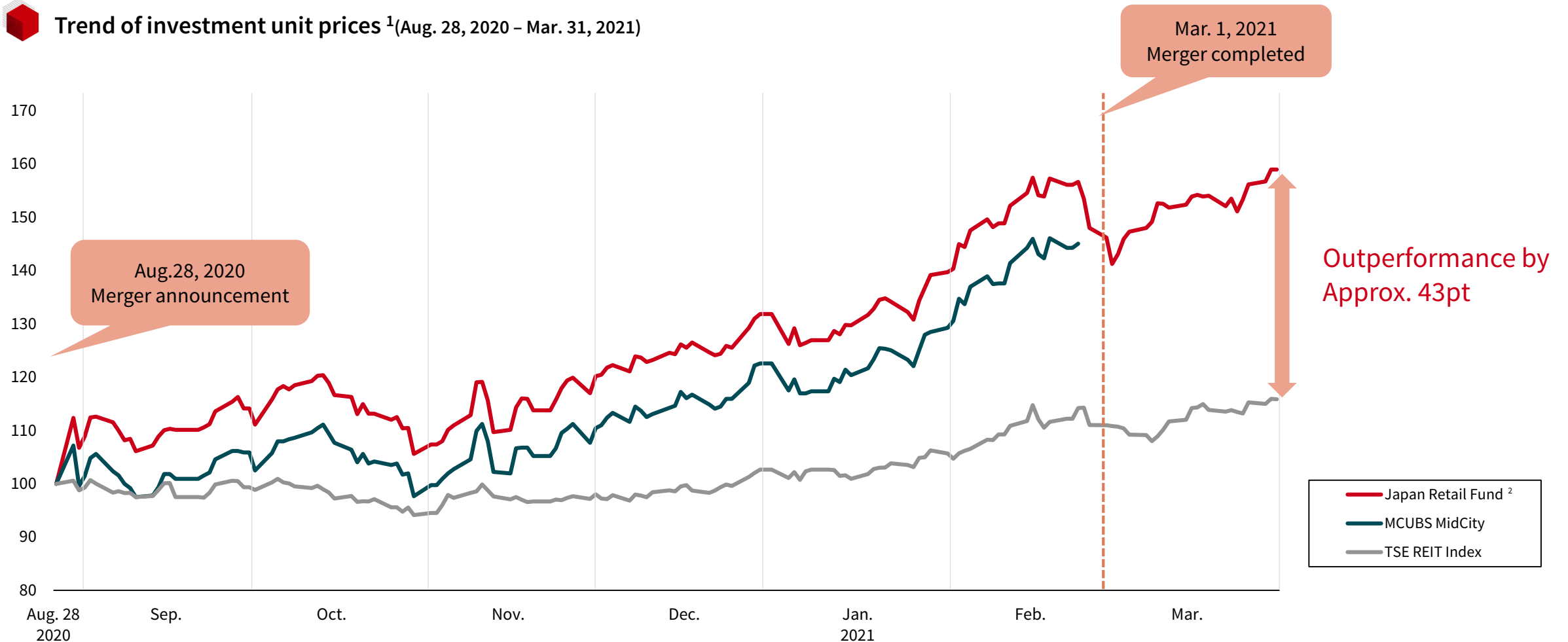
New Investment Corporation



The highest performance in J-REIT after the merger announcement



Trend of investment unit prices ¹(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.

Establishment of Japan Metropolitan Fund Investment Corporation (JMF), one of the largest diversified J-REITs

Asset

1,187 bn yen

Asset size¹

127 properties

No. of properties¹

165 bn yen

Unrealized gain or loss¹

4.6%

NOI yield¹

3.5%

NOI yield after depreciation¹

Debt

43.5%

LTV²

AA (JCR)

Credit rating

Equity

726 bn yen

Market capitalization³

110,800 yen

NAV per unit¹

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.
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).
3. As of the end of Mar. 2021

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



Urban retail



GYRE



mozo wonder city



Mixed-use



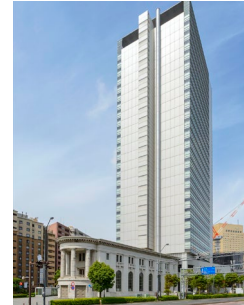
Twin 21



KAWASAKI Le FRONT



Office

JMF-Bldg.
Yokohama Bashamichi 01²JMF-Bldg. Shibuya 03²

Hotel



Dormy Inn Hakata Gion



Suburban retail



AEON MALL Musashi Murayama

Asset size¹

1,187bn yen

615bn yen
(52%)

162bn yen
(14%)

184bn yen
(16%)

12bn yen
(1%)

211bn yen
(18%)

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".

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

02

Financial Highlights (Fiscal period ended February 28, 2021)



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	-	

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	-	-	-	-	

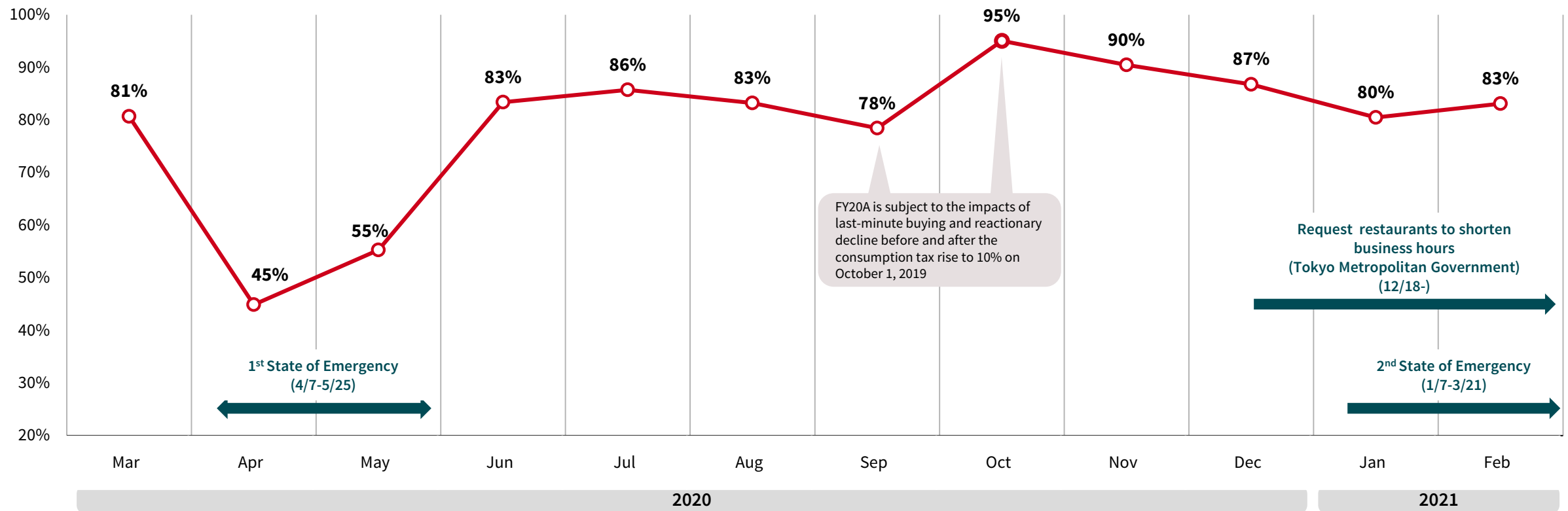
Portfolio Operation

(Japan Retail Fund)

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

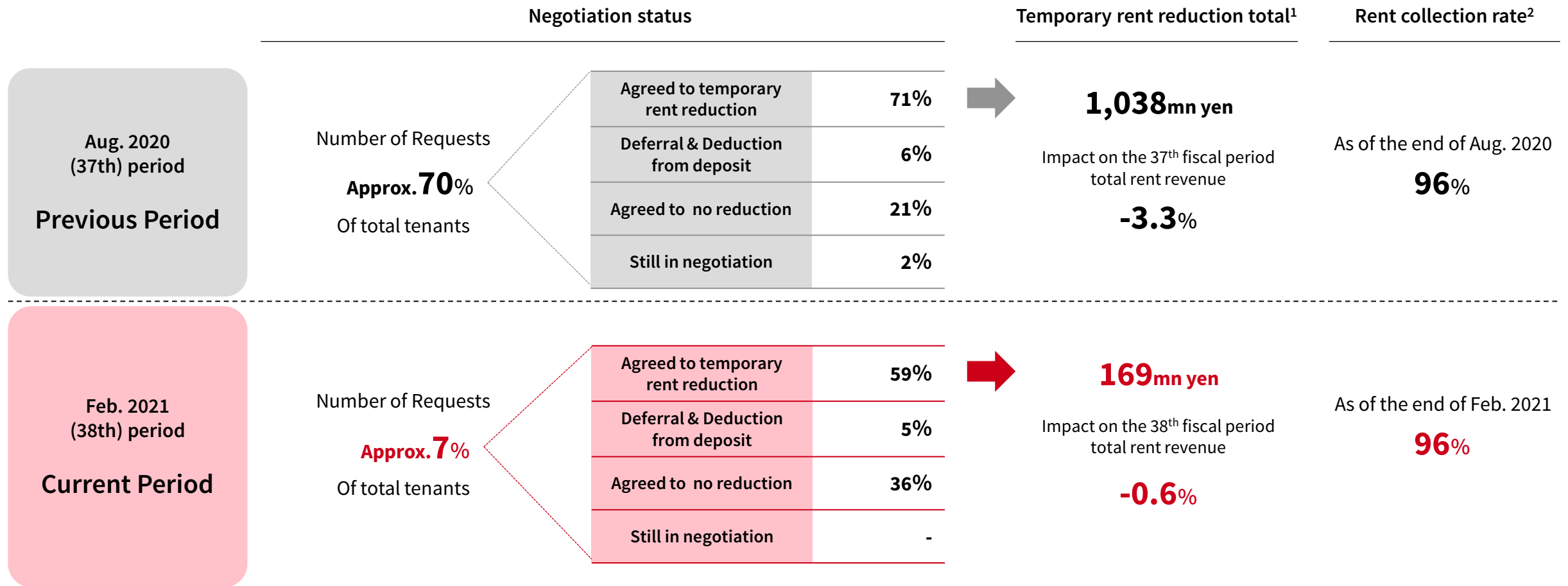


Sales performance of total portfolio¹(YoY)



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

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



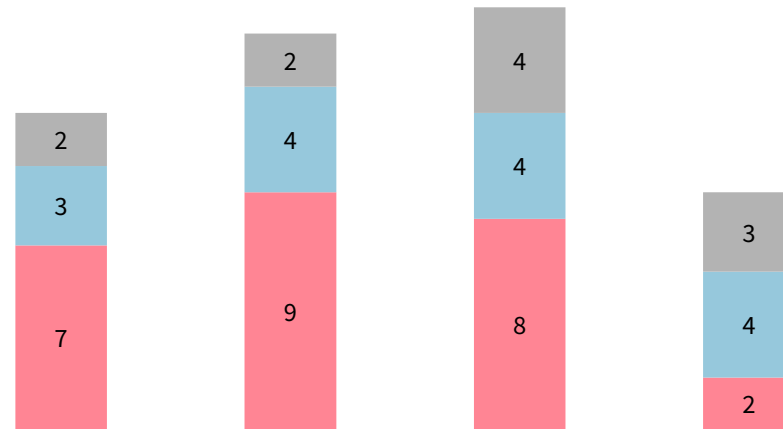
1. Not including the decrease of revenue-based variable rent due to the decline of sales and the rent during the downtime due to the tenant replacement.
2. The rent collection rate is calculated by dividing the amount receivable as of the end of the month by the accumulated amount of rent billings.

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

■ No. of downward revision
■ No. of no change
■ No. of upward revision



	Aug. 2019 (35 th) period	Feb. 2020 (36 th) period	Aug. 2020 (37 th) period	Feb. 2021 (38 th) period
Monthly rent subject to revision	29.8mn yen	61.5mn yen	100.8mn yen	102.3mn yen
Number of contracts subject to revision	12	15	16	9
Changes in monthly rent after the revision (on net basis)	+1.0mn yen	+6.7mn yen	+0.1mn yen	-41.7mn yen

Rent revision combining fixed rent and revenue-based rent



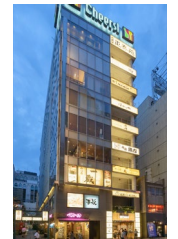
G-Bldg. Shinsaibashi 03

Fixed rent → Fixed rent + Revenue-based rent
Down Add



G-Bldg. Umeda 01

Fixed rent → Fixed rent + Revenue-based rent
Down Add



Cheers Ginza

Fixed rent → Fixed rent + Revenue-based rent
Down Add

Contract renewal with rent increase to the market level



G-Bldg. Jingumae 09

Rent growth +45.6%

Rent increase revisions with tenant replacement



KAWASAKI Le FRONT

Rent growth +523.1%

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.



Portfolio Operation

(MCUBS MidCity)

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	-
	Shop	-3mn yen (-2yen)
Retail facility		-
Hotel	<ul style="list-style-type: none"> 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.

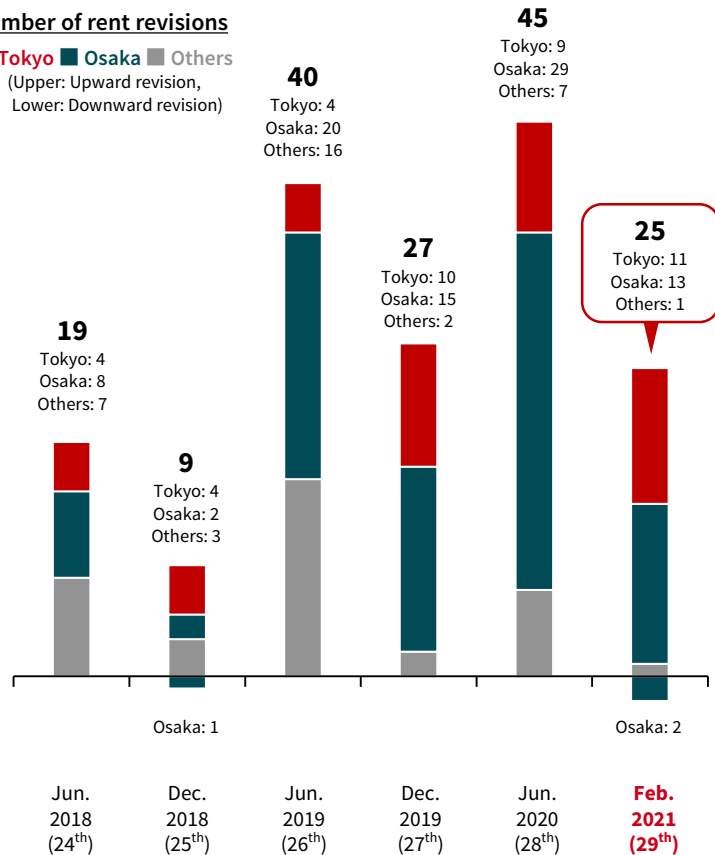
Consistent achievement of upward rent revisions despite COVID-19 outbreak



Rent Revisions for Leases¹

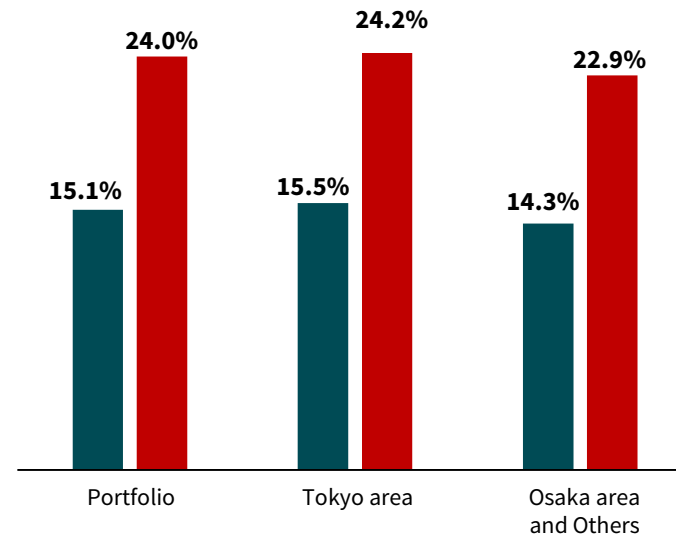
Number of rent revisions

■ Tokyo ■ Osaka ■ Others
(Upper: Upward revision,
Lower: Downward revision)

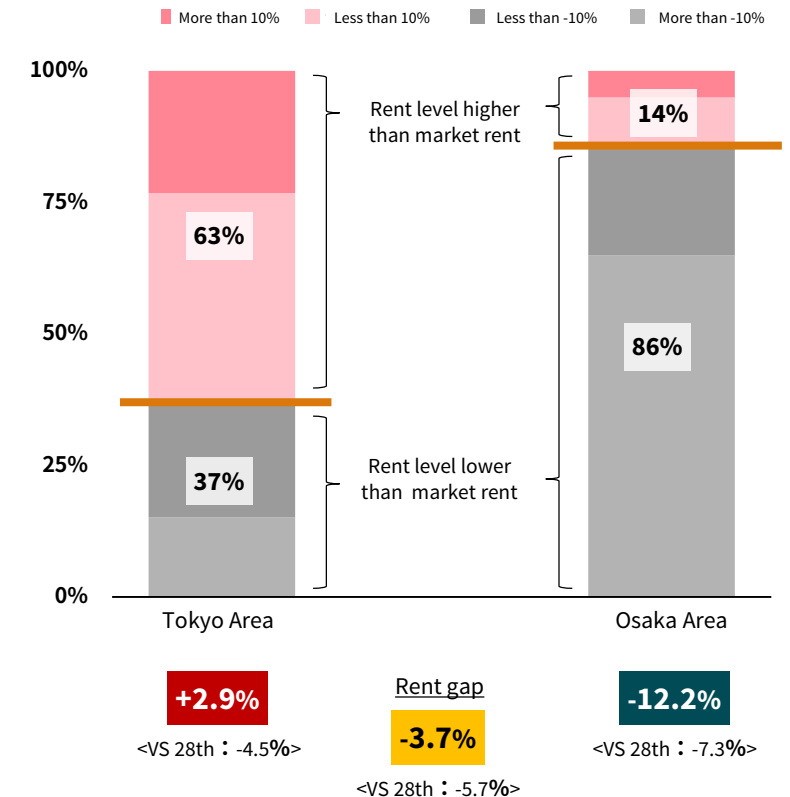


Rent Revision Rate (Feb. 2021 results)

■ Weighted average rent revision rate with existing tenants
■ Weighted average rent revision rate with new tenants



Rent gaps² (contract rent-based)



- 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.
- 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%".

03

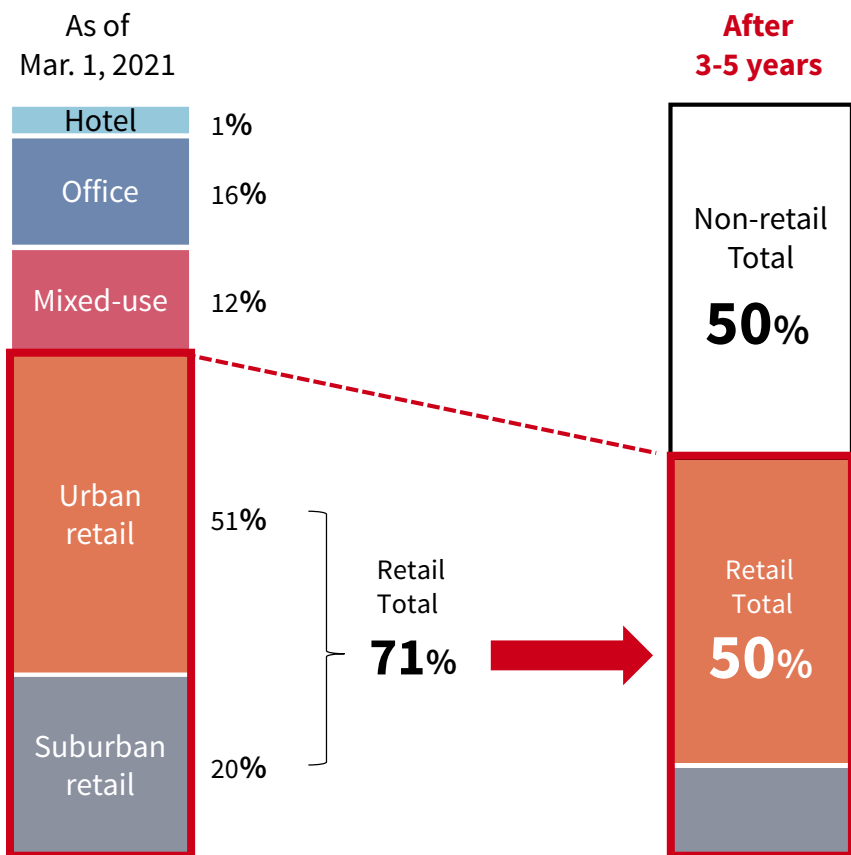
Growth Strategy after the Merger



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



1. Based on acquisition price

Assets to be Acquired

Mixed-use

- Office x Retail
- Office x Residence
- Residence x Retail
- 3 or more purposes

Office

- Urban offices
- Commuter-town offices

Residence

- Rental houses in urban areas

Urban Retail

- Facing high street
- Urban retail properties
- Residential Station

Others

- Hotels in urban areas
- New categories

Assets to be Sold

Suburban Retail

- Properties with inferior location/profitability

Urban Retail

- 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

Further diversification of asset types with two dispositions and two acquisitions

Disposition

No. of properties	Disposition price (mn yen)	Appraisal value (mn yen)	Gain on sales of properties (mn yen)
2	28,154	28,000	3,228

AEON MALL Yamato

Suburban retail



Disposition price	17,200mn yen
Appraisal value ¹	17,100mn yen
Book value ²	14,786mn yen
Gain on sale of property ³	2,241mn yen

AEON Takatsuki

Suburban retail



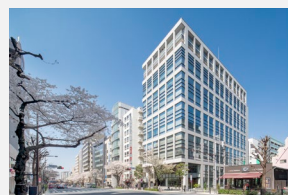
Disposition price	10,954mn yen
Appraisal value ¹	10,900mn yen
Book value ⁴	9,715mn yen
Gain on sale of property ³	987mn yen

Acquisition

No. of properties	Acquisition price (mn yen)	Appraisal value (mn yen)	VS Appraisal value
2	29,935	35,300	84.8%

JMF-Bldg. Ichigaya 01

Mixed-use



Acquisition price (Scheduled)	20,935mn yen
Appraisal value ⁵	22,100mn yen
VS Appraisal value	94.7%
NOI yield after depreciation	3.3%

G-Bldg. Shinsaibashi 05

Urban retail



Acquisition price (Scheduled)	9,000mn yen
Appraisal value ⁵	13,200mn yen
VS Appraisal value	68.2%
NOI yield after depreciation	4.9%

Change of Portfolio allocation⁶

	Mar. 1 2021	After asset replacement	Change
Urban retail	51.5%	51.9%	+0.3%
Suburban retail	19.7%	17.8%	-1.9%
Mixed-use	12.0%	13.7%	+1.7%
Office	15.7%	15.6%	-0.1%
Hotel	1.1%	1.0%	-0.0%

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

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**

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

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



Lease-up case (after Sep. 2020)

Previous tenant New tenant Down time (Vacant)

Type of Use	Property Name	Floor	2020										2021		
			Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Urban retail	La Porte Aoyama	1-2F													
		B1F													
	G-Bldg. Minami Aoyama 03	A Bldg.													
	G-Bldg. Jingumae 09	B Bldg.													
	MARINE & WALK YOKOHAMA	1F													
	G-Bldg. Shinsaibashi 01	1-4F													
Mixed-use	JMF-Bldg. Ginza Chuo-Dori 01	13F													
	JMF-Bldg. Jiyugaoka 01	1-3F													
		B1F													
	KAWASAKI Le FRONT	2F													
	Twin 21	M Bldg.													
Office	JMF-Bldg. Edogawabashi 01	5-8F													
	JMF-Bldg. Imabashi	3F													
	JMF-Bldg. Yokohama 01	3F													
		3F													

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 Down Time (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

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

Customer Data Platform

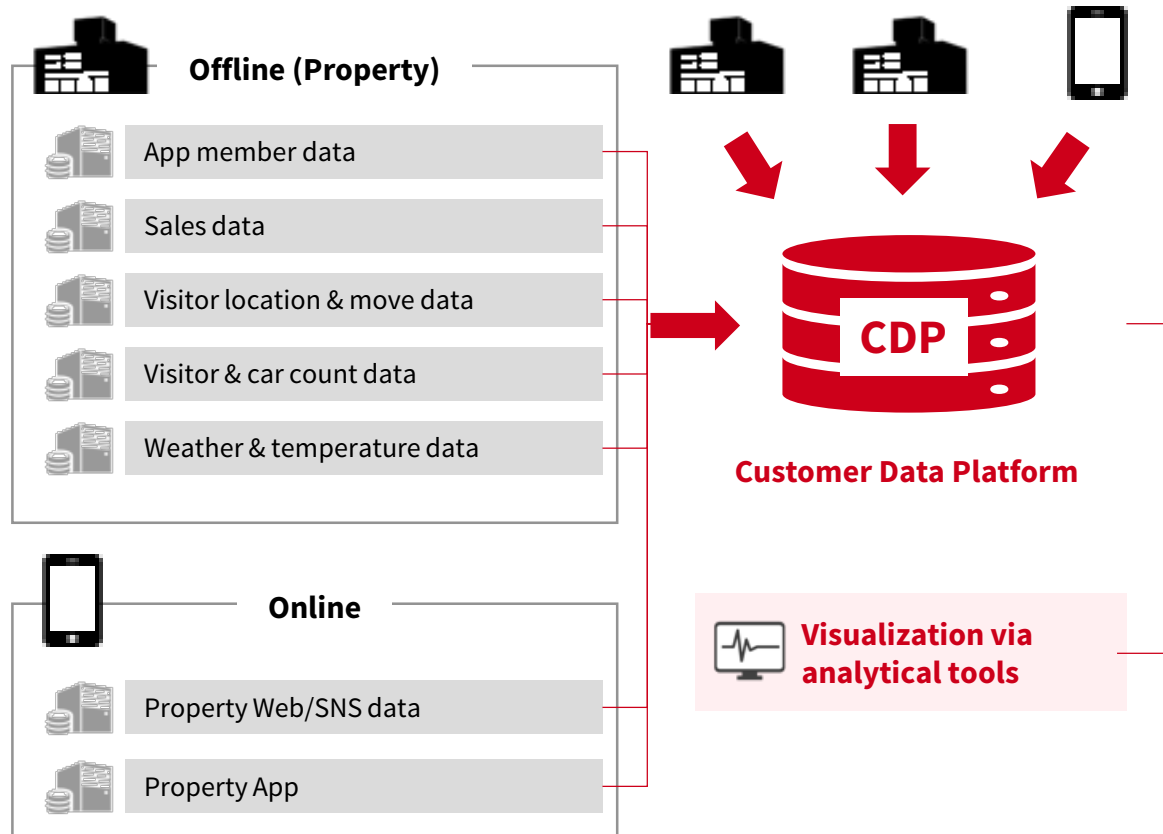


Image of Data Utilization



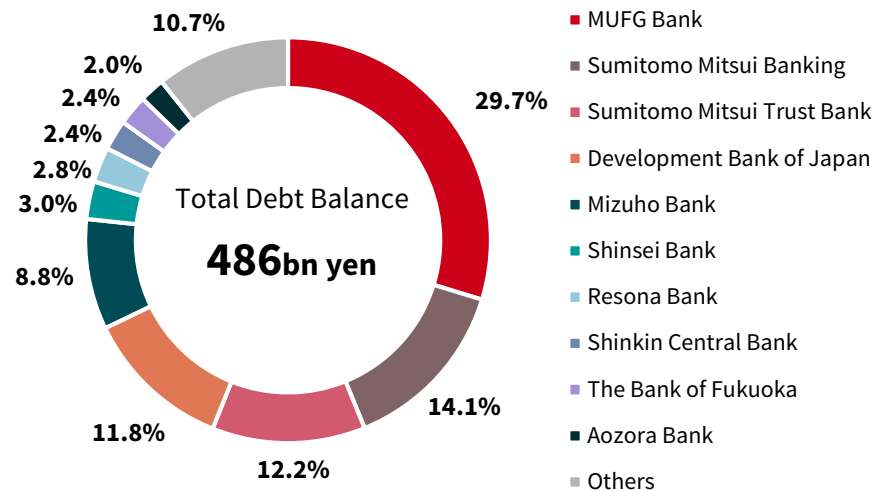
- 1 Sending a message to encourage customers to visit stores according to past purchase records
- 2 Approach with advertisement to potential customers who haven't responded to e-mails or pushes via application
- 3 One-to-one message to store visitors according to past purchase records
- 4 Display at signage of discount information at stores where the relevant customer purchased goods in the past
- 5 Reminder of goods the relevant customer tried on at a store but did not purchase to encourage him/her to purchase them via online
- 6 Utilize customer trends for tenant leasing

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

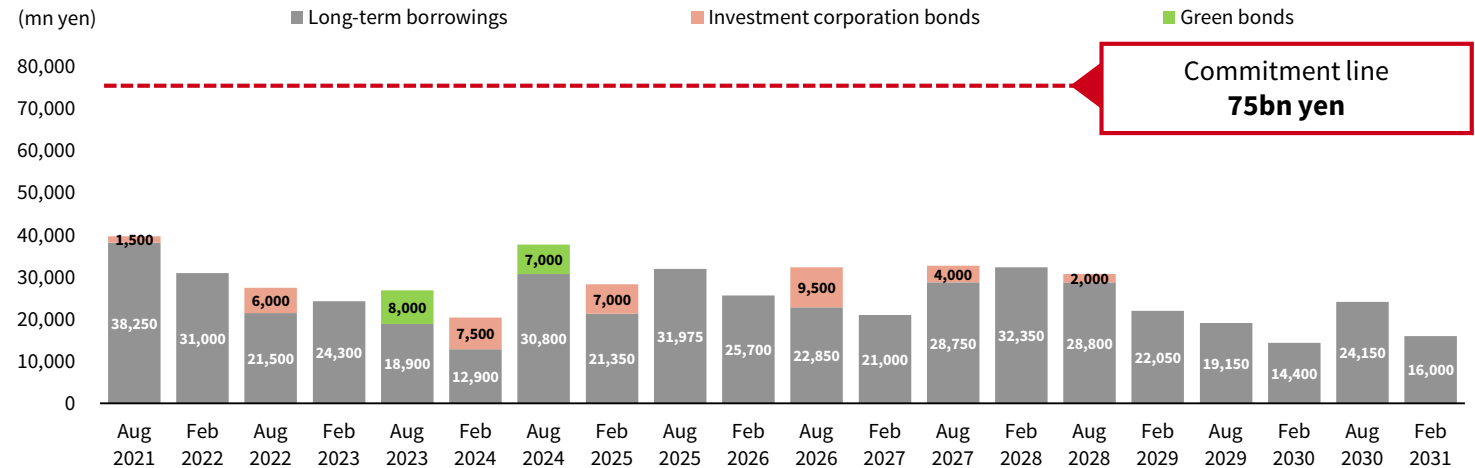
Post-merger Financial Indicators

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)



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



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

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.

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) 322,556mn yen	Debt Assumed (Market value) 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

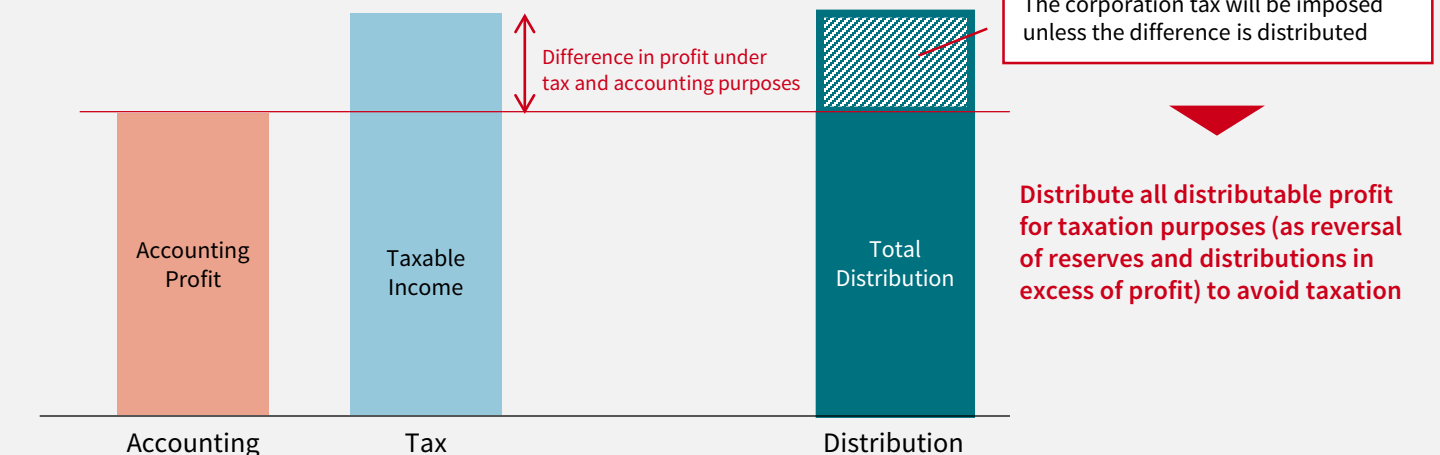
Distribution Management

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)



1. Assumption based on the date of this document

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 (mn yen)	(%)	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)

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



ESG Highlights¹

GRESB Real Estate Assessment

4stars

CDP Climate Change Program

B-

MSCI ESG Rating

BBB

Percentage of green building certified Buildings²

71.2%

Number of green building certified Buildings²

65Buildings

Female employee ratio (Asset Manager)

36.7%

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

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.

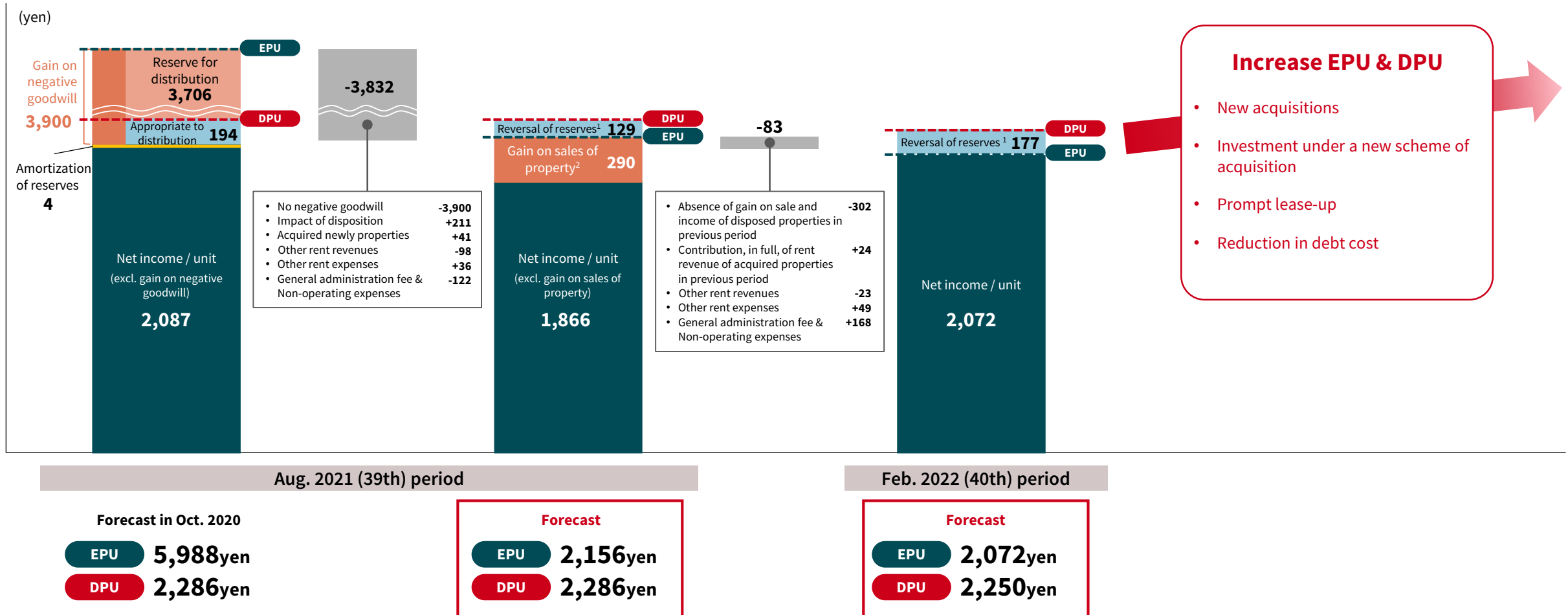
05

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

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 %	<ul style="list-style-type: none"> 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	-	-	

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.

Think bold today for a brighter tomorrow.



Japan Metropolitan Fund Investment Corporation

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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)