

Translation

JAPAN METROPOLITAN FUND INVESTMENT CORPORATION

SUMMARY OF FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED AUGUST 31, 2021

October 15, 2021

Name of issuer:	Japan Metropolitan Fund Investment Corporation ("JMF")
Stock exchange listing:	Tokyo Stock Exchange
Securities code:	8953
Website:	https://www.jmf-reit.com/english/
Representative of JMF:	Shuichi Namba, Executive Director
Name of asset manager:	Mitsubishi Corp.-UBS Realty Inc.
Representative of the asset manager:	Katsuji Okamoto, President & CEO & Representative Director
Contact:	Keita Araki, Executive Director, Head of Metropolitan Business Division Tel: (03)5293-7081
Scheduled date for filing of securities report:	November 25, 2021
Scheduled date for distributions payment:	November 18, 2021
Supplementary materials for financial results:	Otherwise prepared
Analyst meeting:	Scheduled

(Amounts of less than one million yen are rounded down)

1. Financial results for the six months ended August 31, 2021 (March 1, 2021 to August 31, 2021)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended August 31, 2021	40,360	32.2	15,560	15.2	13,549	13.9	13,549	13.9
February 28, 2021	30,518	-1.1	13,505	-2.3	11,897	-1.8	11,896	-1.8
	Net income per unit		Return on net assets		Ratio of ordinary income to total assets		Ratio of ordinary income to operating revenues	
	Yen		%		%		%	
For the six months ended August 31, 2021	1,938		2.6		1.3		33.6	
February 28, 2021	2,285		2.7		1.3		39.0	

Note: JMF executed a two-for-one unit split with March 1, 2021 as the effective date for the unit split. Net income per unit in the above table shows pro forma per unit information which has been adjusted to reflect the unit split as if it had been effective on September 1, 2020.

(2) Distributions

	Distributions (excluding distributions in excess of profit)		Distributions in excess of profit		Payout ratio	Ratio of distributions to net assets
	Per unit	Total	Per unit	Total		
	Yen	Millions of yen	Yen	Millions of yen	%	%
For the six months ended August 31, 2021	2,286	15,977	-	-	118.0	2.6
February 28, 2021	4,500	11,711	-	-	98.4	2.7

Note 1: Total distributions for the six months ended August 31, 2021 consist of retained earnings at the end of the period after reversals of reserve for reduction entry of property amounting to ¥770 million and retained earnings for temporary difference adjustment amounting to ¥1,657 million.

Note 2: Total distributions for the six months ended February 28, 2021 consist of retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥133 million and provision of reserve for reduction entry of property amounting to ¥318 million.

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2021	1,235,720	623,671	50.5	89,234
February 28, 2021	903,221	433,967	48.0	83,375

Note: JMF executed a two-for-one unit split with March 1, 2021 as the effective date for the unit split. Net asset value per unit in the above table shows pro forma per unit information which has been adjusted to reflect the unit split as if it had been effective on September 1, 2020.

(4) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
For the six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2021	17,676	(6,638)	(17,194)	82,864
February 28, 2021	16,899	6,101	(11,735)	72,563

2. Outlook for the six months ending February 28, 2022 (September 1, 2021 to February 28, 2022) and August 31, 2022 (March 1, 2022 to August 31, 2022)

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
For the six months ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2022	37,887	-6.1	16,107	3.5	14,180	4.7	14,179	4.7
August 31, 2022	38,877	2.6	16,149	0.3	14,203	0.2	14,203	0.2

	Net income per unit		Distributions per unit (excluding distributions in excess of profit)		Distributions in excess of profit per unit	
For the six months ending	Yen		Yen		Yen	
February 28, 2022	2,028		2,250		0	
August 31, 2022	2,032		2,250		0	

Note: Total distributions for the six months ending February 28, 2022 consist of retained earnings after reversals of retained earnings for temporary difference adjustment amounting to ¥1,127 million and reserve for dividends amounting to ¥417 million. Total distributions for the six months ending August 31, 2022 consist of retained earnings after reversal of reserve for dividends amounting to ¥1,522 million.

3. Others

(1) Changes in accounting policies and accounting estimates or restatements

Changes in accounting policies due to accounting standards revision: None

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: None

Restatements: None

(2) Number of investment units issued

Number of investment units issued at the end of period (including own investment units):

As of August 31, 2021 6,989,091 units

As of February 28, 2021 2,602,483 units

Number of own investment units at the end of period:

As of August 31, 2021 0 units

As of February 28, 2021 0 units

Note: For the number of investment unit as a basis of calculation of net income per unit, please refer to per unit information on page 30.

Forward-looking Statements and Other Notes

Forward-looking statements in this presentation are based on the information currently available and certain assumptions we believe reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. In particular, the following factors could possibly have an impact on the actual results, but are not limited to them:

(1) Decrease in rent and other operating revenues, non-payment of rent or bankruptcy of tenants due to further spread of the new coronavirus and prolonged impact

Furthermore, those statements do not guarantee the amount of future distributions.

For further information and assumptions regarding the forward-looking statements, please refer to “1. State of operations, (1) State of operations, B. Outlook of next period” on page 9-12.

1. State of operations

(1) State of operations

A. Operations during the period

i. Principal activities

Japan Metropolitan Fund Investment Corporation (“JMF”) was established under the Law Concerning Investment Trusts and Investment Corporations of Japan (Law No. 198 of 1951; as amended) on September 14, 2001. It was the first investment corporation in Japan to specifically target retail real estate assets. It was listed on the Real Estate Investment Trust (“REIT”) Section of the Tokyo Stock Exchange (securities code: 8953) on March 12, 2002.

After that, JMF effected an absorption-type merger (the “Merger”) effective March 1, 2021 with JMF as the surviving corporation and MCUBS MidCity Investment Corporation (“MMI”) as the dissolving corporation and changed the corporation name from Japan Retail Fund Investment Corporation to Japan Metropolitan Fund Investment Corporation.

During the fiscal period ended on August 31, 2021, two properties were acquired and three properties were sold as part of the portfolio asset replacement measures, one of growth strategies after the Merger, as well as acquisition of investment units of a private residential REIT.

As a result, the total assets managed by JMF as at the end of the 39th fiscal period (fiscal period ended on August 31, 2021) amounted to 1,173.7 billion yen (the total acquisition price for 126 properties).

ii. Investment environment and results

(1) Investment environment

(Macroeconomic trends)

During this fiscal period, the Japanese economy showed signs of recovery due to private demand such as housing investment and capital investment, even under the environment affected by the COVID-19 pandemic, while the quarter-on-quarter gross domestic product (GDP) growth rate standing at -1.0% (-3.9% annualized) in the January to March 2021 quarter, with 0.5% (1.9% annualized) in the April to June 2021 quarter (secondary preliminary figures announced on September 8, 2021). However, as a fourth state of emergency was declared again in July 2021, the outlook is likely to remain uncertain.

In capital markets, the Nikkei Stock Average had been fluctuating since the beginning of the fiscal year. However, in late August 2021, there were some signs of recovery due to progress in vaccination of the COVID-19 pandemic and expectations for economic measures, and the price stood at 28,089 yen as of the end of August 2021. In the J-REIT market, the Tokyo Stock Exchange REIT Index has been rising steadily since the beginning of the year, reaching 2,142 points as of August 31, 2021, the end of this fiscal period.

(Real estate trading market)

Under low interest rate environments across the world, Japan’s real estate continues to be attracting much attention not only because the impact of the COVID-19 pandemic on the real estate trading market is relatively small but also because of the country’s political and economic stability, and the acquisition environment continues to be severe, with investment appetite remaining strong among domestic and overseas investors.

(Real estate leasing market)

In retail properties, some of the restaurants or apparel tenants moved out by the declaration and extension of a state of emergency. On the other hand, demand for the necessities of life, such as daily necessities, and new consumer demand from remote work have also been generated, and demand from pop-up tenants has also been growing.

In offices, the introduction of remote work by companies and cost reductions in some large-scale offices in some regions resulted in a continuing upward trend in vacancy rates due to cancellations of relatively large lots, and rents also continued to fall. Amid this, small-and medium-sized offices are supported by steady demand, indicating that the vacancy rate is on a gradual upward trend and improving trend.

(2) Results

In this environment, JMF completed the acquisition of two new properties (JMF-Bldg. Ichigaya 01, G-Bldg. Shinsaibashi 05) and the disposition of three properties (a 50% quasi-co-ownership of trust beneficiary right to the AEON MALL Yamato, AEON Takatsuki, Ito-Yokado Yotsukaido) in this fiscal period as part of its portfolio property replacement strategy. In addition, as one of the measures to grow through new initiatives, JMF acquired the investment units of Nisshin Private Residential Reit, Inc., a private residential REIT.

As a result, the total assets managed by JMF at the end of the fiscal period totaled 126 properties with a total value of 1,173.7 billion yen on an acquisition price basis and 1,280.8 billion yen on an appraisal value basis. The total leasable area was 2,506,060.21 m² with the total number of tenants standing at 1,435, and the occupancy rate of the overall portfolio was 99.1%.

Primarily as a result of acquisition of new properties with unrealized gains, depreciation of existing properties compared to the end of the previous fiscal period, and increase in cap rates at some properties, the unrealized losses/gains ^(Note) of the overall portfolio at the end of the fiscal period decreased by 1.5 billion yen from the end of the previous fiscal period to 161 billion yen.

Note: "Unrealized losses/gains" is the difference between the appraisal value or researched value and book value of the individual property.

iii. Funding

JMF took on the same amount of a long term borrowing to fund the repayment of existing long-term borrowing totaling 38.25 billion yen that became due in the current fiscal year. JMF also took on the same amount of long-term borrowing to fund the redemption of 1.5 billion of investment corporation bonds that matured in May 2021. In June 2021, JMF issued the 1st JMF Green Bond (1st Unsecured Investment Corporation Bond) ^(Note 3) 8.5 billion yen and prepaid the same amount of borrowings against the backdrop of further strengthening of sustainability activities and expansion of financing methods through expansion of the investor base for investment corporation bonds.

As a result, JMF's interest-bearing borrowings outstanding at the end of the fiscal period amounted to 538.6 billion yen, consisting of long-term borrowings of 479.1 billion yen ^(Note 1) and investment corporation bonds of 59.5 billion yen ^(Note 2) (including Green Bonds ^(Note 3)).

Consequently, the ratio of long-term borrowings ^(Note 4), ratio of fixed interest rates ^(Note 5), and LTV ^(Note 6) were 100.0%, 94.4% and 43.6%, respectively, as at the end of the fiscal period.

Note 1: Long-term borrowings include borrowings that mature within a year.

Note 2: Investment corporation bonds include bonds that mature within a year.

Note 3: The issuance of Green Bonds must adhere to the International Capital Market Association's (ICMA) Green Bond Principles. Green Bonds are a type of bond instrument issued by corporations, investment funds, and municipalities to finance eligible "green projects" (environmentally-friendly investment projects).

Note 4: The ratio of long-term borrowings is calculated by dividing the total of long-term borrowings, investment corporation bonds by the interest-bearing borrowings.

Note 5: The ratio of fixed interest rates is calculated by dividing the total of fixed-rate debts (including debts, which the interest rates are fixed through interest rate swap agreements) and investment corporation bonds by the interest-bearing borrowings.

Note 6: LTV is calculated by dividing the total of interest-bearing borrowings by total assets.

iv. Results and distributions

The operating revenue for the period was 40,360 million yen, and operating income was 15,560 million yen after deducting operating expenses such as property taxes and asset management fees. Ordinary income was 13,549 million yen, and net income was 13,549 million yen.

With regard to distributions, in accordance with the distribution policy set forth in Article 26, Paragraph 1, Item 2 of the Articles of Incorporation, JMF intends to distribute in excess of 90% of distributable profit under Article 67-15, Paragraph 1 of the Special Taxation Measures Law of Japan.

From the fiscal period ended on August 31, 2017, reversal of the retained earnings for Temporary Difference Adjustments accompanying the partial revision of the “Rules on Real Estate Investment Trust and Real Estate Investment Corporations” made by The Investment Trusts Association, Japan, was started and it was decided to add the 31 million yen reversal amount onto the dividend.

In accordance with this distribution policy, it was decided to distribute, as a distribution of profit, a total of 15,977 million yen, the sum of 770 million yen of the reversal of reserve for reduction entry of property and 1,657 million yen of the reversal of retained earnings for temporary difference adjustments and the unappropriated retained earnings at the end of the period of 13,549 million yen. As a result, distributions per unit amounted to 2,286 yen.

B. Outlook of next period

i. Outlook of overall operation

On a short-term basis, corporate performance and the economic fundamentals should continue to be closely monitored in the current environment affected by the COVID-19 pandemic. In the retail sector, there is a concern that the decline of consumer sentiment could prevail for some time due to worsening of the economic fundamentals. In the office sector, the spread of remote work and concern over economic recession could dampen office demand.

However, on a medium- to long-term basis, new need may arise for various usages in urban areas, as people's work styles, dwelling styles and consumption patterns are changing considerably. Thus, management capabilities that cover specific properties or specific areas and are not limited to existing applications and property categories are thought to be necessary.

ii. Earnings forecast

The following forecasts have been made regarding asset management operation in the fiscal period ending February 2022 (40th fiscal period) and the fiscal period ending August 2022 (41th fiscal period).

Please refer to the “Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending February 2022 (40th Fiscal Period: September 1, 2021 to February 28, 2022)” and the Fiscal Period Ending August 2022 (41th Fiscal Period: March 1, 2022 to August 31, 2022)” on the following page for the assumptions of the forecast.

Note: The below forecasts are calculated based on current assumptions in light of currently available information and resources, and they are subject to change due to changes in the situation.

Fiscal Period Ending February 2022(40th Fiscal Period: September 1, 2021 to February 28, 2022)

Operating revenues	37,887 million yen
Ordinary income	14,180 million yen
Net income	14,179 million yen
Distributions per unit	2,250 yen

Fiscal Period Ending August 2022 (41th Fiscal Period: March 1, 2022 to August 31, 2022)

Operating revenues	38,877 million yen
Ordinary income	14,203 million yen
Net income	14,203 million yen
Distributions per unit	2,250 yen

As stated in "Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending February 28, 2022 (40th Fiscal Period: September 1, 2021 to February 28, 2022) and the Fiscal Period Ending August 31, 2022 (41th Fiscal Period: March 1, 2022 to August 31, 2022)" below, JMF plans acquisition of properties after the closing date for the period under review.

a. Acquisition of the property

JMF acquired or plans to acquire the trust beneficiary rights or the investment limited partnership interests after the closing date for the period under review, as shown in the table below. (For details, please refer to the "Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan (JMF-Bldg. Hiroo 01 and JMF-Residence Gakugeidaigaku)" announced on September 29, 2021, the "Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan (JMF-Bldg. Funabashi 01)" announced on October 13, 2021, and the "Notice Concerning Determination of Acquisition of assets (Investment Limited Partnership Interests)" announced on September 28, 2021)

Property name	Location	Planned acquisition price (million yen)	Planned acquisition date
JMF-Bldg. Hiroo 01 (Trust beneficiary right in the real estate)	Minato-ku, Tokyo	10,000	October 29, 2021
JMF-Residence Gakugeidaigaku (Trust beneficiary right in the real estate) (Note 1)	Setagaya-ku, Tokyo	1,505	March 18, 2022 (Note 2)
JMF-Bldg. Funabashi 01 (Trust beneficiary right in the real estate) (Note 3)	Funabashi-shi, Chiba	5,000	November 26, 2021

Vehicle Name	Assets to be invested	Investment amount (million yen)	Investment date
DREAM Mezzanine Debt Separate3 Investment Limited Partnership	Mezzanine loan obligations backed by a trust beneficiary right in a residential property located in Tokyo as an entrusted property	780	September 29, 2021

Note 1: Under the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators," the acquisition of the property is considered to be a "forward commitment, etc." by an investment corporation. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract.

In addition, the property is currently under construction and is scheduled to be completed in March 2022, and as a result, JMF is exposed to construction completion risks, property transfer risks, and other risks until the building is completed. JMF plans to mitigate these construction completion and property transfer risks by setting the following main points as conditions to payment of the purchase price.

- Construction of the building in accordance with the design drawings specified in the purchase agreement, acquisition of certification of passed inspection, and acquisition of all permits and approvals required by laws and regulations; and
- Confirmation of compliance by the building with the Architectural Standards Act and other construction-related laws and

regulations and verification of the absence of any problems upon the conclusion of the designated due diligence.

The real estate appraiser valued the property at 1,650 million yen as of September 1, 2021.

For the appraisal value of the property, Since the building is currently under construction, an appraisal agency conducted an “uncompleted building appraisal,” which was enacted on November 1, 2014 (revised on May 1, 2014), in accordance with the real property appraisal standards specified by the Ministry of Land, Infrastructure, Transport and Tourism, and the appraisal amount indicated in the appraisal report is the appraisal value.

Note 2: The currently-scheduled acquisition date is indicated, but since the building is currently under construction, the acquisition date is subject to change depending on the progress of the construction.

Note 3: Under the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators”, the acquisition of the Property is considered to be a “forward commitment, etc. (Note)” by an investment corporation. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract.

The real estate appraiser valued the property at 5,420 million yen as of October 1, 2021.

(2) Investment risk

There have not been any significant changes to the “Investment risk” in the most recent financial report (submitted on May 31, 2021) and hence, description of these matters is omitted.

Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending February 28, 2022 (40th Fiscal Period: September 1, 2021 to February 28, 2022) and the Fiscal Period Ending August 31, 2022 (41th Fiscal Period: March 1, 2022 to August 31, 2022)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> February 2022 (40th) Fiscal Period (September 1, 2021 to February 28, 2022) (181 days) August 2022 (41th) Fiscal Period (March 1, 2022 to August 31, 2022) (184 days)
Assets owned	<ul style="list-style-type: none"> We assume that 129 properties, interests in one silent partnership (<i>tokumei kumiai</i>), investment units of one domestic real estate investment corporation, and one of investment limited partnership interests, comprising the 126 properties, interests in one silent partnership, and investment units of one domestic real estate investment corporation as of August 31, 2021 plus the three properties specified in the “Notice Concerning Determination of Acquisition of assets (Investment Limited Partnership Interests)” dated September 28, 2021, “Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan (JMF-Bldg. Hiroo 01 and JMF-Residence Gakugeidaigaku)” dated September 29, 2021, and “Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan (JMF-Bldg. Funabashi 01)” dated October 13, 2021 will be under management. Except the changes described above, we assume that no other (anticipated) changes (new property acquisitions and sales of owned properties etc., excluding reconstruction of current properties) of the acquisitions of new properties and dispositions of current portfolio properties, etc., will occur prior to the end of the August 2022 (41th) fiscal period. The actual number may vary according to the acquisitions of new properties and dispositions of current portfolio properties in the portfolio, etc.
Issue of units	<ul style="list-style-type: none"> The number of investment units issued at the end of the fiscal period is 6,989,091 units, assuming that there will not be any additional issuance of new investment units or repurchase/retirement of own investment units.

Interest-bearing debt	<ul style="list-style-type: none"> Interest-bearing debt as of August 31, 2021 stands at 538,675 million yen, the breakdown of which is long-term debts of 479,175 million yen and investment corporation bonds (including Green Bonds) of 59,500 million yen. JMF entered into agreements on September 24, 2021 and refinanced the loans on October 1 and October 7, 2021 and entered into agreements on October 1, 2021 and refinanced the loans on October 7, 2021. As a result, interest-bearing debt as of today stands at 538,675 million yen, the breakdown of which is long-term debts of 479,175 million yen and investment corporation bonds (including Green Bonds) of 59,500 million yen. Interest-bearing debt that will come due by the end of the August 2022 (41th) fiscal period amounts to 40,900 million yen in long-term borrowings and 6,000 million yen in investment corporation bonds, but it is assumed that the entire amount will be procured through borrowings as the source of funds for repayment.
Operating revenues	<ul style="list-style-type: none"> Rent and other operating revenues are calculated based on the lease contracts effective as of the date of this document. The rent level and estimated rents for the parts of properties that are vacant are calculated taking into account the negotiations with our tenants and other relevant factors that took place until the date of this document. We assume that there will be no arrears or nonpayment of rent by our tenants until the end of the August 2022 (41th) fiscal period. Considering the state of negotiations with the tenants, etc. as of the date of this document, certain risks of a potential decrease in revenues due to the impact of COVID-19 are assumed to exist.

<p>Operating expense (excluding goodwill amortization)</p>	<ul style="list-style-type: none"> • We assume taxes and public charge of 3,303 million yen in the February 2022 (40th) fiscal period, and 3,568 million yen in August 2022 (41th) respectively. • With respect to property taxes, city planning taxes and depreciable assets taxes (“taxes on property and equipment”) on properties owned by JMF, the tax amount assessed and payable for the corresponding accounting periods has been calculated as property related expenses. However, should any need arise for settlement, such as a need to pay settlement amount for taxes on property and equipment, in relation to new property acquisitions to be made during the year in which the period falls (“amounts equivalent to taxes on property and equipment”), such amounts are taken into account in the acquisition cost of the properties and therefore are not recorded as expenses for the period. Therefore, with respect to taxes on property and equipment pertaining to the properties to be acquired in 2021 (JMF-Bldg. Ichigaya 01, G-Bldg. Shinsaibashi 05, JMF-Bldg. Hiroo 01, and JMF-Bldg. Funabashi 01), the tax amounts assessed and payable for the relevant accounting periods will be recorded as property-related expenses from 2022 and onwards. We have assumed that the amounts equivalent to taxes on property and equipment included in the acquisition cost of JMF-Bldg. Ichigaya 01, G-Bldg. Shinsaibashi 05, JMF-Bldg. Hiroo 01, and JMF-Bldg. Funabashi 01 to be equivalent to 82 million yen in total. <p>Also, with respect to taxes on property and equipment pertaining to the properties to be acquired in 2022 (JMF-Residence Gakugeidaigaku), the tax amounts assessed and payable for the relevant accounting periods will be recorded as property-related expenses from 2023 and onwards. We have assumed that the amounts equivalent to taxes on property and equipment included in the acquisition cost of JMF-Residence Gakugeidaigaku to be equivalent to 0.6 million yen in total.</p> <ul style="list-style-type: none"> • We assume that repair and maintenance will be 700 million yen for the February 2022 (40th) fiscal period, and 1,207 million yen for the August 2022 (41th) fiscal period. However, repair and maintenance expenses may vary substantially from the estimate since such expenses may be incurred due to unforeseeable reasons. • We assume that depreciation will be 6,113 million yen for the February 2022 (40th) fiscal period, and 6,110 million yen for the August 2022 (41th) fiscal period. • We assume that property management fees will be 773 million yen for the February 2022 (40th) fiscal period, and 754 million yen for the August 2022 (41th) fiscal period, and facility management fees will be 2,414 million yen for the February 2022 (40th) fiscal period, and 2,389 million yen for the August 2022 (41th) fiscal period. • We assume that we will incur losses of 35 million yen in the February 2022 (40th) fiscal period, and 99 million yen in the August 2022 (41th) fiscal period, respectively, on disposal of property related to the facility update, etc. at each property. With respect to the loss on disposal of property described above, those related to properties whose estimated useful lives are determined to be subject to review as a result of the change in the estimate from an accounting perspective will be treated as depreciation. • Asset management fees are based on the assumption that the ongoing asset management fee structure of JMF will not be changed.
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Goodwill amortization	<ul style="list-style-type: none"> We assume that the goodwill will be amortized over 20 years using the straight-line methods in accordance with the Accounting Standard for Business Combinations (Corporate Accounting Standard No. 21, last amended on January 16, 2019). We assume that goodwill amortization for the February 2022 (40th) fiscal period and the August 2022 (41th) fiscal period will be 401 million yen. Amortization of goodwill is an item that gives rise to differences in account and tax treatment and is a factor that results in income taxes and so on. However, JMF plans to reduce the incidence of income taxes and so on by distributing amounts equivalent to such amortization through the reversal of voluntary reserves (reserves for adjustment of temporary differences, etc. are reserves for dividends) and distributions in excess of earnings (distributions equivalent to the increase in reserves for adjustment of temporary differences, etc.).
Non-operating revenues	<ul style="list-style-type: none"> We assume support fund for system development of 48 million yen in the February 2022 (40th) fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> We assume that non-operating expenses (including interest expense, loan-related costs, interest expenses on investment corporation bonds, etc.) will be 1,974 million yen for the February 2022 (40th) fiscal period, and 1,946 million yen for the August 2022 (41th) fiscal period. We assume that for the fiscal period ending on February 2022 (40th), an amount of 17 million yen, and for the fiscal period ending on August 2022 (41th), an amount of 16 million yen will be deducted as reversal of deferred revenues from interest expenses.
Distributions per unit	<ul style="list-style-type: none"> The distributions per unit are determined in accordance with the cash distribution policy stipulated in the Articles of Incorporation of JMF. It is assumed that the distributions for the February 2022 (40th) fiscal period are calculated based on the assumptions that a total of 15,725 million yen (distributions per unit: 2,250 yen), consist of retained earnings at the end of the period amounting to 14,179 million yen, plus reversal of reserve for temporary difference adjustment amounting to 1,127 million yen in full and reversal of reserve for dividends amounting to 417 million yen. It is assumed that the distributions for the August 2022 (41th) fiscal period are calculated based on the assumptions that a total of 15,725 million yen (distributions per unit: 2,250 yen), consist of retained earnings at the end of the period amounting to 14,203 million yen, plus reversal of reserve for dividends amounting to 1,522 million yen. It is assumed that retained earnings for temporary difference adjustment of JMF will be reversed in at least a 50-year equal payment (31 million yen) each fiscal period starting in the 31st fiscal period ended August 2017. We assume that additional tax imposition that results from the inconsistencies between tax and accounting treatment would be avoided by reversing of retained earnings for temporary difference adjustments.
Distributions in excess of profit per unit	<ul style="list-style-type: none"> We do not plan to make distributions in excess of profits for the moment.
Other	<ul style="list-style-type: none"> We assume that there will be no amendment of laws, accounting standards and the tax system in Japan that will impact the aforementioned forecasts and no unforeseen, significant changes will occur in general economic trends and property market movements in Japan.

2. Financial information

(1) Balance sheets

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
ASSETS		
Current assets:		
Cash and bank deposits	60,314,119	64,815,529
Cash and bank deposits in trust (Note 1)	12,762,382	18,562,314
Rent receivables	801,746	1,047,098
Income taxes receivable	54	45,739
Other current assets	1,067,990	1,286,755
Total current assets	74,946,293	85,757,437
Non-current assets:		
Property and equipment:		
Buildings	2,450,756	2,474,308
Accumulated depreciation	(748,757)	(789,991)
Buildings, net	1,701,998	1,684,317
Building improvements	66,693	66,693
Accumulated depreciation	(29,130)	(30,620)
Building improvements, net	37,563	36,072
Furniture and fixtures	21,358	21,358
Accumulated depreciation	(15,338)	(15,834)
Furniture and fixtures, net	6,019	5,523
Land	28,459,580	28,459,580
Construction in progress	3,400	41,020
Buildings in trust (Note 2)	286,754,520	333,918,946
Accumulated depreciation	(110,090,429)	(109,594,075)
Buildings in trust, net (Note 1)	176,664,090	224,324,871
Building improvements in trust (Note 2)	12,971,674	12,218,969
Accumulated depreciation	(5,131,933)	(4,728,045)
Building improvements in trust, net (Note 1)	7,839,740	7,490,923
Machinery and equipment in trust	2,191,384	2,149,423
Accumulated depreciation	(1,405,545)	(1,395,775)
Machinery and equipment in trust, net (Note 1)	785,839	753,648
Furniture and fixtures in trust (Note 2)	4,857,617	4,975,095
Accumulated depreciation	(3,082,999)	(3,163,745)
Furniture and fixtures in trust, net (Note 1)	1,774,618	1,811,349
Land in trust (Notes 1 and 2)	602,253,992	849,981,160
Construction in progress in trust (Note 1)	40,720	118,392
Total property and equipment	819,567,564	1,114,706,861
Intangible assets:		
Goodwill	-	15,647,971
Leasehold rights in trust	5,073,992	5,053,919
Other intangible assets	71,939	226,099
Other intangible assets in trust	113,299	96,711
Total intangible assets	5,259,232	21,024,701
Investment and other assets:		
Investment securities	-	10,611,996
Lease deposits in trust	1,537,127	1,539,837
Long-term prepaid expenses	1,787,012	1,927,613
Other investments	1,036	1,036
Total investment and other assets	3,325,176	14,080,484
Total non-current assets	828,151,972	1,149,812,048
Deferred assets:		
Investment corporation bond issuance costs	122,753	151,154
Total deferred assets	122,753	151,154
TOTAL ASSETS	903,221,019	1,235,720,640

(To be continued on the following page)

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable – operating	2,075,871	3,828,778
Current portion of long-term bonds issued – unsecured	-	6,000,000
Current portion of long-term borrowings	51,000,000	52,900,000
Accounts payable – other	94,731	71,301
Accrued expenses	1,616,752	2,228,371
Income taxes payable	605	605
Consumption tax payable	1,096,173	1,157,900
Rent received in advance	3,069,222	4,420,894
Deposits received	2,267,472	1,121,653
Current portion of tenant leasehold and security deposits in trust (Note 1)	695,091	674,895
Derivatives liabilities	19,243	37,772
Other current liabilities	140,573	156,720
Total current liabilities	62,075,736	72,598,893
Non-current liabilities:		
Long-term bonds issued – unsecured	44,500,000	53,500,000
Long-term borrowings	316,200,000	426,275,000
Tenant leasehold and security deposits	1,788,297	1,785,226
Tenant leasehold and security deposits in trust (Note 1)	44,050,694	56,876,280
Asset retirement obligations	549,506	783,521
Derivatives liabilities	60,454	109,430
Other non-current liabilities	29,130	121,128
Total non-current liabilities	407,178,082	539,450,587
TOTAL LIABILITIES	469,253,818	612,049,481
Net Assets (Note 6)		
Unitholders' equity:		
Unitholders' capital	411,878,082	411,878,082
Surplus:		
Capital surplus	14,986,826	202,855,188
Deduction from capital surplus (Note 4)	(11,999,843)	(11,999,843)
Capital surplus, net	2,986,982	190,855,344
Voluntary reserve		
Reserve for reduction entry of property	452,199	770,557
Reserve for dividends	3,915,072	3,915,072
Retained earnings for temporary difference adjustment (Note 5)	2,918,039	2,785,030
Total voluntary reserve	7,285,311	7,470,660
Retained earnings	11,896,522	13,549,190
Total surplus	22,168,816	211,875,196
Total unitholders' equity	434,046,898	623,753,278
Valuation and translation adjustments:		
Net unrealized holding gains (losses) on investment securities	-	65,083
Deferred losses on hedges	(79,697)	(147,202)
Total valuation and translation adjustments	(79,697)	(82,119)
TOTAL NET ASSETS	433,967,201	623,671,158
TOTAL LIABILITIES AND NET ASSETS	903,221,019	1,235,720,640

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(2) Statements of income and retained earnings

(Thousands of yen)

	For the six months ended	
	February 28, 2021	August 31, 2021
Operating revenues		
Rent and other operating revenues (Note 7)	29,392,066	38,022,596
Gain on sales of property (Note 8)	1,126,862	2,107,223
Dividend income	-	230,926
Total operating revenues	30,518,929	40,360,746
Operating expenses		
Property-related expenses (Note 7)	13,842,931	17,239,266
Loss on sales of property (Note 9)	-	1,767,153
Asset management fees	2,677,495	4,449,593
Custodian fees	29,970	30,530
General administration fees	129,518	132,113
Compensation for Directors	5,940	5,782
Merger expenses	74,764	356,711
Amortization of goodwill	-	401,230
Other operating expenses	252,618	417,894
Total operating expenses	17,013,238	24,800,276
Operating income	13,505,690	15,560,469
Non-operating revenues		
Interest income	359	411
Subsidy income	-	16,406
Other non-operating revenues	1,990	4,443
Total non-operating revenues	2,349	21,261
Non-operating expenses		
Interest expenses	1,127,543	1,492,843
Interest expenses on investment corporation bonds	143,023	174,240
Amortization of investment corporation bond issuance costs	20,381	21,632
Loan-related costs	315,451	339,053
Other non-operating expenses	4,513	4,166
Total non-operating expenses	1,610,912	2,031,935
Ordinary income	11,897,127	13,549,795
Income before income taxes	11,897,127	13,549,795
Income taxes		
Current	605	605
Total income taxes	605	605
Net income	11,896,522	13,549,190
Unappropriated earnings at beginning of period	-	-
Retained earnings at the end of period	11,896,522	13,549,190

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(3) Statements of changes in net assets

(Thousands of yen)

	Unitholders' equity											Valuation and translation adjustments			
	Surplus														
	Voluntary reserve														
	Unitholders' capital (Note 6)	Capital surplus	Deduction from capital surplus	Capital surplus, net	Reserve for reduction entry of property	Reserve for dividends	Retained earnings for temporary difference adjustment	Total voluntary reserve	Retained earnings	Total surplus	Total unitholders' equity	Net unrealized holding gains (losses) on investment securities	Deferred losses on hedges	Total valuation and translation adjustments	Total net assets
Balance as of August 31, 2020	411,878,082	14,986,826	(11,999,843)	2,986,982	15,151	3,915,072	2,949,959	6,880,184	12,116,300	21,983,467	433,861,549	-	(136,257)	(136,257)	433,725,292
<u>Changes during the period</u>															
Provision of reserve for reduction entry of property	-	-	-	-	437,047	-	-	437,047	(437,047)	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment	-	-	-	-	-	-	(31,920)	(31,920)	31,920	-	-	-	-	-	-
Cash distribution declared	-	-	-	-	-	-	-	-	(11,711,173)	(11,711,173)	(11,711,173)	-	-	-	(11,711,173)
Net income	-	-	-	-	-	-	-	-	11,896,522	11,896,522	11,896,522	-	-	-	11,896,522
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	56,560	56,560	56,560
Total changes during the period	-	-	-	-	437,047	-	(31,920)	405,127	(219,778)	185,348	185,348	-	56,560	56,560	241,909
Balance as of February 28, 2021	411,878,082	14,986,826	(11,999,843)	2,986,982	452,199	3,915,072	2,918,039	7,285,311	11,896,522	22,168,816	434,046,898	-	(79,697)	(79,697)	433,967,201
<u>Changes during the period</u>															
Increase by merger	-	187,868,362	-	187,868,362	-	-	-	-	-	187,868,362	187,868,362	-	-	-	187,868,362
Provision of reserve for reduction entry of property	-	-	-	-	318,357	-	-	318,357	(318,357)	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment	-	-	-	-	-	-	(133,008)	(133,008)	133,008	-	-	-	-	-	-
Cash distribution declared	-	-	-	-	-	-	-	-	(11,711,173)	(11,711,173)	(11,711,173)	-	-	-	(11,711,173)
Net income	-	-	-	-	-	-	-	-	13,549,190	13,549,190	13,549,190	-	-	-	13,549,190
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	-	-	-	65,083	(67,505)	(2,422)	(2,422)
Total changes during the period	-	187,868,362	-	187,868,362	318,357	-	(133,008)	185,348	1,652,668	189,706,379	189,706,379	65,083	(67,505)	(2,422)	189,703,957
Balance as of August 31, 2021	411,878,082	202,855,188	(11,999,843)	190,855,344	770,557	3,915,072	2,785,030	7,470,660	13,549,190	211,875,196	623,753,278	65,083	(147,202)	(82,119)	623,671,158

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(4) Statements of cash distributions

		(Yen)	
		For the six months ended	
		February 28, 2021	August 31, 2021
I	Retained earnings at the end of period	11,896,522,283	13,549,190,760
II	Reversal of voluntary reserve		
	<i>Reversal of reserve for reduction entry of property</i>	-	770,557,235
	<i>Reversal of retained earnings for temporary difference adjustment (Note 10 in section (8) below)</i>	133,008,965	1,657,314,031
III	Cash distribution declared	11,711,173,500	15,977,062,026
	<i>(Cash distribution declared per unit)</i>	<i>(4,500)</i>	<i>(2,286)</i>
IV	Voluntary reserve		
	<i>Reserve for reduction entry of property</i>	318,357,748	-
V	Retained earnings carried forward	-	-

For the six months ended February 28, 2021:

In accordance with the distribution policy in the JMF's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distribution in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, a total of cash distributions declared for the six months ended February 28, 2021 amounting to ¥ 11,711,173,500 consisted all of retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥133,008,965 and provision of reserve for reduction entry of property amounting to ¥318,357,748. As a result, distribution per unit amounted to ¥4,500. JMF generally does not make distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

For the six months ended August 31, 2021:

In accordance with the distribution policy in the JMF's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distribution in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, a total of cash distributions declared for the six months ended August 31, 2021 amounting to ¥ 15,977,062,026 consisted all of retained earnings at the end of the period after reversals of reserve for reduction entry of property amounting to ¥770,557,235 and retained earnings for temporary difference adjustment amounting to ¥1,657,314,031. As a result, distribution per unit amounted to ¥2,286. JMF generally does not make distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

(5) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	February 28, 2021	August 31, 2021
Cash Flows from Operating Activities:		
Income before income taxes	11,897,127	13,549,795
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	5,408,726	6,161,683
Amortization of goodwill	-	401,230
Amortization of investment corporation bond issuance costs	20,381	21,632
Gain on sales of property	(1,126,862)	(2,107,223)
Loss on sales of property	-	1,767,153
Loss on disposal of fixed assets	25,831	24,898
Interest income	(359)	(411)
Interest expenses	1,270,566	1,667,083
Changes in assets and liabilities:		
(Increase) decrease in rent receivables	194,196	10,647
(Increase) decrease in income taxes receivable	34	(37,322)
(Increase) decrease in long-term prepaid expenses	(57,003)	(140,601)
Increase (decrease) in accounts payable - operating	(346,767)	(600,945)
Increase (decrease) in consumption tax payable	700,746	(56,050)
Increase (decrease) in accounts payable - other	(141,857)	(237,993)
Increase (decrease) in accrued expenses	(30,712)	(320,758)
Increase (decrease) in rent received in advance	(104,247)	101,972
Increase (decrease) in deposits received	972,230	(582,302)
Other, net	(470,564)	(244,887)
Sub total	18,211,466	19,377,601
Interest received	359	411
Interest expenses paid	(1,311,340)	(1,680,441)
Income taxes paid	(605)	(20,695)
Net cash provided by operating activities	16,899,881	17,676,875
Cash Flows from Investing Activities:		
Purchase of property and equipment	(16,927)	(39,204)
Purchase of property and equipment in trust	(1,432,143)	(32,279,364)
Proceeds from sales of property and equipment in trust	8,572,100	29,669,968
Payments for sales of property and equipment in trust	(38,280)	(56,760)
Purchase of intangible assets	(1,937)	(131,258)
Purchase of intangible assets in trust	(20,506)	(5,440)
Payments of tenant leasehold and security deposits	(53,162)	(28,166)
Proceeds from tenant leasehold and security deposits	50,244	54,288
Payments of tenant leasehold and security deposits in trust	(1,371,422)	(3,708,690)
Proceeds from tenant leasehold and security deposits in trust	359,324	1,771,827
Payments of lease deposits	(82)	-
Payments of lease deposits in trust	(25,214)	-
Proceeds from lease deposits in trust	79,375	7,500
Purchase of investment securities	-	(1,893,098)
Payments for restricted bank deposits in trust	(24)	-
Net cash provided by (used in) investing activities	6,101,344	(6,638,398)
Cash Flows from Financing Activities:		
Repayments of short-term borrowings	(7,000,000)	-
Proceeds from long-term borrowings	35,050,000	39,750,000
Repayments of long-term borrowings	(28,075,000)	(46,750,000)
Proceeds from issuance of investment corporation bonds	-	8,449,966
Redemption of investment corporation bonds	-	(1,500,000)
Payments of merger cash distributions	-	(5,434,444)
Distribution payments	(11,710,123)	(11,710,354)
Net cash used in financing activities	(11,735,123)	(17,194,833)
Net change in cash and cash equivalents	11,266,102	(6,156,356)
Cash and cash equivalents at the beginning of period	61,297,066	72,563,168
Increase in cash and cash equivalents resulting from merger	-	16,457,698
Cash and cash equivalents at the end of period (Note 11)	72,563,168	82,864,510

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(6) Note relating to going concern assumption

Not applicable.

(7) Summary of significant accounting policies

(a) Securities

Non-marketable investment securities are stated at cost determined by the moving average method. Investments in Tokumei Kumiai (silent partnership) agreements are accounted for by using the equity method of accounting.

(b) Property and equipment

Property and equipment is recorded at cost. Depreciation of property and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

Buildings	2-62 years
Building improvements	2-60 years
Machinery and equipment	2-17 years
Furniture and fixtures	2-20 years

(c) Intangible assets

Intangible assets are amortized on a straight-line basis.

Goodwill is amortized on a straight-line basis over 20 years.

(d) Leased assets

Finance lease transactions that do not transfer ownership of the leased property to the lessee, are capitalized and depreciated on a straight-line basis, assuming no residual value, over the lease term.

(e) Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis.

(f) Investment unit issuance costs

Investment unit issuance costs are capitalized and amortized on a straight-line basis over three years.

(g) Investment corporation bond issuance costs

Investment corporation bond issuance costs are capitalized and amortized on a straight-line basis over the maturity period of the bonds issued.

(h) Taxes on property and equipment

Property and equipment are subject to various taxes, such as property taxes and urban planning taxes on annual basis. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1st of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposal is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with accounting principles and practices generally accepted in Japan ("Japanese GAAP"). In subsequent calendar years, half of such taxes on property and equipment for each calendar year are charged as operating expenses in each fiscal period.

No taxes on property and equipment were capitalized for the six months ended February 28, 2021. Taxes on property and equipment capitalized amounted to ¥77,043 thousand for the six months ended August 31, 2021.

(i) Hedge accounting

In accordance with JMF's risk management policy and its internal rules, JMF conducts derivative transactions for the purpose of hedging risks that are prescribed in JMF's article of incorporation. JMF hedges fluctuations in interest rates of borrowings through the use of interest rate swaps as hedging instruments and deferred hedge accounting is generally used for such interest rate swaps. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items.

JMF applies, however, the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under such swap contracts is recognized and added to or reduced from any interest earned or incurred on the hedged asset or liability as appropriate, and the fair value of the interest rate swaps is not required to be evaluated separately. The assessment of hedge effectiveness is not performed when the interest rate swaps meet the specific criteria required for such special treatment.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible into cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

(k) Accounting treatment of trust beneficiary interests in real estate trusts

Trust beneficiary interests in real estate trusts are commonly utilized to obtain ownership in commercial properties in Japan, through which JMF holds all of its real estate. Assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant accounts for balance sheet and statement of income and retained earnings of JMF in proportion to the percentage interest that such trust beneficiary interest represents.

(l) Consumption tax

Consumption taxes withheld and consumption taxes paid are not included in the statements of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

(New accounting standards not yet applied)

- "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29 revised on March 31, 2020)
- "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30 revised on March 26, 2021)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States have jointly developed comprehensive accounting standards for revenue recognition and issued "Revenue from Contracts with Customers" (IFRS 15 in IASB and Topic 606 in FASB) in May 2014. Given the situation where IFRS 15 will be applied from fiscal years beginning on or after January 1, 2018 and that Topic 606 will be applied from fiscal years beginning after December 15, 2017, the ASBJ has developed comprehensive accounting standards for revenue recognition and issued them together with the implementation guidance. The basic policy of the ASBJ when it developed the accounting standards for revenue recognition was to specify the accounting standards, incorporating the basic principles of IFRS 15 as a starting point, from the perspective of comparability between financial statements, which is one of the benefits of maintaining compatibility with IFRS 15. The basic policy also stipulates that if there is an item to which consideration should be given, such as practices that have been conducted thus far in Japan, alternative treatments will be added to the extent to which comparability is not impaired.

(2) Scheduled date of application

JMF will adopt the accounting standards from the beginning of the six months ending February 28, 2022.

(3) Impact of applying the accounting standards

JMF is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Revenue Recognition", etc.

- "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30 issued on July 4, 2019)
- "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 revised on July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020)

(1) Overview

The IASB and FASB have established similar detailed guidance regarding fair value measurement (IFRS 13 "Fair Value Measurement" in IFRS and Accounting Standards Codification Topic 820 "Fair Value Measurement" in FASB).

The ASBJ repeatedly considered the guidance regarding fair value of financial instruments and disclosure in order to ensure the consistency of Japanese GAAP with such international accounting standards, and issued the Accounting Standard for Fair Value Measurement, etc.

As the basic policy of the ASBJ for the development of accounting standard for fair value measurement, the ASBJ basically adopted all provisions of IFRS 13 by using the unified measurement method, from the point of view of improving the comparability of financial statements among domestic and foreign companies.

In addition, considering the actual practices that have been executed in Japan, other treatments for individual items are established within the scope not to impair comparability between the financial statements.

(2) Scheduled date of application

JMF will adopt the accounting standards from the beginning of the six months ending February 28, 2022.

(3) Impact of applying the accounting standards

JMF is currently evaluating the effect on its financial statements by applying the “Accounting Standard for Fair Value Measurement”, etc.

(8) Notes to financial information

Note 1 — Collateral

The carrying amounts of assets stated below were pledged as collateral to secure tenant leasehold and security deposits in trust totaling ¥17,887,312 thousand and ¥16,225,708 thousand as of February 28, 2021 and August 31, 2021, respectively.

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
Cash and bank deposits in trust	513,333	513,333
Buildings in trust	54,848,679	49,361,089
Building improvements in trust	2,420,009	2,058,551
Machinery and equipment in trust	167,589	143,341
Furniture and fixtures in trust	544,665	515,129
Land in trust	141,097,758	123,961,028
Construction in progress in trust	4,495	12,001
Total	199,596,531	176,564,475

Certain lands and buildings included in the above table were pledged as collateral to secure co-owner’s payment of tenant leasehold and security deposits for amounts of ¥691,908 thousand and a former owner’s payment of retirement benefit obligation for amounts of ¥350,000 thousand as of February 28, 2021 and August 31, 2021.

Note 2 — Reduction entry of property

Certain properties were acquired by government subsidies received or through exchange. The acquisition costs of such properties were reduced as follows:

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
Acquired by government subsidies		
Buildings in trust	334,351	334,351
Building improvements in trust	-	424
Furniture and fixtures in trust	-	495
Total	334,351	335,271
Land in trust acquired through exchange	450,559	450,559

Note 3 — Credit facilities and commitment lines

As of February 28, 2021 and August 31, 2021, JMF entered into credit facilities and committed lines of credit as follows:

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
Credit facilities		
Total amount of credit facilities	35,500,000	55,500,000
Borrowings drawn down	-	-
Unused credit facilities	35,500,000	55,500,000
Commitment lines		
Total amount of committed lines of credit	60,000,000	75,000,000
Borrowings drawn down	-	-
Unused committed lines of credit	60,000,000	75,000,000

Note 4 — Retirement of own investment units

JMF retired its own investment units as follows:

	As of	
	February 28, 2021	August 31, 2021
Total number of own investment units retired	64,715 units	64,715 units
Total amount of retirement (Thousands of yen)	11,999,843	11,999,843

Note 5 — Retained earnings for temporary difference adjustment

Movements of retained earnings for temporary difference adjustment are as follows:

For the six months ended February 28, 2021

(Thousands of yen)

	Initial amount	Balance at beginning of the period	Provision	Reversal	Balance at end of the period	Reason for provision or reversal
Reserve for dividends ⁽ⁱ⁾	3,138,254	2,949,959	-	(31,920)	2,918,039	Appropriation for dividends

Note:

(i) The retained earnings for temporary difference adjustment was transferred from reserve for dividends which was derived from negative goodwill and will be reversed in forthcoming periods by equal to or more than initial amount divided by 50 years.

For the six months ended August 31, 2021

(Thousands of yen)

	Initial amount	Balance at beginning of the period	Provision	Reversal	Balance at end of the period	Reason for provision or reversal
Reserve for dividends ⁽ⁱ⁾	3,138,254	2,918,039	-	(133,008)	2,785,030	Appropriation for dividends

Note:

(i) The retained earnings for temporary difference adjustment was transferred from reserve for dividends which was derived from negative goodwill and will be reversed in forthcoming periods by equal to or more than initial amount divided by 50 years.

Note 6 — Net assets

(1) Number of investment units

	As of	
	February 28, 2021	August 31, 2021
Authorized	8,000,000 units	16,000,000 units
Issued and outstanding	2,602,483 units	6,989,091 units

(2) JMF is required to maintain net assets of at least ¥50,000 thousand in accordance with the Act on Investment Trusts and Investment Corporations of Japan.

Note 7 — Analysis of rent and other operating revenues and property-related expenses

Rent and other operating revenues and property-related expenses for the six months ended February 28, 2021 and August 31, 2021 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	February 28, 2021	August 31, 2021
Rent and other operating revenues:		
Rent revenue	26,295,009	33,669,333
Common area charges	1,180,307	1,741,395
Other	1,916,750	2,611,867
Total rent and other operating revenues	29,392,066	38,022,596
Property-related expenses:		
Property management fees	740,342	833,850
Facility management fees	1,581,264	2,353,158
Utilities	1,220,432	1,897,005
Property-related taxes	2,659,713	3,377,254
Repair and maintenance	433,095	884,901
Insurance	31,010	31,799
Trust fees	47,039	55,007
Rent expense	773,032	789,080
Other	931,334	843,361
Depreciation	5,399,834	6,148,948
Loss on disposal of property	25,831	24,898
Total property-related expenses	13,842,931	17,239,266
Operating income from property leasing activities	15,549,134	20,783,330

(Change in presentation of revenues)

For more clarity of disclosure, parking revenue which was previously included in "Rent and parking revenue" is included in "Other" and "Rent and parking revenue" is changed to "Rent revenue". Also, rent revenue from land with leasehold interest which was previously included in "Other" is included in "Rent revenue". Revenues for the six months ended February 28, 2021 in the above table reflect these changes of presentation. As a result, parking revenue amounting to ¥522,266 thousand which was previously included in "Rent and parking revenue" is reclassified to "Other" and rent revenue from land with leasehold interest amounting to ¥841,794 thousand which was previously included in "Other" is reclassified to "Rent revenue" for the six months ended February 28, 2021, respectively.

Note 8 — Analysis of gain on sales of property

Analysis of gain on sales of property is as follows:

	(Thousands of yen)	
	For the six months ended	
	February 28, 2021	August 31, 2021
Sale of property	8,600,000	19,554,250
Cost of property	7,388,477	17,115,604
Other sales expenses	84,659	331,422
Gain on sales of property, net	1,126,862	2,107,223

Note 9 — Analysis of loss on sales of property

Analysis of loss on sales of property is as follows:

	(Thousands of yen)	
	For the six months ended	
	February 28, 2021	August 31, 2021
Sale of property	-	10,350,000
Cost of property	-	12,080,647
Other sales expenses	-	36,506
Loss on sales of property, net	-	(1,767,153)

Note 10 — Provision of retained earnings for temporary difference adjustment

JMF transferred all of remaining reserve for dividends amounting to ¥3,138,254,927 as of February 28, 2017 which was derived from negative goodwill to retained earnings for temporary difference adjustment by applying Article 3 of the Supplementary Provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015) in the statements of cash distributions for the six months ended February 28, 2017. The retained earnings for temporary difference adjustment are required to be reversed in or after the six months ended August 31, 2017 by equal to or more than initial amount divided by 50 years (equal to or more than ¥31,382,550 for each fiscal period).

JMF reversed ¥133,008,965 and ¥1,657,314,031 of retained earnings for temporary difference adjustment for the six months ended February 28, 2021 and August 31, 2021, respectively.

Note 11 — Cash and cash equivalents

Cash and cash equivalents shown in the statements of cash flows consist of the following:

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
Cash and bank deposits	60,314,119	64,815,529
Cash and bank deposits in trust	12,762,382	18,562,314
Restricted bank deposits in trust ⁽ⁱ⁾	(513,333)	(513,333)
Cash and cash equivalents	72,563,168	82,864,510

Note:

(i) The usage of the bank deposits in trust is restricted to repayments of tenant leasehold and security deposits.

Note 12 — Significant non-cash transactions

For the six months ended February 28, 2021

None

For the six months ended August 31, 2021

The following table shows assets acquired and liabilities assumed by JMF through the merger with MCUBS MidCity Investment Corporation. Capital surplus was increased by ¥187,868,362 thousand by the merger.

(Thousands of yen)

Current assets	16,721,908
Non-current assets	305,872,209
Total assets	322,594,117
Current liabilities	29,102,339
Non-current liabilities	121,672,617
Total liabilities	150,774,957

Note 13 — Leases**(a) Lease rental revenues**

JMF leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of February 28, 2021 and August 31, 2021 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
Due within one year	16,926,956	19,519,227
Due after one year	73,150,968	68,449,795
Total	90,077,925	87,969,023

(b) Lease commitments

Finance lease transactions that do not transfer ownership of the leased property to the lessee, are capitalized and depreciated on a straight-line basis, assuming no residual value, over the lease term. Such capitalized leased properties are furniture and fixtures in trust.

Note 14 — Financial instruments

(a) Qualitative information for financial instruments

(i) Policy for financial instrument transactions

JMF raises funds through borrowings, issuance of investment corporation bonds, or issuance of investment units, for the purpose of the acquisition of real estate properties, payment of expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully by investing in financial instruments that meet JMF's investment policy in terms of liquidity and safety in light of the current financial market conditions. Derivative transactions are carried out only for hedging purposes and not for the speculative purposes.

(ii) Nature and extent of risks arising from financial instruments and risk management

The funds raised through borrowings or issuance of investment corporation bonds are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing borrowings or the redemption of investment corporation bonds. Tenant leasehold and security deposits are deposits from tenants. Although borrowings with floating interest rate are subject to fluctuations in market interest rates, JMF maintains an appropriate level of liabilities ratio in order to manage its exposure to the potential rise in market interest rates. In addition, a certain portion of long-term borrowings with floating interest rates is hedged by derivatives (interest rate swaps) as hedging instruments. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items. When the interest rate swaps meet specific criteria required for the special treatment provided under Japanese GAAP, the assessment of hedge effectiveness is not performed. In accordance with JMF's risk management policy and internal rules, JMF uses derivative instruments for the purpose of hedging risks that are prescribed in JMF's articles of incorporation.

Investment securities are investments in Tokumei Kumiai (silent partnership) agreements or private placement REIT. Although these investments are subject to fluctuations in real estate prices or interest rates, JMF regularly monitors the values of the investments and financial position of the issuers, etc.

Liquidity risks relating to borrowings, investment corporation bonds, and tenant leasehold and security deposits are managed by preparing monthly plans for funds, maintaining high liquidity and entering into credit facility agreements and commitment line agreements.

(iii) Supplemental information on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices, if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair value and unrealized gain (loss) of financial instruments for which fair value is available as of February 28, 2021 and August 31, 2021.

	As of February 28, 2021			As of August 31, 2021		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Cash and bank deposits	60,314,119	60,314,119	-	64,815,529	64,815,529	-
(2) Cash and bank deposits in trust	12,762,382	12,762,382	-	18,562,314	18,562,314	-
(3) Investment securities						
Other investment securities	-	-	-	1,959,997	1,959,997	-
Total assets	73,076,501	73,076,501	-	85,337,841	85,337,841	-
(1) Current portion of long-term bonds issued - unsecured	-	-	-	6,000,000	5,995,820	(4,180)
(2) Current portion of long-term borrowings	51,000,000	51,007,107	7,107	52,900,000	52,936,197	36,197
(3) Current portion of tenant leasehold and security deposits in trust	695,091	705,995	10,904	674,895	681,591	6,696
(4) Long-term bonds issued - unsecured	44,500,000	44,909,595	409,595	53,500,000	53,987,320	487,320
(5) Long-term borrowings	316,200,000	316,269,002	69,002	426,275,000	427,744,282	1,469,282
(6) Tenant leasehold and security deposits in trust	645,957	633,783	(12,174)	611,924	601,620	(10,303)
Total liabilities	413,041,048	413,525,484	484,435	539,961,820	541,946,832	1,985,012
Derivatives (derivatives liabilities), net	(79,697)	(79,697)	-	(147,202)	(147,202)	-

Note (i): The methods and assumptions used to estimate fair value and the matters relating to derivatives are as follows:

Assets

(1) Cash and bank deposits and (2) Cash and bank deposits in trust

The carrying amounts of cash and bank deposits and those in trust are deemed to approximate their fair value.

(3) Investment securities

The fair value of investments in private placement REIT is based on net asset values, etc., provided by asset managers. For further information on the other investment securities, please refer to "Note 15—Securities".

Liabilities

(1) Current portion of long-term bonds issued - unsecured and (4) Long-term bonds issued - unsecured

The fair value is the quoted price provided by financial market information provider.

(2) Current portion of long-term borrowings and (5) Long-term borrowings

Long-term borrowings with floating interest rates are stated at their carrying amounts as their carrying amounts approximate their fair values. When long-term borrowings with floating interest rates are hedged by interest rate swaps which qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term borrowing is determined based on the present value of contractual cash flows in conjunction with the hedging interest rate swaps discounted at current market interest rates which would be applicable to new borrowings under the same conditions and terms. For fair value of long-term borrowings with fixed interest rates, the fair value is determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new borrowings under the same conditions and terms.

(3) Current portion of tenant leasehold and security deposits in trust and (6) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at current interest rates which would be applicable to contracts with similar terms and credit risk.

Derivatives

Please refer to "Note 16—Derivatives".

Note (ii): Financial instruments for which fair value is difficult to determine are as follows:

	(Thousands of yen)	
	As of	
	February 28, 2021	August 31, 2021
Investment securities (Investments in silent partnership)	-	8,651,999
Tenant leasehold and security deposits	1,788,297	1,785,226
Tenant leasehold and security deposits in trust	43,404,737	56,264,355
Total	45,193,034	66,701,581

The investment securities (equity interests in silent partner ship) are not traded in markets, and it is too difficult to estimate reasonable fair value. Tenant lease hold and security deposits and those in trust are not publicly traded, and it is difficult to determine their fair value based on estimated future cash flows because the repayment date of those deposits are not certain. Therefore, these financial instruments are not included in the above quantitative information.

Note (iii): Cash flows schedule of financial assets after the balance sheet date

	(Thousands of yen)					
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
As of February 28, 2021						
Cash and bank deposits	60,314,119	-	-	-	-	-
Cash and bank deposits in trust	12,762,382	-	-	-	-	-
Total	73,076,501	-	-	-	-	-
As of August 31, 2021						
Cash and bank deposits	64,815,529	-	-	-	-	-
Cash and bank deposits in trust	18,562,314	-	-	-	-	-
Total	83,377,841	-	-	-	-	-

Note (iv): Cash flows schedule of interest-bearing financial liabilities after the balance sheet date

	(Thousands of yen)					
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
As of February 28, 2021						
Current portion of long-term borrowings	51,000,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	695,091	-	-	-	-	-
Long-term bonds issued - unsecured	-	5,000,000	15,500,000	14,000,000	-	10,000,000
Long-term borrowings	-	37,500,000	22,000,000	37,000,000	47,500,000	172,200,000
Tenant leasehold and security deposits in trust	-	68,065	168,065	68,065	68,065	273,696
Total	51,695,091	42,568,065	37,668,065	51,068,065	47,568,065	182,473,696
As of August 31, 2021						
Current portion of long-term bonds issued - unsecured	6,000,000	-	-	-	-	-
Current portion of long-term borrowings	52,900,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	674,895	-	-	-	-	-
Long-term bonds issued - unsecured	-	8,000,000	14,500,000	7,000,000	9,500,000	14,500,000
Long-term borrowings	-	46,700,000	43,700,000	53,325,000	48,550,000	234,000,000
Tenant leasehold and security deposits in trust	-	168,065	68,065	68,065	68,065	239,664
Total	59,574,895	54,868,065	58,268,065	60,393,065	58,118,065	248,739,664

Note 15 — Securities

For the six months ended February 28, 2021

There were no securities to be disclosed.

For the six months ended August 31, 2021

Other investment securities:

	(Thousands of yen)			
	Classification of securities	Carrying amounts	Acquisition cost	Difference
Securities of which the amount reported on the balance sheet exceed the acquisition cost	Other	1,959,997	1,894,913	65,083
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost	—	-	-	-
Total		1,959,997	1,894,913	65,083

Note:

The investment securities (equity interests in silent partner ship) are not included in the above information, because those are not traded in markets, and it is too difficult to estimate reasonable fair value.

Note 16 — Derivatives

Information on derivative transactions undertaken by JMF as of February 28, 2021 and August 31, 2021 is as follows. Derivative transactions are carried out for hedging purposes and are subject to hedge accounting.

As of February 28, 2021

(Thousands of yen)

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts ⁽ⁱ⁾		Fair value	Valuation method
				Over 1 year		
Deferred hedge accounting	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	24,000,000	9,000,000	(79,697)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	91,500,000	73,500,000	-(i)	-
Total			115,500,000	82,500,000	(i) (79,697)	-

As of August 31, 2021

(Thousands of yen)

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts ⁽ⁱ⁾		Fair value	Valuation method
				Over 1 year		
Deferred hedge accounting	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	33,500,000	17,300,000	(147,202)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	84,500,000	66,500,000	-(i)	-
Total			118,000,000	83,800,000	(i) (147,202)	-

Note:

- (i) As disclosed in “(7) Summary of significant accounting policies (i) Hedge accounting”, JMF applies the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under swap contracts, and not the fair value of the derivative, is determined separately from the hedged asset or liability. Consequently, the fair value of the interest rate swaps as the hedging instrument and the long-term borrowings as hedged item is calculated together as one and disclosed as such under Note (i) in “Note 14 Financial instruments (b) Quantitative information for financial instruments”.
- (ii) The notional amounts relating to the derivatives do not, by themselves, represent the market risk exposure associated with the derivative transactions.
- (iii) The fair value is evaluated at the amount calculated by the counterparty to the interest rate swaps contracts.

Note 17 — Related-party transaction

There was no related-party transaction to be disclosed for the six months ended February 28, 2021 and August 31, 2021.

Note 18 — Tax effect accounting

Deferred tax assets and liabilities consist of the following:

(Thousands of yen)

	As of	
	February 28, 2021	August 31, 2021
Deferred tax assets:		
Asset retirement obligations	172,874	246,495
Amortization of leasehold rights	155,462	165,300
Depreciation	17,478	18,406
Valuation differences on assets acquired through merger	5,305,143	10,860,118
Deferred losses on hedges	25,072	46,310
Other	65,572	38,218
Sub total	5,741,604	11,374,849
Total valuation allowance	(5,741,604)	(11,374,849)
Total deferred tax assets	-	-
Net deferred tax assets	-	-

Reconciliation of significant differences between the normal effective statutory tax rate and the actual effective tax rate after application of tax effect accounting:

(%)

	For the six months ended	
	February 28, 2021	August 31, 2021
Statutory tax rate	31.46	31.46
Deductible cash distributions	(30.97)	(32.80)
Change in valuation allowance (for deferred tax assets)	0.33	(1.36)
Amortization of goodwill	-	0.93
Reversal of retained earnings for temporary difference adjustment	0.35	-
Reversal of retained earnings for reduction entry of property	-	1.79
Reserve for reduction entry of property	(0.84)	-
Other	(0.33)	(0.01)
Effective tax rate	0.01	0.00

Note 19 — Asset retirement obligations

JMF has an obligation under a fixed-term leasehold agreement to restore its leased land, which represents a portion of the land where DFS T GALLERIA OKINAWA, owned by JMF, is located, upon the termination of the agreement, and contractual or legal obligations to remove asbestos contained in the buildings of KAWASAKI Le FRONT, JMF Jingumae 02 and Twin 21. Based on the lease period per the agreement or the useful life of each building containing asbestos, the estimated period of use of the properties are estimated at 9 years, 24 years, 22 years and 30 years, respectively. The asset retirement obligations for the restoration or removal of asbestos are recognized as a liability using discount rates at 0.458%, 1.584%, 0.596% and 0.691%, respectively.

Movements of asset retirement obligations for the six months ended February 28, 2021 and August 31, 2021 are as follows:

(Thousands of yen)

	For the six months ended	
	February 28, 2021	August 31, 2021
Balance at the beginning of the period	546,434	549,506
Increase due to acquisition of properties	-	230,596
Adjustment for passage of time	3,071	3,418
Balance at the end of the period	549,506	783,521

Note 20 — Fair value of investment and rental property

JMF has mainly retail facilities, office buildings, hotels and complex facilities as investment assets which are located mainly in three major metropolitan areas and other metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment and rental properties in the aggregate for the six months ended February 28, 2021 and August 31, 2021.

	(Thousands of yen)	
	For the six months ended	
	February 28, 2021	August 31, 2021
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	836,003,376	824,751,456
Net increase (decrease) during the period ⁽ⁱⁱ⁾	(11,251,919)	295,065,014
Balance at the end of the period	824,751,456	1,119,816,471
Fair value⁽ⁱⁱⁱ⁾	987,434,000	1,280,820,000

Note:

(i) The net book value includes leasehold rights and other intangible assets.

(ii) Changes in the net book value are mainly due to the following transactions (except for depreciation):

	Increase (decrease) in net book value
For the six months ended February 28, 2021:	(Thousands of yen)
Capital expenditure:	
Total of capital expenditures for the period.....	1,532,713
Disposition:	
AEON MALL Yamato (50% quasi-co-ownership).....	(7,388,477)
For the six months ended August 31, 2021:	
Acquisitions:	
25 properties, etc., succeeded from MMI by the merger.....	297,210,000
JMF-Bldg. Ichigaya 01.....	21,181,892
G-Bldg. Shinsaibashi 05.....	9,113,759
Capital expenditure:	
Total of capital expenditures for the period.....	2,618,672
Dispositions:	
Ito-Yokado Yotsukaido.....	(12,080,647)
AEON Takatsuki.....	(9,715,203)
AEON MALL Yamato (50% quasi-co-ownership).....	(7,400,400)

(iii) Fair value has been determined based on appraisals or researched value by independent appraisers. For AEON MALL Yamato (50% quasi-co-ownership as of February 28, 2021) signed disposition contract on December 17, 2020, and AEON Takatsuki signed disposition contract on March 9, 2021, the selling prices are used.

For rent revenues and expenses for the six months ended February 28, 2021 and August 31, 2021, please refer to “Note 7 — Analysis for rent and other operating revenues and property-related expenses”.

Note 21 — Segment information

Segment information for the six months ended February 28, 2021 and August 31, 2021 is as follows:

(a) Operating segment information

Disclosure is omitted as JMF is comprised of a single reportable segment engaged in the property rental business.

(b) Enterprise-wide disclosures**(i) Information about products and services**

Disclosure is not required as revenues from external customers for the single segment is in excess of 90% of total revenues.

(ii) Information about geographic areas*Revenues from overseas customers:*

Disclosure is not required as revenues from external customers attributed to Japan are in excess of 90% of total revenues.

Tangible fixed assets:

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

(c) Information about major customers**For the six months ended February 28, 2021:**

(Thousands of yen)		
Name of customer	Revenues	Related segment
AEON Mall Co., Ltd.	3,222,600	Property rental business
AEON Retail Co., Ltd. ⁽ⁱ⁾	2,891,686	Property rental business

Note:

(i) Although the revenues are less than 10% of total operating revenues for the six months ended February 28, 2021 the amount is noted for comparability.

For the six months ended August 31, 2021:

Disclosure is not required as there are no customers of which revenues are in excess of 10% of total revenues.

Note 22 — Per unit information

JMF executed a two-for-one unit split (the “Unit Split”) with March 1, 2021 as the effective date. Following table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on September 1, 2020.

	(Yen)	
	For the six months ended	
	February 28, 2021	August 31, 2021
Pro forma net asset value per unit	83,375	89,234
Pro forma net income per unit	2,285	1,938

The pro forma net income per unit is calculated by dividing the net income attributable to unitholders by the adjusted weighted average number of units outstanding during the six-month period. Diluted net income per unit is not presented because there were no potentially dilutive units.

A basis of calculation of pro forma net income per unit is as follows:

	(Thousands of yen)	
	For the six months ended	
	February 28, 2021	August 31, 2021
Net income	11,896,522	13,549,190
Amounts not attributable to common unitholders	-	-
Net income attributable to common unitholders	11,896,522	13,549,190
Weighted-average number of investment units outstanding for the period	5,204,966 units	6,989,091 units

Note 23 — Subsequent events

Not applicable.

Note 24 — Business combination**For the six months ended February 28, 2021:**

None

For the six months ended August 31, 2021:**1. Outline of business combination***(1) Name and business of the acquiree*

Name: MCUBS MidCity Investment Corporation

Business: To invest mainly specified asset under the Law Concerning Investment Trusts

(2) Primary reason for business combination

JMF and MMI entered into the merger agreement on August 28, 2020, in order to lead to further stability and growth potential owing to increased presence in the J-REIT Market realized by the expanded asset size and to the diversified purposes of use of investment target assets realized by conversion to a diversified REIT.

(3) Date of business combination

March 1, 2021

(4) Type of the business combination

The business combination was an absorption-type merger with JRF as the surviving corporation and MMI was dissolved.

(5) Name of the combined entity after the business combination

Japan Metropolitan Fund Investment Corporation (JMF has changed its trade name from to Japan Retail Fund Investment Corporation on March 1, 2021)

(6) Basis for identifying the acquirer

JMF was identified as the acquirer in accordance with the accounting standard for business combinations, comprehensively considering the relative voting rights of the unitholders as a group in the combined entity after the business combination, the composition of the governing body of the combined entity and other factors.

2. Reporting period of the acquiree included in the financial information of the combined entity

From March 1, 2021 to August 31, 2021

3. Acquisition cost of the acquiree and breakdown by type of consideration

	(Thousands of yen)
Consideration transferred:	
Aggregate market value of the investment units of JMF issued on the date of the business combination	187,868,362
Total of acquisition cost	187,868,362

4. Merger ratio, calculation of the merger ratio and number of investment units issued*(1) The merger ratio*

JMF allocated one investment unit of JMF to one investment unit of MMI. The Investment Corporation executed a two-for-one unit split with February 28, 2021 as the record date for the unit split and March 1, 2021 as the effective date.

(2) Calculation of the merger ratio

In order to support the fairness of the calculation of the merger ratio for the merger, JMF appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and MMI appointed SMBC Nikko Securities Inc., respectively, as their financial advisors to perform financial analyses regarding the merger ratio.

(3) Units issued for the merger

1,784,125 units

5. Details of major acquisition-related costs

Merger fees: ¥1,000,000 thousand

6. Goodwill resulting from the merger*(1) Amount of goodwill*

¥16,049,201 thousand

(2) Reason why the merger resulted in goodwill

The goodwill occurred because the acquisition cost amounting to ¥187,868,362 thousand exceeded the net assets value at the date of business combination amounting to ¥171,819,160 thousand.

(3) Amortization method and amortization period

Goodwill is amortized by the straight-line method over 20 years.

7. Assets acquired and liabilities assumed at the date of business combination

	(Thousands of yen)
Current assets	16,721,908
Non-current assets	305,872,209
Total assets	322,594,117
Current liabilities	29,102,339
Non-current liabilities	121,672,617
Total liabilities	150,774,957

8. Estimated effect of the business combination on the statement of income, provided that the business combination was completed at the beginning of the current reporting period

No impact because the business combination date was the beginning of the current reporting period.

(9) Changes in investment unit issued and outstanding

The changes in unitholders' capital and number of investment units issued and outstanding for last five years until August 31, 2021 were as follows:

Date	Capital transaction	Number of investment units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase	Balance	Increase	Balance	
March 14, 2017	Global offering	112,500	2,664,698	24,143	411,341	Note 1
March 29, 2017	Allocation of investment units to a third party	2,500	2,667,198	536	411,878	Note 2
February 9, 2018	Retirement	(49,181)	2,618,017	-	411,878	Note 3
August 18, 2020	Retirement	(15,534)	2,602,483	-	411,878	Note 4
March 1, 2021	Split of investment units	2,602,483	5,204,966	-	411,878	Note 5
March 1, 2021	Allocation of investment units through merger	1,784,125	6,989,091	-	411,878	Note 6

Note 1 New investment units were issued at a price of ¥221,382 per unit (subscription price of ¥214,605 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 2 New investment units were issued at a price of ¥214,605 per unit through the allocation of investment units to a third party in order to raise funds for acquiring of new real property (remaining proceeds, if any, will be reserved for an acquisition of specified assets in the future).

Note 3 JMF acquired its own investment units at Tokyo Stock Exchange Market based on a discretionary transaction contract with a securities company from October 17, 2017 to January 23, 2018 and retired all of its own investment units on February 9, 2018 according to a resolution of the Board of Directors held on January 26, 2018. As the acquisition cost of its own investment units was deducted from capital surplus, there was no change in unitholders' capital.

Note 4 JMF acquired its own investment units at Tokyo Stock Exchange Market based on a discretionary transaction contract with a securities company from April 14, 2020 to June 5, 2020 and retired all of its own investment units on August 18, 2020 according to a resolution of the Board of Directors held on August 7, 2020. As the acquisition cost of its own investment units was deducted from capital surplus, there was no change in unitholders' capital.

Note 5 JMF implemented a split of its investment units on a two-for-one basis with February 28, 2021 as the record date and March 1, 2021 as the effective date for the unit split.

Note 6 JMF issued 1,784,125 of new investment units and allocated one investment unit after the unit split for each of all the outstanding investment units of MMI in the merger on March 1, 2021.

3. Additional information

(1) Composition of assets

Classification of Assets	Region		As of February 28, 2021		As of August 31, 2021	
			Total ofnet book value (Note 1)	Composition ratio	Total ofnet book value (Note 1)	Composition ratio
			(Millions of yen)	(%)	(Millions of yen)	(%)
Real property	Retail facilities	Tokyo metropolitan area	18,864	2.1	13,522	1.1
		Osaka and Nagoya metropolitan areas	6,892	0.7	6,886	0.5
		Other areas	4,448	0.5	4,440	0.4
		Sub-total	30,205	3.3	24,848	2.0
	Mixed-use	Tokyo metropolitan area	-	-	5,336	0.4
		Sub-total	-	-	5,336	0.4
	Total ofreal property		-	-	30,185	2.4
Trust beneficial interest in real property	Retail facilities	Tokyo metropolitan area	399,927	44.3	342,152	27.7
		Osaka and Nagoya metropolitan areas	317,414	35.1	312,009	25.2
		Other areas	77,204	8.6	76,580	6.2
		Sub-total	794,546	88.0	730,742	59.1
	Office Building	Tokyo metropolitan area	-	-	157,109	12.7
		Osaka and Nagoya metropolitan areas	-	-	20,986	1.7
		Other areas	-	-	6,795	0.6
		Sub-total	-	-	184,892	15.0
	Hotel	Tokyo metropolitan area	-	-	7,979	0.6
		Other areas	-	-	4,425	0.4
		Sub-total	-	-	12,404	1.0
	Mixed-use	Tokyo metropolitan area	-	-	86,315	7.0
		Other areas	-	-	75,275	6.1
		Sub-total	-	-	161,591	13.1
	Total oftrust beneficial interest in real property		-	-	1,089,630	88.2
Sub-total			824,751	91.3	1,119,816	90.6
Investment securities (Note 2)			-	-	10,611	0.9
Bank deposits and other assets			78,469	8.7	105,292	8.5
Total assets			903,221	100.0	1,235,720	100.0
Total liabilities (Note 3)			469,253	52.0	612,049	49.5
Total net assets			433,967	48.0	623,671	50.5

Note 1 Total of net book value is carrying amounts on the balance sheets (amounts of Real property and Trust beneficial interest in real property are book values net of depreciation) at the end of the fiscal period.

Note 2 Investment securities are equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha (40% of its equity interest) and investment units of Nishin Private Residential Reit, Inc. (10.3% of total issued investment units).

Note 3 Total liabilities include tenant leasehold and security deposits and those in trust.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of August 31, 2021 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (Note 1) (m ²)	Leased area (Note 2) (m ²)	Occupancy ratio (Note 3) (%)	Ratio of rent revenue to total rent revenues (Note 3) (%)	Major use
Twin 21 (Note 6) (trust beneficial interest)	60,065	82,304.82	79,634.87	96.8	6.2	Mixed-use
mozo wonder city (Note 4) (trust beneficial interest)	50,622	86,526.78	86,315.97	99.8	7.9	Retail facilities
Higashi-Totsuka Aurora City (trust beneficial interest)	43,704	109,355.90	109,355.90	100.0	3.3	Retail facilities
KAWASAKI Le FRONT (trust beneficial interest)	34,427	49,223.07	48,799.70	99.1	4.8	Mixed-use
Nara Family (Note 4) (trust beneficial interest)	33,839	82,927.88	82,183.69	99.1	4.6	Retail facilities
G-Bldg. Shinsaibashi 03 (trust beneficial interest)	30,228	5,319.29	5,319.29	100.0	Note 5	Retail facilities
AEON MALL Tsudanuma (trust beneficial interest)	28,242	101,210.44	101,210.44	100.0	1.9	Retail facilities
AEON MALL Musashi Murayama (trust beneficial interest)	24,222	137,466.97	137,466.97	100.0	2.4	Retail facilities
JMF-Bldg. Yokohama Bashamichi 01 (Note 6) (trust beneficial interest)	23,920	25,140.94	25,140.94	100.0	1.8	Office Building
JMF-Bldg. Kawasaki 01 (Note 6) (trust beneficial interest)	23,678	24,485.71	23,420.12	95.6	1.9	Office Building
Total	352,951	703,961.80	698,847.89	99.3	-	

Note 1 Regardless the share of co-ownership or quasi-co-ownership, "Leasable area" means the total area of the building or land with leasehold interest of each property leasable as stores, offices, etc. indicated in the lease agreement or the plan of such property and it does not include the leasable area of warehouses and land (flat parking lots).

Note 2 Regardless the share of co-ownership or quasi-co-ownership, "Leased area" means the total leased area of the building or land with leasehold interest of each property used as stores, offices, etc. indicated in the lease agreement and it does not include the leased area of warehouses and land (flat parking lots).

Note 3 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "Ratio of rent revenue to total rent revenues" are calculated by rounding to the nearest first decimal place.

Note 4 "Leasable area" and "Leased area" for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.

Note 5 "Ratio of rent revenue to total rent revenues" of the property is not disclosed because the consent from the tenant has not been obtained.

Note 6 "Leasable area" and "Occupancy ratio" for the property which is leased in the form of a pass-through master lease is presented on an end-tenant basis.

The retail facilities, office buildings, hotels and complex facilities as of August 31, 2021 were as follows:

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m ²)	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10001	Abiko Shopping Plaza	11-1, Abiko 4-chome, Abiko-shi, Chiba	Trust beneficial interest	41,293.90	12,900	9,448
10002	G-Bldg. Minami Aoyama 02	8-5, Minami Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficial interest	1,529.15	5,190	5,175
10003	Ito-Yokado Yabashira	15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc.	Trust beneficial interest	21,308.78	1,880	1,245
10004	G-Bldg. Daikanyama 01	35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	599.79	1,580	1,190
10005	GYRE	10-1, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,824.67	28,300	21,887
10006	Ito-Yokado Tsunashima	8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	16,549.50	5,160	4,440
10007	Bic Camera Tachikawa	12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc.	Trust beneficial interest	20,983.43	22,700	13,334
10008	AEON Itabashi Shopping Center	6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	72,748.34	13,700	10,391
10009	G-Bldg. Kita Aoyama 01	14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo	Trust beneficial interest	492.69	1,690	914
10011	SEIYU Hibiyaoka	9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo	Trust beneficial interest	19,070.88	8,270	4,463
10012	JMF-Bldg. Jiyugaoka 01 (Note 8)	9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	2,043.68	5,080	2,723
10013	Cheers Ginza	9-5, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,686.58	4,400	3,864
10014	Higashi-Totsuka Aurora City	537-1, Shinanochi, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	109,355.90	43,400	43,704
10016	G-Bldg. Jingumae 06	28-3, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	670.42	2,960	2,336
10017	G-Bldg. Jingumae 01	21-5, Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	555.75	4,610	3,372
10018	G-Bldg. Jingumae 02	9-9, Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	426.29	1,720	2,259
10019	G-Bldg. Minami Aoyama 01	4-48, Minami Aoyama 5-chome, Minato-ku, Tokyo, etc.	Trust beneficial interest	1,592.90	9,440	10,008
10020	AEON MALL Musashi Murayama	1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo	Trust beneficial interest	137,466.97	31,200	24,222
10021	La Porte Aoyama (Note 5)	51-8, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,158.53	10,900	9,175
10022	G-Bldg. Shinjuku 01	1-8, Shinjuku 4-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	1,082.64	7,810	6,493
10023	JMF-Bldg. Jingumae 01 (Note 8)	30-12, Jingumae 3-chome, Shibuya-ku, Tokyo	Real property	1,676.87	4,000	5,336
10024	G-Bldg. Minami-Ikebukuro 01 (Note 5)	19-5, Minami-Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficial interest	5,066.06	8,440	5,925
10025	Makuhari Plaza	7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba	Trust beneficial interest	24,505.37	6,830	5,352
10026	Urban Terrace Jingumae	47-6, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,719.19	5,250	2,672
10027	Round1 Machida	13-14, Morino 1-chome, Machida-shi, Tokyo	Trust beneficial interest	6,801.89	3,390	2,266
10028	Round1 Stadium Itabashi	16-13, Aioicho, Itabashi-ku, Tokyo	Trust beneficial interest	14,828.74	3,380	2,117

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m ²)	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10029	Arkangel Daikanyama (Land with leasehold interest)	111-14, Aobadai 1-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	904.04	1,630	1,012
10030	G-Bldg. Omotesando 01	1-9, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	1,508.03	8,610	5,782
10031	Round1 Yokohama Station West	8-16, Minamisaikai 2-chome, Nishi-ku Yokohama-shi, Kanagawa	Trust beneficial interest	6,560.09	5,500	3,716
10032	G-Bldg. Sangenjaya 01	15-4, Taishido 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	3,471.52	6,440	3,643
10033	G-Bldg. Ginza 01	5-1, Ginza 6-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,610.54	9,000	5,530
10034	Summit Store Nakano Minamidai	26-2, Minamidai 5-chome, Nakano-ku, Tokyo	Trust beneficial interest	3,536.50	3,830	3,006
10035	Colline Bajikouen	4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	5,368.02	4,260	3,199
10036	KAWASAKI Le FRONT	1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	49,223.07	41,200	34,427
10037	JMF-Bldg. Shibuya 01 (Note 8)	20-13, Jinnan 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,630.03	4,920	3,087
10038	G-Bldg. Omotesando 02	25-15, Jingumae 4-chome, Shibuya-ku, Tokyo, etc.	Trust beneficial interest	5,555.65	22,650	17,766
10039	G-Bldg. Kichijoji 01	12-12, Kichijoji Honcho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	1,718.21	4,040	3,531
10040	CUTE CUBE HARAJUKU	7-1, Jingumae 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,428.55	10,400	8,470
10041	G-Bldg. Ueno 01	9-14, Ueno 4-chome, Taito-ku, Tokyo	Trust beneficial interest	1,471.80	3,870	3,422
10042	JMF-Bldg. Takadanobaba 01 (Note 8)	13-2, Takadanobaba 2-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	3,569.20	7,330	6,035
10043	G-Bldg. Akihabara 01	11-11, Sotokanda 1-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	2,701.99	7,780	5,082
10044	G-Bldg. Akihabara 02	113, Kanda Matsunaga-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	1,037.33	2,970	2,473
10045	G-Bldg. Kichijoji 02	3-13, Kichijoji Minamicho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	8,838.79	17,000	15,092
10046	JMF-Bldg. Ginza Chuo-Dori 01 (Note 8)	6-16, Ginza 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	3,141.07	13,400	12,978
10047	MARINE & WALK YOKOHAMA	3-1, Shinko 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	8,347.70	10,800	10,782
10048	G-Bldg. Jingumae 07	26-4 Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	373.12	2,130	2,030
10049	G-Bldg. Minami Aoyama 03 (Note 5)	2-12, Minami Aoyama 5-chome, Minato-ku, Tokyo, etc.	Trust beneficial interest	1,373.46	12,200	12,293
10050	JMF-Bldg. Jingumae 02 (Note 8)	25-5 Jingumae 3-chome, Shibuya-ku, Tokyo	Trust beneficial interest	802.40	2,430	2,634
10051	Round1 Stadium Kawasaki Daishi	5-1, Tonomachi 1-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	13,559.17	2,920	2,395
10052	m-city Kashiwa	10 Oyamadai 1-chome, Kashiwa-shi, Chiba, etc.	Trust beneficial interest	20,437.36	6,000	5,734
10053	G-Bldg. Jingumae 09	25-28 Jingumae 4-chome, Shibuya-ku, Tokyo, etc.	Trust beneficial interest	1,127.06	7,340	7,086
10054	Machinoma Omori	1-38, Omorinishi 3-chome, Ota-ku, Tokyo	Trust beneficial interest	8,981.14	9,510	9,117
10055	JMF-Bldg. Daikanyama 01 (Note 8)	20-20, Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,151.31	3,970	3,258

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m ²)	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10056	AEON MALL Tsudanuma	23-1, Tsudanuma 1-chome, Narashino-shi, Chiba	Trust beneficial interest	101,210.44	28,500	28,242
10057	JMF-Bldg. Yokohama Bashamichi 01 (Notes 5 and 8)	50-1, Honmachi 6-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	25,140.94	24,200	23,920
10058	JMF-Bldg. Kawasaki 01 (Notes 5 and 8)	1-14 Nishin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	24,485.71	23,700	23,678
10059	JMF-Bldg. Shibuya 02 (Notes 5 and 8)	31-15, Sakuragaokacho, Shibuya-ku, Tokyo	Trust beneficial interest	6,379.66	19,200	19,588
10060	JMF-Bldg. Shibuya 03 (Notes 5 and 8)	11-1 Dogenzaka 2-chome, Shibuya-ku, Tokyo	Trust beneficial interest	5,048.36	17,100	16,981
10061	JMF-Bldg. Toyokocho 01 (Notes 5 and 8)	11-38 Toyoko 4-chome, Koto-ku, Tokyo	Trust beneficial interest	12,487.73	11,300	11,278
10062	OMO3 Tokyo Akasaka (Notes 5 and 8)	3-2, Akasaka 4-chome, Minato-ku, Tokyo	Trust beneficial interest	4,236.46	8,010	7,979
10063	JMF-Bldg. Nihombashi Hamacho 01 (Notes 5 and 8)	12-4, Nihombashi Hamacho 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	6,123.81	10,400	10,378
10064	JMF-Bldg. Toyokocho 02 (Notes 5 and 8)	6-35, Shinsuna 1-chome, Koto-ku, Tokyo	Trust beneficial interest	11,973.99	8,680	9,575
10065	JMF-Bldg. Sasazuka 01 (Notes 5 and 8)	1-6 Sasazuka 2-chome, Shibuya-ku, Tokyo	Trust beneficial interest	8,240.30	9,230	9,111
10066	JMF-Bldg. Ueno 01 (Notes 5 and 8)	24-8, Higashiueno 5-chome, Taito-ku, Tokyo	Trust beneficial interest	6,858.16	8,690	8,666
10067	JMF-Bldg. Yokohama 01 (Notes 5 and 8)	5-1 Sakae-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	12,714.76	8,320	8,247
10068	JMF-Bldg. Akasaka 01 (Notes 5 and 8)	11-28, Akasaka 1-chome, Minato-ku, Tokyo	Trust beneficial interest	2,544.21	4,480	4,483
10069	JMF-Bldg. Kanda01 (Notes 5 and 8)	1-15, Iwamotocho 2-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	3,149.39	4,250	4,268
10070	JMF-Bldg. Edogawabashi 01 (Notes 5 and 8)	44-10, Sekiguchi 1-chome, Bunkyo-ku, Tokyo	Trust beneficial interest	3,434.93	3,750	3,738
10071	JMF-Bldg. Higashi Nihombashi 01 (Notes 5 and 8)	8-3 Higashi-Nihombashi 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	3,254.77	3,230	3,191
10072	JMF-Bldg. Ichigaya 01 (Note 6)	2-1 Kudankita 4-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	10,372.26	22,100	21,170
20002	Kyoto Family	1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	19,639.09	5,550	5,814
20003	Kawaramachi OPA	385, Komeyacho, Shijo-agaru, Kawaramachidori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	18,848.20	14,900	17,874
20004	AEON MALL Tsurumi Ryokuchi	17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka	Trust beneficial interest	138,538.63	26,700	22,734
20005	AEON MALL Itami	1-1, Fujinoki 1-chome, Itami-shi, Hyogo	Trust beneficial interest	157,904.26	18,800	18,185
20006	Ario Otori	199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc.	Trust beneficial interest	95,135.36	14,100	13,718
20007	AEON MALL Kobe Kita	1-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo	Trust beneficial interest	128,050.62	12,110	8,262
20008	LIFE Kishibe (Land with leasehold interest)	2205-15, Hara-cho 4-chome, Suita-shi, Osaka, etc.	Real property	5,516.61	1,950	1,942
20009	LIFE Shimodera (Land with leasehold interest)	5-23, Shimodera 2-chome, Naniwa-ku, Osaka-shi, Osaka, etc.	Real property	4,344.18	2,090	1,717
20010	LIFE Taiheiji (Land with leasehold interest)	43-6, Taiheiji 2-chome, Higashi Osaka-shi, Osaka	Real property	3,898.01	1,190	1,304
20011	G-Bldg. Shinsaibashi 01	5-3, Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	966.52	3,210	1,585

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m ²)	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
20012	Round1 Stadium Sennichimae (Land with leasehold interest)	1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,711.63	11,900	8,091
20013	G-Bldg. Shinsaibashi 02	3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	948.72	8,190	4,244
20014	Izumisano Shofudai (Land with leasehold interest)	1138-1, Shofudai 1-chome, Izumisano-shi, Osaka	Trust beneficial interest	44,009.52	2,640	2,657
20015	Round1 Stadium Sakai Chuo Kanryo	241, Ishihara-cho 2-cho, Higashi-ku Sakai-shi, Osaka	Trust beneficial interest	17,521.46	2,520	1,568
20016	pivo Izumi Chuo	1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc.	Trust beneficial interest	21,182.94	6,960	5,171
20017	KAMISHIN PLAZA	6-12, Osumi 1-chome, Higashi-odogawa-ku, Osaka-shi, Osaka	Trust beneficial interest	12,013.46	5,110	4,365
20018	Round1 Kyoto Kawaramachi	585, Uraderacho, Shijo-agaru yori Rokkaku-sagaru made, Teramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto, etc.	Trust beneficial interest	8,821.66	3,860	2,746
20019	G-Bldg. Shinsaibashi 03	2-14, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	5,319.29	36,300	30,228
20020	Round1 Stadium Takatsuki	6-4, Zushi 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	19,767.64	2,990	1,922
20021	m-city Toyonaka	2-18, Hinode-cho, 2-chome, Toyonaka-shi, Osaka	Trust beneficial interest	33,301.93	6,540	5,163
20022	EDION Kyobashi (Land with leasehold interest)	53-1, Gamou 1-chome, Joto-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	4,307.16	5,980	5,756
20023	JMF-Bldg. Abeno 01 (Note 8)	4-7, Abenosuji 1-chome, Abeno-ku, Osaka-shi, Osaka	Trust beneficial interest	4,757.35	5,430	4,509
20024	G-Bldg. Umeda 01	15-22, Chayamachi, Kita-ku, Osaka-shi, Osaka	Trust beneficial interest	3,529.51	10,100	9,730
20025	G-Bldg. Shinsaibashi 04	10-5, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,610.63	3,170	3,307
20026	JMF-Bldg. Kyoto Kawaramachi 01 (Note 8)	235, Yamazakicho 2-chome, Sanjo-sagaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	2,407.32	2,420	2,170
20027	G-Bldg. Midosuji 01	10-25, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	2,446.00	9,280	10,602
20028	G-Bldg. Kobe Sannomiya 01	1-15 Kitagasa-dori 3-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	3,750.38	3,290	3,085
20029	Round1 Sannomiya Station	1-17 Onoe-dori 6-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	10,054.52	3,310	3,180
20030	G-Bldg. Midosuji 02	8-18 Shinsaibashisuji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	1,428.28	16,200	15,538
20031	Twin 21 (Note 5)	1-61 Shiromi 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	82,304.82	59,800	60,065
20032	JMF-Bldg. Kitahama 01 (Notes 5 and 8)	6-7 Doshomachi 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	10,189.49	11,600	11,456
20033	JMF-Bldg. Osaka Fukushima 01 (Notes 5 and 8)	15-26, Fukushima 7-chome, Fukushima-ku, Osaka-shi, Osaka	Trust beneficial interest	9,952.00	8,730	8,530
20034	JMF-Bldg. Higobashi 01 (Notes 5 and 8)	5-16 Edobori 1-chome, Nishi-ku, Osaka-shi, Osaka	Trust beneficial interest	4,655.57	4,340	4,321
20035	Konami Sports Club Kyobashi (Note 5)	8-17 Higashinoda-machi 1-chome, Miyakojima-ku, Osaka-shi, Osaka	Trust beneficial interest	9,586.26	3,080	3,405
20036	JMF-Bldg. Imabashi 01 (Notes 5 and 8)	3-16 Imabashi 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	4,277.63	2,630	2,595
20037	JMF-Bldg. Nishi Hommachi 01 (Notes 5 and 8)	6-1 Awaza 1-chome, Nishi-ku, Osaka-shi, Osaka	Trust beneficial interest	3,846.91	2,630	2,613
20038	G-Bldg. Shinsaibashi 05	8-5 Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	999.29	13,400	9,111

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m ²)	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
30001	AEON Yagoto	2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi	Trust beneficial interest	63,702.48	3,630	3,082
30002	mozo wonder city (Note 6)	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc.	Trust beneficial interest	86,526.78	64,200	50,622
30003	G-Bldg. Nagoya Sakae 01	27-24, Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi	Real property	794.02	1,340	1,920
30004	Valor Kachigawa (Land with leasehold interest)	1-1 Onocho 2-chome, Kasugai-shi, Aichi	Trust beneficial interest	20,509.10	6,490	6,411
90001	Nara Family (Note 6)	4-1, Saidaiji-higashimachi 2-chome, Nara-shi, Nara	Trust beneficial interest	82,927.88	38,300	33,839
90002	AEON MALL Sapporo Naebo	1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	74,625.52	8,860	6,060
90003	AEON Naha Shopping Center	10-2, Kanagusuku 5-chome, Naha-shi, Okinawa	Trust beneficial interest	79,090.48	10,800	9,351
90004	Oyama Yuen Harvest Walk (Note 5)	1475-52, Aza-kaido-nishi, Oaza-Kizawa, Oyama-shi, Tochigi, etc.	Trust beneficial interest	59,535.09	9,980	7,910
90005	AEON MALL Sapporo Hassamu	1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	102,162.16	19,600	14,329
90006	MrMax Nagasaki	26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc.	Trust beneficial interest	12,115.09	3,270	2,365
90007	Kaden sumairu kan YAMADA Fukuoka Shime Honten	2-1, Minamizato 5-chome, Shime-machi, Kasuy-a-gun, Fukuoka	Trust beneficial interest	(Note 7)	5,580	3,501
90008	Round1 Hiroshima	3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	9,890.63	4,150	2,747
90009	DFS T GALLERIA OKINAWA	1-1, Omoromachi 4-chome, Naha-shi, Okinawa	Trust beneficial interest	42,088.14	17,300	14,651
90010	G-Bldg. Sendai Ichibancho 01	5-12, Ichibancho 3-chome, Aoba-ku, Sendai-shi, Miyagi	Real property	2,387.17	4,570	4,440
90011	G-Bldg. Naha-shintoshin 01	5-33, Omoromachi 2-chome, Naha-shi, Okinawa	Trust beneficial interest	(Note 7)	6,730	5,523
90012	G-Bldg. Tenjin Nishi-dori 01 (Note 5)	8-22, Tenjin 2-chome, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	2,667.42	4,800	4,935
90013	G-Bldg. Tenjin Nishi-dori 02	12-64, Daimyo 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	1,496.56	5,540	5,203
90014	JMF-Bldg. Sendai 01 (Notes 5 and 8)	10-3 Chuo 4-chome, Aoba-ku, Sendai-shi, Miyagi	Trust beneficial interest	13,059.12	6,800	6,795
90015	Dormy Inn Hakata Gion (Note 5)	1-12 Reisen-machi, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	5,554.91	4,430	4,425
Total				2,506,060.21	1,280,820	1,119,816

Note 1 JMF uses property number for investment properties. The property numbers were changed on April 16, 2021 due to the merger on March 1, 2021.

Note 2 "Location" means the residence indication or the location indicated in the land registry book.

Note 3 Regardless the share of co-ownership or quasi-co-ownership, "Leasable area" means the total area of the building or land with leasehold interest of each property leasable as stores, offices, etc. indicated in the lease agreement or the plan of such property and it does not include the leasable area of warehouses and land (flat parking lots).

Note 4 "Appraisal value at end of period" shows the value appraised or researched by the real estate appraiser (CBRE K.K., Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, Tanizawa Sōgō Appraisal Co., Ltd. and JLL Morii Valuation & Advisory K.K.) in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of JMF as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 5 "Leasable area" for a pass-through master leased property are presented on an end-tenant basis.

Note 6 "Leasable area" for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.

Note 7 "Leasable area" of the property is not disclosed because the consent from the tenant has not been obtained.

Note 8 The names of these properties have changed as follows:

New name	Old name	Date of name changes
JMF-Bldg. Jiyugaoka 01	G-Bldg. Jiyugaoka 01	April 16, 2021
JMF-Bldg. Jingumae 01	G-Bldg. Jingumae 03	
JMF-Bldg. Shibuya 01	G-Bldg. Shibuya 01	
JMF-Bldg. Takadanobaba 01	G-Bldg. Takadanobaba 01	
JMF-Bldg. Ginza Chuo-Dori 01	G-Bldg. Ginza Chuo-Dori 01	
JMF-Bldg. Jingumae 02	G-Bldg. Jingumae 08	
JMF-Bldg. Daikanyama 01	G-Bldg. Daikanyama 02	
JMF-Bldg. Yokohama Bashamichi 01	Yokohama i-land Tower	
JMF-Bldg. Kawasaki 01	Cube Kawasaki	
JMF-Bldg. Shibuya 02	Shibuya Sakuragaoka Square	
JMF-Bldg. Shibuya 03	G-Square Shibuya Dogenzaka	
JMF-Bldg. Toyoko 01	USC Bldg.	
JMF-Bldg. Nihombashi Hamacho 01	TOYOTA MOBILITY SERVICE Bldg.	
JMF-Bldg. Toyoko 02	East Square Tokyo	
JMF-Bldg. Sasazuka 01	Sasazuka Center Bldg.	
JMF-Bldg. Ueno 01	Sumitomo Fudosan Ueno Bldg. No.6	
JMF-Bldg. Yokohama 01	Yokohama Creation Square	
JMF-Bldg. Akasaka 01	M-City Akasaka 1-chome Bldg.	
JMF-Bldg. Kanda 01	Yoshiyasu Kanda Bldg.	
JMF-Bldg. Edogawabashi 01	M-City Edogawabashi Bldg.	
JMF-Bldg. Higashi Nihombashi 01	Higashi-Nihombashi Green Bldg.	
JMF-Bldg. Abeno 01	G-Bldg. Abeno 01	
JMF-Bldg. Kyoto Kawaramachi 01	G-Bldg. Kyoto Kawaramachi 01	
JMF-Bldg. Kitahama 01	Kitahama MID Bldg.	
JMF-Bldg. Osaka Fukushima 01	Osaka YM Bldg.	
JMF-Bldg. Higobashi 01	Higobashi MID Bldg.	
JMF-Bldg. Imabashi 01	MID Imabashi Bldg.	
JMF-Bldg. Nishi Hommachi 01	MID Nishihommachi Bldg.	
JMF-Bldg. Sendai 01	Sendai Capital Tower	
OMO3 Tokyo Akasaka	Hotel Vista Premio Tokyo	October 13, 2021

Operating results of each property for the six months ended February 28, 2021 and August 31, 2021 were as follows:

No.	Name of property	For the six months ended February 28, 2021				For the six months ended August 31, 2021			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
10001	Abiko Shopping Plaza	55	99.9	616	2.1	53	99.8	608	1.6
10002	G-Bldg. Minami Aoyama 02	4	100.0	88	0.3	4	100.0	95	0.3
10003	Ito-Yokado Yabashira	1	100.0	78	0.3	1	100.0	78	0.2
10004	G-Bldg. Daikanyama 01	1	100.0	39	0.1	1	100.0	39	0.1
10005	GYRE	15	100.0	589	2.0	15	100.0	596	1.6
10006	Ito-Yokado Tsunashima	1	100.0	168	0.6	1	100.0	168	0.4
10007	Bic Camera Tachikawa	2	100.0	628	2.1	2	100.0	627	1.7
10008	AEON Itabashi Shopping Center	1	100.0	676	2.3	1	100.0	705	1.9
10009	G-Bldg. Kita Aoyama 01	2	100.0	34	0.1	2	100.0	34	0.1
10010	AEON MALL Yamato (Note 3)	1	100.0	426	1.4	-	-	45	0.1
10011	SEIYU Hibarigaoka	1	100.0	249	0.8	1	100.0	249	0.7
10012	JMF-Bldg. Jiyugaoka 01	4	100.0	76	0.3	4	100.0	98	0.3
10013	Cheers Ginza	7	69.1	75	0.3	8	79.4	90	0.2
10014	Higashi-Totsuka Aurora City	5	100.0	1,258	4.3	5	100.0	1,259	3.3
10015	Ito-Yokado Yotsukaido (Note 4)	2	100.0	298	1.0	-	-	266	0.7
10016	G-Bldg. Jingumae 06	4	100.0	53	0.2	4	100.0	53	0.1
10017	G-Bldg. Jingumae 01	2	100.0	82	0.3	2	100.0	82	0.2
10018	G-Bldg. Jingumae 02	3	100.0	32	0.1	3	100.0	32	0.1
10019	G-Bldg. Minami Aoyama 01	3	100.0	168	0.6	3	100.0	168	0.4
10020	AEON MALL Musashi Murayama	1	100.0	919	3.1	1	100.0	920	2.4
10021	La Porte Aoyama (Note 5)	23	96.2	233	0.8	24	100.0	245	0.6
10022	G-Bldg. Shinjuku 01	1	100.0	166	0.6	1	100.0	169	0.4
10023	JMF-Bldg. Jingumae 01	8	100.0	82	0.3	8	100.0	82	0.2
10024	G-Bldg. Minami-Ikebukuro 01 (Note 5)	8	100.0	249	0.8	8	100.0	247	0.7
10025	Makuhari Plaza	5	100.0	208	0.7	5	100.0	211	0.6
10026	Urban Terrace Jingumae	2	100.0	103	0.3	2	100.0	103	0.3
10027	Round1 Machida	1	100.0	90	0.3	1	100.0	90	0.2
10028	Round1 Stadium Itabashi	1	100.0	95	0.3	1	100.0	95	0.3
10029	Arkangel Daikanyama (Land with leasehold interest)	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10030	G-Bldg. Omotesando 01	1	100.0	135	0.5	1	100.0	131	0.3
10031	Round1 Yokohama Station West	1	100.0	114	0.4	1	100.0	114	0.3
10032	G-Bldg. Sangenjaya 01	3	100.0	172	0.6	3	100.0	171	0.5
10033	G-Bldg. Ginza 01	6	100.0	183	0.6	6	100.0	199	0.5
10034	Sunmit Store Nakano Minamidai	1	100.0	84	0.3	1	100.0	84	0.2
10035	Colline Bajikouen	10	100.0	139	0.5	9	90.2	125	0.3

No.	Name of property	For the six months ended February 28, 2021				For the six months ended August 31, 2021			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
10036	KAWASAKI Le FRONT	67	100.0	1,809	6.2	66	99.1	1,820	4.8
10037	JMF-Bldg. Shibuya 01	2	100.0	64	0.2	2	100.0	74	0.2
10038	G-Bldg. Omotesando 02	6	100.0	380	1.3	6	100.0	382	1.0
10039	G-Bldg. Kichijoji 01	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10040	CUTE CUBE HARAJUKU	9	86.1	195	0.7	10	100.0	187	0.5
10041	G-Bldg. Ueno 01	1	100.0	76	0.3	1	100.0	76	0.2
10042	JMF-Bldg. Takadanobaba 01	13	100.0	162	0.6	14	100.0	163	0.4
10043	G-Bldg. Akihabara 01	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10044	G-Bldg. Akihabara 02	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10045	G-Bldg. Kichijoji 02	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10046	JMF-Bldg. Ginza Chuo-Dori 01	8	86.3	231	0.8	10	100.0	199	0.5
10047	MARINE & WALK YOKOHAMA	24	95.2	409	1.4	26	100.0	379	1.0
10048	G-Bldg. Jingumae 07	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10049	G-Bldg. Minami Aoyama 03 (Note 5)	6	87.3	147	0.5	6	87.3	158	0.4
10050	JMF-Bldg. Jingumae 02	3	100.0	53	0.2	3	100.0	53	0.1
10051	Round1 Stadium Kawasaki Daishi	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10052	m-city Kashiwa	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
10053	G-Bldg. Jingumae 09	7	100.0	97	0.3	6	90.2	106	0.3
10054	Machinoma Omori	33	93.7	362	1.2	35	100.0	365	1.0
10055	JMF-Bldg. Daikanyama 01	5	47.0	58	0.2	6	61.3	47	0.1
10056	AEON MALL Tsudanuma	-	-	-	-	1	100.0	726	1.9
10057	JMF-Bldg. Yokohama Bashamichi 01 (Note 5)	-	-	-	-	7	100.0	688	1.8
10058	JMF-Bldg. Kawasaki 01 (Note 5)	-	-	-	-	11	95.6	729	1.9
10059	JMF-Bldg. Shibuya 02 (Note 5)	-	-	-	-	3	89.9	345	0.9
10060	JMF-Bldg. Shibuya 03 (Note 5)	-	-	-	-	8	61.4	289	0.8
10061	JMF-Bldg. Toyokocho 01 (Note 5)	-	-	-	-	10	100.0	344	0.9
10062	OMO3 Tokyo Akasaka (Note 5)	-	-	-	-	2	100.0	(Note 6)	(Note 6)
10063	JMF-Bldg. Nihombashi Hamacho 01 (Note 5)	-	-	-	-	1	100.0	(Note 6)	(Note 6)
10064	JMF-Bldg. Toyokocho 02 (Note 5)	-	-	-	-	15	74.3	335	0.9
10065	JMF-Bldg. Sasazuka 01 (Note 5)	-	-	-	-	12	100.0	283	0.7
10066	JMF-Bldg. Ueno 01 (Note 5)	-	-	-	-	7	100.0	(Note 6)	(Note 6)
10067	JMF-Bldg. Yokohama 01 (Note 5)	-	-	-	-	47	94.5	366	1.0
10068	JMF-Bldg. Akasaka 01 (Note 5)	-	-	-	-	10	88.7	99	0.3
10069	JMF-Bldg. Kanda01 (Note 5)	-	-	-	-	8	100.0	114	0.3
10070	JMF-Bldg. Edogawabashi 01 (Note 5)	-	-	-	-	4	86.1	43	0.1
10071	JMF-Bldg. Higashi Nihombashi 01 (Note 5)	-	-	-	-	9	100.0	93	0.2

No.	Name of property	For the six months ended February 28, 2021				For the six months ended August 31, 2021			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
10072	JMF-Bldg. Ichigaya 01 (Notes 7 and 10)	-	-	-	-	27	81.3	298	0.8
20001	AEON Takatsuki (Note 8)	1	100.0	400	1.4	-	-	18	0.0
20002	Kyoto Family	62	99.9	550	1.9	62	98.6	542	1.4
20003	Kawaramachi OPA	1	100.0	335	1.1	1	100.0	335	0.9
20004	AEON MALL Tsurumi Ryokuchi	1	100.0	891	3.0	1	100.0	891	2.3
20005	AEON MALL Itami	1	100.0	585	2.0	1	100.0	585	1.5
20006	Ario Otori	1	100.0	549	1.9	1	100.0	549	1.4
20007	AEON MALL Kobe Kita	1	100.0	400	1.4	1	100.0	410	1.1
20008	LIFE Kishibe (Land with leasehold interest)	1	100.0	68	0.2	1	100.0	68	0.2
20009	LIFE Shimodera (Land with leasehold interest)	1	100.0	56	0.2	1	100.0	56	0.2
20010	LIFE Taiheiji (Land with leasehold interest)	1	100.0	48	0.2	1	100.0	48	0.1
20011	G-Bldg. Shinsaibashi 01	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
20012	Round1 Stadium Sennichimae (Land with leasehold interest)	1	100.0	240	0.8	1	100.0	240	0.6
20013	G-Bldg. Shinsaibashi 02	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
20014	Izumisano Shofudai (Land with leasehold interest)	2	100.0	(Note 6)	(Note 6)	2	100.0	(Note 6)	(Note 6)
20015	Round1 Stadium Sakai Chuo Kanjyo	1	100.0	82	0.3	1	100.0	82	0.2
20016	pivo Izumi Chuo	17	100.0	(Note 6)	(Note 6)	17	100.0	(Note 6)	(Note 6)
20017	KAMISHIN PLAZA	38	99.3	289	1.0	39	100.0	289	0.8
20018	Round1 Kyoto Kawaramachi	1	100.0	104	0.4	1	100.0	104	0.3
20019	G-Bldg. Shinsaibashi 03	4	100.0	(Note 6)	(Note 6)	4	100.0	(Note 6)	(Note 6)
20020	Round1 Stadium Takatsuki	1	100.0	91	0.3	1	100.0	91	0.2
20021	m-city Toyonaka	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
20022	EDION Kyobashi (Land with leasehold interest)	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
20023	JMF-Bldg. Abeno 01	10	100.0	150	0.5	10	100.0	157	0.4
20024	G-Bldg. Umeda 01	11	90.2	241	0.8	12	100.0	208	0.5
20025	G-Bldg. Shinsaibashi 04	5	100.0	80	0.3	5	100.0	81	0.2
20026	JMF-Bldg. Kyoto Kawaramachi 01	4	100.0	47	0.2	4	100.0	57	0.2
20027	G-Bldg. Midosuji 01	1	24.4	(Note 6)	(Note 6)	1	24.4	(Note 6)	(Note 6)
20028	G-Bldg. Kobe Sannomiya 01	5	100.0	(Note 6)	(Note 6)	5	100.0	(Note 6)	(Note 6)
20029	Round1 Sannomiya Station	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
20030	G-Bldg. Midosuji 02	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
20031	Twin 21 (Note 5)	-	-	-	-	106	96.8	2,354	6.2
20032	JMF-Bldg. Kitahama 01 (Note 5)	-	-	-	-	10	100.0	339	0.9
20033	JMF-Bldg. Osaka Fukushima 01 (Note 5)	-	-	-	-	25	90.8	250	0.7
20034	JMF-Bldg. Higobashi 01 (Note 5)	-	-	-	-	12	100.0	135	0.4
20035	Konami Sports Club Kyobashi (Note 5)	-	-	-	-	1	100.0	(Note 6)	(Note 6)

No.	Name of property	For the six months ended February 28, 2021				For the six months ended August 31, 2021			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
20036	JMF-Bldg. Imabashi 01 (Note 5)	-	-	-	-	19	93.9	103	0.3
20037	JMF-Bldg. Nishi Hommachi 01 (Note 5)	-	-	-	-	18	91.5	123	0.3
20038	G-Bldg. Shinsaibashi 05 (Note 9)	-	-	-	-	1	100.0	(Note 6)	(Note 6)
30001	AEON Yagoto	1	100.0	124	0.4	1	100.0	127	0.3
30002	mozo wonder city (Note 10)	212	99.0	3,101	10.5	217	99.8	3,016	7.9
30003	G-Bldg. Nagoya Sakae 01	1	24.8	(Note 6)	(Note 6)	1	24.8	(Note 6)	(Note 6)
30004	Valor Kachigawa (Land with leasehold interest)	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
90001	Nara Family (Note 10)	111	98.9	1,810	6.2	109	99.1	1,744	4.6
90002	AEON MALL Sapporo Naebo	1	100.0	367	1.2	1	100.0	375	1.0
90003	AEON Naha Shopping Center	1	100.0	369	1.3	1	100.0	377	1.0
90004	Oyama Yuen Harvest Walk (Note 5)	67	99.2	761	2.6	68	99.4	768	2.0
90005	AEON MALL Sapporo Hassanu	1	100.0	570	1.9	1	100.0	583	1.5
90006	MrMax Nagasaki	2	100.0	(Note 6)	(Note 6)	2	100.0	(Note 6)	(Note 6)
90007	Kaden sumairu kan YAMADA Fukuoka Shime Honten	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
90008	Round1 Hiroshima	1	100.0	119	0.4	1	100.0	119	0.3
90009	DFS T GALLERIA OKINAWA	1	100.0	497	1.7	1	100.0	518	1.4
90010	G-Bldg. Sendai Ichibancho 01	1	100.0	100	0.3	1	100.0	96	0.3
90011	G-Bldg. Naha-shintoshin 01	2	100.0	(Note 6)	(Note 6)	2	100.0	(Note 6)	(Note 6)
90012	G-Bldg. Tenjin Nishi-dori 01 (Note 5)	7	88.8	111	0.4	7	88.9	108	0.3
90013	G-Bldg. Tenjin Nishi-dori 02	1	100.0	(Note 6)	(Note 6)	1	100.0	(Note 6)	(Note 6)
90014	JMF-Bldg. Sendai 01 (Note 5)	-	-	-	-	83	95.9	291	0.8
90015	Dormy Inn Hakata Gion (Note 5)	-	-	-	-	2	100.0	(Note 6)	(Note 6)
Total		968	99.6	29,392	100.0	1,435	99.1	38,022	100.0

Note 1 “Number of tenants” is based upon the numbers of the lease agreements of the building or land with leasehold interest of each such property used as stores, offices, etc.

Note 2 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rent revenue to total rent revenues” are calculated by rounding to the nearest first decimal place.

Note 3 JMF sold 50% quasi-co-ownership interest of the property on December 21, 2020 and remaining 50% on March 30, 2021.

Note 4 JMF sold the property on August 12, 2021.

Note 5 “Number of tenants” and “Occupancy ratio” for a pass-through master leased property are presented on an end-tenant basis.

Note 6 Rent revenue of the property is not disclosed because the consent from the tenant has not been obtained.

Note 7 JMF acquired the property on April 30, 2021.

Note 8 JMF sold the property on March 10, 2021.

Note 9 JMF acquired the property on April 30, 2021.

Note 10 “Number of tenants” and “Occupancy ratio” for the properties which are leased partially in the form of a pass-through master lease are presented on an end-tenant basis.

(3) Capital expenditures for property

1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of August 31, 2021 was as below. The amounts of estimated cost shown in the below table are including expenses which will be charged to income.

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended August 31, 2021	Total of advanced payment
For the six months ending February 28, 2022 (the 40th fiscal period from September 1, 2021 to February 28, 2022)						
AEON MALL Tsudanuma	Narashino-shi, Chiba	Installment of fire shutter equipment	October, 2021 to February, 2022	261	-	-
JMF-Bldg. Toyochō 02	Koto-ku, Tokyo	Construction of PAC at energy building	November, 2021 to February, 2022	102	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	September, 2021 to February, 2022	101	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of central monitoring equipment	October, 2021 to February, 2022	88	-	-
mozo wonder city	Nishi-ku, Nagoya-shi, Aichi	Installation of digital signages	August, 2021 to September, 2021	79	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system	September, 2021 to February, 2022	75	-	-
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of AHU	April, 2021 to December, 2021	73	-	-
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system	November, 2021 to February, 2022	66	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system at standard floor	September, 2021 to February, 2022	65	-	-
Abiko Shopping Plaza	Abiko-shi, Chiba	Refresh construction	October, 2021	63	3	5
GYRE	Shibuya-ku, Tokyo	Repair of outer wall	September, 2021 to February, 2022	61	-	-
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Exchange of storage battery charger	February, 2022	52	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of disaster prevention equipment	October, 2021	50	-	-

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended August 31, 2021	Total of advanced payment
For the six months ending August 31, 2022 (the 41st fiscal period from March 1, 2022 to August 31, 2022)						
mozo wonder city	Nishi-ku, Nagoya-shi, Aichi	Renewal construction	February, 2022 to July, 2022	540	4	11
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Renewal of PAC air conditioner	April, 2022 to May, 2022	122	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	December, 2021 to August, 2022	118	-	-
JMF-Bldg. Toyochō 01	Koto-ku, Tokyo	Repair of outer wall	January, 2022 to July, 2022	115	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system	April, 2022 to August, 2022	113	-	-
JMF-Bldg. Toyochō 02	Koto-ku, Tokyo	Renewal of drain	February, 2022 to August, 2022	95	-	-
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of package air conditioner	March, 2022	91	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system at standard floor	March, 2022 to August, 2022	84	-	-
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system	May, 2022 to June, 2022	80	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of automatic fire information alarm facilities	April, 2022 to August, 2022	68	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of guide light	April, 2022 to July, 2022	66	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of escalator (5th / 7th plan)	April, 2022 to July, 2022	63	-	-
JMF-Bldg. Yokohama Bashamichi 01	Naka-ku, Yokohama-shi, Kanagawa	LED lighting equipment at common area	April, 2022 to August, 2022	63	-	-
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Renewal of escalator at main building (1st period / 4 periods)	July, 2022	62	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of central monitoring equipment	March, 2022 to August, 2022	61	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of disaster prevention equipment	April, 2022 to May, 2022	58	-	-
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of AHU	September, 2021 to April, 2022	58	-	-
G-Bldg. Midosuji 01	Chuo-ku, Osaka-shi, Osaka	Conversion construction to office use	November, 2021 to August, 2022	56	-	-
Higashi-Totsuka Aurora City	Totsuka-ku, Yokohama-shi, Kanagawa	Renewal of PMAC at Seibu-building	April, 2022 to June, 2022	51	-	-
Kawaramachi OPA	Nakagyo-ku, Kyoto-shi, Kyoto	Repair of outer wall (1st period / 3 periods)	April, 2022 to June, 2022	50	-	-

2. Capital expenditures for the six months ended August 31, 2021

Maintenance expenditures on property for the six months ended August 31, 2021 were totaling to ¥3,670 million consisting of ¥2,785 million of capital expenditures stated as below and ¥884 million of repair and maintenance expenses charged to income.

(Millions of yen)

Name of property	Location	Purpose	Term for construction or maintenance	Capital expenditures
JMF-Bldg. Toyochi 02	Koto-ku, Tokyo	Renewal of UPS equipment	February, 2020 to June, 2021	357
G-Bldg. Midosuji 01	Chuo-ku, Osaka-shi, Osaka	Installment of common area	April, 2021 to August, 2021	174
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	December, 2020 to July, 2021	132
Investment Corporation		Developed of "mozo plus" / "Le FRONT plus"	January, 2021 to August, 2021	105
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system	April, 2021 to August, 2021	99
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of package air conditioner	April, 2021 to June, 2021	91
AEON MALL Itami	Itami-shi, Hyogo	Renewal of disaster prevention equipment	July, 2021 to August, 2021	90
JMF-Bldg. Yokohama Bashamichi 01	Naka-ku, Yokohama-shi, Kanagawa	LED lighting equipment at common area at high building	May, 2021 to August, 2021	79
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Exchange of storage battery charger	July, 2021 to August, 2021	50
Other	-	-	-	1,603
Total				2,785